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European Commission

Management Plan 2019

DG CLIMATE ACTION

Contents

INTRODUCTION

As presented in the Strategic Plan 2016-2020[1], the mission of DG Climate Action (DG CLIMA) is to foster the transition towards a low carbon and climate resilient economy in the EU as a contribution to fighting climate change, and to support the protection and recovery of the ozone layer.

The **overarching general objective** for DG CLIMA is to contribute to achieving **'A resilient Energy Union with a forward-looking climate change policy'**, the third of the ten political priorities of the Juncker Commission.

As its contribution to the 2015 Paris Agreement on climate change, the EU has committed to **cut domestic greenhouse gas (GHG) emissions by at least 40% by 2030 compared to 1990.** The EU is the only major economy in the world that has fully translated into legislation the steps to be taken to meet its Paris Agreement pledges. To that effect, **key legislation to cut emissions in the power sector, energy intensive industry, road transport, waste, agriculture, land use and forestry, and buildings** was adopted. In particular, last year, four core proposals were agreed (EU Emission Trading System Directive, Effort Sharing Regulation and Land Use, Land Use Change and Forestry (LULUCF) Regulation, Governance of the Energy Union). Moreover, the negotiations between the European Parliament and EU Member States have resulted in a provisional agreement on the Regulation setting post-2020 CO2 targets for cars and vans. Concerning CO2 standards for heavy-duty vehicles for 2030, the European Parliament has agreed on its negotiating position and the Council aims to do so by the end of 2018, so that the negotiations can start. At the beginning of 2019 the Commission will adopt a legislative proposal to amend the EU Monitoring, Reporting and Verification (MRV) Regulation. DG CLIMA will continue to work in 2019 to **ensure agreement by the co-legislators on these pending proposals**.

On top of the climate package, this summer the Member States and the European Parliament have agreed on the legislation on energy efficiency and renewables, settling on higher targets for improving energy efficiency (32.5%) and for renewable energy (32%) by 2030 compared to the targets proposed by the Commission. As a result, and on the basis of Commission's analysis, fully implementing these objectives will lead to **steeper emission reduction** for the whole EU and, provided the legislation is fully implemented, are expected to result in some **45% cut in GHG emissions by 2030.**

The EU has now established a **robust framework** and supporting tools to implement, monitor compliance and promote investments. The legal framework **is now in place to ensure that the EU's 2030 climate targets will be reached.** It should be noted that, while strategies have been agreed, negotiations on measures to curb emissions in the international aviation and maritime sector are still ongoing.

In the coming months and years DG CLIMA will focus its efforts on **implementing the various legislative acts** adopted under this 2030 legislative framework. For example, following the **revision of the EU ETS Directive,** DG CLIMA is elaborating the

[1] https://ec.europa.eu/info/sites/info/files/strategic-plan-2016-2020-dg-clima_april2016_en.pdf

implementing legislation to ensure that practical rules and tools are available on time for the start of the fourth trading period as of 2021. Regarding the implementation of the new **Governance Regulation,** guidance to prepare and monitor the national energy and climate plans (NECP) is being issued and revised, detailed reporting requirements will be elaborated. In these NECPs, Member States are expected to propose ambitious national policies and measures to ensure meeting their **Effort Sharing targets**. In 2019, DG CLIMA will provide technical assistance and capacity building to the Member States in the preparation of their NECPs. In the area of **Land Use, Land Use Change and Forestry (LULUCF)**, DG CLIMA will assess the National Forestry Accounting Plans submitted by Member States.

Three years ago, when 195 countries adopted the Paris Agreement, the Intergovernmental Panel on Climate Change (**IPCC**) was charged with the task of informing countries of **what action was needed to limit global warming to 1.5°C**, and what might happen if countries would fail to do so. The answer provided by science is clear: the **Special Report** published in October 2018 unequivocally confirms that limiting climate change to 1.5°C is necessary to avoid the worst impacts and reduce the likelihood of extreme weather events. Its conclusions indicate that global emission reduction in all sectors are crucial and that further action is needed in mitigation and adaptation, notably to reach the temperature goal as set out in the Paris Agreement. The report shows that achieving the 1.5°C is doable, provided we act now and use every tool at our disposal. Countries will need to raise the collective ambition through their nationally determined contributions (NDCs) and will all need to deliver on these goals, in order to achieve a carbon neutral economy as soon as possible this century.

In this regard, DG CLIMA, with the Directorate-General for Energy (DG ENER) and contributions from a wide range of policy DGs, has put forward a proposal for a strategy **for EU long-term greenhouse gas emission reduction.** It is a comprehensive vision for the modernisation of the economy, industry and the financial sector. The EU will work to reduce GHG emissions in line with the Paris Agreement's goals, and to turn its economy into a more modern, innovative, competitive and climate resilient one. In December 2018, during the UNFCCC Conference of the Parties (COP) 24 in Katowice, Poland and continuing throughout 2019, DG CLIMA and other DGs will start the outreach communication to multiple audiences, including the media and the public on this vision of the transition to a low carbon economy in the EU that protects the planet, defends its people and empowers its economic operators.

In 2019, DG CLIMA will ensure that climate change is maintained as a strategic priority in diplomatic dialogues and international negotiations. For example, the DG will contribute to the preparation of COP25 and the UN Secretary General Climate Summit. It will organise a public event on the challenges of the longer-term decarbonisation of the aviation section. DG CLIMA will further develop its cooperation activities on carbon markets with selected partners and will implement the Kigali Amendment of Montreal Protocol.

Finally, in 2019, further actions will be conducted to ensure a sufficient level of low carbon investments to meet our 2030 targets. This will imply, for example, supporting the lead services in integrating climate action into the various EU spending programmes, creating two funds to further support the transition to a low carbon economy (the Innovation Fund and the Modernisation Fund), monitoring the implementation of two financial instruments

(PF4EE and NCFF), and continuing to support the call for proposals for grants funded by the LIFE Climate Action sub-programme.

As illustrated in Table 1 below, climate initiatives and instruments are reflected in the seven specific objectives (SOs) identified for DG CLIMA and in the 8th organisational objective support the achievement of the (key) general objective(s) by the end of the mandate of this Commission and beyond.

Table 1 – DG CLIMA's 8 specific objectives for the period 2016-2020

Specific Objective	**Description**
SO1	Further development of the well-functioning EU carbon market, via the EU Emissions Trading System (ETS), towards a 21% reduction of greenhouse gas (GHG) emissions by 2020 and 43% by 2030 compared with 2005 in the sectors of power and heat generation, energy-intensive industries and aviation.
SO2	A fair and operating framework for Member States (MS) towards a reduction of 10% GHG emissions by 2020 and a reduction of 30% by 2030 compared to 2005 in the non-ETS sectors in the EU (agriculture, forestry, land use, buildings, transport, and waste). This includes the EU Effort Sharing Regulation (ESD), Land Use, Land Use Change and Forestry (LULUCF) Regulation, use of Fluorinated-gases and consumption of Ozone Depleting Substances and their phasing out.
SO3	Further decarbonisation of the transport sector in the EU beyond 2020 through development and implementation of harmonised policies (in cooperation with other DGs such as DG MOVE and DG GROW).
SO4	Increased resilience of EU society against the effects of climate change by 2020 via effective support to MS, respecting the subsidiarity principle (adaptation, disaster risk reduction, civil protection, etc.).
SO5	Optimisation and efficient management of financial incentives in 2014-20 to support the innovation-based shift towards a low carbon and climate-resilient EU economy through the EU budget (LIFE, mainstreaming) and the (ETS) funds, in cooperation with all DGs.
SO6	Implementation of the Energy Union Strategy towards an enhanced climate and energy governance mechanism, including streamlined reporting and planning post-2020 in coordination with DG ENER.
SO7	Ambitious contribution to effective international negotiations on climate action, including bilateral cooperation, climate diplomacy, G20, the United Nations Framework Convention on Climate Change (UNFCCC) umbrella agreements (Kyoto, Paris, International Civil Aviation Organization (ICAO), International Maritime Organization (IMO)) and ozone layer-related matters e.g. the Montreal Protocol.
SO8	Ongoing optimisation of organisational management

PART 1. MAIN OUTPUTS FOR THE YEAR

The **Commission's Work Programme (CWP) for 2019** (*"Delivering what we promised and preparing for the future"*) highlights the fact that the Commission has now **tabled all of the legislative proposals** needed to deliver positive change across the ten priorities of the European Commission for 2014-2019. For DG CLIMA, the priority now is twofold. Firstly, DG CLIMA needs to **turn its pending proposals into legislation**, and prepare to implement these effectively. Secondly, the Commission needs to prepare for the Sibiu Summit, which will take place in May 2019, that will look into the future of Europe. This will be a crucial moment for the EU and its 27 Member States to shape its own future.

The Long Term Strategy for GHG emissions reduction

As highlighted in the IPCC Special report, limiting climate change to 1.5°C is necessary to avoid its worst impacts and reduce the likelihood of extreme weather events. The Commission needs to start preparing a 'just' transition to achieve a net zero GHG emissions economy as soon as possible this century. As mentioned in the CWP 2019, DG CLIMA, together with the Directorate-General for Energy (DG ENER), and in full consultation with all Commission departments, worked on a proposal for a **Long Term Strategy for EU greenhouse gas emissions reduction** in accordance with the Paris Agreement and taking into account the national energy and climate plans for the period 2021 to 2030**. The proposal was adopted by the College on 28 November 2018.** This strategy puts forward a vision for the mid-century on how the EU can help protect the planet, defend its people and empower its economic operators. It sets out how reducing GHG emissions goes hand in hand with the ongoing clean energy transition and outlines a number of pathways, including those aiming at a zero GHG emissions society by 2050 in line with the Paris Agreement's 1.5°C temperature objective. In 2019, DG CLIMA will conduct **various outreach and communication activities** around this strategy. It will send a strong signal to our partners that the EU is planning for the long term in a robust way. Broad consultations with stakeholders in Member States and debates in the European Parliament and different Council formations of the European Council will provide good opportunities to shape the debate at EU level in a decisive manner. The proposal made by the Commission will launch the debate, in particular in light of the Special summit in Sibiu, in May 2019, in view of the official submission of the EU strategy to the United Nations Framework Convention on Climate Change (UNFCCC) by 2020.

Pending commission proposals on CO_2 emission reduction in the transport sector

As highlighted in the Commission's Work Programme for 2019, the Commission needs to continue the work to **secure agreement by the co-legislators** on the Commission proposals under the 'Europe on the Move' Mobility packages to ensure timely implementation of our agenda for safe, clean and connected mobility.

The **mobility proposals** setting CO2 standards for **cars and vans** and for **heavy-duty vehicles** are currently under co-decision and will be DG CLIMA's main priority in the upcoming months. Emissions from the **transport** sector are still increasing, so the standards proposed for 2025 and 2030 are fundamental to tackle this challenge. Concluding the negotiations on the two proposals during the current legislative term is of utmost importance.

With an expected increased demand for maritime transport triggered by growth of world trade, total CO2 emissions related to European **maritime transport activities are projected to** double by 2050. The **EU Monitoring, Reporting and Verification (MRV) Regulation** on shipping emissions measures the total amount of CO2 coming from those activities. It triggered a new discussion process in the **International Maritime Organization (IMO)** leading to the adoption of the legal framework for a **global fuel consumption data collection system** in October 2016, finally completed in 2017. As a result, the Commission is now about to adopt a legislative proposal **to amend the EU MRV Regulation** on shipping emissions to take account of the IMO reporting system. In 2019, DG CLIMA will support the Parliament and Council to turn the shipping proposal into a final agreement.

Adaptation to climate change

The Paris Agreement calls on Parties to increase the resilience of their societies, decrease vulnerability to climate change and enhance their capacity to adapt. On 12 November 2018, DG CLIMA released its report on **the evaluation of the 2013 EU Adaptation Strategy**. The report shows the relevance, effectiveness and efficiency of the Strategy while outlining further progress needed such as (i) move from planning into implementation for countries, regions and cities; (ii) better knowledge of high-emission scenarios; (iii) more involvement of private sector in financing adaptation; (iv) continuation of integration of adaptation into other policies. Throughout 2019, lessons learnt and conclusions will be disseminated in cooperation with other European institutions, cities, think tanks and through high-level conferences, e.g. the European Climate Change Adaptation conference in May 2019.

Adapting the legal framework following the revision of the EU ETS Directive (Phase 4: 2021-2030)

The **EU ETS (Emissions Trading System)**, the world's first major carbon market, proved that putting a price on carbon and trading in it can work. To achieve the EU's overall GHG emissions reduction target for 2030, the sectors covered by the EU ETS must reduce their emissions by 43% compared to 2005 levels. In 2018, an agreement was reached on the **revised EU ETS Directive**, which will apply for the period 2021-2030. It includes a cap declining by 2.2% annually from 2021 onwards, corresponding to an additional reduction of around 556 million tonnes of carbon dioxide in the period 2021-2030 compared to the current annual decline of 1.74%.

DG CLIMA will elaborate the **implementing legislation** to ensure that practical rules and tools are available on time for the start of the fourth trading period (2021-2030). This work began in 2018, with the adaptation of several instruments i.e. the Union Registry, the free allocation rules and the carbon leakage list. In 2019, DG CLIMA will complement the work done so far with the elaboration of further implementing acts, in particular with the amendment of the **EU ETS Auctioning Regulation** and the new **rules for allocation adjustments due to activity level changes**.

Implementing the new Governance Regulation, Effort Sharing Regulation and LULUCF Regulation

In 2018, the European Parliament and Council adopted the Regulation on the **Governance of the Energy Union and Climate Action**. The new governance system will help to ensure that the EU and the Member States achieve their GHG emissions reduction, renewable energy and energy efficiency goals. In 2019 DG CLIMA will **prepare implementing and delegated acts** to implement the new Governance Regulation by revising detailed reporting requirements and implementing rules.

As part of the governance system, each Member State is invited to present their policies and measures towards 2030 in **national energy and climate plans (NECPs)** for the period 2021-2030. These plans will ensure coherence between national and EU 2030 policies and constitutes an opportunity to share good practices on policies and measures and to spur cross-border and regional cooperation. From 2021, Member States will regularly report on the progress they make, while the European Commission will monitor the progress of the EU as a whole. In that way, collective achievement of Energy Union objectives, i.e. GHG, renewables and energy efficiency will be assessed. In 2019, DG CLIMA will provide technical assistance and capacity building to Member States in the preparation of their NECPs. It will also analyse draft plans and may issue recommendations. In addition, DG CLIMA will contribute to the 4th Annual report on the State of the Energy Union and will actively support the European Semester process.

Under these NECPs, in 2019, Member States are expected to propose ambitious policies and measures to ensure that they meet their ETS, Effort Sharing and LULUCF targets. They are also expected to notify before the end of 2019 whether they will use the ETS flexibility. In that context, DG CLIMA will continue to provide technical assistance and capacity building to support Member States to improve GHG inventories and GHG projections. DG CLIMA will also conduct the annual compliance cycle requiring a review of Member States' GHG inventories as has been done in the past.

In the area of Land Use, Land Use Change and Forestry (LULUCF), Member States have to submit their National Forestry Accounting Plans by the end of 2018. In 2019, DG CLIMA will, in consultation with experts, undertake a technical assessment of these plans in view of the preparation and adoption in 2020 of a Delegated Act for Forest Reference Levels. In addition, LULUCF inventories on non-forest land will be updated.

International action and agreements

In 2019, DG CLIMA will ensure that climate change is maintained as a strategic priority in diplomatic dialogues and that it is featured prominently in all relevant international negotiations and international fora, such as the G7 and G20. It will actively contribute to the negotiations process related to the implementation of the **Paris Agreement.** In the upcoming year, the EU will engage with Paris Agreement Parties and non-state actors in order to demonstrate leadership and to mobilise political and economic commitment for

swifter action and higher ambition. Together with the rotating Presidency of the Council of the EU, DG CLIMA leads international negotiations for the EU. Next year, DG CLIMA will actively contribute to the preparations of the Bonn sessions and **COP25** which will take place in Latin America in November 2019.

At COP24 in Katowice in December 2018 a detailed rulebook for implementing the Paris Agreement was finalised. The Talanoa Dialogue pursued a commitment from all Parties to reflect on their levels of ambition and inform the preparation of all Parties' nationally determined contributions (NDCs) pursuant to Article 4 of the Paris Agreement. The next important step in the process is in 2020 when all Paris Agreement Parties will have to communicate or update their NDCs, i.e. their level of efforts to reduce national emissions and adapt to the impacts of climate change. A key milestone in the process will be the **UN Secretary General Climate Summit in September 2019** in New York City, which aims at increasing the ambition of climate commitments. In 2019, DG CLIMA will support the preparation and the organisation of the summit. Main themes will be the energy transition, climate finance and carbon pricing, industry transition, nature-based solutions, cities and local action, and resilience. Furthermore, the EU, China and Canada can play a pivotal role in leading this process through the already established **Ministerial on Climate Action (MoCA).** The EU will demonstrate leadership by promoting a conversation around ambition amongst the major economies, who are also the major emitters. In addition, before the summer of 2019, the **High-Level Political Forum** will take place and will review the implementation of several **Sustainable Development Goals (SDG)**, including SDG 13 on climate action. In this context, an EU flagship high-level event on climate change will be held showcasing SDG 13 as an overarching SDG priority.

Next year, **bilateral activities on carbon markets** with strategic partners will be pursued further, for example with China, Republic of Korea and New Zealand, complementing carbon markets discussions with selected partners such as China, New Zealand, California and Canada through the Florence process which brings together policymakers worldwide to exchange information and knowledge and to enhance cooperation between carbon markets.

In addition, in 2019, DG CLIMA will further work on the **correlations between climate action objectives and development and trade policies** with a view to identifying potential synergies, for example through the Sustainable Development chapter in trade agreements or through Aid for Trade initiatives supporting further trade liberalisation while contributing to sustainable development.

In 2019, the Commission will equally focus on the cooperation, implementation and enforcement of the Kigali Amendment of the Montreal Protocol to phase down the global production and consumption of hydrofluorocarbons (HFCs). Parties to the Protocol will meet twice during the year, in Bangkok and Rome respectively. HFCs are very powerful GHGs used mainly in refrigeration, air conditioning and heat pump equipment. Global implementation of the Kigali Amendment would prevent up to 80 billion tonnes CO_2 equivalent of emissions by 2050. The first reduction step to be taken by the EU and other developed countries is required in 2019, while most developing countries will start their phasedown in 2024. In 2019, DG CLIMA will assemble, assess and submit EU baseline HFC data prior to the legal deadline of 31 March. Furthermore the DG will work with the

European Environment Agency (EEA) to ensure that companies are able to report information for 2019 onwards in the format required by the Amendment.

In terms of domestic work, the EU phase down of HFCs entered new territory in 2018 with a step-down to 63% of the 2009-2012 baseline. This supply squeeze has raised HFC prices (in line with what was expected in the Impact Assessment) but has led to other challenges, such as illegal trade, necessitating greater enforcement work such as targeted stakeholder interaction. In addition, DG CLIMA is working closely with the Directorate-General for Taxation and Custom Unions (DG TAXUD) to introduce automated customs' information, via the CERTEX 'single window' system, to further combat illegal trade.

As part of the international cooperation on climate change, DG CLIMA is actively involved in the **International Civil Aviation Organization (ICAO)** process to develop and implement as of 2019 the **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).** Offsetting allows airline companies to compensate their emissions by financing a reduction in emissions elsewhere. To prepare the ground for the implementation in the EU of the ICAO CORSIA, DG CLIMA will organise **two regional workshops** in 2019 to exchange and coordinate Member States' approach and to share best practices.

Funding for climate action

Over the next decade, the EU will need around €180 billion a year in low carbon investments to meet its 2030 targets. In this context, for the next **Multiannual Financial Framework**, the Commission proposed to raise the level of ambition for climate mainstreaming, i.e. to integrate climate action into its EU budget 2021-2027, with a target of at least 25% of EU expenditure contributing to climate objectives. In 2019, DG CLIMA will continue to support the lead services in integrating climate action into the various EU spending programmes such as the European Regional Development Fund (ERDF), the European Agricultural Fund for Rural Development (EAFRD) or the Horizon 2020 research programme and to monitor progress made for the 2014-2020 period. In addition it is anticipated that the LIFE programme will be readily adopted once the overall MFF is adopted.

In line with the outcomes of the the UN Intergovernmental Panel on Climate Change (IPPC) Special Report, we must raise our ambitions in combatting climate change, and turn today's challenges into opportunities. **Research and Innovation** will play a crucial role in our efforts to tackle climate change. In 2019, DG CLIMA will work on putting climate action at the heart of **Horizon Europe** by participating in the governance structure of the new EU's research and innovation flagship programme, provided additional resources are transferred from RTD to CLIMA to this end.

But **public money will not be enough** — the financial sector must throw its full weight behind the fight against climate change. In March 2018, the Commission presented the first-ever EU Action Plan on Sustainable Finance. It sets out a structured and systematic approach for directing private investment into greener projects, by changing incentives and current culture along the investment chain. The Action Plan was followed by a series of 4 legislative proposals in May 2018 that address the definition of sustainable finance, low carbon benchmarks and investors' duties. In order to progress in this work the Commission created a Technical Expert Group to advise on definitions, Green Bond standards, benchmarks as well as corporate disclosure requirements. In 2019, DG CLIMA will provide its expertise and will support the implementation of the Action Plan as well as the legislative proposals. The anticipated outputs will be definitions of climate mitigation and adaptation finance, contained in a report due in June 2019, which will subsequently become delegated acts adopted in accordance with the framework 'taxonomy' legislation.

In 2019, DG CLIMA will continue to monitor the implementation of **two financial instruments**, Private Finance for Energy Efficiency (**PF4EE**) and Natural Capital Financing Facility (**NCFF**), which are delegated to the European Investment Bank. They aim to provide affordable commercial financing and loans for energy efficiency investments and for projects delivering on biodiversity and climate adaptation. To address recommendations from auditors and in view of the slow of the uptake of energy efficiency investments on the ground, DG CLIMA will step up the monitoring of their performance and their contribution to the climate objectives.

Concerning the **LIFE Climate Action sub-programme**, the Commission will continue the work related to the call for proposals for action grants and operating grants in close collaboration with the Executive Agency for Small and Medium Enterprise (EASME) in May-July 2019. Projects funded on the basis of calls for proposals since 2014 will start delivering results which will be carefully monitored and integrated in climate policy making and implementation.

In addition, the revised EU ETS for the period 2021-2030 foresees the **creation of two funds via the monetisation of ETS allowances to further support the transition to a low carbon economy**: the Innovation Fund and the Modernisation Fund.

Building on the experience of the previous NER300 programme, **the Innovation Fund** will support innovation in low carbon and renewable energy technologies. It also supports the demonstration of Carbon Capture and Storage which aims at capturing CO2 and storing it, usually in an underground geological formation. Following the adoption of the draft Delegated Regulation in 2019, and its scrutiny by the Council and the European Parliament, DG CLIMA's efforts will focus on the implementation of the first call that should take place in 2020, including outreach to project proponents and Member States as well as concluding arrangements with the selected implementing body.

In 2019, DG CLIMA will work to prepare the implementing act that will set the rules on the operation of the **Modernisation Fund.** The fund aims at promoting the renewal of the energy infrastructure and to improve energy efficiency in the 10 beneficiary Member States.

Evaluations and REFIT initiatives

In 2019, DG CLIMA will finalise two important evaluations, with the publication of the respective Staff Working Documents summarising their final conclusions.

First, the evaluation of the Ozone Regulation. In the 1970s, scientists discovered that certain man-made substances deplete **the ozone layer**, leading to an increased level of ultraviolet radiation reaching the earth. This has a profound impact on human health, animals, plants, biogeochemistry, air quality and materials. At the same time, most of these substances have high global warming potential and are contributory factors towards increasing the temperature of the planet. The **Ozone Regulation** seeks to reduce the production and consumption of ozone-depleting substances (ODS). The evaluation of the Ozone Regulation in response to the political commitment taken in the **Regulatory Fitness and Performance programme (REFIT)**, which keeps EU legislation under review to ensure that it is fit for purpose.

The **General Union Environment Action Programme to 2020 (7th EAP)** is an agreed framework for EU environmental policy that sets out priority objectives and actions up to 2020. Its general objective is to improve the state of the EU environment's and citizens' wellbeing, whilst contributing to the EU's broader objectives of smart, sustainable and inclusive growth. It is an important framework in the context of the 2020 climate and energy package. Conducted in close cooperation with the Directorate-General for Environment (DG ENV), the evaluation is assessing whether the programme is helping to deliver on these priorities in view of possibly preparing an 8^{th} EAP.

Preparing for BREXIT

Following BREXIT, implementing legislation in the field of climate needs to be adapted.

The preparatory work started last year and will continue in 2019 with regard to, amongst others, the EU Emissions Trading System and the F-gas quota system, ensuring a smooth transition, for example through the implementation of safeguard measures, collecting additional data and adopting appropriate legal acts.

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Main outputs in 2019:		
All new initiatives / significant evaluations from the Commission Work Programme		
Output	Indicator	Target
Reflection paper 'Towards a sustainable Europe by 2030, on innovation the follow-up to the UN Sustainable Development Goals, including on the Paris Agreement on Climate Change	Adoption by the Commission	Q1 2019
Towards a new institutional framework for our energy and climate policy by 2025: options for enhanced qualified majority voting and for a possible reform of the Euratom Treaty	Adoption by the Commission	Q1 2019
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
1 procurement contract	1 contract signed	31 December 2019
Other important outputs		
Output	Indicator	Target
Evaluation of the General Union Environment Action Programme to 2020 (7th EAP) (PLAN/2017/1389)	Publication of the evaluation Staff Working Document (SWD)	Q2 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 1: A well-functioning EU carbon market, managed in-house by DG CLIMA via the EU ETS, towards further reduction of GHG emissions by energy power and heat generation installations, energy-intensive industries and domestic aviation		Related to spending programme(s) LIFE Regulation 1293/2013, EU budget.
Main outputs in 2019:		
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
16 procurement contracts	16 contracts signed	31 December 2019
Other important outputs		
Output	Indicator	Target
Amendment of the EU ETS Auctioning Regulation (PLAN/2017/1715)	Adoption by the Commission	Q4 2019
Revising the rules for free allocation in the EU Emissions Trading System (PLAN/2017/1527)	Adoption by the Commission	Q1 2019
Carbon Market report	Adoption by the Commission	Q4 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 2: A fair and operating framework for MS towards a further reduction of GHG emissions in the non-ETS sectors in the EU (agriculture, forestry, land use, buildings, transport, waste) including the ESD, use of fluorinated gases and consumption of Ozone Depleting Substances		Related to spending programme(s) LIFE Regulation
Main outputs in 2019:		
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
10 procurement contracts	10 contracts signed	31 December 2019
Other important outputs		
Output	Indicator	Target
Evaluation of the Ozone Regulation (PLAN/2017/927)	Publication of the Evaluation Staff Working Document	Q2 2019
Commission Implementing Decision on "Member States" 2017 emissions under the Effort Sharing Decision (PLAN/2017/1702)	Adoption by the Commission	Q4 2019
LULUCF : Technical assessment of Member States National Forestry Accounting Plans	Revision of 28 Member State plans Synthesis report to the Expert Group	Q4 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 3: Further decarbonisation of the transport sector in the EU through development and implementation of harmonised policies (in cooperation with other DGs e.g. DG MOVE, DG GROW)		Related to spending programme(s) LIFE Regulation
Main outputs in 2019:		
Delivery on legislative proposals pending with the legislator		
Output	Indicator	Target
CO2 standards for heavy-duty vehicles COM(2018) 284 final	Adoption by the co-legislators	May 2019
CO2 standards for cars and vans COM(2017) 676 final	Adoption by the co-legislators	May 2019

Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
Revision of the Shipping MRV Regulation (PLAN/2017/993)	Adoption by the Commission	Q1 2019
14 procurement contracts	14 contracts signed	31 December 2019
Other important outputs		
Output	Indicator	Target
Commission Delegated Directive introducing lifecycle greenhouse gas intensity default values (2016/CLIMA/022)	Adoption by the Commission	Q1 2019
Report on greenhouse gas intensity of fuel and energy, and quality of petrol and diesel fuel (PLAN/2018/3459)	Adoption by the Commission	Q2 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 4: Increased resilience of EU society against the effects of climate change via effective support to MS, respecting the subsidiarity principle (adaptation, disaster risk reduction, civil protection etc.).		Related to spending programme(s) LIFE Regulation.
Main outputs in 2019:		
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
5 procurement contracts	5 contracts signed	31 December 2019
European Climate Change Adaptation conference	Successful conference	May 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 5: Optimisation and efficient management of financial incentives to support the innovation-based shift towards a low carbon and climate-resilient EU economy through the EU budget (LIFE, mainstreaming) and the (ETS) funds in cooperation with all DGs		Related to spending programme(s): LIFE Regulation and EU budget, ETS funds outside the EU budget
Main outputs in 2019:		
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
30 traditional action grants supporting mitigation/adaptation plans, promotion of innovation, resilience to climate change, supporting implementation of EU law	30 grant agreements (GA) signed	Mid-2019
3 integrated projects (IP) to improve the climate knowledge base	3 IPs signed	Mid-2019
2 technical assistance (TA) projects supporting MS	2 TA projects signed	Mid-2019
30 operating grants supporting NGO's	30 specific grant agreements (SGA) signed	Q1 2019
6 financial agreements under the financial instruments	6 operations signed	31 December 2019
2 procurement contracts	2 contracts signed	31 December 2019
Other important outputs		
Output	Indicator	Target
Establishment of the Innovation Fund (PLAN/2017/916)	Adoption by the Commission	Q1 2019
Commission Decision on the Modernisation Fund (PLAN/2018/2383)	Vote on the Implementing Act in the Climate Change Committee	Q4 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy		
Specific objective 6: Implementation of the Energy Union Strategy towards an enhanced climate and energy governance mechanism including streamlined reporting and planning post-2020 via coordination with DG ENER		Related to spending programme(s) LIFE Regulation
Main outputs in 2019:		
Delivery on legislative proposals pending with the legislator		
Output	Indicator	Target
All new initiatives / significant evaluations from the Commission Work Programme		
Output	Indicator	Target
4th State of the Energy Union report	Adoption by the Commission	Q1 2019
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***		
Output	Indicator	Target
Delegated act on Union inventory system, global warming potentials and internationally agreed guidelines to be used in reporting (PLAN/2018/3723)	Adoption by the Commission	Q3 2019
Implementing act on climate information reported under Energy Union Governance (PLAN/2018/3720)	Adoption by the Commission	Q3 2019
Climate Action Progress Report (PLAN/2018/3428)	Adoption by the Commission	Q4 2019
1 procurement contract	1 contract signed	31 December 2019

Relevant general objective(s): A resilient energy union with a forward-looking climate policy	
Specific objective 7: Ambitious contribution to effective international negotiations on climate action, including bilateral cooperation, climate diplomacy, G20, the UNFCCC umbrella (Kyoto, Paris, ICAO, IMO), security issues (e.g. extreme weather events, migration etc.) and ozone layer-related treaties e.g. the Montreal Protocol	Related to spending programme(s) International conventions and agreements
Main outputs in 2019:	
Important items from work programmes/financing decisions/operational programmes *For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the* ***Draft Budget for 2019.***	

Output	Indicator	Target
Subscription to 5 international conventions (UNFCCC, International transaction log (ITL), Kyoto, Vienna and Montreal protocols)	5 annual fee payments to the respective secretariats	Q2 2019
Regional workshop with Member States to prepare for ICAO CORSIA	Organisation of 2 regional workshops	Q3 2019
Participation to the UN Secretary General Climate Summit	Participation in the summit and meetings with stakeholders and high officials	Q3 2019
Preparations of COP 25	Participation in the event Meetings with high officials and stakeholders	Q4 2019
3 procurement contracts	3 contracts signed	31 December 2019

PART 2. MAIN ORGANISATIONAL MANAGEMENT OUTPUTS FOR THE YEAR

A. Human resource management

The pilot exercise for the Human Resource (HR) Modernisation project comes to an end. In this context, in 2019, the DG CLIMA Business Correspondent (BC) Team will continue defining HR strategy and preparing HR decisions, supporting the DG in the human resources management area. The HR function will be integrated in the finances and planning unit achieving synergies and pooling of resource management.

In the field of **equal opportunities**, the DG has already reached its quantitative target of first time appointment of women to middle management positions as set out in the Commission Decision of 19th July 2017[2]. However, the DG continues to encourage and prepare women for future management posts and to actively participate in initiatives proposed by DG HR services to prepare women for future management posts. This year, a colleague from DG CLIMA participated in to the pilot exercise of Female Talent Development programme. The DG will make sure to put forward another participant next year if DG HR repeats this exercise.

In the field of **staff engagement**, the DG CLIMA staff survey 2016 showed an overall staff engagement score of **71%**[3], which is 7% points above Commission's average. On the basis of the detailed results of the survey, DG CLIMA drew up an Action Plan and as a result implemented a series of actions over the course of 2017 and 2018. This year's Staff Satisfaction Survey was launched on 19 November 2018 and DG CLIMA will closely analyse the outcome and implement any necessary actions in the course of 2019.

In the field of **learning and development (L&D),** efforts will continue in 2019 to help staff develop skills and knowledge that match the needs of the DG with a view to ensuring the best possible compatibility between staff competencies and service needs, in line with the DG's L&D plan that will be updated in collaboration with the Management of DG CLIMA. This year, in collaboration with the AMC3 unit, the HR BC Teams of the 'Beaulieu' DGs are planning to organise learning and well-being activities from the corporate catalogue on the Beaulieu site.

The DG and its Senior Management will continue putting particular efforts in 2019 into promoting participation of colleagues in fit@work events such as the Velomai cycling competition, which DG CLIMA won for the second time in 2018. Additionally, in collaboration with AMC3, a **well-being programme** will continue to be implemented and will be further developed in 2019.

In the field of **internal communication**, in addition to the existing management meetings, the DG will continue to further develop and implement a series of actions such as the weekly internal newsletter, further improvements of the Intranet, encouraging lunchtime conferences, regular debriefing sessions by management for staff and a series of internal short video interviews to introduce new colleagues. These tools are used to ensure direct communication with the staff of the DG on policy developments, sharing of

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[2] SEC(2017)359

[3] The response rate was 62% (116 out of 186 staff members).

data and information, knowledge management, local and corporate HR priorities, disseminating information on areas of talent management, fit@work campaigns, synergies and efficiencies work streams as a support to the actions taken by the corporate services of the Commission.

Objective: The DG deploys effectively its resources in support of the delivery of the Commission priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Main outputs in 2019:		
Output	Indicator	Target
Action Plan as a follow-up of staff opinion survey 2018	Approval of action plan by Director General	By end of Q2 2019
Update of DG CLIMA learning programme for 2019 • Identify new specific needs in the DG • Implementation of the 2019 induction programme for newcomers • Development of the 2019 programme of 'Management Pills Development of a new programme of learning & wellbeing sessions for AST in the context of the newly created network	Attendance rate of trainings by dedicated population	60% of the dedicated population attended the trainings
Wellbeing & fit@work in collaboration with AMC3 • Lunchtime sessions on wellbeing in collaboration with DG HR • New office ergonomics sessions • Campaign to	% of CLIMA staff who feels that the Commission cares about their wellbeing	Not to fall below the agreed threshold (i.e. 45%)

encourage participation in Velomai to retain DG CLIMA's trophy • Nutritional workshops in collaboration with the medical service • Seasonal walks/cycling tours • Improvement of food and drinks services in the BU area		
Internal Communication Actions · Further improvements of CLIMA intranet · 2019 programme of lunchtime conferences · Publication of the internal weekly newsletter · "Coffee with the Director General" initiative · Debriefing breakfasts · CLIMA internal videos · Pre-announcement of vacancies to encourage internal mobility	 Number of visits to intranet Number of participants in lunchtime conferences Number of readers/openings of the newsletter Number of participants at debriefing events	Keep the current high rates: i.e. 38583 On average 35 participants On average 100 participants

B. Financial management: Internal control and Risk management

DG CLIMA aims to ensure a sound and efficient management of its financial resources, and to maintain effective internal control under the framework, risk management and accounting systems. The DG is committed to ensure that the control procedures in place also give the necessary guarantees concerning the legality and regularity of the underlying transactions.

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions.		
Main outputs in 2019:		
Output	Indicator	Target
Legality and regularity of the underlying transactions in the DG	Error rate detected on the legality and regularity of the underlying transactions for budget implementation	Error rate below 2% for budget implementation

Objective 2: Effective and reliable internal control system in line with sound financial management.		
Main outputs in 2019:		
Output	Indicator	Target
Cost-effectiveness of controls	Control costs (salaries and overhead) over budget managed	Maintain the cost of controls (as a percentage of the budget managed) below or equal to 2017 levels (i.e. 3.4%)
Timely execution of payments	Percentage of payments on the budget, made within the time limits, as those defined by the financial regulation	At least 95%
Open recommendations from European Court of Auditors (ECA) and Internal Audit Service (IAS)	Number of recommendations from ECA and IAS overdue for more than 6 months	None

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.		
Main outputs in 2019:		
Output	Indicator	Target
Adoption and implementation of the anti-fraud strategy 2019-2021	% of implementation of actions planned for 2019 in the anti-fraud strategy	100%
Awareness trainings organized for target population as	% of target population having attended internal training sessions on anti-	Fraud awareness status to be achieved for 100% of target

identified in DG's anti-fraud strategy	fraud	population

C. Better Regulation

The main planned outputs linked to the Better Regulation objective in the Strategic Plan are listed in Part 1 under the relevant specific objective in the tables.

D. Information management aspects

Managing the sharing of documents, information and knowledge efficiently will remain a key priority in 2019. The document management team will ensure that work-related documents and information are easy to find, retrieve and share, and kept in accordance with their informational, administrative, legal or historical value. Compliance with Commission rules on information security, registration, filing and archiving of documents will be monitored.

In the context of the corporate strategy on Data, Information and Knowledge Management[4], DG CLIMA encourages main data providers such as the European Environment Agency (EEA) and EUROSTAT to display all climate relevant data in the Open Data Portal. In addition, DG CLIMA as a pilot DG has decided to grant all Commission services access to those electronic files for which no restriction is required based on legal or security considerations. The implementation of this change will be encouraged and monitored by the document management team, and the related security aspects will be emphasised. To guarantee the protection of more sensitive information the markings in ARES will be used to restrict access to individual documents, as appropriate.

Electronic document management plays an important role in the simplification of internal procedures and further efficiency gains are expected to be achieved in 2019.

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.		
Main outputs in 2019:		
Output	Indicator	Target
Implementation of e-archiving (move away from paper filing towards digitalised documents registered in ARES)	Good quality electronic files, containing the right documents and with the correct category of the Common Retention list (to guarantee quick access to documents).	• Keep number of unfiled documents stable or reduce (0.24%) • Keep number of files without CRL category stable or reduce (= 0.1%)

[4] C(2016) 6626

Review of existing ARES files to identify those that can be usefully shared with other DGs	Number of ARES files made accessible to other DGs	Increase the number by 8% compared to last year
Simplification of processes and reduction of paper circulation through improved use of electronic workflows (e-Signatories)	Number of procedures implemented into e-Signatory workflows in ARES	Increase the number of e-Signatories by 15% compared to last year
Proactive dissemination of up-to-date information on document management and information security, including through training	Training to units on adaptation to technical development, awareness programme and educational package on information value, availability, use and automated processing.	• 2 Training sessions on information security to DG Staff • 2 Ares basics trainings for newcomers (mainly for new Administrators) • Several ad-hoc coaching sessions for new Secretaries and Administrators

E. External communication activities

DG CLIMA's external communication actions in 2019 will focus on its main political priorities (see Part 1: Main outputs for the year), support the European Commission's corporate communication campaigns and actions, and build on the positive momentum of the global climate deal. In particular, actions will focus on bringing climate policy closer to citizens, increasing awareness, understanding and support for climate action as part of efforts to implement the Energy Union, the Paris Agreement, the 2030 Climate and Energy framework, the Strategy for long-term EU GHG emissions reduction and the EU Adaptation Strategy, alongside mainstreaming climate action into all major spending programmes.

Some of the main communication moments for the DG will be on the EU's long-term strategy for reducing GHG emissions, the State of the Energy Union, the LIFE programme and pending legislative files, as well as on the international climate negotiations within the framework of the UNFCCC negotiations in May and November/December 2019.

DG CLIMA will continue to develop online communication (web, audio-visual and social media) as the main communication channel and with a continued multilingual 'all EU language' focus where possible.

Work with the press will continue, with regular press releases and web news.

The DG will continue its cooperation with other DGs on communication actions, especially with ENER, COMM/Representations/EDICs, ENV, MOVE, DEVCO, AGRI as well as the EEAS and its Delegations all over the world. It will participate in some main communication activities of other DGs such as the EU Open Doors, EU Sustainable

Energy Week, and assist the EEAS organisation of the Climate Diplomacy Week(s) actions by EU Delegations in partner countries.

The importance of climate action is also highlighted by public attitudes measured in regular Eurobarometer opinion polls on climate change. These surveys consistently show high levels of public concern about climate change and of public support for climate action across the EU. According to the latest survey (2017), 92% of Europeans consider climate change a serious problem and 79% recognise that fighting climate change and using energy more efficiently can boost the economy and employment (http://ec.europa.eu/clima/citizens/support/index_en.htm). A new survey is envisaged to take place in 2019.

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.		
Main outputs in 2019:		
Output	Indicator	Target
EU Climate Action Web	Number of visits Number of unique visitors Number of page views 1 December 2017 – 30 November 2018	Keep the current high level: i.e. 2.08m visits 1.5m unique visitors 3.7m page views
EU Climate Action Facebook	Number of followers	Keep the current high level: i.e. 94,400 followers (1 December 2018)
EU Climate Action Twitter	Number of followers	Keep the current high level: i.e. 40,700 (1 December 2018)
Eurobarometer on climate change 2019	Awareness among European citizens of climate change and public action to fight climate change Report finalised and communicated to the public	Keep the high level of awareness (i.e. 92% of citizens see climate change as a serious problem) http://ec.europa.eu/clima/citizens/support/index_en.htm - Report online by 31 December 2019.
Communication support for Commissioner and Director general Press releases and web news	Quality and timeliness of speeches, articles and proposed social media posts Quality and timeliness of press releases and web news	100% speeches prepared on time and to a high standard 100% of press relases and web news prepared on time and to a high standard

Annual communication spending:	
Baseline (2018)	Estimated commitments (2019)

€ 815,000	€ 615,000

F. Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities of the DG

DG CLIMA will work intensively on the **electronic procurement project** starting with the e-submission and e-invoicing module. This project aims for deploying an automation of the procurement related activities, from publication of the open Call for Tenders to invoicing, including the electronic submission of tenders and the automation of the post-award activities.

In 2019, DG CLIMA will focus on introducing two key steps in the process: the electronic submission of tenders (electronic submission of tenders and electronic opening sessions) and the electronic invoicing. The DG also intends to take necessary actions to prepare for the move to electronic workflows in Ares for (de-)commitments and payments. It is expected that the automation of procurement related activities will result in efficiency gains to be further explored.

In addition, CLIMA will further implement its 'going paperless' policy, in particular in connection with the improved use of electronic workflows as indicated before and the implementation of e-archiving (cf. section "D. Information management aspects").

Finally, the DG will further implement its EMAS (Eco-Management and Audit Scheme) policy aiming for a reduction of water and energy consumption in the building. The DG is considering participation in a pilot project on waste sorting stations and on banning single-use plastics. Finally, it will start monitoring CO_2 emissions caused by flights from its staff going on mission, replace flights with train travel for short distance missions (under comparable timetable and other conditions) and examine the possibilities to reduce emissions caused by the use of its building.