

# The EU and the Paris Climate Agreement

## Ambitions, Strategic Goals, and Tactical Approaches

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In October 2014, the European Union has announced the objective of reducing greenhouse gas emissions to at least 40 percent below 1990 levels by 2030. On March 6, 2015, the Council of Environmental Ministers reported this target as the EU's official contribution to the ongoing climate talks under the United Nations Framework Convention on Climate Change (UNFCCC). At around the same time, the European Commission unveiled a far-reaching and detailed proposal for the design of a new international climate agreement. In the process of adopting a formal EU negotiating mandate, the EU Member States will have to decide whether to support the Commission's proposals. Their considerations will need to bring internal European interests in the area of climate policy and France's role as host to the Paris UNFCCC Conference in December 2015 into harmony with the overall EU climate policy ambitions.

All 195 parties to the UNFCCC were asked to announce their "intended nationally determined contributions" (INDCs) to a new global climate agreement by the end of March 2015. But as of this deadline, only 32 countries (EU-28, Switzerland, Norway, United States, Mexico) had actually done so. In April, Russia, Gabon, Liechtenstein, and Andorra followed. The EU had hoped that by adhering to the schedule, it would set an example to other states and underscore its credibility in fighting climate change.

### **National climate protection commitments in the UNFCCC process**

The INDCs have not been clearly defined in the UNFCCC negotiation process. On the

one hand, they are supposed to serve as a means of communicating national climate targets well in advance of the Paris conference. On the other hand, they are a vehicle for promoting a comprehensive global agreement for the post-2020 period that will enable all parties, not just the industrialized countries, to contribute to climate policy. Up to now, only the industrialized countries were bound to specific emissions reduction targets under the Kyoto Protocol, while emerging economies like China and India were exempt. The primary objective in Paris will be to overcome this divide between the industrialized and developing nations when it comes to climate protection—even though it is still anchored in the 1992 Framework Convention on Climate

Change (“Annex I” and “non-Annex I” countries). A flexible interpretation of the INDCs will thus also bring different ideas about the content of a new treaty into play. Not only will countries be able to announce their reduction targets; they can also present other national measures—for instance, strategies for adapting to climate change or sectoral approaches to climate change mitigation such as energy policy programs.

The EU—acting, as always, jointly in the arena of international climate policy—has presented a vision in its INDC for what its contribution to global climate protection could look like and how that vision could be realized in concrete terms. The EU views the INDCs primarily as a list of mitigation commitments and respective measures for limiting global warming to two degrees Celsius by the end of this century. The EU has stated explicitly that its own target is consistent with the objective of cutting global emissions by 50 percent between 1990 and 2050, which would require the industrialized countries to reduce their greenhouse gas emissions by at least 80 percent by the year 2050. The United States has also stated that its INDC for 2025 of reducing emissions by as much as 28 percent fits into the long-term reduction strategy up to 2050. Russia, in contrast, has not set a new climate goal. By 2030, it plans to reduce emissions to 25 to 30 percent below 1990 levels. This is approximately the same level of emissions reductions it had set for 2020 at the 2009 Copenhagen conference. Mexico surprised observers as the first emerging economy to formally announce its climate action pledge in advance of Paris: Mexico plans to peak its emissions growth in 2026 and cut the growth in absolute emissions to 25 percent lower than “business as usual”—that is, what it would have been without instituting any climate protection measures by 2030. And, depending on the outcome of negotiations in Paris, Mexico might even increase its efforts further. Mexico’s punctual and unexpectedly ambitious contribution has attracted a great deal of attention.

### **The proposal of a “Paris Protocol”: Not a model for success**

Well over a week before the INDC decision by the EU Environment Ministers, the European Commission submitted a much more comprehensive proposal for how international climate policy should look after 2020. In a formal Communication, the Commission presented a detailed strategy for EU negotiations aimed at producing a “Paris Protocol”—a kind of blueprint for a new global climate agreement. What is especially remarkable about the Commission’s proposal for a joint EU position is its choice of words. In United Nations (UN) usage, a “protocol” is an instrument that is binding under international law, and one that would have to be ratified by national parliaments for it to enter into effect. This kind of international agreement has been rejected by the US government for many years, and it is out of the question that the US Congress would ratify such a climate agreement in the foreseeable future. The political camps in the US are so deeply divided over climate policy that even the wrong choice of words in the Paris outcome could cause the currently very ambitious Obama administration severe difficulties. For the United States, the outcome of the Paris negotiations should essentially amount to a “binding instrument,” but it should be designed in such a way that the President’s signature is sufficient and Congress does not have to give its approval (see *SWP Comments 34/2014*).

What the Commission’s choice of words actually meant to signal was that in international climate policy, the EU is holding fast to its goal of maximum long-term emissions reductions. Its Communication refers consistently to the scientific basis of EU collective ambitions on mitigation, and sticks to the EU’s strategy at the 2009 Copenhagen climate summit of focusing global climate protection efforts on a science-based climate stabilization target that would be implemented by international law. The European Commission is aware of the gap between emissions reductions necessary to meet the

two-degree upper limit and the expected overall level of voluntary mitigation targets submitted this year to the UNFCCC. It therefore wants to establish a global review process for the INDCs under a new Paris agreement and suggests that as of 2020, talks are to take place once every five years over whether and how the parties can gradually increase their mitigation pledges.

### **The EU's internal commitments up to 2030**

Up to now, the EU has built its reputation as a pioneer in climate policy on a practice of leading by example. In March 2007, two years before the Copenhagen climate summit, the European Council adopted an integrated energy and policy package whose centerpiece was a unilateral 20 percent reduction in greenhouse gases by 2020. Following the same logic, the heads of state and government then decided in October 2014 to reduce emissions by 40 percent by 2030 no matter what the outcome of the Paris summit. In the current context—in contrast to 2007—the European Council did not explicitly promise to increase its mitigation pledges in the case that the UN summit goes well. What it has agreed to do is merely to discuss the question of readjusting the EU climate goal for 2030 in light of the outcomes of the Paris conference. Many Northern and Western European Member States would be willing to revise their targets upwards, and emphasize that 40 percent is merely a minimum target. The Central and Eastern European countries, however, want to prevent any upward adjustments.

If the EU entered into negotiations in Paris with the intention of trying to get a “protocol” passed, this would be risky for the future of the EU's internal climate policy. Raising expectations of a protocol would almost inevitably result in widespread disappointment with negotiation outcomes throughout Europe and a perception of the EU as the “loser” in the negotiations—largely independent of whatever

detailed provisions such an alternative legal instrument would actually contain. The outcome would be similar to that of the Copenhagen summit in 2009: It would take away the justification for increasing the EU's emissions reduction target in the near future.

Other elements of the Commission's proposal are not sufficiently attuned to the delicate balance in the EU's internal climate policy process—for instance, the proposal to formally review the parties' emissions mitigation targets every five years. This would mean that the EU would have to set an interim target for 2025. When one considers the polarizing tendencies in EU climate policy since 2010, which are generally only overcome through tedious consensus decision-making by the heads of state and government, it is currently almost unthinkable that the governments of the Central and Eastern European countries would be willing to consider short-term changes or increases in climate targets within Europe. For years now, deep-seated conflicts surrounding every fundamental and almost every specific decision in EU climate policy have severely undermined the image of the EU as a climate policy leader. The Commission is therefore working to limit the potential for conflict, for instance, by postponing decisions on controversial details of the implementation of EU energy and climate goals for 2030. These include a detailed regulation for the accounting of land use, land-use changes, and forestry (LULUCF), which is of enormous significance for Member States with a strong agricultural sector. Depending on how accounting rules are formulated, they could significantly reduce the EU's level of ambitions up to 2030.

### **Global climate policy after 2020: A fresh start on a broad basis**

The Paris negotiations aim at bringing about a fresh start for the global climate regime under the UNFCCC. By the 2009 Copenhagen conference at the very latest,

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it had become patently clear that a science-based approach to climate policy in the tradition of international environmental treaties is not viable. There are too many conflicting interests in climate policy today: energy supply, development cooperation, financial transfers, investment strategies, and risk management among others. The goal in Paris is to reach agreement on binding climate protection targets, but the industrialized countries are not solely and decisively responsible for the success of this fresh start as they were under the Kyoto Protocol. The UNFCCC negotiations are intended to involve as many states as possible, and for the period after 2020, all of the major emitters among the developing countries are supposed to be on board. The new climate regime is also planned to develop in successive stages after 2015, instead of being “set in stone” for a pre-defined period. For all these reasons, it has to contain mechanisms that push the parties toward greater transparency in their national climate policies, that establish a process for monitoring and readjusting the parties’ INDCs, and that give more attention to the concerns of the countries affected most by climate change. Most importantly, the industrialized countries will bear great responsibility as providers of climate policy funding.

### **The EU as host: Facilitator and agenda-setter?**

In Paris, the EU will again face the challenge of balancing its role as host with its function of driving climate protection efforts forward. The host’s job is to facilitate a successful outcome of the conference by skillfully mediating between divergent interests. This may contradict the EU’s ambitions for the post-2020 climate regime. As host, France in particular cannot represent, much less promote the EU’s interests. For progress to be achieved on key points, it will be crucial for the EU Member States to work together closely and clarify the division of roles among the Commission, the

Luxembourg Council Presidency, and France well in advance of the Paris conference. This will require intensive consultation among Member States leading up to the adoption of an EU negotiation mandate (by fall 2015 at the latest). For one thing, they will need to decide whether they want to follow the Directorate General for Climate Policy’s proposals for a global climate regime—which are relatively ambitious but offer little hope for consensus—in the UNFCCC negotiations. For another, they will have to decide to what extent they want to use these proposals as “bargaining chips” to persuade the United States, for instance, to compromise on other points.

The climate targets and measures envisioned by the EU, and the European Commission’s proposals for a Paris agreement overlook the scope of regime change taking place at the global level, but they do contain key elements of a future agreement. The EU can only succeed in balancing its roles as host and ambitious agenda-setter if it has established a clear internal division of labor. Germany should begin working at an early stage to ensure that the required regular review of INDCs also allows for short-term increases in the level of ambitions within the EU. The German government should begin advocating as soon as possible for the EU to adopt a joint position on international climate finance. This question should be pushed forward in the context of the German G7 Presidency. The G7 summit in June should be used as an opportunity to intensify cooperation with the United States and to gather the remaining INDCs from the major industrialized countries. The latter will be instrumental in motivating the other major emitters among the emerging economies to follow Mexico’s example.