



**COUNCIL OF
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NOTE

from: General Secretariat
to: Delegations

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Subject: A Roadmap for moving to a competitive low-carbon economy in 2050
- Presidency conclusions

Delegations will find attached a text on the above subject, which was accepted by 26 delegations at the meeting of the Council (Environment) on 9 March 2012 and subsequently issued as Presidency conclusions.

A Roadmap for moving to a competitive low-carbon economy in 2050

- Presidency conclusions -

The Danish Presidency of the Council:

1. RECALLS the European Council conclusions of February and December 2011 requiring urgent progress on agreement on the low-carbon 2050 strategy and the need to give due consideration to fixing intermediary stages towards reaching the 2050 objective.
2. Strongly WELCOMES the positive outcomes of the Durban Conference which further implement the Cancún Agreements, pave the way for immediate and concrete actions on the ground and lay a solid foundation through the Durban Platform for Enhanced Action for adopting a single global and comprehensive legally-binding agreement applicable to all Parties by 2015 at the latest for it to come into effect and be implemented no later than the beginning of 2020, thereby ensuring continuity after full implementation of the Cancún pledges and the second commitment period of the Kyoto Protocol.
3. ENCOURAGED by the positive outcomes of the Durban conference, REAFFIRMS the EU objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce greenhouse gas emissions by 80-95% by 2050 compared to 1990; REITERATES that to keep the 2°C objective within reach, global greenhouse gas emissions need to peak by 2020 at the latest and be reduced by at least 50% by 2050 compared to 1990 and continue to decline thereafter.

4. RECOGNISES that the transition to a competitive low-carbon economy and society in Europe is important in driving sustainable growth and innovation, increasing energy security and reducing dependence on imported fossil fuels, creating decent jobs, enhancing competitiveness and improving air quality and health.
5. STRESSES the importance of long-term, cost-effective low-carbon development strategies which are consistent with the objective of keeping global average temperature increase below 2°C compared to pre-industrial levels; INVITES all Member States and the Commission to further develop these strategies; EMPHASISES the severe budgetary constraints in most Member States and the importance to EU competitiveness of Member States following the most cost-effective pathway towards a competitive low-carbon economy.
6. STRESSES the urgent need to give clear and credible signals for businesses, investors, public decision makers at all levels and other stakeholders and to provide longer term certainty and a stable regulatory environment towards a competitive low-carbon economy; UNDERLINES that delays in taking adequate measures can generate additional costs.
7. WELCOMES the Commission's *Communication on a Roadmap for Moving to a Competitive Low-Carbon Economy in 2050* and recognises its finding that the EU's gradual, cost-effective transition to a low-carbon economy in 2050 passes through indicative milestones for EU domestic greenhouse gas emission reductions of 40% by 2030, 60% by 2040 and 80% by 2050 compared to 1990 as the basis for further work on the action needed to make the transition in a gradual, cost-effective way; STRESSES the need to continue to take into account in further work technological and market developments, as well as information on emission reductions achieved, in light of the uncertainty associated with such long-term projections.

8. INVITES the Commission, taking into account the underlying assumptions and circumstances at Member State level, to present timely and cost-effective policy proposals for delivering the reductions in the *Low-Carbon Economy Roadmap to 2050* for the period to 2030, including an assessment of the impacts at the EU and the Member States' level; In this context, STRESSES the need for a balanced approach, with respect to the principles of “polluter pays”, cost-effectiveness, fairness and solidarity in the distribution of additional efforts and benefits between Member States.
9. LOOKS FORWARD to early agreement on the Energy Efficiency Directive and further work on the Commission's Energy Roadmap 2050 as important elements contributing to the EU's low-carbon strategy towards 2050, while preserving the integrity of the ETS Directive.
10. TAKES NOTE of the Commission's finding in the *Low-Carbon Economy Roadmap to 2050* that if the EU fully delivers on its energy-efficiency objectives, this would enable the EU to outperform the current 20 % greenhouse gas emission reduction target and achieve a 25 % domestic reduction by 2020.

11. RECALLS the importance of international and domestic carbon markets, including cap-and-trade systems, as well as of ensuring the continuation of existing flexible mechanisms, while improving them, for achieving ambitious global mitigation objectives in a cost-efficient manner and for driving low-carbon investments while contributing to sustainable development; in this context WELCOMES the establishment of a new market-based mechanism at the Durban Climate Conference; EMPHASISES that a robust carbon market is required, which drives the carbon price necessary for low-carbon investment, to achieve the global mitigation objectives; In the EU context, EMPHASISES the role of the EU ETS and the Effort Sharing Decision as key instruments and STRESSES the urgent need to take all the necessary actions to enable full and timely implementation of the Climate and Energy Package; and RECALLS the possible role of article 24a of the ETS Directive; NOTES that robust carbon prices are needed to support and deliver the necessary incentives for low-carbon investments; Furthermore NOTES that the present ETS allowance price and the expected non-ETS price provide substantially lower incentives than anticipated when the Climate and Energy Package was adopted; and, INVITES the Commission to further consider the possible practical modalities that may be needed to ensure that the EU ETS continues to reward energy efficiency and low-carbon investments in all relevant sectors of the economy while ensuring the consistency of emission reduction efforts between the EU ETS and non-ETS sectors, with due attention to be paid to the risk of carbon leakage; RECOGNISES that complementary EU measures will also be needed in non-ETS sectors.
12. RECOGNISES the role of EU sectoral policies and STRESSES the need to integrate climate change into all relevant sectoral policy areas, such as energy, transport, industry and buildings, and specifically to mainstream mitigation and adaptation strategies into the future Common Agriculture Policy and Cohesion Policy.

13. EMPHASISES the role of LULUCF in the long-term perspective of EU climate policy; in this context, WILL CONSIDER the Commission's proposal on accounting rules and concrete action on LULUCF; CONSIDERS this as a step towards the inclusion of LULUCF in the EU reduction commitments while ensuring environmental integrity; RECOGNISES the opportunities for linking LULUCF with relevant policies in other areas.
14. STRESSES the need, in further work, to ensure consistency between the *Low-Carbon Economy Roadmap to 2050* and the objectives of the EU2020 Strategy flagship initiatives, including the Resource-Efficient Europe flagship initiative and its relevant components, such as the Commission's Energy Roadmap 2050 and White Paper on Transport.
15. EMPHASISES the crucial role of R&D and demonstration of safe and sustainable low-carbon technologies; RECALLS the European Council conclusions of 4 February 2011, which stated that the EU and its Member States will promote investment in renewables and safe and sustainable low carbon technologies and focus on implementing the technology priorities established in the European Strategic Energy Technology plan; STRESSES the need to strengthen the European and international system of standard-setting in order to accelerate the transition to a low-carbon, resource and energy-efficient economy.
16. STRESSES the significant investment needs and the importance of mobilising both EU and national resources from all possible sources as appropriate, including innovative financial mechanisms, in order to promote transition to a low-carbon economy as part of a kick-start of the European economy, while taking into account Member State differences in investment capacities, current budgetary constraints and the need for fiscal consolidation; INVITES the Commission to consider how public and private resources and investments could be stepped up and used more efficiently to facilitate a cost-effective transition to a low-carbon economy; NOTES that Member States may transfer part of their annual emission allocation in line with the Effort Sharing Decision in order to develop innovative financing mechanisms, on a voluntary basis and taking into account national budgetary rules.

17. Without prejudice to ongoing financial negotiations, STRESSES the need for intensified greening of the EU 2014-2020 Financial Framework in line with the objectives of the Europe 2020 Strategy, *inter alia* to promote the transition to a safe and sustainable low-carbon, resource efficient and climate resilient economy and sustainable growth, with due respect to the specific conditions and needs of Member States; TAKES NOTE of the Commission's Communication proposing to increase the proportion of the EU budget related to climate mainstreaming to at least 20%.

18. DECIDES to keep these issues under regular review, and to return to them as soon as possible in the light of on-going or forthcoming work; RECALLS that the European Council will keep developments under review on a regular basis.
