

WHAT IS THE EFFORT SHARING REGULATION?

**3 NOVEMBER 2016
CARLOS CALVO AMBEL**



OUR FOCUS

MOST MODES



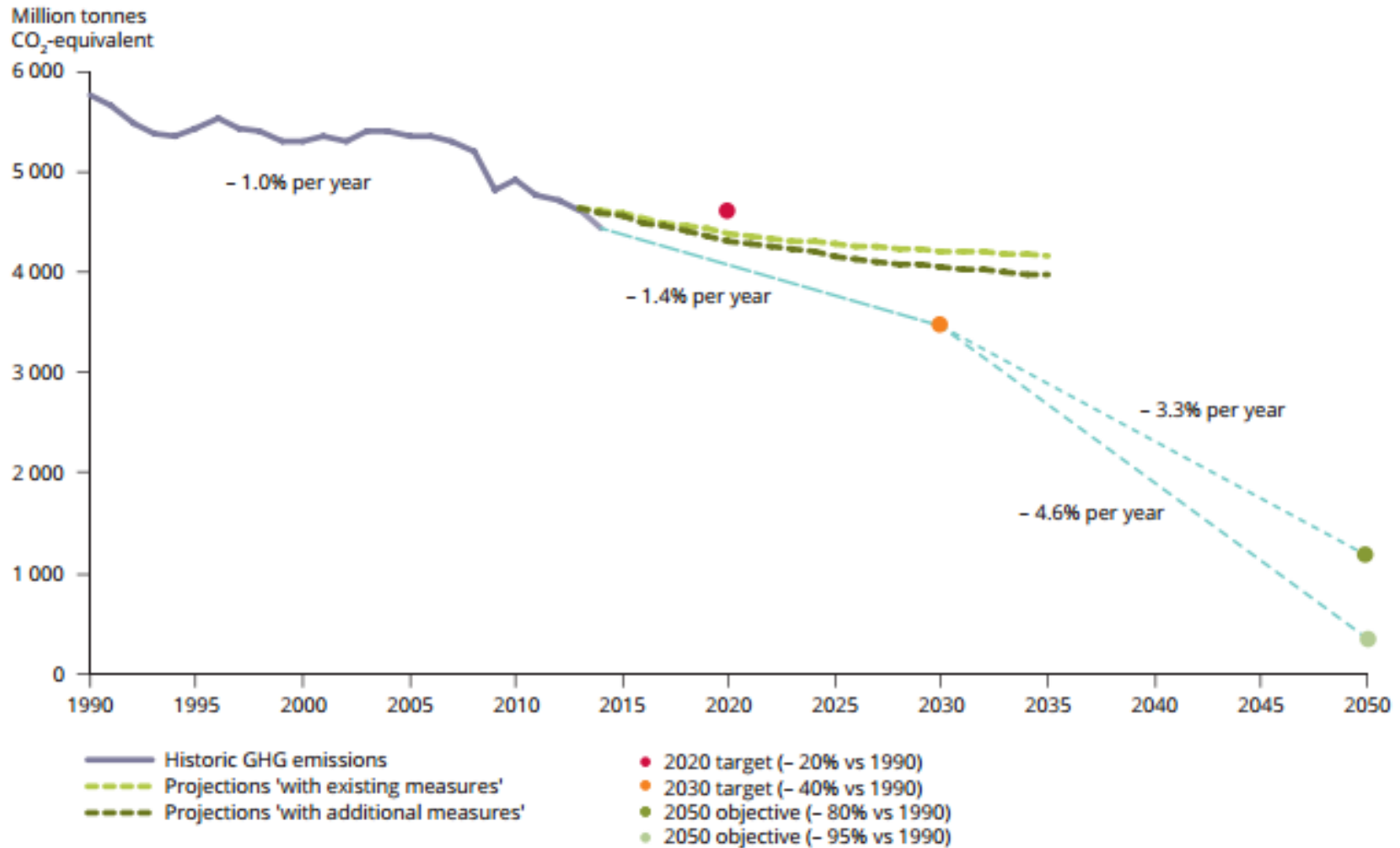
WELL TO WHEEL



ALL TRANSPORT ENERGY



CLIMATE EMISSIONS IN THE EU



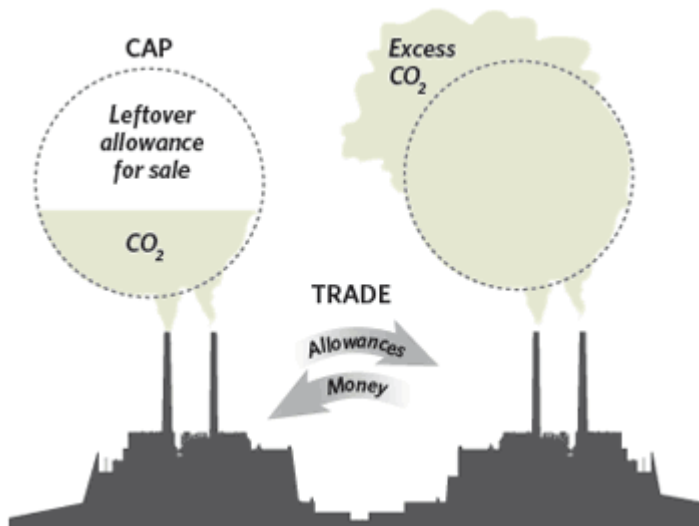
Source: EEA, 2015.

2 MAIN CLIMATE TOOLS



THE EFFORT SHARING REGULATION

- Applies to EU countries
- Surface transport, buildings, agriculture, small industry, waste and others.

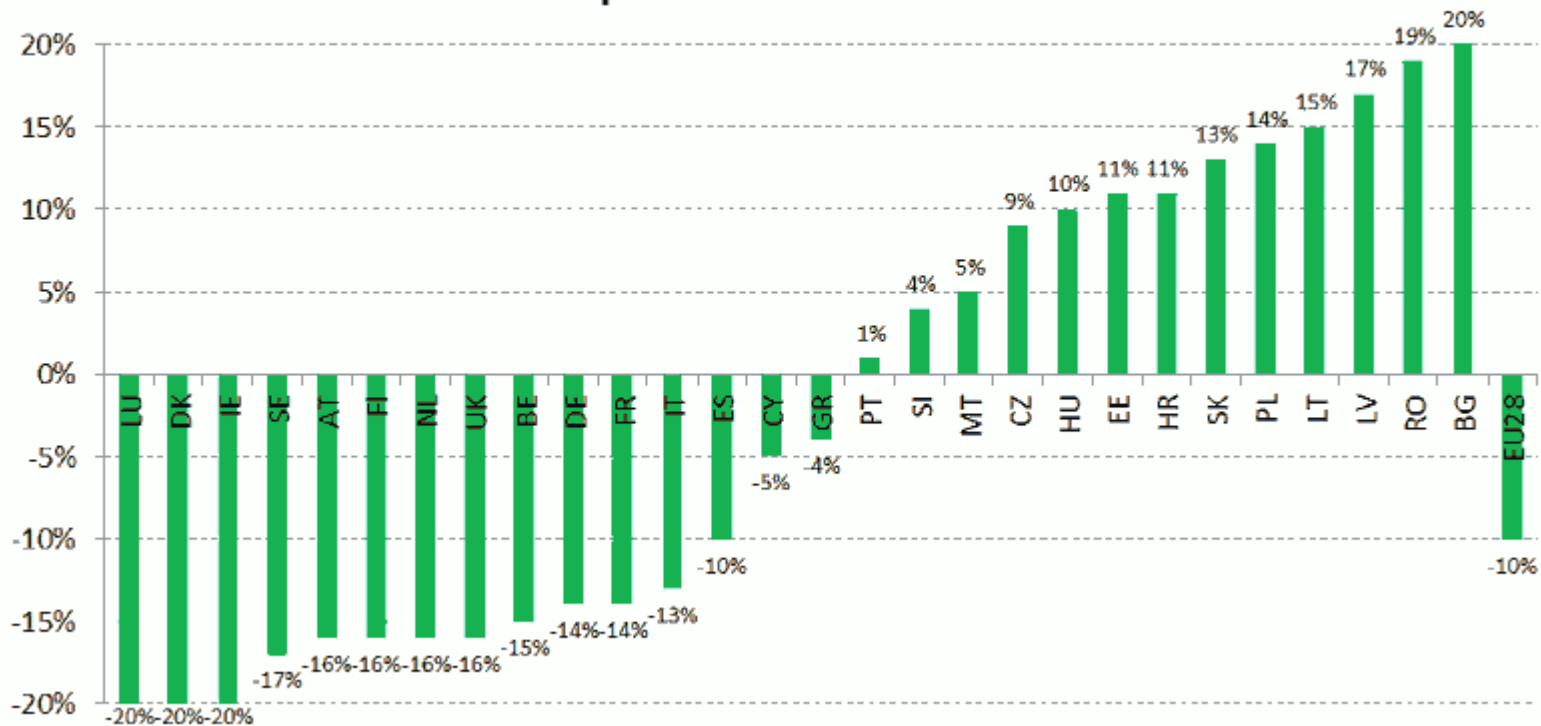


THE EMISSIONS TRADING SYSTEM

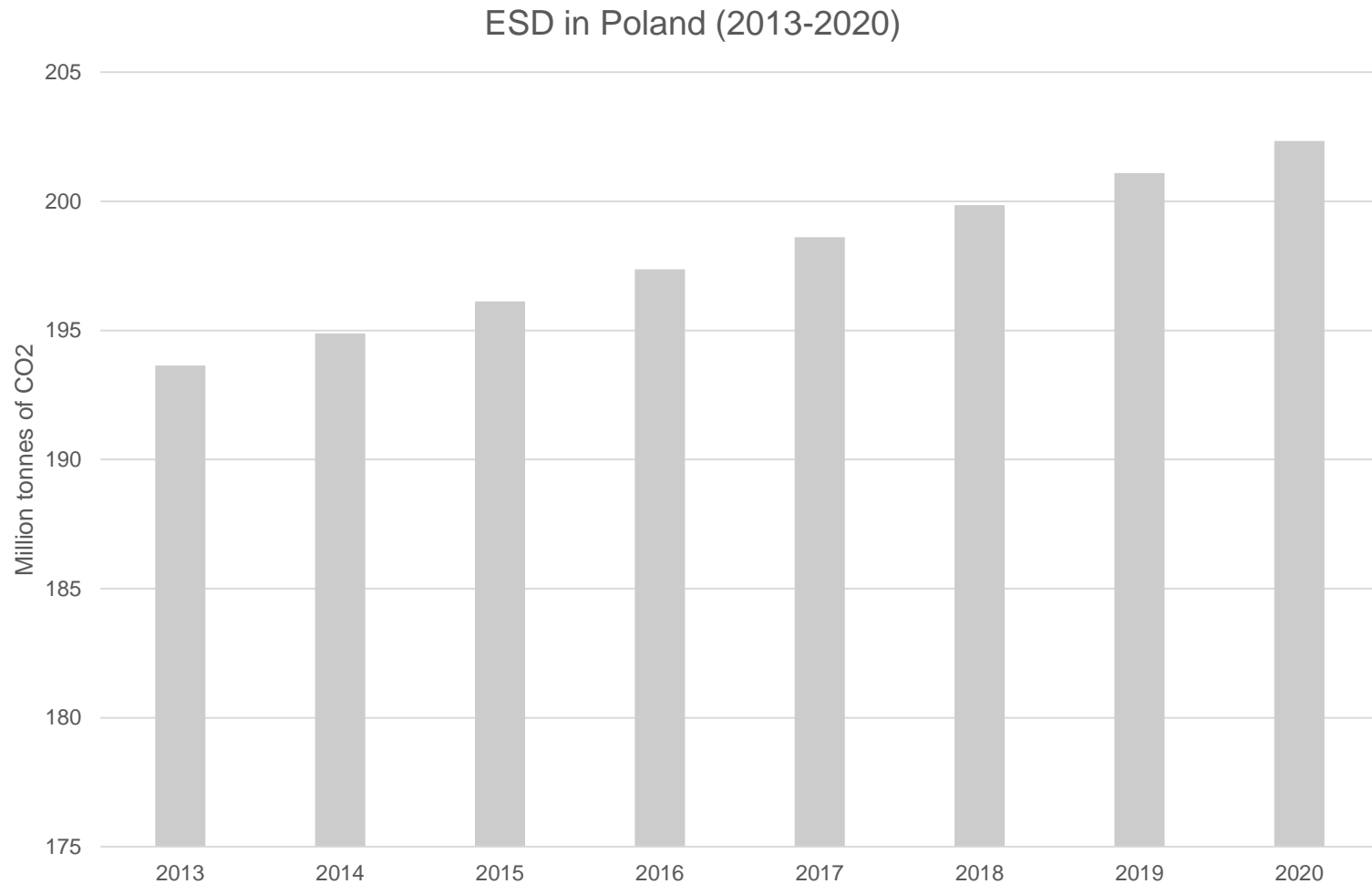
- Applies to installations
- Power sector, big industry, aviation.

EFFORT SHARING DECISION (ESD) 2013-2020

Member State greenhouse gas emission limits in 2020
compared to 2005 levels



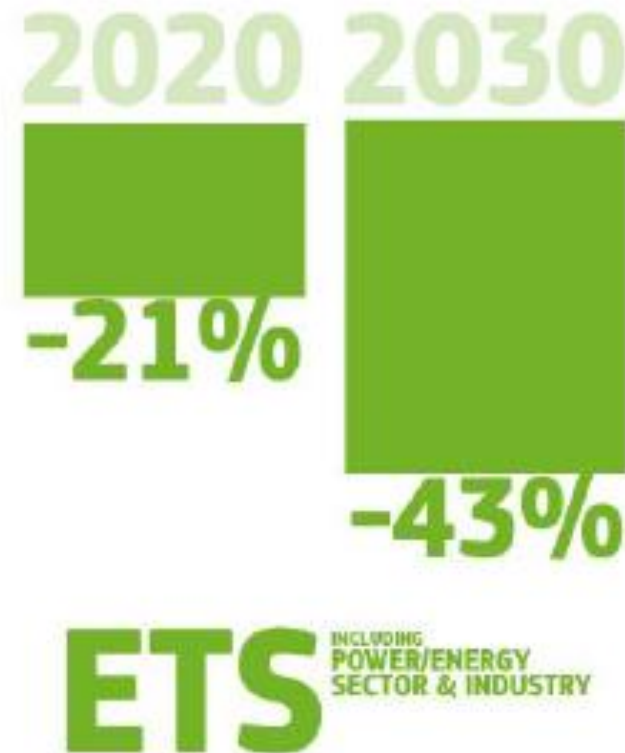
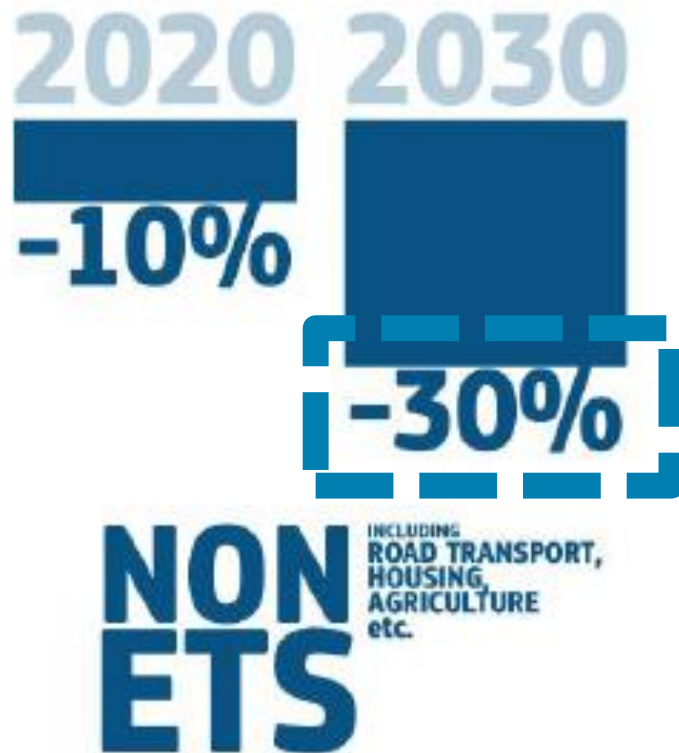
EXAMPLE OF ESD TARGET



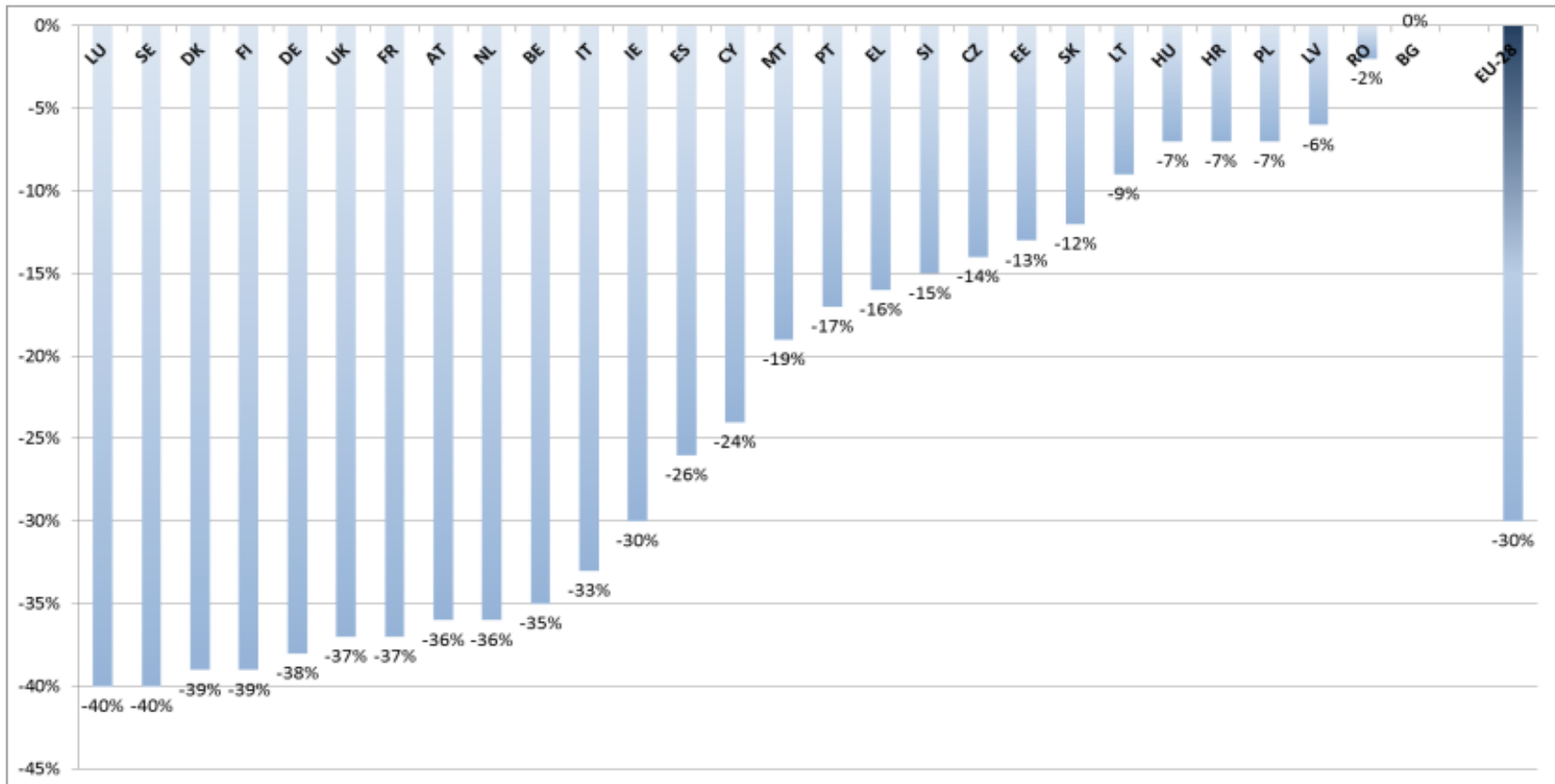
+14% compared to 2005



THE 2030 PACKAGE: A NEW OPPORTUNITY



THE EFFORT SHARING REGULATION (2021-2030)



Romania: -2%
Poland: -7%

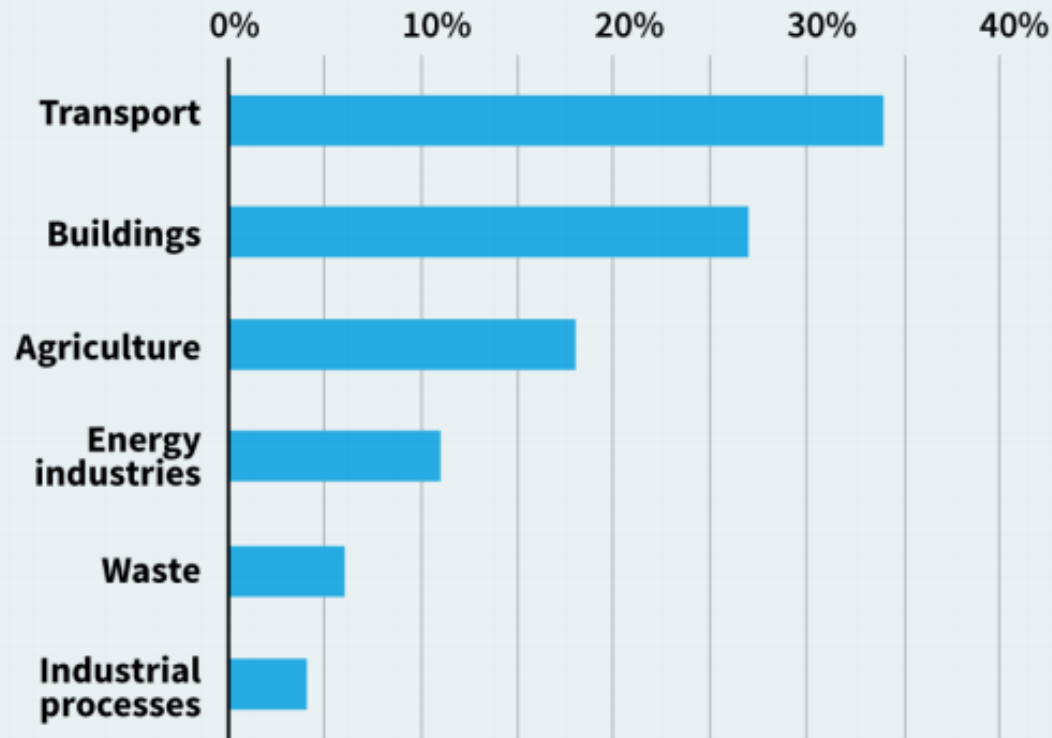
Czech Republic: -14%
Slovenia: -15%

Estonia: -13%



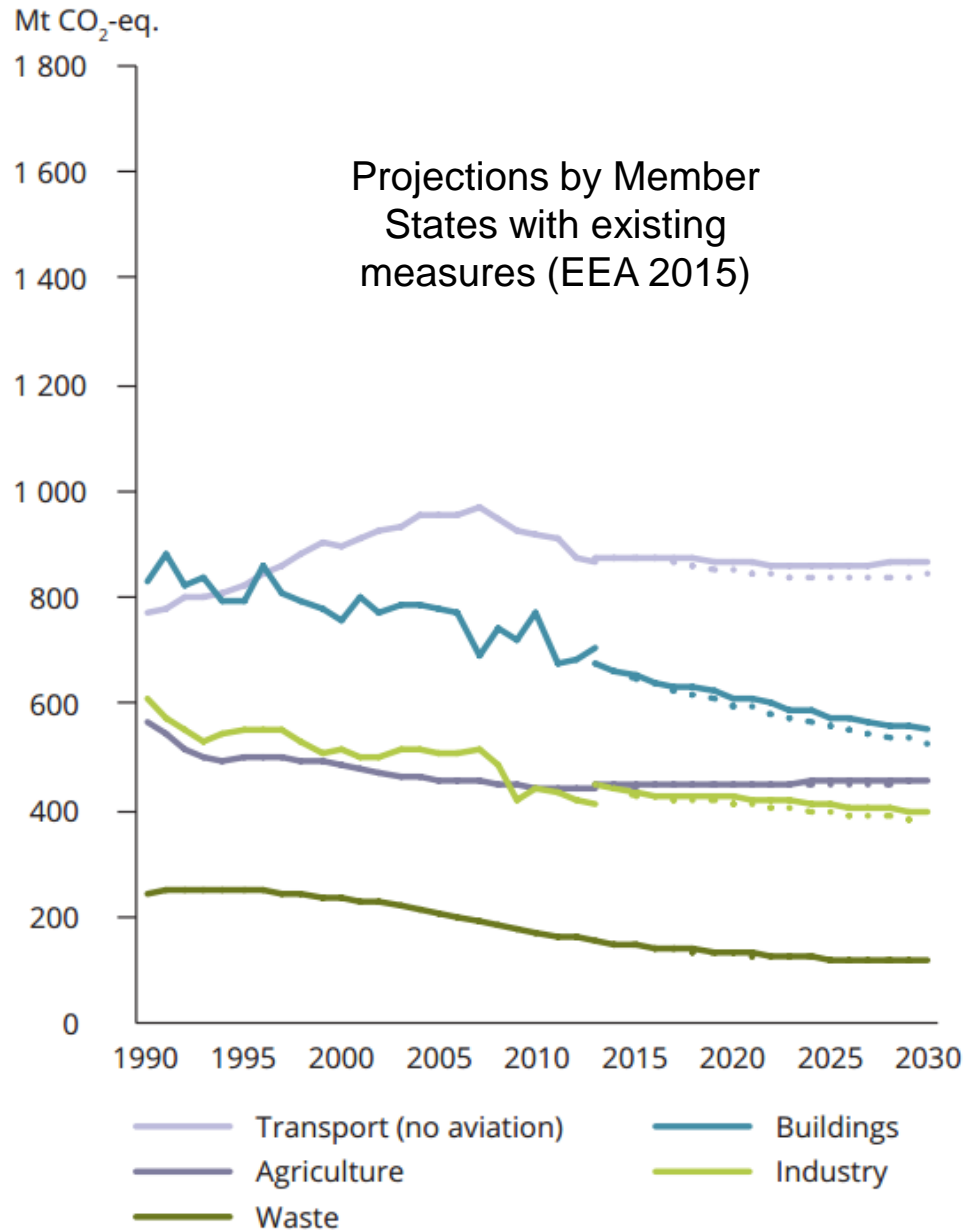
Transport, the biggest non-ETS sector

Greenhouse gas emissions from sectors outside the ETS (ESD), 2013



Source: European Environment Agency, 2014. Trends and projections in Europe 2014.

ACTION NEEDED



LINKS BETWEEN THE ESR AND LOW CARBON TRANSITION

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ESR IS NOT ONLY ABOUT CLIMATE

- A strong ESD will be a continent with
 - cleaner vehicles
 - less congestion
 - super energy-efficient houses
 - lower energy bills
 - more sustainable farming
 - more jobs through future-oriented industries
 - major opportunity to save billions on oil and gas imports and safeguard the old continent's energy security.

This isn't just about climate policy but also about smart economic policy, security, innovation and quality of life improvement

KEY MESSAGES



1

Protect the
target



2

Achieve
meaningful
governance

POSITIVE ELEMENTS

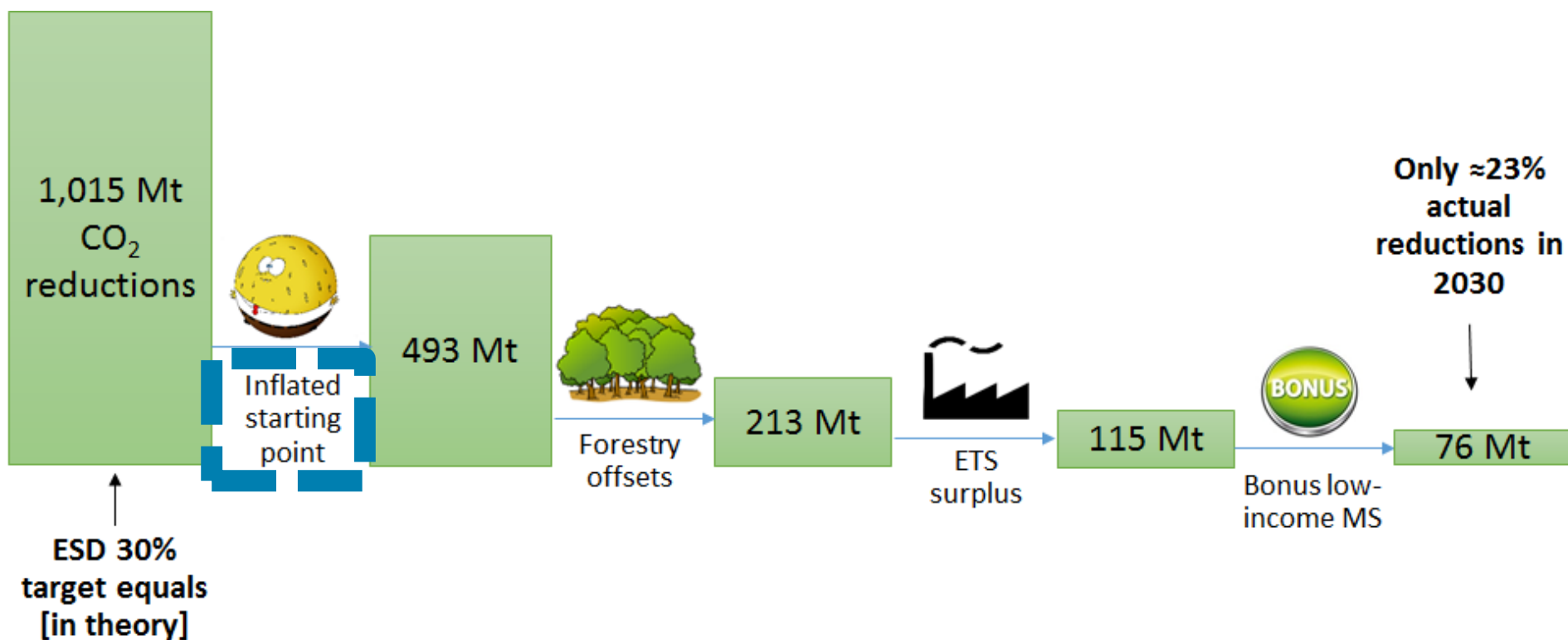




**PROTECT
THE TARGET**

LOOPHOLES

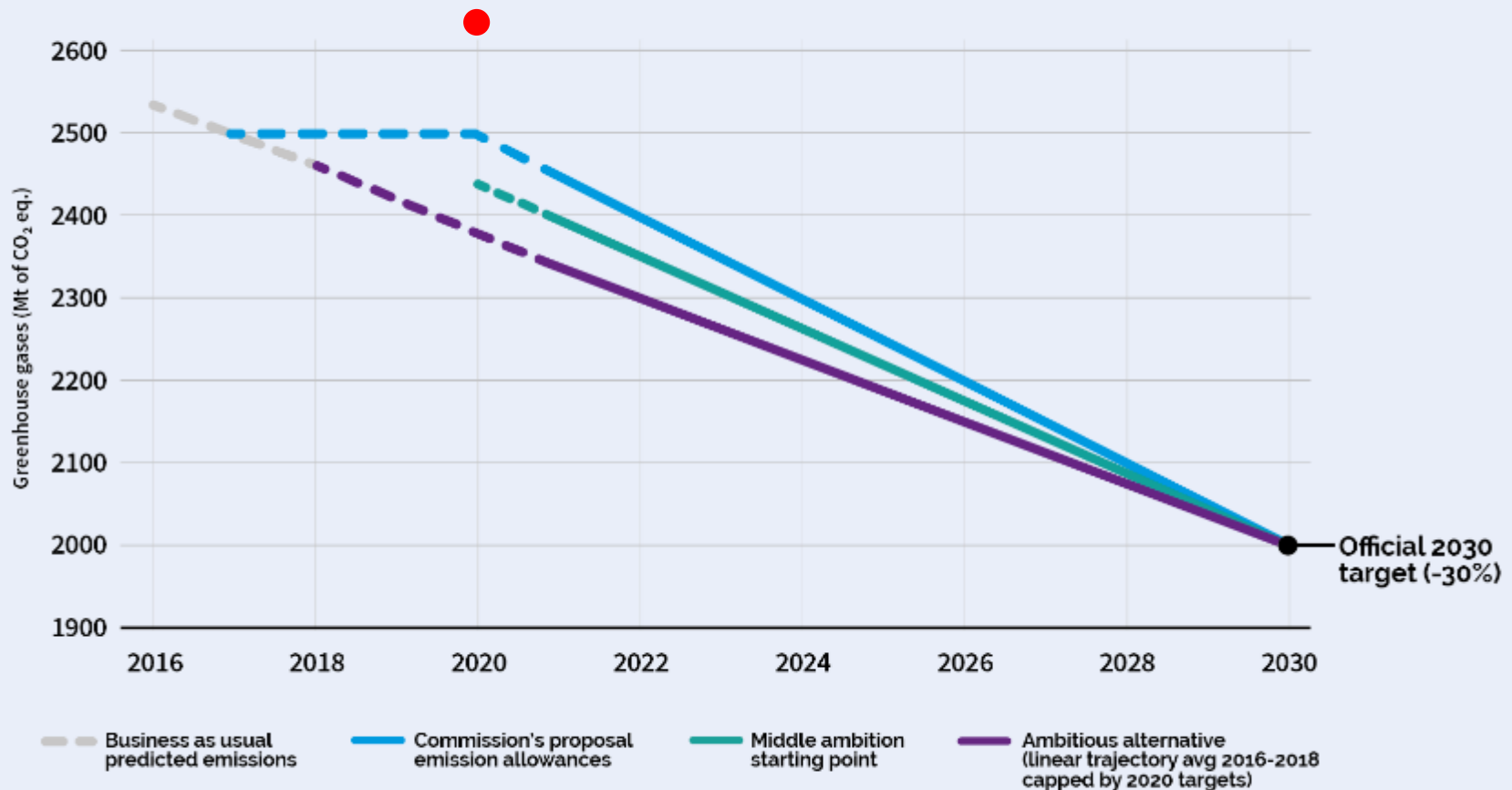
Impact of loopholes on the EU's 2030 climate efforts in the non-ETS sectors



INFLATED CARBON BUDGET

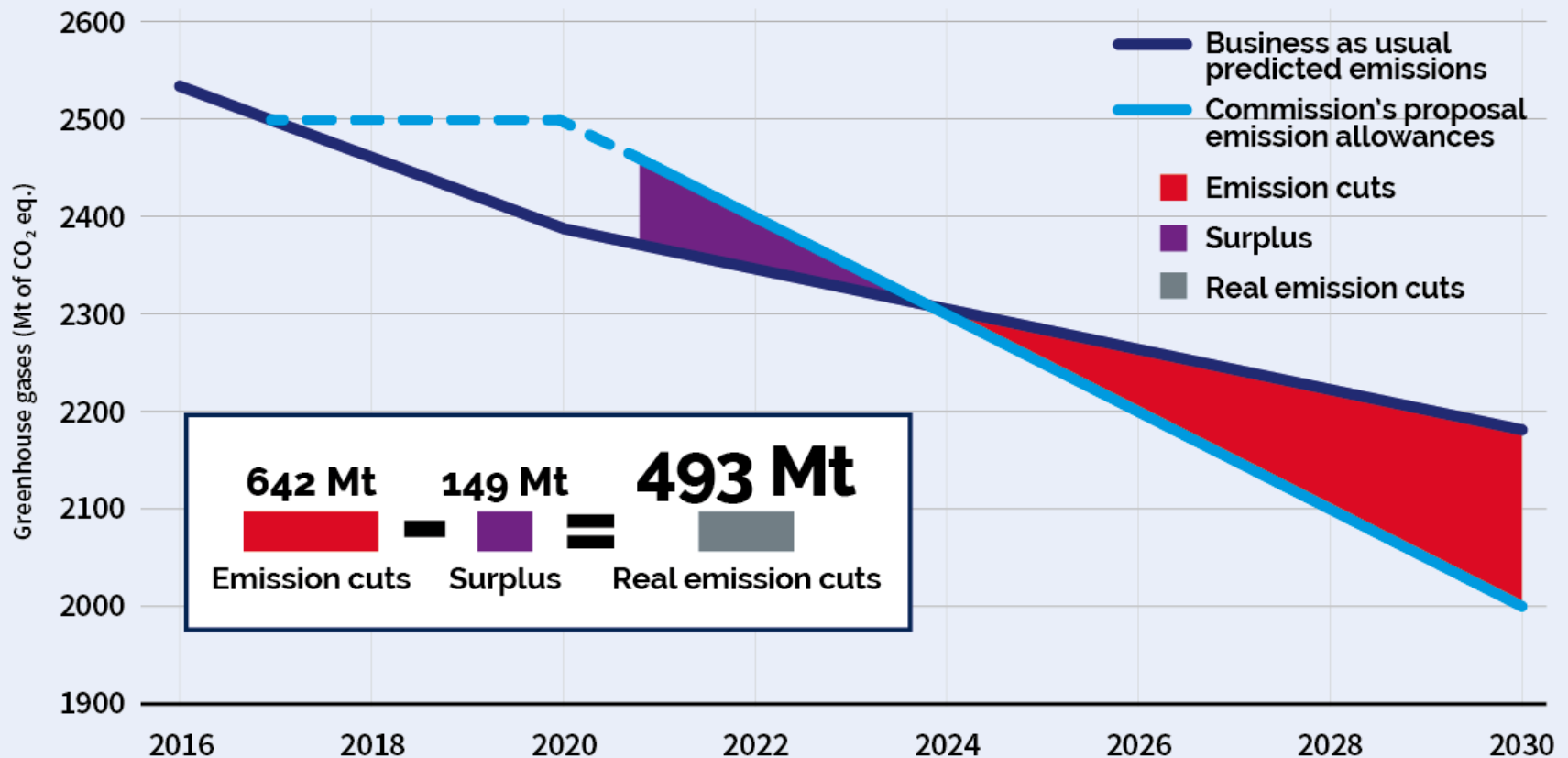
What is the starting point?

The impact of different starting points

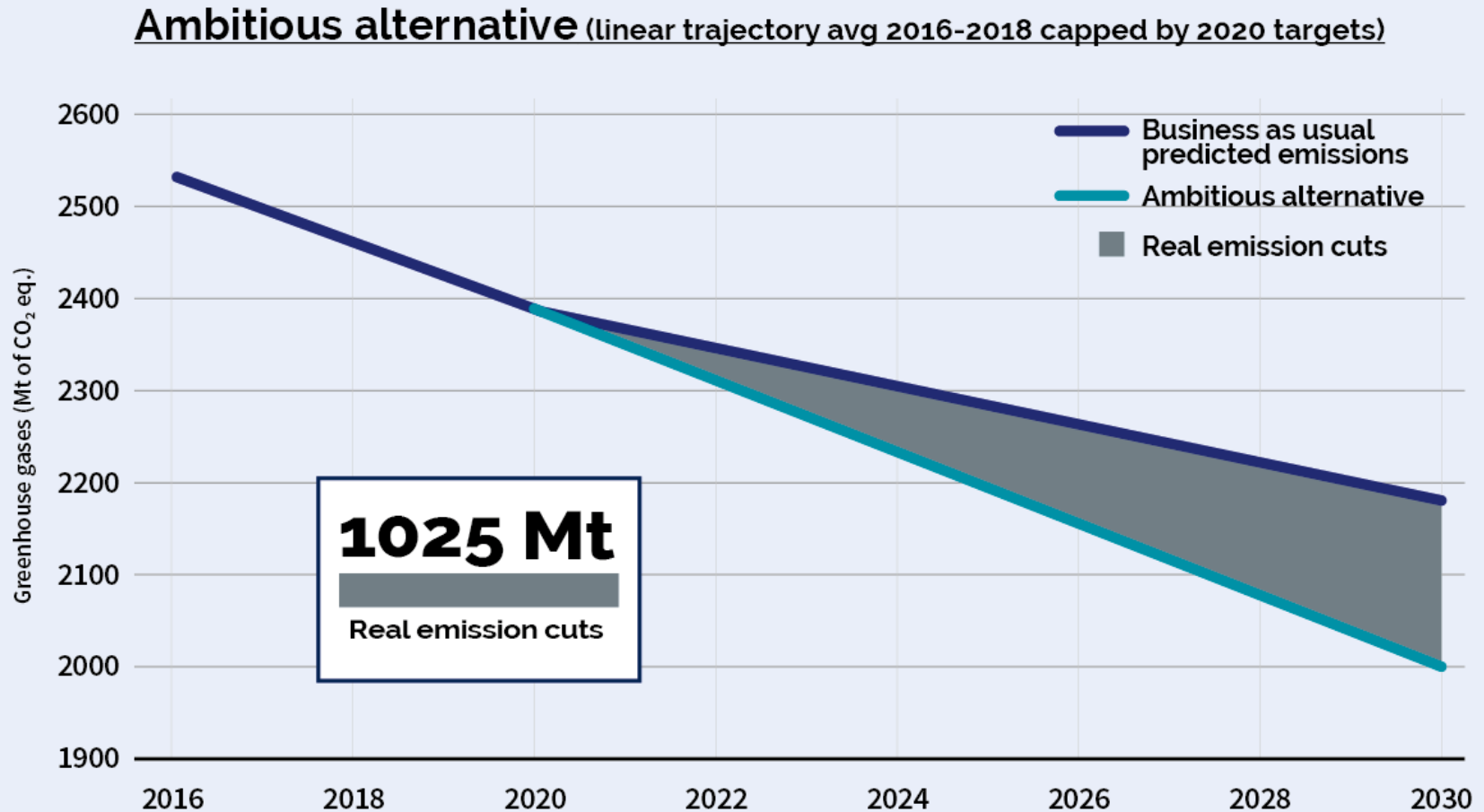


AVOIDING EMISSION CUTS?

Commission's current proposal

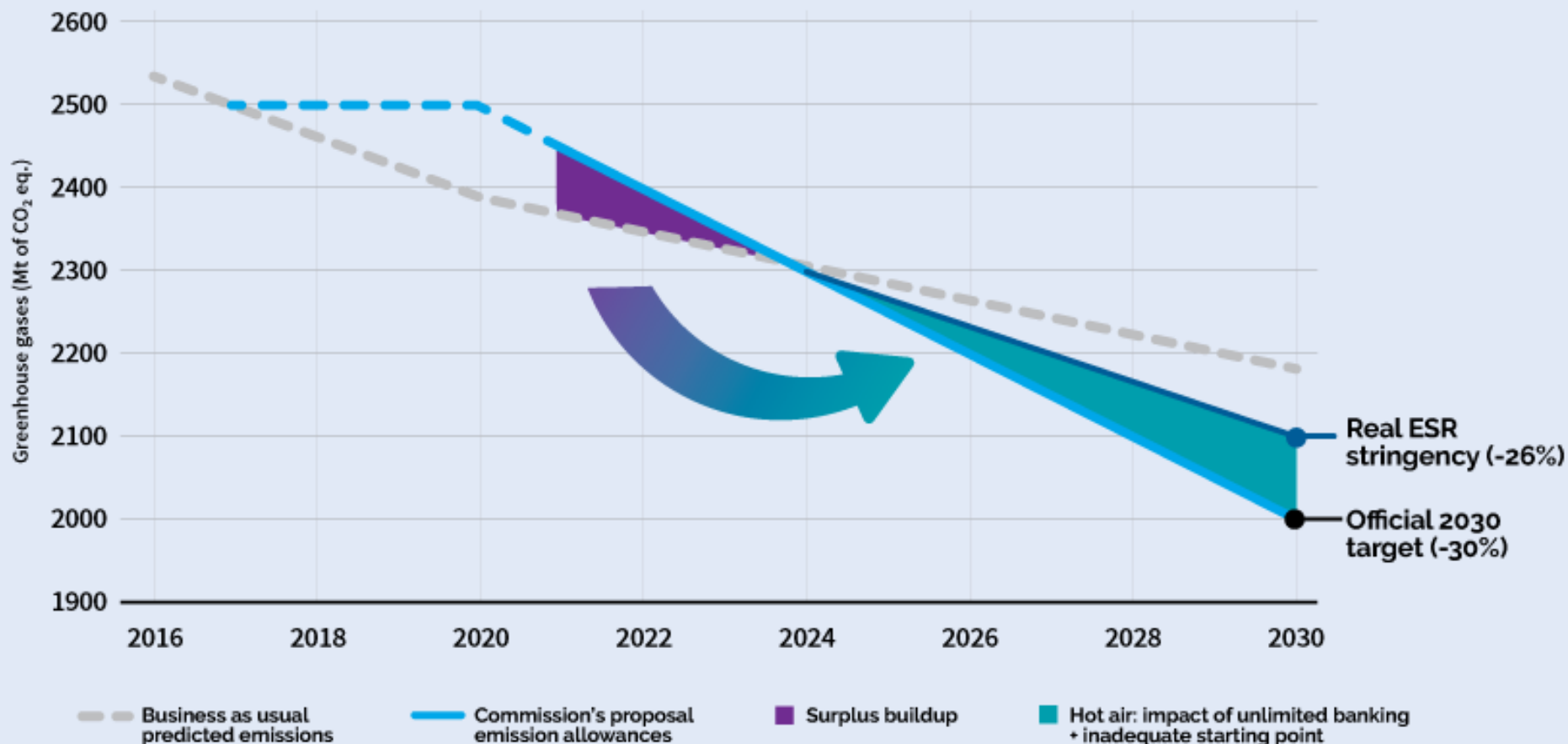


AVOIDING EMISSION CUTS?



Missing the 2030 target?

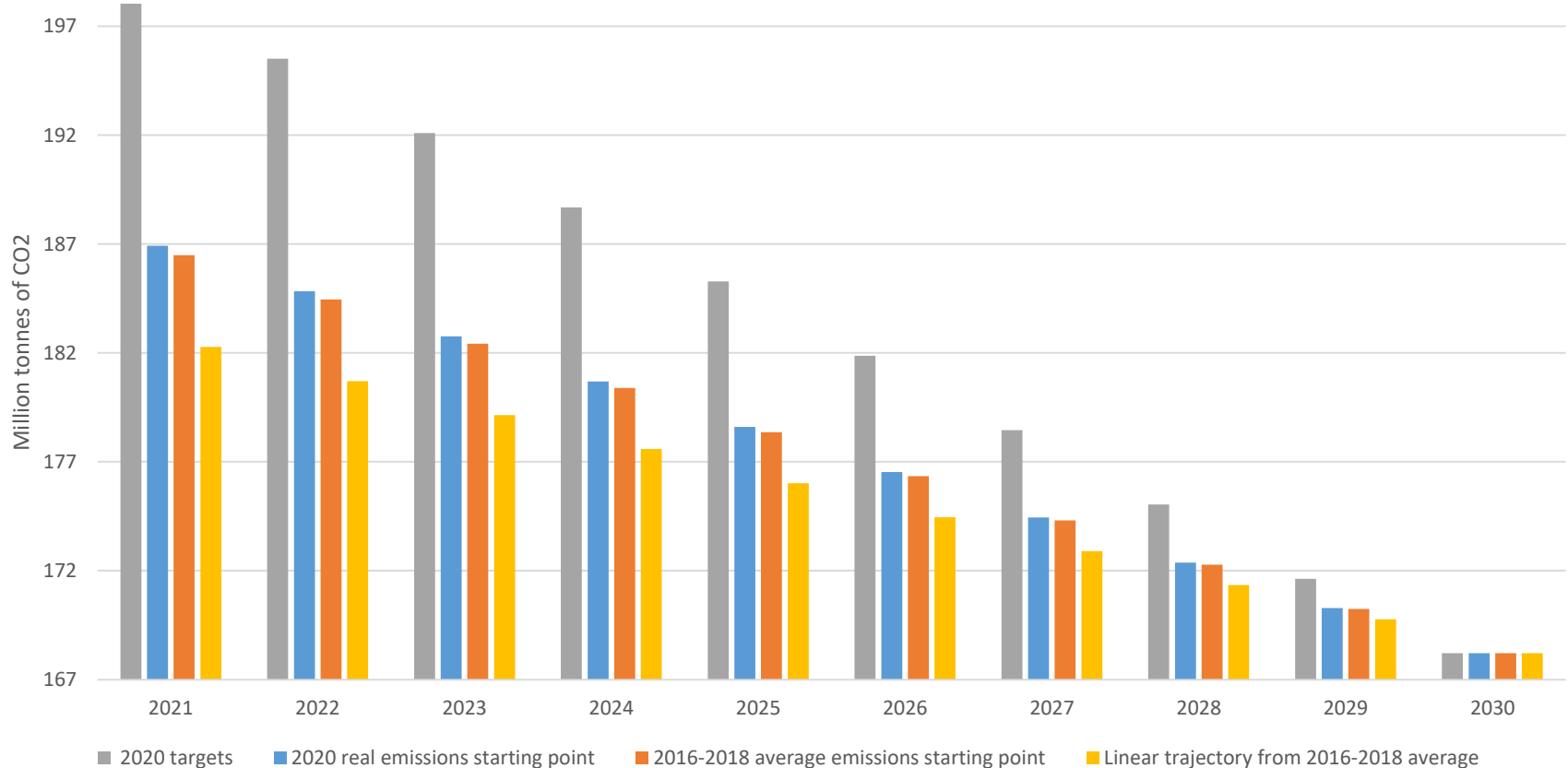
The consequence of bad starting point + unlimited banking



2 OPTIONS

- Change the starting point
- Limit banking

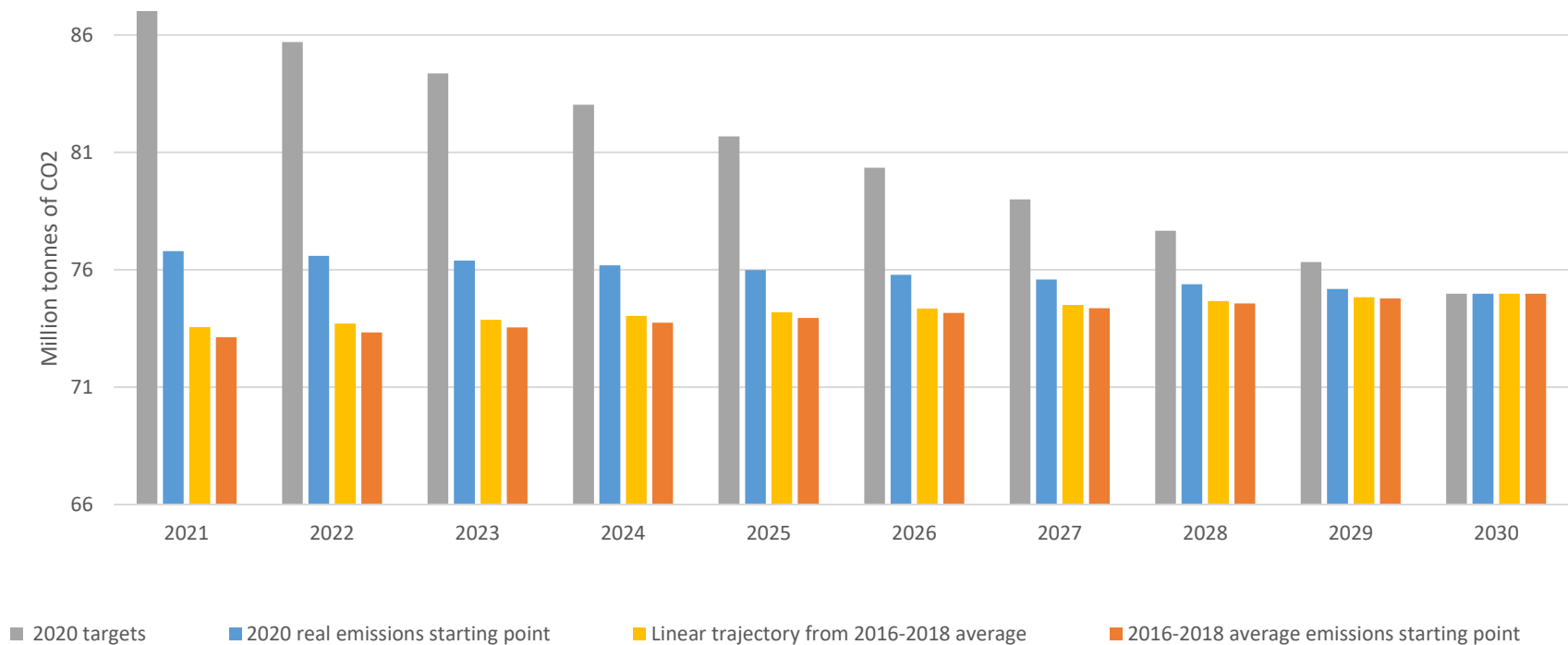
Different starting points for Poland



2 OPTIONS

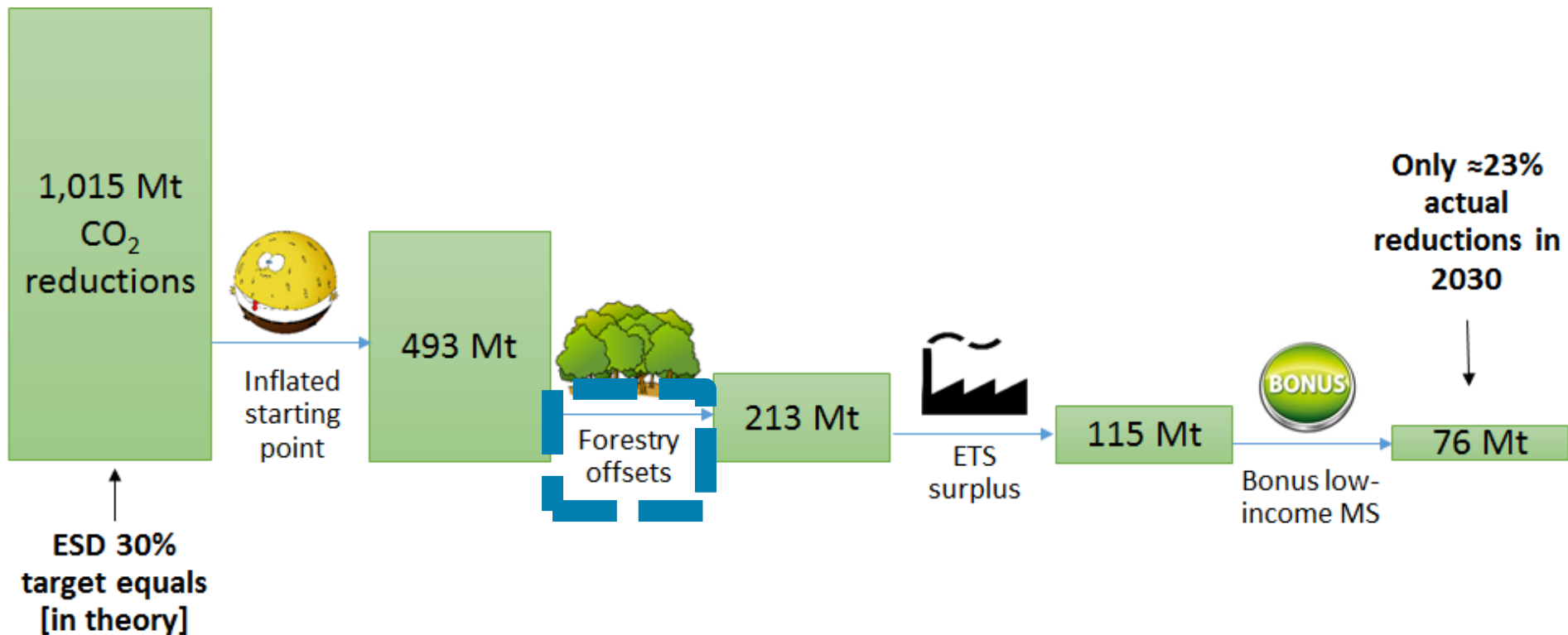
- Change the starting point
- Limit banking

Different starting points for Romania



LOOPHOLES

Impact of loopholes on the EU's 2030 climate efforts in the non-ETS sectors



**FORESTRY OFFSETS ARE
NOT PERMANENT**



**NEGATIVE EMISSIONS
NEEDED FOR 1,5°C**

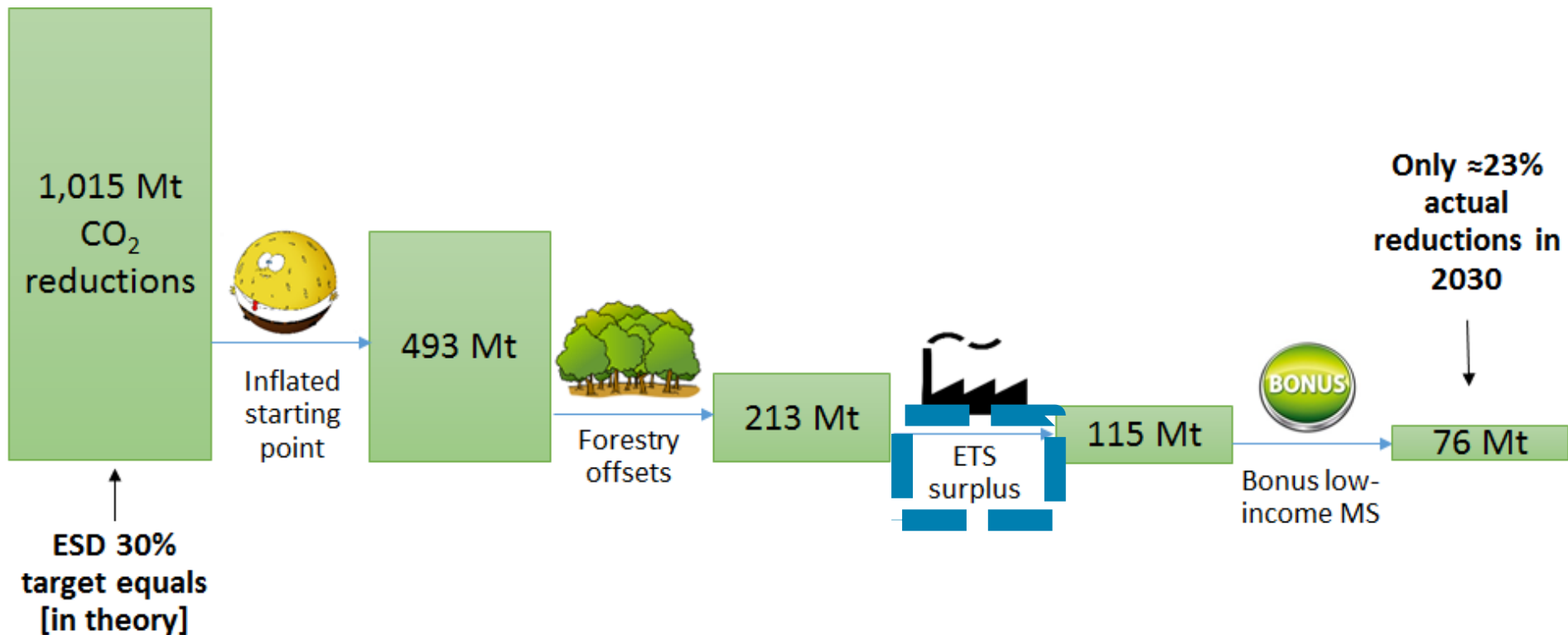


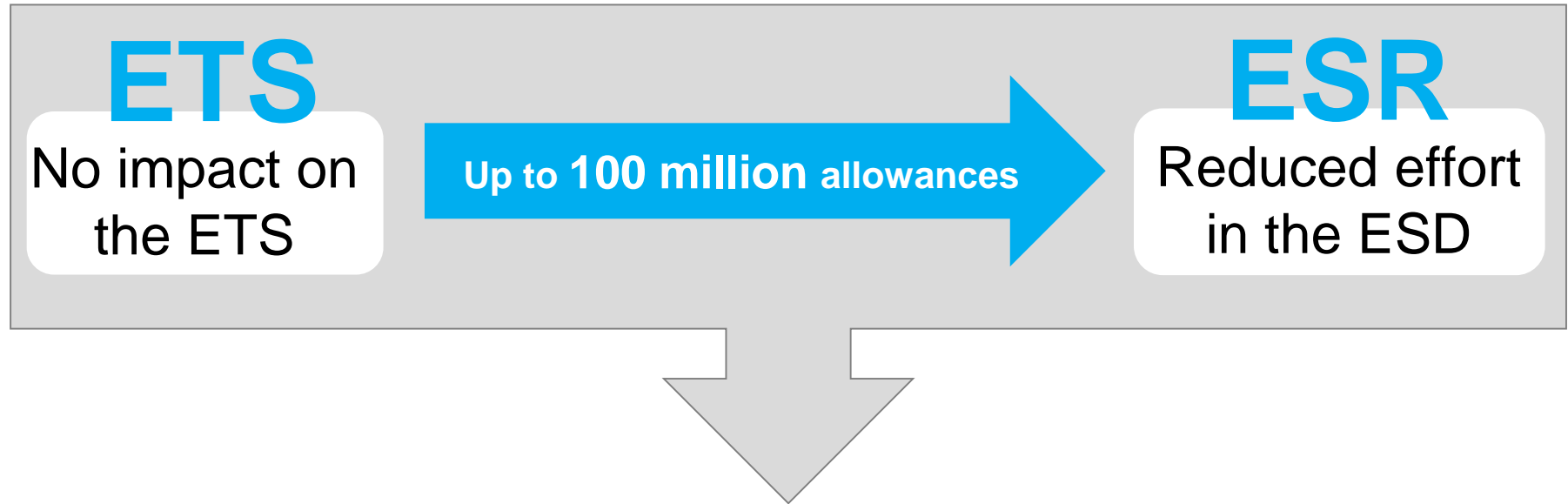
Importance: +

Loophole: 280 Mt

LOOPHOLES

Impact of loopholes on the EU's 2030 climate efforts in the non-ETS sectors





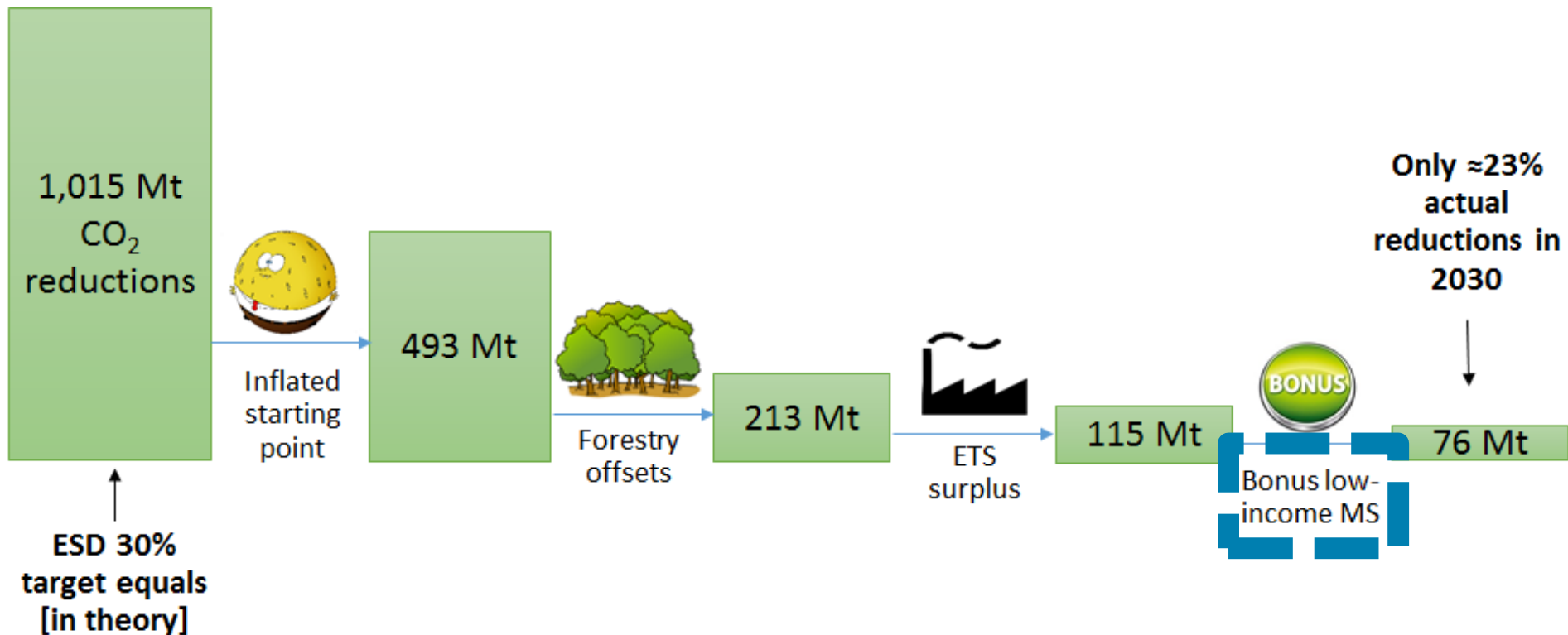
Higher emissions in the EU

Importance: ●

Loophole: 100Mt

LOOPHOLES

Impact of loopholes on the EU's 2030 climate efforts in the non-ETS sectors



- Politically driven, no real reason
- With current starting point, most of lower income MS will be in surplus anyway.

Importance: 

Loophole: 39 Mt

- USE THE
TOOL LIVE



MEANINGFUL GOVERNANCE

PARIS: 1.5°C?

*“pursuing efforts to limit
the temperature increase
to 1.5 °C above
preindustrial levels”*

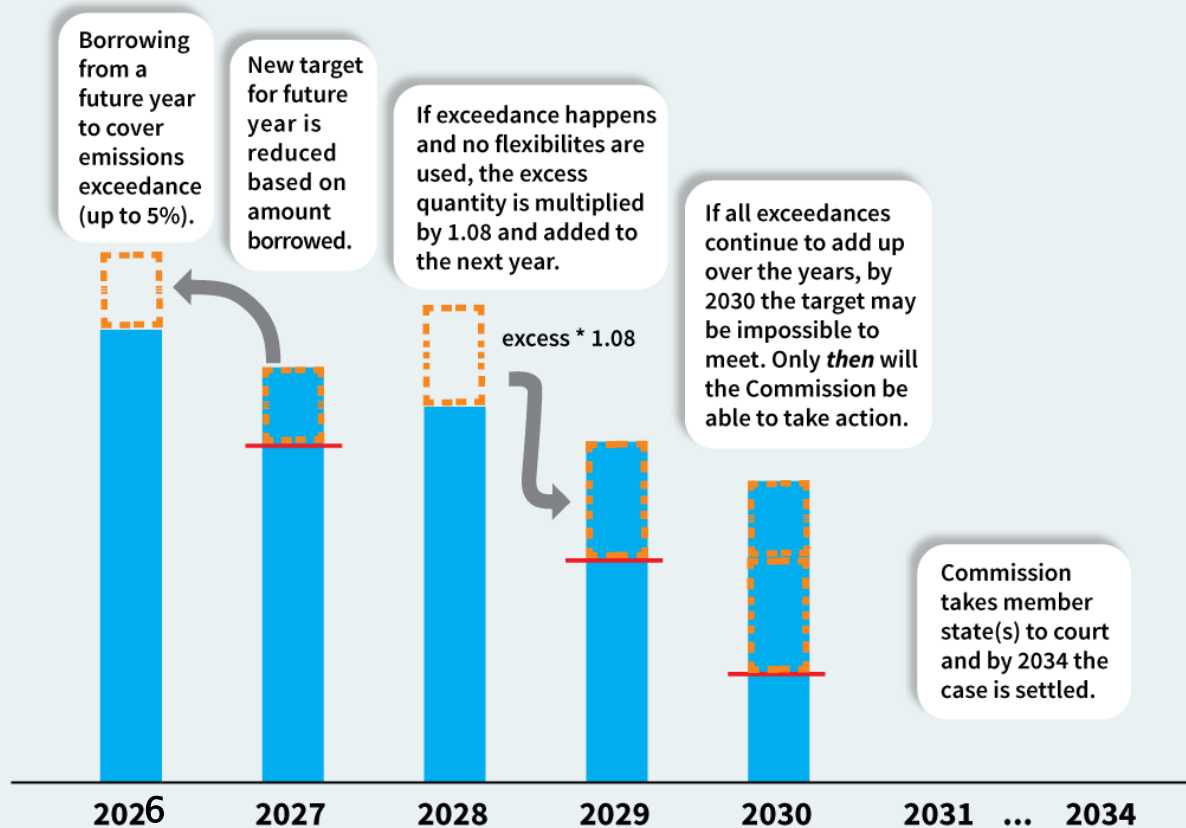


Avoid repeating same
mistakes as in the
EU ETS

**Review clause
to increase
ambition if
necessary**

Too late: problem postponed for member states until 2030

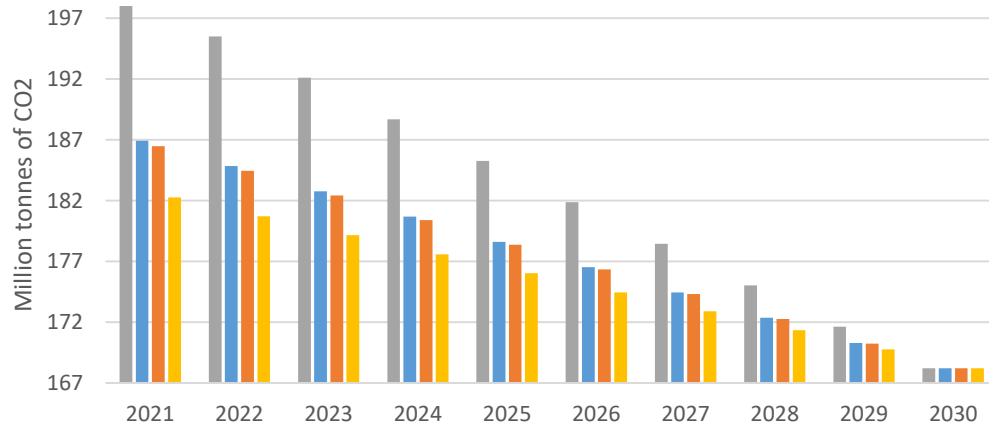
A strong compliance mechanism is needed



WHAT THE ESR MEANS FOR MEMBER STATE'S NATIONAL TARGETS

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Different starting points for Poland



**INFLATED CARBON
BUDGET: 21 MT**

LULUCF: 22 MT

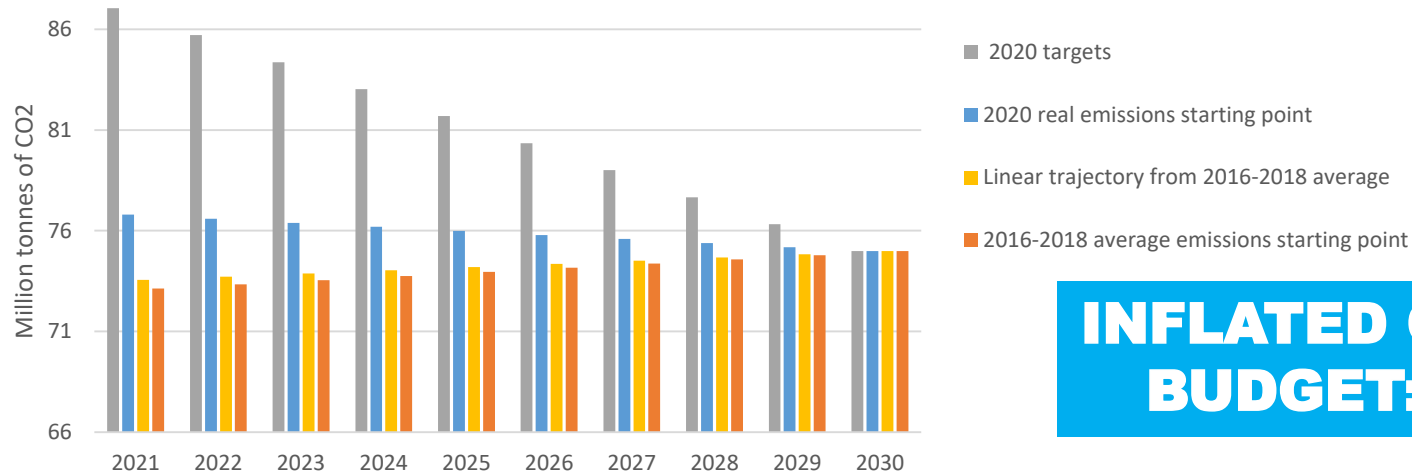
BONUS: 7.5 MT

-7% → -1.4%

101 MT CUT → 51 MT CUT

ROMANIA

Different starting points for Romania



**INFLATED CARBON
BUDGET: -2 MT**

LULUCF: 13 MT

BONUS: 11 MT

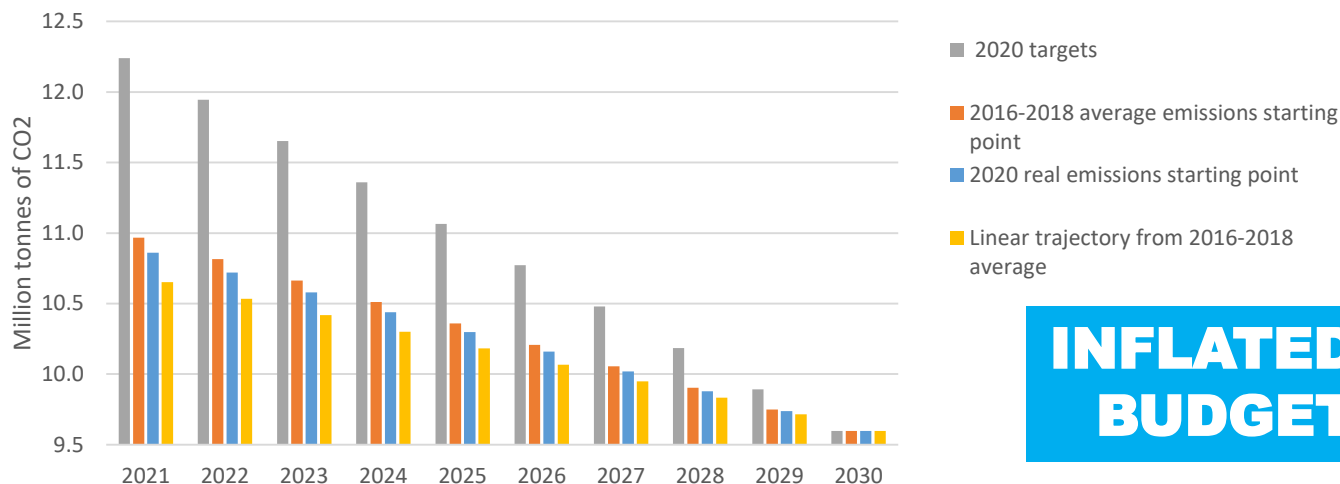
-2% → +3.7%

116 MT CUT → 94 MT CUT

SLOVENIA

39

Different starting points for Slovenia



**INFLATED CARBON
BUDGET: 1.6 MT**

LULUCF: 1.3 MT

BONUS: 0.2 MT



-15% → -9.6%

7.4 MT CUT → 4.3 MT CUT