FLASH

Monthly newsletter for members

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POLICY UPDATES

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1. UNFCCC: and the Paris Agreement is adopted!

By Ulriikka Aarnio

Historic. End for the fossil fuels era. Powerful signal. **Change to save the world.** These are the media headlines followed by the conclusion of the Paris Summit.

It is never enough or all we wanted, but well beyond our expectations, and somewhere close to the upper limit of what the UNFCCC could at this point deliver. **Over the last few days of the COP we saw an unusual upward spiral in ambition**. That tells not only about the praised French diplomatic and technical skills, but also about the increased global political will to tackle climate change.

All the work is still ahead of us, but the ambitious targets, increased transparency, and revision mechanism of the Paris Agreement give us **plenty of new strong tools to continue the fight with**. In these last few days we have already witnessed a big drop in the value of coal companies market shares. Onwards!

First thoughts on what are the **implications to the EU of the mitigation elements in the Paris Agreement**:

- The Paris Agreement strengthens the global warming temperature limit from 2°C towards 1.5°C. As countries now need to pursue efforts to limit the temperature increase to 1.5°C this requires countries, including the EU, **to re-evaluate their climate and energy policies in the light of the strengthened target.**
- The Agreement also includes a global goal of zero net emissions during the 2nd half of the century. The timing to reach zero emissions needs to be considered in the context of global carbon budget compatible with well below 2 and 1.5 degrees, and it needs to be faster for countries with greater responsibility and capacity, these include the EU. This **requires rapid decline from the current emission level towards full decarbonisation globally latest by 2050**. In the EU, this transition towards 100% renewable energy must be even earlier.
- The COP Decision notes that countries' current commitments are inadequate for the global temperature to stay below 1.5 or 2 degrees, and therefore greater efforts than INDCs indicated need to be pursued. Governments have agreed to **come together to take stock of the collective efforts in 2018, and submit improved targets latest by 2020**. This is important because now that governments start implementing the policies also for the period after 2020, it is clear that the original INDCs are not adequate, and countries will need to adopt policies with much higher level of ambition than what was initially indicated in the INDC.

2. Late night chats about climate finance in Paris

By Maeve McLynn

What's the situation?

Adopted late on Saturday December 12th, the Paris Agreement has paved the way for more collective efforts to tackle climate change. Smack in the middle of the Agreement (Article 9 to be exact) is the section on finance. As always, the topic of finance took negotiators late into the night discussing the provision and scale of climate finance as well as *who* provides. **The final compromise is a lackluster commitment that climate finance will continue to be provided to developing countries post-2020**; *"Developed country Parties shall provide financial resources to assist developing country Parties…".* (Art 9, para 1)
Phrases and expressions such as "expanding the pool of donors", "countries in a position to do so", and even "countries willing to do so" caused too much concern among many developing countries. As a result, the compromise is that other countries, not specified, are *"encouraged"* to join efforts but they will not be *required* to do so. (Art 9, para 2)
The EU would have preferred stronger language in regard to this but the resistance from many G77 countries meant that the obligation to provide climate finance after 2020 does not extend to emerging economies. That of course does not mean that other countries will not provide climate finance; we must take note of China's commitment to provide over $3 billion while developing countries are already spending substantial domestic resources on mitigation and adaptation efforts at home.

So what about CAN's demands, and have they been met?

1. **Setting collective quantified targets for provision of public financial support, every five years with separate targets for adaptation**
   This was brought close to the finishing line and then weakened at the last hurdle; bumped from the Agreement to the Decision, it is now a collective goal before 2025 as opposed to a number of collective goals for a longer duration.

2. **Annual reporting of progress and announcing/pledging levels for next three years**
   This is not clearly indicated though finance will feature in the global stock take, which has been scheduled to take place in 2023 (Art 14, para 2).

3. **Process to enable developing countries identify their support requirements**
   Though the Agreement does not go as far to suggest a process, the section on mitigation stipulates that *"support shall be provided to developing country Parties for the implementation"* of mitigation commitments.

4. **Establishing sources of innovative financing**
   Disappointingly, this was dropped from the Decision text at the last moment too. One small hook that NGOs could grasp exists in pre-2020 efforts (Art 116 of the Decision); *"identify relevant opportunities to enhance the provision of financial resources… enhance the provision and mobilization of support and enabling environments".*
   Despite the various ways in which governments can increase public climate finance, the political will to follow it through is falling short of what is needed. EU Member States should capitalize on the progress made in discussions around the Financial Transaction Tax and the EU Emissions Trading Scheme.

5. **Ensuring at least 50% of public climate finance allocated to adaptation**
   The Paris Agreement didn't effectively address the growing needs to support adaptation more concretely in future years. In Paris we saw a number of donor countries show solidarity with vulnerable countries through financial pledges for climate adaptation - Germany and US to note in particular. But a specific target of 50% of public finance for supporting adaptation in the near and long-term didn't reach the text.

6. **Shifting financial flows and phasing down support for high-carbon investments**
   The purpose the Paris Agreement (Art 2) importantly highlights that financial flows will need to work for climate action and no longer against it. This intention could have been more clearly spelled out in the Finance section of the Agreement but it faced substantial resistance from numerous Parties. However, the purpose sets out to ensure that countries and communities can develop without relying on high emission energy and infrastructure, and also strengthening government policies to take money out of dirty energy and into zero-carbon energies: *"Making finance flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development."*

What happens next month?

We take a little breather and **re-group in January to push the EU on ways to clarify and strengthen its climate finance** support to developing countries.
A collective effort around the EU's overall climate ambition will be made towards the European Council in March and a reference to climate finance will be important.

3. Energy savings and Energy Union

By Dora Petroula

What happened recently?

On 18 November, the **European Commission published its first 'State of the Energy Union' report**. The report is a summary of what has happened the last 9 months with the Energy Union, mainly initiatives that have been taken by the European Commission. It also includes the way forward, which again concentrates on the initiatives (mostly legal proposals) that are expected to come in 2016 by the Commission regarding the 5 dimensions of the Energy Union.

Despite the high profile that was given to this report, when the Communication of the Energy Union came out in February 2015, **the State of the Energy Union report does not really add anything new**. It lays down what will happen next year, based on the current status quo, without questioning the ambition and the adequacy of the EU 2030 climate and energy targets.

On a positive note, **it does confirm that legislative proposals for renewables and energy efficiency will come in 2016**, which is what we are expecting the Commission to do.

The State of the Energy Union report was also accompanied by **a progress report on the 20% energy efficiency target for 2020** (https://ec.europa.eu/energy/en/news/progress-made-2020-energy-efficiency-target). This is an annual report

required by the Energy Efficiency Directive (EED) and it looks at the progress made in the EU to reach the 20% energy savings target in 2020.

The report carries a similar message to the one from the European Environmental Agency (EEA) Trends and Projections report issued in October 2015. Based on the current trend, the EU is on track to achieve its 2020 target but this is far from secured. If you look only at **the MS national indicative targets, you will see that their collective commitment is not enough to reach the target** and a 2.6% gap to achieve the target still remains. There are also some MS that are not on track to achieve their target, so they need to do more.

Finally on 15 December, the European Parliament (EP) adopted an own initiative report on the Energy Union, which recalls the EP's position on binding 2030 climate and energy targets of at least 40 % reduction in CO2 emissions, at least 30 % for renewables and 40 % for energy efficiency. In this context, the EP makes two calls to the other Institutions: a) urges the Commission to develop various energy efficiency scenarios, including at the level fixed by Parliament of 40 %; b) urges the Council, which has called for an EU-wide target of at least 27 %, to revise its energy efficiency objective upwards in line with Parliament's 40 % adopted target;

What happens next month?

The European Commission published a consultation on **EED evaluation. The deadline for submission is the 29 January** and the consultation is available here:
https://ec.europa.eu/energy/en/consultations/consultation-review-directive-201227eu-energy-efficiency

The consultation includes mainly questions about Article 7 (the 1,5% savings and EEOs) but also 3 and 24,which are linked to the target and the governance discussion. Furthermore, it asks questions about Article 6 (public procurement), an evaluation of which is required by the EED and article 9 - 11 (metering and billing), which are linked to the market design discussion.

The European Parliament is preparing an own initiative report on the EED implementation and **on 13 January**, Martin Pieper (EPP), the rapporteur for this report, is holding the **first public hearing on this issue**.

CAN Europe is planning to reply to the EED review consultation. If you are interested in contributing, get in touch with Dora.

Action needed!

- >>> Participate in the drafting of the CAN Europe submission to the public consultation on the EED review
- >>> Participate in the joint energy savings meeting organised by CAN Europe, EEB, and FoEE on Tuesday 19 January in Brussels.We get together and discuss about some of the main issues that we will probably need to deal with during the EED review but also about the EED consultation itself. In this context, experiences from the implementation of the Energy Efficiency Directive (EED) will be most helpful. You can register for this event via the following link: http://bit.ly/JointNGOWorkshopEnergySavings19Jan2016-Registration

4. Renewable energy and governance

By Jean-François Fauconnier

What happened recently?

On 18 November, as you all know, the European Commission published its first '**State of the Energy Union'** report. The report itself was accompanied by a series of other documents (see also Dora's article on the subject), namely:

- **a guidance document for Member States on national energy and climate plans as part of the Energy Union governance**. This document is "the basis" for Member States to start developing plans for the period covered by the 2030 framework, a work which "should start without delay". Member States should present draft plans in 2017 as a basis for discussions and recommendations from the Commission, with a view to finalising them in 2018. So, there is a

risk that national plans and the iterative dialogue lead to a weakening or pre-empting of legislative requirements in the EED and RES post 2020;
- **a Commission Staff Working Document on Monitoring progress towards the Energy Union objectives**. This note presents a series of indicators to monitor progress when it comes to the national climate and energy plans. Indicators are an important element of measuring progress, but we think that our focus should be in setting the overall targets and measures;
- **an updated list of Projects of Common Interest**. These projects may benefit from accelerated licensing procedures, improved regulatory conditions, and access to financial support totaling €5.35 billion from the Connecting Europe Facility (CEF) between 2014 and 2020.

Together with the publication of its 'State of the Energy Union' package, the European Commission also launched a **public consultation on the 'preparation of a new Renewable Energy Directive for the period after 2020"** (see **http://ec.europa.eu/energy/en/consultations/preparation-new-renewable-energy-directive-period-after-2020** for more details). The Commission plans to table a proposal for the new directive next year, together with an updated bioenergy sustainability policy. The public consultation period runs until **10 February 2016**. A message has been sent to the CAN-E renewables list with a proposed timeline to come up to a common CAN Europe submission (see 'action needed' section below for more details) .

On 26 November, the Energy Council **adopted conclusions on the 'governance system of the energy union'**. Altogether - and this is partly due to our lobby work, the conclusions are not likely to cause much damage, but also don't add much. As mentioned above, one of the key issues to watch out for in the coming weeks/months will be to see whether national plans and the related 'iterative dialogue' could lead to a weakening or preempting of legislative requirements in the EED and RES post 2020.

What happens next month?

Action needed!

>>> Participate in the drafting of the CAN Europe submission to the public consultation on the revised Renewable Energy Directive. Send your contributions to the consultation document to jean.francois@caneurope.org **by 4 January AM**.

5. Coal: EU's coal emissions need to come down three times faster

By Elena Bixel

What's the situation?

In the first week of December, as the world's top climate diplomats were negotiating over a new global agreement to bring down planet-warming emissions at the UN climate summit in Paris, CAN Europe published the report **"End of an era: Why every European country needs a coal phase-out plan".**

Underlying this report are the results of a year-long exercise to map all the coal power stations in the European Union coordinated by CAN Europe. The report reveals that in 2014 the EU's huge coal fleet was responsible for 762 million tonnes of CO_2 - as much as the combined overall emissions of France, Spain and Portugal. This accounts for nearly a fifth (18%) of the EU's total greenhouse gas emissions.

According to the IEA the European Union's carbon emissions from burning coal will need to fall on average by 8 per cent every year until 2040 to stay below the 2°C warming threshold. However, our report shows that the bloc's coal emissions have only come down by an average of 2.3 per cent per year over the last nine years. That means that **the EU needs to speed up its coal phase out about times 3 to stay below 2 degrees.**

What happens next?

The coal era is over

The COP 21 in Paris ended with a binding agreement by the parties to not only keep global temperature rise **well below** 2 degrees but also **pursue efforts to keep it below 1.5 degrees**. The conclusion is clear: in order to fulfill its commitments the EU needs to rise its reduction targets and every Member State needs an ambitious coal phase-out plan.

We need to build on the Paris outcomes and keep pressuring governments. **No new coal plant must be built in Europe anymore**. **All subsidies to extract and burn coal on national and EU level must be ended**. Every European country needs to adopt a plan to phase out its existing coal power stations as soon as possible**.** **Innovative policies on different scales are at hand**.

Action needed!

>>> Share the report! **Full report**, **Greenpeace Energydesk article** Hashtags: #endcoal #coal #climate
>>> Suggested tweets:

- Europe's coal emissions need to come down 3x faster to avoid dangerous levels of climate change warns new report #endcoal http://bit.ly/1TKx1L2
- Finland, UK, Alberta & co: why every EU country should follow suit with national coal phase-out plans #endcoal http://bit.ly/1TKx1L2
- Europe's massive coal fleet needs to be phased out 3x faster to avoid dangerous climate change shows new @CANEurope @GreenpeaceUK study http://bit.ly/1TKx1L2