

THE EU BUDGET POST-2020 CAN SERVE HIGHER CLIMATE AMBITION

BRIEFING PAPER

The EU budget can serve the achievement of 2030 climate and energy targets in line with the Paris Agreement. ¹

- **The European Union will need to ratchet-up its climate ambition for the next decade to become compliant with the Paris Agreement.**
- **The forthcoming EU budget post-2020 can contribute to higher climate ambition for 2030 by setting climate proof investment conditions and climate action incentives to reward and enable those Member States and regions which want to do more ...**

The European Commission will publish its proposal on the next EU budget after 2020 (the so called Multiannual Financial Framework – ‘MFF’) on 29 May.

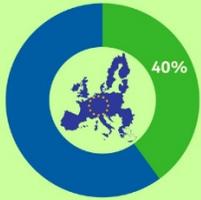
The first informal EU Council debate on the EU budgets future priorities will happen on 23 February. And the European Council on 22-23 March provides the opportunity for Member States to increase their climate pledges. The EU budget in this context could be seen as one tool to help facilitating higher climate ambition, but further re-direction of EU funds is needed:

- The EU budget should catalyse the zero-carbon transition of our societies towards 100% renewables and fully energy efficient economies, including the phase out of fossil fuels.
- Half of the current EU budget (€67 billion in 2014) is spent on energy infrastructure, transport, housing and waste management, small and medium sized enterprises, research and innovation and the development of Europe’s regions; thus the EU budget is the EU’s main investment instrument for all 5 dimensions of the Energy Union. However, currently the EU budget’s potential to support the required transitions in all these sectors is largely untapped.
- In particular for the ‘less developed regions’ in the east and south the EU budget will be crucial to deliver on the National Energy and Climate Plans (NECPs), the main tool within the EU’s governance framework which seeks to achieve 2030 climate and energy targets.
- To help increasing ambition the EU budget must enshrine an incentive scheme that addresses ambition gaps of the EU 2030 climate and energy framework in line with the Paris Agreement, providing additional financial resources for the ‘willing’.
- In addition, a system for climate proofing the entire EU budget needs to be established and 40% of EU funding earmarked for climate change mitigation and adaptation.

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¹ Read more about how the EU budget can serve higher climate ambition here: <http://www.caneurope.org/docman/fossil-fuel-subsidies-1/3258-eu-budget-incentives-for-higher-climate-ambition-can-europe-december-2017/file> and here <http://www.caneurope.org/publications/can-europe-positions/1474-position-on-the-eu-budget-post-2020>

HOW THE NEXT EU BUDGET can serve higher climate ambition



40% CLIMATE ACTION
spending
target



CLIMATE PROOF
the entire
budget



VERTICAL COHERENCE
between national
& EU investments

to boost the
clean energy
transition



to prevent
any harmful
spending



to ensure national
& EU funding
act in concert



**FOR A SAFER CLIMATE, DECENT JOBS,
RESILIENT SOCIETIES & AN INNOVATIVE EUROPE**



The new EU BUDGET must CHANGE

to deliver a **SUSTAINABLE & CLEAN ENERGY UNION**

DO

✓ Apply **Energy Efficiency** first for all spending plans and investment strategies



✓ Promote **100% Renewables** by supporting decentralized and community owned renewable energy and a just transition helping regions to transform



✓ Invest in **Renewables** interconnection and storage



✓ Fund clean **Zero-Carbon Technologies** development and their deployment



✓ Ensure **Maximized Efficiency** and access to **Affordable Renewable Energy**



DO NOT

✗ Do not design **Financing Schemes** that are unaffordable for households OR **Efficiency Measures** that benefit existing fossil fuel infrastructure

✗ Do not lock in **Gas** or **Unsustainable Biomass**

✗ Do not invest in **Fossil Fuel Infrastructure**

✗ Do not finance false solutions such as **Carbon Capture and Storage** OR all conventional and unconventional **Fossil Fuels**

✗ Do not increase **Energy Dependency and Insecurity** by investing in fossil fuel infrastructure

The EU budget 2021–2027 **must catalyze the transition away from fossil fuels** towards 100% renewables and fully energy efficient economies.

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