3.3.2015

CAN Europe briefing to EU Environment Ministers on the European Commission's Road to Paris Communication and its draft EU INDC proposal

With a view to the discussion on the European Commission's Road to Paris Communication and the possible adoption of the EU INDC Submission to the UNFCCC CAN Europe and its members call you to consider these seven points of concern raised below.

1. Inclusion of LULUCF in to the EU's post-2020 target would undermine the credibility of the "at least 40% domestic greenhouse gas reduction target" as adopted by the European Council in October last year.
2. Carry-over of ETS emissions allowances to post-2020 commitments will further dilute ambition by another 7%.
3. The EU's INDC is not quantifiable as presented by the European Commission.
4. Cumulative carbon budget determines warming - European Commission's 2050 global proposal is not in line with IPCC's 2°C compliant carbon budget.
5. The EC EU draft INDC proposal does not present a 2025 target - short commitment periods are the best tool to avoid locking in low level of ambition
6. Allowing the linking of Emissions Trading Systems will undermine the domestic nature of EU's climate target.
7. The EU's at least 40% domestic target does not represent a fair and ambitious contribution for keeping warming below 2°C or 1,5°C.

1. Inclusion of LULUCF in to the EU's post-2020 target would severely undermine the credibility of the "at least 40% domestic greenhouse gas reduction target" adopted by the European Council in October last year. According to number of conservative analysis including LULUCF into the EU target could lower the ambition by more than 4%.[1] Amongst LULUCF activities, forest management constitutes a large net sink. Whilst other activities yield a net emission, this is swamped when forest management is added. Moreover, forest management is accounted for in most of the EU's member states against a business as usual projection. As a consequence, emissions from forest management are mostly not accounted for - while removals are. This is vastly unreliable in terms of accounting for the real effect upon the atmosphere, and therefore inclusion of forest management in the EU 2030 climate target would effectively undermine its environmental integrity. Removals from forest management must be treated separately and on top of the EU's at least 40% domestic target. A mere reference about maintaining environmental integrity is not adequate, given the current flawed accounting rules that allows cheating with the atmosphere.

2. Carry-over of ETS emissions allowances to post-2020 commitments will further dilute ambition by another 7%. Under the EU ETS a surplus of emission allowances of over 2.1 GtCO2 had been accumulated by the end of 2013, international offsets account for 1.2 GtCO2 of this surplus. This surplus is expected to grow to 2.6 GtCO2 by 2020, of which 1.6 GtCO2 international offsets, according to the EU's own calculations. This is larger than the EU's ETS cap for the year 2013. If these allowances are carried-over to the post-2020 period, this surplus could dilute the 40% GHG target by 7% in 2030. The domestic nature of EU's at least 40% target can only be guaranteed if any over-achievement of the EU's 2020 target is cancelled. The EU's INDC hence needs to specify that the pre-2020 surplus allowances will not be used to

[1] Climate Action tracker briefing "Has the EU Commission weakened its climate proposal? Possibly"

meet EU's 2030 target. In addition surplus will also accumulated in the non-ETS sector, would further weaken the target and therefore must not be used towards the 2030 target.

3. In it's current form the EU's INDC is not quantifiable. At the COP20 in Lima countries agreed upon a number of information requirements to enable an assessment of individual and aggregate adequacy and fairness of the INDCs in the context of the UNFCCC's ultimate objective, its principles and the agreed less than 2°C warming threshold. To enable this, and to encourage other countries to present clear, transparent and quantifiable INDCs, it is vital that the EU's INDC is of a high standard and provides quantifiable information, also about the LULUCF sector, especially forest management. The EU's INDC commitment must be presented as an economy-wide carbon budget for the period of 2021-2025.

4. Cumulative carbon budget determines warming - European Commission's 2050 global proposal is not in line with IPCC's 2°C compliant carbon budget.[2] When looking at the long-term goal at the UNFCCC, in order to be consistent with the 2°C target, it is paramount to consider the cumulative emissions budget - the overall amount of tons of carbon dioxide emitted to the atmosphere. The IPCC's 5th Assessment Reports provide numbers for different global carbon budgets allowing for different levels of warming. Even very ambitious point targets for 2050 do not alone guarantee limits to warming, but must always be considered together with annual cumulative carbon budgets. The EC in its Road to Paris Communication refers to outdated science from IPCC 2007 report that e.g. assumed global emissions peak between 2000-2015. The IPCC AR5 reduction scenarios, with similar scale of the reductions, assume and rely on huge amounts of negative emissions, i.e. currently non-existing technologies that sequester and store Co2 from the atmosphere. Furthermore with regards to the EU's own 2050 target the European Commission has lowered the EU's own 2050 target to 80%, contrary to the European Council decision of 80-95% range by 2050.

5. The EC EU draft INDC proposal does not present a 2025 target - short commitment periods are the best tool to avoid locking in low level of ambition. CAN strongly recommends that the Paris Protocol entails five-year commitment periods. Looking critically at current political environment, there is a significant chance that the reduction targets agreed in Paris do not add up to the adequacy for limiting warming below 2°C. We call for the EU to adopt a position in support of legally binding five-year commitment periods for 2025, and also present the EU's target numbers also for 2030. Short commitment periods are the best tool to avoid locking in low level of ambition, and the best tool for revising targets later to match scientific adequacy. We are particularly concerned that 2030 as the end date of Paris commitments would result the two major emitters China and the United States committing to very low level of ambition until 2030. For a good outcome in Paris, the EU needs to work with other progressive countries to find common positions to fight for together. Vulnerable countries, like the Least Developed Countries and Alliance of Small Island States, as well as a progressive group of Latin American countries have all cited 5-years commitment periods as being of high importance for them. The EU putting forward a 2025 goal would help to reach out to these countries and show that the EU is listening to their concerns.

6. Allowing the linking of Emissions Trading Systems will undermine the domestic nature of EU's climate target. Linking the EU ETS with other carbon markets allows the EU to count emissions reductions from jurisdictions outside Europe towards its own domestic at least 40% target and would effectively allow "foreign" allowances inside the EU. This undermines the domestic nature of the EU's 2030 commitment while the at least 40% target was clearly presented as a domestic target. Under the EU's 2030 target, domestic emissions have to be reduced by at least 40% which means that linking the EU ETS with other carbon markets is only possible if the EU's 2030 climate target is increased simultaneously.

7. The EU's at least 40% domestic target does not represent a fair and ambitious contribution for keeping warming below 2°C or 1,5°C. CAN Europe calls for the EU to commit to an at least 55% domestic reduction target by 2030 and complement it by putting forward a commitment to climate finance to represent the EU's fair share. A justification put forward by the EC is not credible as it again relies on outdated science.

For further information
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[2] IPCC 5th Assessment Report Summary for Policy Makers Table 3, page 27