European Union

Background briefing for COP19 in Warsaw. November 2013.

The European Union (EU), with its 28 member states, is the world's third largest emitter accounting for about 10% of today's annual global emissions and 13% of 1990-2010 cumulative emissions.[1] Renewable energy accounted for 13% of EU's final energy consumption in 2011[2]. Looking at Gross Inland Consumption in 2011, the share of oil was 35%, gas 24%, coal and other solid fuels 17%, nuclear 14% and renewables 10%[3].

The EU has pledged to cut its emissions by 20% by 2020, compared to 1990 levels. When agreed in 2007-2008, this commitment was already below the lower end of the reduction range of 25 to 40% indicated for industrialised countries by the Intergovernmental Panel on Climate Change (IPCC). Also the Climate Action Tracker, an independent science-based assessment tool, tracking the emission reductions of countries, considers the EU's 2020 effort is inadequate. In 2012, the EU's emissions were already 18% below 1990 levels, while GDP has grown by more than 40% over the same period[4]. Taking into account emission reductions elsewhere (offsets), EU's emissions had fallen nearly 27% below 1990 levels by 2012[5].

The EU's most successful climate policy to date has been the Renewable Energy Directive. The Directive is based on a binding overall EU-wide target (of a 20% renewable energy share by 2020) and binding national targets, complemented with effective measures that guarantee priority access for renewables and that safeguard national control of support schemes. In addition to cutting emissions, the policy has increased the

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[1] WRI CAIT2.0 and UNEP: The Emissions Gap Report 2012
[2] Eurostat news release 26 April 2013. STAT/13/65
[3] Source: Eurostat (2013), EU energy in figures
[4] European Environment Agency (2013), Trends and projections in Europe 2013 – Tracking progress towards Europe's climate and energy targets until 2020, http://www.eea.europa.eu/publications/trends-and-projections-2013
[5] Sandbag press release 9 Ocober 2013, http://www.sandbag.org.uk/blog/2013/oct/9/eu-climate-policy-outpaced-emissions-reductions/

EU's energy security and created over one million jobs[6]. The EU is on track to meet its 2020 renewable energy goal.[7] However, the Polish government (hosting COP19) has so far failed to transpose and implement this EU Directive, leading to infringement proceedings by the European Commission[8].

A less successful policy has been the EU's Emission Trading Scheme (ETS). The ETS is becoming a barrier to Europe's environmental progress. The scheme was expected to deliver 2.8 billion tonnes of emission reductions by 2020, but overallocation, an influx of international offsets credits and the economic recession, have created a huge oversupply of allowances, and undermined the functioning of the ETS. The price of EU emission allowances is currently around 5€ per tonne. The EU is poised to temporarily remove 900 million tonnes of carbon allowances from the scheme, storing these allowances for use after 2020 („back-loading"). But EU policymakers have failed to provide a structural solution for the ETS. Moreover, the reintroduction of the stored ETS allowances after 2020 will significantly weaken any post-2020 climate action by the EU.

The EU is currently developing its climate and energy policy framework for the period up to 2030. The European Commission (the executive body of the EU) is expected to launch a detailed policy proposal in December 2013, and the EU's heads of state and government are expected to agree on 2030 climate and energy targets in the first half of 2014. Credible and timely EU 2030 climate action is crucial to improve the dynamics in the international climate negotiations and to provide certainty to European and international investors and to deliver jobs.

The 2030 targets and policies currently considered by the European Commission (40% emission cuts and a 30% share of renewables) are not sufficient to drive transformational change in the EU's energy sector or to meet EU's fair share of keeping global temperature increase below two degrees Celsius (2° C). Instead the EU needs to reach by 2030 a triple target of at least 55% domestic emission cuts (compared to 1990), a 45% renewable energy share and 40 % energy savings (compared to 2005). The EU needs this set of three targets as renewable energy and energy savings are the central pillars to achieve the CO2 reduction goal that represents the EU`s fair contribution to

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[6] Ragwitz et al. (2009), EmployRES: the impact of renewable energy policy on economic growth and employment in the EU. Fraunhofer ISI, Munich.
[7] European Environment Agency (2013), Trends and projections in Europe 2013 – Tracking progress towards Europe's climate and energy targets until 2020, http://www.eea.europa.eu/publications/trends-and-projections-2013
[8] European Commission press release 21 March 2013, http://europa.eu/rapid/press-release_IP-13-259_en.htm

keep global temperature rise below two degree Celsius. Also targets for renewable energy and energy savings will make it more affordable to achieve the required long-term greenhouse gas reductions. Moreover, investment certainty will reduce the capital costs of renewable energy and energy efficiency technologies directly. And, a triple target is needed to align the EU's climate and energy policies with other EU objectives, such as energy security, employment and competitiveness.

In the UN climate negotiations, the EU advocates a binding climate regime that covers all major economies and keeps warming below 2° C. However, the EU's credibility is questioned by its inability to make progress on domestic policies. The government of Poland, in particular, is opposing new climate and energy targets while Germany, the United Kingdom and France are all failing to take leadership. On the issue of international climate finance, the EU delivered on its commitment to contribute €7.2 million in 2010-2012, but only a small part of this funding was "new and additional". Moreover, there is no clarity on what climate finance EU countries will deliver in the period 2014-2015, towards meeting the Copenhagen-mandated global goal of reaching $100 billion in climate finance annually by 2020.

The EU could reach almost zero emissions by 2050 while approaching 100% renewable energy. Greenpeace's EU Energy [R]evolution energy scenario[9] shows that by 2050 the EU could meet 96% of its electricity and 85% of its primary energy needs with renewable energy while achieving a 95% cut in energy-related CO_2 emissions compared to 1990 levels. Furthermore, the Energy Roadmap 2050 study, published by the European Commission in December 2011[10], argues that the development of an energy system based almost exclusively on renewables and energy efficiency would cost no more than an energy system based on fossil fuels and nuclear energy. The study also found that a clean energy system could save European consumers billions in fossil fuel imports.

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[9] German National Centre for Aerospace, Energy and Transport Research (2012), Energy [R]evolution EU27 http://www.greenpeace.org/eu-unit/en/Publications/2012/ER-2012/
[10] European Commission (2011), Energy Roadmap 2050, http://ec.europa.eu/energy/energy2020/roadmap/index_en.htm