



Questions and Answers on the European Commission Communication: The Paris Protocol – A blueprint for tackling global climate change beyond 2020

Brussels, 25 February 2015

1. What is the aim of the Communication?

The Communication sets out the EU's vision for a transparent and dynamic, legally binding United Nations climate change agreement that sets the world on a pathway to prevent global warming from reaching dangerous levels. International negotiations are under way and are set to be finalised at the UN climate conference in Paris in December 2015.

The Communication translates the decisions taken at the European Summit in October 2014 into the EU's proposed emissions reduction target (the so-called Intended Nationally Determined Contribution, or INDC) for the new agreement.

2. How does this Communication fit into the European Energy Union strategy announced today?

The Communication is a key element in the implementation of the Juncker Commission's priority to build a resilient Energy Union with a forward-looking climate change policy.

In October 2014, EU leaders agreed domestic reductions of greenhouse gases of at least 40% by 2030 along with the other main building blocks of the 2030 policy framework. This aims to make the European Union's economy and energy system more competitive, secure and sustainable and also sets a target of at least 27% for renewable energy and energy savings by 2030. The revision of the EU Emissions Trading System will form part of the post-2020 legislative framework.

Tackling climate change requires an international policy response. The EU is emitting around 10% of global emissions, and this share will further decline in the coming decade. In 2011, the 196 Parties to the United Nations Framework Convention on Climate Change decided to elaborate a new agreement applicable to all by the end of 2015, when the climate change conference will be held in Paris. This communication proposes the design of the main elements of this agreement.

3. Why do we need a new climate agreement?

The international community has recognised the scientific evidence that global average annual temperature increase needs to be held well below 2°C (3.6°F) compared to the temperature in pre-industrial times in order to prevent climate change from reaching dangerous levels. However, international action taken to date is not sufficient: Global mean surface temperature increase in 2100 is estimated to range from 3.7 to 4.8 degrees Celsius above the average for 1850-1900, while the current experienced increase amounts to 0.85 degrees Celsius.

The most recent assessment of climate science by the Intergovernmental Panel on Climate Change (IPCC) points out that the window of opportunity for staying below the 2°C temperature limit is closing very fast. Limiting the temperature rise will require substantial and sustained reductions in greenhouse gas emissions by all countries. Delaying action will be more costly and technologically challenging and reduce the options for effectively reducing emissions and preparing for the impacts of climate change.

Since 1994, the United Nations Framework Convention on Climate Change (UNFCCC), which has near universal membership – with 196 parties, including the EU – has focused on the challenge of preventing dangerous man-made interference with the global climate system. The Kyoto Protocol was an essential first step but only engaged 39 industrialised countries and was never expected to solve the problem on its own. After the Copenhagen conference, by 2014, more than 90 countries – both developed and developing – had made voluntary emission pledges for 2020. However, these are insufficient to achieve the agreed below 2°C objective.

For this reason, in 2011, the UNFCCC launched negotiations towards a new legally binding agreement, involving all Parties that will put the world on track to achieve the below 2°C objective. The agreement is due to be concluded in Paris in December 2015 and enter into force in 2020.

The EU believes the new Protocol should include legally binding emissions reduction commitments. This will give the clearest signal to governments, markets and the public that Parties to the Protocol are committed to fighting climate change. Such commitments provide the strongest expression of a Party's

political will to achieve its commitments, the necessary predictability and certainty for all public and private actors, and durability in the context of domestic political changes. This can only be achieved with a new agreement that is applicable to all Parties.

4. What are the key points of the Communication?

The key points of the Communication are as follows:

- It translates the decision taken by EU leaders at the European Summit in October 2014 into the EU's proposed emissions reduction target for the new global climate change agreement. The target is set out in accordance with the requirements for information agreed in Lima. The EU will be ready to submit its contribution to the UNFCCC Secretariat by the end of March 2015.
- It calls on all countries to submit their proposed emissions reduction targets for the period after 2020 until 2025/2030, well in advance of the Paris conference. China, the US and other G20 countries, in particular, should be in a position to do so by the end of the first quarter of 2015.
- The Communication outlines the EU's vision for a transparent and dynamic, legally binding agreement, containing fair and ambitious commitments from all Parties, based on evolving geopolitical circumstances. Collectively, these commitments should – in line with science – put the world on track to reduce global emissions by at least 60% below 2010 levels in 2050.
- It proposes that the 2015 agreement should preferably take the form of a Protocol under the UNFCCC and enter into force as soon as it is ratified by countries totalling 40 Gt CO₂ equivalents. This is equivalent to approximately 80% of 2010 global emissions. The EU, China and the US should show political leadership by joining the Protocol as early as possible.
- Under the new Protocol, in addition to emissions reduction commitments, all countries should be encouraged to participate in climate finance, technology development and transfer, and capacity building.
- In order for countries to achieve climate resilient sustainable development, the Protocol should reinforce commitments for Parties to undertake adaptation actions, to cooperate, and promote the effective and efficient use of strategies to reduce emissions and adapt to the adverse effects of climate change.
- The Communication underlines the need for the Protocol to require greenhouse gas emissions reductions from all sectors, including aviation and shipping, as well as fluorinated gases. The International Civil Aviation Organization (ICAO), the International Maritime Organisation (IMO) and the Montreal Protocol, respectively, should act in these areas by the end of 2016.
- It highlights how other EU policies, such as trade, scientific research, technology development and innovation, as well as economic and development cooperation can support and strengthen the EU's international climate policy.
- The Communication is complemented by a Climate Diplomacy Action Plan, which is intended to scale-up EU outreach and build alliances with ambitious country partners outside the EU in the run up to the Paris conference.

5. Why should all countries contribute and what contribution should they make?

The new Protocol needs to reflect evolving national responsibilities in the world economy, as well as today's geopolitical realities and the capacity of countries to contribute.

In November 2014, China and the US, the world's two biggest emitters, followed the EU by announcing their post-2020 targets. Collectively, these only cover around half of current global emissions. To be effective, the new Protocol needs to have the broadest geographical coverage and the highest possible level of ambition. Countries with the greatest responsibilities and capabilities need to make the most ambitious contributions, but it is important that all countries are on board and committed to playing their part. Each party's contribution should represent a significant progression on the level of ambition and scope compared to its current commitment. It should demonstrate convergence to low levels of overall emissions as well as improvement in emissions intensity over time.

6. How can the new agreement help to mobilise climate finance?

The transformation to low-emission, climate resilient economies will require large scale shifts in investment patterns. Both public and private finance will play an important role. The Protocol should provide a framework to mobilise investments in low-emission, climate-resilient programmes and projects for Parties of the new Protocol. This could, for example, include a commitment by all Parties to the new Protocol to strengthen so called 'enabling environments' in order to promote investments in low-emission and climate resilient technologies. Establishing the right set of specific local conditions - legal, organisational, fiscal, informational and political - is essential for successfully attracting climate finance. Parties to the new Protocol should also commit to incorporating climate considerations into

their policies, development strategies and investments in order to make use of the many synergies between development and climate financing. The full scale of climate finance required for mitigation and adaptation after 2020 will become clearer as soon as the majority of Intended National Determined Contributions and National Adaptation Plans will be published.

7. Will the EU continue to support climate action in developing countries?

Yes, the EU is committed to continue supporting developing countries. The EU has developed a wide range of financing instruments that address financing needs in different countries and sectors. The least developed and most vulnerable countries will continue to have preferential access to grant funding, for example via the EU's Global Climate Change Alliance or via the EU cooperation programmes with specific countries and regions. In addition to grant funding, the EU facilitates the mobilisation of loans and private investment through its regional investment facilities. Since 2007, these facilities have combined about €1 billion of EU grant finance with more than €6 billion of public loans leading to a total project financing of more than €25 billion in more than 120 climate-relevant projects in developing countries. In addition, many EU Member States support developing countries with very significant bilateral cooperation programmes and via multilateral funds such as the Green Climate Fund and the Global Environment Facility. In 2013 alone, the EU and its Member States together provided some €9.5 billion euros (around \$12 billion) of grants and loans to support climate action in developing countries.

8. What is the process for preparing and collecting emissions reduction contributions to the 2015 agreement?

Intended Nationally Determined Contributions (INDCs) will be prepared domestically by each Party to the UNFCCC, as the EU and its Member States have done. The information requirements for describing proposed targets in a clear, transparent and understandable way were set out in the Lima Call for Climate Action, agreed at the climate conference in Peru in December 2014.

All Parties need to come forward with their INDCs well in advance of the Paris conference. The EU expects all G20, other major economies and other countries in a position to do so, to come forward with their intended contributions by the end of the first quarter of 2015.

The EU's proposed contribution is included in the Communication and sets out its emissions reduction target in the form of an INDC consistent with the agreed requirements. The EU will be ready to submit its INDC by the end of March.

The UNFCCC has created a specific portal for Parties to upload their INDCs, which will be published on its website. As mandated by the Lima climate conference, the UNFCCC will prepare a compilation report by 1 November 2015 on the aggregate effect of the proposed contributions communicated by Parties by 1 October 2015.

9. What will the EU contribute to the new agreement?

The EU's contribution to the 2015 Paris agreement will be a binding, economy-wide domestic reduction target of 'at least 40%' in greenhouse gas emissions by 2030. To achieve the overall target, sectors covered by the [EU emissions trading system](#) (EU ETS) will have to reduce their emissions by 43% compared to 2005 by 2030. Emissions from sectors outside the EU ETS will need to be cut by 30% below the 2005 level. The 'at least 40%' target is ambitious and fair and is in line with a cost-efficient pathway to at least 80% domestic reductions by 2050.

10. What if, when they are all added together, the proposed contributions are insufficient to achieve the agreed below 2°C objective by the Paris conference?

Should the collective commitments set in Paris fall short of what is required by science to remain within the below 2 degrees objective, the new Protocol and decisions to be taken in Paris should ensure that the world is being put on track as soon as possible.

Firstly, it is essential that the agreement is dynamic and contains a process for the regular review and strengthening of mitigation commitments, consistent with the long-term goal and the latest science. If global collective efforts fall short of what is necessary, this 5-yearly process should encourage Parties to raise the level of ambition of existing commitments in subsequent target periods. A five-yearly review process, starting in 2020, would aid transparency, clarity and understanding of Parties' mitigation commitments in light of their contribution to the below 2°C objective. The review should invite Parties to explain progress on their mitigation commitments and why they think their action is fair and ambitious. The process should also take evolving capability, responsibility and national circumstances into account.

Secondly, in Paris a process should be decided starting in 2016 that identifies areas of high mitigation, and realises untapped opportunities through international cooperation e.g. with the help of the Green Climate Fund.

Thirdly, sub-national, non-governmental and private sector action complementing Government action should be further scaled up. Many initiatives were launched at the UN Secretary General's Climate Summit in September 2014 and at the Lima climate change conference.

11. How will we know if countries are delivering on their targets?

The only way to achieve the necessary trust in the new Protocol is to ensure that it includes a robust transparency and accountability system. The system must include common legally binding rules related to measurement, reporting, verification (MRV) and accounting for all Parties and a related compliance process.

A common MRV and accounting framework maintains the integrity of the commitments as it allows Parties to transparently and consistently demonstrate that they are delivering on their commitments and that the reported results are real. It will also enable Parties to show how far they are collectively advancing and will provide the necessary information to formulate effective domestic mitigation policy. A compliance process will promote and facilitate timely and effective implementation by all Parties, enhance confidence that all Parties are doing their share and ensure legal certainty and predictability. This is a critical issue central to remaining on track to achieve the below 2°C objective.

12. What role does adaptation have to play in the new climate agreement?

Whilst ambitious action to cut emissions is essential, individual and collective action to prepare for and adapt to the adverse impacts of climate change is equally important. Adaptation will therefore be a core element of the new Protocol. The new Protocol should underline the commitment by all countries to undertake measures to facilitate adequate adaptation, to integrate adaptation into relevant national and regional planning processes and to cooperate in order to achieve climate resilient sustainable development.

In order to be able to assess progress towards the objective of the Convention, the Protocol should improve reporting on adaptation effectiveness and lessons learned on building resilience through National Communications. The Protocol should step up assistance to those regions and countries that are particularly vulnerable to the adverse effects of climate change, including through the provision of financial and technical support as well as capacity building.

13. What are the prospects for reaching a global agreement?

The prospects are good. One challenge is ensuring that the new Protocol is fit for purpose for many years to come. To achieve this, it must be ambitious, robust, dynamic and capable of keeping the world on track to achieve the below 2°C objective.

The EU is confident that the new Protocol will significantly strengthen and broaden collective international efforts to tackle climate change. Over the last 12 months, there has been growing global public and political momentum for increased climate action. The 'at least' 40% domestic greenhouse gas emissions reduction target agreed by EU leaders last October, together with the announcement by the US and China on their future targets that followed, are clear evidence of global resolve. The Lima climate conference saw pledges to the Green Climate Fund, which will be used to assist developing countries, pass \$10 billion – with almost half of this coming from EU Member States.

Crucially, the IPCC's Fifth Assessment Report, tells us that the below 2°C target is still within reach – while underlining the urgency for ambitious global collective action now.

Strong political will from all parties, in particular the G20 and other high and middle income countries, will be required to reach an effective agreement.

14. What are the next steps?

The Communication will be presented to EU environment ministers at their meeting on 6 March. In the coming weeks, the EU will finalise its contribution to the new global climate agreement for submission to the UNFCCC by the end of March.

Priorities for the EU in the months ahead include ensuring intensive dialogue and cooperation with partner countries and encouraging G20 and other high and middle income economies to take the lead through timely and ambitious contributions, particularly in the context of the Major Economies Forum, the G20 and the G7.

The European Commission is considering organising a dedicated international conference to enhance mutual understanding of the range of proposed contributions (INDCs) and the adequacy of the collective ambition prior to the Paris conference.

15. Who would benefit?

All countries of the world and their citizens will benefit if climate change is prevented from reaching dangerous levels. The fifth assessment report of the intergovernmental panel on climate change sets

out the negative impacts of effectively failing to address climate change.

In addition to limiting the impacts of climate change, specific economic and environmental benefits to the EU include:

- Increased energy security linked in particular to lower fossil fuel use and imports
- Improved energy efficiency than under current policies, helping to reduce costs, create jobs and enhance competitiveness
- Reduced air pollution, benefiting human health
- In terms of employment, new growth sectors are expected to create opportunities in fields such as engineering, basic manufacturing, transport equipment, construction and business services.

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