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NOTE

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to:	Delegations
No. Cion prop.:	17229/11 ECOFIN 804 SOC 1017 COMPET 534 EDUC 274 ENV 891 RECH 380 ENER 376 FISC 151
Subject:	Europe 2020 Strategy - Policy debate = Contribution from the Finnish delegation

Delegations will find attached a contribution from the Finnish delegation.

ANNEX

Finland's position on the energy questions of the Europe 2020 Strategy and the Annual Growth Survey 2012

1. *In light of the Annual Growth Survey 2012 what do you see as main obstacles to the achievement of the Europe 2020 energy objectives?*

The Member States have established the programmes and, for the most part, determined the measures and promotion tools necessary for reaching the energy objectives of the Europe 2020 Strategy, which are to reduce greenhouse gas emissions, increase the proportion of renewable energy, and improve energy-efficiency (20/20/20 targets). The economic downturn of recent years has inadvertently aided in the reaching of these three targets, although development is moving in the wrong direction for other Europe 2020 objectives.

The downturn in the economy has reversed the growth in energy consumption and emissions. At the same time, it has introduced a need for cutbacks in central government finances. The opinion is that funds are not available for new energy objectives. Closer examination of the Europe 2020 objectives as a whole shows that the current economic situation and its prospects pose a great obstacle to reaching them.

Setting the target for energy-efficiency is not as clear-cut as setting those related to reducing emissions or increasing renewable energy. If the objective for improved energy-efficiency is the use of a specific total amount of energy within the EU in 2020, the risk is that restrictions are set from a higher level that prevent the reaching of economic growth and other Europe 2020 objectives, such as employment targets.

A new Energy Efficiency Directive is being prepared, with the aim of ensuring that the energy-efficiency target is reached. The measures specified in the proposed directive are in part so rigid and likely to result in cost-inefficiency that they will easily conflict with other Europe 2020 objectives. Energy-efficiency is necessary and should be promoted. However, overly rigid steering measures, such as excessive acceleration of renovation work, will cause extra costs to national economies without providing significant improvements in energy-efficiency.

2. *In your view, which measures in the field of energy efficiency and renewable energy have the biggest potential to contribute to growth and job creation and should thus be prioritised?*

Where renewable energy is concerned, Finland's example of the use of bio-based energy sources is cost-efficient and a steady provider of jobs. The supply chain for forest chips provides jobs for many people and prosperity in remote regions. The supply chain functions in close co-operation with forest management and the procurement of raw materials for the forest industry. In addition, its synergy benefits aid economic growth on a wider scale. The promotion of bio-based energy sources involves a lot of innovation potential, which creates conditions for sustainable economic growth. Research, development, and innovation activities help to create growth, but investing in them requires a healthy economy – and courage.

As for energy-efficiency, the cost-efficient targeting of measures at less expensive targets provides more long-term employment than do efficiency measures requiring extensive support. Finland's example of voluntary Energy Efficiency Agreement Scheme which is widely used in industry and service provision companies, as well as the affordable and thus implementable energy-efficiency measures discovered through them (for example, in the areas of lighting, heat recovery, and drives), is proof of this.

Common EU-wide energy-efficiency measures exist, and they are necessary. These include energy labelling of devices and efficiency requirements. However, the details of energy-efficiency measures are often specific to each Member State, as they adjust to other measures, local regulations, and the surrounding context. One must highlight cost-effectiveness and integration with the existing context as elements common to all energy-efficiency measures. It is recommended to implement first those energy-efficiency measures that involve 'low-hanging fruit'. Improving the energy performance of buildings is vital, and the associated renovation work has a favourable effect on employment rates. However, the building stocks and climates of each Member State are different, and, therefore, binding renovation construction objectives should not be set at the EU level.