

The Paris Agreement and the future climate policy regime

Rede

von

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Präsidentin des Umweltbundesamtes,

auf der Veranstaltung

„Beyond COP 21: what does Paris mean for future climate policy“

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– Es gilt das gesprochene Wort –

Dear Excellency Espinosa Cantellano,

Dear guests from the European Commission,

Ladies and Gentlemen,

It is a pleasure to welcome you to our international workshop “Beyond COP 21: what does Paris mean for future climate policy?”.

Thank you all for joining us today. Especially I would like to thank

- Her Excellency Patricia Espinosa Cantellano, the Ambassador of the Mexican Embassy in Berlin, Germany
and
- Artur Runge Metzger, Director of the Directorate “Climate Strategy, Governance and Emissions from Non-trading Sectors” at the European Commission.

Only six weeks ago, the first-ever universal, legally binding global climate agreement was adopted. It sets out a global action plan to put the world on track to avoid

dangerous climate change. And it sends a clear signal to investors, business and policy makers that the global transition to clean energy is here to stay. That we have to shift away from fossil fuels. However we know: every strategy is only as good as its execution. The most important message is that we have no time to lose. We need to join all feasible efforts to put the Paris climate agreement into action. Below “2°” is not only an upper threshold – it is a fundamental attitude that all involved stakeholders share.

Ladies and Gentlemen,

we are all aware, that we are at a crossroad:

On the one hand, the climate is clearly changing. We are facing the highest concentration of carbon dioxide in the atmosphere in human history: Last year, we have passed the symbolic threshold of 400 parts per million carbon dioxide equivalents in the atmosphere. And we see frequent temperature records: 2014 and 2015 have been the warmest years on file. There are these magic

moments when we realize that climate conditions are changing: Like a few weeks ago, when, an extraordinary heat wave brought the temperature at the North Pole above the freezing point.

From my point of view it is evident, that we are living in the anthropocene. We humans have a significant global impact on Earth's ecosystems. And we have to make sure that this impact ceases to be as harmful as it currently is.

In the long term, we need to balance the books environmentally speaking – as Minister Barbara Hendricks said recently. We need fundamental changes, especially in our energy supply. We do have to decarbonize our economies on a global scale.

The ratification and implementation of the Paris Agreement is a big challenge for the parties and the United Nations. But – and this we want to reflect in particular in this workshop – non-state actors also play a crucial role for decarbonization. There are many and very good examples of growing support and engagement by non-state actors. Just to mention the divestment

movement, which in my view has a major relevance. It calls upon political leaders and industry to redirect capital from fossil fuels. This movement is steadily growing and already started to bear fruits:

- The Norwegian sovereign wealth fund decided to stop supporting coal-based investments. Instead it will focus on sustainable alternatives such as renewables.
- A few months ago also the insurance company Allianz committed to divest. That means one of the largest insurance companies and one of the largest financial services groups is now redirecting capital from fossil fuels.
- More and more institutions begin to understand the risks of investments in fossil fuels. And on the other hand companies recognize the benefits of investing in a green future. A very encouraging development!

We need to support the present engagement of non-state actors, in order to make it even stronger. And at the same time governments need to lay the foundation for a sustainable, decarbonized and climate resilient economy and society.

In 2010 the German Environment Agency showed that a fully decarbonized electricity supply is feasible by 2050.

Technologically and ecologically. Further research showed that even a highly industrialized country like Germany could become virtually greenhouse gas neutral by 2050. Per capita emissions would be just one metric ton of CO₂ per year.

Based on our work, we believe that there is no other way than to almost entirely decarbonize all relevant emitting sectors. Of course we have to sustain high environmental standards while transitioning to decarbonized economies. To this end we have to address issues like protection of natural resources and the interaction of renewable energy sources with the environment.

To decarbonize effectively we will also have to reassess the incentives for decarbonization that are already in place. These include **emission trading** as well as **carbon market mechanisms**. Even though for example the price for the European emission trading allowances went up, it is still not high enough to prevent burning large amounts of coal and oil. We know that we need more ambitious price signals for greenhouse gas emissions and a further adjustment of the framework.

Another challenge is the broad area of state aid and subsidies that are currently in place. The German Environment Agency assesses regularly the environmentally harmful subsidies in Germany. In 2010 these amounted to more than 52 billion euros. The state granted subsidies among others to the lignite industry and the aviation sector.

If we really want to decarbonize and stimulate green investment we have to put our system of subsidies under close scrutiny and ensure that we support technologies of

the future and not technologies of the past. I know this is a tough political challenge, but at the same time it is the most important one.

Let me give you another example what I mean by high environmental standards or – as one might say – a holistic approach to decarbonization: In the EU Emissions Trading System the use of biomass for energy generation or industrial processes is currently promoted because it is exempted from the surrender obligation. However, currently the promotion of biomass use is not consequently linked with sustainability requirements. That means, burning tropic timber can be rewarded by the current legislation in place in the EU. This is but one of many examples, where we need to ensure high environmental standards along the way to decarbonized economies.

Ladies and Gentlemen,

when discussing the implementation of the Paris agreement, ensuring compliance will be crucial. We will have to monitor the achievement of our benchmarks, our commitments. And we have to inform the public about the results. Thus, the monitoring obligations in the Paris Agreement are essential. But to implement the monitoring rules will be a lot of work. For all of us.

But, Ladies and Gentlemen,

let me come to an end for now. And briefly line out for what we are here for today:

Firstly we will have a closer look at the Paris Agreement:

- Did we come up to all expectations? Are all issues tackled in a sufficient manner?

Then, we will discuss the challenges for international climate policy in-depth. And, after the lunch break, we will put a particular focus on non-state action.

- What role does it play? What can be done?

And of course, we will address our own responsibilities as public institutions. We will discuss what we as state actors

can and should do. In Germany and in the European Union.

I thank you for your attention and hand over to Klaus Müschen. He heads the Climate and Energy Unit in our agency and will lead you through the morning.