

# Climate change:

## the European Union towards COP21 and beyond

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### The challenge

To achieve the global goal of zero emissions by 2070, all economies must commit to decarbonisation to limit anthropogenic climate change. In addition to acting internally, the European Union (EU) must support developing countries with mitigation and adaptation. Developing countries – especially the most vulnerable – need a robust deal at the 21st Conference of the Parties (COP21) in Paris, as well as an ambitious action plan to ramp up action afterwards.

The Paris Agreement is close to completion, and the EU has made what it considers a fair offer in terms of global pledges to reduce greenhouse gas emissions. In Paris, the EU can help finalise the deal by offering more in the key negotiating fora, especially on adaptation support and finance.

However, the real work will begin after Paris. Internally, the EU needs to look beyond 2030 and focus on sustainability issues up to 2050. Externally, the EU and its Member States need to build on existing initiatives (such as the Global Climate Change Alliance (GCCA+)) and mainstream climate compatible development across all programmes. They should declare these intentions in Paris.

The alternative will be disorder on a global scale. This is why climate change and energy

have become central issues in foreign and security policy. It will also be key in the EU Global Strategy on Foreign and Security Policy.

### The solution

*i) Help secure a dynamic and legally binding Paris Agreement, with an ambitious long-term mitigation goal, and adaptation as a strong and visible complementary priority*

The EU should take the lead in Paris and in the post-Paris phase calling on all Parties to engage collectively in the development of deep decarbonisation strategies. These should be prepared on a sector by sector basis and be designed to reduce global greenhouse gas emissions by 2050 by at least 60% compared with 2010, and with a view to achieving carbon neutrality by 2070.

The Paris Agreement must be balanced, durable, dynamic and transparent. To achieve this, it will provide for a review process to take stock of progress made towards reaching the long-term global goals, to increase ambition over time, and to prevent backsliding. In addition, an independent five-year monitoring and review process on the Intended Nationally Determined Contributions (INDCs) should be instituted, to begin as soon as possible.

Developing countries view support to adaptation as essential. As such, the EU should give adaptation the same priority and urgency in the Paris Agreement as it does mitigation. The Agreement should also explicitly acknowledge loss and damage, or in a designated COP Decision to underpin continuing negotiations.

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To be a credible frontrunner, the EU must provide a coordinated and ambitious contribution of annual public climate finance to the \$100 billion political target. It should ensure that commitments made at COP21 are complementary to the Addis Ababa agreements on financing for sustainable development, with a focus on scaling up low-carbon innovation, technology and knowledge for climate adaptation, with a particular focus on the most vulnerable countries.

The EU needs to ensure that climate finance will not substitute development finance. For instance, green bonds from development banks may merely replace traditional bond issues, which could be seen as greenwashing.

Climate finance should abide by the principles underpinning the development effectiveness agenda, notably country ownership, use of country systems, and donor coordination. Climate finance measuring, reporting and verification (MRV) should be transparent, with developing countries having their say about appropriate standards and criteria. The EU should propose regular needs assessments in terms of climate finance, as well as a regular review of its (public) climate finance in the context of the emergent international climate finance architecture.

*ii) Increasing European levels of ambition and ensuring consistency between the EU's 2030 and 2050 climate goals*

International pledges for Paris are not enough to limit global warming to a maximum of 2°C and will need significant upgrading in the first review period. The EU should be open to raising the ambition of its 2030 emissions target, making it more consistent with a deep decarbonisation pathway toward 2°C. A 55 to 60% reduction target by the mid-2030s would be desirable.

**National plans should address different levels of commitment, rights of review by the Commission, and specific reporting obligations attached to each.**

Member States' nationally determined strategies need to be consistent with the EU's overarching climate and energy goals – both to 2030 and 2050 – and their progress must be monitored effectively. This

requires a more nuanced approach to governing EU climate policy than the two extremes currently being debated: a set of top-down, legally binding targets for all aspects of the Energy Union, or a harmonised but ultimately weak planning and reporting instrument with no buy-in or commitment from Member States.

Instead, we propose a differentiated approach to the new climate and energy planning and reporting framework that the European Commission has proposed to govern the 2030 Framework and Energy Union Package. Specifically, national plans should address different levels of commitment, rights of review by the Commission, and specific reporting obligations attached to each. This would entail:

- a) a high-level Energy Union strategy to implement core EU goals with a high-level of commitment and intensive review;
- b) detailed policies and measures to warrant transparency, coordination and policy evaluation; and
- c) specific sector by sector, 2050 decarbonisation strategies that could be non-binding, yet guiding the implementation of (a) and (b).

The experience of the 2020 Climate and Energy Package proved that a combination of high-level targets (e.g. for greenhouse gases, renewables and energy efficiency) and EU-minimum standards, measures and implementation guidelines stipulated in sector-specific legislation, can be very effective. This can be consistent with subsidiarity and recognition of different national circumstances, as demonstrated by the Energy Efficiency Directive.

The EU also needs to improve the predictability and stability of the regulatory environment to create incentives for private investors, especially regarding low carbon innovation and commercialisation of corresponding technologies. The development of technologies

needed for decarbonisation by 2050 are happening too slowly, including energy storage, electric vehicle deployment, low carbon cement alternatives, second generation biofuels, and carbon capture, use and storage (CCS). A carbon price alone is not enough to drive complex policy coordination and to mitigate the risks the private sector bears in bringing these technologies to market. A bolder approach to the use of EU funds in accelerating the rollout of critically important technologies is thus advisable.

*iii) Supporting a comprehensive, collaborative, catalytic and accountable framework for non-state and subnational climate actions*

The EU should promote the development of a comprehensive framework for non-state and subnational actions that catalyses mitigation and adaptation contributions. This could improve the transparency of these actions, facilitate knowledge exchange and inspire governments to increase their ambitions. Anchoring text in the Paris Agreement that recognises the role of non-Party stakeholders in the pre-2020 ambition and beyond, and which provides for a facilitative role of the United Nations Framework Convention on Climate Change (UNFCCC) (in e.g. technical examination processes) could accelerate the development of such a framework. A coalition of 'friends of the action agenda', including the current, past and future COP presidencies, with the EU, Alliance of Small Island States (AOSIS), Independent Association of Latin America and the Caribbean (AILAC) and perhaps the United States (US), could support its development, both politically and financially.

The EU should encourage robust and credible climate actions by recognising, encouraging and mobilising SMART climate actions that are:

- **s**pecific (i.e. including explicit targets and responsibilities)
- **m**easurable
- **a**mbitious and additional
- **a**dequately resourced, and
- **t**ime bound, including short-term timeframes for specific achievements and broader long-term aspirations.

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## Making it happen

With regard to developing countries, the following will be essential:

- 1 Ensuring that climate change issues are fully reflected in the forthcoming Global Strategy on Foreign Policy and Security Issues.
- 2 Making climate compatible with development and central to the preparation of the new European Consensus on Development, planned for 2016.
- 3 Building on the launch of the EU's Global Climate Change Alliance+, especially by means of additional voluntary contributions from EU Member States.
- 4 Reviewing all regional and country programmes supported by the European Development Fund (EDF), the Development Cooperation Instrument (DCI) and other instruments, in order to maximise the potential for climate compatible development. This should be done in time to make significant reallocations during the mid-term review in 2017.
- 5 Ensuring that close links are established between the European Parliament's Development Committee and other relevant committees, including Energy, Environment and Foreign Affairs. The appointment of a Special Rapporteur on climate compatible development could be considered.
- 6 Building stronger alliances on climate compatible development with groups of developing countries, most notably the African, Caribbean, and Pacific Group of States (ACP),

but also the regional groupings and bodies like the Climate Vulnerable Forum and the Least Developed Countries (LDC) Group. The Commission should ensure that climate change features prominently on the agenda of all regional summits, such as the Asia-Europe-meeting (ASEM).

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