

E U R O P E A N E C O N O M I C A R E A

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EEA JOINT PARLIAMENTARY COMMITTEE

Report

Attached is the Report on the outcome of the Kyoto Summit and its implications for the European Economic Area as forwarded by the European Parliament.

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EUROPEAN ECONOMIC AREA JOINT PARLIAMENTARY COMMITTEE

REPORT

**on the outcome of the Kyoto Summit
and its implications for the European Economic Area**

**Co-rapporteurs: Markus FERBER (PPE, Germany)
Mr Bror Yngve RAHM (Christian Democratic Party, Norway)**

6 May 1998
MF/vt

The co-rapporteurs consider the signing of the Kyoto Protocol, in continuation of the Rio de Janeiro framework convention, as an important next step on the way to global climate protection.

The centrepiece of the Protocol is the reduction of greenhouse gasses (carbon dioxide, methane, nitrous oxide) responsible for 80% of climate change. An average reduction of 5.2% over 1990 levels by the years 2008 to 2012 in 38 industrial countries is laid down in the Protocol. The European Union States and Liechtenstein are to reduce their emissions by 8%, whereas Iceland and Norway have been authorized to increase their emissions by 10% and 1% respectively.

Reductions were also included for sulphur hexafluoride (SF₆), perfluorocarbons (PFC_s) and hydrofluorocarbons (HFC_s).

The Protocol also creates the option for industrialized countries to make joint investments in climate-protection projects.

Despite the improvements achieved, the results nevertheless fall below European Member-State expectations.

The European Union's original objective of getting pollutant emissions reduced by 15% was undershot significantly.

The Protocol contains provisions for transferring emission rights between countries. With this more flexible model, the costs of implementing the Kyoto programme could, in the opinion of climatologists and economists, be reduced by over 85%.

Critics of the model see the danger that industrialized countries will buy up 'emission permits' cheaply from developing countries and use them to avoid adopting reduction measures at home.

The European Union requirement that 50% of commitments should be met by action in the home country failed to win support. A concluding protocol could only be signed in Kyoto after that controversial point had been specifically excluded from it. Detailed rules on trade in emission permits cannot now be drawn up until the next climate summit in November 1998 in Buenos Aires, at the earliest.

Reafforestation of woodlands is recognized in the Protocol as a method of reducing emissions. Specific assignments of reductions have still not been adopted. Rules on this need to be adopted as soon as possible.

The option is also provided in the Kyoto Protocol for industrialized countries to finance the construction of modern power stations in developing countries to replace obsolete plant. The CO₂ reductions thus achieved are to be credited to the industrialized countries (clean development mechanism). This measure is actually the equivalent of the contested 'joint implementation' arrangement, under which the investor benefits from the fact that emission reductions can be achieved more cheaply abroad than at home.

Despite these criticisms, the legally binding nature of the Kyoto Protocol nevertheless qualifies it as a significant first step towards a global environment policy. For the first time ever, reductions

have been laid down nominally as legally binding, even if no sanctions mechanisms are in place. The European Union moreover lived up its reputation as a leading player in this area of the Kyoto negotiations. It consistently advocated the most stringent protocol possible throughout.

The co-rapporteurs welcome the commitment shown by Europeans in this area and calls on them to continue to work energetically in its pursuit. The committee hopes that the European Economic Area will live up to its responsibilities in the drive for further reductions in climate-altering gasses.

RESOLUTIONS

on the outcome of the Kyoto Summit and its implications for the EEA

The Joint Parliamentary Committee of the European Economic Area (EEA),

- A. having regard to the Commission communications on Climate Change - the EU approach for Kyoto (COM(97)0481) and on The Energy Dimension of Climate Change (COM(97)0196 - C4-0232/97),
- B. having regard to the Commission statement before the European Parliament of 18 December 1997,
- C. having regard to the conclusions of the meetings of Environment Ministers of 3 March, 16 October, 16 December 1997 and 23 March 1998,
- D. having regard to the Kyoto Protocol to the United Nations framework convention on climate change of December 1997,
- E. having regard to resolution adopted by the ACP-EU Joint Assembly on 30 October 1997 in Lomé (Togo) on ACP-EU cooperation in the area of climate change and on the third conference of the contracting parties to the framework convention on climate change,
- F. whereas Europe bears a the great responsibility for world climate,
- G. whereas threatened climate change can impact on many different areas, including ecosystems and human and animal health,
- H. whereas the reports from the Inter-governmental Panel on Climate Change (IPCC) have indicated that unacceptable social, economic and ecological impacts could occur in the coming decades unless the question of global warming is seriously addressed,
- I. whereas the present provisions of the Protocol are in part unsatisfactory and may contain loopholes and ambiguities,
 - 1. Draws attention to the need to reach worldwide agreement on rules for a mechanism progressively to reduce worldwide emissions to a climate-protecting level;
 - 2. Draws attention to the danger of a systematic relocation of industrial sectors with high energy consumption and greenhouse-gas emissions to countries in which the lowest environmental standards are applied;
 - 3. Welcomes the signing of the Kyoto Protocol as a continuation of the Rio de Janeiro framework convention and as a further step towards global climate protection;
 - 4. Reiterates its support for the leading part played by the EU during the negotiations; regrets nevertheless the scant results of an incomplete agreement on so important and urgent a question;

5. Calls on the EU and its Member States and on the other EEA States to live up to their responsibilities for world climate trends and to consider the Commission communication on reducing greenhouse-gas emissions as the basis for developing more stringent and binding commitments;
6. Calls on the EU and the EEA member states to set an example of leadership and to remain committed and strive to reach the pre-Kyoto burden-sharing and the collective EU target to reduce greenhouse gases;
7. Calls on the EEA States to play an active and constructive role in order to pave the way for a successful outcome of the next Conference of the parties, to be held in Buenos Aires, particularly concerning:
 - the definition of rules and guidelines for emissions trading
 - further elaboration of the Clean development Mechanism
 - guidelines on emission reduction units resulting from projects aimed at reducing antropogenic emissions by source or enhancing anthropogenic removals by sinks of greenhouse gases;
8. Calls on the EU and EEA member states to implement and co-operate together on concrete policies and measures to reduce greenhouse gas emissions in the fields of transport, industry, and energy.

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