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from : General Secretariat

to : Delegations

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Subject : EU objectives for the further development of the international climate regime  
beyond 2012  
- Council conclusions

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Delegations will find attached the conclusions adopted by the (Environment) Council on  
20 February 2007.

**EU objectives for the further development of the international climate regime beyond 2012  
- Council conclusions -**

The Council of the European Union,

1. DEEPLY CONCERNED about the accelerated global warming of the climate system and related adverse impacts such as heat waves, droughts, floods and heavy precipitation events that are unequivocally confirmed by the latest scientific findings of the Intergovernmental Panel on Climate Change (IPCC); ALARMED about the projected global warming of about 0.2°C per decade for the next two decades and that further warming and induced climate changes during the 21<sup>st</sup> century would be much larger than those observed during the 20<sup>th</sup> century if anthropogenic global greenhouse gas emissions continue at or above their current levels;
2. AWARE OF recent economic analyses, in particular that of Sir Nicholas Stern, indicating that the benefits of strong global early action on climate change far outweigh the economic costs of action; RECOGNISES that the adverse impacts of climate change would hamper economic and social development in all countries and endanger the recent gains in poverty reduction in developing countries and the attainment of the Millennium Development Goals; STRESSES that international collective action will be critical in driving an effective, efficient and equitable response on the scale required;
3. AWARE of the growing global demand for energy, the increase in energy-related emissions and the likelihood of rising energy prices; IS CONFIDENT that stimulating a substantial improvement of energy efficiency on both the supply and demand side and expansion of renewable energies will enhance energy security and reduce greenhouse gas emissions;

4. UNDERLINES the importance of mutually supportive EU climate and energy strategies to tackle climate change and create synergies with a view to strengthened energy security, improved EU competitiveness and sustainability, for example through reduced air pollution and better health; WELCOMES the presentation by the Commission of its communications "Limiting Global Climate Change to 2 degrees Celsius - the way ahead for 2020 and beyond" and "An energy policy for Europe";
5. RECALLS that meeting the 2°C objective will require global greenhouse gas emissions to peak within the next 10 to 15 years, followed by substantial global emission reductions of up to 50% by 2050 compared to 1990; CONCLUDES that there is an urgent need for a global and comprehensive post-2012 agreement to bring about the necessary emission reductions, while supporting sustainable development and poverty reduction;
6. EMPHASISES that such an agreement must be reached in time to prevent a gap between the first and second commitment periods under the Kyoto Protocol and that to this end negotiations on a global and comprehensive post-2012 agreement need to be launched at the UNFCCC COP 13-COP/MOP 3 at the end of 2007 and completed by 2009;
7. REITERATES ITS VIEW that a global and comprehensive post-2012 agreement should be consistent with meeting the 2°C objective, should build upon and broaden the Kyoto Protocol architecture, and provide a fair and flexible framework for the widest possible participation, in line with the principle of common but differentiated responsibilities and respective capabilities; UNDERLINES the following elements as essential parts of an effective and appropriate framework beyond 2012:
  - further developing a shared vision to reach the ultimate objective of the Convention;
  - agreeing on deeper absolute emission reduction commitments by developed countries;
  - facilitating further fair and effective contributions by other countries, including incentives set by new and flexible types of commitments, to reduce the greenhouse gas emission intensity of economic development;

- extending the carbon market, including innovative and enhanced flexible mechanisms;
- increasing cooperation on technology research, development, diffusion, deployment and transfer;
- enhancing efforts to address adaptation, including risk management instruments, finance and technologies for adaptation;
- addressing emissions from international aviation and maritime transportation, making further use of the expertise, experience and work of relevant international organisations;
- reducing emissions from deforestation and enhancing sinks by sustainable forest management and land use practices;

Accordingly, the Council:

8. REITERATES that absolute emission reduction commitments are the backbone of a global carbon market and that 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 with a view to collectively reducing their emissions by 60 to 80% by 2050 compared to 1990;
9. in this context, IS WILLING to commit to a reduction of 30% of 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 adequately contribute according to their responsibilities and respective capabilities; INVITES those countries to come forward with proposals regarding their contributions to a global and comprehensive post-2012 agreement;

10. EMPHASISES that the EU is committed to transforming Europe into a highly energy efficient and low greenhouse-gas-emitting economy; 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;
11. DECIDES that a differentiated approach to the contributions of the Member States is needed reflecting fairness and transparency and taking into account national circumstances and the relevant base years for the first commitment period of the Kyoto Protocol; RECOGNIZES that the implementation of these targets will be based on Community policies and on an agreed internal burden-sharing; INVITES the Commission to start immediately, in close cooperation with the Member States, a technical analysis of criteria, including socio-economic parameters and other relevant and comparable parameters to form the basis for further in-depth discussion;
12. UNDERLINES that these commitments should be implemented through national and Community climate policies, action in the context of the EU's energy policy, limiting transport emissions, reducing greenhouse gas emissions in residential and commercial buildings, strengthening the European Union Emissions Trading Scheme (EU ETS), including extending the global carbon market and using project-based mechanisms (JI and CDM), tackling emissions from non-CO<sub>2</sub> gases, and enhancing natural sinks linked with biodiversity protection; TAKES THE VIEW THAT this approach will allow the EU to reduce its energy consumption, improve Europe's competitiveness, reduce dependence on external sources of energy supply, demonstrate international leadership on climate issues, guide the implementation of the EU ETS beyond 2012, and encourage investment in emission reduction technologies and low-carbon alternatives; REQUESTS the Commission to analyse possible leakage of greenhouse gas emissions to countries not participating in the international scheme and explore potential solutions in that respect;

13. NOTES the increasing share of greenhouse gas emissions from Non Annex I 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, in order to keep the 2°C objective within reach; IS OF THE OPINION that for developing countries contributions could take several forms and include many policy options where benefits outweigh costs and that support continued economic growth, strengthen energy security and benefit health; TAKES THE VIEW that sustainable development policies and measures, an enhanced Clean Development Mechanism (CDM), non binding targets or sectoral approaches could offer promising ways of enhancing the participation of these countries;
14. NOTES that flexible mechanisms, including emissions trading, are successful and cost-effective instruments and that the carbon market and the development of carbon finance have a central role to play in guiding investment decisions in a climate-friendly direction; to this end, REAFFIRMS the need to pursue and extend the carbon market to provide the business community with a long-term perspective; UNDERLINES its wish to link the EU ETS with other compatible emission trading schemes with comparable levels of ambition; CALLS on the Commission to review Directive 2003/87/EC in good time and bring forward proposals which create the right incentives for forward-looking, low-carbon investment decisions and INVITES the Commission to consider, as part of the EU ETS review, a possible extension of its scope to land use, land-use change and forestry (LULUCF) and surface transport;
15. EMPHASISES that emissions from deforestation in developing countries amount to about 20% of global carbon dioxide emissions and that concrete policies and actions as part of a global and comprehensive post-2012 agreement are needed to halt these emissions and reverse them within the next two to three decades, while ensuring the integrity of the climate regime and maximising co-benefits, in particular with regard to biodiversity protection and sustainable development, using synergies between the UNFCCC, CBD and CCD;

16. IS AWARE that annually € 130bn will have to be invested in the energy infrastructure in developing countries over the next 25 years and that annually around € 25bn extra is required to ensure that these investments are made using low-carbon technologies; STRESSES the central role of innovation and enhanced cooperation in technology development, deployment and transfer to modernise this infrastructure, reduce the growth in energy demand and combat climate change; IS FULLY AWARE of the important role that national policies and measures can play in facilitating the deployment and transfer of already available low-carbon technologies; IS COMMITTED to expanding its strategic partnerships and bilateral activities with third countries, in particular in relation to energy efficiency and renewable energy, as well as to emerging technologies, such as carbon capture and environmentally safe sequestration and to engaging more closely with international financial institutions and the private sector;
17. UNDERLINES that even implementing the deep cuts described above will not avoid serious climate impacts, in particular in countries most vulnerable to climate change; REITERATES that for all countries adaptation is a necessary complement to mitigation that needs to be integrated into public investment programmes and private sector investments and to be adequately financed, including through the further development of innovative financing and risk management instruments; HIGHLIGHTS its willingness to continue and further strengthen its support for developing countries in lessening their vulnerability and adapting to climate change, for instance by mainstreaming adaptation into development policies and cooperation;
18. LOOKS FORWARD to the Commission's forthcoming Green Paper on adaptation to climate change which will help European companies and citizens to anticipate consequences of global warming and will identify how European policies can be mobilized to that effect;

19. WELCOMES the Commission's proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community;
20. EMPHASISES that a global and comprehensive post-2012 agreement should further determine an outline for future commitments and contributions leading up to 2050, providing continuity to the carbon market within that timeframe.

