

EU Environmental Policy Briefing*

Outcomes of the Spring European Council

16 March 2007

The EU Heads of State and Government met in Brussels on 8 and 9 March for the annual review of the Lisbon and better regulation agendas, and to approve a muchawaited Energy Policy for Europe (EPE).

In particular, within the Lisbon agenda review, the Council included a statement on the importance of environmental technologies and eco-innovation towards achieving the aims of the Lisbon Strategy, including combating climate change. Member States stated that they are determined to 'promote eco-innovations through an ambitious approach, taking full advantage of lead markets in areas such as sustainable and safe low carbon technologies, renewable energies and energy and resource efficiency'. Commission proposals for achieving an integrated strategy for the promotion of eco-innovation can be expected in early 2008.

Within the better regulation agenda, EU leaders stressed the need for the Council and the European Parliament to make greater use of impact assessments. The evaluation of the Commission's impact assessment system will however be considered by the EU Council only in spring 2008. One of the options is the establishment of a group of independent experts to advise the institutions on their work towards better regulation. In addition, faithful to its intentions, the German Presidency of the EU succeeded in having the European Council agree to a target for the reduction of administrative burdens arising from EU legislation, which consequently should now be reduced by 25 per cent by 2012.

An integrated climate and energy policy was also agreed during the Summit. EU leaders agreed to take a 'firm independent commitment' to achieve 20 per cent reduction of greenhouse gases (GHGs) by 2020 (30 per cent if other industrialised countries join a post-Kyoto agreement) and a vision of curbing GHGs between 60 per cent to 80 per cent by 2050. Heads of State and Government recommend that international negotiations starting in 2007 should reach an agreement by 2009. This should see developed countries continuing to take the lead in curbing emissions.

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Within the EU, targets for 2020 will be allocated through the already trialled 'burden sharing' system to take into account national circumstances. The Commission will also develop new criteria which include socio-economic variables. Importantly, in a concession to France, the contribution nuclear energy might make to reducing carbon dioxide emissions is acknowledged; although caveats on nuclear safety and the safe management of radioactive waste are included. Emission trading will occupy a 'central role' in the long term strategy to curb GHG emissions and will be expanded both externally, to include other national and international schemes, and internally to include other sectors, possibly *land use, land use change, forestry and surface transport*.

With the guarantee of a long term commitment to the Emission Trading Scheme, the adoption of binding targets for renewable energy and climate change, this Summit wanted to give a clear signal to industry, investors, innovators and researchers that the EU has clear intentions of being a leader in addressing climate change. Europe has now announced its aims and ambitions, challenging the rest of the world to follow – as European Commission President Barroso put it: "We can say to the rest of the world - Europe is taking the lead. You should join us in fighting climate change".

Climate and energy policy in Europe have reached a critical point. While future goals may be ambitious, it is vital that current policies and targets are delivered upon. The targets put forward by the Council are a step towards the long-term vision and certainty that many, importantly from the business community, have been calling for. There are considerable efforts necessary, however, to ensure that Europe's policy continues on this positive trajectory and delivers on this early promise.

References

1. The full Conclusions and Action Plan adopted by Member States can be found at:

http://europa.eu/rapid/pressReleasesAction.do?reference=DOC/07/1&format=H TML&aged=0&language=EN&guiLanguage=en.

Carolina Valsecchi, Policy Analyst cvalsecchi@ieep.eu

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