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A7-0033/27

Amendment 27

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on behalf of the EFD Group

Report

A7-0033/2012

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Roadmap for moving to a competitive low carbon economy in 2050
(2011/2095(INI))

Motion for a resolution (Rule 157(4) of the Rules of Procedure) replacing non-legislative motion for a resolution A7-0033/2012

European Parliament resolution on a Roadmap for moving to a competitive low carbon economy in 2050

The European Parliament,

- having regard to the Commission Communication ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112) and the accompanying working documents (SEC(2011)0288) and (SEC(2011)0289),
 - having regard to the Commission report ‘Progress towards achieving the Kyoto objectives’ (COM(2011)0624) and the accompanying document (SEC(2011)1151),
 - having regard to the EU climate and energy package,
 - having regard to the proposals to recast and amend the Markets in Financial Instruments Directive (MiFID)¹ and the Market Abuse Directive (MAD)² with regard to emission allowances under the EU’s ETS,
 - having regard to the European Council conclusions of 23 October 2011,
 - having regard to the outcome of the UNFCCC COP-17, the ‘Durban Protocol’,
 - having regard to Rule 48 of its Rules of Procedure,
- A. whereas the EU-15 have already exceeded their greenhouse gas emission reduction target under the Kyoto Protocol; whereas the more stringent unilateral target laid down in the EU climate and energy package is close to having been attained and could even be exceeded;
- B. whereas the European Parliament and the European Council have declared their ambition to secure 80-95% reductions in greenhouse gas emissions by 2050;
- C. whereas, however, the UNFCCC COP negotiations remain persistently stalled because some of the large economies (such as Japan and Russia) have already stated that they do not intend to sign up for a second commitment period with a view to a ‘Kyoto II’

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agreement, while others (Canada) have considered adopting the same course, and the United States has not even ratified the provisions relating to the first commitment period; whereas in response to this deadlock the Commission has stated that it would be a strategic error to attempt to push forward unilaterally;

- D. whereas the EU climate and energy package was adopted on the basis of an assurance that the other large emitters would make similar commitments, but this has not happened and very probably will not happen, at least before 2020;
- E. whereas in the period since the EU climate and energy package entered into force, the growth of the EU's GDP has been virtually zero, so that the impact of the crisis of 2008 has not yet been overcome, while on the other hand the BRIC countries are growing rapidly or even extremely fast; whereas over the same period energy prices have been rising more rapidly in the EU than elsewhere;
- F. whereas industry must have clarity about the EU's economic and industrial strategy in order to make long-term investments;

International dimension and strategic framework

1. Stresses that the EU is now having to operate on what is no longer a level playing field and has placed itself in a position where it could be subjected to full-scale 'climate dumping' alongside the other forms of dumping from which it is already suffering;
2. Observes that, under such conditions, it is becoming apparent that the EU's climate provisions are acting as a brake on the Union's economic recovery;
3. Agrees fully that it would be a strategic error to take any further steps forward on a unilateral basis; therefore does not endorse the Commission's Roadmap to a competitive low carbon economy in 2050, because it considers it:
 - (a) a dangerously hasty step which could put an end once and for all to the EU's chances of being competitive on the global market;
 - (b) not to be a suitable basis for proposing legislative and other initiatives on economic and climate policy, because it rests on an impact assessment that has not been updated to take account of the latest EU energy mix scenarios;
 - (c) not to be very realistic in its setting of some of the sectoral targets (notably the de facto zeroing of emissions in the energy, residential and services sectors);
4. Calls on the Commission not to submit any further proposals for climate legislation, but rather to freeze the implementation of the EU climate and energy package or else to confine itself to implementing the climate legislation already in force as part of the 20-20-20 target; calls, furthermore, on the Commission to ensure that a consistent, stable legislative framework is maintained, so as to prevent the enormous long-term investments already made by industry from being wasted;
5. Notes that the worldwide development and application of low carbon technologies is increasing rapidly, and Europe's future competitiveness will depend upon it increasing levels of investment in this field and, above all, taking steps to protect its own climate-

friendly production against that of countries such as China, which bear the largest responsibility for greenhouse gas emissions;

The Emissions Trading System

6. Recognises that the EU Emissions Trading System (ETS) is currently the principal instrument for reducing industrial emissions and promoting investment in low carbon technologies;
7. Points out that the ETS is a flexibility instrument aimed at achieving specific policy targets which primarily concern operators in sectors covered by the scheme; calls on the Commission, therefore, to adopt measures before the commencement of the third phase to ensure that it functions as originally envisaged;
8. Stresses, in this connection, that the reclassification of the EU ETS emission units as financial instruments, as contained in the MiFid review proposal, will entail new market surveillance requirements to avoid toxic instruments being generated by highly speculative derivative finance, along the same lines as in other market sectors; considers that all possible steps must be taken to prevent this from happening; calls on the Commission, therefore, to review this proposal to ensure that the ETS system is protected from the effects of purely financial speculation;
9. Views with very serious concern the reiterated proposals for set-aside of emission quotas in order to artificially increase their market value, as:
 - (a) in the absence of any change in the targets already approved for 2020, which has repeatedly been ruled out by the European Parliament and the European Council, any decision to alter this market instrument after the event, in a dirigiste manner, with the aim of predetermining the price of CO₂ or introducing a de facto tax, would be tantamount to disavowing the system itself;
 - (b) this artificial increase in CO₂ quotas would unquestionably benefit financial operators involved in carbon trading, i.e. what it would promote would be precisely the kind of financial and speculative transactions which first caused the current global economic crisis (the direct involvement of banks in the EU ETS system being a tangible indication of this);
 - (c) apart from the costs arising from the lack of free allocations, businesses would be faced with uncontrolled rises in the cost of electricity supplies because of the repercussions of the excess CO₂ costs borne by energy producers;
 - (d) it is a measure which, by creating incentives for carbon leakage, would paradoxically lead to an increase in global emissions;

Carbon leakage

10. Calls on the Commission to publish details of the EU's real contribution to reducing global CO₂ emissions since 1990, taking into account its consumption of products now manufactured elsewhere;
11. Calls on the Commission to submit an analysis of the sectors where the free allocation of quotas is not succeeding in preventing carbon leakage;

12. Notes that the current standards aimed at preventing carbon leakage are, on the whole, proving ineffective; points out, in this connection, that in the EU sectors most exposed to this problem companies are still closing down owing to the additional indirect costs introduced by the ETS system and not adequately offset;
13. Considers, in view of the ‘climate dumping’ currently suffered by the EU, that only a carbon tax at its borders could effectively prevent carbon leakage; calls also for the Member States to be allowed to offset up to 100% of the additional indirect costs incurred by the most exposed sectors;

Energy efficiency

14. Calls on the Commission to withdraw its proposal for a directive on energy efficiency¹ and to recast it so as not to affect a Member State's right to determine the conditions of use of its energy sources, its freedom to choose between the various energy sources and the general structure of its energy supply²; calls for this proposal not in any circumstances to lay down binding targets;
15. Draws attention to the basic premise that it is not energy saving measures that ensure energy efficiency, but vice versa; calls for all energy efficiency legislation to take this into account;

Research and development

16. Calls on the Commission to ensure that Horizon 2020 prioritises the need to develop technologies to spur EU competitiveness;

Technology

17. Calls on the Commission to guarantee impartiality in technological choice in order to ensure that the most appropriate emission reduction technologies for each sector and geographical area are tested and applied;
18. Points out that CCS technology is still at a fairly experimental stage and that its actual carbon emission reduction potential and its safety and environmental sustainability are far from proven;
19. Points out, however, that, with regard to the achievement of the goals laid down by the roadmap, the Commission places too much trust in this technology, treating it as a panacea, and that this raises doubts about the plausibility of the entire communication;

Power generation

20. Urges the Commission to produce a new and detailed impact assessment that takes account of the EU’s latest energy mix scenarios in light of the nuclear-energy exit plans various Member States are adopting following the accident at Fukushima;

Transport

21. Welcomes the progress exceeding expectations that has been made by vehicle manufacturers in reducing CO₂ emissions from passenger cars, and stresses the importance of improved fuel efficiency, tyres and aerodynamics; recommends, however, that any more stringent limits proposed by the Commission in the future for average CO₂ emissions by new motor vehicles should be industrially feasible and economically sustainable, taking into account developments in technology and the market;

Agriculture

22. Asks the Commission and the Member States not to incentivise the designation of agricultural land for uses or crops intended for non-food purposes, and calls on the Commission to preserve and restore abandoned land;
23. Alerts the Commission to the fact that ‘greening’, in the form in which it has been presented in the legislative proposals for the future CAP 2014-2020, will not be efficient or effective in real terms for farmers; calls on the Commission therefore, before taking any decisions, to assess the real situation on the ground, with due consideration for extensions close to and/or adjoining holdings;
24. Recommends in this regard that, under the future CAP, ‘greening’ aid be regarded as aid which is separate from direct aid and/or is optional in relation to it;

Employment

25. Warns that it will be very difficult to offset entirely through ‘green jobs’ the continuing enormous losses in industrial fabric and employment related thereto occurring as a result of ‘climate dumping’, in the short term at least, and that this will not happen automatically;
26. Fears that Member States will no longer be able to sustain the social costs of ‘climate dumping’ if the strong market pressure being brought to bear on their budget stability at present continues; calls therefore on the Commission to adopt appropriate necessary anti-dumping measures;
27. Instructs its President to forward this resolution to the Council and the Commission.

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