



13 September 2018

(Item 4)

EU's 2030 GREENHOUSE GAS EMISSION REDUCTION TARGET

1. Background

- In June 2018, the European Commission, Parliament and Council during trilogues collectively agreed to increase the EU's energy efficiency binding target from 30% to 32.5% and the increased renewable energy target from 27% to 32%. Both have a clause for a possible upward revision by 2023.
- EU climate and energy commissioner Arias Cañete concluded in August that "Based upon our calculation models, we should de facto achieve a reduction in greenhouse gas emissions by 45% within the EU" by 2030 compared to 1990 levels because of these increased targets.
- German Chancellor Merkel stated she is "not very happy" about the Commission's push and thinks "we first of all have to stick with the goals we have already set for ourselves. I don't think constantly setting new goals makes any sense".
- Commission President Juncker in his 2018 State of the Union on 12 September stated that he supports Cañete's call both technically and politically.

2. Next steps - timetable

- The Commission seems willing to have this debate and possibly agree on a position in view of COP24, taking place in December 2018 in Katowice, Poland.
- The issue might be pushed into the set of conclusions of the next European Council on 18 October 2018. In case of an agreement (requiring unanimity), the impact on EU legislations such as ETS or Effort-Sharing is an unclear territory even though the Commission informally said that they have no plans of revisions at this stage. A debate could be expected as well in the Environment Council on 9 October.
- It remains unclear when / how the Parliament will position itself before COP24.

3. BusinessEurope advocacy and communication strategy

Members will be asked to discuss and agree on a line to take by BusinessEurope. As a basis for discussion, several approaches are outlined below:

- To be rather positive as long as it remains as a political statement, with no implications on the range of 2030 EU legislations (ETS, effort-sharing, etc.).
- To oppose the new increase of ambition, using the usual arguments of global playing field, we cannot compensate for others, etc.
- To challenge the process, such as the need for more transparency on the calculations, need for an impact assessment, risk of creating instability, etc.
- To "minimise" the issue arguing that the formalisation of a 'de facto' extra ambition is not what matters most. What is key is to persuade other major economies to catch up with the EU's ambition, and to make our transition in Europe a success. For this we need stability to mobilise investments.

* * *