

Effort sharing after Paris: what implications for the ESD & flexibility mechanisms

Speakers to be confirmed

Date: March 1, 2016

Time: 10:00 – 15:30

Venue: CEPS, 1 Place du Congrès, Brussels

Chair: A. Marcu, CEPS

10:00 **Registration and coffee**

10:30 **Welcome and outline of the day**

The current EU climate ambition is to reach a reduction in GHG emissions of at least 40% by 2030 (compared to 1990). Sectors not covered by the EU ETS (non-ETS sectors) should contribute with reductions of 30% compared to 2005. This ambition was set by the European Council in October 2014 and was based on pathways set out in the 2030 Framework and 2050 low-carbon roadmap communications.

These pathways, however, are also based on a logic of trying to limit the global temperature increase to 2C. With the adoption of the Paris Agreement last December, a new long-term ambition has materialised, which speaks of “well below 2C” and “to pursue efforts to limit [the increase] to 1.5C”.

A future Effort-Sharing Decision (ESD) would be accompanied by a list of national reduction targets for each Member States, as is the case now. The EUCO proposed that such targets would range from 0 to -40%, which together would help the EU to reach the 30% reduction target for non-ETS sectors.

Higher EU ambition before 2030 may not be improbable given the 5 year review cycles in the Paris Agreement: after a facilitative dialogue in 2018 and a global stocktake in 2023, the EU is expected to present an updated Nationally Determined Contribution (NDC) by 2025. This raises the questions of how the governance of the ESD and non-ETS targets may be reconciled with the international processes in the context of the UNFCCC to which the EU has acquiesced.

Ostensibly, the range of targets in the ESD could simply be adjusted should the EU decide on a higher level of ambition. There may, however, be implications for functioning and demand of flexibility mechanisms in the ESD.

10:35 **Update on post-2020 Effort-Sharing Decision by the European Commission**

11:00 **Effort-sharing after Paris**

Presentation by CEPS

To structure the discussion, CEPS will start with outlining some of the key questions:

- **Is a 10 year ‘commitment period’ suitable in light of the Paris Agreement provisions on reviewing ambition and having global stocktakes?**
- **How would Internationally Transferable Mitigation Outcomes (ITMOs) from the Paris Agreement (Art. 6) relate to AEs, possibly in the context of EU ambition that is not purely domestic?**
- **Does higher ambition for non-ETS sectors, or ambition that is more frequently updated require a different balance between EU and Member State policies?**
- **The Paris Agreement speaks of a ‘balance between emissions and removals by sinks’: what are the implications of this for the role of LULUCF and carbon sinks in the Non-ETS framework?**

Moderated round table with:

- Martin Gauss, Austria
- tbc, Belgium
- Adam Guibourge-Czetwertyński, Poland
- Thomas Legge, European Climate Foundation
- Sam van der Plas, WWF

Invitation to the European Commission to respond

12:30 **Lunch**

13:30 **Flexibility mechanisms in the ESD**

CEPS will present a policy paper on a number of options for flexibility which could be developed in the context of the ESD. They range from enhancements of current options to the development of new ones. This will need to be considered in conjunction with the relevant provisions of Art. 6 of the Paris Agreement.

The discussion will be guided by a number of questions:

- **Necessity**
 - **Is there need for flexibility**
 - **Is there need for enhancing flexibility?**
- **Desirability – what are the benefits and other implications?**
- **Implementation – is it feasible and how can it be done?**

CARBON MARKET FORUM



Thinking ahead for Europe

Presentation: Andrei Marcu, CEPS

Invitation to the European Commission to respond

Interventions by:

- Jakob Graichen, Oeko Institut
- Frans Duijnhouwer, The Netherlands
- Olivier Sartor, IDDRI
- Eivind Hodne Steen, EnergyNorway
- Jan-Willem van de Ven, EBRD
- Kasper de Vuyst, ExxonMobil

15:30 **Wrap up & end of meeting**