

COHESION POLICY AND PARIS AGREEMENT TARGETS

climate action mainstreaming

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Structure of the Presentation

- 1. Introduction**
- 2. 2007-2013 Cohesion Policy**
- 3. 2014-2020 Cohesion Policy**
- 4. Post 2020 outlook**
- 5. Conclusions**

1. Introduction

Climate action:

– international commitments

- UNFCCC, Kyoto Protocol, Paris Agreement
 - COP21: to limit global warming to well below 2°C => 1.5°C from preindustrial levels; cities & subnational authorities invited to scale up efforts, demonstrate action, and exchange practices

– EU framework

- 2020 Climate and Energy Package
 - 20% cut in greenhouse gas emissions (from 1990 levels);
 - 20% of EU energy from renewables;
 - 20% improvement in energy efficiency.
- 2030 “Clean Energy for All Europeans” package
 - At least 40% cuts in greenhouse gas emissions (from 1990 levels)
 - At least 27% share for renewable energy
 - At least 27% improvement in energy efficiency

– urban dimension

- Significant relevance of urban climate action in both contexts

2. Cohesion Policy 2007-2013

- Climate action as a **new area of investment** in most programmes – a steep learning curve (e.g. for MAs)
- Lack of consistent and coherent **monitoring** of climate inputs and results
- **Cost-effectiveness** not always a priority
- Investment challenges exacerbated by **financial crisis**
- Use of **grants** for energy efficiency improvements, in some cases the most appropriate form of support
- First experience with **financial instruments** (e.g. financial instruments for urban investment under JESSICA)
- Lack of a clear overarching **structure** for climate contributions – difficult to draw conclusions

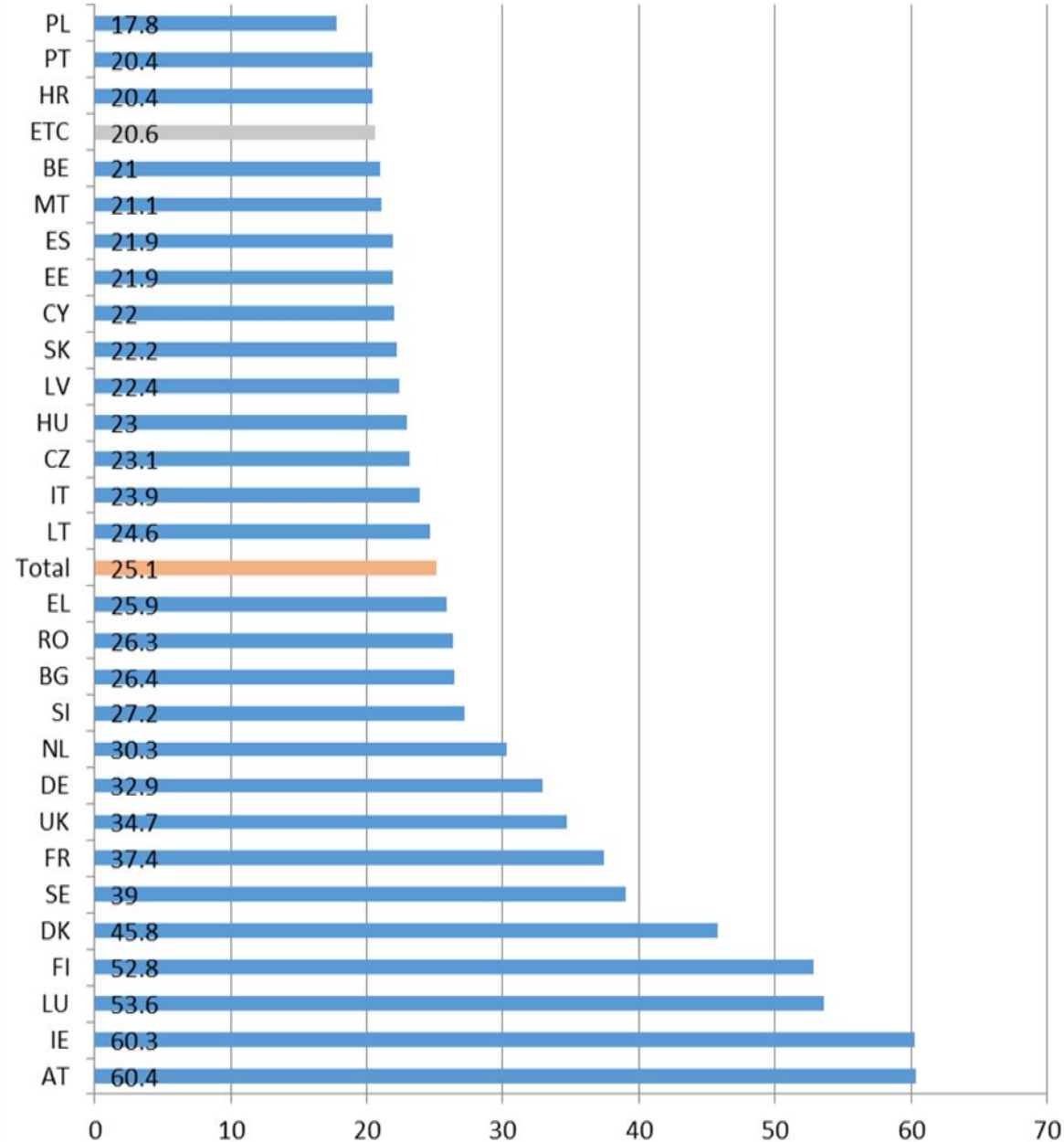
3. Cohesion Policy 2014-2020

- Commitment to devote at least **20%** of the EU budget to climate change adaptation and mitigation
- Improved **coherence** and **precision** of climate-relevant impact and result indicators
 - but not sufficient to establish the level of Cohesion Policy contribution to delivery of the EU's overall climate objectives
- Introduction of mechanisms such as the **Partnership Agreements, ex ante conditionalities**, and climate-relevant thematic objectives
 - TO 4 (low-carbon economy) primarily addressed by ERDF and CF (87% of a €64 bln commitment)
 - TO 5 (climate resilience) less prioritised by ERDF and CF (<25% of € 42 bln commitment)

How are climate contributions tracked in Cohesion Policy?

- Most developed mechanism for tracking climate of all the EU budget programmes.
- Not based directly on thematic objectives, but on intervention codes for categories of investment
- 123 intervention codes in total. “Climate markers” (either 100% or 40%) for codes listed in Annex to our report.
- Includes eg:
 - Renewable energy (100%)
 - Cycle tracks and footpaths (100%)
 - Promotion of energy efficiency in large buildings (100%)
 - Seaports (40%)
 - Water management and drinking water conservation (40%)
- Commitments to investments are scored on the basis of the climate marker for the investment code, and recorded as a contribution under the relevant thematic objective identified in the operational programme.

Share of support for climate action under all ESI Funds per Member State (2014-2020)



Share of ESI Funds (2014-2020) allocations to climate change by thematic objective

Thematic Objective	%
TO 1: Strengthening research, technological development and innovation	1.5
TO 2: Enhancing access to, and use and quality of, ICT	>0
TO 3: Enhancing the competitiveness of SMEs	0.7
TO 4: Supporting the shift towards a low-carbon economy in all sectors	34.3
TO 5: Promoting climate change adaptation, risk prevention and management	6.5
TO 6: Preserving and protecting the environment and promoting resource efficiency	42.4
TO 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures	9.7
TO 8: Promoting sustainable and quality employment and supporting labour mobility	4.8
TO 9: Promoting social inclusion, combating poverty and any discrimination	
TO 10: Investing in education, training and vocational training for skills and lifelong learning	
TO 11: Enhancing institutional capacity and efficient public administration	0.1
Total	100

Source: COWI (2016)

Climate spending estimates for 2014-2020 (commitment appropriations)

Fund	EUR mln	%
ERDF	37021.4	19.5
CF	18062.2	28.5
ESF	1133.3	1.4

Source: IEEP based on EC estimates

3. Cohesion Policy 2014-2020

- Strengthened urban dimension and European Territorial Cooperation
- Urban investment priorities focus:
 - energy efficiency, smart energy management and renewable energy use in public infrastructure
 - low-carbon strategies for all types of territories, in particular for urban areas - sustainable multimodal urban mobility and mitigation-relevant adaptation measures
 - cities revitalisation, regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promote noise-reduction measures
- At least 5% of the ERDF budget earmarked to support *integrated sustainable urban development strategies* addressing economic, environmental, climate, demographic and social challenges.

4. Post-2020 outlook

- The **Paris Agreement** reinforces the need for:
 - delivery of existing targets
 - progressively more ambitious action over the medium term
 - policies based on ambitious long-term decarbonisation trajectory
- Mitigation from **land use** sectors should become increasingly relevant
- **Innovation** policy and the **urban dimension** as fertile ground for synergies between climate objectives and cohesion policy
- Two broad **requirements** for the further development of climate mainstreaming in cohesion policy post-2020
 - to ensure that mainstreaming is more **effective**, and more **target-focused**
 - to identify and reflect the **implications** of the EU's commitments under the Paris Agreement

5. Conclusions

- Climate mainstreaming in the 2014-2020 is a **step forward**, but **further change** from 2020 onwards is necessary in order to
 - learn lessons from the implementation of mainstreaming and
 - reflect the new policy context created by the Paris Agreement
- A clear link should be drawn between the **contribution** of cohesion programmes and **Member States' climate mitigation targets**;
 - => greater standardisation of the assessment (and monitoring) of climate mitigation impacts.
- In line with the “Budget focused on results” initiative, the Commission should identify the expected **contribution** of future cohesion expenditure **to EU climate objectives**.
- The Paris Agreement requires a greater focus on the contribution to, and compatibility with, **long-term decarbonisation goals**.

Thank you

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