

The European Climate Package

The target to limit global warming to 2°C compared with pre industrial levels has been adopted by the EU. According to IPCC that implies that industrialised nations will have to reduce their greenhouse gas emissions by 25-40% in 2020, followed by reductions beyond 80% before 2050. On top of this developing countries have to deviate substantially from their Business as Usual emissions. Off-setting any part of the EU emission reduction target is therefore inconsistent with the 2°C goal. As the developed countries have produced the emissions which have caused climate change, Europe must support developing countries with additional finance to help them mitigate their emissions and to adapt to the changing climate.

EU Council agreement

(March 2007)

Targets until 2020:

20% emissions cut (30% in the frame of an international agreement)

20% renewable energies

20% increased energy efficiency (non-binding)

This is not enough to reach the 2°C target:

- Developed countries must make emission cuts of at least 30% by 2020. The legislation should be based on this target. That would also send a strong signal to the international climate negotiations, showing EU leadership.
- To decrease CO₂ emissions better energy efficiency is crucial thus the target needs to be binding.

Commission proposals

(December 2007, January 2008)

Emissions trading

- The proposal only aims for a 20% CO₂ reduction until 2020 though it includes an automatic adjustment of the target if an international agreement is achieved.
- The proposal allows a large part of the emission cuts to be achieved by carbon offsets amounting to 45% of the reduction effort. When carbon credits from outside Europe are taken into account, the cuts required by Europe are significantly lower than the Commission's proposal suggests.

Effort sharing

- Again the 20% target is used as a base for this proposal.
- The proposal allows an excessive amount of external offsetting: member states could use offsets representing up to 60% of the overall reduction effort.
- In the case of non-compliance the environmental infringement procedure is maintained. This has proven to be ineffective in ensuring compliance with environmental legislation.

Renewables directive

- The renewables target does include a 10% target for agrofuels. Agrofuels have proven not only to have a questionable CO₂ balance, but also to compete with food and feed production, lead to deforestation, increased emissions through land use change and displacement of small farmers in developing countries.

CO₂ and cars

- The Commission weakened the original target of achieving 120g CO₂/km as a fleet average by technical means in 2012, by allowing for 10g CO₂ reductions to be achieved by so called additional measures.
- As a parameter for differentiation for the different models weight was chosen. This does not give an incentive to produce smaller and lighter cars and might even create the perverse incentive to increase car weight.

European Parliament

(September, October 2008)

Emissions trading

Maintaining the Commission proposal was a big fight as the industry lobby pushed for significant weakening especially on the allocation methods (free allocation vs auctioning). The outcome did however keep auctioning as a general principle and introduced some important improvements:

- 100% of the auctioning revenues shall be earmarked for climate purposes.
- Quality criteria for external offsets have been introduced.

Effort sharing

The Parliament was able to improve the Commission proposal considerably:

- The EP environment committee voted to reduce the level of external offsetting permitted to around 20% of the overall emissions reduction effort.
- The quality of external offsetting permitted has been strengthened. It voted to allow external offsets only for renewable energy and end-use efficiency projects, which are additional, verifiable and sustainable.
- Long term emissions reductions targets were included in the proposal: 50% by 2035 and 60-80% by 2050.
- The role of the EU in assisting developing countries to achieve emissions reductions was recognised. Also a binding mechanism to fund adaptation would be set up.
- A more effective compliance mechanism was introduced.

Renewable directive

The Commissions proposal was considerably strengthened:

- Binding Interim targets and a penalty system were introduced
- Priority grid access for renewables was granted. This ensures the
- maximum proportion of clean, renewable energy will be used.
- Renewable energy obligations for new and existing buildings are introduced.
- The National support systems were protected

- Unfortunately there was no majority to delete the 10% target for renewables in transport. However electric cars, fuelled with renewable electricity can also count towards the target. Also sustainability criteria for agrofuels have been considerably strengthened.

CO2 and cars

As in the ETS negotiations also here most efforts had to be made to prevent a considerable weakening of the Commission proposal instead of strengthening it. The ENVI vote outcome however only introduces some weakening:

- Super credits are given to low emission cars thus falsifying the overall target.
- The exemptions for small car manufacturers have been widened.

On the other hand Parliament strengthened the Commission proposal by

- introducing a long term target of 95 g CO₂/km as a fleet average in 2020.

Trialogues between Council, Commission and the Parliament

(Starting November 2008)

At this very moment I am not able to predict what will be the outcome of Brussels famous trialogues between Council, Commission and Parliament. There are strong national interests involved in all of these legislations, so the negotiations will certainly not be easy.