

Research note: Climate Change & Energy Goals

February 2015

Introduction

The United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP21) will take place in Paris at the end of 2015. The aim of the conference will be to reach a global agreement on future climate change action.

A foundation for the agreement to be negotiated in Paris was formed following talks at the UNFCCC conference in Lima during December 2014. It was agreed for the first time that both developed and developing countries must contribute to emissions reductions. An outcome of the discussions was a call for countries to announce national emission reduction and climate adaptation targets by March 2015.

The EU is continuing to develop its vision and expectations in preparation for the global climate deal in Paris. On 22 January 2014 the European Commission published its proposals for a framework on 2030 climate change targets which were further developed at the Council of Ministers summit on 24 October 2014. A key target proposed was to reduce EU domestic greenhouse gas emissions by at least 40% below the 1990 level by 2030.

As the Member State, the UK is responsible for representing Wales on this issue at an EU level. Whilst climate change action is not a fully devolved competency, Wales has its own respective climate change targets that fall within the context of EU and

UK law.

This Research Note provides a summary of the UNFCCC's current position in developing a global agreement ahead of the conference in Paris and outlines the EU's 2030 climate change targets. It ends by considering the relevance of these targets to Wales and the Welsh Government's climate change actions.

UN Framework Convention on Climate Change

In 1992 the United Nations Framework Convention on Climate Change (UNFCCC)¹ was formed with an aim to address climate change and its impacts internationally. By 1995 countries acknowledged that emission reductions provisions in the Convention were inadequate. As a result, they launched negotiations to strengthen the global response to climate change, and in 1997 adopted the Kyoto Protocol. The Kyoto Protocol legally binds developed countries to emission reduction targets. The Protocol's first commitment period started in 2008 and ended in 2012. The second commitment period began on 1 January 2013 and will end in 2020. Negotiations have since amended the Protocol to achieve more ambitious results by 2030.

COP20 Lima

In December 2014 the UNFCCC met for the 20th session of the Conference of the Parties in Lima² to negotiate international climate change strategies in preparation for the adoption of a new international agreement to be finalised in Paris in December 2015. The talks involved around 190 countries. The EU was represented in Lima by Gian Luca Galletti, Minister of Environment for Italy (who held the presidency of the Environment Council of the EU at that time) and Miguel Arias Cañete, EU Commissioner for Climate Action and Energy.

¹ UNFCCC website

² UNFCCC, [UN Conference Lima](#), 14 December 2014 [accessed 6 January 2015]



The negotiations committed all countries, including those with rising economies for the first time, to cut their greenhouse gas emissions. This all-inclusive nature of the emissions cuts contrasts to the previous principles of climate talks; that only wealthy countries should be responsible for cutting emissions.

As part of the negotiations, countries threatened by climate change, such as small islands at risk of flooding, were promised a 'loss and damage' programme of financial aid.³ There were disputes over climate finance with wealthy countries accused of defecting on promises to support developing countries in tackling climate change. The parties agreed that adaptation and finance should be at the core of the 2015 Paris agreement.

An outcome of the conference was the 'Lima Call for Climate Action' decision text. The document includes decisions and annexes containing elements of an eventual global treaty text. These elements include a multiple choice menu of options reflecting the views between and within developed and developing country groups. Minister of the Environment for Peru and president of the 20th Conference of the Parties to the climate convention, Manuel Pulgar-Vidal, stated 'As a text it's not perfect, but it includes the positions of the parties.' A definitive negotiating text is expected to be available to all parties by May 2015.

An outcome of the Lima discussions was the requirement for countries to set and announce national emission reduction and climate adaptation targets, known as intended nationally determined contributions (INDCs) by March 2015 if ready to do so. INDCs will represent progression beyond current commitments for individual countries. The UNFCCC secretariat will publish the contributions and prepare a synthesis report to determine whether the collective action would be enough to limit warming to 2°C. Going into the conference, the UK and the EU

³ Euractive, [Lima climate change talks reach global warming agreement](#), 15 December 2014 [accessed 6 January 2014]

as a whole had called for INDCs to be set, monitored, reported and verified. The EU had previously announced its 40% reduction target for 2030 relative to 1990 (detailed later).

The next steps in forming the international agreement will be the inter-sessional UNFCCC meeting in Geneva from 8-13 February 2015 and the June UNFCCC meeting in Bonn.

Positions

Although the EU wanted a more ambitious outcome from Lima, it welcomed the progress made towards the Paris agreement.⁴ MEP Giovanni La Via, Chair of the European Parliament's Environment Committee, stated:

The agreement reached today represents the lowest common denominator, but it is important to keep the process going in order to reach a global agreement in Paris. The most problematic question, climate finance, will remain open in 2015. While it is clear that developed parties want to act on a voluntary basis, developing countries want higher financial commitments before taking themselves the necessary steps on reducing their emissions.⁵

Friends of the Earth Europe called the Lima agreement:

...a weak text from world governments, which contrasted sharply with the real leadership and inspiration demonstrated by social movements.⁶

⁴ European Commission, [Lima outcome keeps climate talks on track for Paris Agreement](#), 12 December 2014 [accessed 6 December 2015]

⁵ Euractive, [Lima climate change talks reach global warming agreement](#), 15 December 2014 [accessed 6 January 2014]

⁶ Friends of the Earth, [Lima climate talks do nothing to prevent climate disaster](#), 17 December 2014 [accessed 6 January 2015]



EU climate change targets

On 22 January 2014, prior to the Lima conference, the European Commission (the Commission) published its proposals for a 2030 framework on climate change targets.⁷ This is built on the existing climate and energy package and sits within the EU's existing 2050 energy roadmap.

In broad terms the framework proposes key targets on greenhouse gas emissions and climate change action aimed at making the European Union's economy and energy system more competitive, secure and sustainable.⁸ Through the framework, the Commission was seeking to introduce the 2030 targets as a set of legally binding goals. The proposed targets were discussed at the Council of Ministers summit on 24 October 2014. At the summit, a few amendments were made to the Commission's original proposals resulting in the following:

- A reduction of EU greenhouse gas (GHG) emissions by 40% in 2030 compared with 1990 levels which was made legally binding. This target aims to ensure that the EU is on track towards meeting its objective of cutting emissions by at least 80% by 2050;
- A target to increase energy efficiency across the EU by 27% (which was reduced from 30% in the original proposal in January 2014). This target was not made legally binding (whilst it was binding in the original proposal). Provision was made should it need to be reviewed post-Paris 2015;
- A target of increasing the share of renewable energy to at least 27% by 2030 was made binding at the EU-level (rather than nationally as stated in the original proposal), allowing for flexibility in renewable energy planning;

⁷ European Commission, **2030 climate and energy goals for a competitive, secure and low-carbon EU economy**, 22 January 2014 [accessed 16 October 2014]

⁸ European Commission, **Climate Action**, 13 January 2015 [accessed 20 January 2015]

- Interconnectivity of energy markets was also promoted with the introduction of a target to increase energy trading to 10% by 2020. In January 2014 the Commission proposed to establish a market stability reserve from 2021 onwards. This is to address the surplus of emission allowances in the EU emissions trading system (ETS) that has built up in recent years and to improve the system's resilience to major shocks;

- The European Council agreed that a reliable and transparent governance system will be developed to help ensure that the EU meets its energy policy goals.

The European Parliament considered the framework in the Committee on environment, public health and food safety hearing on the 5 November 2014.

The Commission has argued that if Member States commit to targets now, measures will be far cheaper to implement and will provide a better position for the 2015 UNFCCC negotiations in Paris. The proposals for the 2030 targets will form a framework convention which may lead to further legislation. The responsibility for enforcement and implementation will therefore rest with each Member State and its relevant authorities.

The Commission's 2015 Work Programme promises to outline the EU vision and expectations and explain partner ambition in the context of the UNFCCC 2015 Paris agreement and set out the EU contribution further to the European Council conclusions of 24 October 2014.⁹

⁹ European Commission, **ANNEX 1 to the Commission Work Programme 2015**, 16 December 2014 [accessed 6 January 2015]

Global impact

In setting out its proposals for the 2030 framework the Commission states that the EU needs to ensure that it remains a world leader and demonstrate that action to reduce GHG emissions does not impact negatively on economic development. The Commission has argued that in doing this the EU will be in a better position to negotiate future climate change goals at the UNFCCC conference in Paris that are more ambitious.

UK Government position on EU proposals

Whilst supporting the majority of measures in the 2030 targets, the UK Government does not fully support the introduction of targets on energy efficiency or renewable energy generation.

The UK Government believes that binding targets on energy efficiency would restrict Member States' flexibility in reaching the over-arching 40% goal in the most cost-effective way. This, they claim could have a negative economic impact and prove less productive in the long term.¹⁰ In contrast to this the European Commission has stated that energy efficiency targets are a crucial pillar in achieving both the 2030 and 2050 targets.

The UK Government also opposes the target for a national minimum of 27% of renewable energy. It argues that by using national targets, each country is obliged to ensure renewable generation is developed independently. This, the UK believes is inconsistent with the European Commission's encouragement of transnational projects with the Commission stating that cross border cooperation is essential to guarantee EU climate objectives.¹¹

¹⁰Department of Energy and Climate Change, **A 2030 framework for climate and energy policies: UK Government Response to Commission Green Paper COM(2013) 169 final**, 1 July 2013 [accessed 22 January 2015]

¹¹ European Commission, **Climate: €44 million available under first call for climate action projects**, 18 June 2014 [accessed 20 January 2015]

Relevance to Wales

At the international UNFCCC conferences Wales is represented by the EU and specifically by the UK as the Member State. Whilst climate change action is not a fully devolved competency, Wales has its own respective climate change targets that fall within the context of EU and UK law.

The Wales Climate Change Strategy¹² sets targets to reduce emissions within devolved competence by 3% per annum from a baseline of an average of emissions between 2006 and 2010. Wales is also committed to reduce all GHG emissions by 40% by 2020, from 1990 levels.¹³ The strategy outlines ways to influence attitudes to climate change action across all sectors and sets out a vision for 2050. The emissions reduction targets are more ambitious than the proposed European targets. The Welsh Government's *2014 Climate Change Annual Report*¹⁴ sets out progress against its targets.

The Welsh Government has two core energy efficiency schemes ARBED¹⁵ and NEST¹⁶. These schemes promote energy efficiency by funding the installation of efficiency measures and power generation in low income households. In addition, Wales has access to UK wide schemes such as the Green Deal¹⁷ and the Energy Company Obligation¹⁸. On 16 October 2014, the Welsh Government launched a consultation on the Development of an

¹² Welsh Government, **Climate Change Strategy for Wales**, 11 October 2011 [accessed 22 January 2015]

¹³ Welsh Government, **Reducing Welsh emissions**, 5 March 2014 [accessed 22 January 2015]

¹⁴ Welsh Government, **2014 Climate Change Annual Report**, 22 December 2014 [accessed 5 February 2015]

¹⁵ Welsh Government, **Arbed - Strategic energy performance investment programme**, 14 March 2013 [accessed 20 January 2015]

¹⁶ Welsh Government, **Struggling with your fuel bill?** 4 December 2014 [accessed 20 January 2015]

¹⁷ UK Government, **Green Deal: energy saving for your home**, 15 December 2014 [accessed 20 January 2015]

¹⁸ UK Government, **Energy Companies Obligation (ECO)**, 7 December 2014 [accessed 20 January 2015]



Energy Efficiency Strategy for Wales.¹⁹ The Welsh Government states that this is the most cost effective way of achieving climate change goals.

The Welsh Government's energy policy, *Energy Wales: A Low Carbon Transition*²⁰, sets out how Wales will move from fossil fuel based energy generation to increased renewable energy generation, though the Welsh Government does not have any quantitative renewable energy targets currently.

Further information

For further information about **Climate Change & Energy Goals** please contact **Nia Seaton** (Nia.Seaton@Assembly.Wales), Research Service.

See also:

[Greenhouse Gas Emissions Research Note](#)
[Carbon Budgets Quick Guide](#)

Blog Post: [Meeting the challenge or just hot air? Measuring progress in reducing Welsh greenhouse gas emissions](#)

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Enquiry no: 14/3317

¹⁹ Welsh Government, [The development of an energy efficiency strategy for Wales](#), 16 October 2014 [accessed 20 January 2015]

²⁰ Welsh Government, [Energy Wales: A low carbon transition](#), 14 March 2014 [accessed 22 January 2015]