Post-Paris EU climate policy briefings

At the Paris Climate Summit, 195 governments agreed to reduce man-made greenhouse gas emissions to zero during the second half of this century and to limit average global temperature rise to 1.5°C. As signatories to the Paris Agreement, the EU and its Member States now need to revise and strengthen their climate and energy policies, and all other relevant policies to make them coherent with the Paris objectives. Our briefing papers provide a top line overview of the processes that will contribute to the needed zero-carbon transformation.

Climate and Energy Recommendations in the next European Semester

April 2016

What?
The European Union has set up a yearly cycle of economic policy coordination called the European Semester. Each year, the Commission undertakes a detailed analysis of EU Member States’ plans of budgetary, macroeconomic and structural reforms; such analyses are published in Country Reports\(^1\) in the first quarter of each year, and followed by country-specific recommendations (CSRs) for each Member State for the next 12-18 months. These recommendations, though not legally binding, seek to contribute to the objectives of the EU’s long-term strategy for jobs and growth, the Europe 2020 strategy, which is implemented and monitored in the context of the European Semester.

What is at stake?
In principle, Member States’ progress towards the 2020 climate and energy targets is analysed each year in the context of the European Semester. However, in 2015, the European Commission did not propose CSRs in the field of energy and climate. This comes despite acknowledging the need to enhance renewable energy, energy efficiency and green taxation in the 2015 Country Reports.

It is envisaged by the Commission that Member States’ progress towards its climate and energy objectives will be captured by the work of the Energy Union. The State of the Energy Union provides policy conclusions at the Member State level. It is accompanied by 28 country fact-sheets giving a snapshot of where each Member State stands today on the five dimensions of the Energy Union.

Environmentally harmful subsidies, including fossil fuel subsidies, should be phased out; and the Semester provides an appropriate mechanism to do this, as part of fiscal reform and a shift in taxation from the labour force to polluters.

\(^1\) http://ec.europa.eu/news/2016/02/20160226_en.htm
Who are the key players?
For the European Commission: DG Economics and Finance (ECFIN) has a number of desk officers responsible for making the country reports and developing the CSRs; the full Commission, led by the Secretary General is responsible for making the country recommendations. The Commission deploys specific country officers in EU capitals; they serve as a contact point for national ministries and civil society.

What has happened, will likely happen and when?
The 2016 Country Reports have been published by the European Commission and the CSRs are said to be published late May 2016.

CAN Europe’s position
CAN Europe calls for the full phase out of all fossil fuel subsidies by 2020. Instead the money saved should be used to support zero carbon alternatives, both in the EU and abroad.

CAN Europe calls for a better alignment of the EU’s financial objectives and fiscal policies with sustainable development and climate action objectives.

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