



Climate policy beyond 2020

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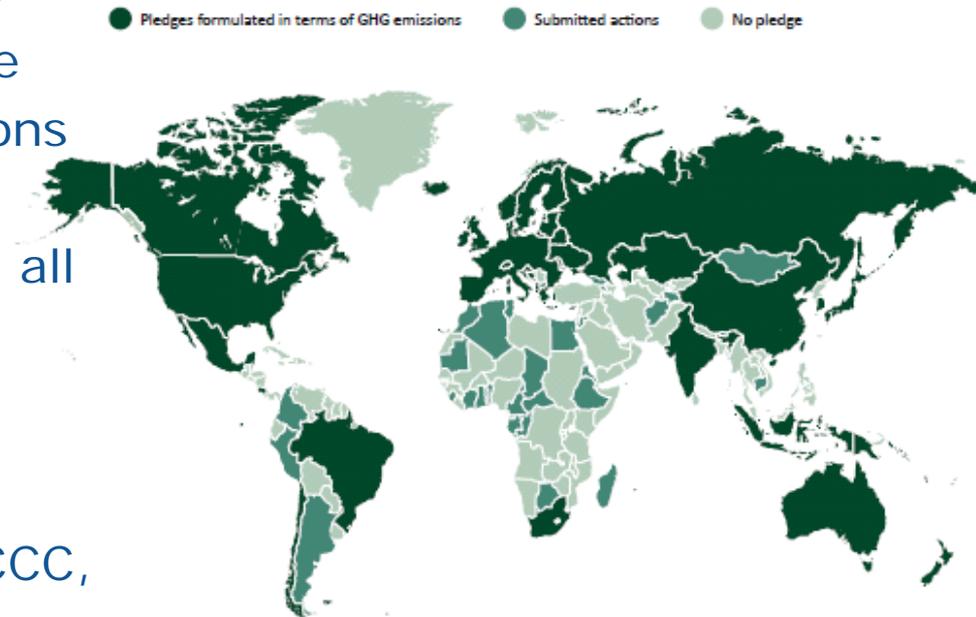
Climate
Action

Outline

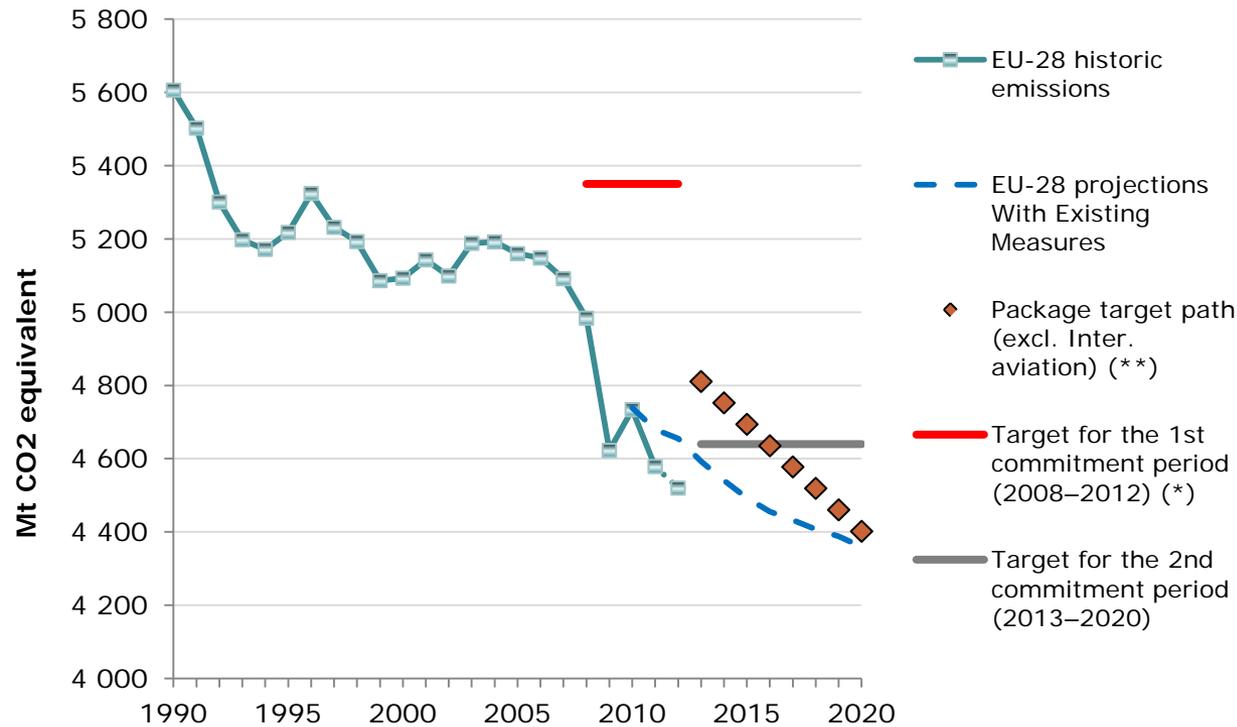
- *State of play*
 - **Globally – From Kyoto to Copenhagen/Cancun**
 - **EU – The 20-20-20 package**
- *Climate policy beyond 2020*
 - **Globally – The broader context of the 2015 Agreement**
 - **EU – Towards a 2030 Climate & Energy Policy Framework**
- *Conclusions*

State of play (1): Broadening global climate action well beyond Kyoto

- Global agreement on staying below 2° Celsius (Copenhagen/Cancun)
- Around 100 countries responsible for > 80% of global GHG emissions made concrete emission pledges (Copenhagen/Cancun), including all major economies
- Growing global action, but fragmented and diverse
- Growing action outside the UNFCCC, e.g. cities, business, plurilateral cooperative initiatives

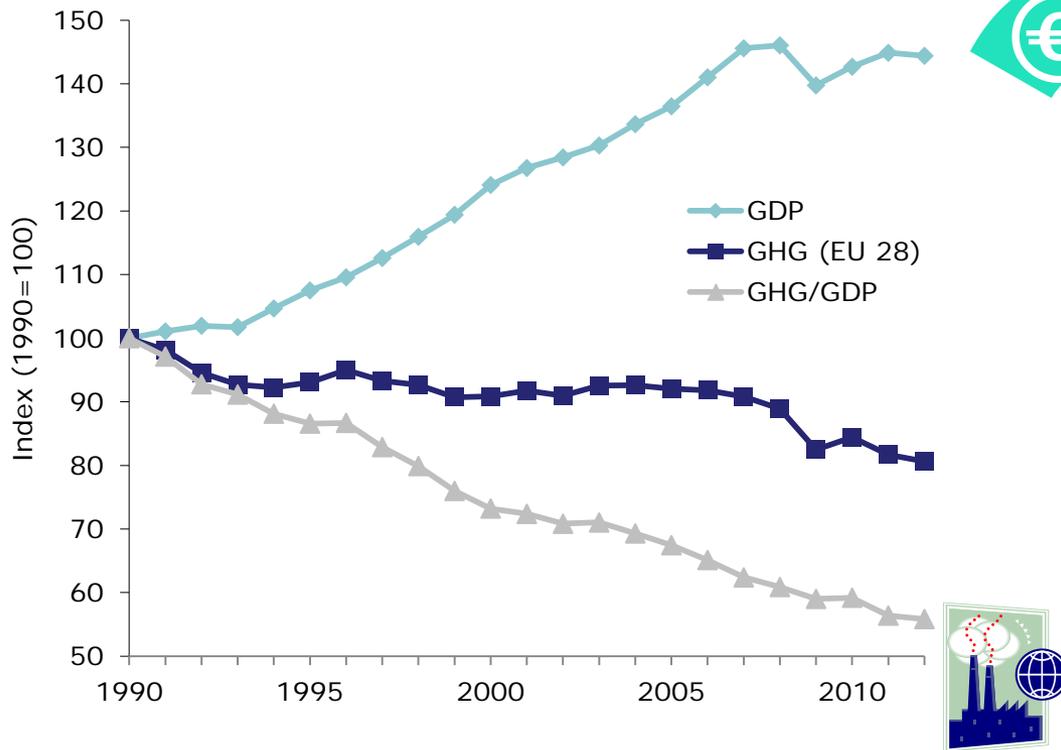


State of play (2): EU emissions going down...



- **In 2012: -18% of GHG emissions compared to 1990 levels (including international aviation).**
- **In 2020: With current policy projected -21% GHG emissions below 1990 level (including intern. aviation).**

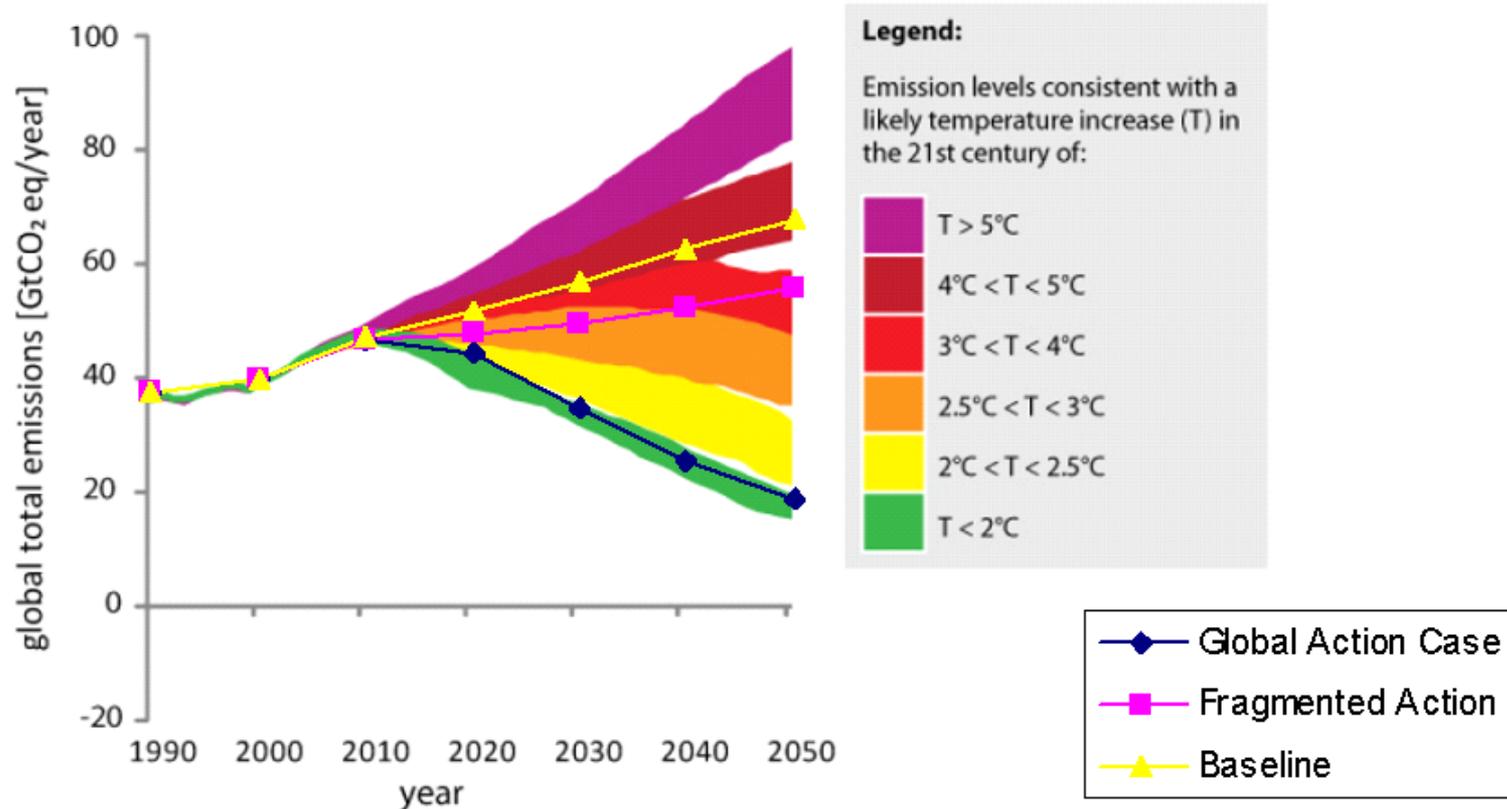
...while the EU economy continues to grow



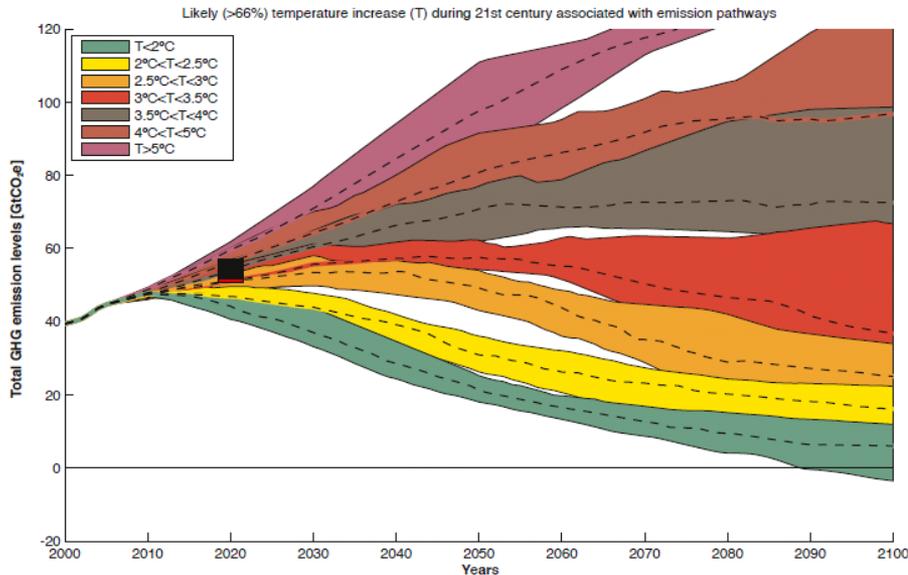
Decoupling between economic growth and GHG emissions:

- EU GDP growth 1990-2011: 45%
- Emission decreased by 18.3 % during the same period
- 2010/2011 → EU-28 GDP increased by 1.4% while emissions fell by 3.3%

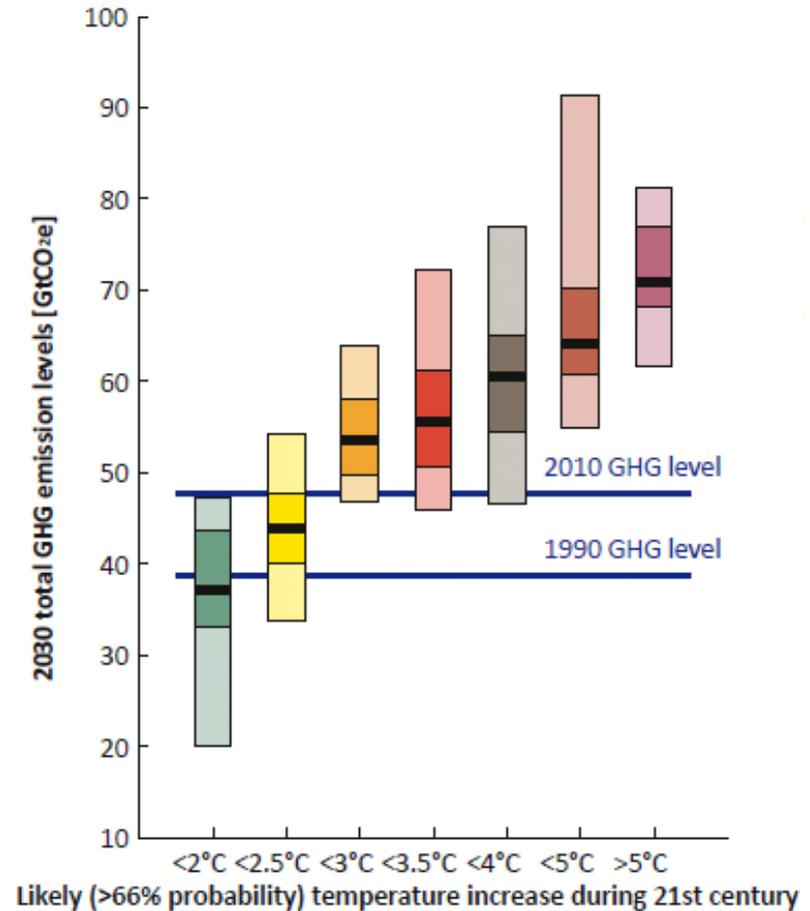
State of play (3): A glass a third full – heading to 3.5°Celsius or more by the end of this century



Beyond 2020 (1): Global mitigation challenge in 2030...

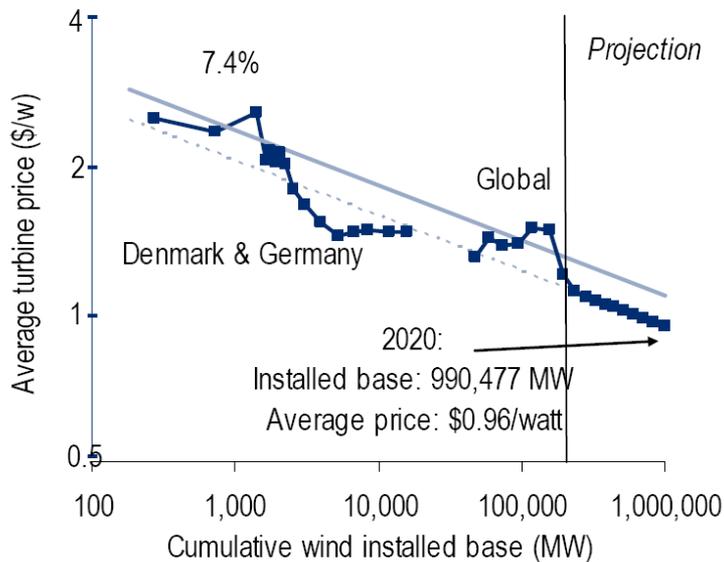


Source: UNEP (2012)



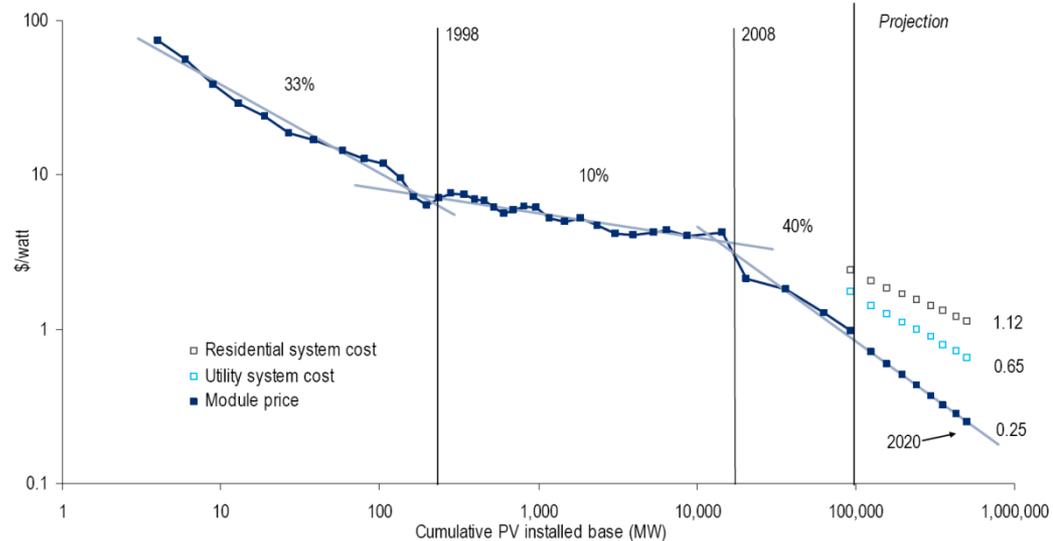
...less expensive technologies....

Wind

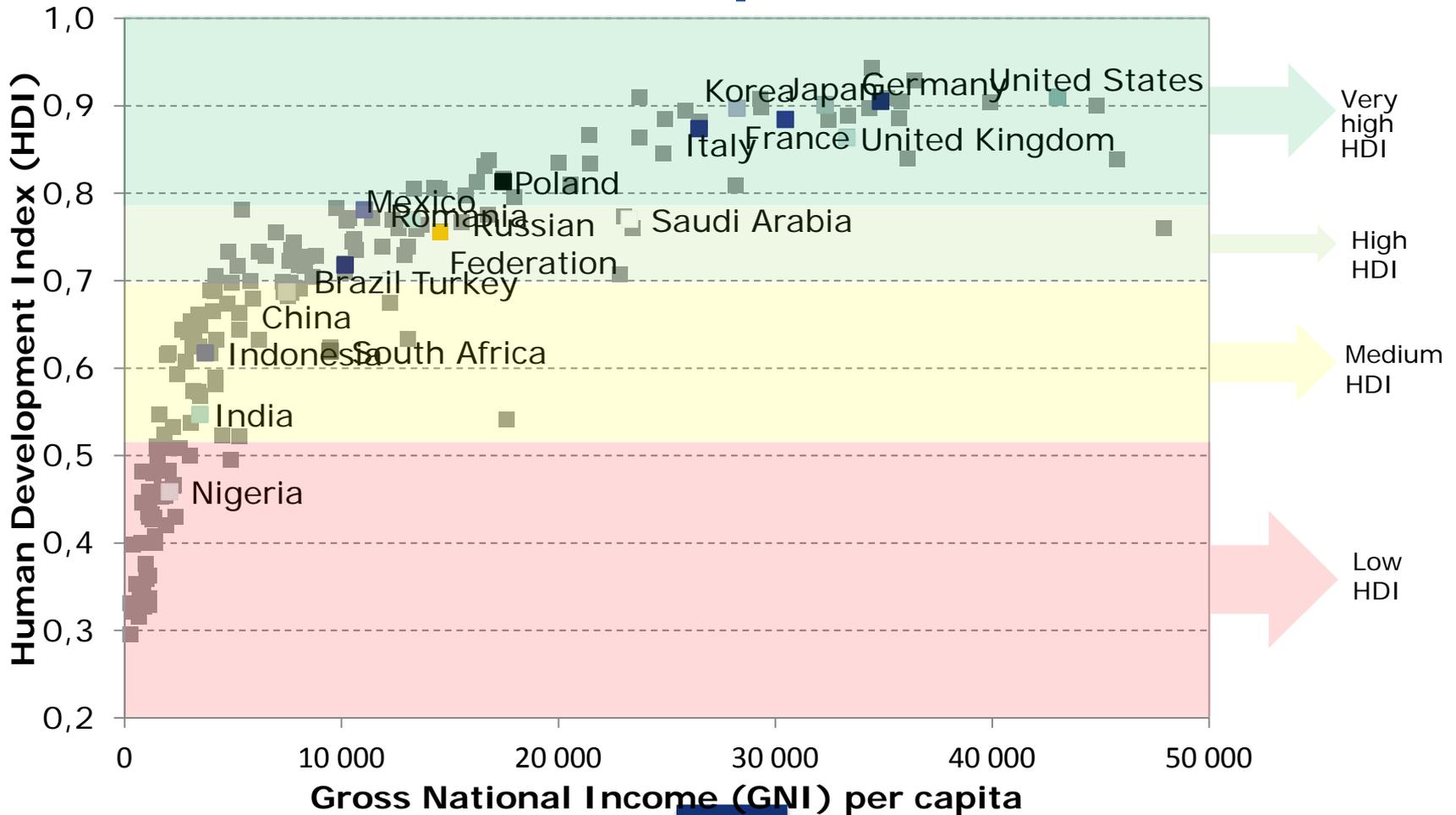


Source: Bloomberg New Energy Finance, Citi Research

Solar



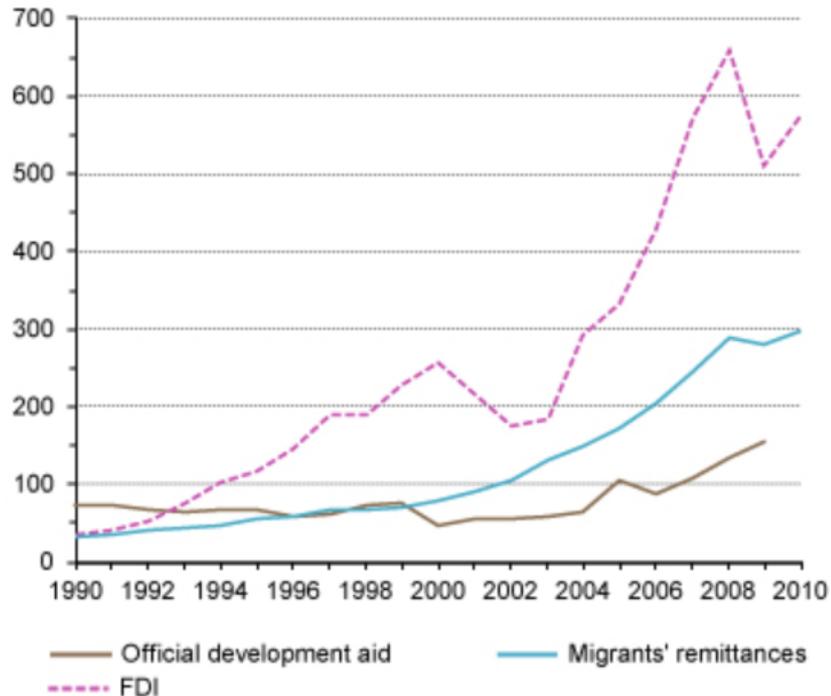
...where North-South distinctions will be less pronounced...



...and which is increasingly interlinked

Migrant remittances and financial flows to developing economies, 1990-2010

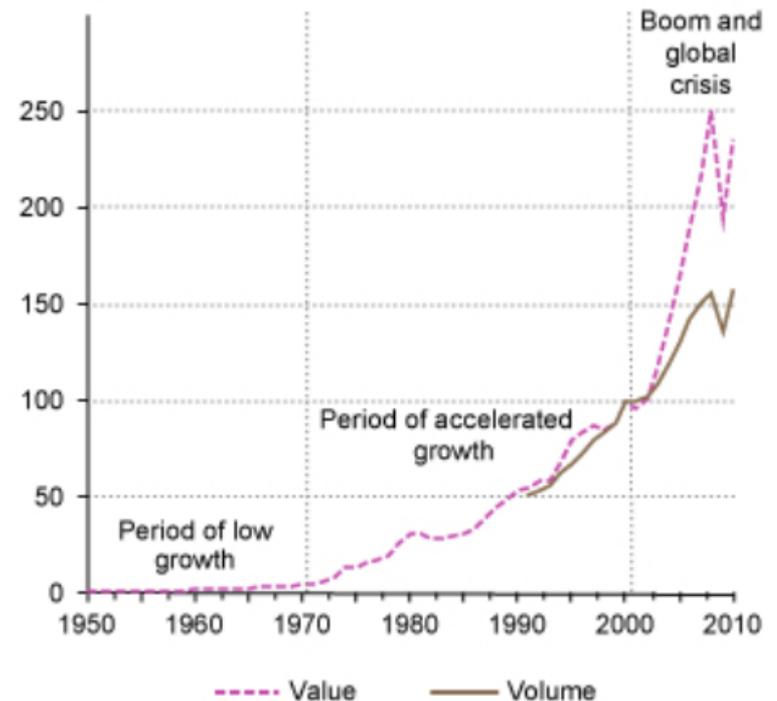
(\$ billions)



Source: UNCTAD secretariat calculations, based on UNCTADstat

Long-term trends in value and volume of merchandise exports, 1950-2010

(Index numbers, 2000=100)



Source: UNCTAD secretariat calculations, based on UNCTADstat and CPB Netherlands Bureau of Economic Policy Analysis, World trade database

The EU beyond 2020 (1): Providing for predictability



Long investment cycles require certainty and reduced regulatory risk

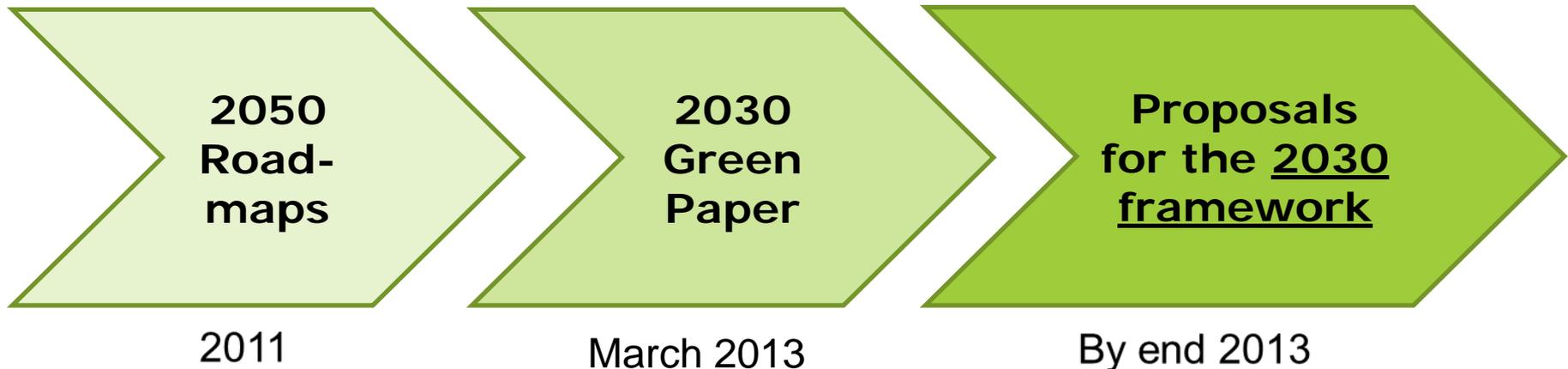


Creates demand for efficient low carbon technologies, spurs R&D and innovation



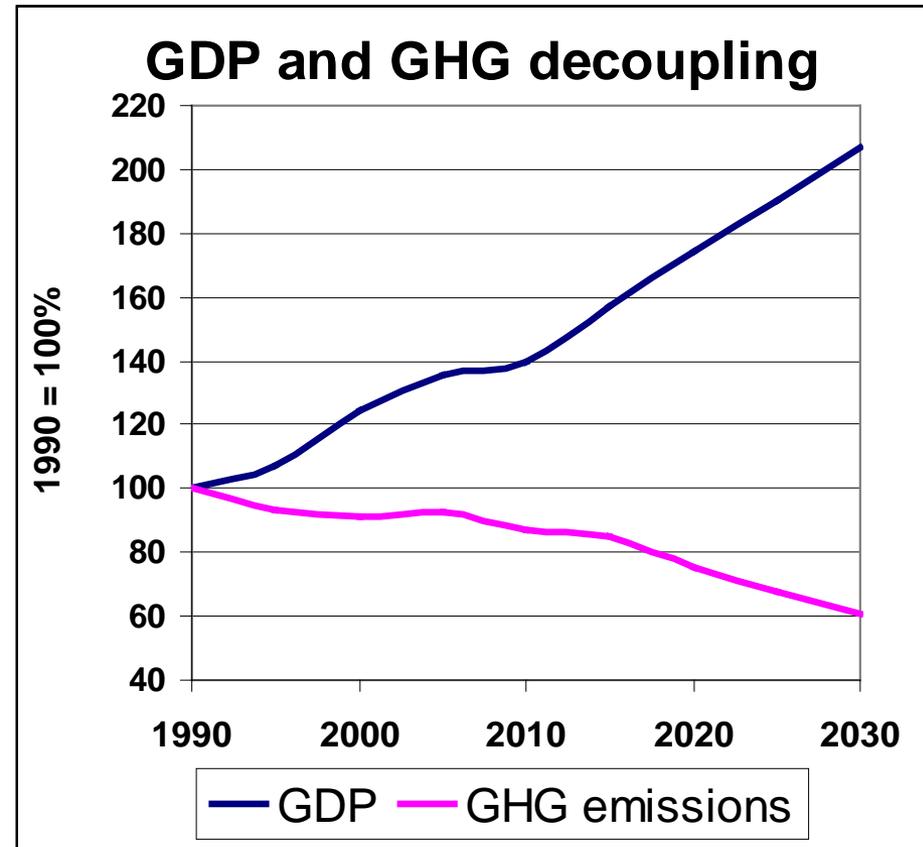
Allows the EU to engage actively with other countries in international negotiations

The EU beyond 2020 (2): Main steps towards a 2030 policy framework for climate and energy policies



EU beyond 2020 (4): Investing in innovation ...

- Additional domestic investment: € 270 billion annually during 2010-2050, equivalent to 1.5% of GDP (Total investment was 19% of GDP in 2009), of which**
- **built environment (buildings and appliances): € 75 billion**
 - **transport (vehicles and infrastructure): € 150 billion**
 - **power (electricity generation, grid): € 30 billion**





... means reducing the EU energy bill, raising air quality & health and creating jobs

- **Fuel savings:**
 - Primary energy consumption about 30% below 2005 without negatively affecting energy services
 - € 175 to 320 billion on average annually during 2010-2050
- **Making EU economy more energy secure:**
 - Halves imports of oil and gas compared to today
 - Saving € 400 billion of EU oil and gas import bill in 2050, equivalent to > 3% of today's GDP
- **Air quality and health benefits:**
 - € 27 billion in 2030 and € 88 billion in 2050



The EU beyond 2020 (5): Stakeholders emphasising multiple objectives for 2030

Climate change

Broad consensus on GHG Target for 2030

ETS as central policy instrument

Competitiveness

Greater consideration of economic crisis and international energy and climate developments

Increased focus on cost-efficiency

Security of supply

Supply routes diversification

Better, cross-border interconnections

Energy storage improvements

Increased Policy Coherence

Integrated Infrastructures

Internal Energy Market

The EU beyond 2020 (6): Stakeholders on fairness and flexibility for 2030

MS differences need to be considered

- GDP, geography and efforts made should be considered
- Impact assessment per MS to evaluate starting points
- Mechanisms to provide financing for MS less capable to act

Need to combine flexibility, cost-effectiveness and fair distribution

- EU ETS can contribute to a fair allocation
- Use instruments based on internal market wherever possible
- Increased use of coordination/cooperation mechanisms

EU should facilitate investments through innovative financial instruments

- Key role of EIB to de-risk investments
- Need to find appropriate solutions to develop energy infrastructures



Conclusions

- *Today's global climate policy has come a long way and goes well beyond the UNFCCC. However, we are not yet there - plenty of room for learning and improvement.*
- *EU has been successful in developing, implementing and learning inspiring international negotiations.*
- *Beyond 2020, the UNFCCC will only remain a central element of a viable global climate change if it can respond adequately to evolving global realities.*
- *EU on the way to define its 2030 climate and energy policy reconciling climate change, energy security, innovation, job creation, competitiveness and fairness.*

Thank you !

a world you like
with a climate you like

