

EU Commitment to the Environment Put to the Test

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European Union leaders are to gather in Brussels on Thursday for a crucial summit and one of the most important issues will be climate change. However, with Germany, Poland and Italy all calling for concessions, will the deal end up as a toothless compromise?

This week's European Union summit in Brussels could have been a mere formality -- a ritual gathering to rubber-stamp the EU's ambitious climate goals. Instead, it has become a crucial test of the 27-member bloc's commitment to the environment. And the crucial question is whether the EU will approve climate control measures agreed on well before the global financial crisis began casting dark shadows over European economies.

Indeed, with heads of state and government set to meet on Thursday, indications point to a weakening of many EU pledges. Eastern European countries in particular have voiced concern that their economies cannot cope with the plans as they now stand.

"Some countries are asking for more, others for less," said European Commission President Jose Manuel Barroso on Tuesday. Still, he added, "I think we can reach a compromise." He also said he was "confident that the essentials of the Commission's proposal will remain intact."

The EU has committed to cutting greenhouse gas emissions by 20 percent by 2020 relative to 1990 levels. The plan also calls for the EU to draw 20 percent of its energy from renewables and to cut energy consumption by 20 percent in the same time period. The package is known as the 20-20-20 plan.

There have always been detractors, however. And their hands have been strengthened by the financial crisis and resulting economic downturn in Europe. Some are asking for implementation of some measures to be staggered or weakened.

Poland, in particular, is worried that the current plans would create heavy costs for its power sector, which is 95 percent reliant on coal-fired power plants. Germany has already scored a victory of sorts for its automobile industry. Last week, rules governing auto emissions were watered down, allowing European car manufacturers additional time to meet strict new exhaust regulations.

On Tuesday German Chancellor Angela Merkel, whose image as a **climate champion** has been severely tarnished by her perceived kowtowing to the country's industrial and automotive lobbies, met with her Polish counterpart Donald Tusk in Warsaw. Afterwards, there were smiles all round as the two leaders announced that they believed the EU would reach a compromise at the summit over its climate change plans.

"In this area we made a big step forward. We can now allow ourselves some cautious optimism," Merkel told a news conference after the meeting. Asked if Germany and Poland might veto the EU's climate package, she said "The probability of a veto is now smaller." Tusk, who had previously raised the possibility of Warsaw blocking a deal, said that "We have made another step towards reaching an agreement that would be good for everybody, not just for a chosen group of countries."

One of the Polish government's biggest beefs with the EU climate plan is Brussels' plans to make power stations buy permits to pollute from 2013. Tusk wants more time to prepare for the carbon caps and he had already refused to back down on the issue when he met with French President Nicolas Sarkozy, current holder of the EU's rotating presidency, last weekend in the Polish city of Gdansk.

Merkel voiced her sympathy with the Polish position on Tuesday. The chancellor has already come under fire for comments made earlier in the week. In an article in the mass-circulation tabloid *Bild* published on Monday, **Merkel said that she will not approve any European Union climate rules** "that endanger jobs or investments in Germany." Germany, along with Italy, wants many parts of its industrial sector to be given exemptions from the cap and trade system, known as the Emissions Trading Scheme (ETS). One of the key sticking points is how member states should divide allowance for CO2 auctions among themselves. The current plan envisages a "solidarity mechanism" that would see 10 percent of the allowances set aside for poorer member states. Many Eastern European countries, though, are asking for greater concessions.

Meanwhile the EU moved closer to an agreement on one of the central planks of the climate plan on Tuesday. Members of the European Parliament, the European Commission and diplomats from the 27 EU member states reached a provisional deal to ensure that one-fifth of Europe's energy mix comes from renewable sources by 2020. The deal will mean significant European investments in wind, tidal and solar energy. Claude Turmes, a Green Party MEP from Luxembourg, said the deal would "make a real difference." However, Italy, which has little renewable energy infrastructure, secured a final concession at the talks: The system will now be reviewed in 2014.

Whatever the outcome of this week's meeting in Brussels, any compromise is bound to disappoint green campaigners, something acknowledged by those involved in hammering out a deal. One EU official told Reuters: "In the end, we will achieve 80 to 90 percent of our objectives and the critics will scream about the other 10 or 20 percent."

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