Basic information

2009/2548(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy **Subject** 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements	

Key players

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2931	2009-03-10
Competitiveness (Internal Market, Industry, Research and Space)	2929	2009-03-05
Environment	2928	2009-03-02

Key events

Date	Event	Reference	Summary
02/03/2009	Resolution/conclusions adopted by Council		Summary
05/03/2009	Debate in Council		Summary
10/03/2009	Resolution/conclusions adopted by Council		Summary
11/03/2009	Decision by Parliament	T6-0121/2009	Summary
11/03/2009	Results of vote in Parliament		
11/03/2009	Debate in Parliament		
11/03/2009	End of procedure in Parliament		

Technical information

Procedure reference	2009/2548(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 142-p5
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Motion for a resolution		B6-0134/2009	20/02/2009	
Text adopted by Parliament, single reading		T6-0121/2009	11/03/2009	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2009)3244	06/10/2009	

Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy

2009/2548(RSP) - 10/03/2009

The Council held an exchange of views on the international financing of climate change measures and adopted conclusions to be submitted to the European Council, with a view to the spring meeting of the European Council (19 and 20 March).

In its conclusions, the Council stresses the following points:

- the EU's determination to reach a global and comprehensive climate agreement in Copenhagen in December 2009. The general objective of such an agreement should be to limit the global temperature increase to below 2°C compared to pre-industrial levels;
- the global costs of tackling climate change by a coordinated international response remain far lower than the costs of inaction, provided that swift action is taken to make use of the lowest cost abatement opportunities available internationally;
- cost effective action requires the implementation of negative cost abatement options in all major emitting countries which will minimize the amount of financing required at the international level;
- the efficiency and the effectiveness of the EU climate and energy package and the cost-efficient transition to a low carbon economy is to a large extent dependent on the conclusion of an ambitious and comprehensive global agreement;
- the strong mitigation commitment and the contributions to climate protection already made by the EU and the importance of comparable efforts by all developed countries. All but the least developed countries (LDCs) and small island developing states (SIDS) should commit to measurable, verifiable and reportable (MRV) mitigation actions and related financial participation. The definition of national mitigation actions in developing countries should be a prerequisite for the delivery of international financial public support;
- market-based instruments providing a high degree of flexibility are central to efficient and cost-effective responses to climate change, including the trade with Assigned Amount Units (AAU);
- the Council supports the development of a robust incentives enhancing global carbon market by both linking equally ambitious emission trading schemes worldwide – within OECD countries by 2015 extended to more advanced developing countries by 2020 – and by providing support for the design and implementation of new crediting and trading mechanisms;
- in order to enhance its contribution to sustainable development, ensure its environmental integrity and that only actions delivering real additional emission reductions are credited, the Clean Development Mechanism (CDM) should be improved;
- for financing mitigation and adaptation actions, appropriate domestic and external sources of finance, both private and public, will be required. Private funding will be, via appropriate policy frameworks, the main source of the necessary investments. Complementary public finance is needed in areas that cannot be adequately financed by the private sector;
- governance of mechanisms channelling international support must allow for effective and efficient decision-making and transparent follow-up. Public funding and international financing need to be governed by principles of effectiveness, efficiency and equity and subject to transparency and corresponding financial sound management practice;
- financial assistance should be delivered by mechanisms which maximise the linkages and synergies with existing development aid. The creation of new instruments should be carefully assessed in terms of their value added to existing structures and their adequacy within a coherent financial architecture and should only be considered where a clear need is evident;
- in the context of international agreement, Member States are willing to use at least half of the revenues from auctioning emissions allowances for climate change related activities, including support to developing countries that will have ratified the Copenhagen agreement.

The Council is ready to develop in more detail the practical options for financing mitigation, adaptation, technology support and capacity building. Careful assessment will be given to the necessary level of public finance.

Both the Economic and Financial Committee (EFC) and the Economic Policy Committee (EPC) are invited to contribute further on financial architecture and the possible financial mechanisms for the post 2012-regime, and related economic aspects in preparation for the Copenhagen conference. The European Commission is invited to continue to work on the assessment of the need for private investment and international public funding.

Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy

2009/2548(RSP) - 11/03/2009 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 20 February 2009, the European Parliament adopted by 610 votes to 50, with 25 abstentions, a resolution tabled by the Committee on the Environment, Public Health and Food Safety on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy. It recalls that negotiations on a comprehensive international agreement on climate change consistent with the objective of limiting global temperature increases to below 2ºC are due to be concluded in Copenhagen in December 2009. The European Union will agree on its negotiating position at the Spring 2009 European Council.

Parliament underlines that the EU must maintain a **leading role in international climate policy**, stressing the importance of the EU speaking with one voice in order to maintain its credibility in this role. It calls for the EU actively to pursue a Copenhagen agreement which takes into account the most recent scientific reports on climate change, commits the parties to stabilisation levels and temperature targets that provide a strong probability of avoiding dangerous climate change, and allows for regular reviews to ensure that targets are in line with the latest science. The Commission's proposals in this area are welcome.

Members note that , in order to limit the global average temperature increase to not more than 2°C above pre-industrial levels, it is necessary not only that developed countries significantly reduce their emissions but also that developing countries contribute to the attainment of this objective. They emphasise the responsibility of industrialised countries for providing sufficient financial and technical support to the developing countries to give them incentives to commit themselves to the reduction of their greenhouse gas emissions. A majority of such funds must be new and additional to Official Development Assistance (ODA).

In the current financial crisis, the EU's objective of fighting climate change can be combined with major new economic opportunities to develop new technologies, to create jobs and to enhance energy security. An agreement in Copenhagen could provide the necessary stimulus for such a 'Green New Deal'.

Parliament calls for the European Council to aim for an international agreement with industrialised countries achieving collective greenhouse gas emissions reductions at the **high end of the 25-40% range,** and for those reductions to be domestic. It is concerned about the lack of precision regarding the level of the EU's financial responsibility in the Commission Communication entitled 'Towards a comprehensive climate change agreement in Copenhagen' and calls on the European Council, when adopting a negotiating mandate for the Copenhagen conference, to make **tangible commitments on financing** that are consistent with the global efforts needed in order to limit the average temperature increase to well below 2° C. Such commitments on financing should include a pledge by Member States to use a significant part of the **auctioning revenues generated by the EU ETS** to finance actions to mitigate climate change in developing countries which will have ratified the international agreement on climate change. However, as less than 50% of EU emissions are covered by emission trading, it is necessary to include other sectors of the economy in Member States when it comes to the effort of financing these actions. Such commitments must provide for predictable financing for mechanisms set up in the UNFCCC context which are additional to ODA and independent from annual budgetary procedures in the Member States. Parliament stresses the need for clarity regarding the role of private capital in the investment necessary.

It considers it of the utmost importance to adopt a more comprehensive action plan on the future financing of climate policy, which would cover all relevant sources of financing. The Commission Communication is a good starting point, but it must be strengthened with clearly defined measures. Parliament considers that the collective contribution by the EU towards developing countries' mitigation efforts and adaptation needs **should not be less than EUR 30 000 million per annum by 2020,** a figure that may increase as new knowledge is acquired concerning the severity of climate change and the scale of its costs.

It calls on the Commission to abandon its previous resistance to the inclusion of forestry in emissions trading schemes.

Members believe that it is necessary for the EU to show leadership in the area of finance by **providing concrete negotiating figures at an early stage**, in order to mobilise sufficient domestic public support, to encourage developing countries to adopt ambitious binding reduction targets, and to encourage other Organisation for Economic Co-operation and Development member countries to contribute in a similar manner.

Lastly, Parliament insists that those Member States that are not already on track to meet the Kyoto target should intensify their efforts.

Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy

2009/2548(RSP) - 02/03/2009

The Council adopted **conclusions** developing the EU position on a comprehensive post2012 climate agreement, as a contribution to the Spring European Council.

The Council reaffirms its commitment to **reach a global and comprehensive climate agreement** in Copenhagen in December 2009 and stresses that the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol are the key instruments for tackling climate change at the global level.

The Council emphasises the EU's determination to take such action, as set forth in the EU climate and energy legislative package agreed in December 2008, which contains the legal framework for the EU to achieve its independent commitment to reduce its emissions to 20% below 1990 levels by 2020.

The Council reiterates its commitment to **move to a 30% reduction 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 that developing countries contribute adequately according to their responsibilities and respective capabilities.

It also underlines the opportunity and the need to build on the synergies between action on climate change and economic recovery actions and to seek a long-term financial and economic architecture that will encourage growth and sustainable development for all countries.

The conclusions tackle **five key points**:

(1) Mitigation: the Council reiterates that the Copenhagen agreement must be based on the best available scientific evidence as presented by the Intergovernmental Panel on Climate Change (IPCC) in its Fourth Assessment Report. On the basis of the information provided by the IPCC:

- **the increase in global mean surface temperature must be kept below 2°C compared with pre-industrial levels**, which in turn requires that global greenhouse gas (GHG) emissions peak by 2020 at the latest and be reduced by at least 50% as compared with 1990 levels by 2050 and continue to decline thereafter;
- **developed countries** should collectively reduce their GHG emissions by 25 to 40% by 2020 compared to 1990 levels and transform their economies over the coming decades in order to collectively reduce their GHG emissions by 80 to 95% by 2050 compared to 1990 levels;
- developed countries should propose, as soon as possible and not later than mid-2009, quantified emission limitation or reduction commitments for the medium-term that are consistent with the achievement of the objectives for this group as a whole and to enact as soon as possible policies and measures to achieve these targets;
- the Copenhagen agreement should contain **binding quantified emission limitation or reduction commitments** for at least all Parties listed in Annex I to the UNFCCC and all current EU Member States, EU candidate countries and potential candidate countries that are not included in Annex I to the UNFCCC;
- the Copenhagen agreement should include an appropriate level of ambition of measurable, reportable and verifiable mitigation commitments and actions by Parties;
- the overall target for developed countries must be distributed in a manner that is fair and ensures the comparability of efforts, guided by considerations of capability and responsibility and making use of a balanced combination of criteria;
- the rules for the treatment of land use, land-use change and forestry in the future commitments of developed countries should stimulate additional actions in those countries;
- given that greenhouse gas emissions from **developing countries** as a group are projected to increase in the medium term, those countries must - in particular the most advanced among them - achieve a substantial and quantifiable deviation below the currently predicted emissions growth rate: such deviation will need to be of the order of 15 to 30% below business as usual by 2020, respecting the principle of common but differentiated responsibilities and respective capabilities;
- developing countries should commit to integrating low-carbon development strategies and plans covering all key emitting sectors into national and sectoral strategies and plans and to update them as soon as possible and by no later than 2012 so as to be consistent with the achievement of the 2°C objective;
- developing countries, in particular the most advanced amongst them, are called upon to propose, already before Copenhagen: (i) ambitious low-carbon development strategies and plans; (ii) financial mechanisms to support developing countries to reduce gross tropical deforestation by at least 50% by 2020 compared to current levels and to halt global forest cover loss by 2030 at the latest;
- emission reduction targets for the **international aviation and maritime transport sectors** should be incorporated into the Copenhagen agreement. In this context, an international agreement that does not lead to competitive distortions or carbon leakage should be agreed in 2010 and approved by 2011;
- the Copenhagen agreement should include an international emission reduction arrangement for HFC emissions, contributing towards meeting the EU's 30% commitment.

(2) The Carbon Market: the Council reiterates its view that putting a price on carbon through the establishment of domestic **cap-and-trade systems for greenhouse gas emission allowances** represents the most economically efficient way of ensuring that future private and public sector investments in all countries are consistent with achievement of the global mitigation objectives.

The Council proposes to build, as soon as practicable and preferably **by no later than 2015**, a robust OECD-wide carbon market through the linking of cap-and-trade systems which are comparable in ambition and compatible in design, to be **extended to economically more advanced developing countries by 2020**. It expresses its willingness to assist interested developing countries in designing and making operational sectoral crediting and trading systems, particularly by providing appropriate capacity-building support to this end.

The Council takes the view that, to enable the transition to a global carbon market, there is a strong continuing role for the Clean Development Mechanism (CDM), Joint Implementation (JI) and IET (International Emissions Trading) and that’s these mechanisms should be improved in terms of effectiveness and efficiency.

(3) Adaptation to the negative effects of inevitable climate change: the Council reiterates its proposal that the Copenhagen agreement provide a Framework for Action on Adaptation (FAA), which, on the basis of an international partnership and solidarity:

- recognises the need for all countries to adapt, thereby implementing actions to build a more climate-resilient society with support for doing so being provided to developing countries and priority being given to the most vulnerable ones;
- strives for effective adaptation action through a process which integrates adaptation into sustainable development policies and strategies at all levels and into development cooperation; and
- proposes to improve the tools for adaptation strategies, including technologies in support of adaptation, scientific techniques, particularly monitoring and forecasting, access to improved climate data and regional climate models, capacity building and approaches to risk management and risk reduction.

The Council proposes that multilateral insurance options to cover disaster losses should be explored to complement existing funding mechanisms in the event of climate-related natural disasters.

(4) Financial Support, technology cooperation and capacity building: the latest estimates from the Commission indicate that the net global incremental investment, both public and private, to reduce global greenhouse gas emissions to a level compatible with the 2°C objective needs to increase to around **EUR 175 billion per year in 2020**.

In this context, the Council underlines that **adequate, predictable and timely financial support** for implementation of a Copenhagen agreement is crucial and that the EU is prepared to take on its fair share, in the framework of a global and comprehensive Copenhagen agreement which entails appropriate and adequate contributions by Parties. It emphasises that the international financial architecture providing this support must be governed by the principles of effectiveness, efficiency, equity, transparency, accountability, coherence, predictability and sound financial management.

The Council reaffirms the role of the Global Environment Facility as the financial mechanism of the UNFCCC and its Kyoto Protocol and welcomes the establishment at the World Bank of the **Climate Investment Funds**. It invites the forthcoming Spring European Council to consider the options for generating financial support, which should be the focus of future discussion. It also notes that these options could potentially be complemented by funding resulting from a **global instrument addressing international aviation and maritime transport**. Lastly, it recognises the importance of supporting appropriate specific financial support for the **forest sector**.

The Council emphasises the need for provisions to promote the effective and efficient **coordination** of all support for mitigation and adaptation, including with all other streams of development funding. It also emphasises that provisions on **financing technology research**, development, deployment and diffusion should form an integral part of the Copenhagen agreement, with the aim of a substantial increase of private and public energy-related RD&D compared to current levels, working towards at least a doubling of global energy related RD&D by 2012 and increasing it to four times its current level by 2020, with a significant shift in emphasis towards safe and sustainable low greenhouse-gas-emitting technologies, especially renewable energy.

(5) International climate change governance and MRV (Measurement, Reporting and Verification): the Council stresses the need, at global level, for more robust and transparent measurement, reporting and verification of mitigation and actions, for both developed and developing countries.

It proposes that developing countries provide, as soon as possible and by no later than 2011, annual emission inventories, at least for the key emitting sectors of their economies, facilitated by comprehensive capacity-building and technical and financial support.

The Council underlines the need for a periodic review of overall progress towards the ultimate objective of the Convention and actions related to mitigation, adaptation and means of implementation forming an integral part of the Copenhagen agreement, including a comprehensive review not later than 2016.

Resolution on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy

2009/2548(RSP) - 05/03/2009

The Council adopted a document outlining the key issues in terms of competitiveness with a view to the forthcoming spring European Council. Among those priorities, the Council stresses that the external dimension of competitiveness remains of crucial importance.

In this context, the European Union should aim at creating progressively the future fair and integrated global carbon market and avoid increase of heterogeneity of climate policies around the globe by ensuring ambitious and comprehensive deal on climate change at Copenhagen.