
CLIMATE STRATEGIES

Is there a case for the EU
to move beyond 20% in 2020?

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Introduction

- Overall debate on EU climate policies embedded into the 20 to 30% emissions reduction in 2020 debate
 - Advantage: 2020 emissions reduction target key to shape climate policies
 - Drawback: initial framing of the discussion on 20 to 30% misleading

Introduction

- 20 - 30% range result of a double compromise
 - Domestic: sectors / countries opposed to unilateral move to 30%
 - International: way to have international leverage

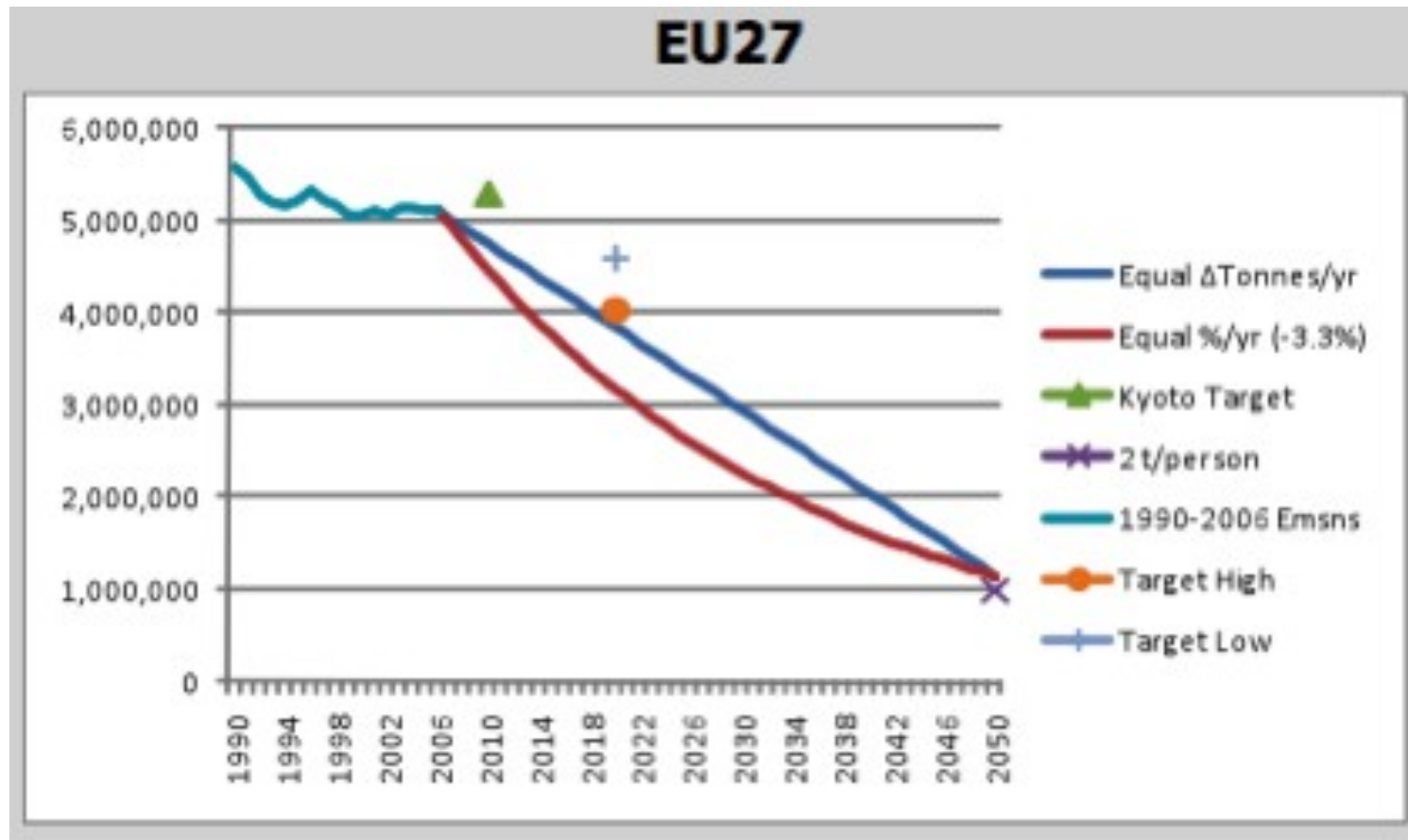
Introduction

- Conditions for moving from 20 to 30%
 - Legally binding treaty
 - Comparability of actions by others
- Initial framing misleading
 - Too much emphasis on the 2020 target (compared to 2050 target, policies to reach target)
 - Too much emphasis on international rationale for moving beyond 20% (compared to domestic reasons)

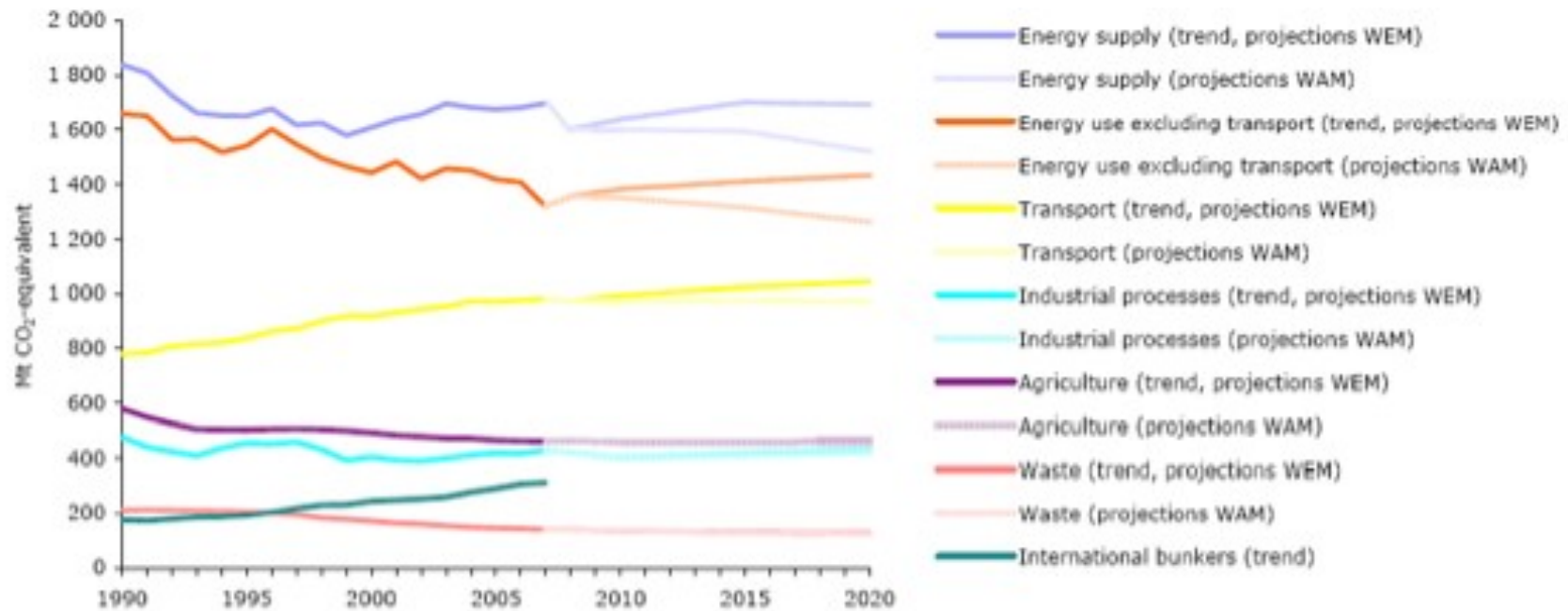
Reasons to question the status quo

- Time consistency of the EU emissions reduction pathway
- Consistency in between goals, targets and policies
- Changed elements of context
 - Economic crisis
 - International negotiations

Time consistency of the EU emissions reduction pathway



Time consistency of the EU emissions reduction pathway



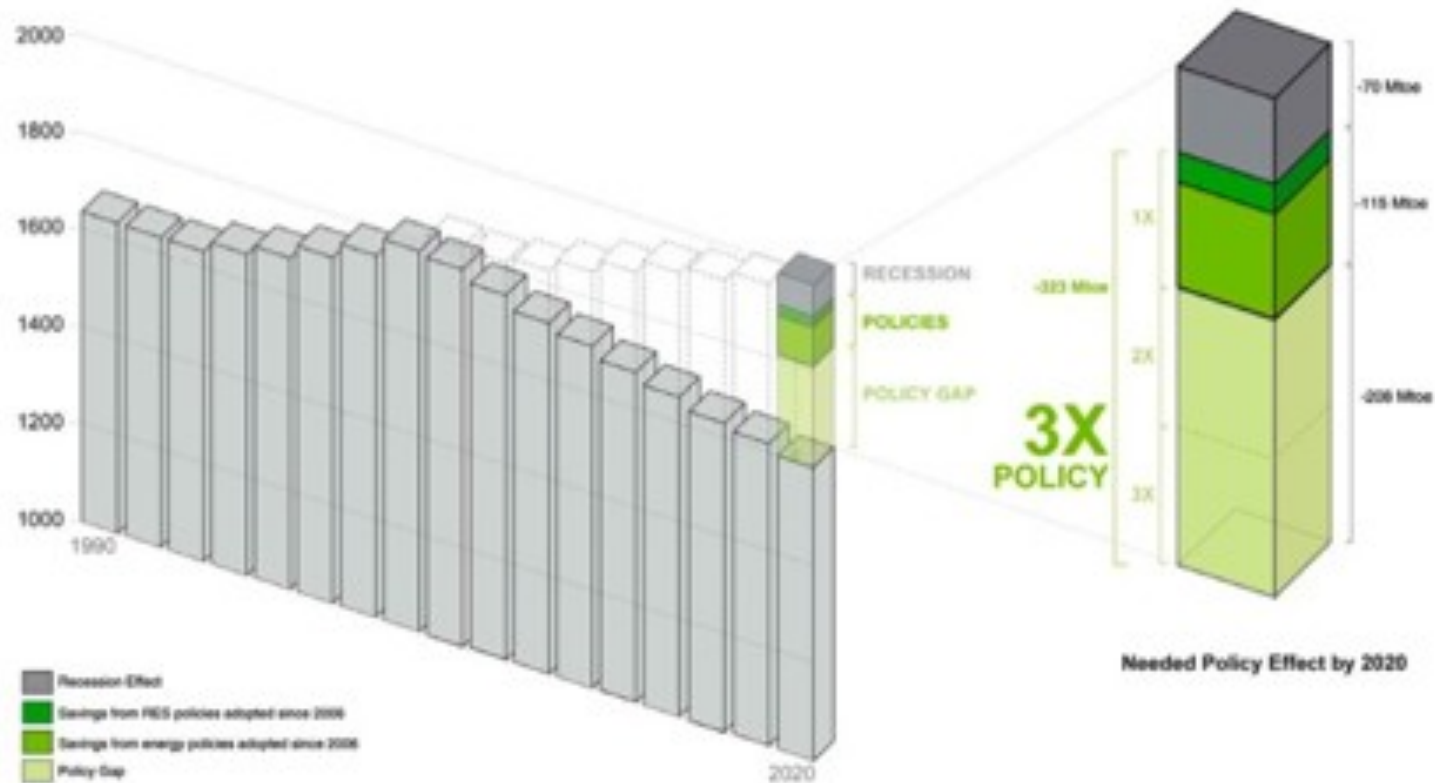
Note: WEM: with existing (current) measures; WAM: with additional (planned) measures

Consistency in between goals, targets and policies

- Energy efficiency
 - Objective on its own
 - But also meant to support other targets (esp. renewables target)
 - Not on its way to be met
 - Issues:
 - Non binding
 - Approach
 - EU and MS targets
 - Mainly MS policies

Consistency in between goals, targets and policies

A gap of 208 Mtoe: policy impact needs to triple



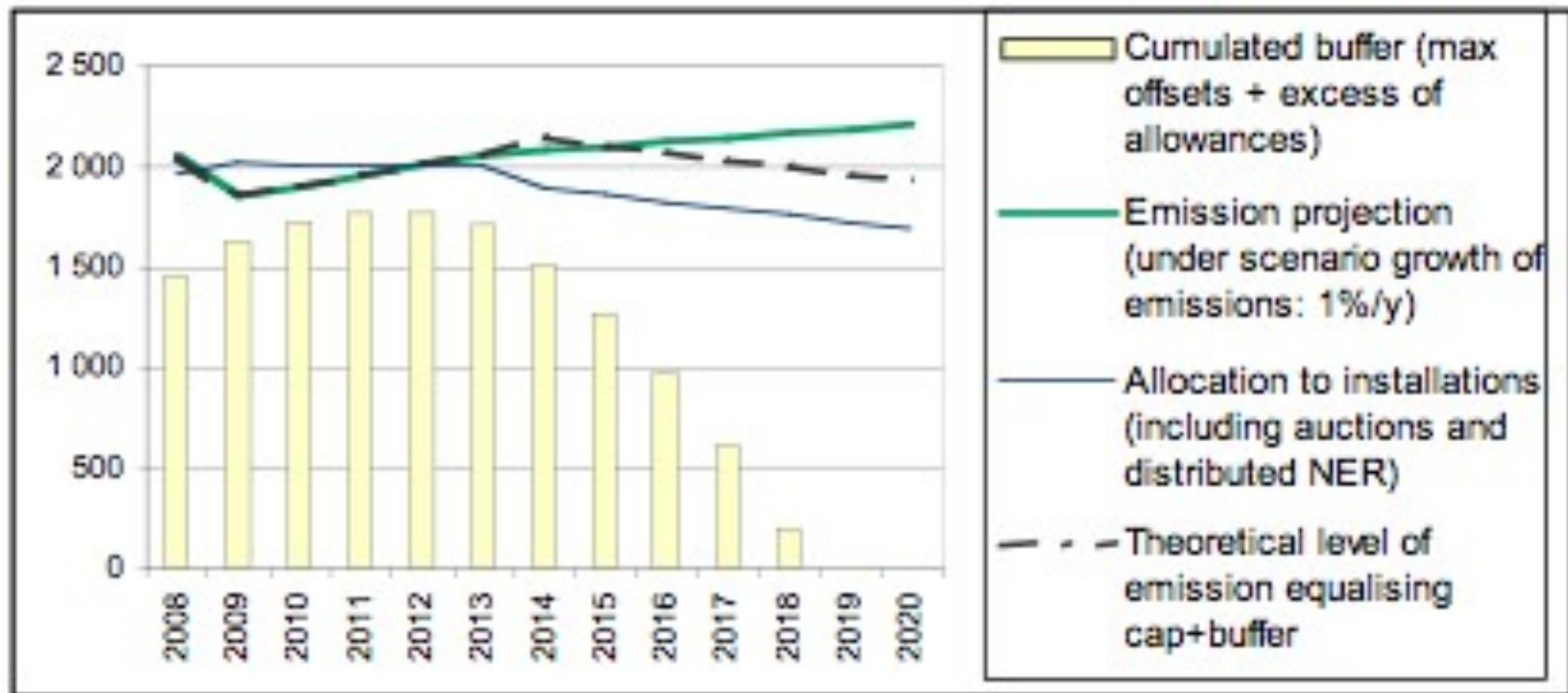
Consistency in between goals, targets and policies

- Renewables
 - Meant to support the ETS target
 - But set too high to reach at least cost
 - Objective on its own
 - Building an EU renewables industry
 - Policy (esp. feed in tariffs) do not match objective
 - Others are supporting aggressively renewables
 - Risks of competitive edge being less

Changed elements of context

- Economic crisis
 - Hit the EU badly economically
 - From a climate perspective
 - Level of sectoral transformation induced by targets less than expected
 - Balance in between targets and policies has changed (public costs of supporting renewables have raised)

Changed elements of context



Changed elements of context

- International negotiation
 - Bottom up approach
 - What you bring to the negotiating table is you domestic effort
 - Domestic rationale for offsets might remain
 - But the international one has changed

Ways to reach 30%

- Offsets and LULUCF
- Least cost
- Renewables and energy efficiency first

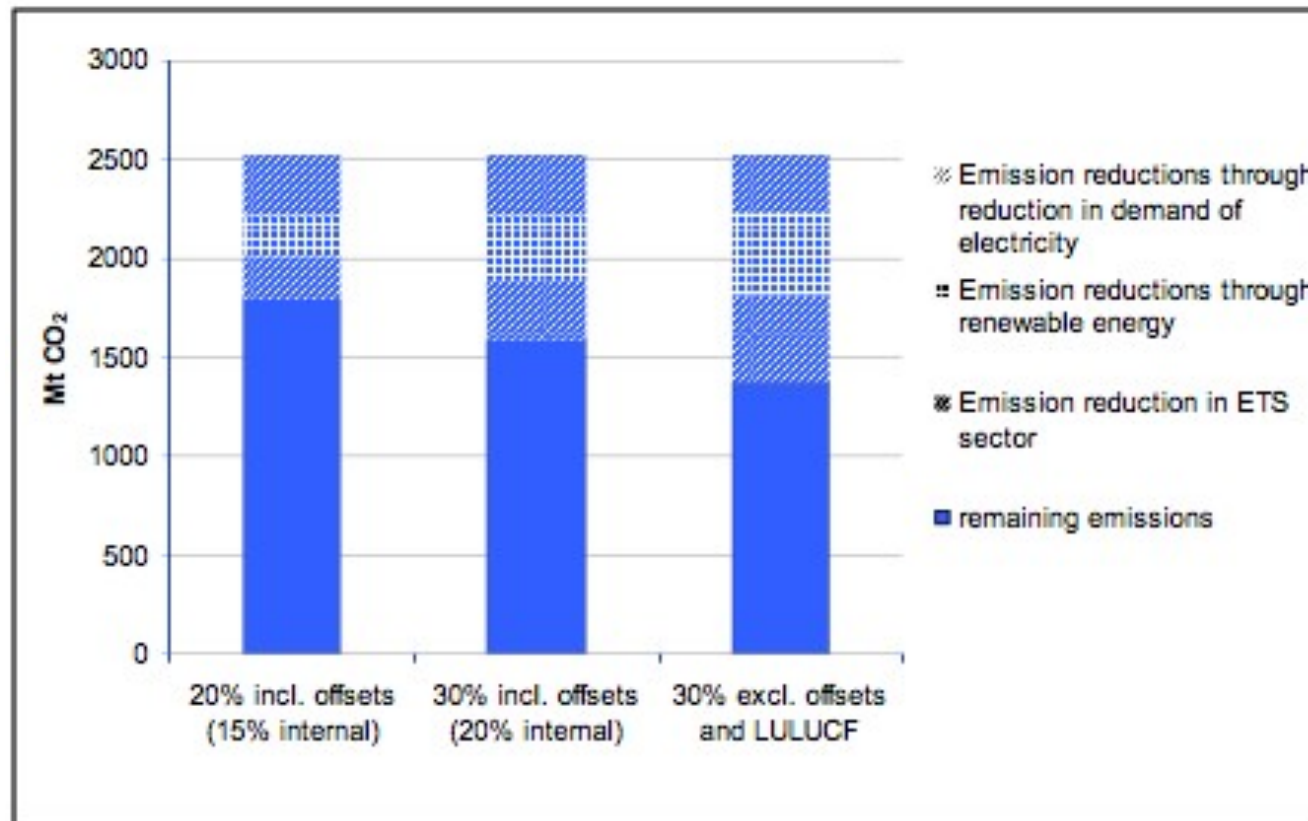
Offsets and LULUCF

Maximum use of offsets and likely outcome on LULUCF accounting rules: domestic effort: 5% below BAU



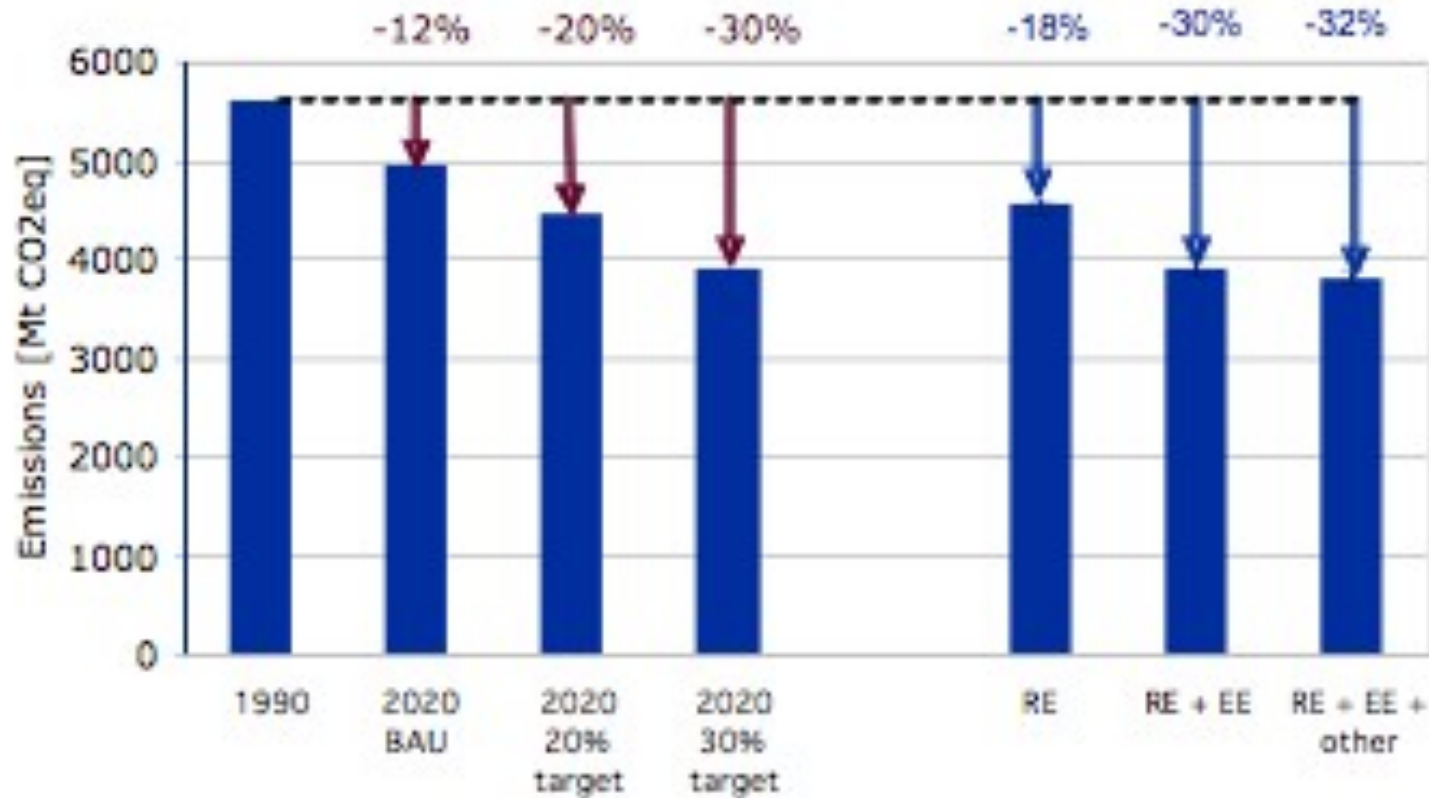
Least cost

Only 38% of emissions reductions
in the ETS sector directly

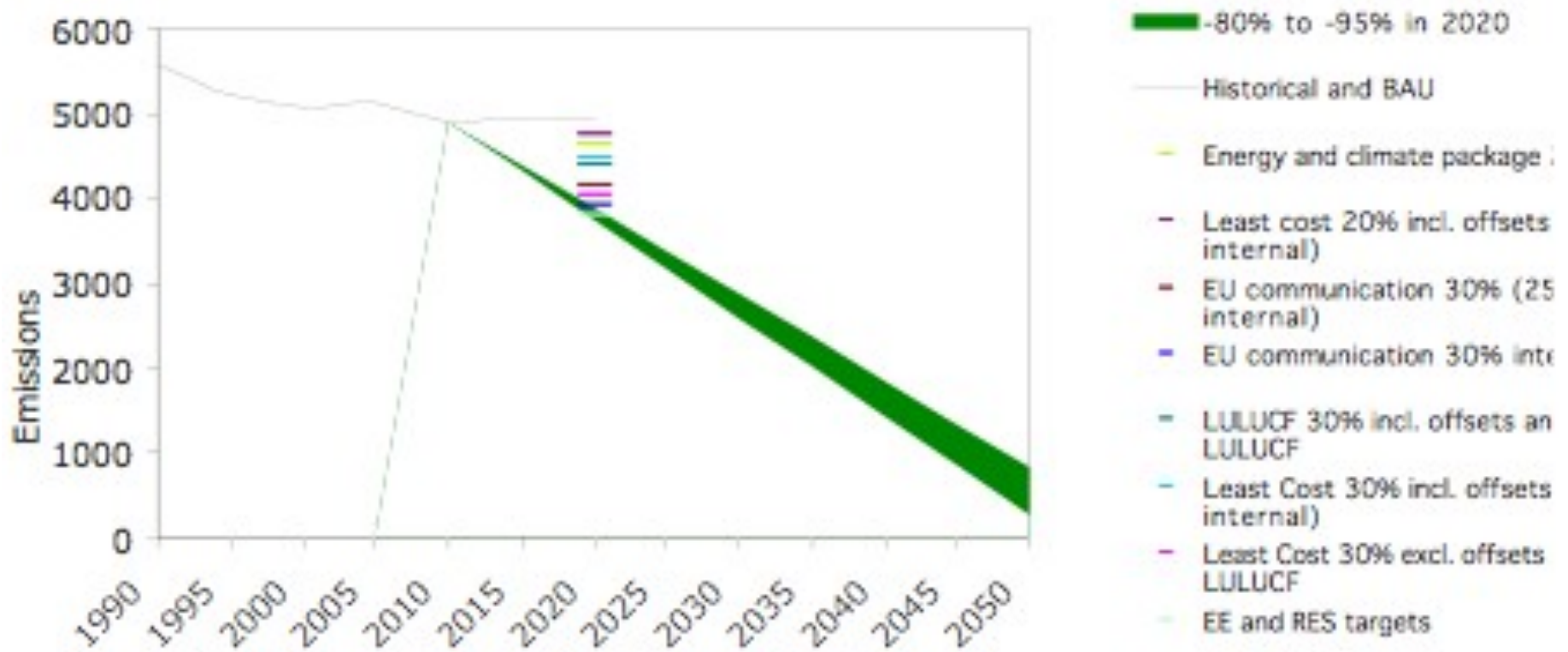


Renewables and energy efficiency

Renewables and energy efficiency targets alone induce a 30% emissions reduction

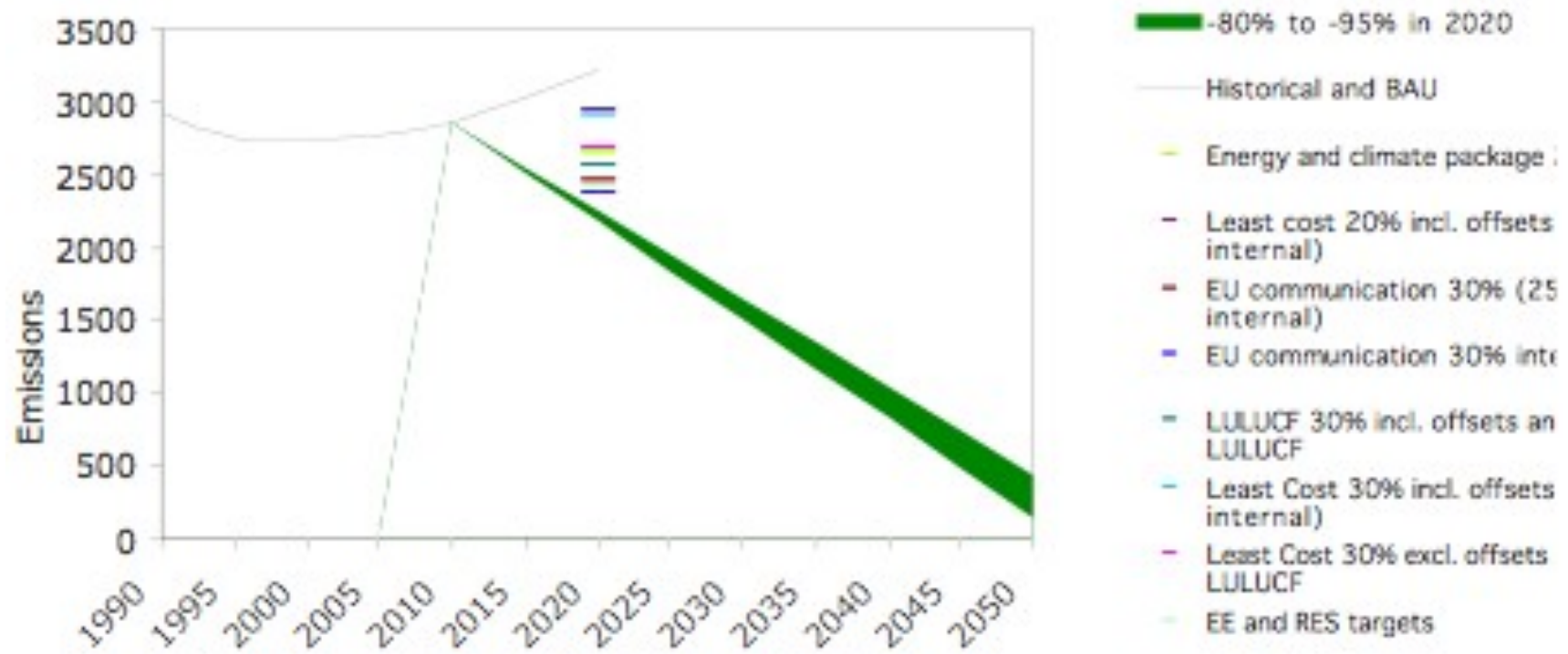


Time consistency check



Long term comparison - total domestic emissions (excl. LULUCF)

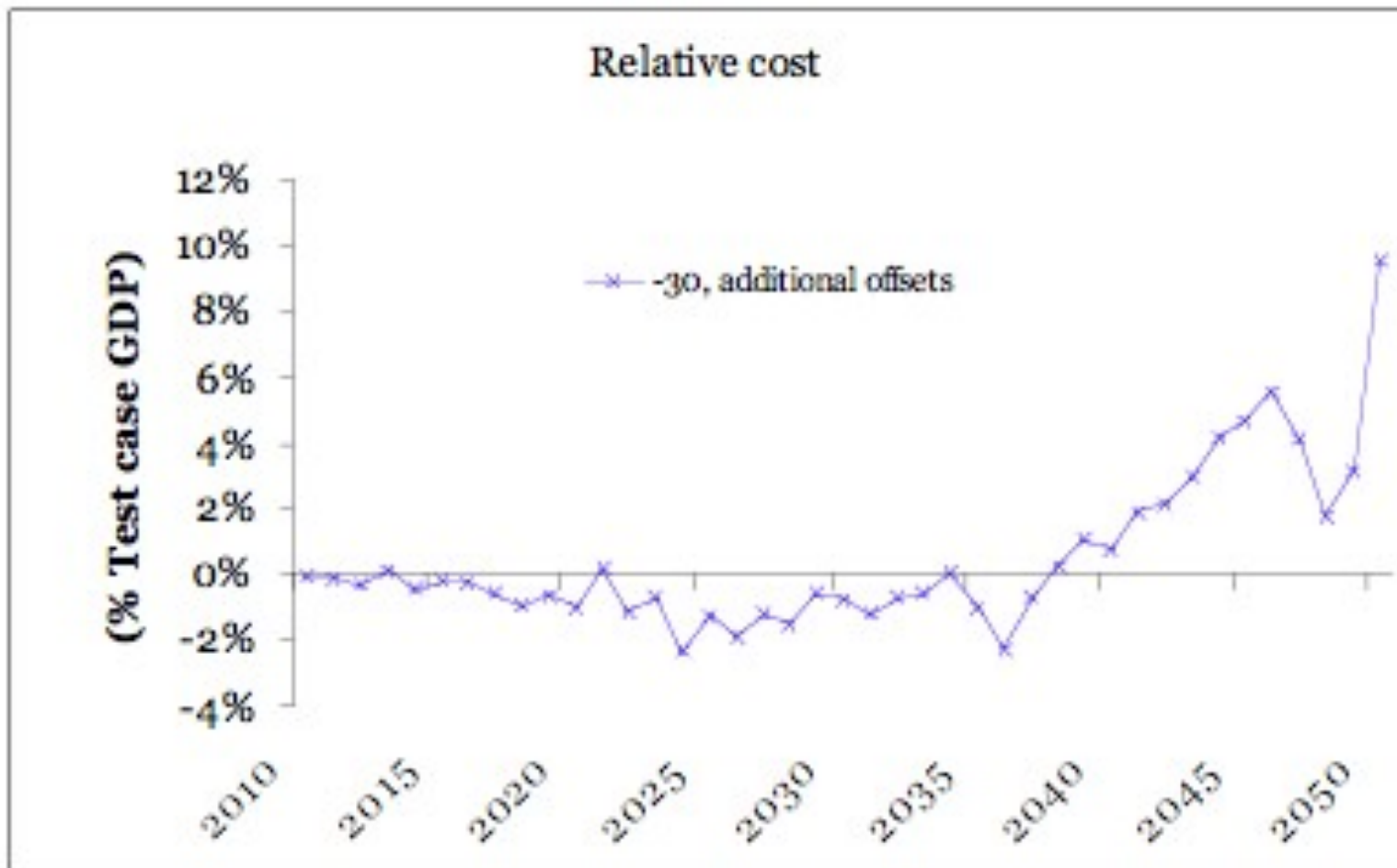
Time consistency check



Long term comparison – emissions of the sectors not covered by the ETS

Time consistency

Moving to 30% in 2020 induces slightly higher costs in the short term but significantly lower costs in the longer term



Co benefits of climate policies

- Examples:
 - Energy security
 - Technology innovation
 - Job creation
- Not automatic
- Dependent on the policy mix
- Need to be seen in the context of the transition towards a low carbon economy
- Examples: energy efficiency in
 - Buildings
 - Transport

How to engage more constructively CEE MS?

- In the past
 - National circumstances of CEE MS not enough taken into account
 - Addressed by creating loopholes in the system
 - Bad
 - For these countries
 - For the system
- How to better take into account these national circumstances?
- And further incentivize actions in these countries (esp. Use of EU budget)

Thank you to

- Climate Strategies
- And all contributors
 - CIRED
 - ECOFYS
 - ECN
 - E3G
 - ICE
 - FIIA