



# The EU and the Paris Agreement

**18 May 2017**

**Flanders Investment and Trade / Acció seminar**

**Jos DELBEKE**

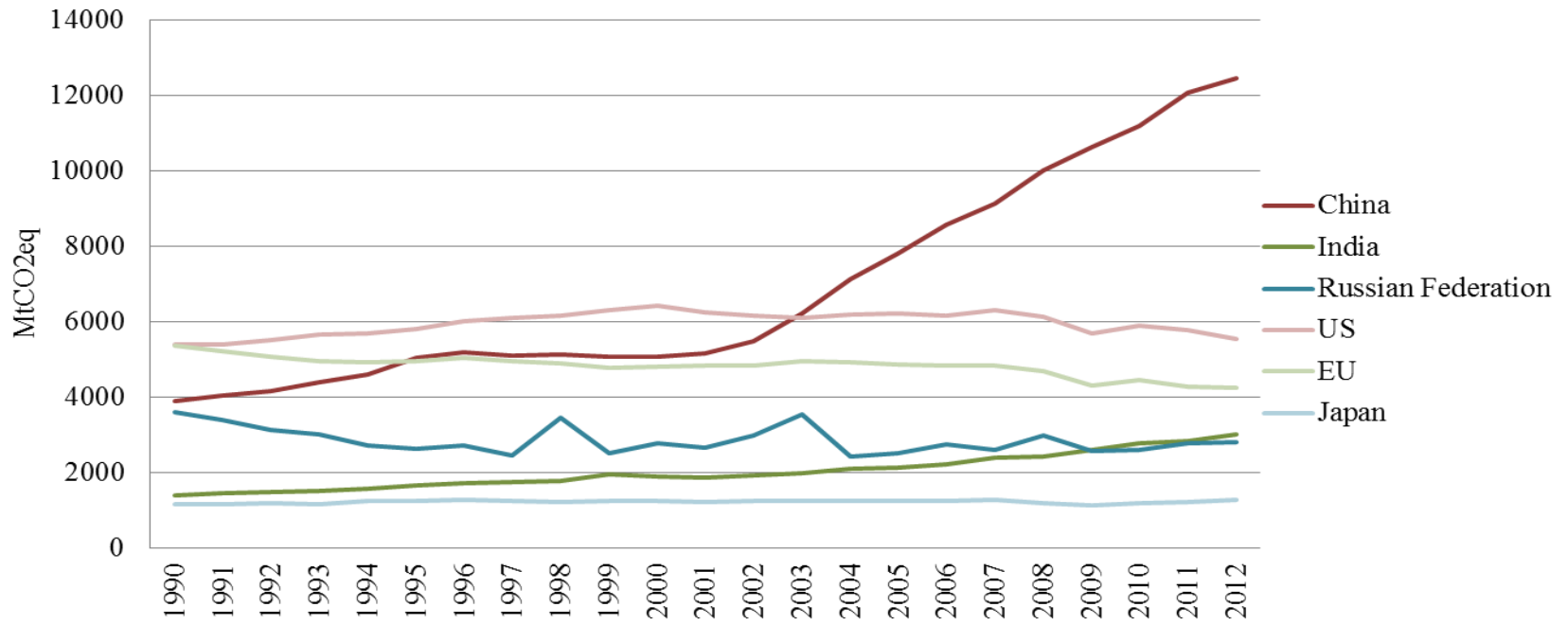
**Director General for Climate Action**

**European Commission**

*Climate  
Action*

# Greenhouse gas emissions of major economies, 1990-2012

(all greenhouse gases, all sources & sinks)

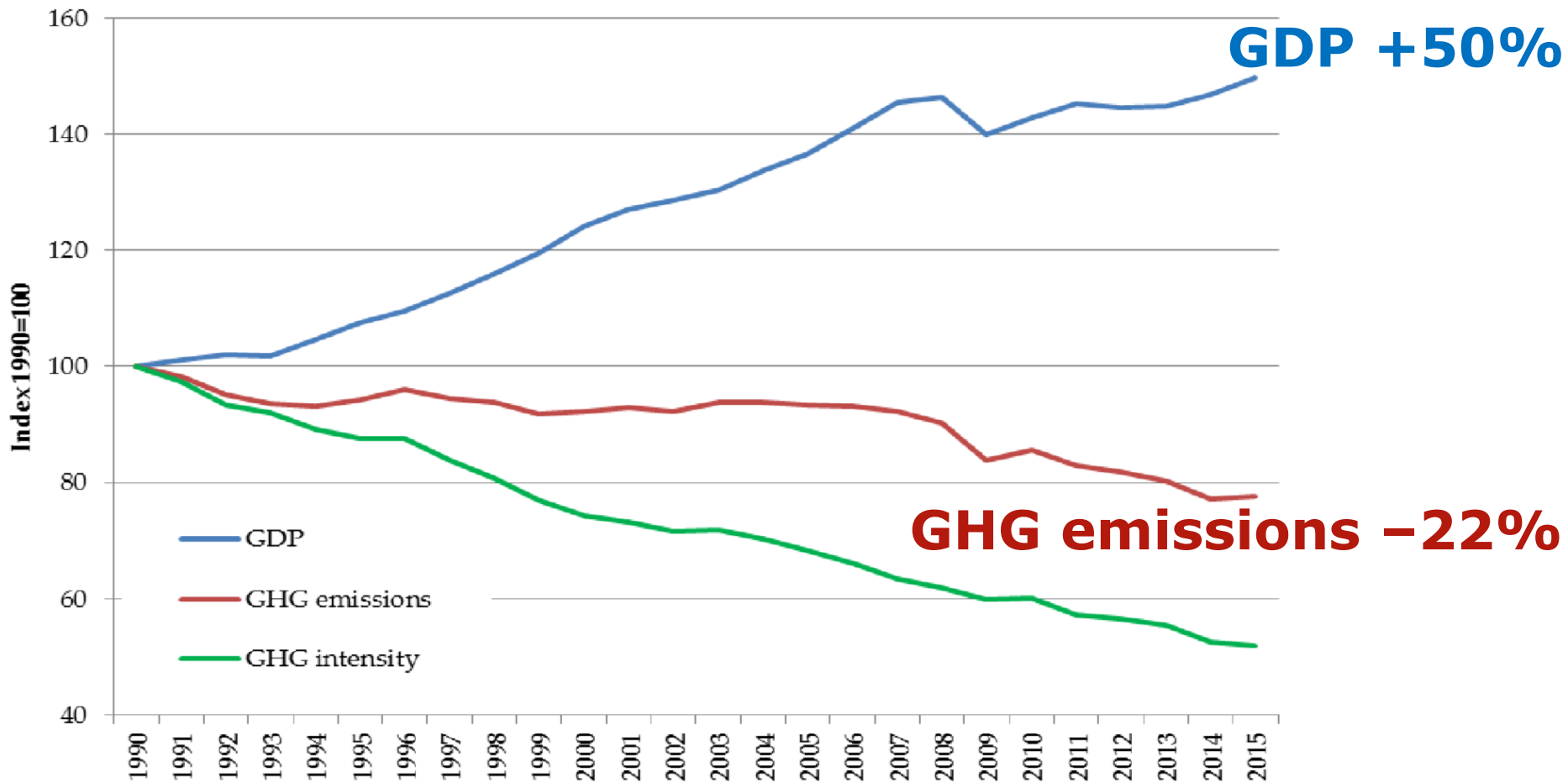


(Source: historical emissions data: inventories data to the UNFCCC ([http://unfccc.int/national\\_reports/](http://unfccc.int/national_reports/)))

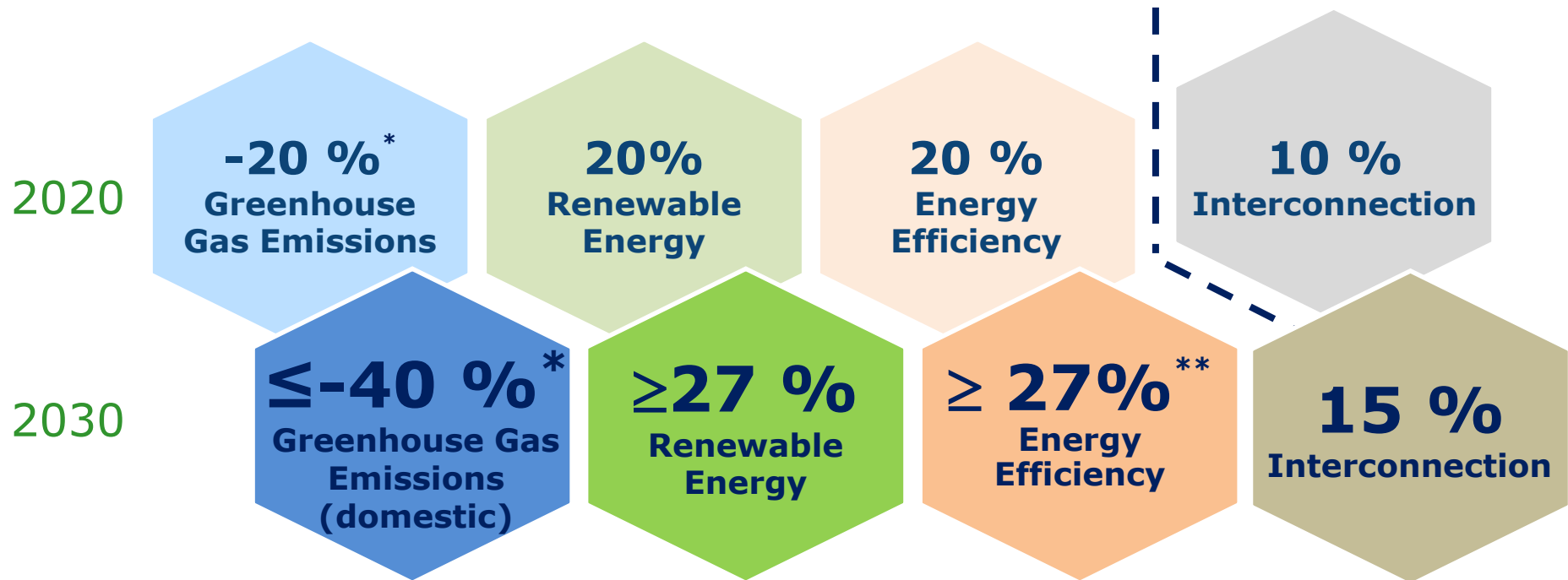
## Paris Agreement: Built to last

- **Universal** agreement
- Ambitious **long-term goals** :
  - ✓ well-below 2°C
  - ✓ pursue 1.5°C
  - ✓ global peaking asap
  - ✓ climate neutrality in the second half of the century
- Enhanced **transparency** and accountability
- Greater emphasis on **adaptation**
- Bottom-up: 190 **nationally determined contributions** (NDC's)

## EU: Decoupling growth from emissions, 1990 - 2015



## EU: Targets for 2020 and 2030



\* % compared to 1990

\*\* Commission proposes to increase this to 30%

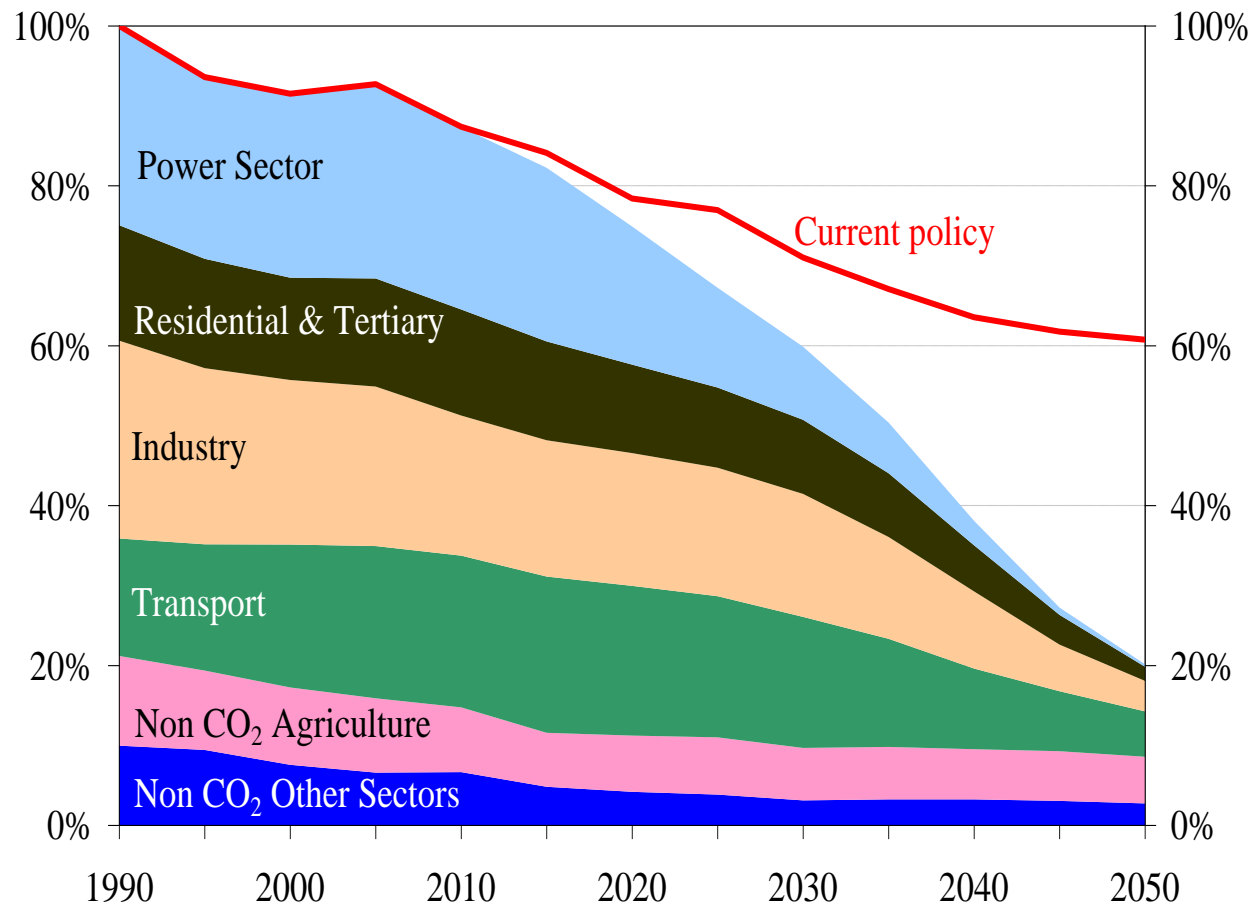
# EU: 2050 Low Carbon Economy Roadmap

## 80% domestic reduction in 2050 is feasible:

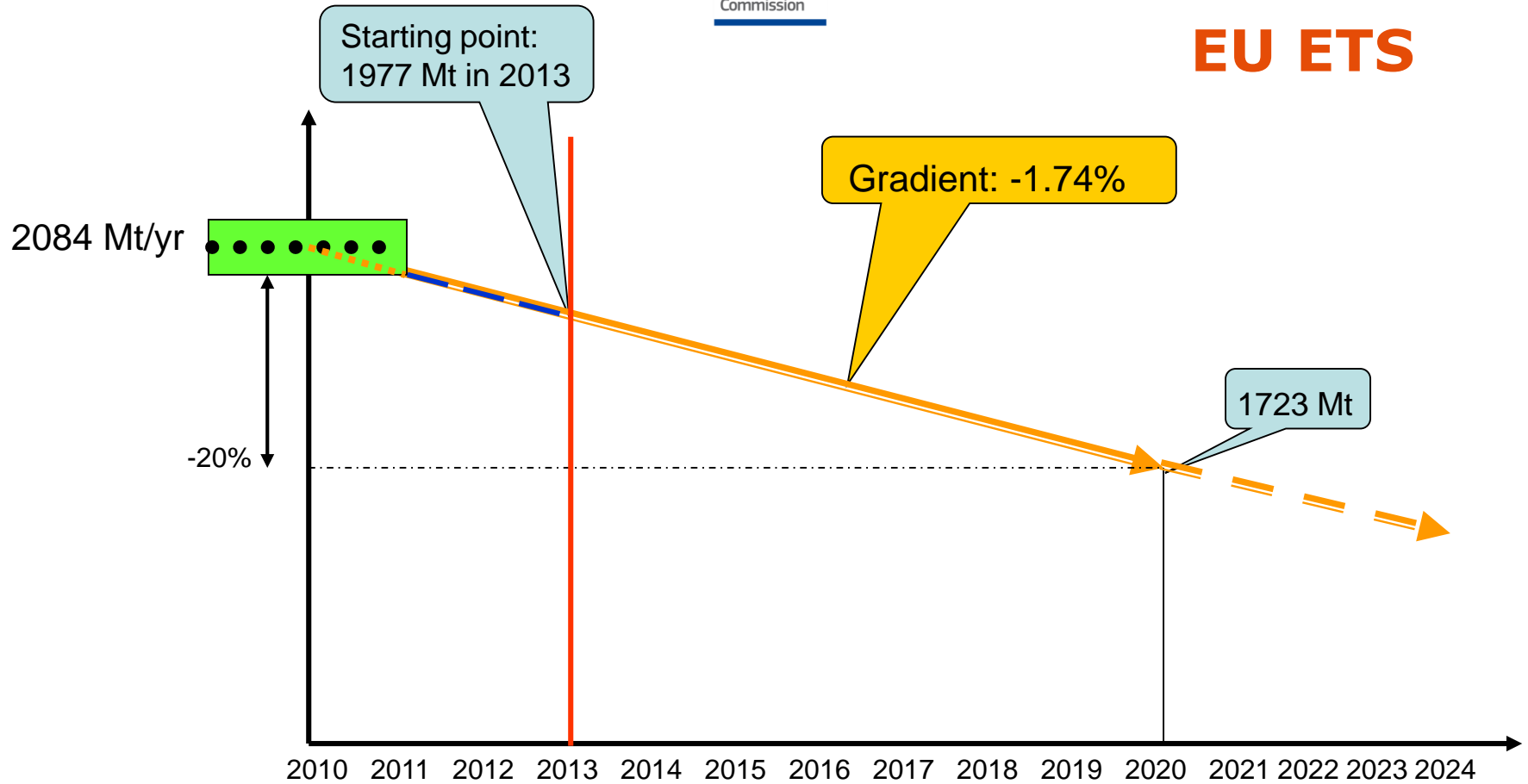
- With currently available technologies,
- With behavioural change only induced through prices
- If all economic sectors contribute to a varying degree & pace.

## Efficient pathway and milestones:

- -25% in 2020
- -40% in 2030
- -60% in 2040

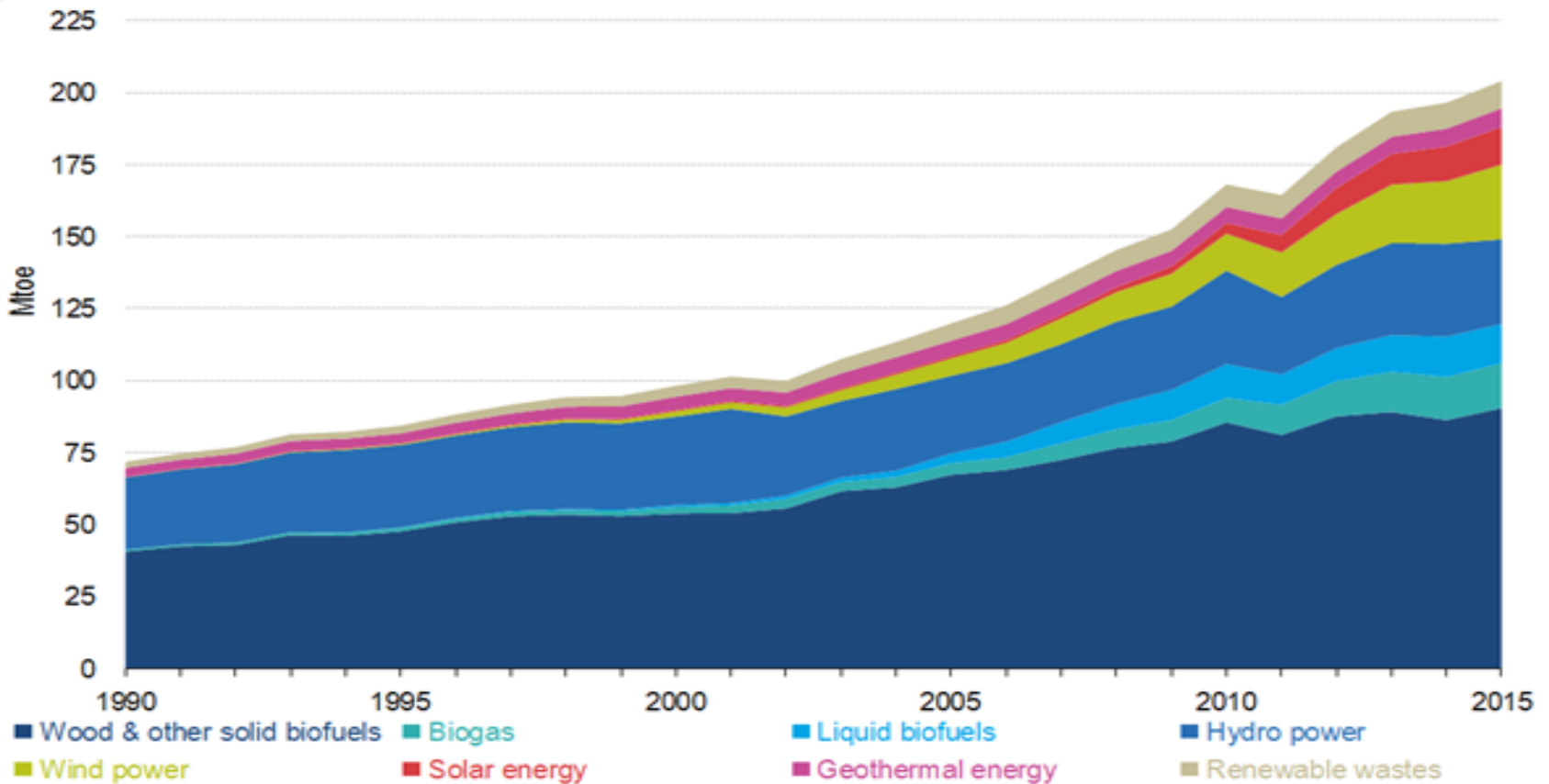


# EU ETS



- Revision of linear factor until 2025
- Inclusion of aviation does not affect cap for stationary installations
- Disclaimer: figures are only for illustration and do not take into account extended scope as from 2013

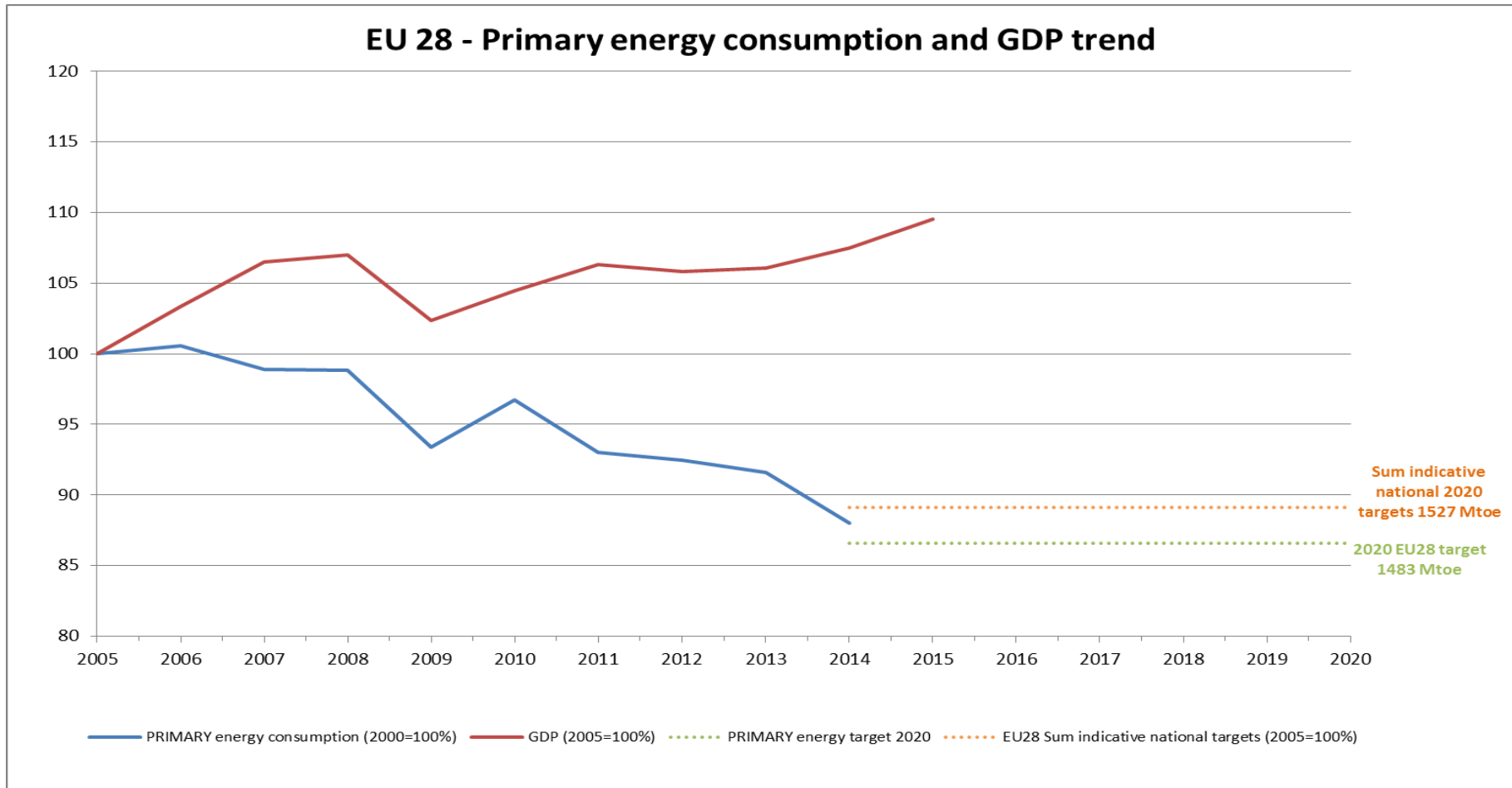
# Renewable energy : today 16,4 % of energy use in the EU (Mtoe)





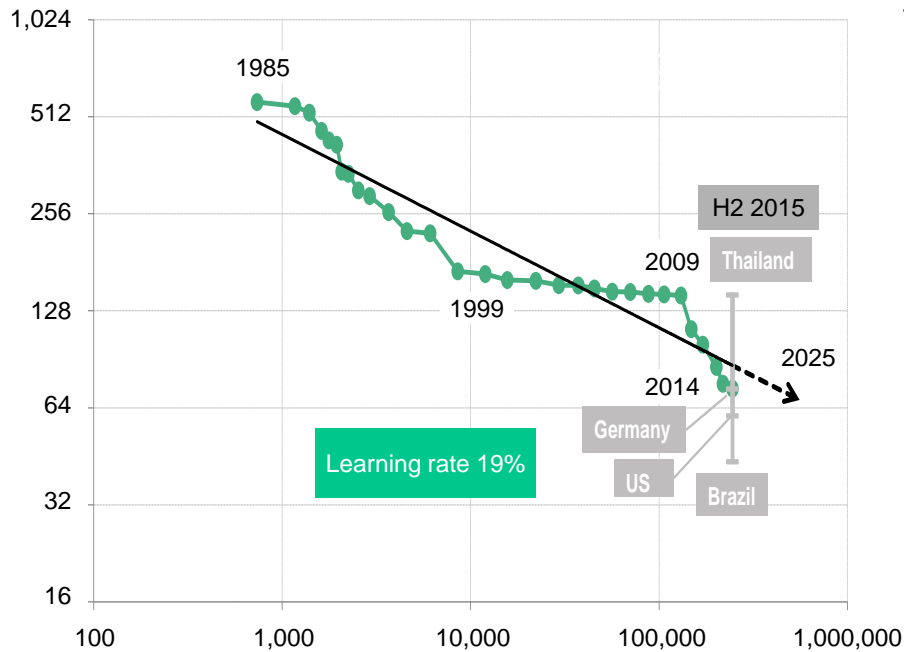


# Energy efficiency: EU 2030 target: 30% of energy savings



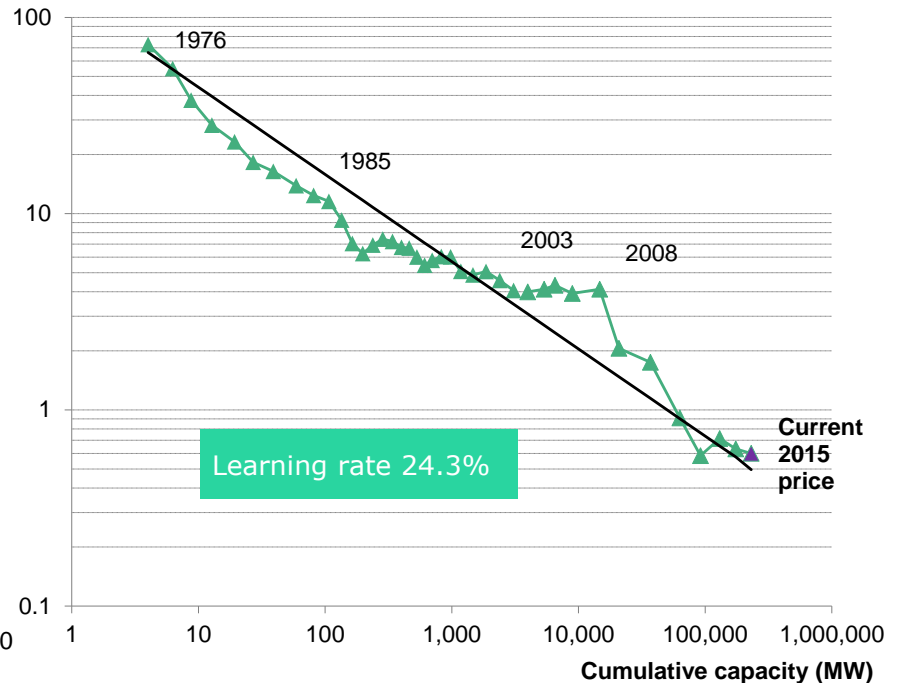
# Technology cost development of renewable energy

## Onshore Wind Levelised Cost (\$/MWh)



Note: Pricing data has been inflation corrected to 2014. It is assumed the debt ratio of 70%, cost of debt (bps to LIBOR) of 175, cost of equity of 8% Source: Bloomberg New Energy Finance

## Solar PV Module Cost (\$/W)



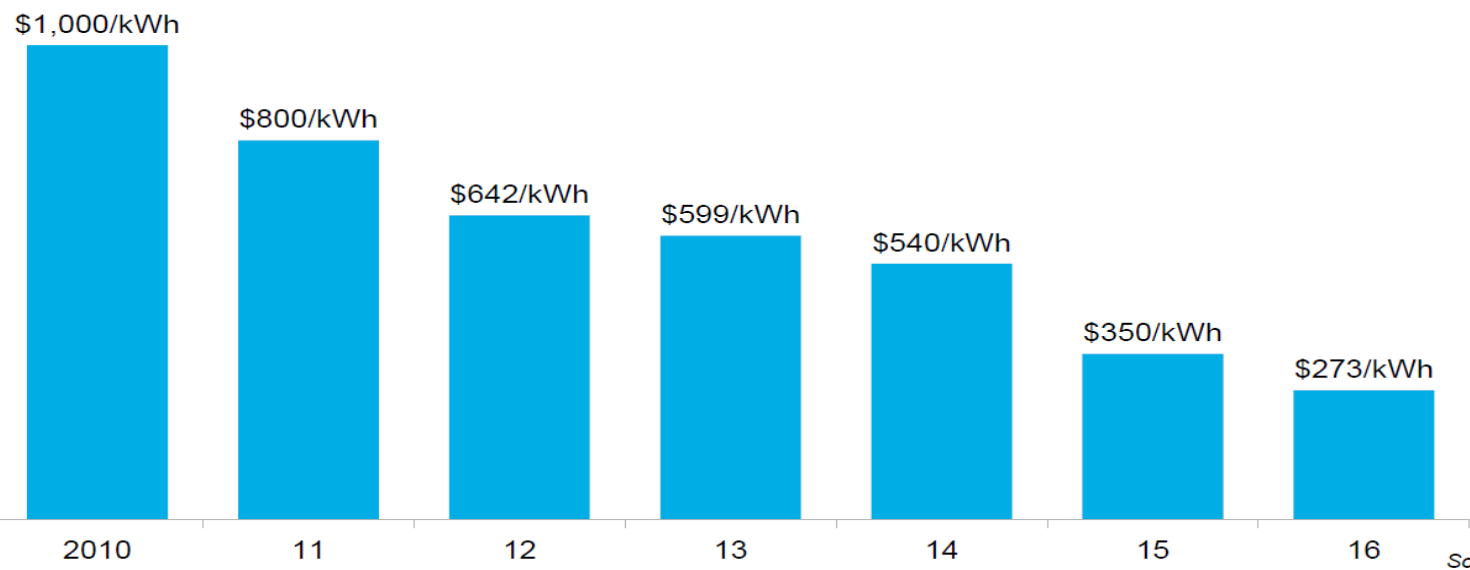
Note: Prices are in real (2015) USD. 'Current price' is \$0.61/W Source: Bloomberg New Energy Finance, Maycock

# Technology cost development for batteries

## Lithium-ion battery pack prices are down 73% since 2010

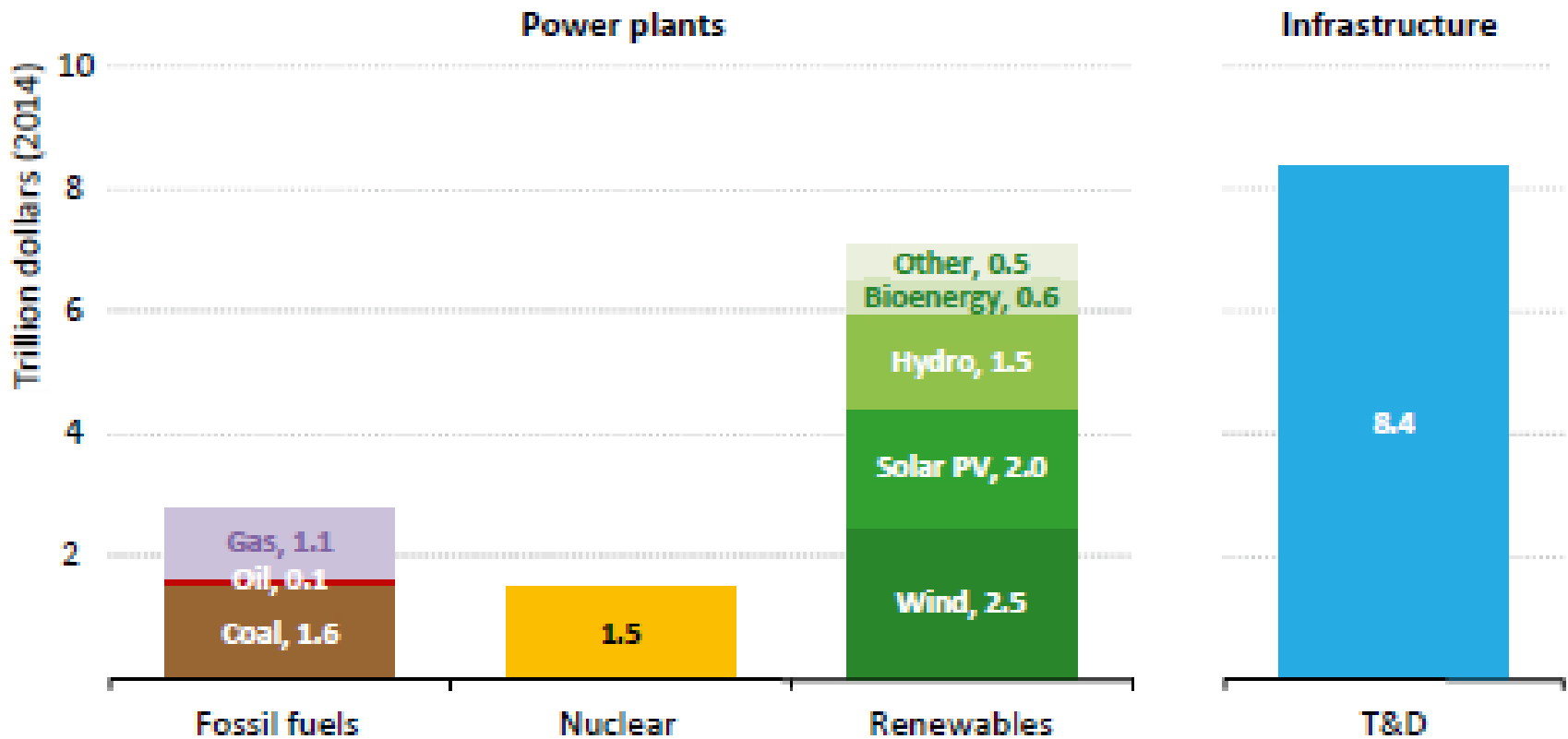


BNEF 2016 battery pack price survey results

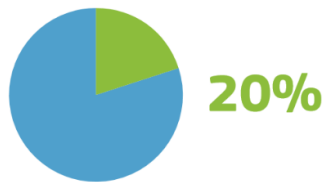


Source: Bloomberg New Energy Finance  
25 April 2017

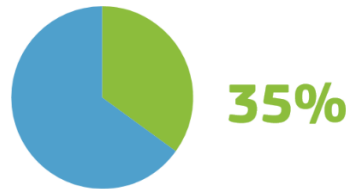
# Paris Agreement: Global cumulative investment in the power sector, 2015 – 2040



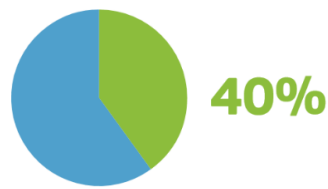
# Climate finance mainstreaming in the EU budget



20% of the EU budget should go to climate-related expenditure (180 bn €)



Climate-related expenditure will exceed 35% of the overall Horizon 2020 budget



At least 40% of the infrastructure projects under European Fund for Strategic Investments (EFSI) will contribute to climate action, in line with the commitments under the Paris climate



European External Investment Plan will support energy projects in Africa and in the Neighbourhood

- **New Climate Action sub-programme under LIFE Programme**
- **NER300 Programme – one of world's biggest demonstration programmes for low-carbon technologies**
- **New possibilities under the European Fund for Strategic Investments (see President Juncker's State of the Union Speech, 14 September 2016)**

## EU External climate finance

- **EU (Member States + Commission + EIB) the biggest provider of external climate finance worldwide**
- **EUR 17,6 bn in 2015, mostly in the form of Official Development Assistance (ODA) grants.**
- **The tendency of both EU ODA and climate finance is upwards: Formal commitments to:**
  - ✓ **(i) reach 0,7% ODA/GNI in the period until 2030 (under the 2015 Addis Ababa Action Agenda);**
  - ✓ **(ii) contribute the EU's fair share to the int'l USD 100 bn/year climate finance pledge by 2020 (under UNFCCC).**
- **Selected climate finance commitments of Member States: France EUR 5 bn/a in 2020; Germany EUR 4 bn/a in 2020; UK GBP 5.8 billion between 2016-2021.**

## European Commission external climate finance

- **20% climate finance aim in EU budget 2014-2020 also valid for external cooperation (ODA) budget**
- **Double climate finance grants from the EU budget up to 2020, reaching EUR 2 bn per year on average. (EUR 1,5 bn was reached in 2015.)**
- **Close cooperation between Commission services, EU Delegations and EEAS to make this happen. (More details by DG DEVCO).**
- **Business opportunities e.g. through the seven regional EU blending facilities, massive finance under Sustainable Energy for All (SE4All), or normal EU tender procedures.**

# Conclusions

## 1) The low carbon economy is on its way

- EU / UN governance
- businesses (CEOs)
- markets and price development
- local / regional / national authorities

## 2) Politics matters but... up to a certain point

- Trump vs Xi Jinping
- Paris agreement is a "tipping point"
- emerging global competition on low carbon technology

## 3) Finance matters... and is increasingly available

- EU & MS : ODA and external finance
- private finance : EIB / World Bank





# Thank you!

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