



EU climate policies for the 21st century: The case for a strong EU long-term target and a robust review

Nils Meyer-Ohlendorf, with contributions from Ralph Bodle, Matthias Duwe, 24 February 2017

This note summarizes why a quantitative, binding and ambitious EU long-term climate target and a robust review mechanism are essential for the EU to meet its obligations under the Paris Agreement and provide policy certainty. The note builds on existing papers by the Ecologic Institute on the topic.¹

Why does the EU need a binding long-term target?

- **Paris Agreement establishes long-term targets:** The Paris Agreement (PA) commits Parties to a variety of targets, including staying “well below 2°C above pre-industrial levels”, and even “to pursue efforts” towards 1.5°C (Article 2 PA). This also includes reaching peak emissions “as soon as possible” and achieving climate neutrality in the second half of this century (Article 4.1 PA). The PA also commits developed country Parties to establish economy-wide absolute emission reduction targets (Article 4.4 PA). The EU is required to undertake ambitious efforts towards these objectives (Article 3 PA) and should adopt and implement long-term targets accordingly.
- **A long-term target is a litmus test to whether the EU is genuinely committed to the PA:** If the EU is serious about climate change, there is no problem for the EU to adopt a specific long-term target. A long-term target only quantifies the EU’s commitment under the PA and does not impose a new or additional obligation. If the EU were to shy away from adopting a long-term target it would likely be perceived as questioning its commitments.
- **Maintain leadership in global climate action:** A long-term target is the best way for the EU to communicate its mitigation commitments to its citizens and

¹ Ecologic Institute Nils Meyer-Ohlendorf, Ralph Bodle: EU Effort Sharing after 2020: Review and Ratcheting Up EU Climate Targets: <http://ecologic.eu/14112>., Nils Meyer-Ohlendorf, with contributions from Ralph Bodle, Matthias Duwe, Benjamin Görlich: EU Climate Policies after 2020 - Robust Review and Ratcheting Up Targets: <http://ecologic.eu/14450>

the world. A long-term target helps maintain and enhance the EU's international credibility and leadership role.

- **Clarify the direction of travel, including for investments:** Targets clarify the direction of travel. Without this clarity it is harder to adopt policies now that will put the EU on a cost effective path. Long-term targets give a credible signal to investors that the EU is seriously committed to decarbonizing its economy.
- **Low emission strategies are essentially meaningless without specific targets:** Article 4.19 of the PA and Article 14 of the proposed Governance Regulation require the development of national long-term low greenhouse gas emission development strategies by 2020. To be able to adopt a meaningful low emission strategy in 2020, the EU must have agreed on a long-term target before then. It makes little sense to formulate strategies without long-term targets.

Why the current legislative processes are an opportunity that we shouldn't miss

- **A legally binding long-term target is the strongest possible commitment:** For the highest level of international credibility and investor certainty, the long-term target should be legally binding. To be legally binding, these targets must be enshrined in the legal provisions of EU law, not only in a recital.
- **Current legislative processes provide for a timely opportunity:** Currently, there are three legislative processes that could set out the EU's reduction targets and that could anchor the review and ratcheting up of EU climate targets: ETS and ESD reform and the Regulation for the Governance of the Energy Union (GR).
- **Political agenda until 2020:** Given the political agenda until 2020, these legislative processes are the only timely opportunities to adopt a legally binding target.

Why a binding long-term reduction target of 80-95% in 2050 would be better than no target

- **The upper end of the 80-95% reduction target range is ambitious:** Comprehensive scientific analysis of how much developed countries need to reduce their emissions to be in line with global efforts to stay "well below 2°C" or even 1.5°C is currently under way. It is likely that for an adequate contribution to keeping temperature increases "well below 2°C" or even at

1.5°C, the EU would have to reduce emissions by at least 95% in 2050. In consequence, the upper end of the reduction target range (95%) would possibly be an adequate EU contribution to global efforts.

- **Lock-in of an inadequate target can be avoided:** There is a political risk that the EU goes for the lower end of the reduction target range of 80-95% and adopts a target that does not represent a sufficient contribution to global action. To address this risk the long-term target has to be combined with a strong review process (see below).
- **A long-term target would end the debate whether there is an EU commitment for 2050 or not:** In 2009, the European Council stated its support for an EU objective to reduce emissions by 80-95% by 2050 compared to 1990 levels.² The European Council put this support in the “context of necessary reductions according to the IPCC by developed countries as a group”. There are various interpretations of this political agreement in the political debate, including an open questioning of whether there is an EU 2050 target at all. This ambiguity undermines investor certainty and EU leadership in global action on climate change. A long-term target enshrined in legislation would provide the necessary clarity.
- **Backbone for reviewing long-term EU progress:** A long-term target would constitute an indispensable yardstick for reviewing EU progress towards implementing the PA.

Why independent and robust review of progress and target adequacy is essential

- **Evidence based and science driven:** The EU has achieved average annual reductions of 1% over the period 1990-2015. This rate of reduction is insufficient to achieve the emission cuts that are needed in the future. Larger annual reductions will be required.³ The size of the challenge makes a compelling case for a mechanism that ensures that scientific evidence is an essential consideration in climate policy making.
- **Paris Agreement requires increased reductions over time:** Article 3 of the PA stipulates that efforts of Parties to mitigate climate change “will represent a progression over time”. Article 4.3 of the PA determines that each nationally determined contribution will contain an increased ambition. In essence, these provisions require the EU to ratchet up targets continuously. There is presently no dedicated mechanism foreseen in the legislative proposals on 2030 climate

² European Council of December 2009 (15265/1/09), para 7.

³ EEA (2015): Trends and projections in Europe 2015 — Tracking progress towards Europe's climate and energy targets.

policy for this function. Review through an independent body is essential to support the ratcheting up of targets.

- **More balanced legislative proposals:** Over the last decade, the European Council has taken a more active role in EU climate policies. Because the European Council decides by consensus, this development has led to a lowest common denominator approach, and not led to the adoption of policies that are adequate for the decarbonisation of Europe's economy. Public and independent advice could help to balance any Commission proposals for future targets and to help shield them from interference by the European Council.
- **Help keep course over long periods of time:** Experiences in some countries show that legal frameworks and independent bodies help to keep decarbonisation on course over time. The UK Climate Change Act, for example, helped deliver reductions required by the respective carbon budget and remained intact despite changes in government.
- **The case for the European Environment Agency (EEA):** There are various ways to design an independent body that supports reviewing progress and the ratcheting up of targets, but there are a number of arguments why the EEA itself as an existing body is particularly well suited for this task:
 - **Fairly independent:** According to Article 2 of Regulation 401/2009, the EEA provides "objective information necessary for framing and implementing sound and effective environmental policies". To ensure high scientific quality, the EEA is assisted by a scientific committee which delivers public "opinions on scientific matters concerning the agency's activity" (Article 10 of Regulation 401/2009). Although the EEA is funded by the EU and despite the fact that the European Commission has an important role in the EEA's budgeting process (Article 12 of Regulation 401/2009), the independence of the EEA has not been put into systematic doubt so far.
 - **No new EU bodies:** In times when the EU is under scrutiny and seeks to reduced "administrative burden", there is a fairly strong argument for strengthening existing EU institutions and for not adding new bodies.
 - **EEA capacities and management structure:** The EEA has a proven track record on providing sound and objective advice to EU climate and energy policy making. If existing capacities are insufficient, they should be strengthened. If the current EEA management structure is an issue – because non Member States are on the management board – there are ways to prevent these countries from influencing the politically sensitive issues of reviewing and adjusting targets.