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The EU gets set to increase its Paris Climate pledge.

It must and others can follow suit.

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On June 19, European Parliament and Council made a number of decisions that are a boost to the Paris Climate Agreement and the global fight against climate change. The release of a common statement by fourteen EU countries on the need for EU to demonstrate climate leadership, just a week later, is another step in the right direction. But now others must follow.

What was agreed?

In the context of a so-called “trilogue” negotiations between the European Commission, the European Council and the European Parliament, the EU [agreed](#) on the final text of three important pieces of law that are critical to helping the EU implement the Paris Agreement. The three pieces of legislation were:

- a revision of its Energy Efficiency Directive;
- a revision of its Renewable Energy Directive;
- a new Governance Regulation for a European Energy Union.

Several highlights stand out in what was agreed. First, EU leaders decided to raise the EU’s current minimum 2030 targets for renewable energy deployment and energy efficiency from 30% to 32% and 32.5% respectively. Since roughly 80% of EU GHG emissions come from energy use, this effectively means that if you add up the reductions in emissions stemming from these measures, then the EU will be automatically aiming to reduce its greenhouse gas emissions by -45% in 2030 (compared to 1990 levels). This is 5 percentage points more ambitious than the EU’s “Nationally Determined Contribution” (NDC) of -40%, which was submitted prior the Paris Climate Conference in 2015. It now remains for the EU to officially adopt this arithmetic in a political decision to revise its NDC. To this end, 14 EU countries issued a [joint declaration](#) on June 25 calling on the EU to do this by 2020.

Second, the trilogue agreed on a number of specific measures that will help with implementation of these targets throughout the Union. These include: obligations to increase the share of renewable energy used for heating, new rules to promote small scale renewable power, obligations to increase the share of alternative transport fuels (which will be a boost for electric vehicles based on renewable electricity), and an extension of annual energy savings obligations for energy suppliers throughout the EU.

Third, the EU’s institutions also introduced some critical measures in the Governance Regulation that will help to strengthen the link between the long-term goals of the Paris Agreement and the quality of climate policy implementation in Europe. For instance, it will require all Member States to develop an integrated 2030 national energy and climate plan (NECP). This is intended to ensure that climate policy is no longer disconnected from energy policy.

The “GovReg” will also require each Member State not only to develop 2050 decarbonization strategies but also to take these into account when developing their NECPs to 2030, which will be finalized at the same time. Furthermore, Member States will need to update their NECPs and 2050 strategies every 5 years, based on a timeline that is slightly ahead of the Paris agreement’s 5 yearly ambition cycles for updating NDCs. Crucially, this will help the EU to have an internal discussion with Member States in order to identify ways to raise ambition beyond its current NDC every 5 years.

Last but not least, the EU also effectively agreed that “net zero emissions as soon as possible” is now the long-term goal for climate mitigation, rather than the -80% level in 2050 that was contained in its NDC submitted ahead of Paris.

What does it mean?

All this is good news for the EU. By putting its own internal policies into line with the Paris Agreement, it makes it easier for the EU to keep pace with other large economies, such as China, in the field of clean energy innovation.

More importantly, by raising its 2030 and 2050 ambition, the EU is essentially staying in line with the process and logic of ambition embedded in the Paris Agreement. Under Paris, Parties are expected to review their contribution upwards every five years in order to gradually get back on an emission pathway allowing to keep the temperature increase well below 2°C. With the first of these moments coming up in 2020, this provides an important opportunity now to reinforce the momentum of Paris Agreement and to isolate the US following its withdrawal. With Trump's election, there were fears that the momentum towards a 2020 revision would be lost and pushed back to 2025. Six months ago, the European Commission and Member States remained prudent, and few people had expected this trilogue process to deliver that fast. Nevertheless, everyone understands that without developed world leadership, developing countries in turn would be reluctant to raise their ambition unilaterally.

However, if the EU can now signal to other major economies that it will translate its new 2030 and mid-century targets into a revised NDC by 2020, it can call on others to do likewise.

What else needs to be done?

What is critical now is that the EU formalize its 2020 NDC revision quickly. Then, other OECD and major emerging economies, such as China and India, following the EU's lead also raise their 2030 ambition by 2020. The reasons the EU raised its ambition are the same reason that other countries can go further: clean energy is becoming cheaper than ever, burning fossil fuels is bad for health and energy security, while technological solutions to go beyond coal, oil and gas are emerging more quickly than expected. Even social and political challenges such as coal transitions are now coming to be seen as manageable, if anticipated and managed actively.

Of course, EU domestic climate policy is still far from perfect. The emerging EU policy framework for 2030 still ignores key aspects of the transition such as decarbonizing energy intensive industries and agriculture, and how to tackle cross-border transport issues like freight decarbonization. Even the EU's new 2030 target of -45% is not strictly consistent with aiming for net zero emissions by 2050, because to achieve this, the EU ultimately needs structural changes across all key emitting sectors—not just a more ambitious emissions target for 2030.

The EU will therefore need to revisit its ambition again in the early 2020s. The European Commission's upcoming mid-century GHG reduction strategy—to be released in November this year—must squarely address these questions. It must also ensure that Member States own visions of how to decarbonize are adequately represented via a dialogue between Brussels and national capitals on their respective visions.

In the meantime, Member States also need to do more domestically to implement the EU's new requirements. Since EU's targets remain insufficient to achieve carbon neutrality by 2050, the more ambitious Member States need to go beyond the EU's existing goals. Perhaps most importantly, they need to keep improving their domestic policies and governance instruments to ensure deep transformational change to achieve net zero emissions in 2050. Doing this will put pressure on others to follow.

In their common statement on the long-term strategy and the climate ambition of the EU, the fourteen EU Member States¹ call precisely for the following: involving Member States and stakeholders in the elaboration of the long-term climate strategy, revising the current EU GHG emission reduction target, and designing European sector-specific policies beyond the current EU Climate and Energy Framework. This internal push to fill the gaps in the current EU climate policy framework is encouraging, but needs follow through.

Yes, the US is on the sidelines at least until 2020; but the momentum to raise climate ambition is slowly building up. A group of 23 countries under the leadership of the Marshall Islands—including 8 EU member states—signed a “[declaration for ambition](#)” last week calling governments to further their climate ambition before 2020. Other Parties can and must now follow in the EU’s steps.

¹ Belgium, Denmark, Estonia, Finland, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, Sweden, United Kingdom

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