

The failure of Copenhagen: what now for the EU?

By Bert Metz

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Raising the EU's emissions-reduction target to 30% should be part of a new, six-point plan for the EU in the wake of the Copenhagen summit.

In her hearing before the European Parliament last week, the new European commissioner-designate for climate action, Connie Hedegaard, made the point that the EU had been ineffective at the UN's recent climate summit in Copenhagen, because, while the massed ranks of India, China, Brazil and South Africa had been able to speak with one voice, the EU's position was characterised by numerous and often conflicting positions.

The outcome of the summit, the Copenhagen Accord, is far from the legally binding and ambitious treaty many had hoped for. There were many reasons for failure, including the ineffective UN negotiating process, deep distrust between developed and developing countries and the unwillingness of the US, China, India, Brazil and South Africa to have a robust treaty. These failures mean that achieving a successful deal within an international framework is to say the least remote. To move forward, the EU needs to act decisively and as one.

The EU can and should develop a strategy based on its own self-interest, its economic power and its partnerships with developing countries. There are a number of important steps, which can help the EU regain its climate leadership and drive economic growth.

Firstly, the EU is already leading the world in many low-carbon technologies. It should capitalise on this position to lead the low-carbon revolution. The existing target of a reduction in greenhouse-gas emissions of between 80% and 95% by 2050 must now be turned into a realistic transition strategy involving a detailed plan for a series of actions over time to decarbonise the economy, giving business the certainty it needs to invest, certainty that Copenhagen failed to provide.

Moving to a reduction of emissions of 30% below 1990 by 2020 will be an essential step in such a transition strategy. To protect EU industry against unfair competition the temporary, non-discriminatory and transparent use of border tax adjustments in specific cases may be needed. However, the EU must also recognise that it is in its own best interests in terms of sustainable economic growth, employment and energy security to embark on the low-carbon growth path.

Secondly, the EU should make climate change the centrepiece of its common foreign and security policy. Climate change is the defining challenge of our times, and acts as a multiplier of crises in unstable regions. The Union's new foreign affairs chief must integrate climate change into every aspect of the EU's foreign relations, and make action on climate change a defining element in bilateral relations. The statements made by Catherine Ashton in her hearing before the European Parliament were a positive start.

Building solidarity with vulnerable countries is also a necessary step and the Lomé Convention on trade and aid currently links Europe with a large number of vulnerable countries in Africa, the Caribbean and the Pacific. Important partnerships in the field of renewable energy exist as well, such as the Euro-Mediterranean Renewable Energy Partnership.

Thirdly, the so-called 'fast start' funding – money pledged in Copenhagen by developed countries to help developing countries build capacity to fight climate change – should be used to create transformative partnerships. Norway has taken an impressive lead on tackling deforestation and established the Amazon Fund with Brazil – a model for rainforest protection that is now being replicated in Guyana, Indonesia and elsewhere. There is considerable scope for similar, transformative partnerships to be pursued with ambitious countries in the field of renewable energy. By co-funding feed-in-tariffs in selected countries, the EU would build trust, mobilise private capital, and provide the institutional learning desperately needed for large-scale international climate finance.

Co-ordination of fast-start funding between the EU, the US, Japan and others is also essential. Since fast-start funding of developing country actions over the coming years will be based on bilateral arrangements, by working together, the major donors can guarantee an effective common approach to ensure that funding goes to developing and implementing low-carbon and climate-resilient growth strategies in interested developing countries.

Fourthly, initiatives should be taken to raise large amounts of new international funding to pay for the adaptation and mitigation policies necessary in the developing world if we are to keep warming to less than 2°C. By

mobilising support for a levy on shipping fuels, with the proceeds going to vulnerable countries, or even implementing such a system together with the countries associated through the Lomé Convention, the EU could play a key role.

Fifth, as supported by Hedegaard in her hearing, the EU must stop subsidising fossil fuels. Today, public money is being poured into coal-fired power stations, coal mines, oil fields and similar projects via multilateral development banks and export credit agencies. This can and must be stopped, and public resources should be redirected to lower the risk premium for large-scale private investment in renewable energies.

Finally, the EU can use its market power to drive low-carbon innovation globally. The EU has a market of over 500 million consumers, most of whom are buying goods made overseas. Introducing ambitious standards for energy efficiency of manufactured goods will create incentives for producers around the world to change production processes, which will have a major impact on products used elsewhere.

The EU needs to think beyond the context that was created in Copenhagen, revitalise the battle against climate change and make the decisions now that change the course of our economic development for the future.

The EU has the opportunity to lead the world to a prosperous, low-carbon future while bolstering its competitiveness and the economic and energy security of its citizens. But bold and creative approaches will be required, and Europe must act now if it is not to be left on the sidelines of the next industrial revolution, the low-carbon revolution.

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