



AFTER THE COP: WHERE NEXT FOR CLIMATE ACTION?

EVENT REPORT | JANUARY 2019
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December's COP24 climate summit in Katowice was billed as a last chance to actually implement the Paris Agreement. Now that the dust has settled, did negotiators achieve their objectives? And where does the international effort go from here?

On 22 January, High Level Debate organised by PKEE and Permanent Representation of the Republic of Poland to the European Union was held in Brussels.



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Post-COP24 stocktake praises Katowice rulebook, 'Cañete's baby'

By Sam Morgan | EURACTIV.com



International delegates celebrate during the last day of COP24 in December.
[Photo: MAC_Europa/Twitter]

In December, international negotiators managed to agree the set of rules needed to “bring the Paris Agreement to life”. But unfinished business and a tight schedule mean that the job of honouring the landmark deal is far from done.

During a post-COP24 stock-take in Brussels on Tuesday (22 January), EU climate Commissioner Miguel Arias Cañete and President of the COP Michał Kurtyka discussed how the Katowice summit went and if it had

achieved its objectives.

2015’s Paris Agreement will come into force in 2020, so Katowice was billed as the last chance for the 195 signatories to agree on the all-important rules needed to ensure transparency and reporting.

That urgency was reflected by the fact that COP24 kicked off a day early and wrapped up a day late, in order to give negotiators extra time to find an agreement. “A successful outcome was not guaranteed but we achieved it,” said Cañete.

The EU’s climate chief and Kurtyka admitted that at the mid-point of the summit “the smiles were not on our faces”, the latter revealing that there was a point when he feared there would be no agreement.

The Polish State-Secretary for Energy said during the event that he was only “instrumental in realising your [Cañete’s] project” and that the “Katowice rulebook” is in fact the Spanish Commissioner’s “baby”.

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UNFINISHED BUSINESS

But one aspect of the rulebook is still pending, as a group of countries led by Brazil would not sign off on guidelines on carbon markets and the issue has been deferred until COP25. That summit has also been delayed a month, after Brazil decided to pull out of hosting the annual meeting.

The main bone of contention was on basic accounting rules that would prevent double counting of emission reductions by the countries that generate and offset them.

Cañete has not accepted defeat though and announced at the post-COP24 event that he intends to host a major international carbon markets conference in Brussels in the spring, much in the same vein as the now regular Ministerials on Climate Action (MoCA).



“We have to build on the experience of the Kyoto Protocol and other things that didn’t work to design market mechanisms that will be sustainable,” Cañete said, adding that the idea is to invite international experts to the summit not just politicians.

“Establishing some final conclusions [is how we want] to

facilitate the work in Bonn [...] the Petersburg Dialogue, in the MoCA, in the pre-COPs and the way forward.”

‘From Katowice, we know absolutely who are the players who have problems with this issue. It’s not only Brazil. Brazil was the front page but the newspaper has many pages. There were many people behind Paris but I will not do any naming or shaming. There were a few tough customers,” he added.



CLIMATE IN 2019

Cañete’s carbon market conference is not the only important milestone for climate policy this year though. As COP president, Kurtyka’s duties take him all the way up to the next edition in Chile, which has been delayed until January 2020.

Before that, the Polish politician is heading to New York to prepare for a September UN summit, which Secretary-General Antonio Guterres called last May.



Although Cañete’s mandate as Commissioner expires at the end of the summer, his schedule remains as busy as ever. Next month, he will start a multi-country tour of the EU in order to share the Commission’s future climate plans with national capitals.

The idea is for EU leaders to reflect on the EU executive’s long-term strategy for 2050, which was published in November, during May’s Future of Europe summit in Sibiu, Romania.

But Cañete’s tour will also be an opportunity for the Spanish Commissioner to remind member states of their obligations to submit draft energy and climate plans, as well as long-term strategies, to the Commission.

At time of publishing, only 21 out of 28 nations had hit an end-of-December deadline to hand in their draft plans, which are crucial to implementing freshly-brokered 2030 energy and climate targets.

During the event, the Commissioner confirmed that all the draft plans will be made available online in order to increase transparency.

INTERVIEW

Cañete: 'No way around it', climate neutral EU is needed

By Sam Morgan | EURACTIV.com



Miguel Arias Cañete
[Photo: European Commission]

EU climate Commissioner Miguel Arias Cañete is in no doubt that the EU has to achieve 'climate neutrality' by 2050 and wants to use his final months in the job to push the bloc towards meeting the targets of the Paris Agreement.

Miguel Arias Cañete is European Commissioner for Climate Action and Energy.

He answered questions by EURACTIV's Sam Morgan.

To what extent did COP24 boost the EU's image as the new climate action leader? Especially since the US government has all but completely vacated that role.

Since signing the Paris Agreement, our aim has been to adopt an

ambitious, clear and comprehensive rulebook by 2018 in order to make it operational. We arrived at the COP24 with this ambitious objective in mind, and we achieved it.

I will not say it was easy. It was a rocky road to Katowice and some doubted whether we would reach a consensus. But we were all aware of

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the high stakes. We had all just read the IPCC report and that emboldened us to reach an agreement.

So we worked with all parties to reach a solid, balanced deal which protects the spirit of Paris. Our intense ministerial work with Canada and China as well as our efforts with the High Ambition Coalition filled the vacuum left by the current US administration.

Yet our message arises, above all, from the ambitious policies that we have agreed on and which will translate into the most ambitious emissions reductions in the world.

These include the Commission's climate neutral strategy 2050, which, if implemented, will transform the EU into the world's first climate neutral major economy. I have always said it: Europe must lead by example, and others will follow. But the EU cannot do it alone.

Did disputes with Brazil, Saudi Arabia, Russia, on the markets chapter and adopting the IPCC report results, prevent Katowice having the ambitious objective you targeted?

The first time I attended a COP, I thought the system would never allow for any meaningful agreement. However, I have come to realise that when an agreement is reached at the UNFCCC, it is usually a very powerful one.

COP24's main objective was to establish a rulebook that would make the Paris Agreement operational. With this objective in mind, as well as the willingness by the parties not to jeopardise the Agreement, we decided to defer agreement on Article 6 on global carbon markets to the next COP.

The disagreement with Brazil delayed the conclusion of the meeting by more than 24 hours. Here it should be said that the focus on Brazil meant that other tough customers were

sheltered from criticism.

Regardless, the EU maintained its tough stance, which, alongside our partners from the High Ambition Coalition and the Polish presidency, allowed us to broker an agreement on how to take the negotiation forward.

We worked closely with a broad group of parties, including in Latin America and Africa, to deliver greater ambition. This allowed us to achieve our main objective.

It was unfortunate that some tried to block explicit acceptance of the findings of the IPCC report. This would have sent a very gloomy message about the global commitment to tackling climate change.

Nevertheless, the EU fought hard for a constructive acknowledgement of the report, which was ultimately adopted in the final wording in the COP decision. Regardless, the IPCC report was presented in Katowice, showing that the world has the means to act, if it does so urgently. I have no doubt this sense of urgency was on the back of everyone's mind.

You intend to host a carbon markets summit in Brussels soon, what are your aims for this meeting? To resolve the unfinished business of COP? Will there be a debate about the ETS and CORSIA?

As it was not possible to agree on the markets chapter in Katowice, it has become a key priority to foster a common understanding on this issue and complete the rulebook with the necessary level of integrity.

The main goal of this conference will be to exchange views regarding the rules, challenges and prospects of international carbon trading with a view to secure the environmental integrity of the system.

This conference will help identify ways forward to resolve the issue at COP25 and to reach a balanced compromise. I am convinced that there are reasons to be confident, as

there is a strong will to fix problems.

The debate is likely to be focused on how to facilitate functioning international carbon markets, including the aspects regarding Article 6 on global carbon markets, as evidenced at COP24.

While we have agreed that accounting – corresponding adjustment – applies to both the mechanism established by Article 6 and other uses (i.e. CORSIA) in the transparency framework, and this is significant, we still need to agree on how and when corresponding adjustments are done under Article 6.

We also need to rethink the new market mechanism, so that it fits with the new context in which all parties have mitigation objectives. As regards the ETS and CORSIA, our current priority is to secure solid rules and governance for the implementation of CORSIA, which is key for us to start assessing its features and effectiveness as mandated under the EU ETS. We are also mindful of the need to fully preserve the integrity of the EU's 2030 commitments.

What is next for Miguel Arias Cañete? Could you leave the Brussels bubble with a sense of “job done” or is there fight left in you to take EU climate action into the next decade?

I believe it is no secret that I will not run for office again. I have been competing in elections since 1981 and I think the time has come to let others take a leading role. However, I still have some remaining months of mandate until I hand over to my successor.

When that happens, I will leave the Brussels bubble with a sense of pride in what we have achieved in these fantastic years. When the agreed EU legislation is fully implemented, total greenhouse gas emission reductions are estimated to reach around 45% by

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2030.

I could not have achieved what we have without the professionalism and dedication of DG Energy and DG Climate Action. Together they form a big family that, although initially doubted by many, has accomplished so much and fully delivered on the Energy Union.

But I do not think I can leave the Commission and say “job done”. All that we have achieved so far is only the beginning of a challenge that will last several decades. This challenge begins now, with the EU elections where the political stakes are again high.

This is why I am urging all lead candidates to include their climate action and energy visions in their mandates and to discuss these topics in all debates. This is not only because climate change is one of the most important issues for European citizens today. But because we are only one election away from losing the political will to fight climate change.

How significant is the Sibiu summit in May for EU climate policy, particularly the 2050 strategy? Is there a danger that other issues like migration, or even Brexit, could relegate it?

It is clear to me that climate policy at EU level will be a central element of the Future of Europe discussions in Sibiu. This event will represent an important milestone, as EU leaders will have the opportunity to reflect on the opportunities and challenges of modernising the EU economy towards climate neutrality.

Given the content and priorities of this summit, I believe that the long-term strategy will become a particularly relevant issue for EU-wide discussion and debate, since it has a direct impact on the daily lives of EU citizens as a strategy aimed at modernising the whole economy.

The social dimension of the strategy is extremely important, especially regarding the necessity of a just energy transition. Becoming a net-zero emission economy by 2050 can only be achieved with the full commitment of EU citizens and with the existence of a broad social dialogue among all relevant stakeholders.

Furthermore, the summit is timely as it represents the last Council meeting before the EU elections. I welcome that the current Parliament will issue a resolution on the long-term strategy, but it will be important for the new Parliament to build on that position after the start of its mandate.

The ENVI committee’s public hearing on the long-term strategy took place on Tuesday (29 January) and MEPs and panellists welcomed the Commission’s strategy, emphasising the importance of a long-term vision and putting social fairness at the heart of the strategy.

Although migration and Brexit will certainly be important items on the summit’s agenda, the relevance of EU climate policy is not likely to be ignored.

I am glad that Sibiu has been identified by the Parliament as a unique opportunity to foster a higher level of political commitment on climate change. I am also very encouraged by the broad support shown for the strategy by all the political parties so far and I count on their active engagement throughout the year.

The climate marches that have been taking place over the last months have highlighted that the fight against climate change and the adoption by the EU of measures to tackle this global challenge are key concerns for the vast majority of citizens. Therefore, I am convinced that discussions on EU climate policy will not be relegated.

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21 member states did not submit their National Energy and Climate Plans (NECPs) on time. How much does this concern you? Does it send the wrong message, both internally and internationally?

We need to take into account that this is the first time that EU nations have been required to submit their draft NECPs as a result of the Governance Regulation entering into force. Although the deadline set by the Commission for the draft plans was indeed the end of 2018, 23 member states have now submitted theirs and the remaining 5 are urged to do so as soon as possible.

At international level, we are demonstrating the extremely strong level of governance achieved by the new legislation in place, as the early submission of the NECPs will be decisive to ensure that we meet our national and EU targets for 2030 and that we deliver on our Paris Agreement commitments.

The Commission has already started to assess the draft NECPs. This assessment will follow a very objective and balanced approach, as all member states will be evaluated based on the

same criteria, with recommendations expected by the end of June.

However, we also ask countries to go as far as they can in terms of ambition, taking cost-efficiency into account. It is true that the level of ambition differs among member states – indeed, even within the same member state – but I am certain that this situation will improve over time as EU governance is gradually strengthened.

We have also planned a series of visits to member states to meet with governments, national parliaments and citizens to present our strategic vision for a climate neutral Europe by 2050 and exchange views. Our visits to France, Spain, Germany and the Netherlands have already been confirmed.

You've been unequivocal in your support for the net-zero options presented in the LTS. Will you take that message with you on tour or is it more to hear what they have to say about the Commission's strategy?

The purpose of the visits is to hear their views. The LTS is a starting point for a debate that should lead to the adoption by the EU of an ambitious strategy towards climate neutrality

and submit it to the UN by 2020.

As in any debate, there will be time to both listen and speak. I will of course listen and take note of the specific challenges facing member states, particularly on the social dimension of the LTS and notably concerning the challenges faced by regions or sectors for which the transition can be particularly challenging.

By the same token, however, I will without a doubt maintain that the aim of the EU should be to achieve climate neutrality by 2050. There is no way around it.

Achieving climate neutrality will lead to net economic growth, benefit our citizens, be good for industry as a whole and, of course, protect the environment. Most importantly, and this is a key point in our analysis, I will maintain that climate neutrality is achievable.

We will ensure that no one is left behind during these transformations. Because, if we get it right, the LTS will be the key to modernising the EU economy and keeping it competitive while upholding the EU's climate leadership over the next century.

PROMOTED CONTENT

The contribution of the Polish energy sector to the implementation of global climate policy

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P K E E



is diligently preparing for the further implementation of reduction targets in a way that ensures the balance in needs of those involved or affected by transformation.

Since the beginning of the 1990s, the Polish energy sector is constantly transforming, striving to minimize its impact on the environment. The high share of coal in the structure of electricity and heat generation results in significantly higher costs of transition towards a low-emission economy as compared to other EU countries where the generation structure has been developed in a sustainable manner.

In response to these challenges, energy sector is seeking for additional ways to reduce expenditure and to improve efficiency through the development of innovative technologies. Implementation of a deep transformation of the sector will be a big challenge in the economic and social dimensions, which is why it is important to conduct it in a reasonable and sustainable manner.

The implementation of climate targets for 2030 (at least 40% reduction of CO₂ emissions) will require significant efforts with

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The PKEE's report presents the contribution of the Polish electric power industry to the implementation of the global climate policy. One of its main conclusions points out that despite unfavourable circumstances, including the historical dominance of coal-based technologies, the electric power sector is effectively taking measures aimed at the reduction of CO₂ emissions.

PKEE is the Polish Electricity Association.

Poland is an active party to the UN Climate Convention. It implements commitments to reduce CO₂ emissions and supports processes of global and international agreements. For the third time, Poland organizes the Conference of the Parties to the Convention – the first UNFCCC Climate Summit in Poland was held in 2008 in Poznań, the second in 2013 in Warsaw.

In Poland, since 1990, CO₂ emissions have been reduced by around 30%, and the energy sector has the largest share in this reduction. The sector is aware of the challenges of climate protection and

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estimated expenditures of about 70 EURbn, with a majority share of investments in the generation sector. It is necessary to seek cost reduction through innovation and investment. Bearing in mind the significance of the issue, Poland aims to actively participate in the formulation of a long-term strategy for the global climate policy, which should allow the implementation of pro-climate measures taking into account global reduction potential in the next decades.

According to Eurelectric's study results, placing the Polish electricity sector on a pathway towards full carbon neutrality by 2045 would require at least EUR 20bn of additional investments in generation assets alone on top of EUR 128bn required by a close-to carbon neutrality scenario. As the costs of the full carbon neutrality scenario result in EUR 147bn of total investments in generation assets alone, they overlook the costs of stranded assets that would certainly further increase the overall system costs further.

Polish energy sector has been undergoing a transformation for thirty years now. Organizational structures have changed to more effective, market conditions in the sector have been implemented, significant modernizations have been carried out and generation technologies have changed to be more environmentally friendly. As a result, CO₂ and pollutant emissions were significantly reduced.

The energy sector has had a key impact on the implementation of Polish climate objectives resulting from the Kyoto Protocol. Effects of further actions will depend on the pace of economic development and the final reduction targets for the next decades. In following years, the energy sector will still have a key role in achieving reduction targets.

The sector is aware of the challenges it faces and is diligently preparing for the further implementation of the transformation in a way that ensures the balance of interests of those involved or affected by transformation.

Estimated investment potential of energy companies in Poland taking into account the introduction of a capacity market and limited dividend policy in comparison to the investment needs of the sector (assuming 40% CO₂ emission reduction target in 2030), indicates that the gap can reach at least 20 EURbn. This gap will have to be covered by investors from outside of the sector and through support from aid funds, including support from European Union funds.

At the same time, Polish energy sector will maintain the efforts to reduce energy and power shortages by innovative solution, investment process optimization and investment risk reduction, which may result in the reduction of necessary spending or generation of additional investment capacity.

In this context, effective planning and a reliable approach of the sector to the problem of energy transformation is crucial, as the implementation of such broad measures will require significant efforts which will have a long-term impact both on the sector and the entire economy.

The "Contribution of the Polish energy sector to the implementation of global climate policy" report was developed by the PKEE in collaboration with Ernst & Young Business Advisory.

<https://www.pkee.pl/en/the-contribution-of-the-polish-energy-sector-to-the-implementation-of-global-climate-policy/>

PROMOTED CONTENT / INFOGRAPHIC


PKEE
 Polish Electricity
 Association


 COP24

**Polish power
sector is changing**

Polish power sector contributions to COP 24 in Katowice

Perspectives for Polish power sector



the share of coal in electricity production will go down to 60% in 2030



the first nuclear power plant is planned for 2033 with a capacity of 1-1.5 GW. 6 nuclear units to be built by 2043 with a total capacity of 6-9 GW



the share of RES in electricity production will grow up to 27% in 2030. Full exploitation of the potential of the off-shore wind farms in the Baltic Sea and of the photovoltaics can provide up to 30 GW in total by 2040



rapid diversification and growth of installed capacity and energy generation will lead to the reduction by 50% of CO₂ emissions in the energy sector by 2040



innovations are the response of the Polish energy sector to reduce greenhouse gas emission and to limit adverse climate change effects.

- PKEE supports Poland as an active party to the UN Climate Convention, which for the third time organises the Conference of the Parties to the Convention.
- Poland is in a different starting position in the implementation of pro-climate energy transition in comparison to most other EU countries.
- Implementation of climate targets for 2030 will require significant efforts with estimated expenditures of EUR 70bn in the generation sector, therefore necessitating EU financial support.

PKEE SUPPORTS A JUST ENERGY TRANSITION

Visit our website <https://www.pkee.pl/en/reportcop24/>



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