

Paris Agreement on Climate Change

- The Paris Agreement on climate change, the world's first universal legally binding climate deal, was adopted on **December 12, 2015** at **COP21** in Paris, France.

→ It sets out a global action plan by limiting global warming to well below **2°C** and pursuing efforts to limit the temperature increase to 1.5°C.
- Prior to the Paris Agreement, more than **180 countries**, accounting for 95 percent of the world's emissions, submitted their Intended Nationally Determined Contributions (**INDCs**) covering 5 or 10 year periods starting in 2020: they are voluntary pledges, in which countries chose the year against which they can compare their emissions.

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- The Paris Agreement entered into force on **4 November 2016** – 30 days after the EU ratified the deal. To enter into force, at least **55 Parties** to the UNFCCC representing at least **55% of global emissions** needed to ratify the agreement (in accordance with Article 21, paragraph 1, of the Paris Agreement). US and China have also ratified it in **September 2016**.



COP 22 in Marrakech

- **COP 22** is taking place from **7 to 18 November** in Marrakech.
- **The objectives**: COP 22 is set to be an **'Action and Implementation' COP**. It aims to demonstrate that commitments made in Paris are being implemented, and to act as a catalyst for further action.
- Some details on the implementation of the agreement will be discussed (i.a. carbon markets).
- A series of events and conferences is organized, with a strong focus on strengthening climate action before 2020. It will showcase examples of concrete action to demonstrate how the world is moving towards a low-carbon economy.
- The majority of the Parties have yet to complete their domestic ratification procedures, therefore the [agenda of the COP22](#) in Marrakech will be *mainly ceremonial*, celebrating the entry into force of the Paris Agreement.

COP 22 in Marrakech

What will happen after COP 22?

- In **2018**, a facilitative dialogue will be held to take stock of the collective efforts and to inform the preparation of further contributions. It is important for parties that have 2025 targets as they are expected to communicate their 2030 targets by 2020.
- From **2023**, governments will come together every **5 years** in a 'global stocktake', based on latest science and implementation progress to date.



Post 2020 reform of EU climate policy

- In 2014 EU leaders decided for **2030 climate & energy policy framework to establish EU mid-term ambitions:**
 - accelerate the GHG reductions by increasing the 3 main targets:
- At least **40%** cuts in greenhouse gas emissions (from 1990 levels)
- At least **27%** share for renewable energy
- At least **27%** improvement in energy efficiency

- Among others **EU Emission Trading Scheme (EU ETS)** needs review for after 2020:
 - current trading ETS phase finishes in 2020
 - higher ambition level will be reflected
- **Paris review clause** to be included to ensure alignment with the 'global stocktake'

EU ETS directive review – main elements

EC Proposal for ETS phase IV (2021 – 2030):

- Rules to be more ambitious
- Decarbonisation target of **43% by 2030** compared to 2005 level
- **Linear reduction factor** to increase to 2,2% from current 1,74% (annual reduction of the overall number of CO2 allowances)
- Share of allowances to be auctioned shall be fixed at the level of 57%
- Free allowances distributed to the 10% best performers (up to the benchmark level)
- Shortened **carbon leakage** list (from 177 to 50 sectors)
- Flat-rate reduction of benchmarks (on average 1% per year)
- **Market Stability Reserve** in place from 2019

EU ETS directive review

Currently under discussion:

- Allocations share and unallocated allowances from phase 3 (due to economic crisis)
 - Aligning allocation to production changes (“dynamic allocation”)
 - Benchmark update
 - Indirect cost compensations
 - Carbon leakage rules (“tiered approach”)
 - Small emitter schemes
 - Innovation Fund and Modernisation Fund
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- The reviewed EU ETS directive is planned to be adopted in 2017.

Non-ETS sectors: Effort sharing regulation

EC Proposal for non ETS sectors (agriculture, transport, buildings, waste management):

- presented on **20 July 2016** as a revision of the Effort Sharing Decision (valid for period 2013-2020)
- sets out binding annual GHG emissions targets for Member States for the period **2021-2030**
- overall goal → **30% reduction** of emissions from non- ETS sectors