

SUPPORTING EUROPE'S
PARLIAMENTARIANS



COMBATING
CLIMATE CHANGE
MAINTAINING
MOMENTUM

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THE ONGOING CHALLENGE

To have a chance of avoiding catastrophic climate change, there needs to be a discernable difference in Europe's policies, emissions, economies and societies by 2014. To deliver this we face four key challenges:

1. Delivering an ambitious and equitable global deal in Copenhagen;
2. Responding to an international commitment with a rapid review of EU action, shifting from a 20% to 30% emission reduction target;
3. Delivering on the ambition of the 2008 climate and energy package by ensuring effective implementation and oversight under comitology and beyond; and
4. Addressing the next generation of challenges by: strengthening existing policy measures, particularly aimed at delivering greater energy efficiency; a more concerted approach to adaptation; refocusing the EU budget; and addressing emissions and sequestration associated with land use change and management.

THE LONG AND WINDING ROAD

There is currently much talk about the 'road to Copenhagen'. Whilst this is a vital staging post, in reality the distance to travel is far greater, and the way far less clearly marked. Two of the core principles for combating climate change are: that it will cost less the earlier we act; and that we must control and progressively reduce our emissions for at least the next 40 years – and potentially in perpetuity.

This calls for rapid action that allows a transition to a low carbon model, enabling change over an extended period. A global deal, coupled with an EU target to deliver at least 30% emission reductions by 2020, would provide a clear mandate for a low carbon revolution in Europe.

If properly implemented and if ambition is retained within comitology (particularly vital to ensure a robust EU Emissions Trading Scheme (ETS)), the 2008 climate and energy package offers part of the solution. Ongoing efforts to improve the rigour of the Directives on energy performance in buildings and energy labelling of products will also make a contribution. Despite this, however, there are still significant gaps in the coverage of emission sources and in the EU's approaches to adaptation.

THE NEXT GENERATION OF CHALLENGES – AN EMERGING AGENDA

Adaptation

Europe is not prepared for the social, economic and environmental changes anticipated as a consequence of historical greenhouse gas (GHG) emissions, therefore our ability to reduce and manage impacts is currently limited. Delivering effective adaptation measures will require the reconsideration of a multitude of factors – from the management of soils, biodiversity and water resources to the financing of infrastructure, emergency planning and the subsidisation of land management including agriculture.

The 2009 White Paper on adaptation claims to set out a framework to reduce the EU's vulnerability to the impacts of climate change. The document places most emphasis on the diffusion of policy awareness through other policies. This approach is unlikely to secure the necessary protection of our environment and society. The prospect of a 'comprehensive adaptation strategy from 2013' is suggested in the White Paper, but commitment appears limited.

Energy Efficiency

Energy efficiency is the cheapest form of climate action. Despite estimates in the 2006 Action Plan on Energy Efficiency that Europe can deliver energy savings of 20% by 2020, efforts to date have been limited. There is an efficiency target for 9% energy savings by 2016 (set within Directive 2006/32/EC) but this is non-binding.

There are major upcoming opportunities to improve the effectiveness of EU efficiency efforts. A review of the Action Plan on Energy Efficiency is underway, with a Commission Communication anticipated towards the end of 2009. There are rumours that the Commission may suggest converting the 20% efficiency increase by 2020 into a new binding target. Formal proposals on next steps to implement the Action Plan are anticipated in autumn 2010. More generally, the Swedish Presidency has instigated discussions looking towards an 'eco-efficient Europe'. In the coming years there will certainly be increasing emphasis on the greening of products entering the EU market.

- developing an accounting system for emissions from indirect land use change (ILUC) associated with increased European biofuel demand (spring 2010);
- the rewarding of nations for the protection of forests and other land management that helps maintain carbon storage (encompassed within the international Reducing Emissions from Deforestation and Forest Degradation – REDD – debate); and
- the review of the way in which farmers are supported (under the auspices of Common Agricultural Policy – CAP – reform).

Land Use, Agriculture, Forestry and Bioenergy

Land use is key to both climate mitigation and adaptation. The land represents both a source of, and a sink for, emissions. If well managed it also offers the opportunity to limit the impacts of climate change on agriculture and water availability. The threats and opportunities offered by the land depend fundamentally on the adequacy and appropriateness of our management and use of it.

A coordinated debate considering land use and climate mitigation and adaptation is, therefore, needed. This should consider: the future of European land use and management; the impacts of European choices on land use in third countries; and how best to support the retention of terrestrial carbon stocks.

The land-climate nexus encompasses several key upcoming debates:

- the development of sustainability criteria for solid biomass used for energy, building on existing requirements for biofuels (2010);

EU Emissions Trading Scheme (ETS)

The EU ETS, while central to the EU's climate policy, was not extended to all possible sectors under recent reforms – nor is it necessarily practical to do so, in particular for agriculture, transport or waste. Shipping, however, remains under consideration. If an international approach to shipping emissions is not agreed in Copenhagen, it is anticipated that they will be incorporated into the EU ETS.

Other questions to be addressed include the prospects for linking the EU ETS with other trading systems internationally, ensuring that this is done in a way that does not compromise the rigour of the EU's approach. Discussions have also been held around splitting the EU ETS along sectoral lines in the future, allowing stronger pricing signals where competition is more limited, for example for the power sector.

Decarbonising Energy Supply

There remains no clear plan for decarbonising Europe's power sector, despite the adoption of a Directive setting out the way forward for Carbon Capture and Storage (CCS). According to assessments for the UK, to deliver a domestic target of an 80% reduction in emissions by 2050, the power sector would need to be almost completely decarbonised by 2030.

Over the next five years it is anticipated that pressure will mount for the EU to adopt new mechanisms to complement the EU ETS. If the price of carbon remains low and volatile, it offers limited incentive

for innovation and emission reduction. A key instrument currently under debate is emissions performance standards for CO₂, applicable to new power stations. This is intended to prevent additional carbon intensive plants being built in Europe.

Financing a Low Carbon Future

The level of funding currently available for climate activities does not match the vision of delivering low carbon economies in Europe, or the rapid speed of transition necessary. It is insufficient to deliver the efficiency savings, technological innovation and low carbon infrastructure (such as smart grids) needed to reduce emissions. Moreover, existing EU funds are not sufficiently 'climate proofed', leading to the support of potentially environmentally-damaging projects.

The review of the EU budget, currently being undertaken by the Commission, offers a unique opportunity to realign financing to meet present and future needs. The Commission is expected to publish a White Paper on budgetary reform in late October 2009, although there is speculation that the release date may be later.



'The Copenhagen negotiation could and should be a turning point for the course of our world... MEPs must rise to the challenge. Europe can be a global leader in green development; its Parliamentarians should be its champions and ambassadors'.
Spyros Kouvelis, Greek MP

A FOUR-FOLD CHALLENGE FOR PARLIAMENTARIANS – DELIVERING CLIMATE ACTION

Needs	Outcomes
<p>Delivering a fair and equitable deal in December at the Copenhagen Conference of Parties – this must include commitments by industrialised countries to reduce emissions, by rapidly industrialising countries to limit emissions, and financing to help the least developed nations to mitigate and adapt.</p>	An ambitious global deal
<p>Ensuring a strong response by Europe's institutions in the wake of an international deal – rapid delivery of the promised shift from a 20% to a 30% emission reduction by 2020. This must be supported by robust policy measures to deliver reductions within the EU to maintain its credibility as a global leader on climate change.</p>	A rapid, robust EU response to international commitments
<p>Delivering on the ambition of the 2008 climate and energy package:</p> <ul style="list-style-type: none">– Oversight of the implementation of these far-reaching measures to ensure a step change in emission reductions, renewable energy use, the rigour of the EU ETS, investment in CCS and reductions in transport emissions;– Key aspects of the climate and energy Directives remain to be finalised via comitology, such as carbon leakage from the EU ETS, CCS financing, biofuel sustainability, and monitoring and reporting requirements. This offers the opportunity to deliver robust and equitable action or to weaken hard-won agreements.	Effective implementation of the CARE package and maintaining ambition in comitology
<p>Maintaining momentum of EU action by:</p> <ul style="list-style-type: none">– Addressing existing gaps and weaknesses, including strengthening efficiency through Action Plans and new product and building efficiency standards;– Legislating on emerging fields of concern, including: limiting the climate impact of land use change; the degradation of land and, conversely, credits for emission sinks; better integration of climate concerns across all sectors; and developing an EU budget that recognises the importance of climate action; and– Delivering a clear and effective plan of action for adaptation.	Strengthening EU action to meet the climate challenge

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

IEEP is an independent not for profit institute dedicated to advancing an environmentally sustainable Europe.

IEEP's diverse research team are expert in climate policy, focusing both on mitigation and adaptation challenges. Since 2003 IEEP has worked for the European Parliament offering independent support to MEPs sitting on the ENVI Committee. In addition IEEP conducts independent research into Europe's efforts to promote climate action, helping to define future policy and best practice approaches to implementation.

Visit www.ieep.eu/briefingsonclimate for:

- Briefing materials translated into Bulgarian, Czech, French, German, Hungarian, Italian, Polish, Romanian and Spanish.
- A full bibliography, lists of the key organisations engaged in the development of EU climate policy and further analysis including a timetable for EU and international action on climate between 2009 and 2014.

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