



# COP24 - what next with climate policy in the EU?

Results of the climate summit in Katowice

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## Introduction

**The practical impact of the climate summit agreements on the EU and Polish policy is rarely appreciated. Meanwhile, climate policy will be an important point of reference in discussions on integrated national plans, national long-term strategies, or when setting the financial framework for 2021-2027. What are the conclusions of COP24 and, above all, what to expect this year?**

Climate summits held in Poland every 5 years since 2008 are treated primarily as an opportunity to promote Poland. However, no attention is paid to the correlations between global climate policy and EU climate and energy legislation. It is precisely these omitted global agreements that are already influencing, among other things, the deadlines for subsequent revisions of EU directives and regulations in the area of climate and energy. Low-carbon directions of development of economies set at the global level will also determine the financing of new investments at the EU level. According to the Paris Agreement, the emission reduction targets will only increase. At least every five years, as this is the time between revisions of climate targets, we can expect an increase in costs for carbon policies. The process of these cyclical reviews both at the global level, and at the European Union level began with the Talanoa Dialogue at the Katowice summit.

Therefore, after the success of COP24 and the adoption of the Katowice Package/Rulebook nothing will be the same anymore: neither in the world, nor in Poland. The same as in the world as in Poland.

## COP24 results: what happened?

From the 3rd to 16th of December 2018 in Katowice the United Nations Climate Change Summit - COP24/CMA1 took place. Poland once again led the global climate negotiations. The most important task of the representatives of 196 countries of the world and the European Union was to establish detailed rules for the implementation of the Paris Agreement concluded in 2015, i.e. how the global climate policy will look like in practice after 2020. It was a test of whether the countries really wanted to achieve the objectives to which they committed themselves in Paris. An additional task was to summarize the effectiveness of actions taken so far to protect the climate within the framework of the so-called Talanoa Dialogue.

### Katowice Package/Rulebook

This name was given to the detailed guidelines negotiated in , Katowice which are necessary to implement the Paris Agreement. Its most important results are the following:

- Developing countries have, for the first time, accepted emission reporting obligations and developed countries have agreed to finance them. As a result, from 2024, reliable and comparable global emissions data from all countries will be collected in a publicly accessible registry. So far this has not been possible. A similar registry will be created for adaptation measures, which, however, due to their dependence on regional circumstances, will be more difficult to compare.
- It was agreed how the Global Stocktake should look like and what the Global Stocktake should consist of. This is a collective assessment of the objectives and progress of global climate policy that the parties of the Paris Agreement will make every 5 years from 2023 onwards.
- The principles and terms of reference of the special committee, which will monitor countries' compliance with commitments such as reporting, submission of new climate plans and participation in the Global Stocktake, have been agreed upon.

In addition:

- The Katowice Rulebook confirms that Poland - together with the EU - is already treated as a developed country. This means that it is expected not only to reduce emissions and to report it in a transparent manner, but also to increase its financial contribution into a global climate protection system.
- COP24 failed to agree on the principles of international emissions trading mechanisms and common timeframes for the Nationally Determined Contributions (5 or 10 years) under Paris Agreement. These decisions will be taken at the COP25 summit in Chile.

The Katowice Rulebook permanently changes the system of global climate policy, influences the scope of responsibility of all countries, including Poland, and realistically increases the chance to limit climate change. Its adoption enables the effective functioning of 5-year submission cycles and the revision of the climate targets under the Paris Agreement.

## Talanoa Dialogue

The aim of the Talanoa Dialogue was to assess progress and encourage more action on climate protection, preferably before 2020. The report of the Intergovernmental Panel on Climate Change (IPCC) made a significant contribution to this discussion. The Talanoa Dialogue will be a model and basis for Global Stocktake planned for 2023. It will serve both as a summary of the actions, as well as a motivation for countries to present new ambitions. These targets, contained in the National Determined Contributions (NDCs), should be submitted by all countries every five years starting from 2025 (it is so-called ambition cycle). Each time they are to be higher than the previous ones (the so-called progression principle). The body leading the Global Stocktake will be CMA, the highest authority of the Paris Agreement. Similarly to the Talanoa Dialogue, the latest IPCC report.<sup>1</sup> will be an important contribution to the discussion at COP29/CMA6. Likewise to the period after the COP24 in Katowice, the parties will be able to present their updated climate targets at a special event of the UN Secretary-General.

Informal preparation for the Global Stocktake will start as early as 2021 with the publication of individual chapters of the IPCC Sixth Assessment Report. Formal data collection for the

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<sup>1</sup> The date of publication of Synthesis of the IPCC Sixth Assessment Report is April 2022.

Stocktake will start in mid-2022.<sup>2</sup> Its technical phase will begin at COP28/CMA5 in 2022, so that the final phase of the Stocktake can be carried out at the summit one year later. It will focus on the discussion of the results collected during the technical phase. The next Stocktake will take place in 2028, then in 2033, etc. It should be noted that if nothing changes,<sup>3</sup> COP29/CMA6 will again be hosted by the Eastern European Group (EEG) in 2023 and the summit may take place in Poland.

From the European perspective, the launch of this cycle means a repetition of the political and legislative processes that took place before and after the COP24 summit in Katowice. Discussions on raising ambitions in the light of the latest scientific research will be initiated in the European Council and other EU bodies. This, in turn, will entail changes in legislation and strategies. The final and unavoidable stage of the process will be the submission, at the latest in 2025, of a new joint and higher contribution (NDC) from the European Union to the global level.

## Global climate finance

By 2025 at the latest, a new collective global climate finance target of 100 billion USD per year should also be agreed. According to the results of COP24, discussions on this issue will start already in 2020. One of the important elements of this discussion, advocated very clearly by the EU and other developed countries, will be the enlargement of the donor base - countries formally providing financial support. When advocating, together with the EU, for new countries to join the group of donors despite them not being developed, Poland will have to demonstrate that its own financial contribution is adequate to its actual capabilities. One of the three main objectives of the Paris Agreement will also be discussed more and more intensively at the global level: ensuring consistency of financial flows with the path leading to low-carbon development.

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<sup>2</sup> According to the decision of Katowice, the sources of these data are: (1) the most recent IPCC report; (2) government reports and reports submitted under the Paris Agreement and the Convention; (3) reports from subsidiary bodies of the Convention; (4) reports from other institutions under PA or the Convention whose work is relevant to the results of the Review; (5) a report summarising the level of greenhouse gas emissions and how this level will be affected by the targets contained in the nationally defined plans; (6) Reports from other related UN agencies and other organisations in support of climate objectives; (7) Voluntary contributions from Parties relating to equality issues; (8) Reports from regional groups and institutions; (9) positions of non-governmental actors and observers under the Convention.

<sup>3</sup> It is possible to change the order of hosting the summit.

## Poland at COP24

### Success of COP

At COP24 Poland moderated global discussions - it prevented conflicts and motivated to reach the agreement. It also promoted its own vision of a sustainable future, proposed three declarations on just transition, electromobility and forests. They received support from 54, 42 and 66 Parties to the Climate Convention<sup>4</sup> respectively, showing that, although work on them started late, they were internationally recognised as being relevant to the process.<sup>5</sup>

### What should not have been done?

Declarations of Polish representatives emphasizing their long-term commitment to fossil fuels were received negatively. The clear exposition of this issue did not serve to build the image of Poland as the host country of the global summit, the aim of which is to support actions for climate protection. At COP24, Poland also did not call for greater ambition and increasing reduction targets. It continued a narrative, unchanged for more than 10 years and known to other delegations, that it has over-achieved Kyoto Protocol target and is a leader in reducing CO2 emissions. It is well known that in the last 10 years Poland has reduced its emissions by 1 %, and the biggest reduction in emissions took place between 1988 and 1990, when some industrial plants collapsed, which was a symbol of Poland's political and economic transformation.

### Poland's long-term plans and climate objectives

In the background of the COP24 negotiations, the debate initiated by the European Commission's proposal started. Around the same time, the Polish Ministry of Energy published a draft of Poland's Energy Policy until 2040, which assumes:

- 60% share of coal in the energy mix in 2030,
- increase in the share of RES from offshore wind farms,

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<sup>4</sup> 197 parties (196 countries and one regional organisation, the European Union) have ratified the Convention

<sup>5</sup> More on the Presidency initiatives of COP24: <https://cop24.gov.pl/presidency/initiatives>

- and the replacement of lignite by nuclear power after 2030.

However, this document did not impress the COP24 negotiators, who evaluated it from the perspective of the necessary reduction efforts recommended by the IPCC.

### Participation of civil society in COP24

The last important issue is the involvement of Polish and international civil society. Year after year, raising public awareness at climate summits is becoming increasingly important. Unfortunately, there was no discussion between the Government of the Republic of Poland (not the Presidency of COP24) and environmental NGOs. Provisions of the Special act on the organisation of COP24<sup>6</sup> and the presence of the police effectively discouraged the organization of happenings in front of Katowice's Spodek. The exception was the "March for the climate" on the 8th of December. However, even in this case negative reactions followed the news on the detention (without specific reasons) of activists going to Poland.

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<sup>6</sup> Act of 10 January 2018 on special solutions related to the organisation in the Republic of Poland of the session of the Conference of the Parties to the United Nations Framework Convention on Climate Change  
<http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20180000319/U/D20180319Lj.pdf>



## What next - the EU in the global agenda

Global negotiations have a significant impact on the shape and pace of the European Union's work in the areas of energy and climate in 2019. What to expect in the near future?

### A long-term reduction strategy up to 2050

The European Council<sup>7</sup> agreed that, in accordance with the Paris Agreement, by 2020 the EU will submit to the global level, its own long-term strategy for low-emission development. At the same time, it invited the European Commission to present a proposal for such a strategy at the latest in the first quarter of 2019, taking into account national plans. These plans are the national integrated climate and energy plans required by the regulation on the governance of the Energy Union and Climate Action.<sup>8</sup>

In order for the EU strategy to be consistent with the Paris Agreement, it must first and foremost be consistent with its objectives, such as:

- limiting the increase in the average global temperature to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C;
- adaptation to the negative effects of climate change;
- consistency of financial flows with a low-carbon path and climate resilient development.

The draft strategy a Communication of the European Commission "A Clean Planet for All" was<sup>9</sup> published well before the deadline, in November 2018. In addition, it also emerged ahead of the deadline to submit draft national integrated climate and energy plans by 2030 and long-term national strategies by 2050.

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<sup>7</sup> European Council conclusions, March 2018: <https://www.consilium.europa.eu/media/33457/22-euco-final-conclusions-en.pdf>

<sup>8</sup> Requirement resulting from: Regulation (EU) 2018/1999 of the European Parliament and the of the Council of 11 December 2018 on the governance of the Energy Union and Climate Action: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2018.328.01.0001.01.ENG&toc=OJ:L:2018:328:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0001.01.ENG&toc=OJ:L:2018:328:TOC)

<sup>9</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank "A Clean Planet for all, A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy": [https://ec.europa.eu/clima/sites/clima/files/docs/pages/com\\_2018\\_733\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_en.pdf)

The European Council conclusions of 14.12.2018<sup>10</sup> agreed that the EU Council will work on the elements outlined in the Communication. In the first semester of 2019 the European Council will also prepare guidelines for the directions and priorities of work so that the EU can submit its long-term strategy in line with the Paris Agreement (by 2020). This means that in the first half of 2019, discussions on the strategy will take place at the same time in the sectoral councils' fora and in preparation for the European Council.

The first European Council will take place on 21-22 March, followed by councils on the 9th of May and 20-21 June. The discussion paper prepared by the Austrian Presidency of the EU suggested, that the landmark of this debate could be the European Council meeting on the 9th of May in Sibiu.<sup>11</sup>

EU ministers meeting within the Environment Council (ENVI) on 20 December 2018 indicated, that the discussion on the strategy should be discussed very broadly, including on transport telecommunication and energy councils (TTE), competitiveness (Compet) and agriculture and fisheries (AGRI) as well as through public consultation<sup>12</sup>. According to the draft work programme of the Romanian EU Presidency,<sup>13</sup> around 20 meetings of these sector councils will take place in the first half of 2019.

The final adoption of a long-term strategy is highly likely to happen at the European Council in the second half of 2019. Meetings of the Council are planned for 17-18 October and 12-13 December. To submit a strategy by 2020 the decision would have to be taken at the latest by the Council on 12-13 December 2019.

#### Conclusions:

- 1) In order to submit a long-term low-emission development strategy on time, the EU must agree on it by the end of 2019.

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<sup>10</sup> European Council conclusions, December 2018: <https://www.consilium.europa.eu/media/37535/14-euco-final-conclusions-en.pdf>

<sup>11</sup> Clean Planet for all: Strategic long-term vision for a climate neutral economy – Presidency background paper for exchange of views: <http://data.consilium.europa.eu/doc/document/ST-15210-2018-REV-1/en/pdf>

<sup>12</sup> Outcome of the Environment Council meeting, December 2018: <https://www.consilium.europa.eu/media/37692/sn05056-en18.pdf>

<sup>13</sup> [https://www.consilium.europa.eu/media/37255/romanian-presidency-draft-calendar\\_181203.pdf](https://www.consilium.europa.eu/media/37255/romanian-presidency-draft-calendar_181203.pdf)

- 2) If more important decisions at political level were to be taken in May, very intensive discussions will need to be conducted already in the first quarter of 2019.
- 3) The September summit of the UN General Secretariat may be an opportunity to present the EU strategy at the international level. Such a choice, although unlikely, would in turn speed up political processes and discussions on the choice of low-carbon development scenario
- 4) In order for Poland's position to be taken into account in this discussion, the main elements of not only an integrated climate and energy plan<sup>14</sup> should be developed as soon as possible, but also a national long-term strategy by 2050 should be prepared and submitted. In this situation, the plan for public consultation of Poland's Energy Policy until 2040, foreseen by 15 January 2019 and the public consultation of the integrated national plan until 18 February, do not provide a good basis for negotiations within the EU.

### 2019 Climate Summit of the UN Secretary-General (New York, 23.09.2019)

To some extent, this summit will complement the COP24 agenda. With the adoption of the Katowice Rulebook it will focus on mobilising support to increase climate ambition in various areas.

One of the three main themes of the summit is to raise the real ambition – meaning both the targets already on the table and their increase by 2030. António Guterres spoke about it on the 4th of December 2018 in Katowice.<sup>15</sup> It will be expected from the heads of states and governments participating in the summit to declare whether and how much they will increase their reduction targets before 2020.

Poland, as the current COP24 Presidency, can play an important role at this summit. This would require appropriate preparation. On the one hand, it is necessary to continue the activities covered under Poland's three initiatives presented at COP24 (just transition, electromobility,

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<sup>14</sup> The Ministry of Energy submitted the draft plan at the beginning of January and set the deadline for national consultations at 18 February 2019.

<sup>15</sup> UN Secretary General's remarks on the 2019 Climate Summit, December 2018:

<https://www.un.org/sg/en/content/sg/statement/2018-12-04/secretary-generals-remarks-2019-climate-summit>

forests). On the other hand, the relevance and sensitivity of the discussions on the EU's 2030 and 2050 targets should be kept in mind.

The New York Summit will also encourage action by non-governmental actors focusing on: energy and industrial transformation, nature-based solutions<sup>16</sup>, local and urban action and building resilience to climate change. The third theme is the mobilisation of young people and civil society. It is to be expected, that, similarly to the 2015 UN Secretary-General summit, the non-governmental sector will present a number of new initiatives and objectives - both short and long term. It would be advisable for the Polish non-governmental sector to come up with its own initiatives at the summit or to join other initiatives under preparation.

#### Conclusions:

- 1) The climate summit of the UN Secretary General will be an opportunity to communicate emission reduction plans and political declarations in accordance with the IPCC Special Report. Such declarations will not require unanimity at international level. Many EU countries will certainly want to take advantage of this opportunity to present new, higher reduction targets in line with the directions indicated by the IPCC (1.5°C) and probably the EU's long-term strategy.
- 2) The summit of the UN General Secretariat gives an opportunity to improve the image of Poland as the Presidency of COP24. It will be particularly important to present a plan of transformational actions resulting from Poland's Energy Policy until 2040 and agreements at the level of the EU climate and energy policy until 2030 and 2050.

## Raising targets for 2030

The European Union, which pursues the Paris Agreement's common objective of "at least 40% reduction by 2030", must decide before 2020 whether to resubmit it or revise and raise it<sup>17</sup>. Even before COP24, the Environment Council (ENVI)<sup>18</sup> agreed that the increasing of the target

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<sup>16</sup> Nature Based Solutions – explanation: <https://www.wroclaw.pl/growgreen/nature-based-solution-co-to-takiego>

<sup>17</sup> Paragraph 24 of Decision 1/CP.21: <https://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>

<sup>18</sup> Environment Council conclusions, October 2018: <https://www.consilium.europa.eu/media/36619/st12901-en18.pdf>

would depend on collective further efforts needed and actions undertaken by all parties to meet the objectives of the Paris Agreement.

The following arguments support raising the target:

- 1) Summary of global emission reduction targets in the light of the IPCC Report - they are currently insufficient.
- 2) With the adoption (in June 2018) of increased energy efficiency targets (32.5%) and RES (32%), the EU is already confident that by 2030 the target of "at least 40% reduction" will be over-achieved. In such a case, increasing the target to 45% would be a formality.
- 3) The EU is expected to raise its ambitions at the Secretary-General's climate summit in September 2019.
- 4) The increase in the target will be considered in the context of the pathway to 2050 contained in the EU's long-term strategy to be prepared by 2020.

The only argument against raising the 2030 target is the lack of sufficient ambition on the part of other countries.

## Ambition cycles beyond 2020

COP24 did not agree whether the reduction targets are to be notified for 5 or 10 years. International solutions that are currently under consideration include e.g. 2 x 5 years. It would mean that the binding target includes 5 years and an indicative target covers the next 5 years. However, the unchanging assumption of the Paris Agreement is that every 5 years from 2020 onwards, all countries are to submit new national plans (NDCs) and that each time they are to be more ambitious (principle of progression).

The EU target in the current NDC is formulated for 10 years - until 2030. However, many Member States would like to revise (increase) this target. Decision will be taken up in 2019, probably in the European Council and will take into account discussions on long-term objectives.

## What next – EU level

Looking both at the objectives of the Paris Agreement and the EU law, there is no doubt, that the EU economies will move towards decarbonisation.

The aim of the draft strategy – Communication of the European Commission "A clean planet for all" is: *"to confirm Europe's commitment to lead in global climate action and to present a vision that can lead to achieving net-zero greenhouse gas emissions by 2050 through a socially-fair transition in a cost-efficient manner"*. Achieving emission neutrality requires the elimination of fossil fuels from the energy mix. It is to be noted, the Communication strategy's objective of carbon neutrality already in 2050 is higher than the EU target of an 80-95% reduction by 2050 compared to 1990.<sup>19</sup>

This transformation process has started with the revised 2018 EU ETS and non-ETS emission reduction targets, legislation on land and forests and higher energy efficiency targets, RES and targets for cars, vans and trucks. In the Commission's view, however, they are not sufficient to achieve carbon neutrality. The strategy proposes 8 low-carbon development scenarios, which in practice mean a return on investment towards energy produced from RES and a significant increase of the cost of coal-based energy.

EU legislation confirms the gradual elimination of fossil fuels by promoting renewable energy sources and setting deadlines for further revisions of the 5- and 10-year cycles starting already in 2019. It should be stressed that this timeframe is in line with the global cycle of review of targets under the Paris Agreement, which is guided by the principle of progression, i.e. increasing the targets.

### EU ETS Directive<sup>20</sup>

In 2019 the EC will prepare an evaluation of the Talanoa Dialogue. From 2021, the rate of reduction of the pool of available emission allowances will increase from 1.7% to 2.2%. From

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<sup>19</sup> <https://www.consilium.europa.eu/en/policies/climate-change/>

<sup>20</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0410&from=EN>

2023, after each Global Stocktake under the Paris Agreement, every five years, the EC will be able to propose a review of the Directive. In particular, this could mean an increase in the pace of emission reductions in the sectors covered by emissions trading.

### Non-ETS Regulation<sup>21</sup>

Until the 31st October 2019 the EC will prepare an evaluation of the Talanoa Dialogue. In 2024, i.e.

after the Global Stocktake and every five years thereafter, the regulation will be reviewed. The review will take into account the evolving circumstances of EU countries and the supply balance and demand for units (AEAs - annual emission allocations). Review of EU targets for the period after 2030, as at the global level, should take into account the principle of progression adopted under the Paris Agreement. This means that in 2024 at the latest, the EU will agree on increased targets for the non-ETS sector for 2035 or 2040.

### Winter package –Governance of the Energy Union Regulation<sup>22</sup>

By the 31st of December 2018, Member States were required to submit draft integrated climate and energy plans, which should have a longer-term perspective than 2030. These projects will now be assessed by the European Commission. The final plans should be announced by the end of the year. After five years, the plan may be reviewed and updated. The above actions will then be repeated in 10-year cycles.

By 1 January 2020, Member States are required to submit long-term strategies covering at least 30 consecutive years. In this case, too, it is possible to review the objectives after 5 years and develop new strategies every 10 years.

### Winter package - RES Directive<sup>23</sup>

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<sup>21</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018R0842&from=EN>

<sup>22</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2018.328.01.0001.01.01.ENG&toc=OJ:L:2018:328:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0001.01.01.ENG&toc=OJ:L:2018:328:TOC)

<sup>23</sup> <https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:32018L2001&from=EN>

Until 2023 the EC will submit a proposal to increase the RES target (32% by 2030), if it is justified by the need to meet international commitments or by a significant reduction in energy consumption. Member States must determine their respective contributions in integrated climate and energy plans and projects.

The 2023 Global Stocktake will influence to the development of EU RES objectives for the period after 2030. This means that in the period 2023-2024, the discussion in the EU may concern an increase in the RES target not only for 2030 but also for the period after 2030.

### Winter Package - Energy Efficiency Directive<sup>24</sup>

Until 2023 the EC will assess the current EE target (32.5% to 2030) and may submit a proposal to increase it. In turn, after the Global Stocktake in 2023, and until the 28th February 2024, and every five years thereafter, a review of the Directive is foreseen in order to make it compatible with the objectives of the Paris Agreement. Undoubtedly, the process of the EU review of the directive will be in line with in the preparation of a new, increased reduction target contained in the EU's National Determined Contribution (NDC) under the Paris Agreement.

### Winter Package - Energy Performance of Buildings Directive<sup>25</sup>

Long-term renovation strategies should be guided by the 2050 objective of reducing the EU's greenhouse gas emissions by 80-95% compared to 1990. The roadmaps should set intermediate targets for ten-year periods: 2030, 2040, 2050. They should also aim at the decarbonisation of national building stock.

### Legislative proposals of the Winter Package

The Regulation on Internal Market for Electricity,<sup>26</sup> the Directive on common rules for the internal market in electricity<sup>27</sup> and the Regulation establishing the EU Agency for the

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<sup>24</sup> <https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:32018L2002&from=EN>

<sup>25</sup> <https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:32018L0844&from=EN>

<sup>26</sup> [https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0861R\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0861R(01)&from=EN)

<sup>27</sup> [https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0864R\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0864R(01)&from=EN)



Cooperation of Energy Regulators (ACER)<sup>28</sup> confirm that an increase in the share of renewable energy sources is essential to meet the EU's commitments under the Paris Agreement. This is also underlined by the legislation agreed in December 2018 introducing a CO<sub>2</sub> emission limit of 550g/kWh of electricity produced. The draft Regulation on risk-preparedness in the electricity sector<sup>29</sup> refers to extreme weather conditions

## The EU's financial framework (2021-2027)

In international climate negotiations, the EU is seeking to strengthen discussions on how to ensure that financial flows support and are consistent with the Paris Agreement objectives. Pursuant to the principle of progression, these objectives will gradually become more ambitious and their implementation will require more financial resources. The same direction is being implemented at EU level. To reduce emissions by 80-90% by 2050 compared to 1990, all sectors, not only the currently energy-intensive ones, will need to be transformed.

Referring to this objective, in the November 2016 Communication "Clean Energy for All Europeans", the Commission has made a number of proposals for amendments in financial flows so as to support the transition to clean energy. It also took into account the transparency of grants and their impact on innovation.<sup>30</sup> These proposals formed the basis for the agreement on the winter package.

Communication from the European Commission of May 2018<sup>31</sup> "A Modern Budget for a Union that Protects, Empowers and Defends - The Multiannual Financial Framework for 2021-2027" identifies climate policy and sustainable development as one of the priorities under the new EU budget for 2021-2027. It proposes that 25% of the total budget (around EUR 320 billion) will be allocated to climate objectives in all the EU programmes.

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<sup>28</sup> [https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0863R\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0863R(01)&from=EN)

<sup>29</sup> <https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016PC0862&from=EN>

<sup>30</sup> <https://eur-lex.europa.eu/legal-content/PL/TXT/HTML/?uri=CELEX:52016DC0763&from=EN>

<sup>31</sup> [https://ec.europa.eu/commission/sites/beta-political/files/communication-modern-budget-may\\_2018\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/communication-modern-budget-may_2018_en.pdf)

In the November's 2018 Communication "A clean planet for all", the EC confirms that investments in low-carbon development will continue, including through aiming at not only energy transformation and innovation, but also at improving air quality.

These documents clearly show that the EU is seeking to finance such projects and programmes that will have a positive impact on the climate. The possibility of benefiting from EU funds will depend on an approach consistent with the objectives of the Paris Agreement. This excludes, gradually but inevitably, support for investment in fossil fuels and high-carbon projects.

It is unlikely that the European Council will be able to take a decision on the financial framework for 2021-2027 as soon as at the Sibiu Summit on the 9th of May 2019.<sup>32</sup> However, this may be an important moment for key political decisions - both in terms of budget and long-term strategy. The discussion on the future of the EU will certainly force compromises aimed at aligning directions of financing with the implementation of the emission reduction targets.

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<sup>32</sup> <https://concordeurope.org/what-we-do/promoting-civil-society-space/eu-budget-mff-2021-2027/>

## What next - recommendations for Poland

The year 2019 is the year of the Polish Presidency of COP24 and, at the same time, of the important discussions on climate objectives at the forum of the European Union.

The EU will continue to pursue the decarbonisation scenario in all sectors. This is confirmed by the already adopted EU climate and energy legislation, and the reviews which are tailored to the global 5-year cycles of the Global Stocktake under the Paris Agreement. After each such Stocktake, the EU target, and consequently the Polish target, will be increased. Negotiating long-term benefits for Poland will therefore require going beyond the current approach to climate and energy policy.

With a view to the September 2019 Climate Summit of the UN Secretary General, discussions in the first half of 2019 in the Environment Council and the European Council are expected to lead to the increase of the EU reduction target under the Paris Agreement from -40% to -45% by 2030. In fact, this decision has already been taken by increasing the targets of EE and RES.

Preparations for the Climate Summit of the UN Secretary General will allow Poland to continue the initiatives announced for COP24 (just transition, electromobility, forests) and facilitate fundraising (global and EU) for projects in these areas. Support in this process may be an A plan of possible investments and projects, as well as supporting diplomatic and promotional activities may significantly support preparations on the Polish side .

In 2019 the European Council will adopt the EU's 2050 long-term strategy. This will be preceded by discussions in sectoral councils and, possibly on 9 May, the issuing of guidelines for the final form of the strategy. Poland can prepare for this process through:

- Inclusion of 2050 horizon in Poland's Energy Policy until 2040 (PEP) of the 2050 horizon,  
and taking into account objectives of the Paris Agreement as well as current and planned EU emission reduction targets.

- Agreement by the end of 2019, internally and with Brussels, on a national integrated energy and climate plan and a national long-term strategy, taking into account EU's and global decarbonisation targets.

In accordance with the objectives of the Paris Agreement and announcements of the European Commission, the EU budget adopted in 2019 for the years 2021-2027 will exclude support for carbon-intensive investments. In negotiations on this budget, Poland should signal its willingness to invest in accordance with the objectives of the Paris Agreement. Thus, at the latest in 2019, Poland should start developing its own national low-carbon investment plan. It should be consistent with the Energy Policy 2040, the long-term strategy and the integrated national plan. Such an approach will increase the chances of obtaining funding for national projects and reduce the costs of the inevitable energy transformation.

## Emission reductions: Timetable for global and EU action

Year	The Paris Agreement & UN	EU NDC & Strategy 2050	Other related objectives and actions on the EU level
2018	Talanoa dialogue COP24/CMA1	- At least 40%	- New goals: EE (32.5%), RES (32%), cars (37%), vans (31%) - Project of integrated national plans (NECP) for 10 years (with a longer perspective)
2019	- Update of the NDC or confirmation of the existing NDC - Submission of long-term strategies - Climate summit of the UN Secretary General	- Updating or confirming the target 40%. - Long-term strategy	- Evaluation of the results of the Talanoa Dialogue (EU ETS, nETS) - Integrated National Plans (NECPs) - National long-term strategies (30 years) - Adoption of the new financial framework for the period 2021-2027 - Preparation of the EU's long-term strategy for 2050: sectoral councils discussions and decisions of the European Council - Discussion on updating the NDC (raising the target) for 2030.
2020	- NDC synthesis report - COP26/CMA3		
2021			
2022	Global Stocktake (GST) Technical Phase		Draft update or confirmation of leaving the NCPs unchanged
2023	Global Stocktake (GST) - COP29/CMA6	Preparation of the NDC	Revision of EE and RES targets to 2030 - possible updating of the NECP (10 years) - possible updating of national long-term strategies (30 years)
2024	- a new, more ambitious NDC <sup>33</sup> - Climate summit of the UN Secretary General	Submission of NDC (5/10 years)	- Review of the EU ETS, nETS, EE - Preparation of the new NDC: discussions on sector councils and decision of the European Council
2025	- NDC synthesis report - COP31/CMA8 - a new global financial objective		
2026			
2027	GST Technical phase		Draft NECP for 10 years
2028	GST COP34/CMA11	Preparation of the NDC	- Submission of the NECP(10 years) - National long-term strategies (30 years)
2029	- a new, more ambitious NDC - UN General Secretariat	Submission of NDC (5/10 years)	- Review of the EU ETS, nETS, EE - Preparation of the new NDC: Discussions on sector councils and decision of the RE
2030	Summit - NDC synthesis report - COP35/CMA13		
2031			

<sup>33</sup> Decision 1/CP.21: Parties shall submit their NDCs at least 9-12 months before the relevant climate summit (understood as the summit taking place at the latest before the start of the next five-year commitment period, e.g. COP26/CMA3 in 2020, COP31/CMA8 in 2025, etc.).

Year	The Paris Agreement & UN	EU NDC & Strategy 2050	Other related objectives and actions on the EU level
2032	GST Technical Phase	Preparation of the NDC  Submission of NDC (5/10 years)	Draft update or confirmation of leaving the NECP unchanged (10 years)
2033	GST COP39/CMA16		- Possible update of the NECP (10 years)
2034	- a new, more ambitious NDC - Climate summit of the UN Secretary General		- Review of the EU ETS, nETS, EE - Preparation of the new NDC: discussions on sector councils and decision of the European Council
2035	- NDC synthesis report - COP41/CMA18		
2036		Preparation of the NDC  Submission of NDC (5/10 years)	
2037	Maintenance Phase		Draft NECP (10 years)
2038	GST COP44/CMA21		- Submission of the NECP (10 years) - Update of national long-term strategies (30 years)
2039	- a new, more ambitious NDC - UN General Secretariat Summit		- Review of the EU ETS, nETS, EE - Preparation of the new NDC: discussions on sector councils and decision of the European Council
2040	- NDC synthesis report - COP46/CMA23		
2050		80-95% red.	