



FLASH

Monthly newsletter for members

Nr. 2016/2 – March 2016

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POLICY UPDATES

1. UNFCCC: the Paris aftermath

By Ulriikka Aarnio

What happened recently?

In the last couple of weeks we've received the news that the **COP21 President changed**, and the UNFCCC Executive Secretary is about to change. After shifts within the French government – Laurent Fabius handed over the presidency to Environment Minister Segolene Royale – **Christiana Figueres also announced that she would not continue** in her role after her term expires in July.

Meanwhile, the European Commission's assessment on the outcome of the Paris COP 21 and its implications to the EU's climate and energy policy has been delayed, and **the new release date is now set for 2 March**. In the run up to the release we have been putting forward our positions in various meetings, as well as sent a letter to all Commissioners.

CAN Europe's letter sent to the EU's climate and environment ministers highlights the need for the EU to maintain the momentum created in Paris for strengthened climate action, and urges the EU to demonstrate to the rest of the world that the Paris Agreement is being translated into dynamic action at home. The three points put forward in the letter were: **1) The EU's targets are not consistent with the Paris Agreement** and therefore need to be improved; **2) the best opportunity to fix the EU's inadequate 2030 targets is within the legislative processes** that currently are, or are about to be put, on the table (ETS, ESD, LULUCF, RE, EE etc). There are no reasons for delaying the revision decisions; **3) Shifting of financial flows toward low carbon and climate resilient development has wide implications** to all of the EU's financial internal and external financial flows, but at first instance it requires the EU to tackle those financial flows that are obstructing emission reductions, such as fossil fuel subsidies.

What happens next month?

The March **Environment Council will meet on the 4th of March** and is set to hold a discussion on the implications of the Paris Agreement, it still **remains unclear if the European Council on 17-18 March will touch the subject**.

Furthermore CAN Europe is working jointly with a broad coalition of stakeholders to draft **a joint statement on the need for the EU to update its policies** in order to be consistent with the Paris Agreement.

2. Financial Flows and Fossil fuel subsidies in Europe: joining forces!

By Maeve McLynn

Climate and Development finance

What happened recently?

Coming out of COP21 and the Sustainable Development Summit (Agenda 2030) it has become even more apparent that those of us focusing on climate finance need to work more closely with those experts working development finance flows.

On February 16th a civil society summit was organized by a wide group of NGOs that focus on development finance. CAN Europe (secretariat and individual members) took part in the discussions that focused on the future of finance and development aid in the EU. One key outcome was clear: we should develop stronger communication between our constituencies and a more coherent approach to our targets – EU donors and financial institutions.

Rather than focusing on the so-called ‘division’ between development and climate funding, our discussions focused on **how we can work together to ensure that the EU and its Member States don’t avoid their responsibility** to effectively support developing countries on their development pathways and in the face of climate change.

What happens next month?

CAN Europe will develop a proposal on how we can jointly address development and climate finance challenges from the perspective of the EU as a donor. The idea would be to join forces to effectively scrutinize the public flows of finance that Member States are providing to recipient countries. This idea is in its infancy and so we will keep you informed on what is feasible and how it develops.

Sustainable Financing

What happened recently?

In the months after the Paris Agreement the EU is, in its own words, going through a bit of a reconnaissance phase in regard to **Article 2.1.c of the Agreement: “making financial flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development”**. While some actors in the EU are already looking outward at the role of other countries such as China in respect to this objective, it is important that the EU first looks after its own house.

What happens next month?

So now is certainly the time to gather our thoughts on what Art 2.1.c means for the EU and its financial institutions. CAN Europe and some of its members have initiated **a mapping exercise of the actors involved, the kinds of policies they have and how those policies could be reformed** to meet the objective of Art 2.1.c.

This mapping **will be shared with the network in March**, with a view to developing more concrete recommendations that we could propose to the EU and its financial institutions.

Fossil Fuel Subsidies

What happened recently?

Throughout February **CAN Europe Secretariat has been reaching out to various European Commission sectors – DG ENERGY, ECONOMY & FINANCE, ENVIRONMENT, CLIMATE ACTION & DEVELOPMENT COOPERATION – to identify their role, and the overall coordination process around fossil fuel subsidies in the EU.** The aim is to further use the entry points led by these sectors to push forward our key recommendations on fossil fuel subsidy phase-out in European countries. Building on our advocacy efforts in 2015, **we will map out how to effectively influence the discussions led by the various European actors throughout 2016.**

At the international level, we can continue to use the G20 meetings and summits to home in on FFS, while the planning and implementation of the Paris climate agreement provides another hook align financial decisions and flows with international climate objectives.

What happens next month?

CAN Europe will organize a small and focused think-in on fossil fuel subsidies amongst EU-focused groups to jointly map out the main aspects of fossil fuel subsidies and related entry points at EU level where we can raise the debate among EU stakeholders. The aim is to work more closely with allies in Brussels to push the EU institutions on the overall topic but **most of the effort to tackle certain subsidies will need to happen at Member State level.**

We are in touch with expert groups Oil Change International and Overseas Development Institute to establish a broader dialogue among interested and active organisations across Europe. We will kick off with some national meetings and so **you may receive a specific email from Maeve regarding a meeting in your country!**

Action needed!

>>> In an effort to identify where there is civil society activity in certain countries, we request members to inform us with any overview you have on the level of work (if any) being done on subsidies in your country. We would also love to speak and meet with other groups (non-CAN Europe members) who have national expertise or experience on FFS. Please contact Maeve (maeve@can europe.org) and she will follow up with you.

Innovative Sources of Finance

What happened recently?

Yes you're right; this issue has not disappeared from the radar of eager finance enthusiasts! CAN Europe will continue to support our members' and allies' efforts on innovative sources. In particular, **the Financial Transaction Tax and revenues from the EU ETS** (see our position paper [here](#)).

The position paper is in need of an update to reflect our Post-Paris world, and also to link to the previous agenda point on working more closely with development finance colleagues. In a world that will require more public finance for sustainable development, we should continue to push for the implementation of innovative sources of finance.

Action needed!

>>> FTT: Some CAN Europe members were instrumental in putting important pressure on your governments regarding the FTT; **we'll be getting back in touch with you to re-build this pressure** to get results from leaders and their finance ministries.

>>> EU ETS: This should continue to be **communicated to Parliamentarians and financial actors** in Member States. **Oxfam has shared its briefing paper** as a reference point for additional information.

3. Energy Savings: consultation with stakeholder on the EED continues

By Dora Petroula

What happened recently?

There are almost **300 responses to the European Commission's consultation on the review of the Energy Efficiency Directive** available on the Commission's website, while more responses are being processed. While the majority of the stakeholders' responses seem to be in favor of a continuation of Article 7 implementation beyond 2020, **views diverge on the content and the scope of the Article.**

In the meantime, the Regulatory Assistance Project (RAP) published [a new toolkit](#), which provides Member States with a **menu of options for establishing Energy Efficiency Obligations (EEO).**

At the European Parliament, MEP Peter Liese (EPP, Germany) provided his draft opinion for the Environment Committee and the **deadline for amendments is on 2nd of March.** MEP Marcus Pieper (EPP, Germany) just finalised his report for the ITRE Committee.

As far as the **"energy security" package** is concerned, during the launch, Commissioner Cañete once again called for energy efficiency to be prioritised. The LNG strategy recognises **"Energy efficiency as an energy source in its own right"** but this language is not exactly supported by the impact assessments (IA) for the strategies. The IA on the security of supply only considers up to **25.5% energy efficiency**, while the IA of the Heating and Cooling strategy considers up to 30% energy efficiency.

What happens next month?

Following the consultations of both the Energy Performance of Buildings Directive and the Energy Efficiency Directive, the European Commission organises a stakeholders' event, which will take place **on 14 March 2016** in Brussels.

Action needed!

>>> **National examples on the EED implementation.** It would be very helpful for the debate to have national examples, which showcase to the Commission and the European Parliament the **positive impact of the adoption of the EED** on the implementation of energy efficiency measures at the national level

>>> **Start meeting national policy makers and experts on EED.** Based on our consultation response, it would be good to start talking to your governments about their views around the EED review. For further details on the type of information to collect, please contact Dora, if you haven't received an email on this already (dora@can europe.org).

4. Renewable energy and governance – 'public consultation frenzy' by the EC

By Jean-François Fauconnier

What happened recently?

On 4 February, CAN Europe submitted its response to the **public consultation on the "preparation of a new Renewable Energy Directive for the period after 2020"**. Several national members also submitted their own response, based on CAN Europe's – thank you (you know who you are)!

Another **public consultation, on the "streamlining of reporting and planning obligations"**, is also running (deadline: 8 April). The CAN Europe Secretariat has reached out to members (via the CAN-E renewables, efficiency and UNFCCC e-mail lists) with a suggested timeline and request for input.

Last, but not least, on 10 February, another important [public consultation, on the "preparation of a sustainable bioenergy policy for the period after 2020"](#), was also launched (deadline: 10 May). CAN Europe and Brussels-based NGOs active on the issue are currently reflecting on how to best coordinate a joint reply to this consultation.

On 16 February, while keeping us busy with all the aforementioned consultations, the Commission also launched its ["security of supply" package](#) made of:

- A Liquefied Natural Gas (LNG) and gas storage Strategy
- A proposal for the revision of the gas Security of Supply (SoS) Regulation
- A proposal for the revision of the Intergovernmental Agreements (IGAs) Decision
- A Heating and Cooling Strategy

The main concern with the gas documents is that they don't factor in the positive impacts of energy savings and the further development of renewable energy sources on gas demand, [despite a recent report by the European Court of Auditors](#) on security of supply stating that 'the Commission has persistently overestimated gas demand (...), and needs to restore the credibility of the forecasts it uses'. The heating and cooling strategy is overall rather good, although it is rather a catalogue of good intentions and lacks concrete measures to support the full transition to an efficient, renewable heating and cooling sector. Greenpeace issued a press release to react to the publication of the package.

What happens next month?

On **18 March**, Member States' Directors-general for Energy are meeting to discuss the Commission's gas proposals.

Action needed!

>>> Stay tuned via the relevant e-mail lists and participate in the drafting of the submissions to the public consultations on the "streamlining of reporting and planning obligations" and "the preparation of a sustainable bioenergy policy for the period after 2020".

>>> Once these submissions have been finalised, also send input from your (national) organisation to the European Commission – numbers do matter for such consultations!

5. The CAN Europe EU ETS reform position

By Anja Kollmuss

What's the situation?

Climate action in Europe before and after 2020 needs to be substantially increased if we are to achieve the goals that governments agreed to in Paris. If the European Union wants to walk its talk, it must act now to ensure that the Paris deal results in real additional action. Currently the EU's goal is to reduce its greenhouse gas emissions by 80-95% by 2050, with the current 2030 climate targets on a trajectory to meet 80% domestic emission reductions only. According to recent research, **Europe would have to reduce its emissions more than 95% below 1990 levels by 2050 to ensure a more than 50% chance to have no more than 1.5°C warming by 2100.** In stark contrast, the current 43% ETS reduction target for 2030 below 2005 levels would only lead to an 84% reduction in the ETS sectors by 2050.

Europe is currently discussing how it should revise its Emissions Trading Scheme (ETS) for the post 2020 period. In July 2015, the European Commission released its proposal on the revision. Absent reforms that go well beyond what the Commission is proposing, companies can delay or cancel investments in cleaner and more efficient production.

We are now working on finishing a longer CAN Europe ETS reform position, see ETS mailing list. **We are hoping to finalize this position in March.**

What happens next month?

- Discussions on ETS reform in the European Parliament and among Member States.
- Member States are developing their positions on the ETS taking into account COP 21 in Paris.

Action needed!

>>> Participate in developing a CAN Europe position on the ETS reform. Information is sent through the mailing lists (contact Mathias to join the lists mathias@caneurope.org).

>>> Participate in our weekly calls on ETS and ESD issues. Info and agenda are always sent around ahead of the call through the mailing lists.

6. The EU-China twinning program 2016: enroll this week!

By Mathias Claeys Bouuaert

What's the situation?

We believe the best way to better understand a different perspective is by working together on a joint project. And that's what we want to offer you through the EU-China twinning program: **the opportunity to work with a Chinese NGO on a joint project on climate change or low-carbon development!**

Moreover, don't forget that this year the G20 will be organised in China, which will be an interesting hook for the projects.

This is important for us because a finer comprehension of each other's perspective on climate issues is an essential foundation to go forward and win new battles!

For a deeper insight, you can get a view of what the participants did the two previous years on [this link](#). Or contact Mathias (mathias@caneurope.org) for more information.

We will send out the Call for Applications later this week!