



BULLETIN

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European Union's Position for UN Climate Conference in Copenhagen

by Ernest Wyciszkievicz

For the European Union, the climate policy is not only an obligation to respond to the challenges of global warming, but also a tool to bolster its economic and political position internationally. The EU has announced the most ambitious emission reduction targets and it expects comparable commitments from other developed countries and economically advanced developing countries. The Union is ready to shoulder a considerable burden of financing climate change measures based on the existing institutions, with improved monitoring and verification mechanisms.

The EU is the world's third largest GHG emitter (after China and the U.S.), and the only one in the top tables to report an absolute decrease over the past several years: from an annual 5.7bn t. CO₂ in 1990 to 5bn t. in 2007. That was largely possible due to emission reductions in Central European economies, restructuring after a deep crisis (in EU-15, the decline was marginal, from 4.2bn t. CO₂ to 4.0bn t.). The bulk of EU emissions are generated by the energy sector (60%), followed by transport (20%), agriculture and industry (10% each). More than a half of the member states have met their Kyoto protocol targets, and the remaining ones are not expected to have problems following suit.

The EU has the ambition of leading an international effort to counter climate change, having launched the world's largest emissions trading system in 2005, followed in December 2008 by the adoption of a climate and energy package aimed to speed up a low-carbon economy. The EU's determination stems not only from its concern about the environment, but it also reflects the conviction that addressing climate change may provide a catalyst of economic and technological change, thus adding to the Community's global competitiveness. The snag is the main climate policy beneficiaries would be the most innovative economies in terms of green technology, such as Germany or Denmark. For the less affluent member states, especially those highly dependent of coal (such as Poland), the high costs of climate policy carry the threat of a slowdown and competitiveness loss. Despite the internal differences, the EU managed to work out a common position on mitigation, adaptation, technology transfer and financing. A detailed allocation of obligations and burdens within the EU is still subject to future intergovernmental negotiations. Developing a common position for the COP15 has been imperative to add credibility to the Union's ambitions.

Highlights of the Negotiating Position. In keeping with the Intergovernmental Panel on Climate Change, the EU assumes that for global warming to be checked the human-induced emissions of greenhouse gases will have to be halved by 2050, as against the 1990 level. The EU has made a unilateral commitment for at least a 20% cut in its total emissions by 2020 (against 1990), and it declared readiness to raise the target to 30% if an ambitious global agreement is reached, providing for comparable reduction targets by developed countries and obligations to check emission growth on the part of the most advanced developing countries. From the non-Annex I countries, the EU expects a combined reduction of between 15% and 30%, as against the base level scenario of no action at all. The EU seeks a greater diversification of the G77+China group in terms of the commitments made, expecting more from countries such as China, India, Brazil or South Africa. Thus the bloc would also like to prevent an excessive transfer of funding and technology to its present, or potential, competitors. The EU's attempts to single out that group were rejected by its potential members, as were appeals for those countries to accept binding reduction commitments. In the EU's opinion, national strategies for low-carbon development should be adopted by the end of 2011 by all

developed and developing countries, except for the poorest ones. The EU lays special emphasis on improving monitoring mechanisms and verifying commitments' fulfillment.

The EU expects that the developed world will lead the reduction effort and adopt binding obligations for an overall 30% cut by 2020 and an 80–95% reduction to 2050. The reduction commitments should apply not only to states that are parties to the Kyoto Protocol, but also to all Annex I countries and all member states of the OECD and the European Union, including present and potential candidates. The EU's determination to cut emissions, coming as a resultant of member states' positions, will be directly proportional to the commitments made by other developed nations.

On adaptation, the EU proposes the integration and harmonization of dispersed national and international efforts within a special Action Plan for adaptation. Given that many countries, primarily the poorest ones, already grapple with the consequences of climate change, there is a need for funding to be launched quickly, as soon as 2010–2012, along with simultaneous work on developing long-term arrangements. Support should come from already existing sources, in the form of bilateral and multilateral loans, UN funds, the Adaptation Fund, and also development aid resources. The EU also proposes to build a global coalition to fight climate change and strengthen political dialogue and cooperation with the countries most exposed to the consequences of climate change.

The EU is prepared to vastly support developing countries' reduction effort, in terms of funding and technology transfer, and it proposes that the finance should come from three sources: national contributions, trading in emission allowances and international public funds. Contributions should come from all countries except for the poorest ones, with the proviso that developing countries should be net beneficiaries. The EU is ready to provide vast public funds in the event an ambitious agreement is reached and other developed-world actors are willing to shoulder comparable burdens.

The EU's position on financing is greatly influenced by the ongoing financial and economic crisis which, on the one hand, has considerably cooled its enthusiasm for funds transfer abroad and, on the other, has toughened its approach to monitoring and verification. With regard to public funds' transfer for climate purposes, the EU demands a transparent institutional architecture and clear-cut procedures drawing on the existing instruments and institutions. The system should be decentralized, with controlling powers in the hands of an institution operating with the UNFCCC framework. To provide an incentive for the private sector, an integrated global emissions trading system should be created, covering all OECD member states from 2015, and all of the most economically advanced developing countries from 2020.

The EU favors a special mechanism to determine the terms of international cooperation in research and development, and technology diffusion and transfer. All countries should evaluate their respective potentials and, with this in view, set up national and regional technology centers. The developing countries should present their technological requirements, full with problems faced in their fulfillment. The EU places emphasis on intellectual property rights, which are of fundamental importance in promoting innovation and encouraging the private sector to invest in research and development of new green technologies.

Conclusion. The EU has come with the most detailed and ambitious negotiating position among the industrialized nations, containing unilateral commitments as well as clear expectations from other parties. Although initially pressing for a binding agreement on reduction, involving both developed and developing countries, the bloc now focuses on a substantive political declaration, in view of the restrained positions taken by China and the U.S. The more detailed the commitments made now (even if non-binding), the more difficult it will be to flout them later on—and the easier it will be to translate them into a treaty during future talks. Seen from the Polish perspective, it is important to uphold the call for climate-effort costs to be borne by all developed countries and advanced developing countries. On the other hand, it is in Poland's interest to actively participate in defining the EU's reduction ambitions, lest the new member states be burdened with expenses disproportionate to their potentials and actual responsibility for the emissions.