Greenhouse gas emissions, climate change: mechanism for monitoring and reporting

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The Commission presented a report on the progress made towards achieving the Kyoto and EU 2020 objectives.

The main conclusions of the report are as follows:

(1) On track to overachieve the Kyoto targets: according to preliminary estimates, total EU greenhouse gas (GHG) emissions further **decreased by 1.8% in 2013 compared to 2012 reaching their lowest levels since 1990**.

- Over the first commitment period (2008-2012), EU-28 Member States overachieved their targets by a total of 4.2 Gt CO2-eq.
- On average over the second commitment period (2013-2020), total emissions (excluding LULUCF and international aviation) are expected to be 23% lower than base year levels according to Member States' projections. The EU is consequently on track to meet its Kyoto target for the second commitment period with a potential overachievement of 1.4 Gt CO2-eq.

The total potential cumulative overachievement is estimated around 5.6 Gt CO2 eq. for the 2008-2020 period. This amount represents more than the total EU emissions in 2012.

(2) On track to meet the Europe 2020 GHG target: total EU emissions against the scope of the Climate and Energy Package were already in 2012 18% below 1990 level and are estimated to be around 19% below 1990 level in 2013. According to the projections provided by Member States based on existing measures, **emissions will be 21% lower in 2020 than in 1990**.

However, **13 Member States** still need to implement additional policies and measures to meet their 2020 national emission reduction target in the sectors not covered by the EU ETS. Furthermore, preliminary estimated 2013 emissions data in Germany, Luxembourg and Poland are higher than their respective 2013 targets set under Effort Sharing Decision (ESD).

Successful decoupling between economic activity and GHG emissions: the report notes that during the period 1990-2012, the combined GDP of the EU grew by 45%, while total GHG emissions (excluding LULUCF and international aviation) decreased by 19%. As a result, the **greenhouse gas emissions' intensity of the EU was reduced by almost half between 1990 and 2012**. Decoupling occurred in all Member States.

The structural policies implemented in the field of climate and energy have contributed significantly to the EU emission reduction observed since 2005. On the other hand, the economic crisis contributed to less than half of the reduction observed during the 2008-2012 period.

(4) Climate Finance: Member States were requested to report for the first time on the amounts and use of the **revenues generated by the auctioning of ETS allowances** in the year 2013. The total revenues for the EU were EUR 3.6 billion. The EU ETS Directive provides that at least 50 % of auctioning revenues or the equivalent in financial value of these revenues should be used by Member States for climate and energy related purposes. All Member States have reported to have used or to plan to use 50% or more of these revenues or the equivalent in financial value of these revenues for climate and energy related

purposes (representing approximately **EUR 3 billion**), largely to **support domestic investments in climate and energy**.

Most countries have used these investments in fields like energy efficiency, renewables or sustainable transport.

For instance:

- France, the Czech Republic and Lithuania use all their auctioning revenues in projects to improve the energy efficiency of buildings;
- Bulgaria, Portugal and Spain use most of their revenues to develop renewable energy;
- Poland uses most of its revenues that are dedicated to climate change in support of energy efficiency and renewable energy;
- in Germany, all auctioning revenues are used for climate and energy related purposed, with most of those revenue directed to a specific climate and energy fund, which supports a wide range of projects;
- Finland channels its auctioning revenues to Official Development Assistance activities, including climate finance;
- the UK uses around 15% of auctioning revenues to provide financial assistance to low income households in relation to energy expenses.

The reported amounts represent only a proportion of total climate and energy related spending in Member States' budgets.

As regards the mainstreaming of climate action into the EU budget, all Institutions have agreed that at least **20%** of the overall expenditures under the Multiannual Financial Framework (2014-2020) will be climate-related. The contribution towards climate expenditure in 2014 and in 2015 represents almost **13% of the EU budget** for each year.