



# CLIMATE FINANCE

## COP21: UNITED FOR CLIMATE

The EU and its Member States are the biggest contributors of climate finance to developing countries, €14.5bn in 2014.

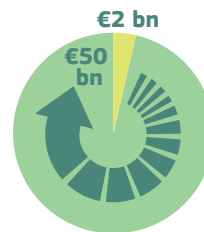


The EU seeks to use public money to leverage private investment. Since 2007, around **€1bn of EU grants for climate projects in developing countries has led to a total investment of about €25bn** in projects including renewable energy, energy efficiency, waste management and anti-deforestation. **The Investment Plan is providing new opportunities to leverage additional private investments.**

At least 20% of the EU budget will be spent on climate action by 2020.

At least €14bn (an average of €2bn per year) will support activities in developing countries between 2014 and 2020.

A new common methodology for climate-related expenditure based on OECD methodology has been established in order to track progress towards the 20% objective.

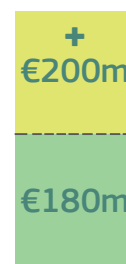


Between 2014 and 2020, the EU will mobilise more investment for climate action in this way, with at least €2bn of grants that could lead to total investments of up to €50bn.

Compared to the average level in 2012-2013, **funding for international climate action will more than double.**



The EU will provide almost €200m for disaster risk reduction projects between 2014 and 2020. This will be provided in top of the €180m already allocated to on-going programmes.

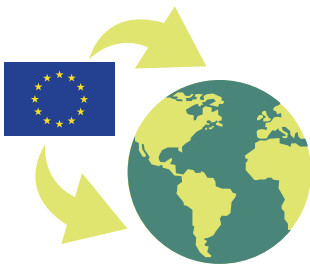




# DEVELOPMENT POLICY

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Developing countries are particularly vulnerable to climate change. **Halting the effects of climate change can help reduce poverty; while ensuring sustainable economic development and growth will help countries tackle climate change.**



**The EU with its Member States is the world's biggest donor of Overseas Development Assistance (ODA) to developing countries.**

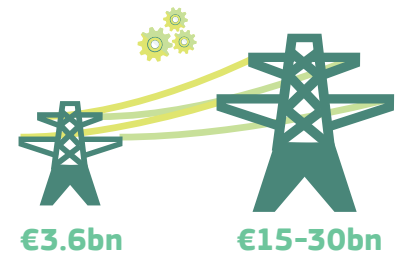
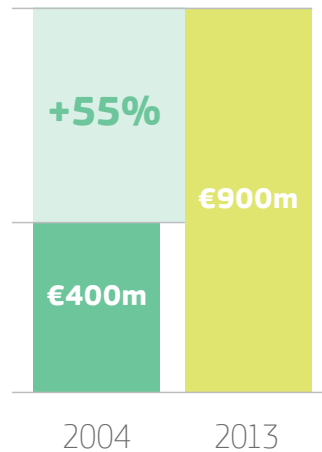
**The EU is also committed to scaling up support for climate action on the ground through the Global Climate Change Alliance (GCCA), which receives funding from the EU budget and from several Member States. The GCCA supports a wide range of climate action programmes and projects across the world.**

An expected commitment of around €350m is foreseen in the recently launched new phase of the programme for 2014-2020 for the GCCA.



Climate finance to developing countries from **the EU budget and the European Development Fund (EDF)** has increased over the last years: from €400m in 2004, it **more than doubled to €900m in 2013.**

At least €14bn (an average of €2bn per year) will support activities in developing countries between 2014 and 2020.



**The EU's development policy recognises energy as a key driver for sustainable and inclusive growth. In the period 2014-2020, the EU will support renewable energy, electrification and energy efficiency projects with about €3.5bn in grants, and further leverage €15-30bn in loans and equity investment**



# ENERGY POLICY

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Making Europe's energy systems more clean and sustainable is a central part of the EU's transition to a low-carbon economy. This transformation requires actions structured along the following energy policy challenges:

### EMPOWERING CONSUMERS:



A sustainable transformation of Europe's energy will benefit Europe's consumers, **allowing them to save money and manage their consumption** leading to more energy efficiency.



To promote better energy choices for the consumers, the EU is working on transforming the energy retail markets.

This includes making sure that the lower prices of energy are passed to consumers (between 2008 and 2014 **wholesale prices went down by 40% while retail prices increased by 20%**); and promoting flexible and dynamic price contracts (experience shows this can bring **household energy bills down by 15-30%**).



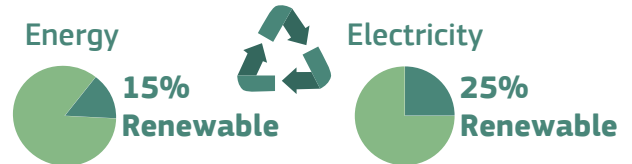
### ENERGY EFFICIENCY:

The EU promotes energy efficiency savings through more efficient products, household energy consumption and energy efficient buildings. For instance, **existing EU policies on energy efficient products can help every European household save on average €465/year on their energy bills by 2020.**

### RENEWABLES:

Europe is a world leader in renewable energy and has installed three times the amount of renewable power per capita than the rest of the world.

Already today, 15% of energy we consume in Europe is renewable. This is even higher for electricity, where renewables represent 25% of the total share.



Today EU renewables manufacturers are the number one in the world, producing 40% of all turbines, €35bn of renewable energy equipment and showing an annual turnover of almost € 130bn.



**Renewables and energy efficiency** are major contributors to **job creation** in Europe.

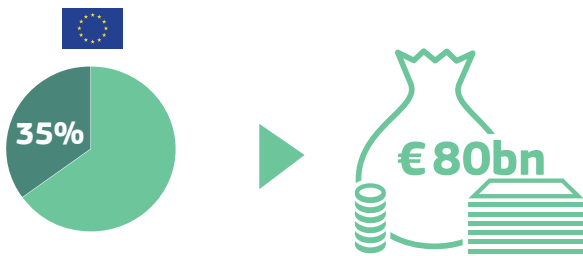
More than 1 million Europeans work in the renewables sector and it is estimated that building renovation programmes to increase energy efficiency of buildings will create 2 million local jobs by 2020.



# RESEARCH AND INNOVATION POLICY

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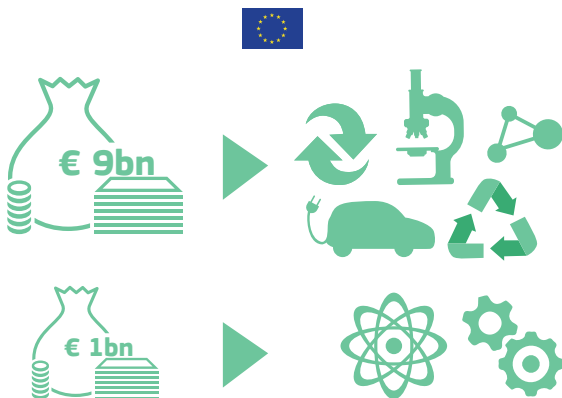
Through Horizon 2020, the European research and innovation programme for 2014-2020, **the EU has committed to allocate at least 35% of the programme's approximately €80bn budget to climate-related objectives** (this is part of the broader aim to devote 60% of the entire budget for sustainable development).



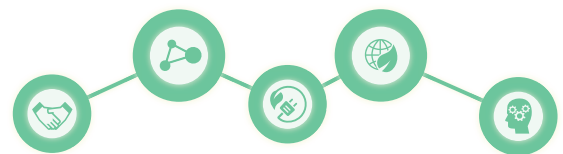
HORIZON 2020

In the first two years of Horizon 2020, this financial contribution amounted to more than €9bn to support energy research, clean transport, climate action and resource efficiency, bioeconomy and key technologies, with an additional €1bn dedicated to the construction of the international thermonuclear experimental reactor (ITER).

HORIZON 2020



One important strand of research and innovation activities is focused on supporting the building of a **sustainable Energy Union, with just under €6bn foreseen from Horizon 2020** over seven years. This will allow investments into research **on greater energy efficiency, technological breakthroughs in renewable energies and decarbonising the fossil fuel power sector and carbon intensive industry.**



A central building block in these efforts is the recently updated **Strategic Energy Technology (SET) Plan to develop low-carbon energy technologies and help lower costs.** The SET plan helps to structure national and EU programmes as well as and improves cooperation between industry and research organisations. **The Plan has already triggered substantial investments from the EU, the Member States and the private sector.**

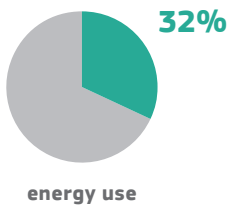
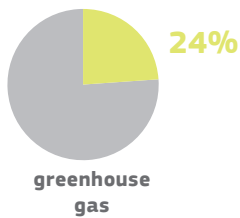




# TRANSPORT POLICY

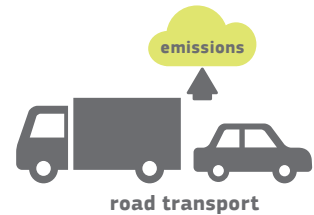
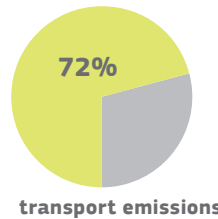
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In Europe, **transport accounts for 24% of all greenhouse gas emissions and for 32% of the energy use.** Decarbonisation of the transport sector is both a matter of sustainability and security of energy supply.



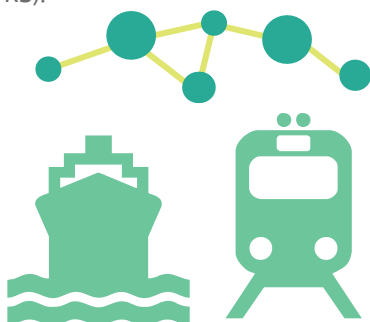
Decarbonisation of the transport sector

**Road transport** is currently responsible for 72% of all transport emissions. It is likely to remain predominant in the future. The Commission's ambition is to **achieve road transport decarbonisation through promoting alternative fuels (including electrification), energy/vehicle efficiency and managing transport demand.**

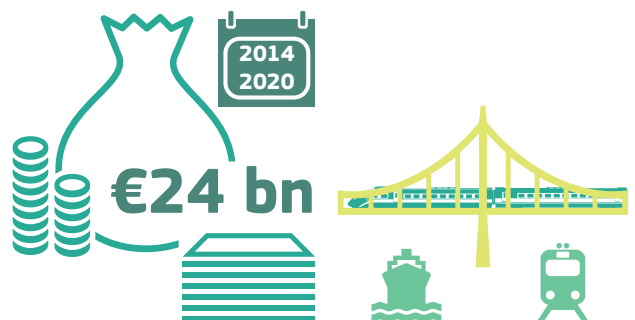


alternative fuels and electrification

EU policy aims at **promoting sustainable modes of transport – rail and waterborne transport.** This requires the construction of missing infrastructure links - in particular cross-border connections and other capacity constraints that lead to bottlenecks – and removing remaining market barriers (such as rail connections centred around national networks).



**With a budget of €24bn for 2014-2020,** the EU's **Connecting Europe Facility** supports key infrastructure projects, promoting sustainable transport modes, multi-modality and integration of intelligent and innovative technologies in transport.





# ENVIRONMENT AND MARITIME POLICY

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The EU will shortly present its **Circular Economy Strategy**, which will help to modernise and **transform Europe into a more competitive resource-efficient economy**. Moving to a circular economy will bring jobs, growth and major greenhouse gas reductions as well as decrease threats to health and wellbeing.



The EU also **invests in natural biodiversity** to help reduce emissions and facilitate adapting to the effects of climate change. For example, healthy trees and soils store carbon and therefore reduce the amount of greenhouse gases.



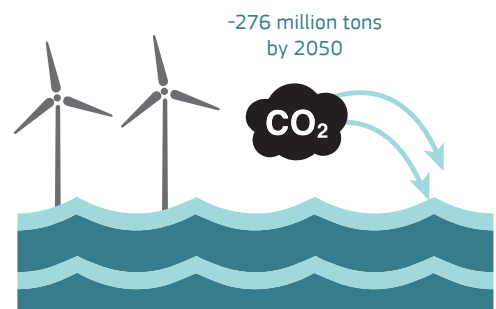
The European Commission ensures **€6bn** in funding to support **circular economy projects** under several EU programmes.



The EU is **active in tackling illegal logging around the world**. The EU Timber Regulation of 2013 is designed to stop the imports of illegal timber wood and wood-based products into the EU market, and to stop illegal harvesting and trade within the EU.



By absorbing heat and carbon dioxide, oceans play a key role in the adaptation to climate change. The EU works to **improve ocean governance and ensure the conservation and sustainable use of oceans**. If managed well, the seas and oceans offer a continuous source of **clean and renewable energy** allowing to **avoid 276 million tons of CO<sub>2</sub> emissions by 2050**.



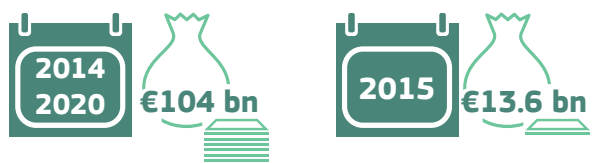
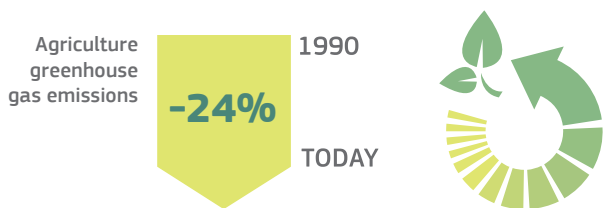


# AGRICULTURAL POLICY

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**Agriculture contributes to 10% of the total EU's greenhouse gas emissions.** These emissions have declined by 24% since 1990, while total output of agricultural production was maintained thanks to land management using modern technologies, improved knowledge and specific practices combat climate change.

The EU is already taking measures to **ensure sustainable intensification of agriculture.** A number of steps have already been taken to integrate climate change concerns into successive reforms of **our Common Agricultural Policy (CAP).**



**A substantial amount of €104bn or 25% of the 2014-2020 CAP allocation is estimated to be related to climate.** In 2015, it is estimated that €13.6bn of the CAP budget will be climate relevant.



**Climate action is also an important aspect of the EU rural development policy,** which supports **farm modernisation** in order to cut energy consumption, produce renewable energy, improve input efficiency and reduce emissions.



The EU is **investing in climate smart agriculture.** With Horizon 2020, our efforts of research and innovation in food, agriculture, forestry and marine have doubled, reaching **€3.6bn for the period 2014-2020.** Climate smart agriculture is also one of the key topics for the almost 3000 innovation projects, which are expected to receive funding from the Rural Development budget.

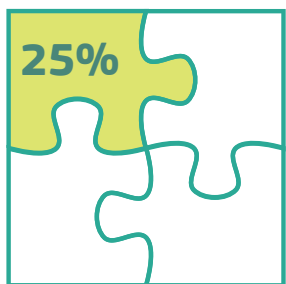


# REGIONAL POLICY

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### EUROPEAN STRUCTURAL AND INVESTMENT FUNDS



The European Structural and Investment Funds will provide more than €110bn over 2014-2020 to directly and indirectly support climate-related actions – both mitigation and adaptation. It represents 25% of the total ESIF envelope for 2014-2020.

About €29bn from the ESIF are allocated for climate change adaptation and risk prevention measures.



For the period 2014-2020, about €40 bn from the European Regional Development Fund (of over €350bn) will support the shift towards



### LOW-CARBON ECONOMY

with result-oriented investments in the fields of



energy efficiency



sustainable multimodal urban transport



renewables



research and innovation



smart grids