

The Portuguese Government's contribution to the public consultation regarding a strategy for long-term EU greenhouse gas emissions reduction in accordance with the Paris Agreement

The Portuguese authorities commend the swift response by the European Commission to the calls made earlier this year, by the European Council and the European Parliament by announcing the publication of a first draft proposal strategy for long-term EU greenhouse gas emissions reduction in November 2018, ahead of COP24.

In this context we welcome the public consultation launched by the European Commission targeted at both citizens and stakeholders, to feed into the Commission's deliberations for the strategy to be submitted to the UNFCCC, under the Paris Agreement, by 2020 and underline the importance of ensuring the preparation of the long term strategy is done in a transparent and inclusive manner, with the involvement of the Member States and all the stakeholders at the main stages of the process.

Portugal underlines the importance of taking into account the latest scientific findings, including those of the IPCC Special report on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.

The timing of the presentation of the EU long term strategy proposal is also very relevant to further inform planning considerations of those Member States who are or will be in the process of preparing their own national long term strategies and finalising their National Energy and Climate Plans.

At the global level it is also important that the EU leads by example and signals to our partners that preparing the mid-century strategies is a fundamental stepping stone to achieve the global goals we all set out in the Paris Agreement.

Portugal is committed to carbon neutrality by 2050. The work on our own long term strategy – the 2050 Carbon Neutrality Roadmap – is underway, through a broad process of sectoral involvement and mobilization of the society, since such an ambitious challenge requires the broad and participative engagement of all actors. The Carbon Neutrality Roadmap will deliver cost-effective trajectories up to 2050 for the pursuit of the national objectives and to identify the main decarbonisation vectors associated.

Effective, ambitious and urgent action is an absolute priority for us. The road to carbon neutrality allows the achievement of strong and inclusive economic growth, sustained by the integration of climate action with fiscal policies and structural reforms.

As a member of the Green Growth Group, Portugal signed and fully supports the Common Statement on the long-term strategy and the climate ambition of the EU signed by 14 Member States and published on June 25. In line with the declaration, we underline, inter alia, that the proposal should consider several pathways for reducing GHG emissions towards carbon neutrality in compliance with the long-term objectives of the Paris Agreement, including a 1.5°C scenario and at least one pathway towards net zero GHG emissions in the EU by 2050 followed by negative emissions thereafter.

A long-term perspective is necessary in order to prepare and manage the transition towards a low carbon future. It is also crucial in preparing further medium-term goals (2030-2040) to have the 2050 perspective clearly present.

It is crucial to identify how each sector can contribute to the rapid low carbon transition and inform policy makers and relevant stakeholders on the main drivers and the key actions that have an impact in the medium and long run. We are approaching a point where most of the low hanging fruit has been seized. The most complex and demanding decisions need to rely on a robust and well informed long term vision that also allows us to identify the best pathways and the necessary tools to make it happen.

It is also important to address the barriers associated with access to climate finance, build institutional capacity, continue to develop and widely implement low emissions technologies and strengthen policy environments in order to effectively mobilise private finance, which is critical for the climate finance goals and to achieve the goals of the Paris Agreement. Having a long term vision is crucial to shift investments towards a carbon neutral and climate resilient pathway.

We know that the predictability and transparency of policies is fundamental for the promotion and attraction of investment. We need to eliminate the incentives for fossil fuels that still persist and that give wrong signals to the economy. In line with that, Portugal announced in 2017 that we will phase-out coal-fired power plants until 2030 and we welcome the fact that other Member States are going in the same direction.

We know transformational changes and paradigm shifts take time, demand efforts and require appropriate resources and that is why swift action at the global scale going in the right long term direction is so urgent. Our experience shows that ambitious climate policies can go hand-in-hand with economic growth, job creation, better energy and food security, and improved health for people as well as the environment.

To achieve such a transformation, a suite of broad policies will be required, addressing all sectors of the economy and putting forward adequate incentives for people and business to progress in a decarbonisation pathway:

- The economic model dependent on fossil fuels, such as coal and oil, is depleted to the extent that it does not ensure the viability of our economies and societies in the

short/medium term nor the attainment of our climate long term goals. Our energy future should increasingly be founded in endogenous, renewable energy sources.

- We need to address the transport sector with rapid and ambitious mitigation action. Electrification and investment in public clean transportation are key.
- Energy efficiency is one of the most important measures to implement throughout different sectors and along with resource efficiency and circular economy;
- In the industry sector there are several challenges but also opportunities to innovate on low carbon processes and rethink products, processes and services to reduce emissions, simultaneously identifying new business models and opportunities through industrial symbioses and investing on the transfer of knowledge and innovation;
- Build smart cities that are climate resilient and innovative.
- Enhanced quality and capacity of our sinks is key in achieving carbon neutrality. We need to promote and ensure a sustainable resilient forest, contributing to the valorisation of the territory.
- Market and regulatory instruments are also essential and we believe that carbon pricing policies are key to promote the transition required. Portugal has since 2015 a carbon tax in sectors not covered by the European Union Emissions Trading Scheme, thus extending that price signal to the whole economy and is working to phase out fossil fuel subsidies.

Only with a shared vision of the future, we can ensure that the necessary transition in the EU and its Member States to meet the Paris Agreement's long term goals is cost effective and socially anchored, bringing new business opportunities and fostering an even stronger role for social inclusion, innovation and knowledge.

The Portuguese authorities look forward to continuing to engage in and contribute constructively and ambitiously to the process of designing the EU's strategy for long-term greenhouse gas emissions reduction in accordance with the Paris Agreement.

Lisboa, 8th of October 2018