

Case of the EU and its Member States: Interrelationship of policies and measures to reach the 2020 target

4th BRs and NCs lead reviewers meeting



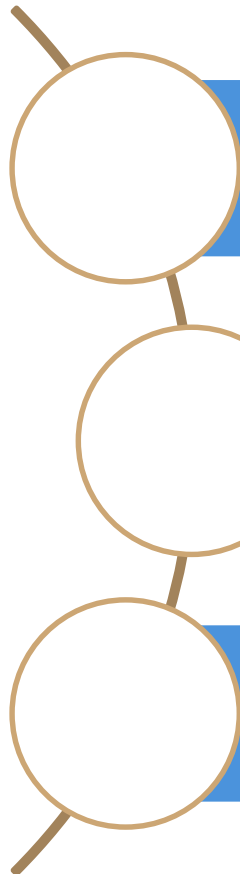
Ana Danila (European Commission), Christoph Streissler (Austria)

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Transparency

Outline of the presentation

- 
- Complex architecture of emission reduction target in the EU
 - Using information sources from other EU processes
 - Reviewing progress to the target in a situation of shared responsibility

The EU as a “regional economic integration organization”

The EU and its Member States communicated an independent quantified economy wide emission reduction target of a 20 per cent emission reduction by 2020 compared with 1990 levels.

Commitments according to the **Convention** “will be fulfilled in the Community as a whole through action by the Community and its Member States, within the respective competence of each.” (Declaration upon approval; Council Decision 94/69/EC)

Quantified emission reduction commitment under the **Kyoto Protocol** “will be fulfilled through action by the Community and its Member States within the respective competence of each.” (Declaration upon approval; Council Decision 2002/358/EC)

- A regional economic integration organization and its member States “shall decide on their respective responsibilities for the performance of their obligations under the Convention.” (FCCC, Art 22)



The EU as a legal entity

European Union – a community of law

- Legal instruments adopted by the EU (TFEU, Art 288)
 - EU **Regulations**: general application; binding; directly applicable
 - EU **Directives**: Member States have to transpose them into national law
 - EU **Decisions**: binding for those to whom addressed; directly applicable
 - EU Recommendations and Opinions: not binding.

European Economic Area (EEA)

EEA Agreement: Treaty between the EU, Iceland, Liechtenstein and Norway;

EU Internal Market Legislation applies in the EEA

Iceland, Liechtenstein and Norway furthermore participate in the EU ETS.



Building blocks of EU climate policy

The EU's commitment to meeting the 20% target is enshrined in EU legislation, and is being implemented by the EU and its Member States.

The EU “Climate and Energy package” (EU 20-20-20 targets):

- EU Greenhouse Gas Emissions Trading System (ETS) and
 - Effort Sharing Decision (ESD)

 - Share of renewables in EU's energy mix to 20% (national targets agreed)
 - Improve energy efficiency by 20% compared to business as usual projections
- Many EU policy instruments in the field of GHG mitigation are **directives** and therefore have to be transposed by Member States. By this, the same EU framework can lead to **quite different national PaMs/mitigation actions**.



Reporting obligations of Member States to the EU level, relevant for the 2020 targets

MMR (Monitoring Mechanism Regulation, Nr. 525/2013)

Key mechanism for collection of information and GHG data in the EU;
delivery on EU reporting requirements under the UNFCCC and the KP, including GHG inventory, information on policies and measures and their effects and projections;
tracking progress towards international and domestic GHG reduction commitments

NREAPs: National Renewable Energy Action Plans on and Progress Reports

NEEAPs: National Energy Efficiency Action Plans and Annual Reports

Possible reasons for differences between EU-internal reports and reports to the UNFCCC

- Timing of reports (periodicity of reporting obligations)
- Scope



EU Targets: International and domestic

Overview in BR 2 of EU (p. 14-15):

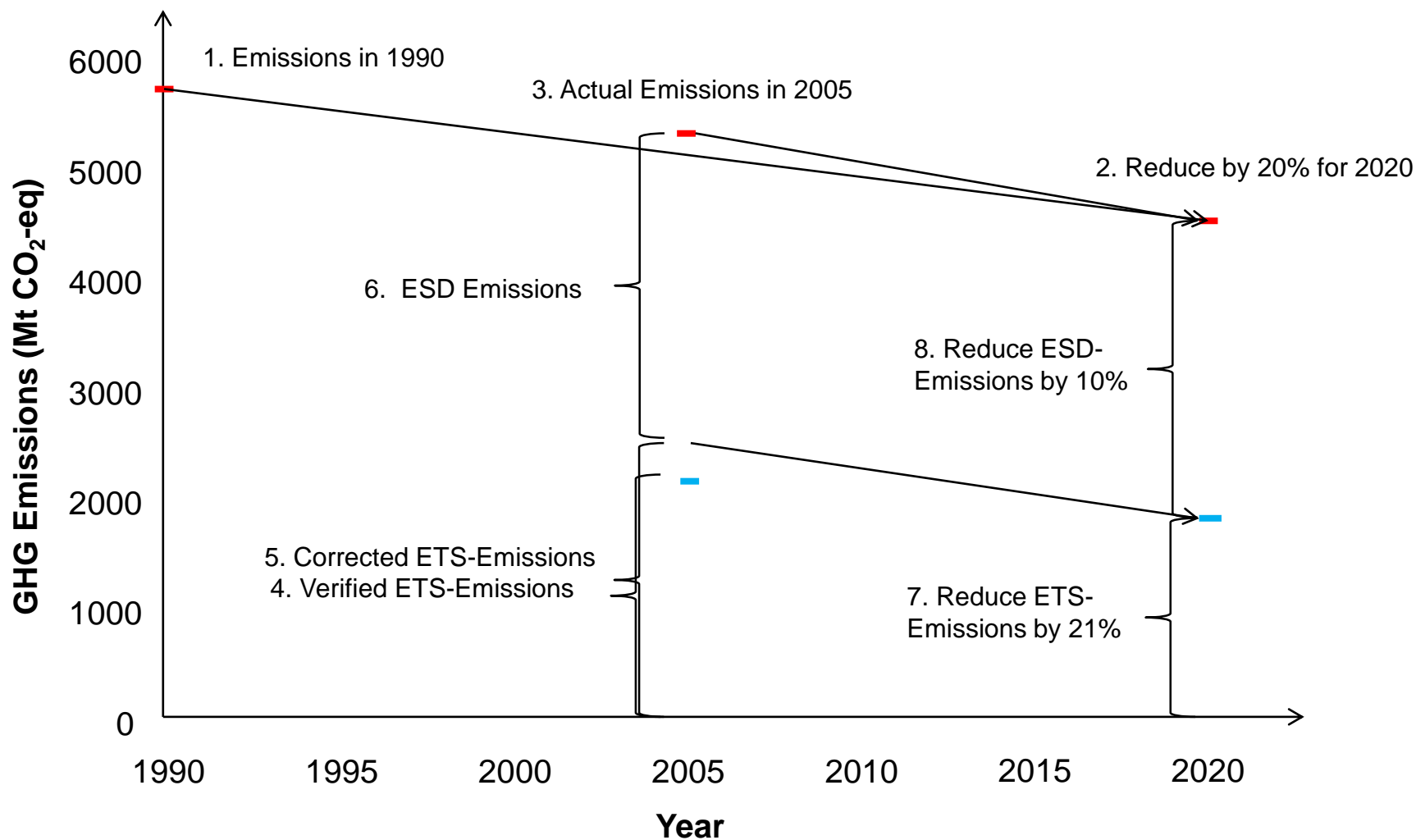
	International commitments			EU domestic legislation	
	Kyoto Protocol		UNFCCC	Climate and Energy Package	
				EU ETS	ESD
Target year of period	First commitment period (2008-2012)	Second commitment period (2013-2020)	2020	2013-2020	2013-2020
Emission reduction target	-8%	-20%	-20%	-21% compared to 2005 for ETS emissions	Annual targets by MS. In 2020 - 10% compared to 2005 for non-ETS emissions
Further targets			Conditional target of -30% if other Parties take on adequate commitments	Renewable Energy Directive: 20% share of renewable energy of gross final energy consumption; Energy Efficiency Directive : Increase energy efficiency by 20 %	
Base year	1990 KP Flexibility rules (Art 3(5)) regarding F-gases and Economies in Transition	1990, but subject to flexibility rules. 1995 or 2000 may be used as its base year for NF3	1990	1990 for overall emission reduction target; 2005 for renewable energy and energy efficiency target; as well as for targets broken down into ETS and non-ETS emissions	
LULUCF	Included ARD and other activities if elected	Included ARD and forest management, other activities if elected (new accounting rules)	Excluded	Excluded	
Aviation	Domestic aviation included. International aviation excluded.	Domestic aviation included. International aviation excluded.	Aviation in the scope of the EU ETS included. In practice total aviation emissions considered.	Domestic and international aviation, as in the scope of EU ETS	Aviation generally excluded, some domestic aviation included (operators below ETS de minimis thresholds)

EU Targets: International and domestic – cont.

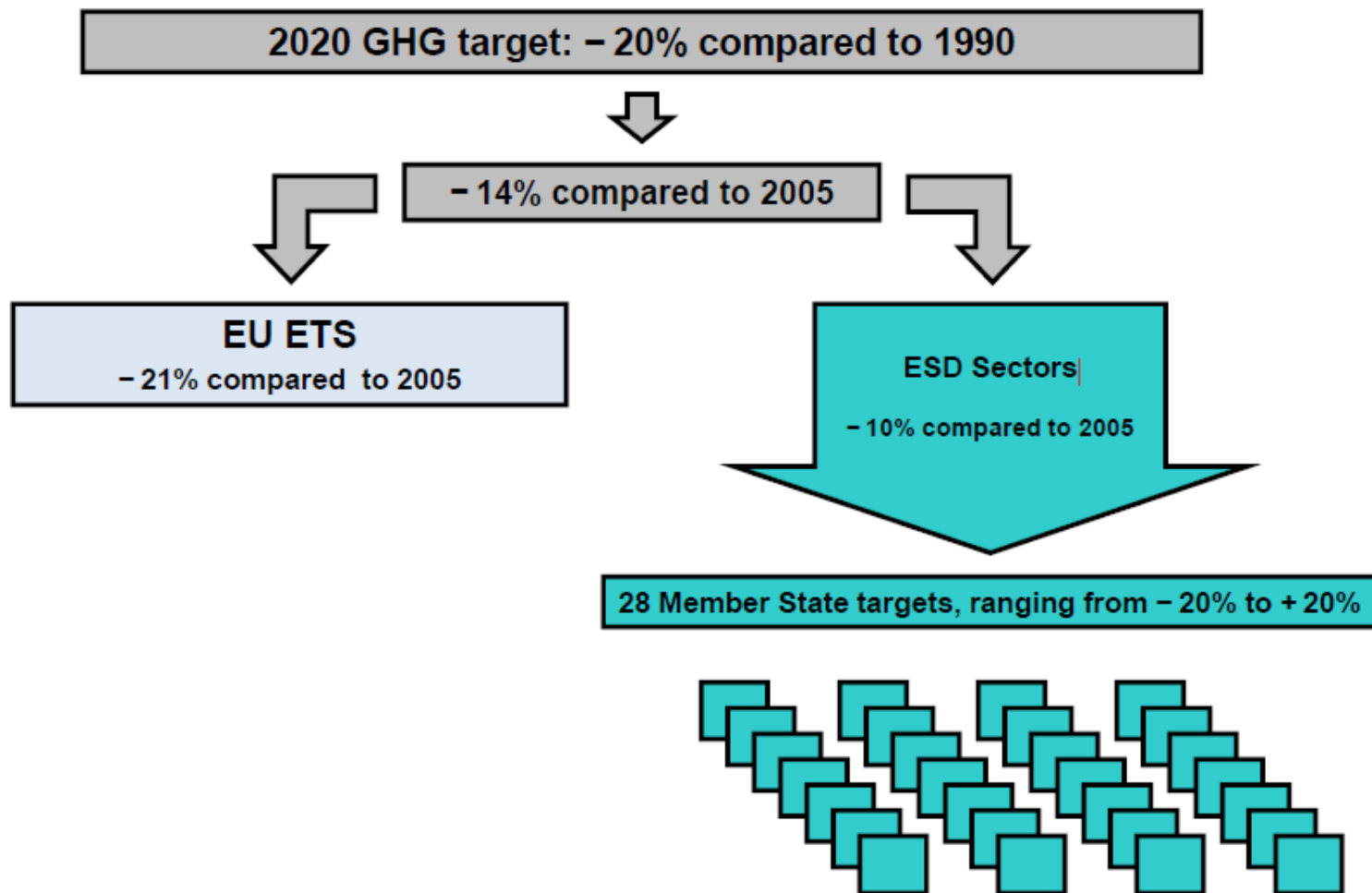
Overview in BR 2 of EU (p. 14-15, minor modification) – cont.:

	International commitments			EU domestic legislation	
	Kyoto Protocol		UNFCCC	Climate and Energy Package	
				EU ETS	ESD
	First commitment period (2008-2012)	Second commitment period (2013-2020)			
Use of international credits	Use of KP flexible mechanisms subject to KP rules	Use of KP flexible mechanisms subject to KP rules	Subject to quantitative and qualitative limits	Subject to quantitative and qualitative limits, see section 2.2.2.3	Subject to quantitative and qualitative limits, see section 2.2.2.3
Carry-over of units from preceding periods	Not applicable	Subject to KP rules including those agreed in the Doha Amendment	Not applicable	EU ETS allowances can be banked into subsequent ETS trading periods since the second trading period	No carry-over from previous period
Gases covered	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆	
Sectors included	Annex A of KP (Energy, IPPU, agriculture, waste), LULUCF according to KP accounting rules for CP1	Annex A of KP (Energy, IPPU, agriculture, waste), LULUCF according to accounting rules for CP2	Energy, IPPU, agriculture, waste, aviation in the scope of the EU ETS	Power & heat generation, energy-intensive industry sectors, aviation (Annex 1 of ETS directive)	Transport (except aviation), buildings, non-ETS industry, agriculture (except forestry) and waste
GWPs used	IPCC SAR	IPCC AR4	IPCC AR4	IPCC AR4	

Description of Quantified Economy-wide Emission Reduction Target



Description of Quantified Economy-wide Emission Reduction Target



Source: EU BR2, p. 9

Description of Quantified Economy-wide Emission Reduction Target

In their BR2, all EU Member States describe the architecture of the relation between their Quantified Economy-wide Emission Reduction Target (QEWERT) and the EU target; some of them name additional targets.

Germany (BR2, p. 18):

The German government set itself the target of reducing the country's greenhouse gas emissions by at least 40 % by 2020 in relation to 1990.

Overview on targets (and other BR requirements): Biennial Reports Data Interface

<http://www4.unfccc.int/sites/br-di/Pages/Target.aspx>



Examples of NCs and BRs referring to reports at EU level

Many Member States refer to their

- National Renewable Energy Action Plan (NREAP) and/or their
- National Energy Efficiency Action Plan (NREAP)

which they had to submit to the European Commission according to the Renewable Energy Directive (RED) or the Energy Efficiency Directive (EED).

NC 6 of Malta (p. 81 in section “Policies and measures and their effect”):

The Policy obviously also takes into account the energy-related obligations that Malta has under EU legislation, including in particular the targets for renewable energy sources and energy efficiency already discussed above. Further to the overarching national policy, the National Renewable Energy Action Plan (NREAP) and the National Energy Efficiency Action Plan (NEEAP) **provide more detailed indications** of how Malta expects to meet these targets.

BR2 of Czech Republic (p. 29 in section “Mitigation actions and their effects”):

In line with the Directive the Czech Republic has set a national indicative target for energy efficiency at level of 47.84 PJ (13.29 TWh) of new final energy savings by 2020.12 **This target and further details are described in** the National Energy Efficiency Action Plan (NAPEE) of the Czech Republic.



A question for discussion: use of external sources of information

Review Practice Guidance 2016, table IV:

F. External target-related information sources

Should the ERTs assess information from the INDCs submissions and compare it to the information reported in the BR?

- The ERT should only assess the information on the 2020 quantified economy-wide emission reduction target included by each Party in the BR;
- The ERT should not refer to the INDC target or the progress made thereon unless the BR explicitly refers to the INDC target;
- If a Party does include information in the BR on its INDC target, then the ERT can take note of this information in the context of the 2020 target without including any “encouragements” or “recommendations” with regard to the “INDC” target.

Proposal:

- Extend this paragraph to **other external information**, i.a. Member States’ reports required by EU legislation or summary reports from the European Commission, the European Environment Agency etc.
- If the ERT regards such information as important: **seek approval from Party.**



Reviewing the reporting on progress in EU Member States

Requirements to report progress towards the target

BR guidelines:

1. The objectives of these guidelines for preparing the biennial reports are the following:
[...]
 - (c) To ensure that the **biennial reports include information on the progress made by Annex I Parties in achieving their quantified economy-wide emission reduction targets**, projected emissions, and the provision of financial, technological and capacity-building support to Parties not included in Annex I to the Convention (non-Annex I Parties);
 - (d) To facilitate the international assessment of emissions and removals related to progress towards the achievement of the quantified economy-wide emission reduction targets;
[...] (Decision 2/CP.17, Annex I, para 1)

BR review guidelines:

58. The technical review of BRs is the first step of the international assessment and review (IAR) process. The overall objectives of the IAR process are **to review the progress made by developed country Parties in achieving emission reductions** and to assess the provision of financial, technological and capacity-building support to developing country Parties, [...] (Decision 23/CP.19, Annex, part IV, para 58)



Reviewing the reporting on progress in EU Member States

Related: Review Practice Guidance 2016, table IV:

D. The EU 2020 target

How should the EU 2020 target be described? If the target is not clearly presented, is it an issue of transparency?

- The ERT should reflect in the TRR whether the Party provided a description of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of tonnes of carbon dioxide equivalent (t CO₂ eq)
- If the BR does not include such a description, the ERT could note this in section II.C of the TRR: “The ERT noted that a description by Party X in its next BR of how the EU target translates into its national target for emissions not covered by the EU ETS in terms of t CO₂ eq would increase the transparency of the reporting on the target.”

Proposal:

Include guidance on reviewing progress to target.



Transparency

Reviewing the reporting on progress in EU Member States

Many TRRs assess both:

- Party's progress in respect to total emissions and
- Party's progress in respect to the emissions covered by the ESD.

Very clear language for instance in TRR of BR2 of France.

102. For 2013, France reported in its BR total GHG emissions excluding LULUCF at 496,760.65 kt CO₂ eq, or 10.1 per cent below the 1990 level. [...] The ERT finds that, **taking into account the Party's current emissions, as well as its projected annual emissions** for sources under the ESD for all years between 2016 and 2020, France is **contributing its share towards achieving the overall EU target**.

103. The GHG emission projections provided by France in its BR2 include those for the WEM scenario. Under this scenario, total emissions are projected to be [...] On the basis of the reported information, the **ERT concluded that France expects to meet its target for non-ETS sectors**.

104. The ERT noted that France is making progress towards its emission reduction target by implementing mitigation actions that deliver significant emission reductions. On the basis of the results of the projections for 2020 under the WEM scenario, the **ERT noted that France may achieve or overachieve its emission reduction target by 2020**.



Reviewing the reporting on progress in EU Member States

But is this sufficiently clear (TRR of BR2 of Estonia)?

78. For 2013, Estonia reported in CTF table 4 total GHG emissions excluding LULUCF at 21,754.86 kt CO₂ eq. [...]

79. The GHG emission projections provided by Estonia in its BR2 include the WEM and WAM scenarios. Under these two scenarios, total GHG emissions are projected to be 45.3 and 47.0 per cent below the 1990 level in 2020, respectively. For the non-ETS sectors, emissions are estimated to reach 5,709.47 kt CO₂ eq (excluding domestic aviation) by 2020 under the WEM scenario. Noting that its AEAs should reach the level of 6,467.26 kt CO₂ eq in 2020 under the WEM scenario, **Estonia expects to meet its target under the ESD.**

Or this (TRR of BR2 of Spain)?

95. For 2013, Spain reported in CTF table 4 annual total GHG emissions excluding LULUCF and including domestic and international aviation of 335,313.00 kt CO₂ eq. Spain reported that it does not plan to use market-based mechanisms for the achievement of the national target under the ESD.

96. The GHG emission projections provided by Spain in its BR2 include those for the WEM and WAM scenarios. Under these two scenarios, emissions are projected to be [...]. On the basis of the reported information, the **ERT concluded that Spain expects to meet its 2020 target for non-ETS sectors** under both the WEM and the WAM scenarios.

Would the review process benefit from best practice examples in this respect?



Transparency

Thank you!



Transparency