

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

FINAL  
**A5-0237/2002**

19 June 2002

## **REPORT**

on the Commission communication on the implementation of the first phase of the European Climate Change Programme  
(COM(2001) 580 – C5-0164/2002 – 2002/2072(COS))

Committee on the Environment, Public Health and Consumer Policy

Rapporteur: Anneli Hulthén



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## PROCEDURAL PAGE

By letter of 25 October 2001, the Commission forwarded to Parliament a communication on the implementation of the first phase of the European Climate Change Programme (COM(2001) 580 – 2002/2072(COS)).

At the sitting of 11 April 2002 the President of Parliament announced that he had referred the communication to the Committee on the Environment, Public Health and Consumer Policy as the committee responsible and to the Committee on Budgets, the Committee on Industry, External Trade, Research and Energy and the Committee on Regional Policy, Transport and Tourism for their opinions (C5-0164/2002).

The Committee on the Environment, Public Health and Consumer Policy had appointed Anneli Hulthén rapporteur at its meeting of 6 November 2001.

The committee considered the the Commission communication and the draft report at its meetings of 23 April and 18 June 2002.

At the latter meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Caroline F. Jackson, chairman; Alexander de Roo and Mauro Nobilia, vice-chairmen; Anneli Hulthén, rapporteur; Per-Arne Arvidsson, María del Pilar Ayuso González, Hans Blokland, David Robert Bowe, John Bowis, Hiltrud Breyer, Dorette Corbey, Chris Davies, Marialiese Flemming, Karl-Heinz Florenz, Cristina García-Orcoyen Tormo, Laura González Álvarez, Robert Goodwill, Françoise Grossetête, Jutta D. Haug (for Anne Ferreira), Eija-Riitta Anneli Korhola, Peter Liese, Giorgio Lisi (for Martin Callanan), Piia-Noora Kauppi (for Raffaele Costa), Rolf Linkohr (for Rosemarie Müller), Torben Lund, Minerva Melpomeni Malliori, Patricia McKenna, Jorge Moreira da Silva, Emilia Franziska Müller, Giuseppe Nisticò, Guido Sacconi, Karin Scheele, Horst Schnellhardt, Inger Schörling, María Sornosa Martínez, Catherine Stihler, Antonios Trakatellis.

The opinion of the Committee on Industry, External Trade, Research and Energy is attached; the Committee on Budgets and the Committee on Regional Policy, Transport and Tourism decided on 22 January and 21 March 2002 respectively not to deliver an opinion.

The report was tabled on 19 June 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Commission communication on the implementation of the first phase of the European Climate Change Programme (COM(2001) 580 – C5-0164/2002 – 2002/2072(COS))**

*The European Parliament,*

- having regard to the communication from the Commission (COM(2001) 580 – C5-0164/2002<sup>1</sup>),
  - having regard to Article 2 and Article 6 of the EC Treaty, according to which environmental protection requirements must be integrated into the Community's policies for various sectors with the objective of environmentally sustainable economic development,
  - having regard to Article 174(3) of the EC Treaty,
  - having regard to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) of December 1997,
  - having regard to the EC's ratification of the Kyoto Protocol on 4 March 2002,
  - having regard to the sixth environment action programme<sup>2</sup>,
  - having regard to the conclusions of the Göteborg Summit,
  - having regard to the sixth research framework programme<sup>3</sup>,
  - having regard to the communication from the Commission on EC policies and measures to reduce greenhouse gas emissions: towards a European Climate Change Programme (ECCP) (COM(2000) 88),
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Consumer Policy and the opinion of the Committee on Industry, External Trade, Research and Energy (A5-0237/2002),
- A. whereas emissions of greenhouse gases in Europe are high. The reductions which occurred during the 90's are largely attributable to one-off effects in a few Member States. According to Member States' and the Commission's forecasts, current policy and measures are not capable of bringing about a reduction in total emissions of greenhouse gases within the EU in accordance with the EU's commitments under the Kyoto Protocol,

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<sup>1</sup> Not yet published in OJ.

<sup>2</sup> Not yet published in OJ.

<sup>3</sup> Not yet published in OJ.

- B. whereas common coordinated measures at Community level will be an important complement to the national strategies which Member States must adopt to honour their commitments under the Kyoto Protocol in accordance with the agreement on the division of emission reductions, and help to ensure that reductions of greenhouse gas emissions are effected in a socially and economically efficient manner,
1. Welcomes the Commission's communication as the European Climate Change Programme is necessary to enable the EU to fulfil the requirements of the Kyoto Protocol;
  2. Welcomes the Commission's endorsement of the statements made by the Heads of State and Government at the Göteborg Summit in June 2001, and its statement that the objective of reducing greenhouse gas emissions from the 1990 level by minus 8% is a minimum rather than a maximum requirement;
  3. Regrets the fact that the Commission has not adequately explained why, according to the communication, only 12 of the 42 possible measures discussed will be dealt with at EU level, when the 12 measures discussed will not be sufficient under any circumstances to achieve the required emission reduction of minus 8%;
  4. Considers that the European Climate Change Programme (ECCP) has great environmental and industrial-policy significance, and points out that, despite the proposed measures at EU level, national responsibility for achieving climate-protection objectives still applies and national margins of manoeuvre must also be retained, with each member country being required to adhere to the quotas allocated to it under the agreed burden-sharing arrangements;
  5. Calls on the Commission to draw up a plan for the period following the initial commitment period under the Kyoto Protocol which provides for greater investment in research and development, with particular focus on the energy sector and the cleaner processes that must be introduced to reduce emissions at both European and global level;
  6. Considers that, in accordance with the Kyoto Protocol specifications, the most cost-effective measures should be taken first;
  7. Regrets the fact that measures within the agricultural policy have not been included in this first phase of implementation of the climate change programme and stresses that the greenhouse issue should be included in the current assessment of the EU's common agricultural policy, with particular reference to methane and dinitric oxide,
  8. Regrets the fact that, although the Commission has submitted a very ambitious proposal on greenhouse gas emissions trading for certain industries and energy production, this relatively ambitious proposal does not extend to a comprehensive strategy, particularly for transport and private households, where there is an urgent need for action;
  9. Stresses that climate policy is global and points to the need to involve, among other international partners, the developing countries, the applicant countries and Russia; is concerned that the Commission appears to be considering activities to promote sinks, when only emission reductions are the appropriate focus,

## **CROSS-CUTTING ISSUES**

10. Calls on the Commission to play a more active role in encouraging the Member States to implement and comply with the IPPC Directive and to develop national strategies to meet energy efficiency standards in order to obtain IPPC permits;
11. Considers that the Commission should give priority to the work on limit values for emissions established through the application of best available technology and calls on the Commission also to update technical reference documents in other sectors, e.g. the aluminium industry, which may also have a significant effect on reductions of greenhouse gas emissions in the applicant countries when they become members of the EU;
12. Considers that JI (joint implementation mechanism) and CDM (clean development mechanism) may be cost-effective ways of reducing greenhouse gas emissions and are capable simultaneously of promoting sustainable development and technology transfer; stresses that the focus in this respect must be on renewable energy and energy efficiency and that they should be supplemental to national measures within the EU, which should account for at least the majority of reductions;
13. Recalls that the monitoring mechanism introduced by Decision 1999/296/EC has not always worked in practice and considers that it is important for the Union's credibility that the planned review of the mechanism will also result in a more stringent approach, whereby sanctions may be a possible instrument in response to failure to report;
14. Urges that the registering and monitoring of greenhouse-gas emissions be carried out with a minimum of administrative expenditure;
15. Calls for research into improved measuring procedures to be stepped up;
16. Considers that control mechanisms such as emission trading and energy taxation must be coordinated so that price relations in the long term develop in such a way that low carbon dioxide emissions cost less than high emissions and that subsidies which conflict with emission reduction targets, e.g. aid to the coal industry, must be phased out simultaneously; calls therefore for those sectors which are not involved in emission trading to be subject instead to a pollution-related levy which is revenue and competition neutral and coordinated and harmonised on a Europe-wide basis;

## **ENERGY**

17. Stresses that climate policy should represent one of the main principles of future EU energy policy and that an expansion of combined heat and power (CHP) – together with other measures to promote energy efficiency on the demand and supply sides – is crucial for the promotion of sustainable energy-saving;
18. Welcomes the idea of submitting a proposal to strengthen Community measures to promote the use of combined heat and power (CHP) and welcomes, in particular, the Commission's intention to support only efficient plants; calls, in addition, for the immediate submission of an ambitious proposal containing binding objectives but also

calls for an internationally recognised definition of CHP; points out also that there is a need for the integration of environmental costs and clear rules on grid connection and sale of CHP electricity in order to make use of serviceable technologies;

19. Calls for prompt adoption of a directive on the promotion of CHP with the emphasis on low costs and high efficiency;
20. Considers that a directive on the promotion of biofuel-based heat production should be given at least the same priority in terms of time as the directive on CHP technology and should cover biofuel from forestry, agriculture, fruit-growing, gardens and park management and from industrial residual products and sorted waste;
21. Points out that there is an urgent need to introduce minimum efficiency requirements for end-use equipment so that the least efficient equipment disappears from the market; stresses that energy-saving with no loss of convenience is possible in this area and that in many cases the cost is recouped within a few months or years; calls therefore on the Commission to submit a proposal to that effect immediately during summer 2002, setting ambitious requirements as a basis;
22. Welcomes the European Commission's intention to submit as soon as possible a proposal for a directive on energy demand management; considers, however, that the proposal is both 'woolly' and vaguely formulated and calls on the Commission to clarify the purpose of the legislation;
23. Regrets the fact that the Commission has not proposed a directive on more energy-efficient public procurement, but welcomes the Commission's intention to provide the public procurement sector with guidelines for energy efficient technology; calls on the Commission to examine the impact of such guidelines to remove obstacles to energy-efficient public procurement in present and future Community legislation and urges the Commission to submit a proposal for a directive on energy-efficient public procurement;
24. Regrets that the Commission communication on the implementation of the first phase of the ECCP contains no proposal for improving energy efficiency in housing and buildings stock in the European Union; points out that it is important to maintain such a proposal's emphasis on both new and existing building stock since, otherwise, most of the buildings in the EU will remain unaffected; notes that the originally proposed directive also allows for very broad exemptions for types of buildings such as industrial, historic or temporary;
25. Confirms that it is important to have common monitoring and coordination at Community level of campaigns to increase information about energy efficiency at national and local level but that the Member States should decide how to conduct the campaign; at the same time, regrets the fact that the Commission does not include the transport sector in the public awareness campaign and the campaign for take-off as our travel habits and car use should form part of a campaign to reduce energy use;
26. Considers further progress with harmonising energy taxation in the EU to be desirable;

## **TRANSPORT**



27. Considers it positive that the Commission is using the results of the White Paper on a common transport policy since it reduces the risk that different directorates propose conflicting measures;
28. Welcomes the fact that the 6th Environmental Action Programme<sup>1</sup> invites the Commission to submit by the end of 2002 a Communication on quantified environmental objectives for a sustainable transport system in the context of the EU target of an 8% reduction in greenhouse gas emissions;
29. Stresses the need to include all motor vehicles in the Community strategy on the reduction of CO<sub>2</sub> emissions and asks the Commission therefore to put forward legislation to limit the CO<sub>2</sub> emissions from light-duty vehicles and heavy-duty vehicles and to initiate talks with the auto industry with a view to a voluntary commitment to reducing CO<sub>2</sub> emissions also from the increasingly popular category of vans and light goods vehicles;
30. Considers that it is crucial that the transport sector also contributes to the 8% Kyoto CO<sub>2</sub> reduction target and therefore considers, that the ACEA CO<sub>2</sub> emissions voluntary agreement has to be revised, based on the monitoring results of the 2003 report;
31. Stresses the need for the most energy-efficient mode of transport possible and that environmental cost must therefore be integrated for all modes of transport to enable them to compete on an equal basis and in order to alter transport habits; public sector investment should encourage modes of transport which uphold the principles of sustainability and climate protection;
32. Supports all proposed measures that are in a position to achieve a balanced relationship between different forms of transport, improve the existing use of infrastructures and bring about more balanced forms of road-use charging;
33. Stresses the importance of elimination of possible obstacles to 'modal shift' with a view to lower emissions, and the promotion of transport aid for combined transport;
34. Stresses that economic instruments on market terms must favour fuels and technologies with low or zero emissions; considers that a proposal for uniform fuel taxation is positive but that minimal levels are needed to avoid Member States having to reduce their levels and depriving them of a means of honouring their share of EU commitments;
35. Stresses that the Commission's relatively hesitant approach and the Council's hesitant stance over tax harmonisation in the transport sector and the lack of comprehensive legislative instruments in conjunction with the simultaneous adoption of the directive on trading in greenhouse gas emission allowances may lead to undesirable distortions, between rail and road for example; calls therefore for the prompt proposal and adoption of effective control mechanisms in the transport sector;
36. Considers that the proposal to promote the use of biofuel in the transport sector is extremely important and that the requirement for biofuels to be used in transport is

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<sup>1</sup> see Article 5(2)(iii)(d)

reasonable, but points out that the costs specified for CO<sub>2</sub> reduction, at around 100 EUR per tonne, are very high; calls therefore as a priority for support for environmentally efficient biofuels and the promotion of technological innovation in that field;

### **INDUSTRY SECTOR**

37. Welcomes the Commission's intention to submit a proposal for a framework directive on fluorinated gases which aims to reduce emissions across all sectors through the containment and monitoring of such gases and by restricting marketing and use for some applications; considers the forthcoming reductions in emissions of fluorinated gases and improved monitoring as a cost-effective and environmentally efficient measure;
38. Considers it important that all areas of application are covered by the proposal and that work on the ozone layer target and the climate target should be coordinated in the EU's work on the environment in regard to the refrigeration/climate sector and aid to new technology;

### **THE NEXT STAGE**

39. Calls for the measures referred to by the Commission in the communication to be implemented as soon as possible and for the further measures identified in the European Climate Protection Programme to be translated into legislative initiatives as soon as possible; in this context, those measures which are better taken at European level, in accordance with the subsidiarity principle, which can be implemented rapidly and which are particularly cost-effective should be considered more urgently;
40. Calls on the Commission to keep Parliament fully informed on progress in the climate-change programme with regard to identifying specific strategies and measures, and on measures under discussion and to take account of Parliament's proposals;
41. Instructs its President to forward this resolution to the Council and the Commission.

## EXPLANATORY STATEMENT

In recent years, greenhouse gas emissions in Europe have increased instead of declining and, according to the Member States' forecasts, current policy and action are not capable of reducing the total amount of greenhouse gas emissions in the EU. Emission trends in the transport sector are of particular concern as forecasts indicate that they will increase by more than 30% through to the year 2010.

Work on the European Climate Change Programme is important to enable the EU to meet the requirements of the Kyoto Protocol. The package of measures presented in the Commission's communication on the implementation of the first phase of the Climate Change Programme contains a range of measures to be dealt with in the Commission's work programme during the next two years. The Commission's intentions are sound but the main requirements now must be to take action quickly, ensure that the measures are implementable and that they are effectively monitored. The Commission must also have a plan ready and waiting for the period after the first period of commitments under the Kyoto Protocol. This entails putting more resources into research and development, not just in the energy sector but more particularly focusing on the cleaner processes that must be introduced to reduce emissions.

It is a very positive development that the Commission has worked in cooperation with the Member States, industry and non-governmental organisations to develop a European climate programme. Unfortunately, it is not possible to say that the first stage truly embraces all sectors because each sector has drawn up its own proposals for measures.

In its communication, the Commission has opted to divide the proposed measures into four groups: cross-cutting, energy, transport and industry.

### **Cross-cutting measures**

#### Promoting effective implementation of the IPPC directive

It is the Commission's intention to improve on the way the IPPC directive is currently used, so that national authorities which grant permits ensure that greenhouse gas emissions are prevented or at least controlled, and it is very welcome. The Commission proposes preventive and early measures rather than combating pollution further downstream in the chain.

The Commission must force the pace of the Member States' development of national strategies so that they make a serious attempt to meet energy-efficiency standards to obtain an IPPC permit. The Commission should also give priority to fixing limit values for emissions by applying the 'best available technology' while updating technical reference documents in other areas, e.g. the aluminium industry. It is an important measure which can appropriately be dealt with jointly within the EU and which may also have a significant effect in lowering carbon dioxide emissions in the applicant countries, once they become members of the Union.

#### Proposal for a directive on linking project-based mechanisms including JI and CDM to EC emissions trading scheme

Early incorporation of project-based mechanisms into an EC emissions trading scheme is

welcome, and should be organised without undue delay. The mechanisms may be a cost-efficient way of reducing greenhouse gas emissions and at the same time contributing to technology transfers. The administrative cost of project-based mechanisms can be considerable and it is therefore of the utmost importance that the EU does not complicate the process further by introducing its own rules or restrictions in addition to those already established by the UN Framework Convention on Climate Change (UNFCCC). There is a need for an assessment of the links between project-based mechanisms, JI and CDM and emission trading. Properly designed, this may reduce the cost of measures further, particularly if it means, as the Commission says, that several sectors and gases will be involved.

It is also important to take account of the respective powers of the Community and the Member States in regard to the Kyoto Protocol, as well as the views of the Council and Parliament on the proposal for a directive on emission trading within the EU to ensure maximum consistency between the two directives and to demonstrate the depth of the EU's commitment.

Projects - particularly in developing countries - must have targets for sustainable development as a core objective and therefore these mechanisms must definitely exclude nuclear power, major water projects and projects for coal and sinks. The focus must be on renewable energy and energy efficiency.

#### Proposal for a review of the monitoring mechanism

The Commission proposes a review of Decision 1999/296/EC to improve the efficiency of monitoring the implementation of various decisions in the Member States, which is welcome and may create the necessary structure to ensure that the Member States comply with the reporting and accounting requirements under Articles 5 and 7 of the Kyoto Protocol. The problem hitherto has been that the monitoring mechanism has not worked in practice and that the Member States do not report in time. For the sake of the Union's credibility, therefore, the rules on monitoring must be tightened up and sanctions might be a possible instrument in this sphere. Proposals as to how to improve the quality and accuracy of reporting should be drawn up as soon as possible, where appropriate, in cooperation with the European Environment Agency.

### **Energy**

#### Proposal for a directive on energy demand management

The proposal for a directive on energy demand management is unfortunately unclearly worded and it is uncertain what the purpose of the legislation is. The proposal that the Member States should report on an annual basis to the Commission on the amount of investment made and the amount of energy saved is positive.

#### Proposal for a directive for the promotion of combined heat and power (CHP)

The proposal to complement and strengthen existing measures to promote the use of CHP is warmly welcomed and should also allow for tax concessions.

Expanding CHP – together with measures to promote energy efficiency on the supply and

demand sides – is crucial to the promotion of sustainable energy-saving with the aim of meeting the Community's targets for carbon dioxide emission reductions. To be effective, the directive should also include an environment-friendly and clear definition of CHP which is also internationally recognised.

Oil or coal-fired power plants should not be used in the definition of environment-friendly CHP and should not be assisted by a directive which is primarily designed to combat climate change. A directive to promote biofuel-based heat production should also be given at least the same priority in terms of time as the proposal for a directive for the promotion of combined heat and power. It is time that heat production was raised to the same level as electricity production if we are to attain our objectives for CHP and be able to invest in renewable energy on a large scale.

### **Initiatives on increased energy-efficient public procurement**

The proposed initiatives to increase energy efficiency and broaden the scope for integrating environmental considerations into public procurement are positive. However, there is a question mark over why the Commission has not gone further with the proposal for a directive as presented in the ECCP final report, which would have given the proposal more weight. The Commission should also consider the need for further initiatives, e.g. eliminating existing obstacles to energy-efficient public procurement in present and future Community legislation.

### **Public awareness campaign and campaign for take-off**

It is the Commission's intention with this campaign to increase information about energy efficiency in order to heighten public awareness of the possibilities of investing in products and using technology which save money and improve the environment. The proposal for campaigns to increase information on energy efficiency at national and local level, with Community monitoring and coordination at Community level, is very welcome. For campaigns of this kind to be successful there is a need for joint monitoring and coordination at Community level at the same time as implementation of measures at local and regional level.

### ***Transport***

Obviously, no initiative to combat climate change can work without serious reductions in transport emissions. The fact that the Commission uses the results of the White Paper on a Common Transport Policy is positive, as it reduces the risk of different directorates proposing measures which may be conflicting.

### **Proposal for shifting the balance between modes of transport**

In order to reduce energy use in the transport sector in the long term, it is important to try to use the most energy-efficient form of transport possible. Resolving the problems that exist

between countries within the rail sector is the Commission's sphere and is difficult to deal with at national level. Obstacles to 'modal shift' (change of type of transport), e.g. high track charges within the rail sector, poorly coordinated rules and regulations and anachronistic forms of organisation in certain central European rail companies must also be reduced. Particular consideration should be given to modes of transport which uphold the principles of sustainability and climate protection.

### **Proposal for improvements in infrastructure use and charging**

A proposal for uniform fuel taxation is positive but, at the same time, it must be borne in mind that several Member States have already fixed fuel tax levels. There is a need to raise the minimum levels so that those Member States will not need to reduce their levels. Low fuel taxes have been used as a competitive instrument by some countries, which have kept down the level of tax on diesel in general and meant that road haulage does not pay its own external costs.

### **Promotion of the use of biofuels for transport**

The proposal to promote the use of biofuels in the transport sector is absolutely necessary for the development of the biofuel market. The level must be fixed so that relative prices are affected and really do produce reductions in emissions. It is also positive that the directive does not lay down which biofuels should be used so that the particular conditions prevailing in the various countries can be used in the optimum manner.

However, the signals must be clear and consistent. Subsidies which operate contrary to the emission reductions we seek to achieve by other mechanisms must therefore be phased out. This applies in particular to aid to the coal industry, which has always represented a credibility problem for the EU. The objective is efficient, carbon-dioxide neutral and sustainable use of energy.

### ***Industry***

### **Proposal for a framework directive on fluorinated gases**

The Commission's intention to submit a proposal for a framework directive on fluorinated gases is positive. These gases account for 2% of greenhouse gas emissions but are expected to increase. Their use should be restricted where there are alternative solutions, e.g. by means of a positive list. It is important that all areas of application are covered by the proposal and that a situation is avoided where two environmental objectives conflict with each other.

### ***The next stage***

Several measures are necessary and the proposals outlined by the Commission for a future

stage are welcome. However, the measures must be based on the optimum information. The Commission is therefore invited to make better use of its research resources. There is a need for ongoing climate research, technical development and innovation to make progress on reducing greenhouse gas emissions.

Agricultural policy has not been included in this initial phase of implementation, which is highly regrettable. The climate issue should be given greater weight in connection with the continuing reform of the common agricultural policy. At the same time agriculture should be included in the continuation of the climate change programme.

The Commission is also urged to keep Parliament fully informed on progress with the climate change programme in regard to identifying specific strategies and measures, and to keep Parliament informed on an ongoing basis of the measures under discussion, taking into account Parliament's proposals.

24 April 2002

## **OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY**

for the Committee on the Environment, Public Health and Consumer Policy

on the Commission communication on the implementation of the first phase of the European Climate Change Programme (ECCP)  
(COM(2001) 580 - C5-0164/2002 – 2002/2072 (COS))

Draftsman: Werner Langen

### **PROCEDURE**

The Committee on Industry, External Trade, Research and Energy appointed Werner Langen draftsman at its meeting of 18 December 2001.

The committee considered the draft opinion at its meetings of 19 March 2002 and 23 April 2002.

At the last meeting it adopted the following conclusions by 35 votes to 4, with 1 abstention.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Peter Michael Mombaur, Yves Piétrasanta and Jaime Valdivielso de Cué, vice-chairmen; Werner Langen, draftsman; Gordon J. Adam (for Massimo Carraro), Nuala Ahern, Konstantinos Alyssandrakis, Sir Robert Atkins, Luis Berenguer Fuster, Freddy Blak (for Roseline Vachetta), Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Concepció Ferrer, Norbert Glante, Michel Hansenne, Malcolm Harbour (for Angelika Niebler), Hans Karlsson, Bashir Khanbhai, Caroline Lucas, Eryl Margaret McNally, Erika Mann, Marjo Matikainen-Kallström, William Francis Newton Dunn (for Willy C.E.H. De Clercq), Josu Ortuondo Larrea (for Claude Turmes), Paolo Pastorelli, Elly Plooij-van Gorsel, Samuli Pohjamo (for Colette Flesch), Godelieve Quisthoudt-Rowohl, Daniela Raschhofer, Carlos Ripoll i Martínez Bedoya (for John Purvis pursuant to Rule 153(2)), Mechtild Rothe, Paul Rübig, Esko Olavi Seppänen, Gary Titley, W.G. van Velzen, Alejo Vidal-Quadras Roca, Dominique Vlasto and Olga Zrihen Zaari.



## SHORT JUSTIFICATION

Since the 1992 United Nations Conference on the Environment and Development in Rio de Janeiro, a reliable and sustainable climate-protection policy counts worldwide as one of the core components of sustainable development. The Kyoto, Bonn and Marakesh Conferences marked fundamental stages in the negotiations leading to an international climate policy. The Kyoto Protocol in particular laid down flexible mechanisms that should form the basis for cooperation between industrialised, developing and threshold countries. A successful climate policy without cooperation with the developing and threshold countries is just as unthinkable as one without active participation by the USA, by far the biggest CO<sub>2</sub> polluter worldwide.

The flexible mechanisms of the Kyoto Protocol and the individual target specifications laid down for the parties to the Treaty call for growing efforts. The European Union has committed itself to a joint reduction in greenhouse gas emissions by 2012 of 8 percent compared with 1990 levels on the basis of European burden-sharing. Although the Kyoto Protocol has still not been signed, and the stages for reaching agreement laid down by the Protocol are still far from having been reached, individual parties to the Treaty among EU Member States have already made substantial advance contributions, not least on the basis of voluntary agreements.

The European Commission's implementation proposals are the substance of the Commission communication on first phase of the European Climate Change Programme (ECCP) - (COM 2001/580 final). With the measures hitherto implemented or in preparation in the European Union and the Member States, the Kyoto objectives are even so, according to the Commission's analysis, unlikely to be achieved. The Commission expects only stabilisation of greenhouse-gas emissions at 1990 levels, rather than the agreed reduction by 8 percent. The new measures for an EU climate protection strategy, in addition to the arrangements applicable in Member States, are therefore to be welcomed as a means of securing commitments from as many European Union Member States as possible on the basis of national responsibilities. Coordinated joint actions to approximate the levels at which requirements will be set within the Community are also necessary, because only a minority of Member States have hitherto made detectable progress with meeting the burden-sharing, reduction and restriction commitments assumed under the EU framework. Britain and Germany should in particular be mentioned in that connection. As against that, the Netherlands, Denmark, Belgium, Spain and Austria have by now moved well outside the target-range they were committed to adhering to following the Kyoto Protocol and the burden-sharing arrangements. The mechanisms proposed by the Commission for trading in emissions, plus the ten additional measures will not, even so, be enough to release Member States from their commitments.

It will in addition be necessary for sufficient flexibility to be retained to continue with the climate protection programmes successfully implemented hitherto in a number of Member States. And it will be just as necessary to make progress with action to harmonise energy taxation, which has now been frozen by the Council. With the introduction of an EU-wide framework for trade in greenhouse gases that will significantly supplement the policies and actions already successfully implemented at EU level and in some Member States, and with which it must be compatible, the point must be for the European Union to devise a scheme that will comprise all the Kyoto Protocol mechanisms. It will therefore be appropriate for the proposed scheme to be launched in 2005 in an open-ended multiannual pilot stage on a

voluntary basis, with a matching incentives scheme.

In assessing the individual measures in the Commission proposal, it will be essential for priority to be given to implementing those measures that can demonstrate a high potential for CO<sub>2</sub> reduction and that are highly cost-effective. One of the fundamental Kyoto Protocol objectives is to give priority to reducing greenhouse gas emissions where that can be done at a high level of efficiency and with low costs.

The programme submitted by the Commission is to be welcomed as a whole. The mechanisms proposed are at different levels of relevance to climate protection and cost intensity. What are missing in particular are measures and proposals for improving energy efficiency in the housing and other buildings stock, which could offer a not insignificant proportion of potential reductions in CO<sub>2</sub> emissions .

## CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Considers that the European Climate Change Programme (ECCP) has great environmental and industrial-policy significance, and points out that, despite the proposed measures at EU level, national responsibility for achieving climate-protection objectives still applies and national margins of manoeuvre must also be retained, with each member country being required to adhere to the quotas allocated to it under the agreed burden-sharing arrangements;
2. Urges that action be taken to ensure that the measures introduced in the Member States can be taken into consideration and flexibly extended, and that the competitiveness of European industry cannot be jeopardised;
3. Considers further progress with harmonising energy taxation in the EU to be desirable;
4. Considers that, in accordance with the Kyoto Protocol specifications, the most cost-effective measures should be taken first
5. Considers that Joint Implementation (JI) and the Clean Development Mechanism (CDM) should enter into force jointly with Emission Trading (ET);
6. Urges that the emissions-trading scheme proposed by the EU Commission must be structured in a multiannual pilot stage on a voluntary and open-ended basis with a matching incentives scheme;
7. Calls on the Commission to submit the proposal for a directive on linking project-based measures, including JI and CDM, with EC emissions-trading arrangements, before the end of 2002;

8. Welcomes the European Commission's intention to submit as soon as possible proposals for a framework directive for minimum efficiency requirements for end-use equipment, and for a directive on energy demand management;
9. Calls for prompt adoption of a directive on the promotion of combined heat and power with the emphasis on low costs and high efficiency;
10. Calls for research into improved measuring procedures to be stepped up;
11. Urges that the registering and monitoring of greenhouse-gas emissions be carried out with a minimum of administrative expenditure;
12. Welcomes the Commission's intention to provide the public procurement sector with guidelines for energy efficient technology, and urges the Commission to submit a proposal for a directive on energy-efficient public procurement.
13. Regrets that the Commission communication on the implementation of the first phase of the ECCP contains no proposals for improving energy efficiency in housing and buildings stock in the European Union;
14. Supports all proposed measures that are in a position to achieve a balanced relationship between different forms of transport, improve the existing use of infrastructures and bring about more balanced forms of road-use charging;
15. Considers the requirement for biofuels to be used in transport as reasonable, but points out that the costs specified for CO<sub>2</sub> reduction, at around 100 EUR per tonne, are very high;
16. Considers the forthcoming reductions in emissions of fluorinated gases and improved monitoring as a cost-effective and environmentally efficient measure;
17. Urges the Commission to give priority to examining more closely the savings and cost-effectiveness potential of those of the 42 measures laid down in the ECCP that can be implemented rapidly.