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NOTE

From: Presidency
To: Delegations

Subject: Europe 2020 Strategy - Mid-term review
- Contribution of the TTE (Energy) Council
= Policy debate

1. Introduction

The “Europe 2020 strategy for smart, sustainable and inclusive growth” was adopted in 2010 and is implemented and monitored in the context of the European Semester. Last March, the European Commission published a stock-taking Communication (6713/14). Later in May, the Commission launched a public consultation (closed on October 31st) to feed into its work on the review. The March 2014 European Council assessed the implementation of the strategy based on the Commission's stock-taking Communication.

With a view to ensuring the timely input of all relevant Council formations, the Roadmap (doc. 11645/14) for the Europe 2020 Strategy mid-term review sets the milestones for the review: it foresees notably that the TTE (Energy) Council on December 9th should contribute.

2. Overall assessment of Europe 2020 Strategy:

The contribution of the energy sector to the creation of a more smart, sustainable and inclusive economy

- Climate and energy targets feature among the five headline targets of the Europe 2020 strategy: namely employment, research and development, climate and energy, education, social inclusion and poverty reduction. While targets on employment, research and development and on poverty reduction are unlikely to be reached by 2020, the EU is on track for meeting its targets on education and on climate and energy.
- The current energy and climate policies have allowed the EU to mark substantial progress in delivering the 20/20/20 objectives for greenhouse gas emissions, renewable energy and energy savings. Member States have also recognized the need to continue to drive progress towards a low-carbon economy beyond 2020 and have agreed on orientations with regard to a new policy framework for the period from 2020 to 2030, set in the 23-24 October European Council conclusions (EUCO 169/14).
- The climate/energy policies emerging from Europe 2020 strategy not only represent a driver for increased sustainability of the energy sector, but also can contribute to economic growth and jobs creation by ensuring more competitive and affordable energy for households and enterprises, providing greater security of energy supplies and reducing cost of energy imports, favoring the emergence of new green and innovative sectors, and increasing *green jobs* in energy-related sectors. It has been estimated that the 20/20/20 targets have played a key role in sustaining the employment of more than 4,2 million people in various eco-industries, with continuous growth during the crisis¹.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “A policy framework for climate and energy in the period from 2020 to 2030”

- Energy is a key factor for the competitiveness of our economies as it affects the production costs of industries and services and the purchasing power of households. Energy policy choices affecting energy prices and costs, as well as technological development that can contribute to reducing energy needs, are therefore key elements to be considered into the broader framework of EU action for boosting industrial competitiveness and growth. A study from the European Commission has showed that the improvements of the EU industry in terms of energy intensity, partly driven by restructuring towards sectors with lower energy costs, have helped to offset the increase in real energy prices².

In light of the above the Presidency suggests to structure the debate at Council with the following questions which Ministers are invited to address from the perspective of Energy policy:

Questions

- **Do Ministers think that the Europe 2020 strategy has made a difference in promoting the EU's Energy and Climate objectives as well as more sustainable economic growth and green jobs creation?**
- **In climate and energy policy field which sectors should require more attention in the next years of the Europe 2020 Strategy ?**
- **In the context of a possible review of the European Semester process, how do Ministers see the contribution of this process to the overall governance of the 2030 climate/energy policy framework?**

As usual, delegations at Council will be invited to focus on their key messages and should therefore provide more detailed written submissions in advance of the Council.

² “Energy Economic Developments in Europe”, Staff Working Document (2014)19 attached to the Communication on 2030 Framework for Climate and Energy, adopted on 22 January 2014