

Network of

**European Environment and Sustainable Development
Advisory Councils**



Dr. José Manuel Durão Barroso
President of the Commission
European Commission
Rue de la Loi 200
B-1049 Brussels
Belgium

Den Haag, 10 March 2005

European Spring Council and Climate Change

Dear President Barroso,

We are writing on behalf of the Steering Committee of the European Environment and Sustainable Development Advisory Councils (EEAC), and members of its Working Group for Energy Policy.

On 22 and 23 March the annual Spring European Council of the heads of State and heads of Government of the European Union takes place. The main point on the agenda is the evaluation of the Lisbon-Strategy, which focuses on economic growth and job creation. Other much related issues on the agenda of the Spring Council are the planned review of the EU Sustainable Development Strategy, which we address in a separate letter and the EU strategy for global climate protection policies after 2012. We wish to emphasise the pivotal role of the Spring European Council for continuing European leadership on those issues. We would like to remind the Commission that scientific and popular concern about the already visible effects of climate change is growing in Europe and is regularly fed by extreme weather events. We also consider the initiatives of the British Prime Minister to deal with climate change as a top priority for the UK G 8 presidency as a singular opportunity.

We understand from the Communication of the Commission from 9 February 2005 "*Winning the battle against climate change*", that the Commission is changing its strategy giving priority to policies and measures and making further EU commitments conditional to a broader participation of non-signatory countries.

Similar to the background paper to that Communication we however perceive enhanced and unconditional leadership and a global approach as mutually reinforcing:

- With the introduction of the internal and external emissions trading system the EU has made a decision to rely on a target led policy path. Any commitment for the further use of emissions trading hence necessarily implies a clear-cut and long-term definition of the foreseen caps. Several EEAC councils warn, that an increasingly unpredictable and short-term focussed political discussion on caps hampers the innovative potential as well as the efficiency potential inherent in this market-based instrument.
- The forthcoming renewal of half of the power plant capacity in Europe offers a unique opportunity to redirect investments towards a low carbon path at low additional costs, provided the right incentives are in place. Emissions trading together with strong long-term targets could provide such incentives. There is a window of opportunity for exploiting a first mover advantage at low costs. We suggest that this window of opportunity should not be lost.

- We notice that the economic damage of climate related events have increased in recent years. Although correct estimates of climate change policy costs (and the costs of non-policy) are difficult to predict, recent studies indicate that these are very much acceptable in the light of future welfare growth and the expected costs of climate change. Sooner or later the pressure in the non-signature countries to act will increase as well. A continued European leadership will then place the European economy in a unique competitive situation, as Europe can sell solutions others are searching for.
- The participation of the US and other states in the international climate change policy is essential for any efficient policy. In our view there is no contradiction between this objective and a reinforced European leadership on target setting and regional implementation. Global harmonisation on climate change policies must be perceived not as the starting point but as the end-point as result of global diffusion of innovative approaches. Ambitious target setting has benefits for technological innovation within Europe and reinforces its capacity for exporting that technology abroad. Furthermore, in the context of the use of flexible mechanisms of the Kyoto Protocol, EU leadership on target setting also offers potential for fulfilling part of those targets in other countries. This might create strong economic and technological incentives for third party participation in commitments. We are convinced, that Europe has the capacity to drive the global climate agenda.

The Spring Council has a responsibility to give a signal if and how Europe intends to show global leadership on the climate change issue; Europe has to show the way forward on the post-Kyoto strategy and objectives. The EEAC Energy Working Group issued a statement on this subject last year that was sent to you on 13.12.2004. As stated in the conclusions of the Environment Council of 20 December 2004: in order to prevent dangerous anthropogenic interference with the climate system, overall annual mean surface temperature increase should not exceed 2°C above pre-industrial levels. There exists broad scientific and political support for this objective. It is important to determine the level of emission reductions necessary to stabilize surface temperature under the 2° increase. The EEAC members who signed the statement recommend that the EU should politically commit to targets of at least 30% reduction of GHGs below 1990 levels by 2020 and at least 70% by 2050. Also the European Parliament, in a recent and broadly supported resolution, has stated that it believes that, *for industrialised countries, medium-term reductions of the order of 30% by 2020 and long-term reductions of 60-80% by 2050 are necessary to achieve that goal.*

We should be glad to discuss these views with you or someone of your service.

Yours sincerely,



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Member of the Dutch RMNO



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