



2015/2112(INI)

10.9.2015

OPINION

of the Committee on Industry, Research and Energy

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

on Towards a new international climate agreement in Paris
(2015/2112(INI))

Rapporteur (*): Seán Kelly

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

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

Industry and Competitiveness

1. Welcomes the EU's leadership on climate change mitigation and adaptation, including the creation of knowledge, skills, jobs and growth that it brings; notes the crucial need for a global ambitious, legally binding agreement – containing a strong commitment to remain within the Intergovernmental Panel on Climate Change's (IPCC) 2°C scenario – to be concluded in Paris, and stresses that continued EU leadership requires the full commitment of all parties to this agreement if it is to be an effective means of averting climate change; insists on regular, transparent performance evaluations – including on Intended Nationally Determined Contributions (INDCs) – based on the most up-to-date scientific data and technology and in accordance with the Seventh Environment Action Programme¹;
2. Notes that the EU is now well on track to meet the 2020 targets for greenhouse gas emissions reduction and renewable energy, that significant improvements have been made in the intensity of energy use thanks to more efficient buildings, products, industrial processes and vehicles and that, at the same time, the European economy has grown by 45 % since 1990; stresses that the 20/20/20 targets for greenhouse gas emissions, renewable energy and energy savings have played a key role in driving this progress and sustaining the employment of more than 4.2 million people in various eco-industries², with continuous growth during the economic crisis;
3. Stresses the importance of reaching an effective, binding global agreement at the Paris Conference and points out that the continued absence of such an agreement will further endanger the competitiveness of the EU economy and expose it to the risk of carbon leakage;
4. Welcomes the commitment of the G7 leaders on decarbonising the global economy in the course of this century and reducing greenhouse gas emissions by the upper end of the range from 40 % to 70 % by 2050 compared to 2010 levels;
5. Stresses the need to strengthen coordination and climate risk management at EU level and to create a clear EU adaptation strategy; recommends the implementation of ambitious and binding targets for CO₂ emissions and renewable energy, at both national and EU level, in order to enable and ensure the transition to a sustainable and secure economy;
6. Stresses that Article 191(2) of the Treaty on the Functioning of the European Union states that Union policy is based on the polluter pays principle; stresses also, however, that, should other major economies fail to make comparable commitments on GHG reductions, carbon leakage provisions, particularly aimed at those sectors exposed to both a high trade intensity and a high share of carbon costs in production, will be maintained and strengthened where necessary; considers, nevertheless, that a more long-term solution as

¹ 'Living well, within the limits of our planet' (COM(2012)0710)

² Eurostat data on the environmental good and services sector quoted in 'A policy framework for climate and energy in the period from 2020 to 2030' (COM (2014)0015).

regards carbon leakage will need to be found in the upcoming revision of the EU-ETS or by establishing a system of border carbon adjustments; considers it vital that carbon leakage be avoided in key European industries, including energy-intensive industries and sustainable European agribusiness/agri-food production; acknowledges the need to reduce fossil fuel dependence in food production;

7. Stresses that the agreement should take account of the parallel global objective of ensuring food security;
8. Stresses that delays in taking action will increase the cost of climate change mitigation and adaptation, and will narrow the range of technology options available; considers that early action will have a positive impact on the long-term competitiveness of European industries and energy producers;
9. Encourages the Commission, in order to maintain a level playing field for EU industry and the energy sector, to promote links between the EU ETS – before or after a comprehensive, structural, post-2020 reform that will enhance its performance – and other emission trading systems, with the aim of creating a future world emissions trading market to significantly reduce global emissions in a cost-effective manner and increase industrial competitiveness; calls on the Commission, however, to establish safeguards to ensure that linking the EU ETS to other systems does not undermine EU climate targets and the scope of the EU ETS; welcomes in this regard the global development of emissions trading systems and other pricing mechanisms, including the 17 emissions trading systems that are in operation across four continents, accounting for 40% of global GDP, which will help reduce the risk of carbon leakage; highlights that in reducing costs for companies and levelling the playing field, a global trading system could provide the means to strengthen global climate targets;
10. Calls on the Commission to maintain fair competition on the EU market by imposing surcharges on energy-intensive goods imported from third countries to offset the additional costs incurred by EU manufacturers in meeting CO₂ emissions charges;
11. Stresses the need to ensure long-term price stability for emissions allowances and a predictable regulatory environment which directs investment towards measures to reduce greenhouse gas emissions and fosters the transition to a low-carbon economy;
12. Insists on the global phase-out of environmentally harmful subsidies, including fossil fuel subsidies, which distort competition and the internal energy market, discourage international cooperation and hinder innovation; calls for concrete steps, including a timetable towards the global phase-out of these subsidies, to be included as part of the agreement; notes also that it is necessary to support and encourage investment in businesses that demonstrate a positive approach to GHG reductions and therefore recognises that subsidies can, if utilised correctly, aid the development of a sustainable economy;

Supporting the Development and Deployment of Climate Technologies

13. Points to the importance of assessing the potential for making economies less carbon intensive by reducing dependence on fossil fuels; considers that such assessment must be based on technical and scientific studies and cover the same time-frame as the reduction targets laid down; maintains that the EU has to set an example both by taking its own initiatives and by promoting cooperation with its international partners;

14. Underlines the serious negative and often irreversible consequences of non-action, given that climate change affects all regions around the world in different but highly damaging ways, resulting in migration flows and the loss of lives, as well as economic, ecological and social losses; highlights the importance of scientific evidence as a driver of long-term policy decisions and emphasises that the level of ambition should be based on solid scientific recommendations; stresses that a concerted global political and financial push for research, development and innovation activities in clean and renewable energy technologies and energy efficiency is crucial to meeting our climate goals and to facilitating growth in EU green-economy sectors, increasing the number of skilled workers active in the industry and promoting knowledge and best practice, while ensuring that a 'just transition' of the workforce creates quality jobs; stresses the need to strengthen coordination and climate risk management at the EU and global level and to create a clear adaptation strategy, and the importance of helping to prevent the creation, or inflation, of a carbon bubble;
15. Stresses that the EU should increase its efforts on technology transfer for least developed countries, while respecting existing intellectual property rights;
16. Notes that there are different ways of encouraging innovation in a market-based economy; calls on the Commission to assess the various mechanisms for rewarding frontrunner businesses, which differ in their capacity to trigger innovation and to transfer and deploy technologies globally;
17. Believes that the increased deployment of clean energy technologies where they have the greatest impact is dependent on building and maintaining a strong innovation capacity both in developed and emerging countries;
18. Notes that the required cuts in emissions are dependent on the increased development and deployment of low-carbon technologies;
19. Recognises that building technological capacity requires effective financing mechanisms; stresses the need to provide financing for climate actions in developing countries and reiterates the Commission's calls for concrete commitments that the poorest and most vulnerable countries will receive priority support under the Green Climate Fund (GCF); supports furthermore measures for the joint mobilisation of funding from a variety of sources – public and private, bilateral and multilateral; calls on the Commission to assess the possibility of setting aside a number of EU-ETS allowances for financial support to the least developed countries for the financing of climate mitigation and adaptation measures;
20. Requests that the roles of the Climate Technology Centre and Network (CTCN) and the Technology Executive Committee in facilitating technological development for climate change mitigation and adaption be given full recognition and support;

Scientific Research, Technological Development and Innovation, including Space Policy

21. Underlines that stimulating innovation in technologies and business models can drive both economic growth and emissions reduction; stresses that technology will not automatically advance in a low-carbon direction, but will require clear policy signals, including the reduction of market and regulatory barriers to new technologies and business models, and well-targeted public expenditure; encourages the Member States to increase investment in public research and development in the energy sector to help create the next wave of resource-efficient, low-carbon technologies;

22. Recognises the importance of research and innovation in combating climate change and calls on the Parties to spare no effort to support researchers and promote the new technologies that can help attain the reduction targets which may be set, as well as climate change mitigation and adaptation measures;
23. Encourages the Commission to better take advantage of the fact that Horizon 2020 is fully open to third-country participation, especially in the fields of energy and climate change;
24. Considers that EU space policy and investment therein, including the launch of satellites which play an important role in monitoring industrial accidents, deforestation, desertification etc., plus collaboration with partners in third countries, can play a major role in monitoring and addressing the effects of climate change worldwide;

Energy

25. Stresses that the EU must spare no effort in Paris to encourage the Parties to adopt a holistic approach that combines the reduction in emissions with a new energy model based on energy efficiency and renewable energy;
26. Highlights the huge potential to reduce emissions through increased energy efficiency and clean energy deployment; considers that maximising the efficiency of energy use worldwide is the first step towards reducing energy-related emissions while also contributing to the challenge of alleviating energy poverty;
27. Calls for the inclusive participation of local communities affected by related mitigation and adaptation processes and projects; underlines the importance of decentralising energy production, namely by favouring local cooperatives, citizens' renewable energy projects and activities aimed at stimulating self-production and consumption, fostering the transition from a fossil fuel-based to a renewable energy-based economic system;
28. Underlines the important carbon emission mitigation potential of climate-resilient forests through enhanced sequestration, storage and substitution; also emphasises the potential of bio and wood-based products, and especially a sustainable bioenergy sector, and the importance of forests and other land uses in maintaining and increasing carbon sequestration and storage; highlights that when combined with Carbon Capture and Storage (CCS) technology, biomass as a fuel for energy generation can bring significant reductions in carbon emissions; calls for renewable raw materials, such as those from agriculture, grasslands and forestry, to be recognised and incentivised for their emission mitigation and for their contribution to green growth and the decarbonisation of the economy; notes that total global carbon emissions from forests decreased by more than 25 % between 2001 and 2015, mainly due to a slowdown in global deforestation rates, and calls therefore on the EU to scale up international finance for reducing deforestation in developing countries; notes the need to establish a simple, transparent and coherent accounting framework for emissions and removals in LULUCF sectors;
29. Recalls that transport is the second-largest GHG-emitting sector after energy; insists on the need to put in place a range of policies that aim to lower emissions from this sector and on the need for more ambitious EU initiatives for developing and deploying alternative fuels infrastructure, for further incentivising the production and use of advanced biofuels and for speeding up the electrification of transport;
30. Stresses the importance of infrastructure investment developed with Member States to facilitate the free trade of energy across borders;

31. Welcomes the efforts made on cooperation between the EU and the United States' Department of Energy, particularly around climate change technology research; considers that there is much potential for further research cooperation between the EU and other major economies; stresses that the results of publicly funded research should be made freely available;
32. Insists that the European Commission uses the Covenant of Mayors to inform its negotiating position, as cities, regions and local communities will be key actors in ensuring climate action legislation and measures are effectively implemented at local level;
33. Notes that the bioeconomy has the potential to substantially contribute to re-industrialisation and the creation of new jobs in the EU and the rest of the world;
34. Notes that the agreement should take into account the potential of the Land Use, Land Use Change and Forestry (LULUCF) sector to contribute to the EU target of reducing GHG emissions by at least 40% by 2030 based on 1990 levels;
35. Calls on the French government, as a sign of a good will, to take up serious negotiations with the European Parliament on working towards a single seat in order to reduce the large amount of CO₂ emissions resulting from the European Parliament being based in both Brussels and Strasbourg¹;
36. Commends the US and China on their commitment to playing a more significant global climate role; is encouraged that these signals will help lead to a positive outcome in Paris and so, with this in mind, urges both states to ensure that this commitment is translated into concrete action; points to the environmental, social and economic benefits that strong global commitments bring for the competitiveness of EU industry, and considers that the EU should play a greater role in promoting the transition to a global system of commitments and strategies to counter climate change; underlines that such a commitment, creating true long-term value for all citizens, contributes to stronger international relations oriented towards long-term peace, solidarity and sustainability; regrets that some developed countries continue to increase their emissions per capita;
37. Reminds the Parties and the UN itself that action by individuals is just as important as action by governments and institutions; calls, therefore, for greater efforts to be made, via information and awareness-raising campaigns and measures, to inform the public and raise their awareness of the small steps and major action they can take to help combat climate change in developed countries and in developing countries.

¹ The total CO₂ impact of the Strasbourg operation is at least 18 884.5 tonnes per year. A decision to adopt a single-seat mode of operation (with the seat in Brussels) would thus save almost 19 000 tonnes of CO₂ each year, according to a study of the environmental costs of the European Parliament's two-seat operation by Eco-Logica Ltd. in September 2007.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	7.9.2015
Result of final vote	+: 41 -: 13 0: 7
Members present for the final vote	Zigmantas Balčytis, Bendt Bendtsen, David Borrelli, Reinhard Bütikofer, Jerzy Buzek, Soledad Cabezón Ruiz, Philippe De Backer, Peter Eriksson, Fredrick Federley, Adam Gierek, Juan Carlos Girauta Vidal, Theresa Griffin, Marek Józef Gróbarczyk, Roger Helmer, Hans-Olaf Henkel, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Paloma López Bermejo, Ernest Maragall, Edouard Martin, Dan Nica, Angelika Niebler, Aldo Patriciello, Morten Helveg Petersen, Miroslav Poche, Michel Reimon, Herbert Reul, Paul Rübig, Algirdas Saudargas, Jean-Luc Schaffhauser, Sergei Stanishev, Neoklis Sylikiotis, Dario Tamburrano, Evžen Tošenovský, Claude Turmes, Miguel Urbán Crespo, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Henna Virkkunen, Martina Werner, Anna Záborská, Flavio Zanonato, Carlos Zorrinho
Substitutes present for the final vote	Michał Boni, Lefteris Christoforou, Cornelia Ernst, Francesc Gambús, Jens Geier, Jude Kirton-Darling, Janusz Korwin-Mikke, Clare Moody, Luděk Niedermayer, Piernicola Pedicini, Massimiliano Salini, Anneleen Van Bossuyt
Substitutes under Rule 200(2) present for the final vote	Jozo Radoš