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

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The Commission presented a report on the implementation of the Paris Agreement as required under Regulation (EU) No 525/2013 of the European Parliament and of the Council on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change.

On 4 October 2016, **the EU ratified the Paris agreement on climate change**, thus enabling its entry into force on 4 November 2016. On 5 October 2015, the EU deposited its ratification instruments together with eight Member States which already completed their national ratification procedures: Hungary, France, Austria, Malta, Germany, Portugal, Poland and Slovakia.

Greece and Sweden deposited their ratification instruments later in October 2016. The remaining Member States will continue their domestic ratification processes.

The Paris Agreement is a global milestone for enhancing collective action and accelerating the global transformation to a low-carbon and climate resilient society. It shall replace the approach taken under the 1997 Kyoto Protocol, that contains commitments until the end of 2020.

Progress towards the at least -40 % 2030 target: the report noted that the EU greenhouse gas emissions were **22 % below** the 1990 level. The EU's share of global emissions has also been declining over time. According to the latest information, this share stood at 8.8 % in 2012.

According to Member States' projections based on existing measures, **in 2030, the total EU emissions are estimated to be 26 % below 1990 levels**.

New mitigation policies are being put in place so that the EU target at least a 40 % domestic reduction in greenhouse gas emissions by 2030 compared to 1990, agreed in Paris, is reached.

Furthermore, the EU continues to successfully decouple its economic growth from its emissions. During the 19902015 period, the EU's combined GDP grew by 50 %, while total emissions (excluding LULUCF but including international aviation) decreased by 22 %.

Progress towards the 2020 targets: as part of its 2020 Strategy, the EU committed to cut greenhouse gas emissions in 2020 by 20 % from 1990 levels. According to the projections based on existing measures provided by Member States in 2015, emissions are expected to be **24 % lower in 2020 compared to 1990** . The EU is already delivering results of its 2020 legislation (Effort Sharing Decision, EU Emission Trading System, Monitoring Mechanism Regulation).

The Commission noted that the EU is already delivering results of its 2020 legislation and the **EU and its Member States are well on track to jointly meet their target** for the second commitment period of the Kyoto Protocol.

Furthermore, in 2020 most Member States are expected to reach their ESD targets, according to national projections based on policies already implemented. According to their own projections, a few Member States (Ireland, Luxembourg, Belgium, Austria, Denmark and Finland) still need to put in place additional measures or make use of flexibilities in 2020.

Action with the EU for the financing of climate change: this is comprised of three axes:

1. Mobilising the revenue from the auctioning of EU ETS allowances: in 2015, the auctioning of ETS allowances generated **EUR 4.9 billion of revenues for the Member States**, of which 98 % came from fixed installations and 2 % from aviation. According to the information submitted to the Commission, the Member States spent or planned to spend 77 % of these revenues on climate related purposes.

NER 300 is one of the world's largest funding programmes for innovative low-carbon energy demonstration projects funded by the auctioning of 300 million ETS allowances. **Total NER 300 funding awarded comes to EUR 2.1 billion**, which is expected to leverage an additional EUR 2.7 billion of private investment.

2. Mainstreaming climate policies into the EU budget: on average over the 2014-2020 period, at least 20 % of the EU budget is expected to be climate relevant expenditure. This is expected to be approximately **EUR 200 billion**. The situation varies across instruments:

- **the European structural and investments funds (ESIFs)**: more than EUR 115 billion will support climate action objectives, corresponding to about 25 % of the total funds;
- **the CAP rural development policy**: in 2015, it is estimated that EUR 13.6 billion of the CAP budget was climate relevant;
- **Horizon 2020**: at least 35 % of this funding is expected to be invested in climate-related projects;
- **the European fund for strategic investments (EFSI)**: the EFSI has already financed renewable energy demonstration projects, including RES-related transport, industry and energy storage. On 16 September 2016, the Commission proposed an extension of the fund to focus further on innovative, low-carbon projects for the 2018-2020 period;
- **the LIFE sub-programme for climate action**: under this heading , the Commission awarded EUR 56 million to 40 projects with European added value in terms of climate mitigation, adaptation or governance & information.

3. Supporting developing countries: at the 2015 Paris Climate Change Conference, developed country parties agreed to continue their existing collective mobilisation goal through to 2025 and set a new collective quantified goal from a floor of **USD 100 billion per year**. In 2015, the EU, EIB and Member States provided EUR 17.6 billion to help developing countries tackle climate change.

Mitigating EU emissions: the Commission is also rolling out the initiatives foreseen in the context of the framework strategy for a resilient energy Union with a forward-looking climate Policy, to address renewable energy, energy efficiency, transport and research and development and to develop the governance of the Energy Union:

- the Commission's legislative proposal of July 2015 on revising the EU ETS for phase 4 is now under consideration by the Council and the European Parliament. The proposal aims to achieve a 43 % reduction in EU ETS emissions by 2030, compared to 2005 levels;
- legislative proposals for an effort sharing Regulation and on land use for 2021-2030;
- the adoption of a European strategy for low-emission mobility, as part of a package of measures to accelerate the transition to a low-carbon economy in Europe. The strategy sets a clear ambition: by mid-century greenhouse gas emissions from transport will need to be at least 60 % lower than in 1990 and be firmly on the path towards zero;
- the adoption of a Regulation that set up an EU-wide monitoring, reporting and verification (MRV) system for shipping as the first step in the EU strategy towards cutting emissions in this sector;
- the Commission's second report on the implementation of the Directive on the geological storage of carbon dioxide planned to be published later this year. The report will also provide an overview of the latest developments related to the preparation of storage sites.

The EU continues to support the implementation of market based instruments, such as the ETS, as key tools to drive cost effective domestic emission reductions.

The EU has been supporting and involved in the development of a global measure to address CO2 emissions from international aviation.