

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0312/2005

20.10.2005

REPORT

on Winning the Battle Against Global Climate Change
(2005/2049(INI))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Anders Wijkman

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Winning the Battle Against Global Climate Change (2005/2049(INI))

The European Parliament,

- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Winning the Battle Against Global Climate Change (COM(2005)0035),
 - having regard to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) - which entered into force on 16 February 2005 following the ratification of 152 countries and regional economic integration organisations representing 61.6% of 1990 Annex I Greenhouse Gas (GHG) emissions and almost 90% of the world's population - and to the application procedures for its implementation adopted at the Conferences of Parties in Bonn (July 2001), Marrakech (November 2001), New Delhi (November 2002), Milan (December 2003) and Buenos Aires (December 2004),
 - having regard to its motions for a resolution relating to climate change, notably that of 13 January 2005 on the outcome of the Buenos Aires Conference¹, and that of 12 May 2005 on the Seminar of Governmental Experts on Climate Change²,
 - having regard to the statements conveyed to the G8 Summit in Gleneagles by 24 international business leaders representing the World Economic Forum, for example on the need to adopt long-term climate stabilization targets,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Development and the Committee on Industry, Research and Energy (A6-0312/2005),
- A. whereas climate change is one of the major challenges of the 21st century, having significant negative global environmental, economic and social consequences with potentially catastrophic consequences, and whereas climate change is different to the other environmental problems we face,
- B. whereas we already see indications of climate change e.g. melting of polar ice and permafrost and most likely an increased frequency and intensity of extreme weather events; economic losses related to weather-related natural catastrophes in the last decade have increased by factor of six over the 1960's level,
- C. whereas industrialised countries have a major responsibility for the accumulation of GHG emissions in the atmosphere, both current and historical; whereas developing countries are likely to be the hardest hit by a more instable climate and whereas industrialised

¹ P6_TA(2005)0005

² P6_TA(2005)0117

countries must assume primary responsibility to assist low-income countries to adapt to climate change and to assist them technologically and financially as they adapt,

- D. whereas full implementation, by all Parties, of the UN Framework Convention on Climate Change and the Kyoto Protocol is fundamental in tackling climate change, even though the measures will not be truly effective until a global solution is found which includes the large economic blocs responsible for the bulk of polluting emissions,
 - E. whereas the Kyoto Protocol establishes that negotiations for the commitments for emissions reductions for the period after 2012 shall start in 2005 and that consequently COP-11 and COP/ MOP 1 in Montreal should give highest priority to this task,
 - F. whereas further targets need to be set soon in order to provide investment certainty for low-carbon energy sources, low greenhouse-gas emitting technologies and renewable energy, and to avoid investment into incompatible energy infrastructure,
 - G. whereas the main objective of the UNFCCC - to avoid dangerous climate change – according to recent scientific reports, may require a stabilisation of GHG concentration below 500 ppm CO₂ eqv. - slightly above the present level - and thus necessitating major cuts in emissions in the near future,
 - H. whereas investments in energy efficiency is the most promising way to cut carbon emissions and whereas the potential for cost-effective energy savings in the EU is substantial,
 - I. whereas climate impact can be reduced considerably by means of better community planning,
 - J. whereas greatly enhanced participation at the level of the citizen, in the overall efforts to curb emissions and develop more sustainable lifestyles, is very much called for,
 - K. whereas GHG emissions continue to increase in many Member States, showing that swift action is needed for the EU to be able to meet its Kyoto requirements,
 - L. whereas the cost of the measures intended to reduce GHG emissions will be offset by the benefits which will flow from restricting the increase in the Earth's temperature to a maximum of 2°C*, since damage and losses which climate change might otherwise have caused throughout the world will be prevented,
 - M. whereas moving beyond the fossil fuel-based economy represents a historic business opportunity; whereas the business opportunity is great also for developing countries that are rich in renewable energy resources but currently lack the technology to exploit them,
1. Stresses that the EU strategy on climate change mitigation should be based on a seven-prong approach:
- building on key Kyoto elements - binding greenhouse gas emission targets, a global cap-

* by comparison with levels during the pre-industrial era

- and-trade system, and flexible mechanisms,
- undertaking strong emissions reductions at home, starting with 20-30% domestic reductions by 2020, using a combination of market incentives and regulation to stimulate investments in efficiency and/or carbon-free and low-carbon technologies;
 - adopting a pro-active approach to engage other main actors, notably the US,
 - developing a strategic partnership with countries like China, South Africa, Brazil and India to assist them in developing sustainable energy strategies and secure their participation in mitigation efforts,
 - vigorously promoting research and innovation for sustainable energy technologies and removing 'perverse' incentives such as fossil fuel subsidies as well as internalising external costs, including those of climate change, into the price of energy production,
 - using European and national legislation to stimulate greater energy efficiency and reduce the price of technology which reduces climate impact, encouraging much greater direct involvement in mitigation efforts at the level of the European citizen, a necessary prerequisite being the provision of detailed information about the carbon content of products and services and a future option being a system of personal tradable quotas;
2. Calls on the EU Leadership to present, at the COP-11 and COP/MOP1, 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;
 3. Believes 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; emphasises that 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; further stresses that cost-effectiveness should be a characteristic of all measures considered and that, therefore, a long-term goal should be to develop a global carbon market, based on cap and trade; notes further that calculating cost-effectiveness must include the costs of inaction and the expected economic benefits from early action and innovation as well as from technological learning, which will drive down mitigation costs;
 4. Welcomes the conclusions by the Brussels European Council of 23 March 2005, in particular that emissions reductions for developed countries for 2020 in the order of 15-30% should be strived for; however, insists that emissions reduction targets for the long-term are needed as well and suggests a target of 60-80% for 2050;
 5. Recalls that the potential for energy savings is as high as 40% in the EU, but that to reach this goal binding targets must be set;
 6. Notes that with a systemic approach it would be possible for renewable energies to cover 25% of EU energy consumption by 2020;
 7. Underlines that effective climate change mitigation will 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; calls 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 the

energy intensity in the order of 2,5-3%;

8. Recognises that delayed action will increase the risk of adverse environmental effects and greater costs; further maintains that reducing global emissions must not lead to other threats; reiterates its opinion that CDM/JI or similar credits must continue to exclude nuclear activities;
9. Considers that combating climate change produces benefits both for society and the environment and contributes towards the achievement of the Lisbon objectives and the Millennium Development Goals; believes that investment in and the development of renewable energies gives rise to fresh possibilities for agriculture and forestry, more jobs, better health, increased regional growth, better exploitation of local and regional resources and of existing advanced technology, and less poverty;
10. Demands that the EU put more effort into the development of promising technological solutions in co-operation with the other global players;
11. Emphasizes that many of the technologies needed to reduce GHG emissions already exist; however, their market entry is hampered by a lot of barriers, not least perverse incentives such as subsidies for fossil fuels; therefore, calls on the Commission to propose legislation to abolish all such subsidies and instead to put in place a positive incentives structure for the enhanced use of energy-efficient, low-carbon and carbon-free technologies and calls for the pro-active use of public procurement within the EU to help bring down the costs for such technologies; moreover, asks, in addition to focusing the Seventh Framework Programme on Research in areas relating to climate change mitigation, for a Crash Programme - similar to the US Apollo Programme in the 1960's - to promote research and innovation in support of sustainable energy and land-use management;”
12. Invites the Commission, in the light of the fact that much, if not most, of the EU’s energy infrastructure is due for replacement over the next decades, to bring forward proposals to ensure that all investments in energy infrastructure within the EU apply the best available technologies in terms of low- to zero-fossil fuel emissions;
13. Notes that investments in efficiency measures and renewable technologies are the main alternatives for climate change mitigation; points out at the same time that the development of carbon capture and storage techniques is important - not least in regions with ample supplies of coal;
14. Calls on the Commission and the Member States to make clear and concrete inputs to an eventual reform of the CDM and its institutions, with the aim of enhancing its implementation and promoting broader involvement of private sector actors and thus creating the momentum necessary to carry beyond 2012;
15. Points to the need to foster new technologies for space-based systems to analyse natural disasters from space and thereby foresee and mitigate their devastating consequences;
16. Takes the view that the complexity of research and technological development required by climate change and disaster prevention, as well as their cross-border dimension, make it necessary to seek European formulae which transcend the principle of regional and

national subsidiarity;

17. Calls on the leadership of the EU countries that have not yet done so, to contribute resources to the supplementary fund to ensure that the CDM EB can fulfil its mandate to create a well functioning and effective mechanism;
18. Underlines that developments within the transport sector are critical as it contributes to roughly 30% of the Community's CO₂ equivalent emission, in which approximately 85% is the share of the road transport; underlines that rail transport is much more energy efficient than road transport; regrets the fact that the automobile industry is unlikely to meet the target of 140 gm/km within the time-limit laid down under the current voluntary agreement; therefore calls for a policy of strong measures to reduce emissions from transport, including mandatory limits for CO₂ emissions from new vehicles in the order of 80-100 gm/km for new vehicles in the medium term to be achieved through emissions trading between car manufacturers, and other measures such as EU wide speed limits, traffic charges and tax incentives, together with a boost in rail and public transport in general; further urges the Commission to devise innovative ways of making apparent the CO₂ pollution caused by transport and to put forward proposals designed to stabilise or reduce traffic volumes in the European Union between now and 2010;
19. Notes with concern the increase in freight transport, calls on the Commission to draw up an estimate of the CO₂ emissions caused by freight transport to make proposals to transfer a large proportion of road haulage traffic to more environmentally-friendly modes of transport; calls on the Commission, as part of its review of the European Climate Change Programme (ECCP), to bring forward proposals to establish a "Trans-European Fast Rail Freight Network" to resolve the fragmentation in the freight network and remove the remaining infrastructure bottlenecks; calls for the consideration as well, of mandatory CO₂ emissions targets for trucks; calls on the Commission to explore the benefits for climate mitigation of permitting all member states to use Swedish/Finnish length trucks; and to report the findings within shortly;
20. Reiterates its demand that emissions from international flights and shipping be incorporated in the emission reduction targets from 2012;
21. Supports the introduction of ecotaxes at Community level; emphasises that, like other market instruments, they are essential to an effective policy on reducing pollution; calls on the Commission to put forward proposals and on the Member States to adopt the first European ecotax by 2009 at the latest;
22. Supports the Commission's proposal for a thematic strategy on the urban environment, the aim of which is to improve the quality of urban areas, in particular as regards air quality; in connection with climate change, takes the view that priority should be given to two policy areas: the development of public transport services which use clean or less polluting technologies, and the promotion of sustainable, high environmental-quality (HEQ) construction methods;
23. Considers that the EU and its Member States must review and revise their community planning instruments in order to reduce climate impact, particularly with regard to the planning of and new investment in transport systems and new residential and industrial

areas;

24. In order to demonstrate clear EU leadership ahead of the 2012 negotiations, calls on the Commission to bring forward specific legislative proposals to extend the scope of the buildings directive and to update the Biofuels directive to include the latest technology bio-flexifuels (such as MTHF, Ethyl Levulinate, etc.), to introduce mandatory EU-wide common standards for these new fuels, to create incentives for biofuel run captive fleets, and introduce minimum blending ratios as part of its review of the ECCP;
25. Calls on the European Union authorities to ensure that the Structural Funds are geared as a matter of priority towards sustainable development;
26. Notes that aviation is responsible for between 4% and 9% of all GHG emissions worldwide and that emissions from aviation are increasing at an annual rate of 3%; emphasises the importance of severe reduction targets for the aviation sector; urges the Commission to take prompt action to reduce the climate impact from aviation, by creating a pilot emissions trading scheme for aviation emissions for the period 2008-2012, covering all flights to and from any EU airport, and that instruments to tackle the full climate impact of aviation be introduced in parallel; calls for parallel efforts to address emissions from maritime as well;
27. Calls on the Commission to set out clearly the path towards the low-CO₂ economy by devising a route map which, inter alia, gives more insight into what may be expected from hydrogen and renewable energy; calls on the Commission, at the same time, to identify any bottlenecks in the development and application of new and clean technologies;
28. Considers that the rapid development of the use of biomass and the encouragement of farm related renewable energy production must be a top priority in shifting the focus of Community Agricultural Policy along with a balanced approach to food production; stresses that energy production from biomass must be organized in ways that are both effective in terms of energy conversion and ecologically sustainable;
29. Points to the need to diversify lines of research and preventive measures to avoid effects on human health and safety, floods, drought, fires - particularly in forested and protected areas - , a decline in biodiversity and economic losses; calls on the Member States and Commission to take account of the importance of forests and farming in absorbing carbon, slowing down erosion, providing resources and ultimately regulating the climate;
30. In order to ensure an international level playing field, calls on the Commission and the Member States to consider proposing sectoral targets for energy-intensive export industries in countries without binding emission reduction commitments as a supplement to binding emission targets for industrialised countries; furthermore requests the Commission to explore the possibility of linking the EU emissions trading scheme with third countries; calls on the Commission to take an active approach to the dialogue with undertakings in each sector of industry in order to review what changes in production, consumption and transport may and must be stimulated in order to reduce GHG emissions in the European Union;
31. Calls on the Commission to take seriously into account the “free-rider” problem in the

area of climate change mitigation; calls on the Commission and the Member States to investigate the possibility of adopting border adjustment measures on trade in order to offset any short term competitive advantage producers in industrialised countries without carbon constraints might have; stresses that the international trade patterns have a major impact on climate change; calls, therefore, on the WTO to incorporate a sustainable development mechanism into its work;

32. Considers that in the review of the current 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 will also have to be reconsidered because of increased cross-border trade, notably electricity;
33. Recommends that the EU develop a specific climate change cooperation policy for developing countries; notes that the integration of climate change considerations into wider development policies requires the development and installation of a number of tools. Priorities in this field are agriculture and food security, two areas which are most sensitive to climate; believes further that another key concern is economic diversification, acknowledging that many developing countries in AOSIS are highly dependent on tourism; transport, social planning and energy issues are crucial in counteracting climate change; notes that other priorities would be disaster prevention and preparedness;
34. Welcomes the creation of the Environmental Information System for Environment and Sustainable Development for Africa of the Commission, based on satellite and computer-mapping technologies, helping the development activities of the ECHO office; recommends that a possible development and extension of the Commission structure to include a climate change observation network should be investigated;
35. Emphasises that, 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 MDG's will never be met if environment issues, like climate change, are not properly addressed; sustainable development and combating poverty should remain the general framework within which developing countries would be encouraged to adopt policies and measures integrating climate change concerns, whether for adaptation or mitigation;
36. Backs, therefore, 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; recommends that this new strategy should be based on the link between climate change, natural resource management, disaster prevention and poverty eradication.
37. Stresses that economic development is a right for all developing countries; emphasises that the European Union and other industrialised nations must assist the developing countries in the development of sustainable technologies; however, developing countries do not have to repeat the same polluting practices of the industrialised countries; believes that the rules of the Clean Development Mechanism need to be reformed so that they deliver sustainable development; suggests that the lending priorities of international financial institutions as well as EU aid efforts be shifted towards supporting renewable

energy and energy efficiency; proposes as well the launching of a multilateral Sustainable Energy Initiative - involving the EU, countries like China, India, Brazil, South Africa, etc. and some major energy-related corporations - whose aim should be to promote technology cooperation in a big way, energy and transport being main targets, building on the example of the recently agreed EU-China Climate Change Partnership;

38. Calls on the Commission, as part of the technology cooperation with Annex B countries and as part of its review of the Cotonou Agreement, to assist their governments to adopt national energy strategies so as to minimize 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's Millennium Development Goals;
39. Insists on the need for increased financial assistance for climate adaptation for the least-developed countries; considers in this context that the management of sustainable forestry, especially tropical forests, constitutes an important element in both climate mitigation and adaptation and so urges the Commission to give priority to this in its development cooperation activities;
40. Calls on the Commission to study the feasibility and merits of setting up a system of personal tradeable emission quotas to involve the citizen and influence private consumption patterns;
41. Calls on the European Institutions to set a positive example by limiting GHG emissions in their various activities, through enhanced energy efficiency in office buildings and for all equipment used, low carbon travel etc.; special efforts should be made in relation to travel of Members of Parliament, implying a reconsideration of the double location of the EP, low-carbon vehicles for the drivers' service etc;
42. Calls on the Commission to launch an EU initiative in order to increase citizens' awareness of the role played by wasteful consumption and production in climate change;
43. Recognizes and supports Information and Communications Technology (ICT)-based solutions to decouple economic growth from energy and material consumption as well as transport and thereby contributing to a more sustainable society; calls on the Commission to suggest policy measures in order to capture ICT-mediated efficiency improvements in housing, dematerialization, transport and a shift from products to services;
44. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the Secretariat of the UNFCCC, with the request that it be circulated to all non-EU contracting parties.

EXPLANATORY STATEMENT

Climate change is different from any other environmental problem we face. The main reason is that the climate system is non-linear in character, with positive feed-backs. Once we pass a certain level of green-house gas concentration (GHG) in the atmosphere, the whole system is likely to undergo drastic change. Globally intolerable impacts with disastrous consequences may occur, like annual material damages due to extreme weather events in the range of hundreds of billions of dollars, tens of millions of people being displaced, severe heat waves, large-scale change of crop and species distribution etc.

Developing countries are likely to be the hardest hit. The poor are much more vulnerable to phenomena like floods, storms and droughts. In some regions a drier climate will lead to food production losses. Adding to that, large regions in the South will be seriously affected by rising sea levels.

In spite of its different character, climate change is still mostly seen as an environmental problem and mainly the responsibility of the environment ministers. This has to change. Climate change has serious implications, not only for ecosystems, but for the economy as a whole, for public health, water and food security, migration etc.

The Communication of the Commission on “Winning the Battle against Global Climate Change” contains a wealth of useful information and a number of forward-looking proposals. However, given the seriousness of the problem, the Commission proposal would have benefited from a greater sense of urgency. A stabilization of the GHG in the atmosphere is a formidable challenge and will require significant behavioural changes of a type not yet seriously considered.

Living up to the Kyoto requirements is the first priority for the EU. In too many Member States, emissions are far beyond their Kyoto commitments. We should not be surprised. Most of the cuts in carbon emissions within the EU so far are the result of the closing down of old inefficient coal-powered plants, primarily in the UK and Germany. Hence, strong policy measures have to be implemented shortly so as to guarantee that the EU really meets its Kyoto objectives.

But Kyoto is only a first modest step. We have to bring about significant cuts in our GHG emissions in the EU beyond 2012. Although significant, EU emissions only make up around 14% of total GHG emissions. Hence our further efforts risk to become futile if they remain isolated.

The problem of climate change cannot be effectively tackled without the active engagement of all major actors. The decision by the US administration not to ratify the Kyoto Protocol was a major blow to international cooperation on climate change. The role of the US is critical. Its active participation is seen as indispensable in order to engage developing countries more fully in mitigation efforts.

The Communication rightly stresses the need to include sectors that are not part of the Kyoto framework, notably aviation and maritime transport, as well as analyzing in more detail how

different forms of land-use regimes influence the climate system. A strong plea is also made for the deployment of new technologies, including efforts to boost energy efficiency.

The UN Framework Convention on Climate Change makes staying within ecological limits its "ultimate objective", with GHG concentrations to be stabilized "at a level that would prevent dangerous anthropogenic [human made] interference with the climate system". The EU has interpreted this objective to mean that "a sustainable EU climate change target should limit global temperature increase to no more than 2 degrees Celsius above pre-industrial levels". When this target is translated into a specific level of GHG concentration in the atmosphere, the advice from experts is that a stabilization at a level below 500 ppm CO₂ eqv, ought to be the aim. Such a level is not far from the present value, which shows the urgency of the situation.

The Commission has indicated that reductions of at least 15% in global emissions by 2050, compared to 1990 levels, will be needed. This level of ambition appears too low. A reduction in the range of 25-30% is most probably needed if the goal is to avoid dangerous climate change.

EU heads of State and government agreed in March 2005 that "reduction pathways for the group of developed countries in the order of 15-30% by 2020 compared to the baseline envisaged in the Kyoto Protocol and beyond" in the spirit of the conclusions of the previously held Environment Council should be explored with other countries. Building on that the EU should consider a reduction target for 2050 in the range of 60-80%.

Climate change mitigation is largely an energy issue. However, there are other strong elements calling for a major re-orientation of the energy system. Nobody can tell with certainty whether or not the rapidly rising price of oil is an indication of the exhaustion of resources. Many independent analyses, however, point in this direction and predict that the maximum of production could be reached very shortly.

World energy demand is expected to grow in the years ahead. Supplying ever increasing amounts of energy present a major challenge, requiring new supply and demand technologies.

The present energy system has proved inadequate also in other respects. It has done little for poverty alleviation. Fulfilling the Millennium Development Goals will require access to modern forms of energy for the 2 billion people who presently are lacking clean and safe fuels and have no electricity. Local and regional environmental problems are another major reason to replace the present energy system. Such problems have serious impacts on health and impose direct economic costs for society; estimates for China are in the order of 7% of its GDP.

The main technologies needed for a sustainable energy system have been identified and developed. They include a variety of alternatives for demand-side management and energy supply. Scientists at Princeton have identified fifteen existing technologies that, over the long-term, each could prevent 1 billion tons a year worth of carbon emissions (current emissions rate around 7 Gtons C/year), thereby countering the argument that major new technologies need to be developed before significant mitigation of emissions can begin.

The fact that a large number of alternative technologies actually exist does not mean that they are diffusing spontaneously. There are many barriers to change, such as lack of information, perverse subsidies, poor incentives, obsolete regulation, insufficient technical capabilities, high costs etc. These kinds of problems are well documented inside the European Union, but they hold true as well in the context of most developing countries.

A significant increase in research funding is needed - both to help to bring about breakthroughs in new technology areas and to help to bring down costs. The proposed new Framework Program for Research within the EU represents an increase in funding, but the resources proposed for alternative energy are far from satisfactory. A Crash Programme for research and innovation in sustainable energy is needed.

When industrialised countries (IC) approach developing countries (DC) on climate change mitigation they are often perceived as trying to limit economic development in these countries. DCs rightly stress that ICs never had to care about GHG emissions during their modernisation. For the future a truly comprehensive approach is therefore needed to bring about the necessary cooperation with DCs.

DCs have initially been involved in efforts to limit GHG emissions through the Clean Development Mechanism (CDM) and the Global Environmental Facility. Although useful instruments, they represent a far too modest effort in relation to the magnitude of the challenge. What is proposed here is to develop a strategic partnership with the more advanced developing countries (to start with China, India, Brazil, South Africa and Indonesia). A Sustainable Energy Initiative in a multilateral context, involving as well the European Union and some major energy-related corporations is proposed. This Initiative should address the energy problems starting from the needs for energy services to reach the Millennium Development Goals (MDG) as well as to fuel economic development, while at the same time protecting the environment (including ambitious climate change mitigation).

A special case is related to the so-called "leapfrogging", i.e. the adoption in a DC of an advanced technology, sometimes not yet widely adopted in IC. Such solutions may be the most appropriate in the context of DC's for a number of reasons. One seemingly effective way to make sure technology "leapfrogging" happens would be for the EU, and hopefully other OECD countries to help finance the cost differential between investing in a new, advanced technology and a conventional one.

For many people climate policy is seen primarily as a cost issue and a constraint on growth. Seen this way, the post-2012 discussions will become very difficult. It may sound naive to some, but it ought to be possible to reframe the debate on global warming and see it more as an opportunity for Europe rather than a problem. No doubt there are costs involved. But there are clear benefits as well – for society at large, but also for individual businesses. There are, for instance, many examples of companies which have cut emissions substantially and at the same time made huge savings.

The challenge will be to provide a policy framework to encourage companies to make use of the opportunities that do exist, both to use energy more efficiently and to invest in carbon-free or low-carbon technologies. There is an obvious link to the Lisbon Strategy. The environmental technology sector is already growing annually by 5% - estimated at over €500

billion in 2003. Why not let the necessary transformation of our energy and transportation systems be a strong lever in the Lisbon strategy, to boost growth and competitiveness as well as to export growth for the EU.

In a recent statement leading British business leaders urged governments to develop a more ambitious policy on climate change. To delay action is, the statement reads, likely to significantly increase the costs of mitigation. The business leaders suggest that targets for emissions reductions and trading ought to be set now for the year 2025. Moreover, they encourage governments in Europe to do away with inconsistencies and perverse incentives that undermine climate policy. Governments are also urged to assess the impact on carbon emissions of all new legislation and to use public procurement to stimulate markets for new and existing low-carbon technologies.

A future climate action programme has to encompass all major sectors of the economy. The first priority should be to greatly enhance energy efficiency. The potential is huge. The Commission green paper on energy efficiency includes good suggestions but must be complemented, not least in the area of transport. The incentives structure of the economy is crucial, but the same goes for access to finance and greatly enhanced knowledge among companies and households regarding available technologies.

Europe has to change the way it generates electricity. Fossil fuels subsidies must be removed (presently in the range of 25 billion € per year) and invested instead in renewable energy sources. Combined heat and power has to be enhanced. The transport sector remains a difficult area in which to reduce emissions. A combination of measures should be considered. Mandatory targets for fuel efficiency for new vehicles have to be introduced. A realistic goal for 2012 should be a maximum of 120 g CO₂/km for the average vehicle sold. The production of alternative fuels must be boosted. Recent developments in the production of biofuels are promising, e.g. through combined food and bio-fuels production and bio-diesel production in the tropics (using tropical vegetable oils). While bio-fuel production should be greatly encouraged through a reorientation of the present support systems within the CAP, the EU should also be open to increased imports from developing countries as well. The import levy on ethanol for instance has to be abolished.

The European Emissions Trading Scheme (ETS) is a major achievement. It provides a policy tool whose main aim is cost-effectiveness. The system will be reviewed next year. Already at the present time a few comments are in place. One common view is that to get the most out of the ETS, it should not be restricted to major plants but extended to other sectors such as aviation. Extending the current downstream approach i.e. focussing on single emission sources, would however not be feasible for most other sectors such as SMEs or households. Rather, as suggested by German scientists, an up-stream approach focussing on the beginning of the fuel chain would be more suitable. In the future the most efficient way to expand the ETS is to ensure that the emission credits are not allocated via grandfathering but through benchmarking and/or auctioning on a gradually diminishing EU “bubble”.

Another important comment is related to the difficulties of competition that may be encountered by many energy-intensive industries that are subject to fierce international competition. Hence the urgency to encourage other major actors to join the ETS and to consider ways of ensuring, as much as possible, a level-playing field.

A final comment is pertaining to the present system of national quotas within the burden-sharing agreement within the EU. It is difficult to see how this could be maintained in a situation where there is more and more cross-border trade, notably of electricity.

5.9.2005

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Environment, Public Health and Food Safety

on Winning the battle against global climate change
(2005/2049(INI))

Draftsman: Paul Vergès

SUGGESTIONS

The Committee on Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Is aware that climate change is taking place and that it is caused by human activity: there is therefore a need to adapt to the increasing global average temperature; stresses, however, the need for more powerful measures to reduce the effects of climate change;
2. Draws attention to the fact that the combination and mutually-reinforcing nature of climate change, demographic evolution and globalisation signal an unprecedented period of instability in the history of humanity; this underlines the need to reduce the cleavage between the developing world and the rest of the globe and to eradicate poverty;
3. Stresses that cooperation with the developing countries in combating climate change must take as its starting-point the fight against poverty;
4. Recognises that developing countries are most severely affected by climate change, and their economies are often dependent on a small number of activities which may be disproportionately impacted by climate change; this is particularly the case for small island states; recognises further that mitigation and adaptation to climate change in developing countries should be a priority in EU development policy; calls on the Commission and Member States to explain how they are meeting this objective, as well as meeting their financial commitments to the political declaration made in Bonn in July 2001, by increasing their cooperation on climate change with developing countries in terms of a budget of US\$ 410 million as of 2005;
5. Welcomes the outcome of the G8 summit at Gleneagles and the efforts planned by the

British EU Presidency in the fight against global climate change; calls, however, for further measures to be taken in efforts to combat climate change;

6. Recommends that the EU develop a specific climate change cooperation policy for developing countries; notes that the integration of climate change considerations into wider development policies requires the development and installation of a number of tools. Priorities in this field are agriculture and food security, two areas which are most sensitive to climate; believes further that another key concern is economic diversification, acknowledging that many developing countries in AOSIS are highly dependent on tourism; transport, social planning and energy issues are crucial in counteracting climate change; notes that other priorities would be disaster prevention and preparedness;
7. Backs international cooperation and the involvement of developing countries in addressing climate change; asks, however, for appropriate implementation of technology cooperation, development of renewable energy, water and disaster facility programmes, as well as for the transfer of sufficient financial aid on the part of the EU; recommends regular consultation of the ACP-EU JPA and calls for its active participation in the drawing-up of such proposals;
8. Recommends looking into the problem of non-participation in climate change mitigation actions;
9. Considers it important that the EU stress the costs which will be incurred if we do not act to reduce emissions with an impact on the climate, since an understanding of these costs may enhance the motivation to reduce the emission of greenhouse gases;
10. Stresses the importance of addressing the issue of climate observation, its vulnerability and impact, as it is the reason for action against climate change and there is a lack of such observation in most developing countries; observes that there is likewise a lack of meteorological observations and that the implementation of adaptation cannot be properly achieved without adequate data sets on hazards, vulnerability and impacts; welcomes the 'European capacity for Global Monitoring of Environment and Safety' (GMES) initiative of the Commission and the European Space Agency as of 2008 to support the Union's political goals regarding sustainable development and political governance; recommends that cooperation in this field in general should be integrated into international initiatives such as GCOS and GEOSS;
11. Welcomes the creation of the Environmental Information System for Environment and Sustainable Development for Africa of the Commission, based on satellite and computer-mapping technologies, helping the development activities of the ECHO office; recommends that a possible development and extension of the Commission structure to include a climate change observation network should be investigated;
12. Considers that sustainable development must be an integral part of the EU's development work; calls on the Commission to contribute to capacity building in the EU, the UN, the donor countries and the recipient countries, in such a way that the integration of sustainable development can operate effectively; efforts should be made principally in skills development, education and exchange of experience;

13. Stresses that the international trade patterns have a major impact on climate change; calls, therefore, on the WTO to incorporate a sustainable development mechanism into its work;
14. Stresses that preparation for natural disasters linked to existing climate variability and to potential future climate change needs to be drastically improved in many developing countries, such as those of the ACP, as has been shown with the dramatic consequences of hurricane Jeanne on 19 September 2003; considers that actions are necessary not only in the field of meteorological observation, but also concerning reaction times of local authorities and the education of the population;
15. Recommends adopting conflict prevention and disaster reduction strategies with a special regard to developing countries to reduce political destabilisation, as the consequence of a changing climate/ecosystem, including special support for governance and capacity-building in Africa;
16. Stresses that the Commission should seek the active participation of developing countries through its communication strategy on climate change, as well as take initiatives in the dissemination of information using ACP-EU channels; it is also important to take account of the European ultra-peripheral regions which neighbour many ACP countries and often have similar sustainable development issues to face;
17. Stresses that the vital role of IPCC, which is at the basis of the scientific consensus on climate change, is not sufficiently acknowledged in the Communication and that participation of developing countries in its work and in the research efforts in general, should also be highlighted;
18. Emphasises that, with regard to developing countries' participation in the future climate regime, the EU should clearly recognise that the priority for these countries is development; however, the MDG's will never be met if environment issues, like climate change, are not properly addressed; sustainable development and combating poverty should remain the general framework within which developing countries would be encouraged to adopt policies and measures integrating climate change concerns, whether for adaptation or mitigation; notes that in this respect, development objectives should take into account two conditions:
 - a) they should not result in a further deterioration of the quality of life of local populations, and should reflect the objectives of the Millennium Development Goals; believes that for this purpose, developing countries must define and apply adaptation policies wherever relevant, but they should also, in terms of mitigation, avoid the deadlocks in which the so-called developed countries are already caught, for instance in the fields of road and air transportation; considers that developing countries have an historic opportunity of which they should take advantage, and investment choices over the coming decades will be crucial to the transition to a low-carbon emission future;
 - b) developing countries should also contribute, within their capacities and without slowing their development, to the general mitigation effort; notes that there would be an additional advantage for most developing countries, which are presently highly

dependent on oil and therefore face very high energy costs: any reduction of energy consumption and increased use of alternative energy sources would therefore be highly beneficial; points out that the Clean Development Mechanism (CDM) of the Kyoto Protocol has the potential to contribute to this goal, and ways to develop it beyond the first commitment period of the Kyoto Protocol should be explored, especially by exploring ways of decreasing costs and increasing the efficiency of the process required to get CDM projects approved; notes that its successful launch requires greater financial support from European countries to overcome its current funding problems; however, it is important that the Clean Development Mechanism should be evaluated in such a way that it achieves the desired result and does not merely permit businesses to evade their responsibilities for improving energy efficiency;

19. Backs, therefore, 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; recommends that this new strategy should be based on the link between climate change, natural resource management, disaster prevention and poverty eradication.

PROCEDURE

Title	Winning the battle against global climate change
Procedure number	2004/2049(INI)
Committee responsible	ENVI
Committee asked for its opinion Date announced in plenary	DEVE 12.5.2005
Enhanced cooperation	No
Drafts(wo)man Date appointed	Paul Vergès 24.5.2005
Discussed in committee	14.7.2005
Date suggestions adopted	30.8.2005
Result of final vote	for: 32 against: 0 abstentions: 0
Members present for the final vote	Margrete Auken, Margrietus van den Berg, Danutė Budreikaitė, Marie-Arlette Carlotti, Thierry Cornillet, Nirj Deva, Alexandra Dobolyi, Fernando Fernández Martín, Michael Gahler, Filip Andrzej Kaczmarek, Glenys Kinnock, Ģirts Valdis Kristovskis, Maria Martens, Miguel Angel Martínez Martínez, Gay Mitchell, Luisa Morgantini, José Javier Pomés Ruiz, Toomas Savi, Pierre Schapira, Jürgen Schröder, Feleknas Uca, Paul Vergès, Anna Záborská, Mauro Zani
Substitutes present for the final vote	Marie-Hélène Aubert, John Bowis, Manolis Mavrommatis, Anne Van Lancker, Gabriele Zimmer
Substitutes under Rule 178(2) present for the final vote	Carl Schlyter, Åsa Westlund, Jürgen Zimmerling

5.10.2005

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on the Environment, Public Health and Food Safety

on winning the Battle Against Global Climate Change
(2005/2049(INI))

Draftswoman: Rebecca Harms

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas climate change is a major and complex challenge of our time that has consequences for the environment, human health, living standards and regional planning,
- B. whereas full implementation, by all Parties, of the UN Framework Convention on Climate Change and the Kyoto Protocol is fundamental in tackling climate change, even though the measures will not be truly effective until a global solution is found which includes the large economic blocs responsible for the bulk of polluting emissions,
- C. whereas there is possibly less time to start reducing total greenhouse gas emissions than previously anticipated,
- D. whereas, by 2050, emissions should be reduced by half globally in order to contain global warming below 2°C,
- E. whereas the innovation and implementation of technology is the best way to combat climate change in the long term,
 - 1. Strongly believes that the EU should retain its leading role in brokering an international agreement on the post-2012 regime under the Kyoto Protocol which should include all Parties based on a common but differentiated responsibilities without whose participation it is very difficult to control emissions at global level; believes that the adoption of unilateral objectives by the European Union may have unwanted effects on the competitiveness of Community industry and give rise to trade disputes;

2. Calls on the EU to adopt domestic reduction targets of between 15% and 30% by 2020, and a target for 2050 which is in line with the EU's agreed long-term objectives, taking account of the costs and benefits of the measures and the need for countries with more developed economies to make greater efforts;
3. Recognises that delayed action will increase the risk of adverse environmental effects and greater costs; maintains that reducing global emissions must not lead to other threats;
4. Considers that combating climate change produces benefits both for society and the environment and contributes towards the achievement of the Lisbon objectives and the Millennium Development Goals; believes that investment in and the development of renewable energies gives rise to fresh possibilities for agriculture and forestry, more jobs, better health, increased regional growth, better exploitation of local and regional resources and of existing advanced technology, and less poverty;
5. Points to the need to diversify lines of research and preventive measures to avoid effects on human health and safety, floods, drought, fires - particularly in forested and protected areas, a decline in biodiversity and economic losses; calls on the Member States and Commission to take account of the importance of forests and farming in absorbing carbon, slowing down erosion, providing resources and influencing the climate;
6. Recalls that the potential for energy savings is as high as 40% in the EU, but that to reach this goal binding targets must be set;
7. Notes that with a systemic approach it would be possible for renewable energies to cover 25% of EU energy consumption by 2020;
8. Considers that it is important to resolve the problem of a sharply rising demand for energy from dwindling oil sources, and the resultant rise in the price of oil, in a way which also helps to reduce climate change; considers that greater energy efficiency, inter alia through trigeneration, and a higher proportion of energy from renewable sources are crucial;
9. Calls for more in-depth research into the causes and effects of climate change, given its complexity; takes the view that the amounts allocated for this purpose under FP7 are insufficient; is convinced that new applications should be sought for the Galileo project for the rapid detection of phenomena such as droughts and floods;
10. Welcomes the emphasis placed by the Commission on innovation, but also wishes to see clear, concrete measures; regrets the fact that the car industry will be unable to meet the 140 g/km standard on time; urges the setting of a statutory standard of 80 to 100 g/km for the longer term; also urges the use of a system of tradeable emission rights for the car industry to enable it to continue to reduce emissions at the lowest cost; calls on the Commission to adopt innovative measures to encourage the industry to reduce emissions of greenhouse gases by cars more quickly;
11. Is concerned at the rise in freight transport; calls on the Commission to produce an estimate of CO₂ emissions from freight transport, and urges the Commission to explore innovative ways of making CO₂ pollution caused by transport transparent; is aware that

aviation is responsible at world level for 4 to 9% of total greenhouse gas emissions and that aviation emissions are growing by 3% a year; stresses the importance of sharp reduction targets for the aviation sector; notes that CO₂ reduction targets at world level for the transport sector could help improve conditions of competition and bring about a level playing field; calls on the Commission to assess the implications for European industry of sharp CO₂ reduction targets for the transport sector;

12. Recommends that steps be taken to adapt our society to be more weather-resilient (better land use planning, building codes, flood defences, geographically diverse production centres, contingency planning, etc.);
13. Demands that the EU put more effort into the development of promising technological solutions in co-operation with the other global players;
14. Calls on the Commission to more clearly point the way towards achieving a low CO₂ economy by drawing up a road map indicating, inter alia, expectations with regard to hydrogen and sustainable energy sources; calls on the Commission to identify any sticking points in the development and application of new and clean technologies.

PROCEDURE

Title	Winning the Battle Against Global Climate Change
Procedure number	2005/2049(INI)
Committee responsible	ENVI
Committee asked for its opinion Date announced in plenary	ITRE 12.5.2005
Enhanced cooperation	
Drafts(wo)man Date appointed	Rebecca Harms 25.5.2005
Discussed in committee	13.7.2005 30.8.2005
Date suggestions adopted	5.10.2005
Result of final vote	for: 47 against: 0 abstentions 1
Members present for the final vote	Ivo Belet, Šarūnas Birutis, Jan Březina, Philippe Busquin, Jerzy Buzek, Joan Calabuig Rull, Pilar del Castillo Vera, Giles Chichester, Den Dover, Adam Gierek, Umberto Guidoni, András Gyürk, Fiona Hall, David Hammerstein Mintz, Rebecca Harms, Ján Hudacký, Romana Jordan Cizelj, Werner Langen, Anne Laperrouze, Vincenzo Lavarra, Pia Elda Locatelli, Eluned Morgan, Angelika Niebler, Reino Paasilinna, Umberto Pirilli, Miloslav Ransdorf, Vladimir Remek, Teresa Riera Madurell, Mechtild Rothe, Paul Rübig, Andres Tarand, Britta Thomsen, Catherine Trautmann, Nikolaos Vakalis
Substitutes present for the final vote	Jean-Pierre Audy, María del Pilar Ayuso González, Dorette Corbey, Françoise Grossetête, Cristina Gutiérrez-Cortines, Erna Hennicot-Schoepges, Gunnar Hökmark, Lambert van Nistelrooij, Josu Ortuondo Larrea, Vittorio Prodi, Manuel António dos Santos, Alyn Smith, Hannes Swoboda, Roberts Zile
Substitutes under Rule 153(2) present for the final vote	Sharon Margaret Bowles

PROCEDURE

Title	Winning the Battle Against Global Climate Change	
Procedure number	2005/2049(INI)	
Basis in Rules of Procedure	Rule 45	
Committee responsible Date authorisation announced in plenary	ENVI 12.5.2005	
Committee(s) asked for opinion(s) Date announced in plenary	ITRE 12.5.2005	DEVE 12.5.2005
Not delivering opinion(s) Date of decision		
Enhanced cooperation Date announced in plenary		
Motion(s) for resolution(s) included in report		
Rapporteur(s) Date appointed	Anders Wijkman 7.4.2005	
Previous rapporteur(s)		
Discussed in committee	20.6.2005	12.7.2005
Date adopted	11.10.2005	
Result of final vote	for: 40 against: 0 abstentions: 2	
Members present for the final vote	Georgs Andrejevs, Johannes Blokland, John Bowis, Frederika Brepoels, Hiltrud Breyer, Dorette Corbey, Chris Davies, Avril Doyle, Mojca Drčar Murko, Edite Estrela, Anne Ferreira, Alessandro Foglietta, Françoise Grossetête, Satu Hassi, Gyula Hegyi, Mary Honeyball, Urszula Krupa, Peter Liese, Roberto Musacchio, Riitta Myller, Vittorio Prodi, Guido Sacconi, Karin Scheele, Carl Schlyter, Richard Seeber, Jonas Sjöstedt, María Sornosa Martínez, Antonios Trakatellis, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Anders Wijkman	
Substitutes present for the final vote	Margrete Auken, María del Pilar Ayuso González, Hélène Goudin, Ambroise Guellec, Rebecca Harms, Kartika Tamara Liotard, Pál Schmitt, Renate Sommer, Andres Tarand, Phillip Whitehead	
Substitutes under Rule 178(2) present for the final vote		
Date tabled – A6	20.10.2005	A6-0312/2005