

THE CRISIS OF EU CLIMATE POLICY

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WHAT CRISIS?

The EU's climate policies have

- failed to achieve strategic goal of legally binding UN climate agreement
- failed to live up to its Paris climate commitments to reduce CO2 emissions
- increased energy prices significantly
- reduced competitiveness of European manufacturing
- increased dependence on Russian energy imports
- increased division between Western Europe and Central & Eastern Europe
- given rise to widespread public discontent and the rise of populist and climate sceptical parties

ORIGINAL EU CLIMATE AGENDA

After the fall of the Berlin Wall, the EU's climate agenda was founded on three key assumptions, convinced that

1. global warming is an urgent threat that needs to be prevented without delay and at all costs
2. the world is running out of fossil fuels, i.e. oil and gas prices can only rise, thus renewable energy will very soon become cost competitive
3. the UN will agree a legally binding agreement on CO₂ reductions creating a global market into which EU companies can sell their low-carbon technology & knowhow.

CLIMATE AGENDA FAILURE

1. Instead of dramatic global warming, the rise in average global surface temperature has been half (0.17°C per decade) of what the IPCC predicted in 1990.
2. Instead of running out of oil and gas, the shale revolution is producing abundant fossil fuel resources that can meet the world's needs for most of the 21st century.
3. Instead of a legally binding UN climate agreement with a level playing field, the EU's unilateral climate targets have given Europe some of the world's highest energy prices, making its manufacturing industries increasingly uncompetitive as a result.

EU CLIMATE STRATEGY IN PARIS

Before the UN Climate Conference in Paris (2015) the EU offered a pledge of cutting CO₂ emissions by 40% below the 1990 level by 2030.

BUT: EU offer was conditional on the Paris agreement being legally binding for all countries.

- ***“If there is no binding commitment from countries as India, Russia, Brazil, the US, China, Japan and South Korea, whose governments are responsible for some 70% of global emissions, I think it is not really smart to have a 40% target,”*** -- Gunther Oettinger, EU Energy Commissioner, Sept 2014

The EU demanded that the Paris Agreement must have

- ***“legally binding mitigation commitments that put the world on track towards achieving the below 2°C objective.... Mitigation commitments under the Protocol should be equally legally binding on all Parties.”*** (European Commission, The Paris Protocol, Feb 2015)

OBAMA ADMINISTRATION:

‘WE CAN’T HAVE A LEGALLY BINDING AGREEMENT’

Climate change

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Paris climate deal will not be a legally binding treaty

Kerry interview exposes international divisions over how to enforce carbon emissions agreement



Days before the Paris conference, John Kerry, the then US Secretary of State, announced the Paris meeting would not produce a “treaty” with legally binding targets.

A legally binding agreement would need approval from the US Senate whose Republican majority announced that they would not ratify such an agreement.

PARIS AGREEMENT:

PR SUCCESS, STRATEGIC FAILURE

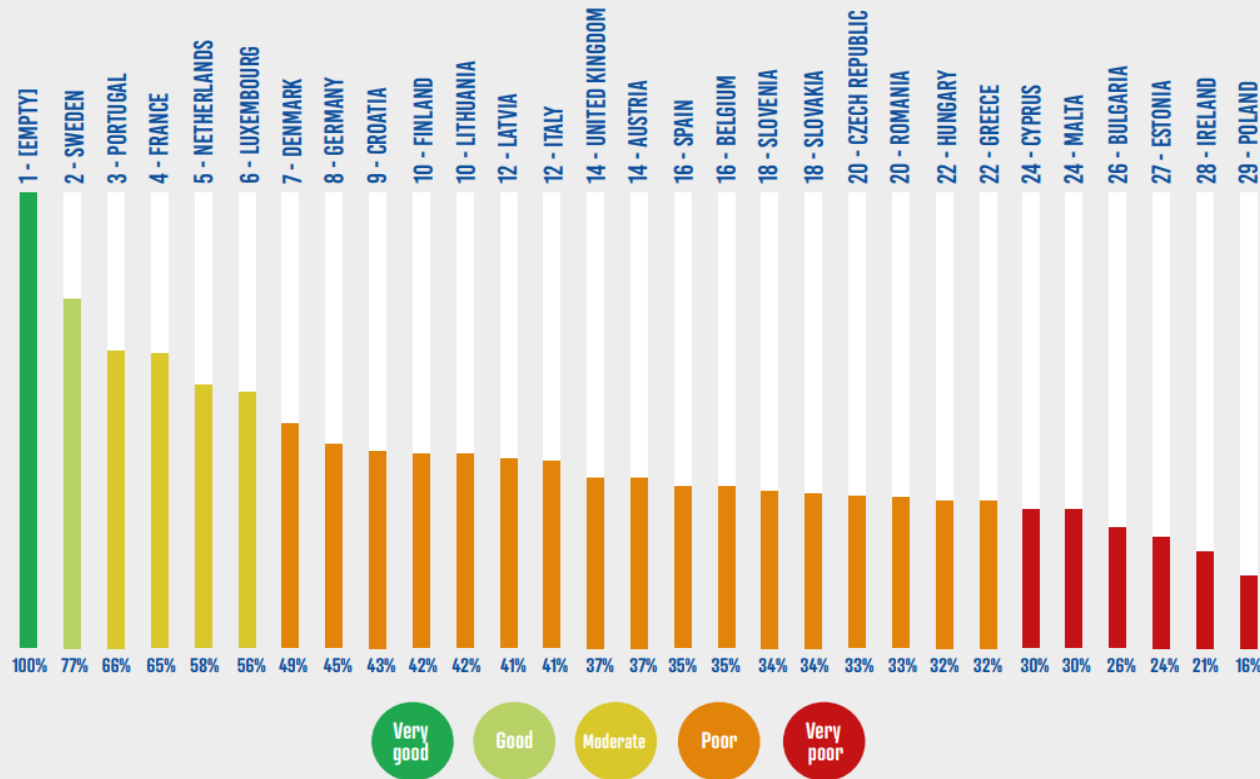
- Governments were keen to sign the Paris agreement because it allowed political leaders to declare ‘victory ‘ & overcoming the trauma of the failed Copenhagen conference in 2009.
- BUT: Paris climate summit also failed to reach a legally binding treaty on cutting CO2 emissions.
- Paris deal replaces legally binding targets of the Kyoto Protocol (which runs out in 2020) with **voluntary** pledges tailored to the national interests of individual countries.
- Paris agreement has abandoned the notion of making decarbonisation legally binding.

AFTER PARIS

- **Despite proclaiming Paris deal as a big success, EU goal of an agreement with ‘*legally binding on all Parties*’ failed.**
- The EU submitted its targets collectively — promising to cut greenhouse gas emissions by 40 percent by 2030 compared to 1990 levels.
- To achieve this target, it planned to reduce its overall energy consumption by 30 percent, and produce 27 percent of its energy with renewables.
- BUT: After Paris, EU member states from Eastern and Central Europe disarmed the EU’s 2030 climate goals.

EU FAILING ITS CLIMATE TARGETS

Where do EU countries stand on fighting climate change?



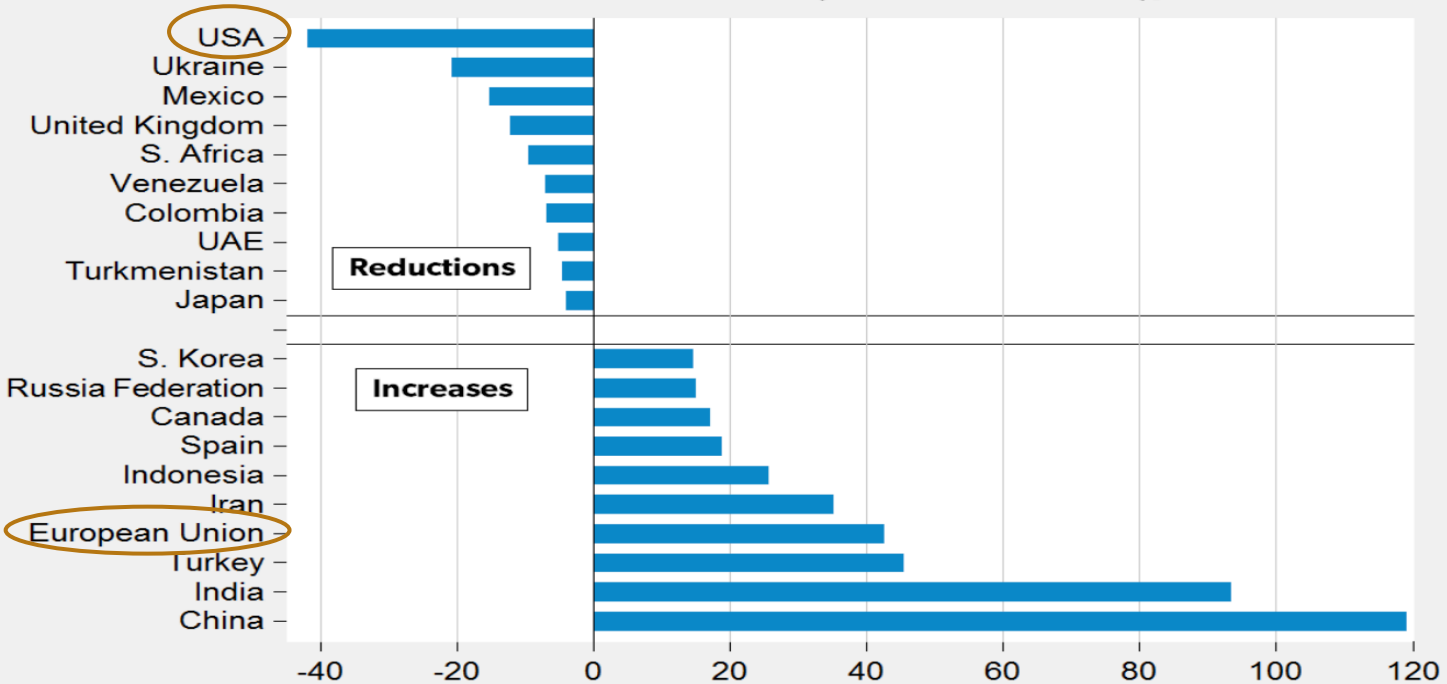
All EU countries are missing the Paris Agreement targets, as assessed by CAN Europe (2018).

“No single EU country is performing sufficiently in both ambition and progress in reducing carbon emissions.”

“Most countries that advocate for more ambitious policies for the future are currently lagging behind in achieving targets for 2020 and reducing carbon emissions.”

CO2 EMISSIONS RISING

Ten Countries with the Largest Reductions and Increases in CO2 Emissions (Millions of Tons), 2017



Source: BP Statistical Review of World Energy June 2018

Carpe Diem **AEI**

- The EU's CO2 emissions since 2014 have been going up in 14 out of the 19 larger EU member states. These countries include Germany, France, Poland, Spain, and the Netherlands.
- For the EU as a whole CO2 emissions increased by 2.5 percent in 2017. --BP Statistical Review of World Energy 2018

EU ABANDONS LEGALLY BINDING TARGETS

EU MEMBER STATES ABANDON LEGALLY BINDING TARGETS FOR RENEWABLE ENERGY

Date: 06/12/17 | EurActiv

For the past ten years, EU member states have been obliged to meet national targets for renewable energy. From 2020, they will be free of these constraints.



EU decided to make 2030 renewable energy targets non-binding at EU member-state level

2030 energy efficiency target is also non-binding

IGNORING & REJECTING CLIMATE TARGETS



German Chancellor Angela Merkel | Tobias Schwartz/AFP via Getty Images

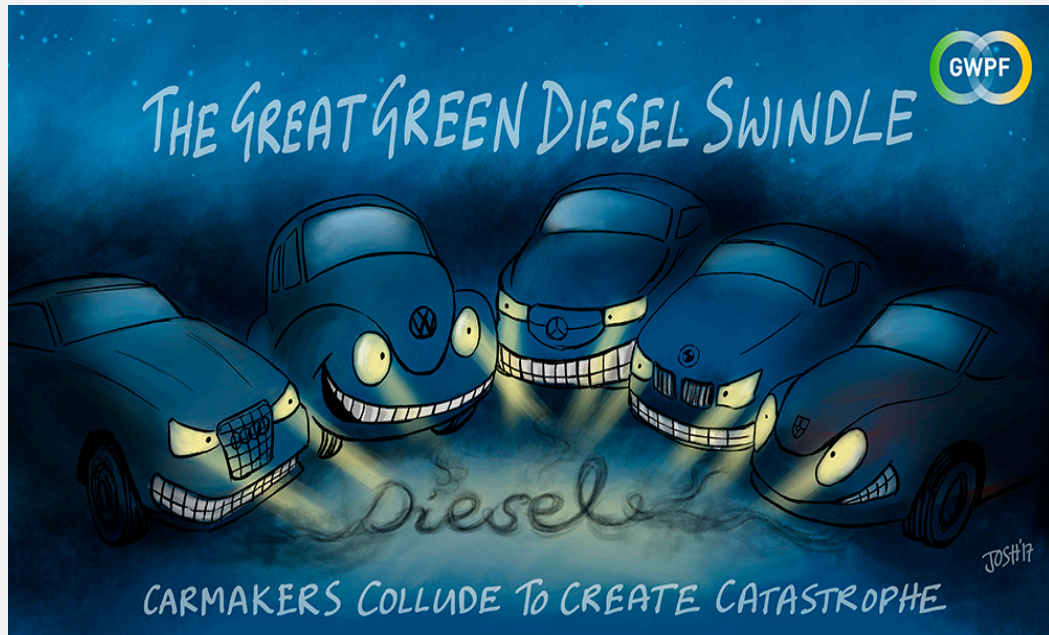
Merkel 'not very happy' about new EU climate target proposals

The EU's current climate target for 2030 is a cut of at least 40 percent, but it could be raised to at least 45 percent.

Germany on track to widely miss 2020 climate target – government

Germany set to miss 2020 EU renewables goal

EU CARMAKERS REJECT CO2 TARGETS



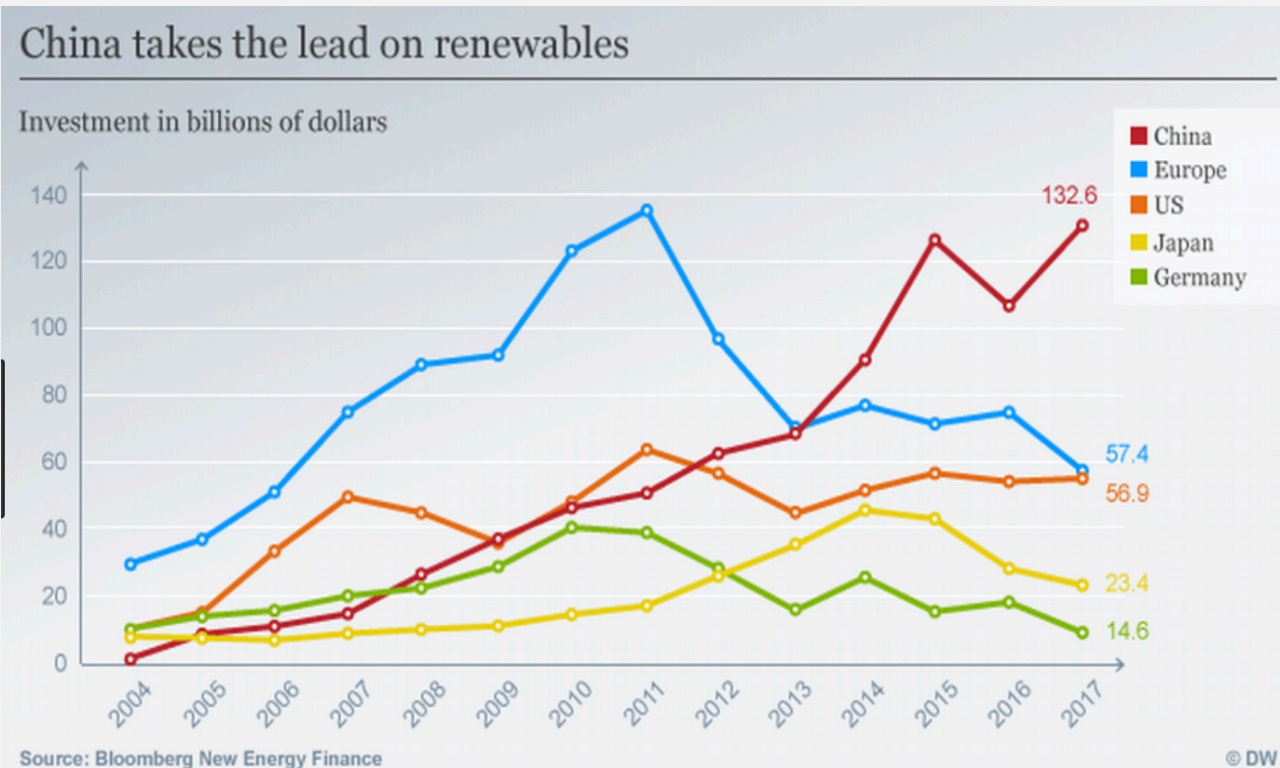
European carmakers question the EU's 20% cut in CO2 emission for cars, & flatly rejected an EU 30% cuts by 2030.

Car fleet emissions in Europe have started to rise again, as Europe's car buyers are ditching diesel cars for petrol cars.

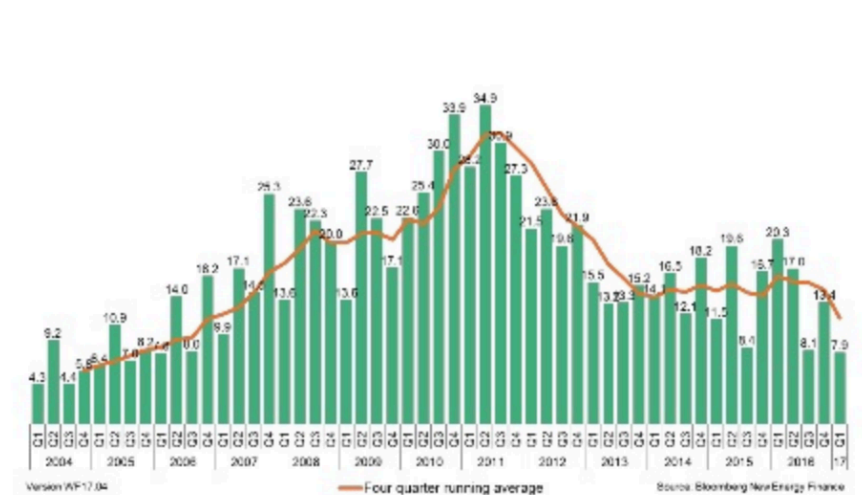
Another source of rising CO2 emissions is the increase in SUVs, which are growing in popularity due to low oil prices.

EU RENEWABLE ENERGY INVESTMENT DECLINING

- Investment in renewables in the EU fell 50 percent between 2011 and 2017, to \$57 billion (€46 billion). -- *Bloomberg New Energy Finance*



Europe new investment in clean energy (\$ billion)



DESPITE PARIS, UN CLIMATE TALKS REMAIN DEADLOCKED

Arguments between rich and poor endanger December climate summit

'The Paris agreement is on the brink,' warn NGOs.

WE MUST ALL DO SOMETHING AND
WHEN WE SAY "WE" WE MEAN YOU



- Deep divide between developed and developing countries hasn't been resolved by the Paris agreement.
- Developing nations demand that NDCs should be split into differentiated versions for developed and developing countries.
- Developed nations demand a common system applicable to all parties
- Developed countries have pledged to provide \$100 billion p.a. in climate finance by 2020.
- Developing nations reject attempts to count a broad range of financial flows as climate finance.