

European Council Establishes EU Position for Copenhagen

October 2009

Summary

On 29 - 30 October, EU Heads of State and Government gathered in Brussels for their first European Council under the Swedish Presidency. Discussions at the latest gathering of EU leaders focused on establishing the EU's negotiating position ahead of the UN climate change meetings in Copenhagen. The European Council agreed with Commission estimates that between €22 and €50 billion of international public support should be provided to support efforts to mitigate and adapt to climate change in developing countries; however there were no details on how much the EU would be willing to contribute to this total. Other issues discussed at the meeting included institutional issues relating to the Lisbon Treaty, the Baltic Sea Strategy and the post-2010 Lisbon Strategy.

Climate change

In setting out the EU's position ahead of the UNFCCC meetings in Copenhagen in December, EU leaders called on all Parties to commit to reducing global emissions by at least 50 per cent by 2050, proposing an aggregate reduction in developed country emissions by at least 80-95 per cent by this date¹. The Council reiterated the EU's commitment to a 30 per cent emission reduction by 2020 subject to comparable reductions by other developed countries and an adequate contribution by developing countries. The Council also stressed the need for a 'legally binding agreement for the period starting 1 January 2013 that builds on the Kyoto protocol and incorporates all its essentials'.

On the issue of climate financing, the European Council endorsed the Commission's estimate that total costs of mitigation and adaptation in developing countries could amount to €100 billion annually by 2020, and for international public support to provide between €22 and €50 billion per year of this total. The Council conclusions stated that all countries, except the least developed, should contribute to this financing effort through a 'comprehensive global distribution key based on emission levels and on GDP to reflect both responsibility for global emissions and ability to pay, with a considerable weight on emission levels'. It is proposed that this weight increases over time to allow for adjustments in economies. The Council also noted the need for 'fast-start international public support' of between € 5-7 billion per year for the first three years following an agreement in Copenhagen to prepare action in the medium and longer term. An attached Annex to the Council conclusions provides further detail on the most important elements of a governance framework for financing and *inter alia* calls for the development of a comprehensive set of statistics on climate financing that monitors financial flows to developing countries, including Overseas Development Assistance (ODA), which should help to identify whether climate financing undermines poverty reduction efforts and progress towards the Millennium Development Goals.

Despite a number of calls on EU leaders to provide clarity on the amount of climate financing that can be expected from the EU; the adopted conclusions merely state that the EU will contribute its 'fair share' of total international public finance and make no reference to the Commission's suggested figures of €2 - €15 billion per year. The details of how the EU's financial contribution will be divided among Member States are expected to be discussed by a special working party with a final agreement adopted at a future European Council following the outcome of the Copenhagen negotiations. This vague language reflects the difficult discussions between Member States in the lead up to the Summit, which included concerns by a group of central and eastern European Member States, led by Poland and Hungary, that were reluctant to agree to a financial offer until they knew how much they would be obliged to contribute; and the concerns of other Member

States, including France, Germany and Italy that were hesitant to make explicit EU commitments without knowing what other developed countries would be willing to contribute and what efforts advanced developing nations would be willing to undertake.

The Council's agreement was regarded as a success by the Commission and Member States. President Barroso claimed it was an 'important breakthrough' that represents a 'clear, ambitious, and unified EU message on climate finance'², while Swedish Prime Minister Fredrik Reinfeldt maintained that the agreement provides the EU with a strong negotiating mandate in the lead up to Copenhagen³. Other observers have been more critical of the absence of concrete financial commitments, with the Greens in the European Parliament labelling it 'a calamitous result for the climate'⁴.

Institutional issues

At the Summit EU leaders addressed the problem relating to ratification of the Lisbon Treaty by the Czech Republic, by agreeing to a request by the Czech President Václav Klaus for an opt-out from the Charter of Fundamental Rights (similar to that granted to the UK and Poland). The European Council reaffirmed its determination to have the Lisbon Treaty in force by the end of 2009 (see below for subsequent developments in this regard). EU leaders also endorsed the outlines of the European External Action Service (EEAS) which will assist the Union's High Representative on Foreign Policy once the Treaty of Lisbon has been ratified and called on the future High Representative to prepare a more detailed proposal on the organisation and functioning of the EEAS by April 2010.

Over the past few weeks there has been much speculation on possible candidates for two new high-profile positions created under the Lisbon Treaty - namely the President of the Council and the High Representative for Foreign Policy (who will also serve as a vice-president of the European Commission). While formal discussions on the positions are still pending, it has been reported that EU leaders discussed the posts informally in the sidelines of the Summit and appeared to reach an informal consensus that the President of the Council should come from the centre-right European People's Party (EPP), leaving the post of High Representative to a candidate from the centre-left Party of European Socialists (PES)⁵.

Other issues

The European Council adopted the EU Strategy for the Baltic Sea Region and called for its speedy and full implementation. The Council also noted that the Strategy 'could constitute an example of a macro regional strategy' and invited the Commission to present a progress report on the Strategy to the Council by June 2011.

Leaders were also said to have had an initial exchange of views on a post-2010 Lisbon Strategy that will allow the EU to move towards a 'strong greener and inclusive economy'³. The Commission is expected to present a proposal on an 'EU 2020' strategy before the spring European Council in 2010 under the Spanish Presidency.

Subsequent developments on the Lisbon Treaty

On 3 November, the Czech constitutional court ruled that the Lisbon Treaty is compatible with the country's constitution, thus dismissing a challenge brought against it by a group of Czech senators. That same afternoon Czech President Václav Klaus signed the Lisbon Treaty, thereby completing the final ratification process of the Treaty by the 27 Member States. The Treaty is now expected to come into force on 1 December.

Next steps

The Swedish Presidency is expected to convene an extraordinary European Council before 16 November to decide who will take on the two new posts created under the Lisbon Treaty. Although the European Parliament has no formal say in the final decision on these two positions, MEPs are

expected to debate the issue at their Plenary session on 11-12 November and may put forward a resolution outlining the 'type' of President they would like to see⁶.

Once the two Council jobs have been finalised, Commission President José Manuel Barroso is expected to start allocating portfolios to the 26 Members of his Commission team. These candidate Commissioners will then be subject to hearings before the various Committees in the European Parliament. These hearings are expected to start in late November and may be complete by mid December when the Parliament is expected to hold its vote on the full Commission. This timeline will enable the new Commission to start work in January / February 2010.

At the European Council last week, EU leaders stressed that proposed climate financing should not jeopardise progress towards the Millennium Development Goals. In this context, the Swedish Presidency is said to be planning an additional Environment Council on 23 November which will *inter alia* discuss the issue of additionality of climate financing to existing development aid and fine-tune the EU's negotiating tactics ahead of the meetings in Copenhagen⁷.

References

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Sirini Withana