



Clima South seminar on Climate Finance  
Barcelona, 9.3.2016

# Climate Action

A decorative graphic on the left side of the slide. It features a stylized city skyline composed of various shades of green and blue rectangular blocks of different heights. Several small white birds are depicted in flight against a light blue background. There are also some bright white starburst effects scattered throughout the graphic.

**Martin Kaspar**  
**Policy Officer Climate**  
**Development Finance**  
**DG CLIMA**  
**European Commission**

2030  
**FRAMEWORK**for**CLIMATE&ENERGY**  
#EU2030



European  
Commission

# Nations Unies

## Conférence sur les Changements Climatiques 2015

COP21/CMP11

Paris, France



# A historic Agreement

- ❖ A new chapter in international climate governance and action
- ❖ A win for multilateralism
- ❖ A strong signal to policy makers, investors and businesses
- ❖ Great example of EU unity and leadership



# Main elements of the Agreement

- ❖ Emission reductions: national contributions and domestic measures by all Parties
- ❖ Transparency and accountability: common framework, nuanced differentiation
- ❖ Facilitative dialogue 2018, Global stocktake in 2023, then every 5 years
- ❖ Solidarity package: finance, adaptation, loss and damage, technology and capacity building

# The implementation challenge

- ❖ Signatory ceremony on April 22
- ❖ Key areas for 2016: INDC implementation, MRV and capacity building, finance, adaptation
- ❖ Stepping-up pre-2020 action – NAMAs/LEDS
- ❖ EU and its Member States to step up climate funding
- ❖ EU to implement its own commitment: 2030 Package



# DEVELOPMENTS IN THE EU

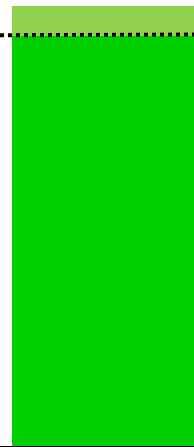
# Europe is on its way to meeting its 2020 targets

Reduce greenhouse  
gas levels by 20%



Estimate  
in 2020:  
-24%

Increase share of  
renewables to 20%



Estimate  
in 2020:  
21%

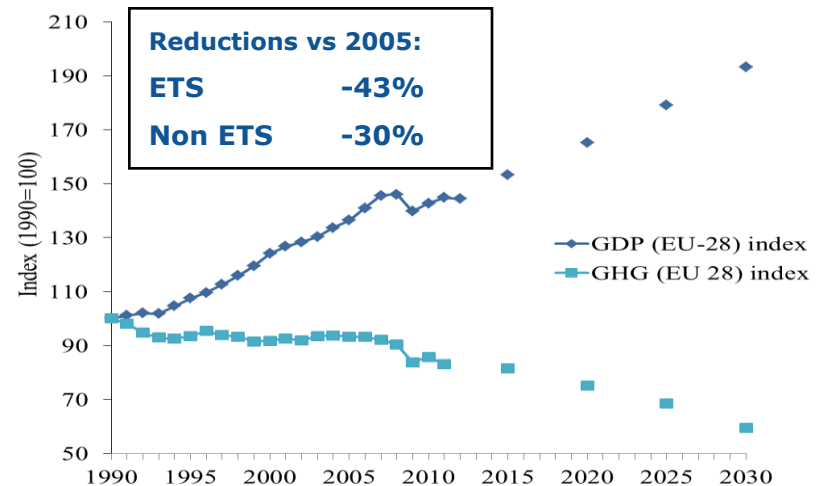
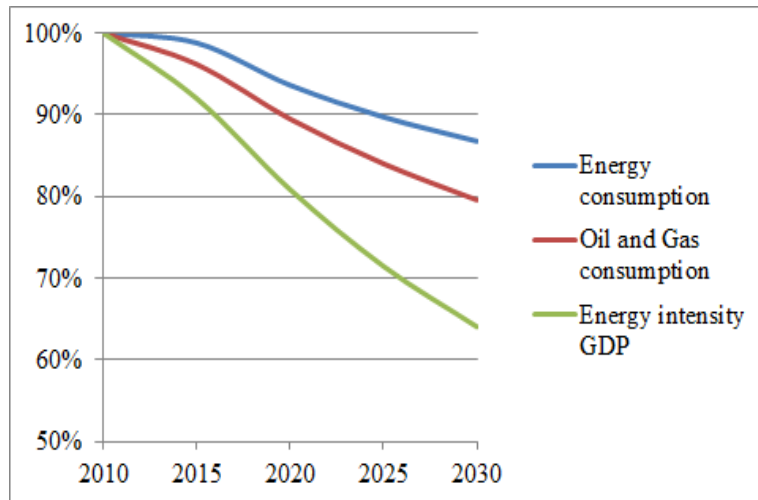
Reduce energy  
consumption by 20%



Estimate  
in 2020:  
-17.6%

## ...with additional benefits

- Decoupling of Gross Domestic Product growth from Greenhouse Gas Emissions will continue



- Fuel savings:** additional € 18 billion fuel per year next 2 decades
- Energy security:** additional 11% cut in energy imports in 2030
- Innovation:** jobs & growth
- Health and air pollution benefits:** €7-13.5 billion in 2030





European  
Commission

# 2030

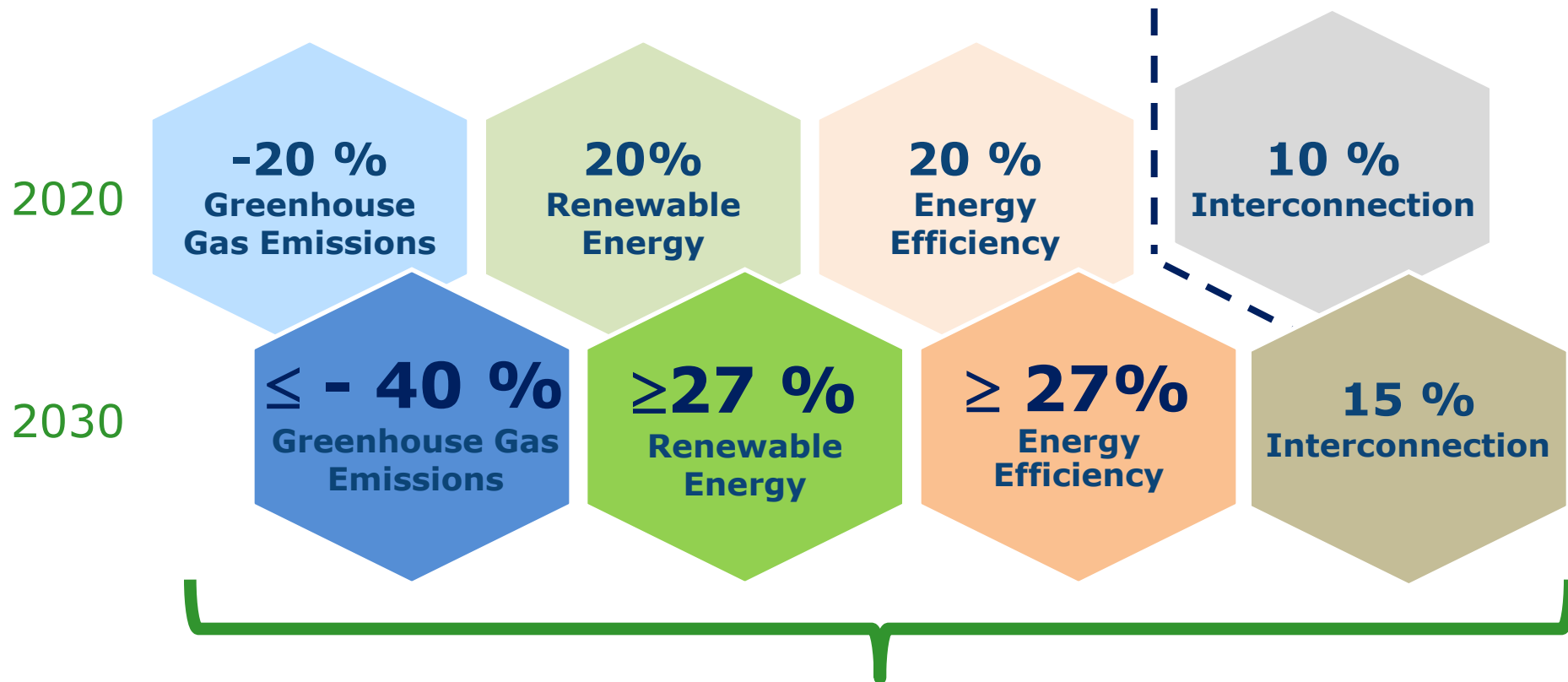
**FRAMEWORK**for**CLIMATE&ENERGY**

#EU2030

*POST-2020 FRAMEWORK: EU 2030 CLIMATE AND ENERGY  
PACKAGE*



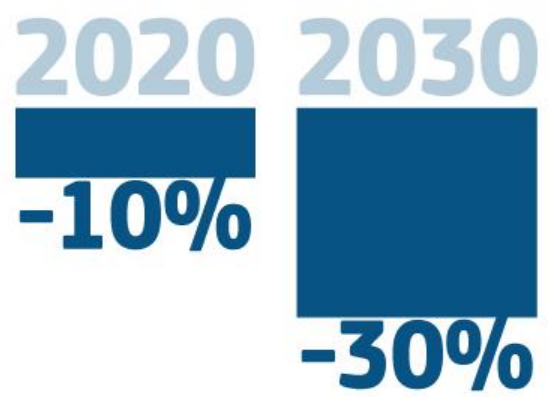
## Agreed headline targets 2030 Framework for Climate and Energy



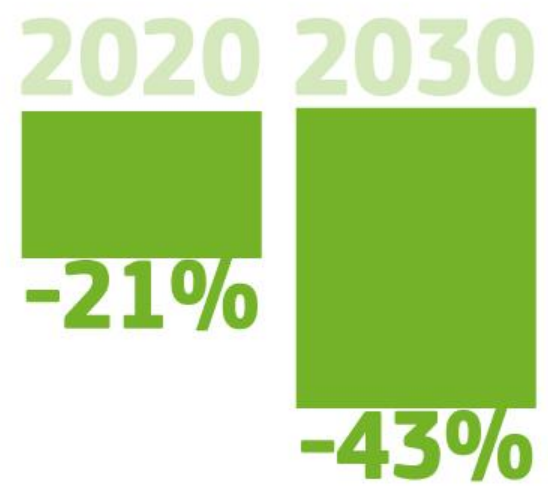
**New governance system + indicators**

# Emission reductions in ETS and non-ETS

EMISSION REDUCTIONS IN ETS AND NON-ETS COMPARED TO 2005



**NON-ETS**  
INCLUDING ROAD TRANSPORT, HOUSING, AGRICULTURE etc.



**ETS**  
INCLUDING POWER/ENERGY SECTOR & INDUSTRY

# Implementing the 2030 targets

- ❖ Emissions Trading System
- ❖ Emission reductions in non ETS sectors (Effort Sharing Decision)
- ❖ Renewable energy Directive
- ❖ Energy efficiency Directive

# The EU ETS 10 years on, and its role in the 2030 Climate and Energy Framework

- ❖ EU ETS carbon price applies across 31 countries, and half of EU's CO<sub>2</sub> emissions: power, steel, cement, chemicals, pulp and paper, aviation etc, delivering 21% below 2005 levels by 2020
- ❖ In October 2014, European Heads of State endorsed *'a binding EU target of an least 40% domestic reduction in ... emissions by 2030'*:
- ❖ *'A well-functioning, reformed ETS with an instrument to stabilise the market... will be the main European instrument to achieve this target'*, with further guidance given in a range of areas
- ❖ EU ETS Market Stability Reserve law in force since October 2015

# Key features of the legislative proposal to revise the EU ETS, July 2015

Annual **2.2% cap reduction** from 2021 for a 43% cut by 2030

**Free allocation** to prevent carbon leakage **continued**

**Redistribution of auction revenue:** 90% among all 28 Member States / 10% among lower income Member States

Scaling up of **Innovation funding** (450 million allowances)

**Modernisation fund** + national action to modernise power sector

# Climate Finance

## *I. Climate Finance in the Paris Agreement:*

### *Article 9 of the Paris Agreement:*

- Developed country Parties shall provide financial resources.*
- Other Parties are encouraged to provide voluntarily.*
- Developed country Parties take the lead in finance from variety of sources, noting the significant role of public funds. They shall communicate biennially quantitative+qualitative data*

### *Decisions part of the PA, para 54:*

- Prior to 2025, COP shall set a new goal, from a floor of USD 100 billion per year, in the context of meaningful mitigation action and transparency on implementation.*

# Climate Finance ctd.

## *II. Climate Finance internationally:*

- October 2015, OECD/CPI study "Climate Finance in 2013-14 and the USD 100 billion goal":*
- Public and private finance mobilised were estimated at USD 61,8 billion in 2014, up from USD 52,2 billion in 2013.*
- In 2014 this was composed of ca. 23bn bilateral public finance (ODA/OOA), 20bn multilateral public finance (attributed), and 17bn private finance mobilised (attributed).*
- Figures and definitions contested, e.g. by India. More action demanded also on technology transfer and IPR.*
- How to measure (mainly northern) technology development?*
- Discussion on-going, e.g. in UNFCCC SCF, G20, OECD.*



# Climate Finance ctd.

## *III. Climate Finance from the EU:*

- In 2014 climate finance from the EU - Member States and EU-Institutions - was EUR 14,5 bn (mitigation 63%, adaptation 16%, cross-cutting 21%).*
- 20% climate finance target in the EU budget 2014-2020.*
- EIB has a 35% target for climate lending in dev. countries.*
- Neighbourhood Investment Facility supports projects such as Ouarzazate, Cairo metro line 3, and Lebanon Energy Efficiency*
- Main entry point for EU grant support: EU Delegations.*
- Climate to be mainstreamed in national and aid budgets.*
- There is no definition of climate finance. In the end it is national initiative which counts!*



**THANK YOU**

**[ec.europa.eu/energy/2030](https://ec.europa.eu/energy/2030)  
[ec.europa.eu/clima/policies/2030](https://ec.europa.eu/clima/policies/2030)**