



PBL Netherlands Environmental  
Assessment Agency

# Climate legislation in Europe: work in progress

June 19, 2017 | Pieter Boot



## What do we mean with 'climate law'?

In this presentation climate law implies:

- A (preferably binding) national post-2030 target
- A process on how to organize the way to attain this
- Establishment (in law) of a monitoring and reporting mechanism

This is a narrow description. E.g. Grantham Research Institute uses broader one, including all climate related policy instruments. Next, some regions have climate laws as well.



	<b>UK</b>	<b>Finland</b>	<b>France</b>	<b>Denmark</b>	<b>Norway</b>	<b>Sweden</b>
adopted	2008	2015	2015	2014	(2017)	(2017)
2050 target	Min. - 80%/1990	Min. - 80%/ 1990	-75%/1990	Low emission society	Foreseen	Min. - 85%/1990 by 2045
Carbon budgets	yes	yes	yes	no	no	No (targets for 2030, 2040)
Independent committee	yes	yes	yes	yes	possible	yes
Also adaptation	yes	yes	no	no	no	no
Other targets	no	no	yes	No (yes in Energy Agreement)	Not foreseen	yes
scope	ETS separ. accounting	Steers non-ETS sectors	ETS in policies exempted	ETS exempted		ETS sectors included, but vague
Broad parl. support	yes	yes	yes	yes	yes	yes



## GHG emissions in 1990-2015 and ambitions in EU ESR debate

	2000	2005	2010	2015		ESR ranking
UK	89	87	77	63		5
Finland	99	99	107	79		11
France	101	101	93	84		3
Denmark	101	94	90	69		14
Sweden	96	93	90	75		1
(Germany	83	79	75	72		2)
EU 28	91	92	85	76		-

Source: EEA, Annual European Greenhouse Gas Inventory 1990-2015 and Inventory Report 2017;  
ESR Effort sharing regulation in EU Climate Leader Board, March 2017



## For many countries UK is the example (1)

- Observers have clear feeling of value added by legislation
- No strong impact of combination mitigation/adaptation up to now
- Difficult treatment of emissions in ETS sectors (2050 target includes industry/power, but 'net' accounting includes computed UK share of ETS budget)
- Budgets more ambitious than EU targets (e.g. 2030) as this is a more cost-effective path towards 2050
- Law does not contain legal enforcement mechanism; government answerable to Parliament
- Independent Committee advises
- Easy implementation has been done, now difficult part



## For many countries UK is the example (2)

- 5th (2028-32) budget has been adopted in July 2016; new policies needed to meet 4th (2023-27) and 5th budgets
- Committee presents scenarios to achieve objectives at least cost
- R&D important, but sensible to meet 2050 target largely through currently-known technologies
- From 2020 onward all investment in power has to be zero-carbon
- Carbon values in budgets projected to reach 78 Pound/ton CO<sub>2</sub>e in 2030 and 220 in 2050 (not target-consistent with market forecasts of ETS prices), but in reality frozen



## Finland (2015)

- Based upon UK example
- Target (min.-80%) may be increased if necessary according to climate science
- Lays down planning system: long-term mitigation plan every 10 years, medium term for non-ETS sectors every government period, adaptation plan every 10 years
- Includes monitoring
- Independent expert body
- Government reports to Parliament every year
- First climate plan required by act to be presented this year

## France (2015)

- Part of broader energy/climate framework
- Carbon budgets in 2015-18 (-20%), 2019-23 (-27.8%), 2024-28 (-35%) (mandatory)
- Average annual reduction rate of 2005-13 has to be slightly increased to attain target
- Includes national CO2 price: 22 euro in 2016 (in 2017 also in ETS sectors), aiming at 56 in 2020 and 100 euro in 2030
- Includes mandatory climate change-related reporting for international investors ('climate risks', and 'transition risks' such as stranded assets)
- Also other targets (mid-term, renewables, nuclear) and many policy instruments (in e.g. housing and transport sectors)



## Denmark (2014)

- Goal low-emission society in 2050 (independent of fossil fuels; supporting economic growth)
- Every five years government should set national targets which should have a 10-years perspective and point towards the 2050 target
- Independent Council on Climate Change established
- Government reports yearly to Parliament
- Actual government accepts law, but cancelled ambitions to abolish coal by 2030; government also launched Energy Commission with more focus on cost efficiency



## Norway (2017)

- Parliament supported preparation for climate law with large majority
- To be adopted by 2017, now final considerations in Parliament
- Draft proposal modelled on UK: binding reduction targets for 2030 and 2050, reporting requirements, carbon budgets, possibility for establishment of an independent body
- Relied up to now heavily on purchasing carbon credits to meet Kyoto targets; CO<sub>2</sub> emissions have risen by 4% in 1990-2013



## Sweden (2017)

- Government proposal to Council on Legislation; based upon cross-party committee agreement; to be in force by 1/1/2018
- By 2045 GHG in Swedish territory at least 85% lower than 1990; no net GHG emissions and thereafter negative (incl. supplementary measures)
- Specific targets for domestic transport and ETS sectors
- Government will present annual climate report in Budget Bill
- Government will develop action plan every four years to demonstrate delivery of goals
- Independent evaluation by Climate policy Council



## Netherlands (minority parties proposal to parliament)

- Targets at least 95% GHG reduction compared to 1990 by 2050, 55% reduction by 2030, and 100% renewable energy by 2050
- Government has to present climate plan, climate budget and progress report; Climate Commission based on UK example
- Climate plan: emissions budget and policy measures (incl. RE) for next 5 years and considerations for next 10-15 years
- Based upon advice Climate Commission and scientific report PBL
- Annual climate budget proposal (comp. financial policy)
- Government reports annually on progress, based on PBL report
- Law binding for government, no immediate impact for private parties



## Adaptation

- Included in countries who feel vulnerable
- In UK many adaptation provisions were added late in the legislative process
- Possibly better not to include if adaptation policy is already well-developed (e.g. water policy in the NL)

## Partisanship and value added

- Existing climate laws met broad support in Parliaments
- No ideological bias in climate change legislation in general, but left-leaning governments are more likely to pass 'framework laws' (Fankhauser et al, 2014)
- Framework legislation is most powerful domestic factor affecting other policy instruments (Fankhauser et al, 2014)
- But integral approach (combinations with regions, society) strengthens approach
- Does a 'cycle' exist (enthusiasm wanes when low hanging fruit has been reaped after several years and political parties get other priorities)?



## Some specific issues

- Which role do Parliaments have?
- Which role for society (bottom-up vs top-down approaches)?
- Which role for courts (compare Urgenda case in the NL)?
- How is the independence and weight of advice by Committee described ( e.g. 'comply or explain')
- Which relation to existing legislation?
- How to include ETS sectors?
- Does the law include broader issues elsewhere (such as greenhouse impact of food system or biomass)?

## Conclusions

- Legislation is not the only relevant factor in achieving low-carbon ambitions, but has value added
- Be aware of differences in driving forces energy policy in EU
- UK Climate Change Act seems useful example, but different legislative traditions will ask for different approaches
- Especially after CoP 2015 it seems worthwhile to aim for broad political support as this stimulates stability in policy implementation in the long/medium term
- Sweden and France now have the most ambitious approach
- Does a 'political cycle' in enthusiasm for implementation of climate laws exist?