

## **Corinne Lepage - 27 April 2010 - 14h Opening**

### **Seminar on 40% emissions cut in the EU by 2020: Mobilising Europe to achieve climate justice**

Dear colleagues, Ladies and Gentlemen,

It is my honour and pleasure to open this seminar on how to ensure solid ambitions for the European fight against climate change.

First I would like to thank my colleagues for organising this event :

Kriton Arsenis (S&D)

Sierpa Pietikainen (EPP)

Claude Turmes (Greens)

and of course **Friends of the Earth Europe**, very active on climate and energy issues, and with whom I have the pleasure of organising an event on tar sands next week.

Yesterday Commissioner Hedegaard told the Environment Committee that she was in favor of a 30% emission cuts in the EU by 2020, and that the first elements of the impact assessment she had commissioned showed that this was economically and technically feasible.

Indeed, with the ongoing economic crisis, the same level of effort and financial commitment as initially envisaged to reach 20% would already bring us beyond a 20% emission reduction by 2020.

**So the question is : should we go beyond 30% emission cuts, and why ?**

If we listen to what scientists tell us, the answer is obviously YES. The **IPCC** said in its 4<sup>th</sup> Assessment Report that a 25 to 40% cut by 2020 for industrialised countries would only give us a reasonable chance to stay below a 2C° temperature rise.

Besides, **the Climate and Energy package suffers from many loopholes**, such as free permits to pollute, large possibilities for **offsetting** in the Emissions Trading System (ETS) and the Effort Sharing system, exemption of sectors or the absence of a binding target for energy efficiency.

For example, **free allowances have been over allocated**. Some NGOs estimate that ten of the EU's major polluting firms will have an estimated surplus of 233 million EUAs (EU allowances) by 2012, for a value of 3.2 billion euros (if the permits for the period 2008-2012 are sold at 14 euros each). Such "windfall profits" refute claims by certain industries that stricter climate legislation would damage their competitiveness.

**The possibilities for offsetting are another problem** : Until 2020, it is likely that a large share of reduction will be achieved by

Clean Development Mechanisms (CDM) if the Emissions Trading System (ETS) is not revised.

I believe that this would be in contradiction with the principle of **Climate Justice**. This principle demands that Europe takes its fair share of reduction according to its responsibility in causing emissions, and to its capacity to act (GDP - Gross National Product), and that the emissions cut be **domestic** (that is to say that they happen on the EU territory).

But it is not my purpose to draw on these aspects today, nor to discuss the technical feasibility of achieving a 40% emissions cut in the EU, which the Stockholm Environment Institute study prepared for Friends of the Earth does very well.

I believe that the main question we have to answer is whether achieving a 40% emissions cut by 2020 is possible **with the economic problems that the European Union is facing today**.

I belong to the Democrat and Liberal group in this Parliament, for whom the question of how to combine economic interests with sustainability is fundamental. If we cannot show that going for ambitious emissions reduction targets is in the interest of the EU Economy, we will not succeed in convincing governments and citizens to go for a 40% emissions cut by 2020.

Commissioner Hedegaard quoted yesterday a few figures on what major players are investing in decarbonising their economies :

China : 230 billions dollars

USA : 85 billions (but I believe this figure is under estimated as it seems to only take into account investments in renewable energies).

South Korea : 45 billions

Europe : 25 billions only

Europe needs to raise its level of investment at the same level as other major economies.

**Fixing the emissions reduction target at 40% would force us to revise our investments strategy... which is currently not the case.**

We might have achieved a significant reduction already thanks to the decrease in industrial production due to the crisis, **but we are not changing our production patterns and methods in order to really decarbonise our economy.**

To a large extent, keeping a 20% target would now largely amount to "business as usual".

Europe needs to step up its ambitions for climate mitigation if it wants to keep its "frontrunner" position as provider of clean energies and technologies. Europe needs to re-industrialise itself and to create jobs *here*.

Re-affirmed and stepped up ambitions in fighting climate change would be a formidable boost in making clean technologies a strong

economic advantage for Europe (like aeronautics were in their time).

Adopting a 40% emissions reduction would not only boost the European economic machine, **it would also force us to create a real coherency between our different policies.**

The EU is still lacking an overarching and integrated approach to climate policies.

To reach such an ambitious objective would force us to really adopt a transversal approach to the climate change challenge. It would be a tremendous chance to gain in coherency between various public policies.

For example, soil conservation and ecosystem resilience are proven very efficient ways to contribute to mitigating climate change as well as to help us adapt to it. 2010 is the year of biodiversity, yet the EU is still promoting unsustainable farming practices, that significantly contribute to our N<sub>2</sub>O (nitrous oxide) and methane emissions, and a minority of Member States still oppose the adoption of a legislation for soil protection at the EU level.

It is time that the EU gives itself the tools to adopt a transversal and coherent approach to tackle the economic, the climate and resources crisis.

The UK "Climate Bill", which will be discussed today, might provide a good example of the way forward.

The European Parliament will have several opportunities to consolidate the EU's climate ambitions. We are still expecting the revised **Energy Efficiency Action Plan** as well as the **Infrastructure Package** from DG Energy. **I believe we will also need to discuss the necessity to revise the ETS if Europe is serious about its climate ambitions**, and to discuss how to include shipping and NOX emissions from aviation.

In many sectoral policies (e.g. vehicles emissions, product efficiency, soil protection, biodiversity, etc.) the Parliament also has a crucial role to play to push Member States to be more ambitious, and to be coherent with our international commitments to fight climate change.

I am sorry that I will not be able to follow all your debates as I will have to attend to Environment Committee at three o'clock. I have no doubt that they will be an important contribution to the strengthening of the EU current climate and energy policies, which is more necessary than ever.