# The EU Climate Law: Holding the EU Accountable for Delivering on the Paris Agreement





# Previous Reports in the Net Zero 2050 Series





Science and Policy for a Sustainable World

# **CLIMATE LAWS IN EUROPE**

# Seven key insights from good practice net zero management

Berlin, 19.03.2020 Matthias Duwe

#### Ecologic Institute ecologic.eu





# **CLIMATE LAWS IN EUROPE**

#### Good practices in net zero management

Duwe, Matthias and Evans, Nicholas (2020): Climate Laws in Europe: Good Practices in Net-Zero Management. Berlin, Den Haag

Funded by the European Climate Foundation

Thanks to many expert colleagues (LSE GRI, IDDRI, UCD, Real Elcano, IIDMA,...)



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### **BACKGROUND: ANALYSIS OF CLIMATE LAW CASE STUDIES**



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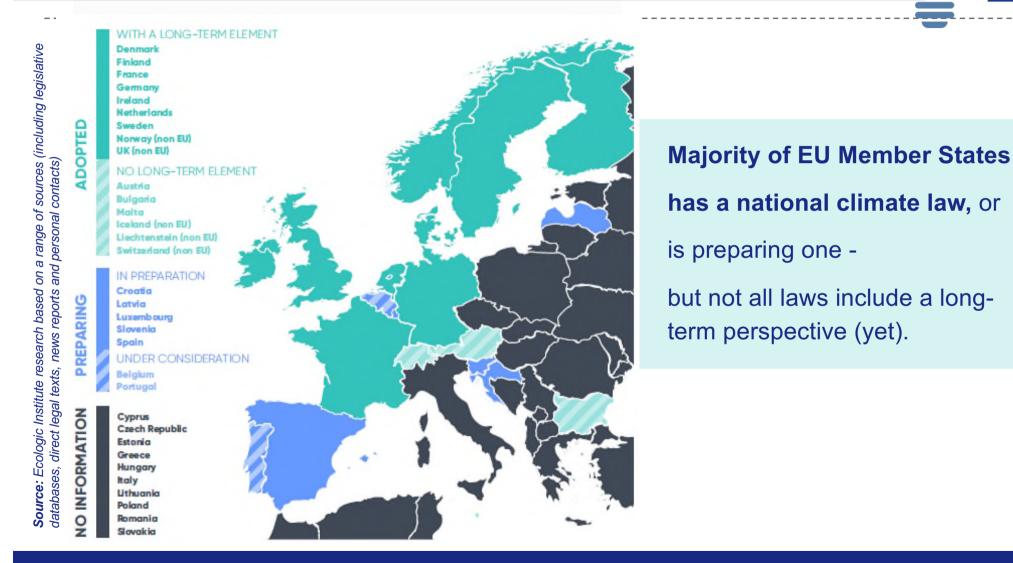
### COUNTRIES ANALYSED



COUNTRY	TITLE (IN ENGLISH)	ORIGINAL DATE OF ADOPTION	NOTES/MAJOR REVISIONS
ик	Climate Change Act	November 2008	Change to the 2050 target (July 2019)
Denmark	Act on the Climate Council, climate policy statement and setting national climate objectives	June 2014	Agreement on a new law to replace the original one (December 2019) Proposed draft law (January 2020)
Finland	National Climate Law	June 2015	Revision being considered to account for stronger target, adopted in 2019
France	Energy Transition Green Growth Act	August 2015	Changes to target and institutional set-up (September 2019)
Ireland	Climate Action and Low Carbon Development Act	December 2015	Major revision planned: Climate Action (Amendment) Bill (not included)
Sweden	Climate Law	June 2017	
Netherlands	Climate Act	July 2019	
Germany	Federal Climate Protection Law	December 2019	
Spain	Climate Change and Energy Transition Law (public draft)	February 2019	Available in draft form, adoption expected in 2020. Updated draft circulated to stakeholders in June 2019.

#### KEY INSIGHT Climate laws are common





KEY INSIGHT Laws are the default choice



#### FACT

Post-Paris countries have turned to framework laws as an effective management system for long-term climate policy.

#### WHY IS THAT?

- Climate crises is an **unprecedented challenge** for governments
- Cross-sectoral policy issue governments not well-equipped
- Realisation: need a new system to get organised for net zero

#### WHY GO FOR A LAW?



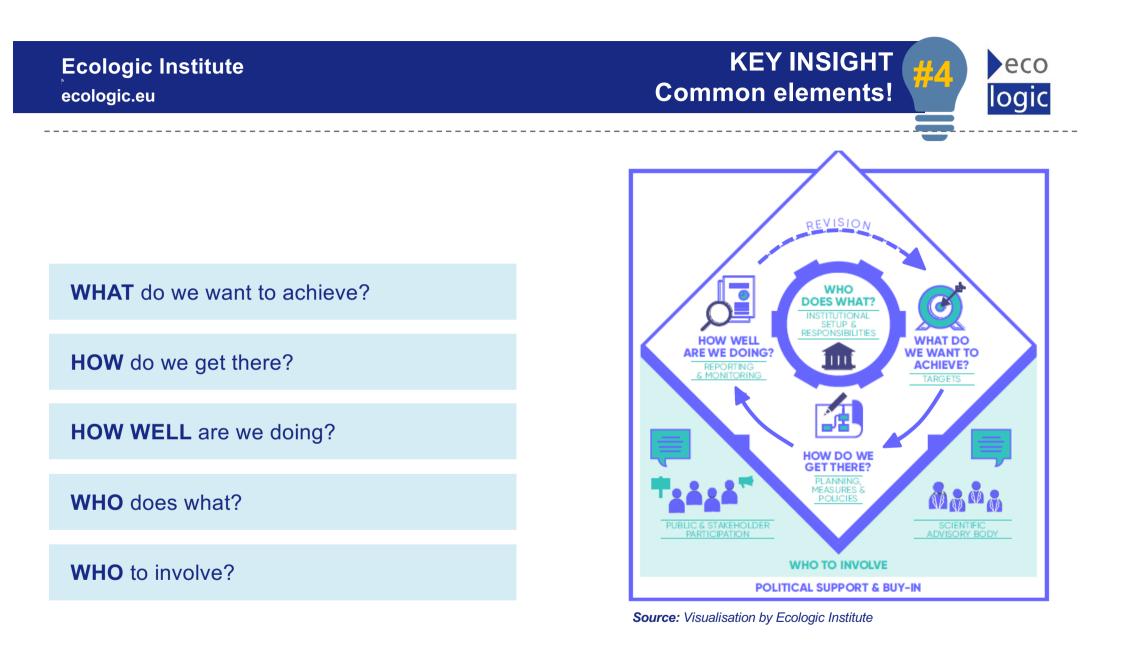
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- Laws can change: they rely on support
- Broad political support in all cases analysed
- Laws often developed in a multi-party effort.
- Buy-in can be created through involvement
- Existing laws are strong:
  - Reviews have strengthened, not weakened them.
  - UK example: Brexit did not interfere with implementation



#### KEY INSIGHT Effective governance? Yes & no...



All laws analysed make use of an independent **scientific advisory body** to serve oversight and advisory functions

Good level of **transparency**: annual review & progress reporting in all laws (differing levels of detail)

**Gaps trigger action!** Most laws have a mechanism to respond to low progress (policy cycle works...).

### WEAKNESSES



Low detail on intra-governmental coordination mechanisms—there is a risk that targets will not be met if sectoral gaps are not filled



Public participation is not incorporated in a comprehensive manner in many laws—still, the proliferation of citizen assemblies is an example of innovation in this context

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### Guidance towards the future... can still be enhanced



#6

**KEY INSIGHT** 



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arget

Review

und-term

#### KEY INSIGHT Good practices a plenty!

Specific

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WHAT? TARGETS Interim Long-term

Almost all laws build on quantitative targets and enshrine these in the laws (except Sweden, Ireland). The majority of the laws set net-zero emission targets in various forms.

The vast majority include interim targets, or a process for setting these. Innovative approach in the UK & France: rolling five-year carbon budgets, set 10-12 years in advance, with a view to 2050. Germany uses annual budgets for sectors up to 2030.

Several countries include the option to review targets on the basis of better information (Spain, UK) and/or stricter EU or UN targets (Finland, Germany). Germany and Spain include an explicit "no backsliding" clause.

HOW? PLANNING

Dedicated long-term strategy only fully included in half the laws (Finland, France, Ireland, Spain and referenced in Germany), reviewed every 5 years (10 in Finland). Ireland integrates long-term planning with policy identification in one document. Finland makes it the central document in its overall climate planning system, and lays out a clear overall structure. LTS development on EU obligation: all laws should reference this and update regularly.

#### → see report for numerous examples!

All laws include some form of regular policy development process, updated every 4-5 years, for a time horizon of the next 10-15 years—similar to the **EU**-based NECPs (which **Spain** wants to use explicitly for this purpose).

Some countries include very specific instruments directly in the law – most prominently **France's** carbon tax – or the more recent CO<sub>2</sub> standard for thermal power plants, which implies a coal phase-out by 2022 (with support offered to affected workers). **Spain** aims to only allow new vehicles with zero emissions as of 2040.

The **Swedish** climate act demands the alignment of climate policy and budgetary policy goals. The **French** and the draft **Spanish** law include reporting obligations for financial institutions on climate risk.

The French government is required to present an annual overview of available public and private climate finance alongside its draft budget proposal. Sweden and Germany also connect annual reporting to the draft budget. The draft Spanish law sets aside a dedicated share of its annual budget for climate purposes. Denmark and Spain are the only ones to also explicitly address the international climate policy dimension, including finance.

#### Download: Full report | Summary

Climate Laws in Europe - Matthias Duwe, Ecologic Institute



## **EXCURSION:** Power to the people! Innovative approaches to citizen engagement

#### Irish Citizen Assembly

- Convened around a number of policy areas including climate
- <u>Goal</u>: Ensure that climate action be a central pillar of Ireland's policy-making through new governance structure and carbon tax
- Assembly's resolution paved the way for the country's "landmark" climate action plan and net-zero target, both announced in 2019

#### French Citizens' Convention for Ecological Transition

- Established in April 2019 in response to "yellow vest" protests
- Charged with making specific legislative proposals towards the goal of "reducing greenhouse gas emissions by at least 40% by 2030, in a spirit of social justice"





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# **THANK YOU FOR YOUR ATTENTION**

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# The EU Climate Law: Holding the EU Accountable for Delivering on the Paris Agreement





Science and Policy for a Sustainable World

# **European Climate Law**

**Nils Meyer-Ohlendorf** 

19 March 2020,



### **Climate neutrality by 2050**

- <u>Union-wide</u> emissions and removals "shall be balanced at the latest by 2050, thus reducing emissions to net zero by that date."
- Collective EU target, not a MS target
- International aviation and shipping not included
- No quantification of climate neutrality





### **Interim targets**

- No 2030 or 2040 target in the proposal
- But:
  - By Sep. 2020: Review of 2030 target in light of climate-neutrality **target**, and options for a new 2030 target of 50 to 55%. COM may make proposals to EP and Council to amend target.
  - By 30 June 2021: COM assesses how to amend **EU legislation** to achieve 50 to 55 % plus proposals if necessary.
- Too late and too little



# **Trajectory through delegated act (1)**

- Commission to set a EU trajectory to achieve climateneutrality; review every five years.
- Criteria for setting trajectory:
  - Starts 2030 and ends 2050 but both not yet clearly defined
  - Other criteria, such as cost effectiveness or scientific evidence
- EP and Council may object within two months





# **Trajectory through delegated act (2)**

- Just drawing line between 2030 and 2050 or a fundamental change in EU target setting?
- Faster and more effective
- Is it line with 290 TFEU?
- How to bring it in line with TFEU?
  - Reduce COM discretion
  - Emission budget and trajectory set by legislator?
- Why trajectory when national target continue after 2030?



# Compliance

- COM assessment of collective progress by all MS and EU towards climate-neutrality in line with trajectory
- If insufficent progress,
  - At EU level: COM proposes measures
  - At MS level: COM issues recommendations of which MS take "due account"
- <u>Alone</u> this is too weak:
  - No clear benchmark for MS: what is consistent?
  - Soft consequences, no infringement?
  - To be complemented by EU rules



# What is missing?

- Independent scientific advisory body = present in practically all national climate laws.
- Clearly defined and quantified EU emission budget until 2050
- Specifying sinks, priority for restoring natural sinks
- No objective on negative emissions
- Ending fossil fuel subsidies





# Conclusions

- Climate neutrality by 2050 as a legal obligation = milestone, big step forward
- Clear link to 2050 marks progress
- ECL is no Christmas tree but a number of gaps need to be closed
- Strong compliance needs individual responsibility of Member States; collective (ir)responsibility is not enough



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# Thank you!

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#### PANEL REACTIONS AND AUDIENCE DISCUSSION

The EU Climate Law proposal: making policy consistency a reality?

- Stefanie Hiesinger, Member of the Cabinet of Executive Vice-President for the European Green Deal, Frans Timmermans at European Commission
- Elisa Giannelli, Researcher at E3G
- Sharon Turner, Visiting Professor at University College London and Sussex University
- Alex Mason, Senior Policy Officer, Climate & Energy Policy at WWF EPO

Moderated by Erica Hope, European Climate Foundation

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