

# COUNCIL OF THE EUROPEAN UNION

Brussels, 13 May 2014 (OR. en)

9669/14

AGRI 348 CLIMA 48 ENV 440 ENER 182 IND 156 COMPET 269 MI 416 ECOFIN 465 TRANS 260

#### **NOTE**

From:	Irish and German delegations
To:	Council
Subject:	Climate and Energy Framework 2030
	Information from Ireland and Germany and supported by the Belgian, Bulgarian, Croatian, Cyprus, Czech Republic, Danish, Finnish, Greek, Hungarian, Latvian, Lithuanian, Polish, Portuguese and Spanish delegations

Delegations will find, in the <u>Annexes</u>, a note from <u>Ireland and Germany</u>, supported by the <u>Belgian</u>, <u>Bulgarian</u>, <u>Croatian</u>, <u>Cyprus</u>, <u>Czech Republic</u>, <u>Danish</u>, <u>Finnish</u>, <u>Greek</u>, <u>Hungarian</u>, <u>Latvian</u>, <u>Lithuanian</u>, <u>Polish</u>, <u>Portuguese and Spanish delegations</u> to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 19 May 2014.

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#### POLICY FRAMEWORK FOR CLIMATE AND ENERGY 2020-2030

The European Commission published its Communication "A policy framework for climate and energy in the period 2020 to 2030" in January 2014. Since then the issue has been discussed at the Competitiveness Council on 20 February 2014, the Environment Council on 3 March 2014, the Energy Council on 4 March, Ecofin on 11 March 2014 and the European Council on 20/21 March.

The European Council Conclusions envisage an early agreement on a new policy framework for energy and climate in the period 2020 to 2030. The EC will discuss the matter again at its meeting in June with a view to taking a final decision on the new policy framework as quickly as possible, and no later than October 2014. In the intervening period the European Council has invited the Council and the Commission to work rapidly on this dossier.

This issue has significant implications for the agriculture, land use change and forestry sectors. The Commission Communication recognises the specific issues that arise in the sector because of its multifunctional nature (the production of food, feed, raw materials and energy, raising environmental quality and contributing to climate mitigation and adaptation) and that these combined sectors both emit and remove greenhouse gases from the atmosphere. It suggests that further analysis is required to assess the mitigation potential and most appropriate policy approach towards the sector in the light of its specific characteristics and it sets out some options in this regard. We welcome this commitment by the Commission to address the specific challenges that arise in developing policy in this area and agree that there is a need to ensure coherence with other Union policies, including the CAP.

The outcome of this work will be very important for the future of European agriculture and it is therefore essential that the Council of Agriculture Ministers should be fully involved in this debate. It is particularly appropriate that the Agriculture Council should consider how best to develop a coherent and cost-effective approach to the twin challenges of sustainable food production, in the light of rising global demand, and climate change mitigation and adaptation, in the light of overall EU and global objectives. The Agriculture Council should therefore consider this issue in close cooperation with our colleagues in the Environment and Energy Councils, who have primary responsibility in this area. We therefore request the Presidency to ensure that the Agriculture Council has the opportunity to discuss this issue at a suitable time, and we invite DG Agriculture, in collaboration with DG Clima, to provide appropriate analysis and support for this discussion.

# EXCERPTS FROM COMMISSION COMMUNICATION AND EUROPEAN COUNCIL CONCLUSIONS

Commission Communication: "A policy framework for climate and energy in the period 2020 to 2030" 21 January 2014

## 4.2 Agriculture and land use

The agriculture, land use change and forestry sectors serve multiple objectives such as the production of food, feed, raw materials and energy, raising environmental quality and contributing to climate mitigation and adaptation. The combined sectors both emit and remove greenhouse gases from the atmosphere. For example, emissions are associated with livestock production and fertilizer use while grassland management or agro-forestry measures can remove CO<sub>2</sub> from the atmosphere.

Currently these emissions and removals are treated in different parts of the EU's climate policy. Non-CO<sub>2</sub> emissions from agriculture are treated in the Effort Sharing Decision while CO<sub>2</sub> emissions and removals related to land-use and forestry are excluded from the EU's domestic reduction target but are accounted for under international commitments. To ensure that all sectors contribute in a cost-effective way to the mitigation efforts, agriculture, land-use, land-use change and forestry should be included in the GHG reduction target for 2030. Further analysis will be undertaken with the aim of assessing the mitigation potential and most appropriate policy approach which could, for example, use a future Effort Sharing Decision governing the non-ETS GHG emissions or an explicit separate pillar, or a combination of both. Accompanying policy measures should also build on the experiences from "greening" under the Common Agricultural Policy and ensure coherence with other Union policies.

## European Council Conclusions 20/21 March 2014

#### C. CLIMATE AND ENERGY

15. A coherent European energy and climate policy must ensure affordable energy prices, industrial competitiveness, security of supply and achievement of our climate and environmental objectives. Substantial progress has been made towards the attainment of the EU targets for greenhouse gas emission reduction, renewable energy and energy efficiency, which need to be fully met by 2020.

16. Taking into account the timeline agreed in Warsaw for the conclusion of a global climate agreement at the 21st session of the Conference of the Parties in Paris in 2015, the European Council confirms that the European Union will submit its contribution at the latest by the first quarter of 2015, as should all major economies. In the light of the UN Climate Summit in September 2014 the specific EU target for 2030 for greenhouse gas emission reductions will be fully in line with the agreed ambitious EU objective for 2050. Such an agreed EU policy framework on greenhouse gas emissions, renewables and energy efficiency, to be elaborated on the basis of the Commission communication, will provide the necessary stability and predictability for its economic operators and confirm the EU's role globally.

#### 17. The new framework should be based on the following principles:

- further improve coherence between greenhouse gas emissions reduction, energy efficiency and the use of renewables and deliver the objectives for 2030 in a cost-effective manner, with a reformed Emissions Trading System playing a central role in this regard;
- develop a supportive EU framework for advancing renewable energies and ensure international competitiveness;

- ensure security of energy supply for households and businesses at affordable and competitive prices;
- provide flexibility for the Member States as to how they deliver their commitments in order to reflect national circumstances and respect their freedom to determine their energy mix.

18. With a view to an early agreement on a new policy framework for energy and climate in the period 2020 to 2030, the European Council invites the Council and the Commission to continue work and rapidly develop the following elements:

- analyse the implications for individual Member States of the Commission's proposals for EU-wide targets for emission reductions and renewable energy;
- elaborate mechanisms which will result in an overall fair effort sharing and foster the modernisation of the energy sector;
- develop measures to prevent potential carbon leakage and call for long-term planning security for industrial investment in order to ensure the competitiveness of Europe's energyintensive industries;
- review the Energy Efficiency Directive in a timely manner and develop an energy efficiency framework.

The European Council will take stock of progress made on these issues at its meeting in June, based inter alia on consultations with Member States, with a view to taking a final decision on the new policy framework as quickly as possible and no later than October 2014. The European Council asks its President and the European Commission to take the necessary steps to prepare this decision.