

Roadmap for moving to a competitive low carbon economy in 2050

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The European Parliament adopted by 398 votes to 132 with 104 abstentions, a resolution tabled by the Committee on the Environment, Public Health and Food Safety on a Roadmap for moving to a competitive low carbon economy in 2050. It endorses the Commission's Roadmap to a competitive low carbon economy in 2050, together with its trajectory, the specific milestones for domestic emission reductions of 40 %, 60 % and 80 % for 2030, 2040 and 2050 respectively, and the ranges for sector-specific milestones, as the basis for proposing legislative and other initiatives on economic and climate policy. However, the Roadmap demonstrates that the current 20 % climate target, of which more than half could be achieved through non-domestic offsets, is not on a cost-effective pathway towards a 80 % reduction in 2050 as compared to 1990. Members note that 80 % is on the low end of the 80-95 % range, which the IPCC considered necessary for industrialised countries, and which, the European Council adopted as the EU target for 2050.

Parliament calls on the Commission to:

- set interim greenhouse gas emission reduction for 2030 and 2040, including concrete objectives for each sector, together with an ambitious timetable;
- bring forward within the next two years the measures necessary to achieve the 2030 objectives, taking into account particular national capacities and potentials, as well as international progress on climate action;
- present a cost-benefit analysis of meeting the proposed pathway at Member State level, taking into account national circumstances stemming from different technological development, as well as the necessary investments (and the attendant social acceptability) and the existence of a wider range of possible global conditions.

Parliament calls for **greater consistency among Community programmes and policies** in order to achieve the Roadmap's objectives and ensure that its priorities are fully integrated in the new 2014-2020 Multiannual Financial Framework. It acknowledges that delivering the 20 % energy efficiency target would allow the EU to reduce its internal CO₂ emissions by 25 % or more by 2020, and that this reduction would still be on a cost-effective path towards the long-term 2050 target of reducing greenhouse gas emissions by 80-95 % from 1990 levels. It notes that, according to the Roadmap, **a less ambitious approach would result in significantly higher costs over the entire period**. Members recall, however, that the cost-effectiveness of investments should always be measured in the light of Member State budgets.

The international dimension: Parliament notes that the worldwide development and application of low carbon technologies is increasing rapidly, and that it is **essential for Europe's future competitiveness to increase levels of investment in research, development and application** in relation to these technologies. It notes also the shift in sustainable scientific and technological innovation away from Europe to other parts of the world. Members emphasise the leading role played by China and India in wind technologies and call for steps to promote the eco-efficient development and production in the EU of these technologies and of the new and innovative technologies that are needed to achieve the ambitious targets for the reduction of greenhouse gas emissions.

Welcoming the outcome of the Durban conference in agreeing a clear timeline for drafting an international post-2012 agreement and the acceptance that large emitters, Parliament calls on the EU to continue to play an active role in international negotiations to finalise an ambitious, comprehensive and legally binding agreement. It reiterates that cumulative emissions are decisive for the climate system. Even with a pathway of 30 % reductions in 2020, 55 % in 2030, 75 % in 2040 and 90 % in 2050, the EU would still be responsible for approximately double its per capita share of the global 2°C compatible carbon budget, and delaying emissions reductions increases the cumulative share significantly.

The Emissions Trading System (ETS): Parliament recognises that the ETS is the principal instrument, although not the only one, for reducing industrial emissions and promoting investment in low carbon technologies. **Further improvement of the ETS is necessary**, and Members call for the EU ETS to be complemented with a technology- and innovation-based approach in order to secure the significant reductions needed.

They recognise that the **ETS is experiencing problems not originally anticipated**, and that the accumulating surplus of allowances will depress the incentive to promote low carbon investments for many years to come. This endangers the effectiveness of the ETS as the EU's principal mechanism to reduce emissions in a manner that creates a level playing field for competing technologies. Parliament calls on the Commission to adopt measures to correct the failings of the ETS and to allow it to function as originally envisaged. It makes recommendations on appropriate measures and asks for a report examining the impacts on incentives for investments in low carbon technologies and the risk of carbon leakage.

Parliament also calls on the Commission and the Member States to **implement in full the legislation on aviation in the ETS**.

Members recall that at least 50 % of auctioning revenues must be reinvested in climate action, and they urge the Commission to **monitor the spending of such revenues by Member States**, and report on this on an annual basis to Parliament. Member States must make effective use of the auction revenues in order to promote R&D and innovation with a view to achieving long-term reductions in greenhouse gas emissions.

Energy efficiency: Parliament recalls the existing assessments that indicate that **reducing energy use by 20 % compared to 2020 projections is not currently on track**. It calls for rapid action, greater ambition and stronger political commitment in terms of achieving the 2020 targets and looking beyond 2020, thus attracting appropriate investment. Since energy efficiency policies are key to further reducing carbon emissions, binding targets should not be excluded. Members welcome the priorities set by the proposed Energy Efficiency Directive for increasing energy efficiency in all sectors, and particularly in buildings through the renovation of existing building stock. They call for the **mobilisation of new sources of funding** at European and national level, including through new financing instruments, highlighting the importance of private investment.

Renewable energy: Parliament underlines the important role of renewable energy, and the urgent need for better solutions as regards **storage, increasing energy efficiency and ensuring efficient energy transmission**, including appropriate infrastructure measures. It recognises the significant progress achieved by Member States in the development of renewable sources of energy since binding targets were set for 2020, and draws attention to the **importance of setting further binding renewable energy targets for 2030**. Members stress that **meeting the targets set in the national renewable energy action plans is crucial for the achievement of the overall EU targets for 2050**, and they consider that the Commission should **take measures if national targets are not met**.

They also call for a **biomass supply policy** to encourage sustainable biomass production and use. It insists that meeting the EU's biofuels target must not adversely affect food and feed production or lead to a loss

of biodiversity. Accordingly, the Commission is asked to promote adequate protection of the environment in third countries affected by land use change bilaterally and multilaterally in order to take account of the greenhouse gas emissions attributable to changes in land use patterns.

Power generation: Parliament calls on the EU to commit itself to the **decarbonisation of the energy sector by 2050**. It invites the Member States and the Commission to **invest more in the energy infrastructure necessary for the transition to a sustainable economy**. Europe should be at the cutting edge in the development of standards and interoperable energy-related Internet technologies and energy-efficient ICT applications. With regard to interregional connections, Parliament stresses the need to **launch an investment plan** based notably on the European Energy Infrastructure Package, so as to secure the diversification of energy supply sources. It also calls for the swift integration and uptake of cross-border electricity markets.

Transport: Members endorse the requirement of the Commission Roadmap to a Single European Transport Area to reduce greenhouse gas emissions from transport by 60 % by 2050 compared to 1990 levels in the EU. Furthermore, they call on the Commission to **come forward with interim emissions reduction targets for the sector** in order to ensure that sufficient action is taken at an early stage.

Parliament calls on the Commission to **include maritime transport in its roadmap** and, in the absence of an international agreement to reduce emissions from shipping, to propose legislation so that these emissions are included in the Community reduction commitment with the aim of the proposed act entering into force by 2013.

Agriculture: Members call on the Commission to propose **specific measures to reduce greenhouse gas emissions and promote efficiency gains from the use of agricultural land** and reduce the use of fossil fuel based fertilisers, taking particular account of the role of agriculture as producer of food (rather than fuel).

They also call for **a strategy for EU land use, land use change and forestry (LULUCF)**, and encourage Member States to develop their national policies in order to deliver the mitigation potential of their respective LULUCF sectors.

Financing: Parliament supports the proposals made by the Commission for the Multiannual Financial Framework 2014-2020 to **provide dedicated funding to increase investment and promote the development and application of low-carbon technologies**. It endorses the intention to mainstream climate-related funding of the total MFF and earmark 20 % of the European Regional Development Fund (ERDF) for renewable energy and energy-efficient investment, while insisting that this must be effectively monitored. It recommends that the Commission should ensure that particular use is made of this funding to assist Member States that have a high potential for reducing emissions below the existing targets but lack the capacity to make the necessary investment.