

Extract from the Presidency Conclusions from the European Council of Ministers Meeting on 8-9 March 2007, Brussels, concerning Climate Change and Energy

III. An integrated climate and energy policy

27. The challenges of climate change need to be tackled effectively and urgently. Recent studies on this subject have contributed to a growing awareness and knowledge of the long-term consequences, including the consequences for global economic development, and have stressed the need for decisive and immediate action. The European Council underlines the vital importance of achieving the strategic objective of limiting the global average temperature increase to not more than 2° C above pre-industrial levels.

28. Given that energy production and use are the main sources for greenhouse gas emissions, an integrated approach to climate and energy policy is needed to realise this objective. Integration should be achieved in a mutually supportive way. With this in mind, the Energy Policy for Europe (EPE) will pursue the following three objectives, fully respecting Member States' choice of energy mix and sovereignty over primary energy sources and underpinned by a spirit of solidarity amongst Member States:

- increasing security of supply;
- ensuring the competitiveness of European economies and the availability of affordable energy;
- promoting environmental sustainability and combating climate change.

Climate protection

29. The European Council underlines the leading role of the EU in international climate protection. It stresses that international collective action will be critical in driving an effective, efficient and equitable response on the scale required to face climate change challenges. To this end negotiations on a global and comprehensive post-2012 agreement, which should build upon and broaden the Kyoto Protocol architecture and provide a fair and flexible framework for the widest possible participation, need to be launched at the UN international climate conference beginning at the end of 2007 and completed by 2009. In this connection, the European Council endorses the elements identified by the Council (Environment) of 20 February 2007 as essential parts of an effective and appropriate framework beyond 2012, which would include inter alia the development of a shared vision to reach the ultimate objective of the UN Framework Convention on Climate Change, the strengthening and extension of global carbon markets, the development, deployment and transfer of the necessary technology to reduce emissions, appropriate adaptation measures to deal with the effects of climate change, action on deforestation and addressing emissions from international aviation and maritime transportation. All countries should be invited to contribute to the efforts under this framework according to their differentiated responsibilities and respective capabilities.

30. The European Council reaffirms that absolute emission reduction commitments are the backbone of a global carbon market. Developed countries should continue to take the lead by committing to collectively reducing their emissions of greenhouse gases in the order of 30% by 2020 compared to 1990. They should do so also with a view to collectively reducing their emissions by 60% to 80% by 2050 compared to 1990.

31. In this context, the European Council endorses an EU objective of a 30% reduction in greenhouse gas emissions by 2020 compared to 1990 as its contribution to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries to contributing adequately according to their responsibilities and respective capabilities. It invites these countries to come forward with proposals for their contributions to the post-2012 agreement.

32. The European Council emphasises that the EU is committed to transforming Europe into a highly energy-efficient and low greenhouse-gas-emitting economy and decides that, until a global and comprehensive post-2012 agreement is concluded, and without prejudice to its position in international negotiations, the EU makes a firm independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 compared to 1990.

33. The European Council decides that a differentiated approach to the contributions of the Member States is needed reflecting fairness and transparency as well as taking into account national circumstances and the relevant base years for the first commitment period of the Kyoto Protocol. It recognises that the implementation of these targets will be based on Community policies and on an agreed internal burden-sharing and invites the Commission, in close cooperation with the Member States, immediately to start a technical analysis of criteria, including socio-economic parameters and other relevant and comparable parameters, to form the basis for further in-depth discussion. Given the great importance of the energy intensive sector, the European Council emphasises that cost-efficient measures are needed to improve both the competitiveness and the environmental impact of such European industries.

34. The European Council notes the increasing share of greenhouse gas emissions from developing countries and the need for these countries to address the increase in these emissions by reducing the emission intensity of their economic development, in line with the general principle of common but differentiated responsibilities and respective capabilities. The European Council stands ready to continue and further strengthen its support for developing countries in lessening their vulnerability and adapting to climate change.

35. Given the central role of emission trading in the EU's long-term strategy for reducing greenhouse gas emissions, the European Council invites the Commission to review the EU Emissions Trading Scheme in good time with a view to increasing transparency and

strengthening and broadening the scope of the scheme and to consider, as part of the EU ETS review, a possible extension of its scope to land use, land-use change and forestry and surface transport. The European Council stresses the necessity of an efficient, safe and sustainable European transport policy. In this context, it is important to proceed with actions to increase the environmental performance of the European transport system. The European Council notes the European Commission's ongoing work regarding the assessment of external costs for transport and their internalisation.

Energy Policy

36. Global warming, together with the need to ensure security of supply and enhance business competitiveness, make it ever more vital and pressing for the EU to put in place an integrated policy on energy combining action at the European and the Member States' level. As a milestone in the creation of an Energy Policy for Europe (EPE) and a spring board for further action, the European Council adopts a comprehensive energy Action Plan for the period 2007-2009 (Annex I), based on the Commission's Communication "An Energy Policy for Europe". The European Council notes that Member States' choice of energy mix may have effects on the energy situation in other Member States and on the Union's ability to achieve the three objectives of the EPE.

37. The Action Plan sets out the way in which significant progress in the efficient operation and completion of the EU's internal market for gas and electricity and a more interconnected and integrated market can be achieved. It envisages the nomination of EU coordinators for four priority projects of European interest. It also addresses the crucial issue of security of energy supply and the response to potential crises. As regards security of supply the European Council stresses the importance of making full use of the instruments available to improve the EU's bilateral cooperation with all suppliers and ensure reliable energy flows into the Union. It develops clear orientations for an effective European international energy policy speaking with a common voice. It fixes highly ambitious quantified targets on energy efficiency, renewable energies and the use of biofuels and calls for a European Strategic Energy Technology plan, including environmentally safe Carbon Capture and Sequestration, to be examined at the Spring 2008 European Council meeting.

38. The European Council calls on all parties concerned to press ahead rapidly and with determination in order to implement all of the elements contained in the Action Plan in line with its provisions and conditions. In particular, it invites the Commission to submit the proposals requested in the Action Plan as speedily as possible.

Follow-up

39. In the light of the integrated approach to climate and energy policy the Energy Action Plan will be kept under regular review within the context of an annual examination by the European Council of the progress made and results achieved in implementing the EU's energy and climate change policies. The Commission is invited to put forward an updated

Strategic Energy Review in early 2009, which will serve as the basis for the new Energy Action Plan from 2010 onwards to be adopted by the Spring 2010 European Council.