



# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2005/2049(INI)</a>	Procedure completed
Winning the battle against global climate change		
Subject 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements		

Key players			
European Parliament	Committee responsible		Rapporteur
	<b>ENVI</b> Environment, Public Health and Food Safety		Appointed
			07/04/2005
			PPE-DE <a href="#">WIJKMAN Anders</a>
	Committee for opinion		Rapporteur for opinion
	<b>DEVE</b> Development		Appointed
Council of the European Union	<b>ITRE</b> Industry, Research and Energy		25/05/2005
			Verts/ALE <a href="#">HARMS Rebecca</a>
	Council configuration		Meeting
	<a href="#">Environment</a>		<a href="#">2713</a>
	<a href="#">Transport, Telecommunications and Energy</a>		<a href="#">2695</a>
			Date
			09/03/2006
			01/12/2005

Key events			
09/02/2005	Non-legislative basic document published	<a href="#">COM(2005)0035</a>	Summary
12/05/2005	Committee referral announced in Parliament		
11/10/2005	Vote in committee		Summary
21/10/2005	Committee report tabled for plenary	<a href="#">A6-0312/2005</a>	
16/11/2005	Results of vote in Parliament		
16/11/2005	Debate in Parliament		
16/11/2005	Decision by Parliament	<a href="#">T6-0433/2005</a>	Summary
16/11/2005	End of procedure in Parliament		
01/12/2005	Resolution/conclusions adopted by Council		Summary

09/03/2006	Resolution/conclusions adopted by Council		Summary
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Technical information	
Procedure reference	2005/2049(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/6/27217

Documentation gateway					
Non-legislative basic document		<a href="#">COM(2005)0035</a>	09/02/2005	EC	Summary
Document attached to the procedure		<a href="#">SEC(2005)0180</a>	09/02/2005	EC	
Committee opinion	DEVE	<a href="#">PE360.153</a>	05/09/2005	EP	
Amendments tabled in committee		<a href="#">PE362.686</a>	03/10/2005	EP	
Amendments tabled in committee		<a href="#">PE362.895</a>	05/10/2005	EP	
Committee opinion	ITRE	<a href="#">PE360.270</a>	05/10/2005	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0312/2005</a>	21/10/2005	EP	
Text adopted by Parliament, single reading		<a href="#">T6-0433/2005</a>	16/11/2005	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2005)5015</a>	15/12/2005	EC	
Commission response to text adopted in plenary		<a href="#">SP(2006)0311</a>	10/03/2006	EC	

## Winning the battle against global climate change

**PURPOSE:** the presentation of a Communication entitled 'Winning the Battle Against Global Climate Change'.

**CONTENT:** With the entry into force of the Kyoto Protocol, international efforts to combat climate change enter a new phase. The EU has begun reducing its greenhouse gas emissions and now needs to develop its medium and long-term strategies for winning the battle against climate change, inside the EU and elsewhere in the international community. Several EU Member States have already announced or proposed national mid- and long-term climate targets.

This Communication responds to the request of the March 2004 European Council meeting for a cost benefit analysis which takes account both of environmental and competitiveness considerations, as preparation for a discussion on medium and longer term emission reduction strategies, including targets. On the basis of the analysis undertaken by the Commission, it recommends a number of elements which should be included in the EU's future climate change strategies and proposes dialogue with key partners during 2005 in order to prepare the EU's position for future international negotiations. It is accompanied by a working document setting out in greater detail the review of scientific evidence and the scenarios which have been analysed to underpin the information presented therein.

The main conclusions of the Communication are as follows:

Climate change is happening. Science tells us that we should be aiming to limit the future global average temperature increase to 2°C above pre-industrial levels in order to limit the damage. The 2°C target implies that policies are needed both to adapt to climate change and to mitigate climate change. Despite the implementation of already agreed policies, global emissions are likely to grow within the next two decades and global reductions of at least 15 % in emission by 2050 compared to 1990 levels would seem to be necessary, and will take significant effort.

Doing nothing is not a sensible option. The more action is postponed, the greater the risk of irreversible climate change, as options to stabilise greenhouse gas concentrations at lower levels are closed off. The science of climate change continues to develop and future evidence may show that change is taking place even faster than is apparent today. Therefore, a rational medium- and long-term climate policy should be based on a 'keeping the door open' strategy. Such a strategy would allow moving even to a lower than initially targeted concentration level in future, if new scientific knowledge points to the necessity to do so. Mitigation involves significant adjustments to our societies and economies, such as the restructuring of energy and transport systems. It is therefore imperative to use the most efficient and least-cost mix of adaptation and mitigation actions over time to meet our environmental objectives while maintaining our economic competitiveness. The future climate change strategy of the EU needs to include the following elements:

1) The broadening of participation: The EU will continue to play a leadership role in the multilateral approach to climate change, but wider participation on the basis of common but differentiated responsibilities is urgently required. Realistic progress towards the 2°C target is only within reach if more countries in the world take effective actions. In order to minimise negative economic impacts further policy efforts by the EU need to be accompanied by similar action of other major emitting nations. Moreover, policies to tackle climate change must be consistent with and contribute towards other important objectives (e.g. poverty reduction), accommodating the rather diverse conditions of current and future major emitters. The EU negotiating strategy should include an international process of negotiated actions to reduce emissions, with the aim of involving and committing all large emitters. These actions could consist of specific projects or programmes to improve energy efficiency or to promote low-carbon technologies as well as more comprehensive policies, including targets.

2) The inclusion of more policy areas: The scope of international action must be widened to cover all greenhouse gases and sectors. In particular, the fast growing emissions from aviation and maritime transport should be included. A fresh look will have to be taken at how to halt deforestation of the world's forests. Addressing this problem as a specific issue in some regions is necessary as almost 20 % of global greenhouse gas emissions are currently emitted due to land use changes.

3) Enhanced innovation: The required transformation of energy and transport systems presents a major innovation challenge. Within the context of the Lisbon strategy, a technology policy employing an optimal mix of 'push' and 'pull' policy instruments should be developed to underpin the restructuring process. Placing an emphasis on cost-effective emission abatement would be essential. A portfolio of low emission technologies is already available and needs to be disseminated more widely. More research is needed to bring new technologies closer to the market.

4) The continued use of market based and flexible instruments: Successful structural elements of the Kyoto Protocol should be maintained in any new system post 2012. These include emissions trading, as introduced by the European Union, on the basis of emission limitations and project based mechanisms as building blocks to a truly international carbon market, the rules for monitoring and reporting on emissions, and a multi-lateral compliance regime.

While continuing to promote the concept of targets and timetables, the scope of international negotiations has to be broadened so as to concretely link climate change issues with research, development, deployment and diffusion of new technologies, improving energy efficiency and developing low-carbon sources of energy and development policy. This broadening of the scope for negotiation has to be understood as a way of creating incentives and motivation for more countries to participate in actions against climate change. Developing countries will make huge investments into their energy infrastructure over the coming decades. Public funds that are channelled by the World Bank, EIB, EBRD and other development banks need to be used to leverage developing countries' own savings towards climate-friendly investments, particularly in the energy sector. The potential of a global low-carbon energy programme and technology transfer and diffusion funds focusing on major emerging economies needs to be explored.

5) The inclusion of adaptation policies: More resources need to be allocated in the EU to adapt effectively to climate change. The adaptation efforts of the poorest and worst-affected countries should be financially supported.

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The committee adopted the own-initiative report drawn up by Anders WIJLMAN (EPP-ED, SE) in response to the Commission communication on "Winning the battle against global climate change". The report stressed that the EU strategy on climate change should be based on a seven-pronged approach, involving: building on key Kyoto elements (i.e. binding greenhouse gas emission targets, a global cap-and-trade system, and flexible mechanisms); undertaking strong emissions reductions at home (starting with 20-30% domestic reductions by 2020); adopting a proactive approach to engage other main actors, notably the US; developing a strategic partnership with countries like China, South Africa, Brazil and India to help them develop sustainable energy strategies; vigorously promoting research and innovation for sustainable energy technologies and removing 'perverse' incentives such as fossil fuel subsidies; using legislation to stimulate greater energy efficiency; and encouraging citizens to become directly involved to a much greater extent in mitigation efforts, inter alia through the provision of detailed information about the carbon content of products and services.

Ahead of the forthcoming UN Conferences, MEPs urged the EU leadership to present proposals for a future climate regime "based on the overall objective that the average global temperature increase should not go beyond 2°C of pre-industrialisation levels".

They said that, in the review of the current Emissions Trading Scheme (ETS) and its possible expansion, "the idea of grandfathering should be closely reconsidered because of its major shortcomings and alternatives such as benchmarking and auctioning - using an up-stream approach - should be explored". National emission quotas would also have to be reconsidered because of increased cross-border trade, notably electricity.

The report said that a future regime should be based on "common but differentiated responsibilities aiming at contraction and convergence, on continued and progressively greater emission reductions and the involvement of more countries in the reduction efforts". Any targets for emission cuts should be based on recent science and aiming to not exceed a global average temperature increase of 2°C with reasonable certainty. Cost-effectiveness should be a characteristic of all measures considered and a long-term goal should therefore be to develop a global carbon market, based on cap and trade.

While welcoming the conclusion of the March 2005 European Council that developed countries should aim for emissions reductions in the order of 15-30% for 2020, MEPs insisted that "emissions reduction targets for the long term are needed as well" and suggested a target of 60-80% for 2050. They pointed out that the potential for energy savings was as high as 40% in the EU, but that to reach this goal binding targets must be set. Furthermore, with a systemic approach it would be possible for renewable energies to cover 25% of EU energy consumption by 2020.

Other recommendations included the introduction of "strong measures" to reduce emissions from transport, including severe reduction targets for the aviation sector and a pilot aviation emissions trading scheme for the period 2008-2012; developing the use of biomass; transforming energy and transportation systems and the thermal design of buildings; and "setting targets for annual reductions in the energy intensity in the order of 2.5-3%".

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The European Parliament adopted the resolution based on the own-initiative report drafted by Anders WIJLMAN (EPP-ED, SE) on winning the battle against climate change, enabling the European Parliament to express its opinion with a view to the United Nations Climate Change Conference, due to take place in Montreal, between 28 November and 9 December. The report was adopted 450 votes in favour, 66 against and 143 abstentions. (Please see the document dated 11/10/2005.)

Parliament stressed that the EU strategy on climate change mitigation should be based on a seven-pronged approach: building on key Kyoto elements (i.e. binding greenhouse gas emission targets, a global cap-and-trade system, and flexible mechanisms); undertaking strong emissions reductions at home (starting with 20-30% domestic reductions by 2020); adopting a proactive approach to engage other main actors, notably the US; developing a strategic partnership with countries like China, South Africa, Brazil and India to help them develop sustainable energy strategies; vigorously promoting research and innovation for sustainable energy technologies and removing perverse incentives such as fossil fuel subsidies; using legislation to stimulate greater energy efficiency; and encouraging citizens to become directly involved to a much greater extent in mitigation efforts, inter alia through the provision of detailed information about the carbon content of products and services.

Parliament called on the EU to present, at the COP-11 and COP/MOP1, proposals for a future climate regime, based on the overall objective to limit the average global temperature increase to 2°C above pre-industrialisation levels. It felt that a future regime should be based on common but differentiated responsibilities aiming at contraction and convergence, as well as on progressively greater emission reductions and the involvement of more countries in the reduction effort. A long-term goal should be to develop a global carbon market, based on cap and trade.

Parliament deplored the non-implementation by the current US administration of the commitments under the UNFCCC to return to 1990 emission levels and avoid dangerous climate change, and regrets its decision not to proceed with ratification of the Kyoto Protocol. The EU must ensure that the multilateral process is not paralysed by individual countries.

The potential for energy savings is as high as 40% in the EU, but to reach this goal binding targets must be set. With a systemic approach it would be possible for renewable energies to cover 25% of EU energy consumption by 2020.

Parliament underlined that effective climate change mitigation would require a major transformation of the energy and transportation systems and of the thermal design of buildings and that this transformation ought to become a driving force within the Lisbon Strategy, to boost growth and competitiveness. It called on the EU to develop a strategy to make Europe the most energy efficient economy in the world, by setting targets for annual reductions in energy intensity in the order of 2,5-3%.

It pointed out that many of the technologies needed to reduce GHG emissions already exist. However, their market entry is hampered by numerous barriers, not least perverse incentives such as subsidies for fossil fuels. The Commission is asked to propose legislation to abolish all such subsidies and instead to put in place a positive incentive structure for the enhanced use of energy-efficient, low-carbon and carbon-free technologies. Parliament called for the pro-active use of public procurement within the EU to help bring down the costs for such technologies. In addition to focusing the Seventh Framework Programme on research in areas relating to climate change mitigation, Parliament asked for a Crash Programme - similar to the US Apollo Programme in the 1960s - to promote research and innovation in support of sustainable energy and land-use management.

Developments within the transport sector are critical as it contributes to roughly 30% of the Community's CO<sub>2</sub> equivalent emission, in which approximately 85% is the share of road transport. Parliament called for a policy of strong measures to reduce emissions from transport, including mandatory limits for CO<sub>2</sub> emissions from new vehicles in the order of 80-100 gm/km for new vehicles in the medium term to be achieved through emission trading between car manufacturers. Parliament also noted with concern the increase in freight transport, and called on the Commission to make proposals to transfer a large proportion of road haulage traffic to more environmentally-friendly modes of transport.

Parliament went on to state its support for the introduction of ecotaxes at Community level. Like other market instruments, they are essential to an effective pollution reduction policy. Member States should adopt the first European ecotax by 2009 at the latest.

Parliament also pointed out that aviation is responsible for between 4% and 9% of all GHG emissions worldwide and emissions from aviation are increasing at an annual rate of 3%. There must be severe reduction targets for the aviation sector.

Parliament went on to state that in the review of the current Greenhouse Gas Emission Trading Scheme (ETS) and its possible expansion, the idea of grandfathering should be closely reconsidered because of its major shortcomings, and alternatives such as benchmarking and auctioning - using an up-stream approach - should be explored. Moreover, national emission quotas also will have to be reconsidered because of increased cross-border trade, notably as regards electricity.

With regard to developing countries' participation in the future climate regime, the EU should clearly recognise that the priority for these countries is poverty and development. However, the UN Millennium Development Goals will never be met if environment issues, such as climate change, are not properly addressed. Parliament therefore backed the creation of a new coherent political solution to improve the welfare of already vulnerable populations through a global strategy for development with appropriate economic support. This new strategy should be based on the link between climate change, natural resource management, disaster prevention and poverty eradication.

The Commission, as part of the technology cooperation with Annex B countries and as part of its review of the Cotonou Agreement, should assist developing countries to adopt national energy strategies so as to minimise their dependence on imported fossil fuels, to promote technology leapfrogging, notably as regards renewable energy, in particular biomass, and to help them meet the UN Millennium Development Goals.

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The Council held a policy debate on climate change and sustainable energy, that provided the Commission with indications on Member States concerns and priorities to be taken into consideration inter alia when the Commission develops its Action Plan on Energy Efficiency and Review of the European Emissions Trading Scheme.

At the same time the medium and long-term EU strategy to combat climate change called for by the Spring European Council 2005 should :

- focus in particular on environmental effectiveness;

- take account of the need for promoting competitiveness and affordable energy supply;
- promote cost-efficient measures to cut emissions;
- recognise the need for global joint efforts, in line with common but differentiated responsibilities and respective capabilities;
- provide certainty for public and private investment.

The Council stresses :

- the need to raise the profile of energy efficiency across all sectors, including in the public sector which should lead by example for other sectors;
- the importance of the exchange of best practice across the Union and the need to ensure synergy and consistency with other policy areas, particularly environment and transport policy;
- that the transport and building sectors, in particular, hold a large potential for increased energy efficiency;
- an increased emphasis on research, development and deployment of energy efficient products and technologies is needed, which could also be beneficial to the EU export potential;
- the potential of more efficient energy generation, including with low or zero emissions.

It urges the Member States to :

- ensure effective application of Community legislation on energy efficiency including Directive 2002/91/EC on the Energy performance of Buildings, Directive 2004/8/EC on the promotion of co-generation and Directive 2005/32/EC on eco-design requirements for energy using products;
- make good use of energy efficiency-related provisions under Directive 2003/54 on the internal market in electricity.

The Commission is invited to :

- ensure that energy efficiency is explicitly covered in its proposals on a revised EU sustainable development strategy and on the new European Climate Change Programme;
- consider in detail when developing its cost-benefit analysis of climate change measures the contribution that can be made by energy efficiency measures and report on the effects of emissions trading instruments on other instruments in the energy sector as announced at the Spring European Council 2003;
- take the need for long term regulatory certainty and transparency and cost-effectiveness into account in its forthcoming review of the EU Emissions Trading Scheme, in the context of the ongoing development of the EU's medium and long-term strategy to tackle climate change. The Commission should thus review this scheme and should table as soon as possible proposals, as appropriate, to make this scheme more effective while taking into account the need for promoting competitiveness and an affordable energy supply;
- base this review on comprehensive and reliable data and ensure that remedies to possible market disturbances in sectors affected by the EU Emissions Trading Scheme are provided in good time;
- do its utmost to provide guidance early enough for the preparation of the 2nd national allocation plans;
- move swiftly to implement measures within the framework provided by the eco-design directive.

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