



The Centre

# Monitoring Report of EU Environmental Policy and Regulation For the Mission of Thailand to the EC

17 September 2009

## Table of contents

EU Emissions Trading System and Aviation in EU ETS .....	2
REACH .....	6
Recast of RoHS and WEEE directives.....	8
Cars and CO <sup>2</sup> .....	10
Substances that deplete the Ozone layer.....	12
Protection of biodiversity and deforestation .....	13
Eco-design directive .....	14
Climate aid.....	16
ANNEX.....	18

# EU Emissions Trading System and Aviation in EU ETS

NEWS			
Title	Source	Summary	Full Text (Annex)
Europe Leads the Way in Greener Airlines	Environmental Leader 14/08	The airline industry will be the first in the U.S. to face a cap on its greenhouse gas (GHG) emissions, as the European Union readies a list of airlines it will regulate under its cap-and-trade system for carbon dioxide. All international flights landing in the European Union will have to meet the regulations starting in 2012, with total aviation emissions capped at 97 percent of the baseline, which will fall to 95 percent in 2013, reports the New York Times.	<a href="http://www.environmentalleader.com/2009/08/14/europe-leads-the-way-in-greener-airlines/">http://www.environmentalleader.com/2009/08/14/europe-leads-the-way-in-greener-airlines/</a>
Bad News for Cap and Trade Foes: Europe's Emissions Trading System WORKS	Treehugger 14/08	The <a href="#">European Union Emissions Trading System</a> was long thought to be a spectacular failure. It initially allowed utility companies to reap massive profits, since they were given their permits for free and passed the cost of carbon onto consumers--nearly the opposite of what was supposed to happen. Additionally, for a long time, many thought ETS would be sorely inadequate to get EU nations to meet <a href="#">their Kyoto targets</a> , making the whole process a waste of time. Well, the days of bashing Europe's cap and trade are over--a new report reveals that despite its major stumblings, it's actually been a spectacular <i>success</i> .	<a href="http://www.treehugger.com/files/2009/08/europe-cap-and-trade-works.php">http://www.treehugger.com/files/2009/08/europe-cap-and-trade-works.php</a>
Emissions Trading System fails to take off	The Telegraph 17/08	By 2012 nearly 4,000 airlines and other aircraft operators will be set a carbon ceiling above which they will be forced to trade in emissions permits. But much of the machinery needed for the scheme — under which airlines would be forced to trade carbon permits — is still not in place. In Britain, the Environment Agency, which will be the competent authority responsible for monitoring, has already put the deadline back until early November, because it is still waiting for Brussels to publish the full list of aviation companies covered by the scheme. It will leave the Agency less than two months to approve the monitoring scheme which will set the cap for nearly 900 operators. Other parts of Europe are facing similar problems.	<a href="http://www.telegraph.co.uk/finance/newsbysector/transport/604466/Emissions-Trading-System-fails-to-take-off.html">http://www.telegraph.co.uk/finance/newsbysector/transport/604466/Emissions-Trading-System-fails-to-take-off.html</a>
Airlines given extra time for CO2 monitoring plans	ENDS Europe 19/08	Germany and the UK have postponed the first deadline for the aviation sector under the EU's emissions trading scheme (ETS) because of the delayed publication of a list dividing responsibility for administrating the scheme among EU member states. More countries are expected to follow suit, including France. Member states are unable to know exactly which airlines are required to draw up emissions monitoring plans until the list is officially published. The initial deadline for submitting the plans was 31 August.	<a href="#">p.21</a>
EU: Airlines must join emissions	USA Today 24/08	Nearly 4,000 commercial airlines, business jet operators and air forces from around the world	<a href="http://www.usatoday.com/travel/">http://www.usatoday.com/travel/</a>

trading plan or face penalty		will have to join the <a href="#">European Union</a> greenhouse gas emissions trading plan by 2012 or be penalized when flying to the continent, the EU has said.	<a href="http://flights/2009-08-24-eu-airlines-emissions_N.htm">flights/2009-08-24-eu-airlines-emissions_N.htm</a>
Airlines Stung By European CO2 Limits	Business Week 26/08	Thousands of airlines are set to face problems in flying into the European Union from 2012 unless they join the EU Emissions Trading Scheme, the European Commission has said, although a number of member states at the same time continue to bankroll the sector that is the fastest growing source of transport greenhouse gases to the tune of millions of euros. So long as the companies submit data on their fuel consumption for 2010 and 2011 by this period, then they will be awarded 85 percent of their emissions permits for free for the period through 2012. But without permits, the airlines may have trouble landing at European airports, although sector experts do not believe this will happen any time soon.	<a href="http://www.businessweek.com/globalbiz/content/aug2009/gb20090826_815315.htm">http://www.businessweek.com/globalbiz/content/aug2009/gb20090826_815315.htm</a>
Economist slams EU climate policy as ineffective	Euractiv 08/09	The EU's climate legislation risks turning into a "grossly distorting and expensive policy" unless it is seriously revamped, a leading British academic has warned. The design of the package is "inevitably flawed", Helm wrote. It is "based on carbon production, not consumption, thereby sidestepping Europe's responsibilities towards the developing world," the paper argued.	<a href="http://www.euractiv.com/en/climate-change/economist-slams-eu-climate-policy-ineffective/article-185171">http://www.euractiv.com/en/climate-change/economist-slams-eu-climate-policy-ineffective/article-185171</a>
Europe urged to reduce airlines' NOx emissions	ENDS Europe 07/09	Including aviation in the EU emissions trading scheme (ETS) is insufficient to curb the sector's impact on climate change, according to the researchers. Policies to tackle non-CO2 aircraft emissions are needed to stimulate essential technological improvements, the European Commission says.	<a href="#">p.25</a>
Aviation's entry into the EU ETS off to a shaky start	ENDS Europe 07/09	Aviation's entry into the EU emissions trading scheme (EU ETS) has got off to a bad start with airlines failing to submit their carbon emission plans on time. The problems do not represent a good start for aviation's EU ETS inclusion and provide more reasons for sceptics to criticise the scheme as unwieldy and ill thought out.	<a href="#">p.25</a>
Ireland considers carbon tax for non-ETS sectors (Sept 7)	ENDS Europe 07/09	A tax commission set up by the Irish government has recommended that the country introduce a carbon tax on sectors not covered by the EU emissions trading scheme (ETS). The tax should be initially set at €20 per tonne, it said. The carbon tax could raise €500 million annually, according to a report published on Monday.	<a href="#">p.28</a>
EU states to approve phase-3 free ETS allowances	ENDS Europe 08/09	Member states will vote on a list of industries that should qualify for free carbon allowances under the third phase of the EU's emissions trading scheme (ETS) on 18 September.	<a href="#">p.28</a>
EBAA Cites EC for Sloppy Emission Scheme Execution	AIN Online 08/09	Sweden and Italy belatedly have confirmed extensions to the August 31 deadline for operators to register for Europe's new emissions trading scheme (ETS). Italy is giving operators until September 30 to file plans for	<a href="http://www.ainonline.com/news/single-news-page/article/eba-a-cites-ec-for-">http://www.ainonline.com/news/single-news-page/article/eba-a-cites-ec-for-</a>

		monitoring, reporting and verification (MRV) of carbon emissions, while the Swedes have granted an extension to October 15.	<a href="#">sloppy-emission-scheme-execution/</a>
Carbon rationing may be needed by 2012, says IPPR	The Ecologist 09/09	Although unpopular and expensive, personal carbon trading may be the next step in tackling climate change. 'Personal carbon rationing and trading should not be a first option,' said Associate Director at the IPPR Matthew Lockwood. 'But the Government should start preparing a "plan B" in case current policies fail to deliver.	<a href="http://www.theecologist.co.uk/News/news_roundup/317127/carbon_rationing_may_be_needed_by_2012_says_ippr.html">http://www.theecologist.co.uk/News/news_roundup/317127/carbon_rationing_may_be_needed_by_2012_says_ippr.html</a>
Cost of air travel 'must rise to deter people from flying'	The Telegraph 09/09	Ticket prices should rise to ensure that carbon dioxide emissions from aviation fall back to 2005 levels and to raise tens of billions of pounds in flight taxes to help developing nations adapt to climate change, for example, by building new flood defences, the committee on climate change says.	<a href="http://www.guardian.co.uk/uk/2009/sep/09/climate-change-air-transport">http://www.guardian.co.uk/uk/2009/sep/09/climate-change-air-transport</a>
Steelmakers hold millions of EU pollution permits	The Guardian 09/09	Steelmakers such as ArcelorMittal have become huge beneficiaries of the European Union's <a href="#">emissions trading</a> scheme, making tens of millions of pounds out of free carbon permits, research shows. The price of carbon has plunged over the last 12 months, partly because the slowdown has reduced output and emissions, but also because the EU handed out too many free permits to industry.	<a href="http://www.guardian.co.uk/business/2009/sep/09/european-carbon-trading-surplus-permits">http://www.guardian.co.uk/business/2009/sep/09/european-carbon-trading-surplus-permits</a>
France set to impose carbon tax	BBC News 10/09	French President Nicolas Sarkozy has announced plans for a new carbon tax aimed at combating global warming. The new tax will be 17 euros (£15) per tonne of emitted carbon dioxide (CO2). It will be phased in gradually. It will apply to households as well as enterprises, but not to the heavy industries and power firms included in the EU's emissions trading scheme.	<a href="http://news.bbc.co.uk/1/hi/world/europe/8248392.stm">http://news.bbc.co.uk/1/hi/world/europe/8248392.stm</a>
EU Environment Commissioner Stavros Dimas lays out EU Plan for global finance for Climate Change	eGov Monitor 11/09	The financing issue is central to prospects for reaching the ambitious global climate agreement that the world needs at the Copenhagen conference in December, says Stavros Dimas. In his speech he outlined three main sources of financial aid for developing countries fighting against climate change: public and private sources in developing countries themselves; the international carbon market and international public finance.	<a href="http://www.egovmonitor.com/node/27991">http://www.egovmonitor.com/node/27991</a>
Commission unveils first climate aid blueprint	Euractiv 11/09	The EU could offer 2-15 billion euros a year to help developing countries fight climate change and adapt to its predicted devastating consequences, the European Commission said yesterday (10 September). The move represented an attempt to unblock stalled negotiations over a global treaty to replace the Kyoto Protocol on climate change, due to be agreed at the end of the year in Copenhagen.	<a href="http://www.euractiv.com/en/climate-change/commission-unveils-climate-aid-blueprint/article-185348">http://www.euractiv.com/en/climate-change/commission-unveils-climate-aid-blueprint/article-185348</a>
Oil and gas industry 'should be exempt from emissions trading scheme'	Brookson.co.uk 14/09	Businesses and contractors working within the UK oil and gas industry should be protected from the next phase of the European Union-wide carbon trading scheme, it has been argued. According to the industry body's chief executive Malcolm Webb, since it is not possible to power most oil platforms or drilling	<a href="http://www.brookson.co.uk/news-and-press/19358662/oil-and-gas-industry-should-be-exempt-from-">http://www.brookson.co.uk/news-and-press/19358662/oil-and-gas-industry-should-be-exempt-from-</a>

		equipment with green fuels, the scheme will effectively mean a tax is imposed on the industry.	<a href="#">emissions-trading-scheme.aspx</a>
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**Assessment – impact on Thailand and recommendations**

**Aviation ETS**

The European Commission published recently the preliminary list of airlines and the respective member states that airlines will need to report to in order to establish emissions monitoring plans. Submitting this information is important as this will determine the allowances that airlines will get once aviation is included in the EU Emissions Trading scheme from 2012 onwards. Third country airlines that operate flights to the EU will also be included in the scheme – their plans and allowances will be administered by assigned member states. Due to the late publication of the deadline for individual member states agencies has been delayed for drawing up the monitoring plans.

Expectations by some representatives of the aviation sector are that inclusion in the EU ETS will be too costly for the already troubled sector, but this has not really been supported by experience with the EU ETS so far. Airlines will get most of their allowances for free, the unused surplus of which can be traded on the carbon market. This means that effectively airlines may not have to pay for their emissions and could even be subsidized by the emissions trading scheme (this has already happened in the steel sector for example).

*Recommendations: The Thai government should recommend to Thai companies that they follow up with the responsible agencies in individual member states to ensure that those companies are included in the monitoring plans in due time. Any further developments will need to be monitored.*

**Carbon Tax**

Another issue that has surfaced on the EU agenda is the introduction of an EU-wide carbon tax. This is one of the priorities of the Swedish presidency of the EU and is expected to be discussed at the EU summit in October, though the idea remains controversial. Certain member states, like Sweden and Finland, already have those taxes in place while others are considering it, such as Ireland. France has already announced that it plans to introduce it gradually starting next year. The thinking behind this is that business and consumers whose activities are not included in the ETS will be encouraged to use greener products. The carbon tax will be applied to sectors not covered by the ETS, which includes about 60% of the economy. According to the French proposal (which is expected to be adopted), from 1 January 2010 a special tax of €17 will be levied on each metric ton of CO2 emitted by fossil fuels such as heating oil, gasoline, coal and natural gas, with the exception of electricity. French plans will also tax households in addition to businesses.

*Recommendation: Impact on third countries by this measure is not immediately identifiable, as this will apply only on the territory of France and the respective member states that eventually introduce a carbon tax. However, the discussion on carbon taxes might re-open the debate on border tax adjustments ( i.e. the idea that products coming from countries which do not have an ETS in place will need to be taxed in order to compensate for the costs that EU-based industries bear as a result of ETS), so developments regarding carbon taxation debate in the EU will need to be further monitored.*

**View from Private sector players**

No recent positions published

**Key contacts**

Yvon Slingenberg	European Commission, DG Environment, Head of Unit Market Based Instruments Including Greenhouse Gas Emissions Trading	<a href="mailto:yvon.slingenberg@ec.europa.eu">yvon.slingenberg@ec.europa.eu</a> +(32) 2 2992036
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Contact: For questions regarding the airlines list, the following email address has been set-up: [env-eu-ets-aviation-prior-compliance-list@ec.europa.eu](mailto:env-eu-ets-aviation-prior-compliance-list@ec.europa.eu)

For other questions: Policy Officer: Daniel Kramer, DG Environment  
[daniel.kramer@ec.europa.eu](mailto:daniel.kramer@ec.europa.eu)

# REACH

## NEWS

Title	Source	Summary	Link
EU chemicals law 'spells surge in animal testing', costs	EurActiv 27/08	Far-reaching European safety rules on tens of thousands of chemicals used in everything from car seats to face cream will lead to a surge in animal testing and should be urgently reviewed, scientists said on Wednesday. [...] Hartung and co-author Constanza Rovida said up to 101,000 chemicals could be covered by REACH, three times more than earlier estimates. As a consequence, REACH's aim "will not be achieved" using traditional toxicity testing methods, Hartung claims. "Toxicologists do not have the appropriate tools -whether high-throughput methods or acceptable alternatives to animal testing - to meet these expectations," he said.	<a href="http://www.euractiv.com/en/environment/eu-chemicals-law-spells-surge-animal-testing-costs/article-184873">http://www.euractiv.com/en/environment/eu-chemicals-law-spells-surge-animal-testing-costs/article-184873</a>
The European Commission and the cosmetic industry match research funds to develop alternative solutions to animal testing	EC Press Release 31/08	Today at the VII World Congress on Alternatives and Animal Use in the Life Sciences in Rome, the European Commission and the European cosmetic industry presented their joint financial effort for research into alternative safety testing methods. On 30 July 2009, the European Commission launched a €25 million call for proposals in this field and the European cosmetic industry, represented by the European Cosmetics Association (Colipa), committed to match the funds. As a result, up to €50 million will be allocated to research projects laying the scientific foundation for future safety testing methods with a higher predictive value, and that will be faster and cheaper than animal tests.	<a href="http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1262&amp;type=HTML&amp;aged=0&amp;language=EN&amp;guiLanguage=en">http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1262&amp;type=HTML&amp;aged=0&amp;language=EN&amp;guiLanguage=en</a>
Cuts to ECHA budget 'could undermine REACH'	ENDS Europe 04/09	EU governments' attempt to reduce the European Chemicals Agency's proposed budget for 2010 to €25.3m could undermine its work, enterprise commissioner Günter Verheugen told the European Parliament's environment committee. The environment committee maintained the European Commission's proposed €30m budget in a vote on Wednesday. The budget committee, who is leading on the issue, is expected to back the environment committee's position when they meet on 8 October, according to British MEP Chris Davies. The parliament's full assembly should follow suit.	<a href="#">p.41</a>
MEPs rescue EU chemicals agency from financial mire	EurActiv 03/09	The agency responsible for implementing highly controversial new EU laws on chemicals has been saved from financial paralysis after the European Parliament voted to overrule national governments' attempts to force a €4.7 million budget cut.	<a href="http://www.euractiv.com/">www.euractiv.com/</a>

### Assessment – impact on Thailand and recommendations

Last 30 days have seen a major political battle play out over the European Chemical Agency's funding issues. Led by the financial crisis driven agenda, Member State governments attempted to curb the budget of ECHA and freeze recruitment. This was despite the earlier, in-built plan to expand the agency's budget and staff to accommodate for new burdens the agency would have to face as REACH registration process gains pace.

This move has been successfully and abruptly halted by the European Parliament that holds ultimate power over financing of the EU's agencies.

Another development follows the claims that the gargantuan task of registering all the chemicals would have to result in unprecedented amount of testing, including animal testing. Simultaneously, the European Commission continues in its efforts to promote alternative approaches to animal testing. In a recent move, EC launched a €25 million call for proposals for research into alternative safety testing methods. This funding will be matched by the cosmetics industry. As a result, up to €50 million will be allocated to research projects laying the scientific foundation for future safety testing methods with a higher predictive value, and that will be faster and cheaper than animal tests.

*Recommendation: The fight for funding ECHA shows a certain lack of commitment on the side of some EU governments towards REACH. In times of economic crisis governments want to be seen as relieving industry of unnecessary burdens even if that goes against previous commitments. European Parliament's and European Commission's reactions prove though that this will not be allowed to happen. ECHA will continue the registration process and the full implementation of the directive will not be derailed.*

*Thai industry should continue to pay full attention to the registration process and also follow the developments towards alternative approaches to animal testing methods. In a long enough timeframe, the newly funded methods could become standards.*

#### **View from Private sector players**

No recent positions published

#### **Key contacts**

Graham Willmott	European Commission, Head of Unit ENTR G1 – REACH	<a href="mailto:Graham.willmott@ec.europa.eu">Graham.willmott@ec.europa.eu</a> +(32) 2 2952056
Alexandre Affre	BusinessEurope, Working group on the implementation of REACH	+32 2 237 6539
Geert Dancet	Executive Director, European Chemicals Agency	<a href="mailto:executive-director@echa.europa.eu">executive- director@echa.europa.eu</a>

## Recast of RoHS and WEEE directives

<b>Recast of the RoHS and WEEE Directives</b>			
Title	Source	Summary	Link
Green groups call for mercury cuts in CFL lamps	ENDS Europe 31/08	Sales of incandescent bulbs of 100 watts or more will be banned from Tuesday. The EU executive says the issue should be tackled under the RoHS directive on toxic substances in electronic equipment, not ecodesign rules.	<a href="#">p.45</a>
Waste electrical and electronic equipment WEEE (repeal. Directive 2002/96/EC). Recast	Legislative Observatory of the European Parliament (OEIL)	New rapporteur appointed on 31/08/2009: Karl-Heinz FLORENZ (EPP-DE)	<a href="http://www.europarl.europa.eu/oeil/file.jsp?id=5723502">http://www.europarl.europa.eu/oeil/file.jsp?id=5723502</a>
EU states: RoHS's scope should not be restricted	ENDS Europe 11/09	Member states have rejected a key element of the European Commission's proposal to revise the RoHS directive on toxic substances in electronic equipment, insisting its scope should not be restricted to a list of specific product categories. The proposal to revise RoHS is closely linked to a separate Commission plan to revise the waste electrical and electronic equipment (WEEE) directive. The EU executive wants to set the scope of the two laws in an annex in the RoHS directive. This annex would list the product categories that should be covered. But during council meetings on Wednesday and Thursday, EU governments said RoHS should have an open scope with an annex instead listing the products exempted from the directive, confirming an approach that emerged during previous <a href="#">council discussions in July</a> . [...] Governments and MEPs are now unlikely to reach a <a href="#">first reading agreement on WEEE and RoHS</a> by December [...] According to the European Parliament's timetable, the environment committee will vote on the two proposals in February, followed by a plenary vote in April.	<a href="#">p.45</a>

### **Assessment – impact on Thailand and recommendations**

**Stage reached (for both directives):** Awaiting council debate and EP plenary sitting

Karl-Heinz FLORENZ (EPP-DE) has been reappointed as rapporteur for the WEEE directive and Jill Evans (Greens) has been reappointed as rapporteur for RoHS directive.

**Next steps for both directives:**

- 23/10/2009 Council: debate or examination expected
- 22/12/2009 Council: debate or examination expected
- 06/04/2010 EP: report scheduled for adoption in committee, 1st or single reading
- 20/04/2010 EP plenary sitting (indicative date)

Following the last Council meetings, it seems unlikely that an agreement will be reached by the end of December between the Council, Commission and the European Parliament. The main problem area seems to be the scope of the RoHS directive. The Commission would like to link the revision of both directives and hence limit the scope of RoHS to a number of product groups. Member States in turn would prefer an open scope, with an annex that would list products exempt from the directive.

*Recommendation: With the recent Council position agreement is unlikely to be reached by the end of the year, leaving room for further influence by industry and NGOs. Thai industry should remain vigilant of the discussed solutions as some of them might be harmful for their business.*

#### **Useful links**

- [RoHS compliance guidance for businesses](#)
- [RoHS Compliance in the EU - www.rohs.eu](http://www.rohs.eu)
- [RoHS Compliance Definition & Guidelines](#)
- [EU Regulations compliance \(WEEE, RoHS, Batteries, REACH\)](#)
- [RoHS directive official text](#)
- Swedish presidency's proposed amendments to [RoHS](#) and [WEEE](#) texts.

#### **View from Private sector players**

No recent positions published

#### **Key contacts**

Umberto Raiteri,	CEO, ERP	<a href="mailto:info@erp-recycling.org">info@erp-recycling.org</a> +32 2 777 0538
Astrid Schomaker	European Commission DG ENVI, Chemicals Unit	<a href="mailto:Astrid.schomaker@ec.europa.eu">Astrid.schomaker@ec.europa.eu</a> +(32) 2 2969641
Karl-Heinz Florenz	EP Rapporteur for WEEE directive	<a href="mailto:karl-heinz.florenz@europarl.europa.eu">karl-heinz.florenz@europarl.europa.eu</a>
Jill Evans	EP Rapporteur for RoHS directive	<a href="mailto:Jill.evans@europarl.europa.eu">Jill.evans@europarl.europa.eu</a>
Jürgen Sturm	European Lighting Confederation Secretary General	Tel: +32 2 706 86 08 Fax: +32 2 706 86 09 E-mail: <a href="mailto:juergen.sturm@elcfed.org">juergen.sturm@elcfed.org</a>
CECED	Secretariat	Secretariat : +32-2-706.82.90 <a href="mailto:secretariat@ceced.be">secretariat@ceced.be</a>
Orgalime	Adrian Harris Secretary General	<a href="mailto:Adrian.harris@orgalime.org">Adrian.harris@orgalime.org</a> Tel : +32-2-706.82.35
Digitaleurope	Bridget Cosgrave Director General	<a href="mailto:bridget.cosgrave@digitaleurope.org">bridget.cosgrave@digitaleurope.org</a> +32 2 609 53 24

## Cars and CO<sup>2</sup>

Title	Source	Summary	Link
Blair: Climate efforts no reason to give up cars	EurActiv 24/08	Former UK prime minister Tony Blair, a contender for the post of the EU's first president, last week (20 August 2009) praised China's low-carbon drive, stressing that low-carbon technology, not giving up car ownership, would pave the way for a sustainable transport future.	<a href="http://www.euractiv.com/en/climate-change/blair-climate-efforts-reason-give-cars/article-184739">http://www.euractiv.com/en/climate-change/blair-climate-efforts-reason-give-cars/article-184739</a>
Green merits of car-scraping plans questioned	EurActiv 31/08	As European countries start to wind down their car-scraping schemes, hopes of slashing transport emissions while stimulating the economy are being dashed by reports of illegal exports of old European cars to the third world.	<a href="http://www.euractiv.com/en/climate-change/green-merits-car-scraping-plans-questioned/article-184967">http://www.euractiv.com/en/climate-change/green-merits-car-scraping-plans-questioned/article-184967</a>
DG environment 'could still keep climate portfolio'	ENDS Europe 10/09	No decision on whether DG environment's climate policy portfolio should be transferred to a new, enlarged European Commission department on energy has been taken, commission president José Manuel Barroso told Green MEPs on Wednesday. [...]Several Green MEPs accused Mr Barroso of offering too many concessions to large member states on green laws including the <a href="#">EU climate and energy package</a> and a <a href="#">regulation to cut CO2 emissions from cars</a> in a bid to win a second term.	<a href="#">p.49</a>
Spain unveils electric car plans	Point Carbon 08/09	Spanish plans to boost the use of electric cars could cut up to 81 million tonnes of CO <sub>2</sub> e a year. Launching a campaign to promote the use of electric vehicles, industry minister Miguel Sebastian said a wholesale switch from petrol-powered cars could also save Spain €1 billion annually in emissions rights. The government will initially provide €8 million for the purchase of 2,000 vehicles over two years. It will contribute an additional €1.1 million towards installing a network of 546 recharging points in Madrid, Barcelona and Seville by 2011.	<a href="#">p.49</a>

### Assessment – impact on Thailand and recommendations

As the limit on CO<sub>2</sub> emissions from new cars will not be introduced until 2015, discussions continue on ways of reducing emissions from transport. One of the questions raised recently concerns the EU car-scraping programmes. The European auto industry has been hit heavily by the economic and financial crises. As part of government rescue plans, programmes offering incentives to trade old vehicles for new ones have been proposed. Despite the programmes requiring the scrapping of old vehicles, it is estimated that majority of the vehicles withdrawn from European roads end up in the hands of users in developing countries and continue to pollute.

Meanwhile, the upcoming Spanish presidency is likely to exploit its stint in the EU driving seat and promote its newest drive for the use of electric cars.

*Recommendation: The impact of the EU emissions limits on Thai business is not imminent but should be perceived as a trend-setting step that the EU will use to leverage similar solutions in other regions.*

### Stakeholder positions

European Automobile Manufacturers' Association (ACEA): [Current Fleet Renewal Schemes](#) 26 August

2009		
<b>Key contacts</b>		
Philip OWEN	Head of Unit, Clean Air and Transport, European Commission	<a href="mailto:Philip.owen@ec.europa.eu">Philip.owen@ec.europa.eu</a> +(32) 2 2965562
ACEA	General	Avenue des Nerviens 85 B-1040 BRUSSELS Phone +32 2 732 55 50 Fax +32 2 738 73 10 Email <a href="mailto:info@acea.be">info@acea.be</a>

## Substances that deplete the Ozone layer

Title	Source	Summary	Link
Europe urged to reduce airlines' NOx emissions	ENDS Europe 07/09	The European Commission must introduce policies to cut climate change-inducing nitrogen oxide (NOx) emissions and condensation trails left by airplanes, the Dutch environmental research group CE Delft said in a report released last week [...]But the commission decided to postpone the plans because of scientific uncertainty over their impact on climate change. At high altitude NOx creates ozone, a greenhouse gas, but it also destroys methane, another greenhouse gas. Studies on its overall impact have been inconclusive, according to the commission.	<a href="#">p.51</a>
<b>Assessment – impact on Thailand and recommendations</b>			
<p>Nitrogen oxide (NOx) emissions produced by airplanes at high altitudes, it is argued, contribute to stratospheric ozone destruction. In July 2008, the European Commission had announced plans to reduce this sector's NOx emissions alongside measures to cut pollution from road transport. However, due to scientific uncertainty, the Commission decided to postpone their plans. There is no clear road ahead of high altitude NOx emissions. According to a report conducted by CE Delft on NOx emissions, "the sector will probably not grow as quickly as most policymakers currently predict."</p> <p><i>Recommendation: Thai airlines should be aware of a continuing dialogue regarding high altitude NOx emissions and their deleterious effect on the ozone layer. Despite the Commission's lack of movement in the sector, it is advisable to be proactive and forecast eventual action in this sector. Moreover, in light of the European Council's adoption of a regulation recasting Regulation 2037/2000 on ozone depleting substances (ODS) on 27 July 2009, Thai businesses should be reminded of new labelling measures for controlled substances as process agents as of 1 July 2010. Also, as producers of HFCs, Thai businesses should be aware of an eventual phase-out of HFCs by 31 December 2019. Accordingly, all necessary data should be submitted to conform to guidelines set out on the reporting of undertakings.</i></p>			
<b>Important Links</b>			
Procedure file: Environment: substances depleting the ozone layer (repeal. Regulation (EC) No 2037/2000). Recast (COD/2008/0165)		<a href="http://www.europarl.europa.eu/oeil/file.jsp?id=5671032">http://www.europarl.europa.eu/oeil/file.jsp?id=5671032</a>	
CE Delft Summary (Dutch only)		<a href="http://www.ce.nl/publicatie/hoer_groen_kunnen_w_e_vliegen/949">http://www.ce.nl/publicatie/hoer_groen_kunnen_w_e_vliegen/949</a>	
CE Delft Report (Dutch only)		<a href="http://www.ce.nl/?go=home.downloadPub&amp;id=949&amp;file=7842_eindrapportJF.pdf">http://www.ce.nl/?go=home.downloadPub&amp;id=949&amp;file=7842_eindrapportJF.pdf</a>	
Council of the European Union. <i>Aviation Package</i> , Brussels, 7 September 2009, 12810/09 (Presse 254)		<a href="http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/trans/109950.pdf">http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/trans/109950.pdf</a>	
<b>View from Private sector players</b>			
No recent positions published			
<b>Key contacts</b>			
David Liddy, DG ENV	Policy Officer, Ozone Layer Protection Env.C.4: Industrial Emissions and Protection of The Ozone Layer	+32 2 2987391 <a href="mailto:David.liddy@ec.europa.eu">David.liddy@ec.europa.eu</a>	
European Commission	ODS desk officer	+32 2 299 20 25 or +32 2 299 49 62 <a href="mailto:env-ods@ec.europa.eu">env-ods@ec.europa.eu</a>	
Jasper Faber, CE Delft	Aviation and Maritime Specialist	+31 (0)15 2150 150 <a href="mailto:ce@ce.nl">ce@ce.nl</a> (general contact)	

## Protection of biodiversity and deforestation

Title	Source	Summary	Link
Call for deal on funding for forest protection	ENDS Europe 02/09	Agreeing on funding mechanisms for forest protection must be a priority for governments meeting at the UN's climate change summit in December, according to the authors of a study on the economics of biodiversity presented in Berlin (TEEB project). There are several options on the table for combating global deforestation. One of them would be to include the forest sector in carbon markets. The European Commission said it could assess the feasibility of this option by the end of the next decade.	<a href="#">p.52</a>
Carlgren urges new EU approach to ecosystems	ENDS Europe 10/09	Europe must radically change the way it uses natural resources to preserve ecosystem services, Swedish environment minister Andreas Carlgren said on Wednesday following a high-level meeting on biodiversity in Sweden. The meeting was intended to debate the EU's position ahead of next year's UN summit on biological diversity in Japan where governments will discuss a post-2010 global policy to protect biodiversity.	<a href="#">p.52</a>

### Assessment – impact on Thailand and recommendations

The Economics of Ecosystems and Biodiversity project (TEEB) was launched by Germany and the Commission in 2007. The study is a major international initiative to draw attention to the global economic benefits of biodiversity, to highlight the growing costs of biodiversity loss and ecosystem degradation, and to draw together expertise from the fields of science, economics and policy to enable practical actions moving forward.

The research has focused on forest protection as a priority for the UN's climate change conference in December. The Commission seems to be interested in the forest sector in carbon markets. Earlier this year, the UN's environment programme UNEP also affirmed that a post-Kyoto policy framework must recognise ecosystems' significant potential for capturing carbon.

*Recommendation: The Copenhagen summit will certainly consider the forest sector in carbon markets in December. This could be important for the Thai government and businesses as it could provide an opportunity to support reforestation as an alternative to reducing own greenhouse gases. It could also mean that including deforestation in the carbon market would increase the burden on the developing countries.*

### Important Links

More information about the TEEB project	<a href="http://ec.europa.eu/environment/nature/biodiversity/economics/">http://ec.europa.eu/environment/nature/biodiversity/economics/</a> <a href="http://www.teebweb.com">http://www.teebweb.com</a>
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### View from Private sector players

No recent positions published

### Key contacts

<b>TEEB Central Office</b> UNEP, Bonn	+ 49 228 815 0570 + 49 228 815 0571	Mark Schauer <a href="mailto:Mark.schauer@unep-teeb.org">Mark.schauer@unep-teeb.org</a> Raghdan Al-Mallah <a href="mailto:Raghdan.Al-Mallah@unep-teeb.org">Raghdan.Al-Mallah@unep-teeb.org</a>
Yvon Slingenberg	Environment DG Directorate C Climate Change & Air Market based instruments including Greenhouse gas emissions trading	Tel. 322 299.20.36 <a href="mailto:Yvon.slingenberg@ec.europa.eu">Yvon.slingenberg@ec.europa.eu</a>

## Eco-design directive

Title	Source	Summary	Link
German light bulb craze ahead of looming EU ban	EurActiv 19/08	In anticipation of the new rules, the sales of traditional light bulbs fell by as much as 35% in many European countries in the first quarter of 2009, according to the market research company Gfk. But not all regions follow suit. Germans are flocking to stores to stock up on incandescent light bulbs as Europe prepares to switch off the energy-guzzling bulbs ahead of an EU ban entering into force in September.	<a href="http://www.euractiv.com/en/energy-efficiency/german-light-bulb-craze-ahead-looming-eu-ban/article-184634">http://www.euractiv.com/en/energy-efficiency/german-light-bulb-craze-ahead-looming-eu-ban/article-184634</a>
New EU rules give chance to get an edge	Electronics News 26/08	The European Parliament's adoption of a strict regulatory regime intended to minimise the environmental impact of a broad range of energy-related products might not on the face of it seem like a good thing to the manufacturers who are going to have to re-jig their production processes in order to ensure their products are compliant. However, for those prepared to see it in a positive light, the catchily-named Eco-design Directive 2005/32/EC provides an opportunity to gain an advantage over companies reluctant to respond.	<a href="http://www.electronicsnews.com.au/Article/New-EU-rules-give-chance-to-get-an-edge/495905.aspx">http://www.electronicsnews.com.au/Article/New-EU-rules-give-chance-to-get-an-edge/495905.aspx</a>
EU light bulb ban attacked from all sides as phase-out starts	Euractiv 31/08	The EU's phase-out of traditional light bulbs begins tomorrow (1 September), but the European Commission is already under pressure to change its energy-saving policy. Consumer associations argued that while the overall goals of the legislation are good, they do not fully address consumer concerns. BEUC and ANEC issued a statement on Wednesday (26 August) asking the Commission to "take immediate measures" to ensure that the transition goes smoothly. Green campaigners, on the other hand, have argued that the Commission did not go far enough. WWF argued that in addition to inefficient incandescent bulbs, standard halogens should also be removed from the market.	<a href="http://www.euractiv.com/en/energy-efficiency/eu-light-bulb-ban-attacked-sides-phase-starts/article-184949">http://www.euractiv.com/en/energy-efficiency/eu-light-bulb-ban-attacked-sides-phase-starts/article-184949</a>
Light bulb ban begins today	Click Green 01/09	The EU ban on traditional 100W lightbulbs comes into effect today, and businesses and green groups are welcoming the legislation. The Government says the switch to low-energy bulbs will reduce emissions of carbon dioxide by around five million tonnes a year, or the equivalent of taking 73,000 cars off the road.	<a href="http://www.clickgreen.org.uk/opinion/opinion/12617-lightbulb-ban-begins-today.html">http://www.clickgreen.org.uk/opinion/opinion/12617-lightbulb-ban-begins-today.html</a>
EC gives nod of approval to voluntary set-top box energy scheme	MLex E3 08/09	The European Commission has given a preliminary nod of approval to a voluntary code of conduct for energy management by the TV set-top box sector. The scheme would replace regulatory obligations imposed by the European Commission, and the EU executive has identified imaging equipment as another sector that could benefit from a similar system.	<a href="#">p.57</a>
Industry to cut energy use of "complex" set top boxes	ENDS Europe 09/09	The EU electronics industry has pledged to reduce the energy use of "complex" set top boxes as part of a voluntary commitment unveiled at a stakeholder meeting on Tuesday. A first set of efficiency requirements would apply from July 2010.	<a href="#">p.59</a>

EU's click of death for old family friends	The Guardian 13/09	After more than 70 years as a fixture in Britain's living rooms, the cathode ray television is to face the final fade-out, as part of the European Union's battle against climate change. Other measures, which come into force next year, include banning washing machines without a cold-wash setting. Cheap but inefficient fridges, freezers and dishwashers will also be banned.	<a href="http://www.timesonline.co.uk/tol/news/politics/article6832330.ece">http://www.timesonline.co.uk/tol/news/politics/article6832330.ece</a>
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### **Assessment – impact on Thailand and recommendations**

The phase-out of traditional light bulbs under the Eco-design Directive began on 1 September 2009. The Eco-design Directive, which was recast at the end of August in order to cover energy related products such as fridges, freezers, televisions, circulators, electric motors, external power supplies, lighting products and simple set-top boxes, comes as part of the European Union's efforts to combat the effects of climate change. Brussels predicts the directive could save the equivalent of Italy's entire annual electricity consumption and, despite some consumer opposition to the light bulb ban, the EU looks set to continue its battle against non-energy-efficient household appliances, with the cathode ray television next on the agenda.

*Recommendation: Europe remains a major market for the global electronics industry. As a result, Thai electronics, electric and home appliance companies that wish to trade with the EU should pay close attention to any developments regarding the Eco-design directive. There is a strong case for manufacturers across the world to begin to comply with the EU's new regime swiftly, rather than reluctantly. Additionally, the decision-making process under the eco-design directive rewards top performing producers in terms of product energy efficiency. Thus it is in the interest of these manufacturers to pursue stringent implementing measures for their products.*

### **Important Links**

Eco-design Directive: Original legislation	<a href="http://ec.europa.eu/enterprise/eco_design/directive_2005_32.pdf">http://ec.europa.eu/enterprise/eco_design/directive_2005_32.pdf</a>
Eco-design Directive Working Plan 2009-2011	<a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0660:FIN:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0660:FIN:EN:PDF</a>
Eco-design Directive homepage (European Commission, DG Enterprise and Industry)	<a href="http://ec.europa.eu/enterprise/eco_design/index_en.htm">http://ec.europa.eu/enterprise/eco_design/index_en.htm</a>
Eco-design Directive: Policy Brief The European Council for an Energy Efficient Economy (ECEEE)	<a href="http://www.eceee.org/...directives/Eco_design/eceeeBrief_Eco_design.pdf">www.eceee.org/...directives/Eco_design/eceeeBrief_Eco_design.pdf</a>

### **View from Private sector players**

No recent positions published

### **Key contacts**

European Commission	DG Enterprise and Industry – Eco-design <a href="mailto:ENTRE-ECODESIGN@ec.europa.eu">ENTRE-ECODESIGN@ec.europa.eu</a>	Andreas Schwarz <a href="mailto:Andreas.Schwarz@ec.europa.eu">Andreas.Schwarz@ec.europa.eu</a> + 32 2 29 85476
European Commission	DG Transport and Energy – Eco-design <a href="mailto:TREN-Ecodesign@europa.ec.eu">TREN-Ecodesign@europa.ec.eu</a>	Stina Soewarta <a href="mailto:Stina.Soewarta@ec.europa.eu">Stina.Soewarta@ec.europa.eu</a> + 32 2 29 21319

## Climate aid

Title	Source	Summary	Link
Poorest nations should get climate funds now - EU	ENDS Europe 01/09	The world's least developed countries (LDCs) should receive funds immediately to adapt to climate change in coming years, Swedish environment minister Andreas Carlgren said in Brussels on Tuesday. The funds would be made available between now and 2012-13, before a successor to the Kyoto protocol enters force, Mr Carlgren said. They would also help developing nations build the capacity to design low-carbon growth plans.	<a href="#">p.62</a>
Commission unveils actions to go beyond GDP	ENDS Europe 02/09	Figures on Gross Domestic Product (GDP) should be complemented with environmental and social indicators to better measure economic activity, the European Commission said in a policy paper published ahead of a stakeholder discussion on 8 September. This is one of five actions proposed by the commission to improve GDP measurement. In particular, the EU will publish an annual green index showing countries' environmental performance in areas ranging from climate change to waste and air pollution.	<a href="#">p.62</a>
Commission unveils first climate aid blueprint	EurActiv 11/09	The EU could offer 2-15 billion Euros a year to help developing countries fight climate change and adapt to its predicted devastating consequences, the European Commission declared. The move represented an attempt to unblock stalled negotiations over a global treaty to replace the Kyoto Protocol on climate change, due to be agreed at the end of the year in Copenhagen. Emissions reductions in core sectors - industry, energy, agriculture and deforestation - would require €10-20 bn, according to the Commission's proposal. Adaptation would take up €10-24bn, while €1-3bn is foreseen both for boosting capacity building and research respectively.	<a href="http://www.euractiv.com/en/climate-change/commission-unveils-climate-aid-blueprint/article-185348">http://www.euractiv.com/en/climate-change/commission-unveils-climate-aid-blueprint/article-185348</a>
Q&A: A European blueprint for the Copenhagen deal : Stepping up international climate finance	eGov Monitor 10/09	The European Commission today put forward a blueprint for scaling up international finance to help developing countries combat climate change. This initiative aims to maximise the chances of concluding an ambitious climate change agreement in Copenhagen.	<a href="http://www.egovmonitor.com/node/27926">http://www.egovmonitor.com/node/27926</a>
EU offers poor nations billions in climate aid	The Associated Press 10/09	The European Union proposed Thursday to offer up to euro15 billion (\$21.8 billion) a year in aid to poor developing countries to persuade them to sign a new global climate change agreement. However, development and environmental campaigners blasted the offer as insufficient because it assumes that poorer nations will bear most of the costs of reducing their greenhouse gas emissions.	<a href="http://www.google.com/hostednews/ap/article/ALeqM5gmRKILNtrv3xjLPjT60OHovq6A4gD9AKGLT00">http://www.google.com/hostednews/ap/article/ALeqM5gmRKILNtrv3xjLPjT60OHovq6A4gD9AKGLT00</a>
Europe Tamps Down Expectations on Climate Funds	New York Times 10/09	The European Union's commissioner for the environment sought Thursday to tamp down expectations that wealthy nations would immediately hand over vast sums of money	<a href="http://www.nytimes.com/2009/09/11/world/europe/11iht-">http://www.nytimes.com/2009/09/11/world/europe/11iht-</a>

		<p>demanded by developing countries to manage global warming.</p> <p>Such funds “cannot be a blank check,” the commissioner, Stavros Dimas, said at a news conference.</p>	<a href="#">climate.html</a>
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**Assessment – impact on Thailand and recommendations**

In the lead-up to the Copenhagen negotiations this December, the European Commission, together with the member states are debating on how much money should be channelled towards helping developing countries fight and adapt to the changing climate. Figures to the effect of a total of €100 Billion are being discussed but in reality the actual amounts remain a subject of debate. The funds would be made available between now and 2012-13, before a new international climate agreement can be reached.

*Recommendation: Thailand is considered an important player in the global climate change debate, particularly as a regional leader. There could potentially be substantial amounts of funding to be won for energy efficiency, renewable energy and climate abatement projects when a final agreement on climate aid is settled.*

**View from Private sector players**

No recent positions published

**Key contacts**

European Commission	<p>DG Environment Protecting the natural environment Directorate B</p> <p>DG Environment International relations and Life International Relations, Governance &amp; Development</p>	<p>Hamell Michael +32 22959826</p> <p>Hans Stielstra +322299198</p>
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# ANNEX

# EU Emissions Trading System and Aviation in EU ETS

Europe Leads the Way in Greener Airlines  
AUGUST 14, 2009

The airline industry will be the first in the U.S. to face a cap on its greenhouse gas (GHG) emissions, as the European Union readies a list of airlines it will regulate under its cap-and-trade system for carbon dioxide, reports the [New York Times](#). More than 700 airlines registered in the U.S. are on the preliminary list, though smaller carriers will likely be dropped.

All international flights landing in the European Union will have to meet the regulations starting in 2012, with total aviation emissions capped at 97 percent of the baseline, which will fall to 95 percent in 2013, reports the New York Times. Fifteen percent of the CO2 allowances will be auctioned, the remainder are free permits.

Airlines facing carbon shortfalls will be able to purchase additional permits from the European market or invest in clean development mechanisms, according to the newspaper. Andreas Arvanitakis, an analyst at the carbon market monitor Point Carbon, said in the article that the overall cost to the industry could be about €1.1 billion.

The move to regulate an international business, which is typically governed by treaty, has raised some concerns among airlines and governments that see the move as a violation of national sovereignty or bad for business.

Despite concerns from airlines, EU governments [approved](#) the law last year.

Philip Good, an environmental policy expert at the European Commission, said in the article that while planes account for up to 3 percent of the EU's total CO2 output, without caps these emissions could almost double within a decade, which could jeopardize the European Union's low-carbon goals.

U.S. carriers are concerned with the possibility of double taxation, based on provisions in the House's recently passed climate bill that could be seen as an indirect tax on aviation, reports the newspaper. But European officials say their fears of double counting are unfounded, and when other nations adopt similar caps, the EU will take steps to exclude those international flights from its system, reports the New York Times.

Instead some airlines [propose](#) a single global carbon emissions cap for the aviation industry.

Despite the debate over carbon caps in the aviation industry, European airports are moving forward with plans to reduce their emissions. As an example, [BAA](#) is giving its airport terminal Heathrow East, a \$1.65 billion green makeover, which is expected to reduce carbon emissions by 40 percent compared to the other buildings, reports [Alternative Energy News](#).

The Heathrow terminal, now called Terminal 2, will be the new home of the Star Alliance Airlines. Some of the upgrades include large north-facing windows on the roof to bring in more natural lighting, solar panels on the roof to reduce energy use, and a new energy center that will use renewable resources to heat and cool the building.

Other airports have also been looking at ways to reduce their emissions. Some of them include more unique methods such as using buses that run on biofuel and heating systems that rely on wood chips.

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## **Bad News for Cap and Trade Foes: Europe's Emissions Trading System WORKS**

It's one of the most common lines you hear from cap and trade opponents: "Well, just look at Europe." You see, the European Union Emissions Trading System was long thought to be a spectacular failure. It initially allowed utility companies to reap massive profits, since they were given their permits for free and passed the cost of carbon onto consumers--nearly the opposite of what was supposed to happen. Additionally, for a long time, many thought ETS would be sorely inadequate to get EU nations to meet their Kyoto targets, making the whole process a waste of time. Well, the days of bashing Europe's cap and trade are over--a new report reveals that despite its major stumblings, it's actually been a spectacular *success*.

According to Climate Progress, the report, Climate Policy and Industrial Competitiveness (pdf), completed by the economists, climate scientists, and academics of the German Marshall Fund, reveals that Europe's cap and trade has lead many countries in the EU to meet their carbon targets as agreed to in the Kyoto Protocol.

The trading system has created a healthy carbon market now worth 56 billion US dollars, and has reduced Europe's emissions by 50-100 million metric tons a year since 2005. In other words, the cap and trade has been responsible for Europe reducing its carbon emissions by 2.5-5% annually. Which is indeed a pretty impressive achievement. And the success has been largely due to the fact that the system's design separated its implementation process into 3 phases, so there would be pause for analysis and adjustment. This allowed policymakers to consistently reevaluate the system, and they were able to stop problems, like the aforementioned practice of sticking consumers with the cost of carbon.

So, let's see. Hugely significant amounts of carbon emissions cut, and Kyoto targets within reach? Check. A robust, investment-attracting carbon market? Check. Flexibility and room for further improvement? Check. Sounds like a success to me.

This is all encouraging news, to say the least: with the knowledge that the world's major pioneering cap and trade is working effectively, US policymakers should now be able to take lessons learned from the turbulent inception of the ETS into account as they continue the long slog towards passing a bill that would create such a system stateside.

And next time someone snidely says "Well, just look at *Europe*" the next time you get into a debate about cap and trade, you can just say, "Okay. I think we should."

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## **Emissions Trading System fails to take off**

The introduction of an EU Emissions Trading System is in danger of running late because the European Commission has failed to keep up with its own timetable.

By David Millward  
Published: 7:19PM BST 17 Aug 2009

By 2012 nearly 4,000 airlines and other aircraft operators will be set a carbon ceiling above which they will be forced to trade in emissions permits. But much of the machinery needed for the scheme — under which airlines would be forced to trade carbon permits — is still not in place.

Under ETS, aviation as a whole will be set a cap based on the industry's average CO<sub>2</sub> emissions between 2004 and 2006. Currently it is intended to limit the industry to 97pc of this figure in 2012, with the ceiling being lowered in later years. Airlines' allowances, however, will be based initially on their individual emissions, with the figures being calculated from the beginning of January.

But there is still little agreement on how these figures will be calculated or airlines' emissions monitored — even though the deadline for agreeing the plans is now just a fortnight away.

In Britain, the Environment Agency, which will be the competent authority responsible for monitoring, has already put the deadline back until early November, because it is still waiting for Brussels to publish the full list of aviation companies covered by the scheme. It will leave the Agency less than two months to approve the monitoring scheme which will set the cap for nearly 900 operators.

Other parts of Europe are facing similar problems.

There are question marks over the initial list of carriers produced by the Commission. Which, according to industry sources, is riddled with anomalies.

It includes non-EU airlines which do not even fly to the European Union, while others which do have been omitted from the list.

British Airways, which has supported the principle of a trading scheme, has voiced doubts about the current proposals, especially the plans to include flights from outside the EU.

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## **Airlines given extra time for CO2 monitoring plans**

ENDS Europe

Wednesday 19 August 2009

Germany and the UK have postponed the first deadline for the aviation sector under the EU's emissions trading scheme (ETS) because of the delayed publication of a list dividing responsibility for administering the scheme among EU member states.

More countries are expected to follow suit, including France. Member states are unable to know exactly which airlines are required to draw up emissions monitoring plans until the list is officially published. The initial deadline for submitting the plans was 31 August.

All stakeholders now agree this deadline is unrealistic, a spokesperson for the Association of European Airlines told ENDS on Wednesday. As a result, UK authorities have given aircraft operators approximately 11 weeks from the list's date of publication to submit their plans. The European Commission approves of the move.

A final list of aircraft operators was released by the commission's environment department on 5 August. It will be published in the EU's official journal on 22 August. A [preliminary list issued in February](#) has been considerably expanded. For example, the number of airlines to be regulated by the UK grew from 780 to 891.

This list is important because it determines which member state will benefit most from carbon payments made by airlines once they join the EU ETS in 2012. The UK, France and Germany are expected to yield the largest revenues as they are the biggest administrating countries.

Airlines flying into and out of the EU are required to submit plans outlining how they will monitor and report their annual greenhouse gas emissions and tonne-kilometre data. Airlines must start monitoring their emissions from 2010. The data will help the commission to establish individual caps for airlines covered by the ETS.

The commission will announce the emissions cap for the entire sector this autumn. [The cap was initially due to be announced in August](#). Market analyst Point Carbon believes it will cap airline emissions at 218 million tonnes in 2012. Emissions must be capped at 97% of average 2004-06 levels.

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### **EU: Airlines must join emissions trading plan or face penalty**

BRUSSELS (AP) — Nearly 4,000 commercial airlines, business jet operators and air forces from around the world will have to join the European Union greenhouse gas emissions trading plan by 2012 or be penalized when flying to the continent, the EU said Saturday.

The bloc's official gazette published Saturday the list of operators, which includes major airlines such as Lufthansa, Alitalia, Qantas, KLM, Emirates, US Airways and United.

Also listed are European airplane manufacturers Airbus and Dassault, hundreds of private business jet operators, as well as a number of military services such as the U.S. Navy and the air forces of Israel and Russia.

"Aviation has been included into the emissions trading scheme and this list is part of a directive that was adopted in 2008 to bring the aviation sector into that scheme," EU spokeswoman Katharina von Schnurbein said.

Under the program, operators will have to submit plans for monitoring their emissions by January 2010.

The EU's list of airlines that must take part in the program has been controversial because, aside from European operators, it also includes scores of airlines from other parts of the world flying into Europe.

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### **Airlines Stung By European CO2 Limits**

Thousands of airlines are set to face problems in flying into the European Union from 2012 unless they join the EU Emissions Trading Scheme, the European Commission has said, although a number of member states at the same time continue to bankroll the sector that is the fastest growing source of transport greenhouse gases to the tune of millions of euros.

Some 4,000 companies including the likes of KLM, Qantas and United, alongside business jet operators and even national air forces were listed in the bloc's official gazette on Saturday (22 August) as operators that must work to reduce their carbon emissions.

The bloc adopted legislation in January of this year that requires aviation emissions to reduce by three percent on 2005 levels by 2012 and five percent by 2013.

The companies, which also include European aerospace manufacturers such as France's arms producer Dassault and the multinational plane-maker Airbus, have until January of 2010 to submit to the commission their strategies for emissions reductions.

So long as the companies submit data on their fuel consumption for 2010 and 2011 by this period, then they will be awarded 85 percent of their emissions permits for free for the period through 2012.

But without permits, the airlines may have trouble landing at European airports, although sector experts do not believe this will happen any time soon.

The policy has faced heavy opposition from the International Air Transport Association and the UN's International Civil Aviation Organisation, which itself is tasked with regulating emissions from aircraft under the Kyoto protocol.

### **Financial support for Airbus**

Meanwhile, the four largest EU member states, and in particular the UK, are offering considerable public financial support to Airbus at a time when the latter government has refused to step in to ensure that the country's sole wind turbine factory does not close down.

On 14 August, British business secretary and former EU trade commissioner Peter Mandelson announced his government would award Airbus €390 million (£340m) to protect thousands of jobs at the company.

This comes after London's decision earlier in the summer to back wind turbine manufacturer Vestas in its plans to shift production from the UK to China and the US, a move that threatens the development of wind power in Britain.

The French and German governments have also already committed public funds for the Airbus A350 and Spain is currently in talks with the firm about government support.

### **Global warming**

Moreover, while environmental experts welcome aviation's inclusion in the ETS, they worry the move will do little to reduce carbon emissions from the sector that is the fastest growing source of transport greenhouse gases. Aviation is responsible for 4.9 percent of current global warming and emits more CO<sub>2</sub> than France or Australia.

According to Bill Hemmings of the green pressure group Transport & Environment, there is not a lot of room for technical innovation within the aviation sector, which means that airlines are most likely to simply buy carbon offsets - certificates of carbon reductions performed in the developing world by, for example, planting trees.

The reliability of certifying carbon reductions in this way however is widely questioned by environmentalists and development NGOs, "and in any case, the reductions are just not being made by the sector itself," Mr Hemmings told this website.

"We need to see reductions in the real world," he added.

Furthermore, his group points out, the ETS only focuses on carbon emissions, but nitrous oxide (NOx) is also being pumped out in massive quantities by the aviation sector, having a massive climate impact.

Campaigners are more concerned that Europe fight to have aviation included in any international accord agreed to at this year's upcoming climate talks in Copenhagen, but in a way that includes non-carbon greenhouse gas emissions and that restricts the use of offsets.

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## **Economist slams EU climate policy as ineffective**

Published: Monday 7 September 2009

The EU's climate legislation risks turning into a "grossly distorting and expensive policy" unless it is seriously revamped, a leading British academic has warned.

In a paper released on 3 September by the Smith School of Enterprise and the Environment at the University of Oxford, Professor Dieter Helm argued that the EU's climate change and energy package is little more than "a politically neat but economically inefficient set of targets".

The design of the package is "inevitably flawed", Helm wrote. It is "based on carbon production, not consumption, thereby sidestepping Europe's responsibilities towards the developing world," the paper argued.

In practice, the EU could meet its climate target by shifting its energy production overseas, which may even increase global emissions, both by requiring more shipping and aviation and less efficient production techniques in developing countries, Helm claimed. Considering the global dimension of climate change, it is not even obvious that the most cost-effective way of cutting emissions lies in the EU in the current timeframe, he suggested.

"There may be much cheaper ways, for example by preserving tropical rainforests or decarbonising China and India's rapid coal-based economic growth," he added.

The economist argued that EU climate policies have been "gradually emaciated by the politics". The "random" 20% emissions cut target by 2020, which underlies the whole package, is not backed by credible evidence and is unlikely to be reached, he added.

The review of the bloc's flagship policy, the emissions trading scheme (EU ETS; see [EurActiv LinksDossier](#)), fell prey to industrial lobbying, Helm argued. "The EU has therefore landed itself with a complex and relatively inefficient tradable permits system which maximises the scope for vested interests to pursue the resulting economic rents," he said.

Moreover, the short timeframe means that new technologies will not be available to help the EU tackle its emissions, meaning the bloc will have to rely instead on cutting demand and increasing the supply of renewables.

But the 20% target for renewable energies in the EU's energy mix is "unlikely to be met," as these alternative energy sources are still underdeveloped and costly (see [EurActiv LinksDossier](#)), the paper stated. In addition, demand could go up with higher incomes, it pointed out.

An overhaul of the package to make it efficient would have to include a long-term carbon price, Helm concluded, suggesting a floor price as one possible solution.

Equally importantly, the EU should give other low-carbon technologies like nuclear and carbon capture and storage (CCS) a level playing field. If complemented by a border carbon tax, this would make an "appropriate" climate package for the EU, according to Helm.

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## **Europe urged to reduce airlines' NOx emissions**

ENDS Europe

Monday 7 September 2009

The European Commission must introduce policies to cut climate change-inducing nitrogen oxide (NOx) emissions and condensation trails left by airplanes, the Dutch environmental research group CE Delft said in a report released last week.

[Including aviation in the EU emissions trading scheme](#) (ETS) is insufficient to curb the sector's impact on climate change, according to the researchers. Policies to tackle non-CO2 aircraft emissions are needed to stimulate essential technological improvements, they say.

The report follows CE Delft recommendations published by the commission's transport department in March. It had been commissioned after the EU executive announced a plan to reduce the sector's NOx emissions in July 2008 alongside [measures to cut pollution from road transport](#).

But the commission decided to postpone the plans because of scientific uncertainty over their impact on climate change. At high altitude NOx creates ozone, a greenhouse gas, but it also destroys methane, another greenhouse gas. Studies on its overall impact have been inconclusive, according to the commission.

The CE Delft researchers however, estimate that aviation's total impact on climate change is twice that of its CO2 emissions. Moreover, biofuels will not reduce non-CO2 emissions, they say. [Biofuels have been widely touted as the fuel of the future for this industry](#).

The sector will probably not grow as quickly as most policymakers currently predict, according to the report. Nevertheless, airlines' environmental impacts will increase and, ultimately, demand will have to be curbed, the authors conclude.

\*Meanwhile, the Council of Ministers has rubber-stamped [an EU deal on strengthening the Single European Sky legislation](#). The agreement aims among other things to reduce airlines' impact on the environment by shortening flight routes.

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## **Aviation's entry into the EU ETS off to a shaky start**

Richard Bowen

ENDS Europe

7 September 2009

Airlines must start monitoring their emissions from next year ahead of their entry in to the EU's emissions trading scheme in 2012. Richard Bowen asks what it will mean and analyses the preparations under way

Aviation's entry into the EU emissions trading scheme (EU ETS) has got off to a bad start with airlines failing to submit their carbon emission plans on time.

Thousands of airlines were to have submitted their plans to national authorities by 31 August as the first step in the process of including aviation in the EU ETS. However, lengthy delays by the European Commission in publishing a final list of the airlines to be covered left little time to comply.

As a result several of the national authorities responsible for collecting and analysing the emissions data have been forced to extend the deadline.

The UK, which will regulate nearly 900 airlines, has set a new mid-November date. Germany and Italy have extended registration dates until late September and Sweden until mid-October. Other authorities will follow suit.

The delays may have knock-on effects, although regulators deny this. A spokesperson for the UK's Department of Energy and Climate Change says: "In the unlikely event that an operator does not receive an approved plan from the Environment Agency before 2010, it should nevertheless begin monitoring [emissions] in line with the plan it has submitted."

The problems do not represent a good start for aviation's EU ETS inclusion and provide more reasons for sceptics to criticise the scheme as unwieldy and ill thought out.

Airline operators' plans will be checked for adequacy and used as a benchmark against which further verified emissions reports, to be submitted by airlines by 31 March 2010, will be compared.

Airlines will be allocated an annual allowance of free carbon permits based on the tonnes of CO<sub>2</sub> they emit. They will have to pay for 15% of their allowances.

The scheme is based on the 'polluter pays principle' designed to encourage operators to reduce their carbon footprints. Airlines will offset their verified emissions annually by surrendering the required number of allowances. For every tonne of CO<sub>2</sub> emitted a single allowance must be handed over.

Airlines that have insufficient allocated allowances to cover their annual emissions will need to buy extra allowances at auction or from other companies with surplus allowances. Extra allowances can also be bought from non-aviation industry sources such as power stations and industrial manufacturers which are also regulated by the EU ETS.

Operators that submit insufficient allowances to cover their annual emissions will face penalties of €100 per missing allowance and will have to buy the value of the shortfall retrospectively.

A further 3% of allowances have been set aside for new entrants to the EU aviation sector and for operators who have seen an exceptional increase in EU flight activity.

### **Paving the way for 2012**

Another aim of requiring airlines to submit emissions plans this year is to allow systematic problems to be identified and rectified in good time ahead of 2012.

While EU airlines and other larger operators are unlikely to fail to comply with the new deadlines, a number of smaller airlines that are not regular users of EU airspace may need to improve their emissions forecasting and monitoring and verification methodologies.

David Carlisle of the consultancy ETS Aviation believes many operators would have failed to meet the 31 August deadline altogether or would have filed inadequate plans. He believes that a number of non-EU airlines are “wholly ignorant of the entire ETS situation”.

Carlisle’s view is echoed by the European Business Aviation Association, a trade body representing business flight operators, which states that there remains widespread confusion about EU ETS obligations.

The initial emissions plans to be submitted by airlines are based on a complex series of indices that include flight routing distances, aircraft types and weight of passengers and cargo transported. A value is attributed to each flight undertaken by an airline annually and a total emissions forecast is calculated by each airline.

Because aviation allowances for the period 2012-20 will be calculated on emissions plans and subsequent verification data submitted next year, it is vital that airlines prepare their estimates carefully and enter an accurate verification total.

The risks of failing to implement adequate and robust monitoring systems are considerable as total allowances allocated to 2020 will be worth billions of euros. Any airline that miscalculates may have to buy extra allowances and is likely to pass on the extra cost to its customers, which may harm its competitiveness.

Airlines failing to comply with the first EU ETS demands also face financial penalties, risk losing their free allowances and becoming marked targets of greater and tougher scrutiny from regulators. The ultimate sanction available to authorities is to restrict particular airlines from flying in EU skies.

Operators failing to meet the revised deadlines for submitting emissions plans will also be subject to an €6,000 fine that will rise by €600 a day to a maximum of €60,000.

### **Emissions burden**

Global emissions from aviation are currently about 700 million tonnes of CO<sub>2</sub>. It is predicted that the EU ETS will lead to an annual reduction of about 20 million tonnes once the scheme has bedded down by 2013. As a comparison, Western Europe’s largest power station at Drax in Yorkshire, UK, emits about 22 million tonnes of CO<sub>2</sub> per year so the savings can be viewed as significant.

Airline emissions will be capped at 97% of 2004-06 levels in the first year of inclusion. Thereafter, the cap will be lowered to 95% of historical emissions. This reduction in the total number of allowances available is expected to increase their cost, further encouraging operators to reduce their carbon footprints.

Given that the aviation sector’s 2012 emissions are expected to be about 130% of 2005 levels, only about 60% of the allowances the sector needs will be issued for free in 2012. If the traded carbon price doubles to an expected €30 per tonne, airlines will contribute a collective €3.5bn annually to EU coffers by buying extra allowances at auction.

Aircraft operators flying newer fleets will have a substantial advantage over their competitors, because some newer models emit 30% less carbon than comparative older ones that are still being flown. It is perhaps no surprise that operators flying the oldest fleets, such as American Airlines and Delta, have been most scathing of the emissions trading scheme, while owners of modern fleets with an average age of less than four years, such as EasyJet and Ryanair, have called on regulators to ban older aircraft operated by competitors.

Occupancy rates achieved will also have a substantial effect on operators' allocated carbon allowances. Passenger carriers that can fill more seats and freight carriers with greater loads will be able to fly specific routes more often than competitors because they will be allocated more allowances.

Another factor that will determine an airline's emissions are the routes flown. Relatively short flights have a higher carbon footprint by distance than long-haul flights because less time is spent cruising, which is responsible for fewer emissions. Short-haul emissions modelling undertaken by airlines will identify current routes and fare pricing that will become economically non-viable from 2012.

The EU ETS may also affect long-haul flight routing. For this reason American-based airlines are particularly critical of the trading scheme. There are also fears that the cost of complying with the scheme may divert some transatlantic flights carrying passengers bound for Asia from EU airports to Abu Dhabi and other major connecting airports in the Middle East.

The European Commission has dismissed this argument, firmly stating that "the aviation industry is not considered to be at risk of carbon leakage".

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### **Ireland considers carbon tax for non-ETS sectors**

ENDS Europe  
Monday 7 September 2009

A tax commission set up by the Irish government has recommended that the country introduce a carbon tax on sectors not covered by the EU emissions trading scheme (ETS). The tax should be initially set at €20 per tonne, it said.

The carbon tax could raise €500 million annually, according to a report published on Monday. The report was commissioned by the Irish finance ministry. The tax could be announced in the government's budget proposal for 2010, an official told ENDS.

France is also debating whether to impose a carbon tax in non-ETS sectors. Last month, finance minister Eric Woerth said it would be set at €14-20 per tonne. French president Nicolas Sarkozy will announce the details of the plan on Thursday.

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### **EU states to approve phase-3 free ETS allowances**

ENDS Europe  
Tuesday 8 September 2009

Member states will vote on a list of industries that should qualify for free carbon allowances under the third phase of the EU's emissions trading scheme (ETS) on 18 September. MEPs will then have three months to scrutinise the list.

A final list was sent to member states on Friday. It is virtually unchanged from an [earlier version](#). Only two new sectors have been added – iron and light metals casting – bringing the total number of sectors believed to be at risk of carbon leakage to 151, plus nine sub-sectors.

## **EBAA Cites EC for Sloppy Emission Scheme Execution**

By: Charles Alcock

September 8, 2009

Environment

Sweden and Italy belatedly have confirmed extensions to the August 31 deadline for operators to register for Europe's new emissions trading scheme (ETS). Italy is giving operators until September 30 to file plans for monitoring, reporting and verification (MRV) of carbon emissions, while the Swedes have granted an extension to October 15.

In theory, the August 31 deadline still applied in the other 23 European Union states, despite the fact that the European Commission published a revised list of affected operators only on August 22. Any operator on the EC list who does not meet the deadline(s) for registering MRV plans can be fined \$8,000, with an additional \$800 for each day that it is late in filing.

However, according to the European Business Aviation Association (EBAA), the national authorities implementing ETS on the EC's behalf are not expected to impose these penalties due to the delay in publishing the list and operators' difficulties in registering their MRV plans. Meanwhile, the EC has rejected a proposal to use Eurocontrol's Pagoda air traffic data system as a tool for calculating aircraft emissions.

Instead, a revised version of Pagoda dubbed the ETS support facility is being evaluated and is expected to be accepted as a calculation tool.

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## **Carbon rationing may be needed by 2012, says IPPR**

9th September, 2009

*Although unpopular and expensive, personal carbon trading may be the next step in tackling climate change*

The Government may need to introduce a personal carbon trading scheme (PCT) if existing measures fail, says a [report from the Institute for Public Policy Research](#).

The report, *Plan B? The prospects for personal carbon trading*, says existing measures on reducing individuals' carbon impact, such as smart meters and the Low Carbon Buildings Programme should be given time to succeed.

But if carbon emissions have not been reduced by 2012, the Government would have to consider rationing carbon.

'Personal carbon rationing and trading should not be a first option,' said Associate Director at the IPPR Matthew Lockwood.

'But the Government should start preparing a "plan B" in case current policies fail to deliver. We can lay the ground work now by giving people much better information about the carbon they are emitting, whether at home or at the petrol pump.'

The IPPR estimates that a personal carbon trading scheme would cost around £1.4 billion a year to administer.

The study also urges the Government to prepare the public for PCT by improving awareness or 'carbon literacy'. This could be done with carbon emissions made available on gas and electricity bills, at the petrol pump and on airplane tickets.

The Government should also run a 'know your carbon limits' campaign along the lines of alcohol awareness advertising, according to the IPPR study.

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## **Cost of air travel 'must rise to deter people from flying'**

The cost of air travel must rise to an extent that it deters people from flying and to compensate developing countries for the damage it does to the environment, according to the government's advisory body on [climate change](#).

Ticket prices should rise to ensure that carbon dioxide emissions from aviation fall back to 2005 levels and to raise tens of billions of pounds in flight taxes to help developing nations adapt to climate change, for example, by building new flood defences, the committee on climate change says.

An agreement to cap aviation emissions must be reached at the UN climate talks in Copenhagen if countries are to meet targets to combat global warming, the committee said in a letter to ministers. Rich countries should take the lead, ensuring their aviation emissions were no higher or lower than they were in 2005 by 2050.

It says airlines should be forced to share the burden of meeting that emissions cut, the Times reports.

In advance of the December meeting in Denmark, the committee says any deal to reduce emissions from flying should be "ambitious", and the aim should be for no less than the EU's current plan, which require a 5% reduction in emissions from 2013 to 2020.

The committee could challenge the government's decision to approve a third runway at Heathrow airport in order to reduce CO<sub>2</sub> emissions sufficiently to meet that target, according to the paper.

While the cost per passenger of compensating developing countries for climate change would initially be small, it would eventually rise to a level that would deter people from flying.

The average passenger would pay under £10 extra per return ticket when aviation joins the European Union CO<sub>2</sub> emissions trading scheme in 2012, the Times says.

The scheme will give airlines free carbon permits covering 85% of their emissions but they will have to buy permits for the remaining 15%. The committee on climate change says airlines should have to pay for all their emissions, which would more than double the cost to passengers.

Writing to Lord Adonis, the transport secretary and Ed Miliband, the climate change secretary, the committee's chief executive, David Kennedy, said the measures would not force people to fly less.

"It is vital that an agreement capping global aviation emissions is part of a Copenhagen deal," he said.

"We are calling for a cap that would not require people to fly less than today, but would constrain aviation emissions growth going forward," he said.

"Such a cap together with deep emissions cuts in other sectors would limit the risk of dangerous climate change and the very damaging consequences for people here and in other countries that this would have."

Without steps to stop growth in aviation emissions, planes could account for as much as a fifth of all CO<sub>2</sub> produced worldwide by 2050, the committee warned.

The BBC reports that if aviation fails to reduce its CO<sub>2</sub> emissions the rest of the economy may have to make deeper cuts of 90% by 2050 - 10% more than currently planned.

The committee said it supported plans to include flying in the EU-wide emissions trading scheme, which would give the aviation industry some carbon credits to cover some of its output and let them purchase allowances from greener companies to make up the shortfall. But in the long term real cuts must be made, rather than rich countries relying on offsetting their emissions by purchasing credits from poorer countries under international trading schemes.

A government spokesman said: "The UK now has the toughest climate change regime for aviation of any country in the world and we will bring international pressure for aviation emissions to be part of global deal on climate change at the Copenhagen conference later this year."

A Greenpeace climate change campaigner, Vicky Wyatt, said any government would find it "almost impossible" to build a third runway at Heathrow if they followed the committee's advice.

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### **Steelmakers hold millions of EU pollution permits**

Steelmakers such as ArcelorMittal have become huge beneficiaries of the European Union's [emissions trading](#) scheme, making tens of millions of pounds out of free carbon permits, research shows.

Just three plants in Belgium, Spain and Romania, all controlled by [Lakshmi Mittal](#), Britain's richest man, are sitting on 15% of the surplus permits handed out by the EU, according to official figures obtained by the Sandbag environmental campaign group.

"The scale of the benefits enjoyed by the steel industry make it look like the ETS is being used as a hidden subsidy to the sector," said Bryony Worthington, the founder of Sandbag.

The price of carbon has plunged over the last 12 months, partly because the slowdown has reduced output and emissions, but also because the EU handed out too many free permits to industry.

The ETS allocates certain companies allowances for the carbon they emit, and is supposed to force them to buy additional permits to pollute if they do not cut their emissions. Most of the heaviest polluters and users of carbon permits are power companies such as [Drax](#), which runs the coal-fired facility in north Yorkshire of the same name, and Elektrownia Belchatow of Poland.

But Worthington said the EU statistics showed steel plants such as Germany's Integriertes Huttenwerk Duisburg was sitting on 10.8m permits, Glocke Salzgitter 5.1m and Belgium's ArcelorMittal Gent 4.3m. She feared this demonstrated steel companies were masters of lobbying the EU to ensure they benefited at a time when permits can be traded at €15 (per tonne).

ArcelorMittal admitted that it remained in dialogue with policymakers about the future shape of the trading scheme on the basis that it could raise the cost of production in Europe and therefore represent a "threat" to outside competitors.

The steel group denied it was exploiting the ETS and was not prepared to confirm or deny that it was holding any particular number of surplus permits.

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## **France set to impose carbon tax**

*French President Nicolas Sarkozy has announced plans for a new carbon tax aimed at combating global warming.*

The tax will be introduced next year and will cover the use of oil, gas and coal, he said.

The new tax will be 17 euros (£15) per tonne of emitted carbon dioxide (CO<sub>2</sub>). It will be phased in gradually.

It will apply to households as well as enterprises, but not to the heavy industries and power firms included in the EU's emissions trading scheme.

Most electricity in France - excluded from the new carbon tax - is nuclear generated.

Mr Sarkozy said revenues from the new tax would be ploughed back into taxpayers' pockets through cuts in other taxes and "green cheques".

The carbon tax plans have already encountered stiff opposition across the political spectrum.

France's Le Monde newspaper says the tax will cover 70% of the country's carbon emissions and bring in about 4.3bn euros (£3.8bn) of revenue annually.

Mr Sarkozy insists the new tax is all about persuading the French to change their habits and cut energy consumption, the BBC's Emma Jane Kirby reports from Paris.

Critics say it is just a ploy to boost ailing state finances.

Two-thirds of French voters say they are opposed to the new levy, fearing they will struggle to pay higher bills.

Prime Minister Francois Fillon had previously set the new tax rate at 14 euros per tonne of CO<sub>2</sub>.

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## **EU Environment Commissioner Stavros Dimas lays out EU Plan for global finance for Climate Change**

Source: European Commission

Published Friday, 11 September, 2009 - 11:26

*The financing issue is central to prospects for reaching the ambitious global climate agreement that the world needs at the Copenhagen conference in December.*

Let me start by underlining that it is industrialised nations which must lead the way in tackling global emissions of greenhouse gases. The European Union is pushing for a collective reduction in their emissions of 30% below 1990 levels by 2020.

Regrettably the emission targets our partners in the developed world have put on the table to date fall well short of what is needed. They add up to a reduction of only between 9 and 16.5%, even after the new Japanese government's pledge to increase their reduction to 25%, which I very much welcome.

It is therefore vital that some of our partners follow Japan's strong example and come forward with revised targets, so that the world can limit global warming to 2°C as agreed at the L'Aquila summit in July.

But controlling climate change will be impossible without efforts by developing countries as well, and particularly the big emerging economies. Developing

countries' collective emissions are already bigger than those of the industrialised world if deforestation is counted, and they continue to grow rapidly.

If we are to prevent dangerous climate change - as we must - developing countries need to hold their emissions growth to between 15 and 30% below business as usual levels in 2020. This is what recent scientific analysis shows.

Clearly developing countries will need financial assistance to take the ambitious action needed and to adapt to the impacts of climate change, to which many of the least developed countries are particularly vulnerable

The EU has committed to providing its fair share of this financing. Now, with Copenhagen starting in less than 90 days, the Commission is fleshing out this commitment by putting forward a global blueprint which shows the order of magnitude of the finance that is likely to be needed to support an ambitious agreement.

In our analysis the finance for developing countries will have to come from three main sources:

1. The first is domestic public and private sources in developing countries themselves. For instance, a large part of the emission savings needed in developing countries can be achieved through improvements in energy efficiency, which are commercially attractive to domestic investors. We estimate domestic sources could provide 20-40% of the total financing needed by developing countries.

2. Second, the further development and expansion of the international carbon market will be critical to secure the resources needed for developing countries. The expanded carbon market should be the main source of private-sector finance to support their mitigation efforts.

We estimate the carbon market could generate financial flows to developing countries of up to € 38 billion a year by 2020, or around 40% of the total financing needed.

However, this potential will only be realised if Copenhagen takes the necessary steps to create an ambitious carbon market for the future. This includes industrialised countries taking on a collective 30% emission reduction target and a sectoral crediting mechanism replacing the Clean Development Mechanism for competitive economic sectors in advanced developing countries.

3. Third, international public finance could contribute the remainder of the global funding needed.

Clearly there is a link between the amount of funding the carbon market will generate and the need for international public finance. The more ambitious the carbon market will be, the less need there will be for public finance.

Our view is that international public financing should be contributed not only by industrialised countries but also the more advanced developing countries.

We propose that contributions should be determined according to an agreed scale that would be based on two criteria: a country's level of emissions and its ability to pay. On this basis the EU's contribution will be between 10 and 30% of the total, depending on how the balance is struck between these criteria.

After 2012, developing countries' financing needs will rise progressively as they implement the Copenhagen deal and low-carbon growth plans. The level of funding required will obviously depend on how ambitious the Copenhagen agreement turns out to be.

If we assume the deal will be in line with the EU's position, we estimate that developing countries could need international public financing of around 9-13 billion euros in the year 2013. Based on the scale I've just mentioned, the EU would expect to contribute around 900 million to 3.9 billion euros of this amount.

Looking further ahead, we estimate that by the year 2020 developing countries' funding needs for mitigation and adaptation will total just over €100 billion euros annually.

Of this, it is likely that between 22 and 50 billion euros will have to come from international public finance. An EU contribution of 10 to 30% means our share could be between 2 and 15 billion euros each year.

These represent significant contributions from the EU - but let me point out that in the coming years the auctioning of EU ETS allowances is likely to generate substantial and increasing revenues that could be used to cover at least part of this contribution. Under the terms of the revised emissions trading directive, at least half of the auctioning revenues should be earmarked for combating climate change domestically and internationally.

In addition to the three main sources of financing I have mentioned already, another potential channel is a global market-based instrument to address emissions from international aviation and shipping. A global cap and trade system or a levy on emissions could raise significant amounts of revenue.

We want to see these options explored further. However we recognise that reaching global agreement on such an instrument could be challenging.

Ladies and gentlemen, assuming an ambitious Copenhagen agreement is concluded it will be vital that extra funding for developing countries gets off to a fast start next year so they can start strengthening their ability to combat climate change as soon as possible.

We estimate that some 5-7 billion euros of additional financing from international public sources could be needed annually between 2010 and 2012.

Based on the common scale I have mentioned, the EU's contribution would be between around €500 million and 2.1 billion euros per year. However, the Commission proposes that the EU should consider increasing its share of funding beyond this range to reflect the importance of early capacity building and adaptation in developing countries.

Fast-start funding should come from a combination of the EU budget and Member State contributions.

After 2012, however, the EU's contribution to international public finance is likely to come from either the EU budget or a special Climate Fund set up outside the budget, or a combination of the two. Whichever option is chosen will determine how the internal burden-sharing among Member States will be organised.

To conclude, with this blueprint the Commission is setting out the sources of finance and how to organise them, and indicating an ambitious and fair EU contribution to support developing countries in implementing an ambitious global agreement.

Our Communication gives a basis for the European Council to formulate a detailed EU position on financing at its meeting at the end of October. The European Parliament is also invited to give its opinion. I am confident that a clear EU position can help to push the Copenhagen negotiations towards the successful conclusion that is needed to prevent climate change from reaching dangerous levels.

Thank you, and now I will be happy to answer any questions you have.

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## **Commission unveils first climate aid blueprint**

The EU could offer 2-15 billion euros a year to help developing countries fight climate change and adapt to its predicted devastating consequences, the European Commission said yesterday (10 September).

### **Background:**

The global community is currently engaged in negotiations to agree a successor to the Kyoto Protocol, which expires in 2012.

The first United Nations Framework Convention on Climate Change (UNFCCC) talks in Bonn (29 March–8 April) launched negotiations for a draft agreement in view of the final conference in Copenhagen later this year ([EurActiv 09/04/09](#)).

The draft negotiating text, prepared ahead of June's second round of climate talks, revealed a divide between rich and poor countries. Developing nations are asking their industrialised counterparts to commit to sizeable CO2 reductions and to offer financial aid to help poor nations with their efforts. But developed countries have not made any firm commitments on funding, and only the EU has taken on a firm CO2 reduction target, which nevertheless fails to meet the developing world's demands ([EurActiv 29/04/09](#)).

In the meantime, the negotiating text has ballooned to hundreds of pages as all parties have reacted with amendments. Little progress was made at the June talks on financing for developing countries to mitigate and adapt to global warming ([EurActiv 15/06/09](#)), while an informal round in August barely even raised these issues ([EurActiv 18/08/09](#)).

At the sidelines of a G8 meeting in Italy on 9 July, the Major Economies Forum, comprising 17 countries that are accountable for 75% of global emissions, agreed for the first time to limit global warming to two degrees Celsius but failed to come up with targets ([EurActiv 10/07/09](#)).

"The EU is moving and we hope other developed countries will follow," Environment Commissioner Stavros Dimas stated, presenting a blueprint for scaling up international finance in support of developing countries.

The move represented an attempt to unblock stalled negotiations over a global treaty to replace the Kyoto Protocol on climate change, due to be agreed at the end of the year in Copenhagen.

The Commission estimates that developing countries' overall financing needs will hit €100 billion a year by 2020, if an ambitious agreement is reached in Copenhagen. The EU executive foresees that between €22-50 billion will come from the international public sector.

Emissions reductions in core sectors - industry, energy, agriculture and deforestation - would require €10-€20 billion, according to the Commission's proposal. Adaptation would take up €10-24bn, while €1-3bn is foreseen both for boosting capacity building and research respectively.

Moreover, the EU executive earmarked €5-7 billion to "fast-track" the implementation of the new climate deal between 2010 and 2012 ahead of its

entry into force. The proposal also recommends that the EU commit to providing at least €500 million and up to €2.1 billion a year, starting from next year.

The EU's methodology for determining how much of the burden each developed country should offer hinges on its ability to pay, measured by GDP, and its responsibility for emissions. Depending on the weight of each factor, this would set the EU's contribution at somewhere between 10% and 30% of the total.

The EU is keen to factor in responsibility for emissions, as this would lower its bill compared to a GDP-only calculation. Where the EU would end up in the wide range of €2-15 billion depends on how the weighting is decided in Copenhagen.

Moreover, the Commission suggests that countries with lower climate ambitions should shoulder a larger financial burden ([EurActiv 08/09/09](#)).

### **Three sources of finance**

In addition to international public finance, the EU expects developing countries to take on a sizeable portion of the burden.

The Commission blueprint suggests that around 20-40% of the total should be covered by public and private funding from the developing countries themselves. Poor countries should fund in particular low-cost energy efficiency measures, which pay for themselves through lower energy bills, it says.

A third source of funding foreseen in the plan is the international carbon market. This would raise around 40% of resources and lessen the need for international public finance as it becomes more ambitious, it says.

### **Climate victim of politics?**

Dimas fended off accusations that the proposal had been scaled down after pressure from member states, as earlier drafts showed that the EU had been prepared to pay €13-€24 billion per year ([EurActiv 09/09/09](#)).

As a result of the EU's emissions trading scheme, European companies are the biggest source of funding for emissions reduction projects in developing countries through the UN's Clean Development Mechanism (CDM), he pointed out.

Environmentalists, however, were quick to note that the sums fall far short of an ambitious commitment. They have called on the EU to provide at least €35 billion annually on top of existing development aid.

### **Burden-sharing among EU countries**

According to the Commission, existing international burden-sharing principles would be used to calculate the contribution of each EU member state. But it underlined that specific circumstances in individual member states would be taken into account.

According to Dimas, one such circumstance could be where an EU country has to buy a lot of emission permits due to its reliance on coal, despite having a higher GDP.

The EU is set for a heated debate on the matter, as countries such as Poland have insisted that internal burden-sharing is a prerequisite for an EU funding proposal in Copenhagen.

But Dimas stressed that internal arrangements could be found after Copenhagen. He referred to the climate and energy package negotiated last year as an example of how this could be done.

### **Funding climate aid via the EU budget?**

The Commission's preferred means of financing the EU contribution would be via the EU budget, a method which would give the European Parliament a say in the process. Other options include the creation of a common 'Climate Fund' outside of the budget or direct contributions from member states, it said.

The EU executive sees revenue from the bloc's emissions trading scheme as an obvious source of funding. It estimates that a robust market could deliver €38 billion annually by 2020. But so far only a vague agreement that 50% of the revenue "should" be used for climate monies has been struck.

The paper will be discussed by EU leaders at their October summit, and it is now up to the member states to decide whether to take up the EU executive's recommendations.

### **Positions:**

Environmentalists were quick to react to the proposal, saying it lacked ambition.

**Green MEPs Satu Hassi** (Finland) and **Bas Eickhout** (Netherlands) argued that the European Commission's proposal could jeopardise the negotiations by shifting a disproportionate share of the burden onto developing countries.

"Overall, the underlying assumptions show that the Commission sees most of the global emissions reductions by 2020 taking place in developing countries. This is a clear renouncement of EU's purported leadership on climate change and ignores the EU's responsibility," they said.

**WWF** congratulated the Commission for putting concrete figures on the table but said they fell far short of what is needed.

"There is an impressive sleight of hand needed to arrive at these figures, said **Jason Anderson**, WWF's head of European climate policy. "Developing countries are meant to take on much of the reduction effort themselves, with most of the remaining amount covered by private capital. Even though these are assumed all to be lower-cost efforts, Europe has long failed to achieve such cuts itself," he added.

**Greenpeace** was hopeful that the money on the table would break the deadlock in negotiations but warned that the modest amount would not stretch to help developing countries. "EU officials are playing political games without realising that they can write off the forests of Indonesia or central Africa with the stroke of a pen. The future of entire communities is at stake," said **Sebastien Riso**, Greenpeace EU's forest policy director.

**Oxfam** welcomed the Commission's attempt to break the deadlock, but said that its proposal to divert funds from overseas aid spending was "scandalous".

"Funds to help developing countries to tackle climate change must be additional to aid - not instead of it," said **Elise Ford**, head of Oxfam International's EU office. "This would rob tomorrow's hospitals and schools in developing countries to pay for them to tackle climate change today. This will undermine progress towards meeting the Millennium Development Goals."

## **Next steps:**

- **21-25 Sept.:** UN Climate Summit in New York.
  - **24-25 Sept. 2009:** G20 Summit in Pittsburgh.
  - **28 Sept.-9 Oct.:** UN climate negotiations in Bangkok.
  - **29-30 Oct.:** European Summit.
  - **2-6 Nov.:** UN climate negotiations in Barcelona.
  - **7-18 Dec.:** UN Climate Change Conference in Copenhagen
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## **Oil and gas industry 'should be exempt from emissions trading scheme'**

Written by Jim Ottewill

Businesses and contractors working within the UK oil and gas industry should be protected from the next phase of the European Union-wide carbon trading scheme, it has been argued.

With the next set of targets for the European Emissions Trading Scheme (ETS) set to come into effect in 2013, Oil and Gas UK has called on the government to pledge its support for the industry ahead of the forthcoming world climate change conference in Copenhagen.

According to the industry body's chief executive Malcolm Webb, since it is not possible to power most oil platforms or drilling equipment with green fuels, the scheme will effectively mean a tax is imposed on the industry.

This will end up hurting businesses and contractors and reducing oil output by as much as 900 million barrels over the coming years, he warned.

"Ideally, we want an exemption, although we would settle for compensation," Mr Webb told the Herald.

"If we go on neglecting the need to maximise our indigenous oil and gas resources, all that we will do is to increase our energy insecurity as a nation."

Meanwhile, delegates at the British Science festival were recently informed that the UK could become a world leader in carbon capture and storage technology, with the North Sea emerging as the CO2 sink of Europe.

# REACH

## EU chemicals law 'spells surge in animal testing', costs

Published: Thursday 27 August 2009

Far-reaching European safety rules on tens of thousands of chemicals used in everything from car seats to face cream will lead to a surge in animal testing and should be urgently reviewed, scientists said on Wednesday.

The regulation may need 54 million research animals and cost 9.5 billion euros to implement over the next 10 years - 20 times the number of animals and six times the cost previously anticipated, they reported in the journal Nature.

The European Union's REACH (Registration, Evaluation and Authorisation of Chemicals) legislation came into effect two years ago, requiring companies to assess the toxicity of chemicals that date from before the era of mandatory testing.

A [new analysis](#) by researchers at the Johns Hopkins Bloomberg School of Public Health found the number of chemicals pre-registered for REACH by industry had vastly exceeded expectations, pointing to a vast volume of testing. The rise is mainly due to the EU's expansion, which according to the authors has increased chemical production volume by 18%.

"It was expected that 27,000 companies would submit 180,000 pre-registrations on 29,000 substances," said study author Thomas Hartung. "Instead, some 65,000 companies made more than 2.7 million pre-registrations for in excess of 140,000 substances."

Hartung and co-author Constanza Rovida said up to 101,000 chemicals could be covered by REACH, three times more than earlier estimates.

As a consequence, REACH's aim "will not be achieved" using traditional toxicity testing methods, Hartung claims. "Toxicologists do not have the appropriate tools -whether high-throughput methods or acceptable alternatives to animal testing - to meet these expectations," he said.

"As a toxicologist, I support the aims of REACH - it is the biggest investment into consumer safety ever," Hartung said. "However, I am concerned that we have underestimated the scale of the challenge. Investment into developing alternative research methods to meet REACH goals is urgently needed."

The 54 million additional animal tests mentioned in the study were dismissed as a "worst-case scenario" by the European Chemical Industry Council (Cefic), a Brussels-based organisation representing the European chemical industry.

"We are convinced that the situation in the article will not be reached because there will be fewer substances to be registered," said Erwin Annys, the council's director of chemicals policy, cited by Nature.

The REACH legislation has already proved controversial with some manufacturers, fearful it may push up costs, and with animal rights groups, who wrote to European regulators earlier this month calling for curbs on unnecessary animal tests.

## **The European Commission and the cosmetic industry match research funds to develop alternative solutions to animal testing**

IP/09/1262

Rome, 31 August 2009

*Today at the VII World Congress on Alternatives and Animal Use in the Life Sciences in Rome, the European Commission and the European cosmetic industry presented their joint financial effort for research into alternative safety testing methods. On 30 July 2009, the European Commission launched a €25 million call for proposals in this field and the European cosmetic industry, represented by the European Cosmetics Association (Colipa), committed to match the funds. As a result, up to €50 million will be allocated to research projects laying the scientific foundation for future safety testing methods with a higher predictive value, and that will be faster and cheaper than animal tests.*

EU Commissioner for Science and Research Janez Potočnik and Vice-President Günter Verheugen said: "we are proud of this first-of-its-kind cooperation between industry and the European Commission. It proves our determination to avoid the use of animals in research while increasing the safety of products for consumers. Faster, cheaper and more reliable alternative methods will both contribute to this increased safety and strengthen the competitiveness of the European industry. Pooling resources with private partners like the cosmetic industry is crucial to finance the long-term cutting-edge research required to meet these challenges".

Director-General of Colipa, Bertil Heerink said: "For over 20 years, the cosmetic industry has been committed to the elimination of the use of animals for safety testing. Our industry welcomes the opportunity to contribute funding to this initiative, which has a key role to play in the process towards full replacement of animal safety tests in the scientifically complex area of systemic toxicity".

### *Why research is needed*

The call for proposals focuses on "repeated dose systemic toxicity". It is about predicting the toxicity of the repeated use, over a long period of time, of substances including those that are mainly used in cosmetic products. Despite the significant progress made on non-animal test methods, there are still gaps in scientific knowledge that need to be filled in order to further reduce the use of animals in safety tests, while continuing to guarantee the safety of cosmetic products.

### *What the research will be about*

With this call, the European Commission is seeking proposals for research projects involving a wide range of scientific partners across Europe and focusing on the following topics.

- development of organ-simulating devices;
- use of human-based target cells;
- definition of new toxicological endpoints and intermediate markers
- computational modelling techniques
- exploitation of approaches developed in systems biology; and
- integrated data analysis and scientific services.

It should be noted that:

- Only proposals not involving tests on living animals are eligible for funding.
- The results of the projects may not only benefit the cosmetic industry but also the pharmaceutical and chemical industry and other relevant sectors.

## *How research will be funded*

Through the co-operation between the European Commission and Colipa, the projects selected can be funded up to 100% of their total eligible costs.

### Background

The Commission is committed to finding alternative methods to testing on animals. The 3Rs Principle (Replacing, Reducing and Refining animal testing) is present in several EU legislation texts such as the Directive on the protection of animals used for scientific purposes, the REACH regulation (on chemicals and their safe use) and the Cosmetics Directive. In 20 years, the financial EU contribution to research on alternative testing methods has amounted to some EUR 200 million under the EU's Framework Programme for Science and Research. The Commission's Joint Research Centre also hosts the European Centre for Validation of Alternative Methods (ECVAM) and recently launched the website TSAR to track the development of new alternative test methods.

Colipa, the European Cosmetics Association, represents several thousand companies in the cosmetic industry in Europe. Colipa plays a leading role in the development of alternative testing methods and is already working with the European Commission and other sector organisations through the European Partnership for Alternatives to Animal Testing (EPAA).

More information:

[The call for proposals FP7-HEALTH-2010-Alternative-Testing](#)

Colipa (the European Cosmetics Association)  
<http://www.colipa.eu/about-colipa.html>

The European Partnership for Alternatives to Animal Testing  
[http://ec.europa.eu/enterprise/epaa/index\\_en.htm](http://ec.europa.eu/enterprise/epaa/index_en.htm)

Alternative Testing Strategies supported by the EU  
<http://cordis.europa.eu/documents/documentlibrary/106691831EN6.pdf>

ECVAM  
<http://ecvam.jrc.ec.europa.eu/>

TSAR  
<http://tsar.jrc.ec.europa.eu/>

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## **Cuts to ECHA budget 'could undermine REACH'**

ENDS Europe  
Friday 4 September 2009

EU governments' attempt to reduce the European Chemicals Agency's proposed budget for 2010 to €25.3m could undermine its work, enterprise commissioner Günter Verheugen told the European Parliament's environment committee on Tuesday.

The agency oversees the implementation of the EU's REACH chemicals regulation and 2010 is a crucial year, Mr Verheugen told MEPs. The environment committee maintained the European Commission's proposed €30m budget in a vote on Wednesday.

The budget committee, who is leading on the issue, is expected to back the environment committee's position when they meet on 8 October, according to British MEP Chris Davies. The parliament's full assembly should follow suit, he told ENDS.

ECHA executive director Geert Dancet will tell the budget committee that cuts to next year's budget would create a funding gap before the agency starts collecting fees from chemicals registrations in the fall of 2010.

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## **MEPs rescue EU chemicals agency from financial mire**

Published: Thursday 3 September 2009

The agency responsible for implementing highly controversial new EU laws on chemicals has been saved from financial paralysis after the European Parliament voted to overrule national governments' attempts to force a €4.7 million budget cut.

### **Background**

The EU regulation on the Registration, Evaluation and Authorisation of Chemicals (REACH) was agreed in December 2006.

It will ultimately cover all chemicals placed on the European market, including 'old' products commercialised prior to 1981 before health and safety testing was required.

The European Chemicals Agency, which is based in Helsinki, was established in 2007 to implement REACH and has begun its work with a staff of over 300. This was envisaged to reach 320 by the end of 2009, with a further 102 to be added in 2010.

ECHA is due to become an independent agency in 2010 and its income will then be derived from fees paid by companies registering products under the REACH process. In November 2010, companies will have to submit full registration for 'old' chemicals, thus expanding the role of the chemicals agency.

The move comes after European Commission Vice-President Günter Verheugen said cutting the European Chemicals Agency (ECHA) budget would undermine its work and throw implementation of the REACH directive into disarray.

In 2010, ECHA is due to add 102 staff to the 320 personnel it will have recruited by the end of the year. This increase has been foreseen since the beginning of the REACH process in order to cope with its new tasks, and will cost €4.7 million.

However, in July EU governments agreed to a recruitment freeze for all existing agencies, with the notable exception of Frontex, which coordinates border security. New bodies due to be set up in 2010 are also exempt.

Many established EU agencies may have added a handful of new posts had governments not issued a blanket recruitment ban which was not specifically designed to slash the ECHA's budget. Nonetheless, 35% of the savings due to arise from the decision were to come from capping staff numbers at the chemicals agency.

## **Verheugen slams EU governments**

Verheugen lashed out at European governments earlier this week (1 September) when he appeared before the European Parliament's environment committee. The commissioner was not due to discuss the ECHA, but took the opportunity to express concern over the European Council's sweeping cost-containment measure.

He said 2010 will be "critical" for implementing REACH, and the agency needs resources to support this process.

"I am very concerned about Council's proposal to cut funding by €5 million. A cut of €5 million will undermine the work of the agency. I'm dead against the intention of Council here. It's just not on," he said.

Verheugen said it would be counterproductive to draw up ambitious chemicals legislation, only to cut its resources at the implementation phase.

"We cannot make legislation to equip Europe for the long term and then take away money. You can't have ambitious goals and then pull the funding," he said. Diplomatic sources said governments did not believe delaying recruitment would undermine the agency, adding that member states were merely seeking to apply to the agencies the same principles for administrative expenditure as those applicable to the EU institutions.

## **MEPs vote to reinstate agency's budget**

The commissioner's comments on Tuesday were timed to bring the issue to the attention of the ENVI committee, which voted yesterday (September 2) to reinstate ECHA's budget and allow it to continue to significantly expand its staff numbers next year.

MEPs from all major political groups backed an amendment proposed by German Social Democrat Jutta Haug, which effectively overturned the decision by member states to stall recruitment at ECHA.

The move is significant as the European Parliament has ultimate control over financing of external agencies.

In August, Haug submitted a draft opinion to the Parliament's budget committee on behalf of the environmental committee, stressing that decentralised agencies, including the ECHA and the European Medicines Agency, must be given "proper financing" to carry out their functions.

MEPs also highlighted that the chemicals agency will soon become dependent on revenues generated by fees, recommending that it be given budgetary flexibility to allow it to deal with the uncertainty this may bring.

## **Cash flow concerns**

There has been some concern that the timing of REACH implementation will leave a hole in the ECHA's budget. The agency is due to become independent at the beginning of 2010 but the revenue stream it expects to get from fees will not kick in until the end of November 2010, when companies must register for high-volume chemicals under REACH.

Given its status as an EU agency, ECHA is not in a position to apply to banks for a bridging loan but will get a temporary community subsidy which will be repaid by 2010 using the anticipated income from fees.

The Commission originally proposed a figure of €30 million, but the Council then reduced this to €25.31 million.

**Positions:**

**Geert Dancet**, executive director of the **European Chemicals Agency**, said staff and financial resources would be essential if it is to carry out its work.

"It will be indeed crucial for the implementation of the REACH and CLP Regulations that the European Chemicals Agency is provided with the necessary human and financial resources to fulfil its mandate. ECHA is therefore grateful that the European Parliament's environment committee has supported its case and adopted amendments that will, when carried through the budgetary process, correct the situation inadvertently created by the horizontal cut of the ECOFIN Council," he said.

# Recast of the RoHS and the WEEE Directives

## Green groups call for mercury cuts in CFL lamps

ENDS Europe

Monday 31 August 2009

The EU should reduce the mercury content in compact fluorescent lamps (CFLs), a group of environmental NGOs said on Friday. CFLs are used as an alternative to incandescent light bulbs.

[Sales of incandescent bulbs of 100 watts or more will be banned from Tuesday.](#)

CFLs are more energy efficient than incandescent lamps but there are concerns over their toxicity. The NGO coalition says their mercury content is too high. CFLs also emit electromagnetic radiations.

CFLs' mercury content should be reduced to around 2 milligrams per lamp and recycling rates should be improved, the NGOs say. The EU executive says the issue should be tackled under the RoHS directive on toxic substances in electronic equipment, not ecodesign rules.

The directive sets a mercury limit of 5mg per lamp for CFLs. A 1.23mg limit is being proposed under a [revision of EU ecolabel criteria for light bulbs](#). Current criteria set the limit at 4mg. [Ecodesign requirements issued in March](#) will help reduce lamps' mercury content.

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## EU states: RoHS's scope should not be restricted

ENDS Europe

Friday 11 September 2009

Member states have rejected a key element of the European Commission's proposal to revise the RoHS directive on toxic substances in electronic equipment, insisting its scope should not be restricted to a list of specific product categories.

The proposal to revise RoHS is closely linked to a separate commission plan to revise the waste electrical and electronic equipment (WEEE) directive. The EU executive wants to set the scope of the two laws in an annex in the RoHS directive. This annex would list the product categories that should be covered.

But during council meetings on Wednesday and Thursday, EU governments said RoHS should have an open scope with an annex instead listing the products exempted from the directive, confirming an approach that emerged during previous [council discussions in July](#).

Some delegations also wanted an open scope for the WEEE directive. But the Swedish presidency pointed out the law is based on article 175 of the EC treaty, which means member states are free to apply the rules to other products if they want to. Sweden proposes to stick to the current scope.

The proposed changes to RoHS and WEEE were reflected in draft proposals circulated by the Swedish presidency before this week's meetings. "Most present were happy with the changes", a council source told ENDS.

Governments and MEPs are now unlikely to reach a [first reading agreement on WEEE and RoHS](#) by December, ENDS has learned. According to the European Parliament's timetable the environment committee will vote on the two proposals in February, followed by a plenary vote in April.

In other areas of the RoHS revision, the Swedish presidency wants to remove all binding references to a priority review of four substances that could be banned under the law. Instead the substances – HBCDD, DEHP, BBP and DBP – would be mentioned in a non-binding recital. Several EU states want an outright ban.

# Cars and CO<sup>2</sup>

## **Blair: Climate efforts no reason to give up cars**

Published: Monday 24 August 2009

Former UK prime minister Tony Blair, a contender for the post of the EU's first president, last week (20 August 2009) praised China's low-carbon drive, stressing that low-carbon technology, not giving up car ownership, would pave the way for a sustainable transport future.

The comments were made at the launch of a new report from Blair's Climate Group in Beijing, the Guardian newspaper reported.

The report argues that China has taken the lead in developing and commercialising a range of low-carbon technologies, becoming a top producer of electric vehicles, wind turbines, solar panels and energy-efficient appliances.

The Climate Group forecasts that cars on China's roads will triple to 150 million by 2020, producing 20% of global CO<sub>2</sub> emissions. But the solution is not to sacrifice car ownership, but rather to intensify both the government's and the industry's efforts to develop electric cars, fuel-cell vehicles and other forms of low-carbon transport, as well as the necessary infrastructure, including recharging stations.

"I think the way we consume has to change, but I think it is completely unrealistic to say to people you can't have a car, you can't use a motorbike. It is just not going to happen," Blair said.

He warned that Western nations cannot tell the Chinese that they must not seek the same scale of economic growth as the industrialised nations have experienced in because they need to save the planet.

China already has 50 million electric bicycles and motorcycles, and 60% of the country's auto market is covered by energy-efficient compact cars, the Climate Group points out.

The Chinese government's four trillion Yuan (\$585 billion) economic stimulus package had a strong green dimension and was further backed with new policies supporting the uptake of low-carbon technologies, the report argues. Earlier this month, China's cabinet said that all levels of government should consider climate objectives as part of their development plans.

The energy intensity of the Chinese economy has already fallen by over 60% since 1980, and the government's goal is to bring it down by a further 20% between 2005 and 2010, the report notes. Moreover, China has put in place policies to boost the uptake of renewable energies: it now supplies 30% of the world's solar photovoltaic technology and is the fourth largest wind power generator in the world, it concludes.

Chinese experts said earlier this month that in the most ambitious scenario, China's emissions could peak in 2030. But as the global community is negotiating a new climate treaty to stop runaway global warming, the country, the world's biggest emitter of global-warming gases, has refused to make a political commitment to cap its emissions ([EurActiv 15/07/09](#)).

## Green merits of car-scraping plans questioned

Published: Monday 31 August 2009

As European countries start to wind down their car-scraping schemes, hopes of slashing transport emissions while stimulating the economy are being dashed by reports of illegal exports of old European cars to the third world.

### Background:

The European auto industry has been hit heavily by the economic and financial crises ([EurActiv 04/02/09](#)). As part of government rescue plans, programmes offering incentives to trade old vehicles for new ones have been proposed.

So far, 17 European countries have either put in place or are discussing such scrapping schemes. But they have been heavily criticised for subsidising one particular industry at the expense of market imbalances ([EurActiv 09/04/09](#)).

The hugely popular German car-scraping scheme came under pressure earlier this month when the country's police union, the BDK, found a container in the port of Hamburg full of old cars bound for Africa.

The German government offers a €2,500 subsidy to trade in a car older than nine years for one that is a year old at most.

The BDV estimates that since the scheme began in January, at least 50,000 old vehicles have been exported by criminal gangs after subsidies worth €125 million had been paid for them to be destroyed.

"The risk of being caught is extremely low, as there is hardly any control," BDK Vice-Chairman Wilfried Albishausen told Deutsche Welle.

"When someone is caught, punishment remains minimal [...] There is a market for old cars in Africa and Eastern Europe. And the German scrap industry is in a bad shape and therefore more willing to ignore the law," he added.

In Romania, the government's programme to recycle up to 60,000 old cars has coincided with a wave of second-hand car imports. In July, registrations of imported used cars outstripped those of new cars for the first time, EurActiv Romania reported.

### Environmental benefits unclear

While the extent of the problem remains unclear, hopes that an economic incentive could serve a second purpose of climate protection are waning.

The German government decided not to renew the scheme, citing high costs. The Halle Institute for Economic Research calculated that it was costing the government €5 billion euros.

Moreover, such scrapping schemes, which have led to significant rises in new car registrations, have been widely criticised for unfairly boosting the powerful automotive lobby ([EurActiv 09/04/09](#)).

The logic that new cars would pollute less than old decrepit vehicles is also failing to convince environmentalists. Most schemes fail to set any ceiling for the amount

of CO2 emitted per kilometre by new cars. Where they are in place, like in Portugal, the limits are criticised for being inadequate.

"Under most schemes, an old Fiat Punto could be scrapped and replaced with a Range Rover that emits three times as much climate-threatening CO2," Greenpeace said.

Moreover, concerns have been raised that nothing prevents scrappers from removing parts from old cars before they are crushed. Old engines, for example, can then continue to pollute elsewhere.

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## **DG environment 'could still keep climate portfolio'**

ENDS Europe

Thursday 10 September 2009

No decision on whether DG environment's climate policy portfolio should be transferred to a new, enlarged European Commission department on energy has been taken, commission president José Manuel Barroso told Green MEPs on Wednesday.

Mr Barroso confirmed he intended to create a new DG energy and a new post of climate commissioner, but he said climate policy could remain part of the environment directorate's remit. "That's a decision for the [next] commission president to take", he said.

The president was responding to a scathing attack by Luxembourg MEP Claude Turmes on [plans to create an energy and climate directorate](#). Commenting on rumours that environment commissioner Stavros Dimas would not keep his post if Mr Barroso was given a second term, the MEP said it would not be "good policy" to replace him before Copenhagen.

Mr Barroso was speaking to Green MEPs ahead of a European Parliament vote next week to decide whether he should serve a second five-year term in office. The president vigorously defended his track record on environmental issues, but admitted he only became more serious about climate in the later part of his first term.

Several Green MEPs accused Mr Barroso of offering too many concessions to large member states on green laws including the [EU climate and energy package](#) and a [regulation to cut CO2 emissions from cars](#) in a bid to win a second term.

But the president countered that the commission's proposals in both cases had been more ambitious than the final agreements. "It was the European Council and parliament that watered the plans down", he said.

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## **Spain unveils electric car plans**

Published: 08 Sep 2009 18:47 CET

Spanish plans to boost the use of electric cars could cut up to 81 million tonnes of CO2e a year.

Launching a campaign to promote the use of electric vehicles, industry minister Miguel Sebastian said a wholesale switch from petrol-powered cars could also save Spain €1 billion annually in emissions rights.

The government will initially provide €8 million for the purchase of 2,000 vehicles over two years.

It will contribute an additional €1.1 million towards installing a network of 546 recharging points in Madrid, Barcelona and Seville by 2011.

A further €56 million has been awarded to the Spanish automotive industry to finance projects to build electric vehicles in Spain.

The government wants 1 million electric vehicles on the road by 2014.

Sebastian also announced that promoting the cars will be one of the industrial priorities of Spain's European presidency, which will run from January to June next year.

The Spanish grid REE reckons the storage capacity of electric vehicle batteries could play a significant role in efficiently harnessing Spain's large wind power generating capacity.

However, environmental group Ecologistas en Acción attacked the initiative, questioning the positive impact of electric vehicles both on emissions and on congestion.

# Substances that deplete the Ozone layer

## Europe urged to reduce airlines' NOx emissions

ENDS Europe

Monday 7 September 2009

The European Commission must introduce policies to cut climate change-inducing nitrogen oxide (NOx) emissions and condensation trails left by airplanes, the Dutch environmental research group CE Delft said in a report released last week.

[Including aviation in the EU emissions trading scheme](#) (ETS) is insufficient to curb the sector's impact on climate change, according to the researchers. Policies to tackle non-CO2 aircraft emissions are needed to stimulate essential technological improvements, they say.

The report follows CE Delft recommendations published by the commission's transport department in March. It had been commissioned after the EU executive announced a plan to reduce the sector's NOx emissions in July 2008 alongside [measures to cut pollution from road transport](#).

But the commission decided to postpone the plans because of scientific uncertainty over their impact on climate change. At high altitude NOx creates ozone, a greenhouse gas, but it also destroys methane, another greenhouse gas. Studies on its overall impact have been inconclusive, according to the commission.

The CE Delft researchers however, estimate that aviation's total impact on climate change is twice that of its CO2 emissions. Moreover, biofuels will not reduce non-CO2 emissions, they say. [Biofuels have been widely touted as the fuel of the future for this industry](#).

The sector will probably not grow as quickly as most policymakers currently predict, according to the report. Nevertheless, airlines' environmental impacts will increase and, ultimately, demand will have to be curbed, the authors conclude.

\*Meanwhile, the Council of Ministers has rubber-stamped [an EU deal on strengthening the Single European Sky legislation](#). The agreement aims among other things to reduce airlines' impact on the environment by shortening flight routes.

# Protection of biodiversity and deforestation

## Call for deal on funding for forest protection

ENDS Europe

Wednesday 2 September 2009

Agreeing on funding mechanisms for forest protection must be a priority for governments meeting at the UN's climate change summit in December, according to the authors of a study on the economics of biodiversity presented in Berlin on Wednesday. There are several options on the table for combating global deforestation. One of them would be to include the forest sector in carbon markets. The European Commission said it could assess the feasibility of this option by the end of the next decade. An agreement on financial incentives to avoid deforestation at December's climate talks in Copenhagen could set a precedent for payments for ecosystem services, according to the study's authors.

The study was published by The Economics of Ecosystems and Biodiversity (TEEB) project, launched by Germany and the commission in 2007 in response to a call for a study on the economics of biodiversity. First results were presented last year. Full recommendations for policymakers are due in November. Ecosystems have a vital role to play in climate mitigation and adaptation. Earlier this year, the UN's environment programme (UNEP) said a post-Kyoto policy framework must recognise ecosystems' significant potential for capturing carbon. Their economic value has been recognised by both the European Commission and the G8. The TEEB calls for a global accounting standard to measure the carbon sequestration potential of forests and other ecosystem services. It advocates rapidly upgrading UN guidelines on environmental accounting to reflect these assets.

The EEA is developing full ecosystem accounts for member states by 2011. Investing in ecosystems provides a potentially "excellent" rate of the return, the German environment ministry says. US\$45bn (€32bn) invested in protected areas could secure nature-based services worth US\$5 trillion (€3.5 trillion) a year, it estimates. Conversely, the TEEB warns that the economic costs of losing coral reefs, an increasingly real possibility, could be "enormous". They are worth about US\$170bn (€119bn) annually, study leader Pavan Sukhdev estimates.

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## Carlgren urges new EU approach to ecosystems

ENDS Europe

Thursday 10 September 2009

Europe must radically change the way it uses natural resources to preserve ecosystem services, Swedish environment minister Andreas Carlgren said on Wednesday following a high-level meeting on biodiversity in Sweden. The meeting was intended to debate the EU's position ahead of next year's UN summit on biological diversity in Japan where governments will discuss a post-2010 global policy to protect biodiversity. Europe must push for a new framework that emphasises the economic value of biodiversity, Mr Carlgren said. The Swedish minister backed the findings of the TEEB study on the economics of biodiversity announced earlier this month. The study "shows the loss of the capacity of ecosystems to produce services each year brings even worse consequences than the current financial crisis", he said. Among other things, delegates called for an ecosystem-based approach to climate change and biodiversity loss. Negotiations on biodiversity's equivalent to the Intergovernmental Panel on Climate Change (IPCC) must be finished in time for next year's UN summit, they said.

# Eco-design Directive

## German light bulb craze ahead of looming EU ban

Germans are flocking to stores to stock up on incandescent light bulbs as Europe prepares to switch off the energy-guzzling bulbs ahead of an EU ban entering into force in September.

In March, the European Commission adopted a new regulation to gradually phase out all incandescent light bulbs and inefficient halogens between 1 September and 2012. The ban was intended to help in the EU's fight against climate change as the EU executive estimates that a move to efficient halogens and compact fluorescent lamps (CFLs) could slash the EU's CO<sub>2</sub> emissions by about 15 million tons every year.

The beneficiary, so the Commission believes, will be the consumer as a household will "save easily" €50 a year due to lower electricity consumption and the longer lifetime of the new lamps that will compensate for the higher purchase price.

In anticipation of the new rules, the sales of traditional light bulbs fell by as much as 35% in many European countries in the first quarter of 2009, according to the market research company GfK. At the same time, energy-saving light bulbs have steadily increased their market share. In the UK, for example, 12.3 million were sold in the last quarter of 2008 compared with 8.9 million in the same period a year earlier.

Osram, a leading lighting manufacturer, reported that green products now account for 65% of its sales and it hopes for a boost to 80% in the coming years.

"The big trend is energy efficiency," said Martin Goetzeler, CEO of Osram, adding that the EU decision would give a further boost to technological change.

## German consumers resist

But not all regions follow suit. In Germany, consumers are now hoarding traditional light bulbs before the phase-out starts with 100-watt bulbs, the German newspaper Der Spiegel reported. Some Germans have bought enough light bulbs to last them for the next two decades and retailers have joined the craze by stocking up on the energy-wasters as the bulbs on the shelves or in stocks are still allowed to be sold until they run out.

Ironically, this has boosted the profits of companies manufacturing the product. According to GfK, the sales of incandescent light bulbs in Germany were 20% higher between January and April this year compared to the same period in 2008.

Consumers argue that CFL bulbs cannot match the light quality of incandescent bulbs, saying that they are too dim and distort colours. Moreover, concerns have been raised that the flickering fluorescent light could trigger migraines or epilepsy seizures.

Some also question the greenness of CFLs, which contain mercury and require proper recycling facilities. However, as coal-fired stations emit mercury, incandescent light bulbs indirectly emit more mercury by using up larger amounts of electricity, experts noticed.

The economic and environmental argument against incandescent lights is nevertheless convincing as they convert only around 5% of the energy they use to light, wasting the rest as heat. Fluorescent lights use up to 75% less energy than incandescent lamps, while efficient halogens that match the light quality of conventional bulbs save somewhere between 25-50% of energy.

## Next steps:

- **Sept. 2009:** Incandescent light bulbs of 100W and above will be phased out.
  - **Sept. 2011:** 60W incandescent bulbs phased out.
  - **Sept. 2012:** 40 and 25W incandescent bulbs phased out.
  - **By the end of 2012:** All inefficient light-bulbs phased-out.
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## New EU rules give chance to get an edge

26 August 2009 | by Peter Davis, Farnell

The European Parliament's adoption of a strict regulatory regime intended to minimise the environmental impact of a broad range of energy-related products might not on the face of it seem like a good thing to the manufacturers who are going to have to re-jig their production processes in order to ensure their products are compliant.

However, for those prepared to see it in a positive light, the catchily-named Eco-design Directive 2005/32/EC provides an opportunity to gain an advantage over companies reluctant to respond. Previously referred to as the Energy-using Products Directive, it was originally limited to products that consume energy during use; however, it now encompasses products with an indirect impact on energy use.

The focus of the directive is on the product design process, the regulators having the view that this stage has the greatest influence over the resources that are used within the product itself, in its packaging and during its operating lifetime. The focus of the change, however, will be as much on the manufacturer.

Companies are certainly going to fall into line with the new regime. As the European Union's 2003 adoption of the RoHS (Restriction of Hazardous Substances) Directive has demonstrated, it is the strictest regime that tends to become the default industry standard. In today's world, manufacturers cannot hope to prosper by simply targeting their home market. Neither is it economic to maintain parallel production lines to meet differing market conditions.

Europe remains a major market for the global electronics industry, and manufacturers around the world will have to make the move to compliance with the new regime. Inevitably, Australasian companies will find themselves having to follow suit. Rather than doing so reluctantly, there is a strong case for doing so as swiftly as possible.

As environmental considerations assume a greater importance in the minds of many consumers, the demand for eco-efficient household goods will increase. Companies that respond swiftly will enhance both their market share and their reputation. Those that do not, will find it increasingly difficult to find space on the shelf. After all, retailers and distributors will always try to stock the products their customers want.

Of course, the necessary change will come at a cost. For manufacturers, the question is how to minimise the proportion of the cost they bear; to put it another way, how to get the consumer to bear at least some of the cost.

The answer lies in using the change imposed by this new regulatory regime as the catalyst for innovation. Rather than just making old products compliant, take the chance to innovate, to design something customers will willingly pay more for, and thereby share the cost of adapting your systems and processes.

This is where innovative components can help. For distributors such as Farnell, the challenge is to ensure we continue to make the latest and best available to our customers, which include an increasing number of both OEMs and CEMs.

The Internet allows the industry to keep up with legislative changes such as the Eco-design Directive. If we accept that a rapid response is the key to manufacturers turning the challenges posed by these new requirements into a competitive advantage, then getting the information as quickly and completely as possible is a vital first step in designing and implementing that response. [www.element-14.com](http://www.element-14.com), Farnell's new technology resource and online community, is a prime example of how the Internet can provide a valuable one-stop resource for design engineers, students and suppliers looking for unbiased technical information.

Regulation, on environmental and other issues, changing consumer demand, the pace of technological change – design and production windows are shorter, markets more global, and all of us have customers demanding a faster response. As is the case with Eco-design Directive 2005/32/EC, making the necessary changes is challenging. It can also be very rewarding.

*Peter Davis is Australia New Zealand Regional Director for electronics distribution company Farnell.*

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## **EU light bulb ban attacked from all sides as phase-out starts**

Published: Monday 31 August 2009

The EU's phase-out of traditional light bulbs begins tomorrow (1 September), but the European Commission is already under pressure to change its energy-saving policy.

The first batch of products to be subjected to a production and import ban will be inefficient 100W bulbs. Lower wattages will follow, until all incandescent and inefficient halogens have disappeared from the EU market by 2012.

The EU executive justifies the decision on the grounds that replacing energy-guzzling traditional bulbs with more efficient ones will cut the electricity bills of a European household by somewhere between €25 and €50 a year. Moreover, the EU will slash its annual CO2 emissions by around 15 million tonnes, it argues.

Although the various interests concerned have been generally happy with the aims of ban, the Commission's execution of the move is under fire from all sides.

### **Consumers want better protection**

Consumer associations argued that while the overall goals of the legislation are good, they do not fully address consumer concerns. BEUC and ANEC issued a statement on Wednesday (26 August) asking the Commission to "take immediate measures" to ensure that the transition goes smoothly.

The organisations point out that the Commission must ensure that people suffering from conditions like light sensitivity can continue to buy incandescent light bulbs until suitable alternatives are on the market. Concerns have been raised that the flickering light of the efficient compact fluorescent lights (CFLs) could trigger migraines or epilepsy seizures.

The groups also argue that the high mercury content of the new bulbs requires more attention.

"We urge the Commission to lower the limit values for mercury and to introduce a better recycling system. Although the current threshold is set at 5 mg of mercury

per bulb, the best available technology enables the bulb to work with only 1-2 mg," said ANEC Secretary-General Stephen Russell. He added that consumers should be provided a free service to return used bulbs to the shops.

### **Environmentalists want stricter ban**

Green campaigners, on the other hand, have argued that the Commission did not go far enough. WWF argued that in addition to inefficient incandescent bulbs, standard halogens should also be removed from the market.

The incandescent light bulb is a very inefficient way of producing light as it wastes 95% of the energy it uses as heat. But the standard halogen which will remain on the market is not much better, the NGO said in a release on Friday (28 August).

"Getting rid of incandescents is a no-brainer, but halogens are nearly as wasteful: we need to see the EU push innovative solutions into the market," said Mariangiola Fabbri, senior energy policy officer at WWF's European Policy Office.

Fabbri echoed consumer concerns that buyers will need accurate and simple information about the various alternatives.

"Simple information on packaging and recycling collection systems at points of sale are crucial to achieving real savings and changing consumers' habits," she added.

### **Commission insists alternatives sufficient**

The Commission has countered criticism of the inflexible changeover by highlighting that consumers will find a variety of alternatives to their traditional bulbs.

In addition to CFLs, improved incandescent bulbs with halogen technology will remain on the shelves, the EU executive says. It argues that these provide the same light quality as their less efficient versions.

The Commission expects that light emitting diode (LED) lamps, which are still in the early stages of commercialisation, will become real energy-saving alternatives in the future. In the meantime, it stresses that the banned lamps will not be taken off the shelves outright on 1 September, but can continue to be sold until stocks run out.

### **Next steps:**

- **Sept. 2009:** Incandescent light bulbs of 100W and above will be phased out.
  - **Sept. 2011:** 60W incandescent bulbs phased out.
  - **Sept. 2012:** 40 and 25W incandescent bulbs phased out.
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### **Recast - Eco-design directive**

The recast of a directive to extend eco-design to energy related products such as fridges, freezers, televisions, circulators, electric motors, external power supplies, lighting products and simple set-top boxes

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## **The Lightbulb Ban Begins Today**

The EU ban on traditional 100W lightbulbs comes into effect today, and businesses and green groups are welcoming the legislation.

The Government says the switch to low-energy bulbs will reduce emissions of carbon dioxide by around five million tonnes a year, or the equivalent of taking 73,000 cars off the road.

The ban, agreed by the EU under the Ecodesign of Energy-Using Products Directive, is supported by leading think-tank Green Alliance.

Policy adviser for Green Alliance, Hannah Hislop, said: "Banning an everyday product that wastes 95 percent of the energy it uses is a no-brainer in terms of saving money and stopping dangerous climate change. This policy will lead to energy savings equivalent to the electricity used in all the households in Belgium and Portugal.

"People may wonder what the light bulb has done to deserve all this attention. The truth is that this iconic ban has to be just the start of better, greener products across the board, from air-conditioning units and boilers to televisions and set top boxes. EU consumers will be able to save even more money and energy if ambitious energy-efficiency standards are set for all these products."

DIY chain B&Q has pledged to double its line of energy-efficient bulbs to coincide with the legislation. The range, named One Planet Home lighting, will include the introduction of a dimmable energy-efficient bulb as the company phases out all traditional bulbs by 2011.

Matt Sexton, B&Q's Director of Corporate Social Responsibility, said: "Replace your traditional bulbs today with energy-efficient ones and you'll be cutting your electricity bills and your home's carbon footprint."

However, Green Alliance's Hislop believes more must be done to save energy in the home. She added: "We need to make sure the incandescent bulb is not just replaced by the only marginally more efficient halogen, and speed up the introduction of LED technology, the most efficient lighting currently available. Consumers also need much better and clearer information about the alternatives."

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## **EC gives nod of approval to voluntary set-top box energy scheme**

The European Commission has given a preliminary nod of approval to a voluntary code of conduct for energy management by the TV set-top box sector. The scheme would replace regulatory obligations imposed by the European Commission, and the EU executive has identified imaging equipment as another sector that could benefit from a similar system.

The scheme, which currently goes by the name Voluntary Agreement for Complex Set-top Boxes, would commit participants to reduce power consumption of such devices to a similar level that would be expected from EC regulation, but would be implemented more quickly and allow the sector greater flexibility to respond to technological changes in the future.

Jacek Truscynski, who leads the commission's work on such regulation, said that for this group of products, self-regulation makes sense, and that the scheme would be implemented quicker while being more flexible to the changing needs of the industry than a regulatory approach through the CE certification rules.

"I think the proposal as it is looks good," Truscynski said at a briefing organised today by the Digital Interoperability Forum, which is the group responsible for drafting the scheme.

He added that some of the details needed fine-tuning, and in particular ways in which the voluntary agreement could go further than regulation in improving energy efficiency, for example by educating consumers. In addition, he would welcome an increased participation by cable operators in the scheme.

But otherwise, he said the voluntary agreement would most likely be acceptable to the commission, which has actively encouraged the sector to adopt self-regulation in place of rules imposed at EU level. Another sector that has made steps in the right direction towards self-regulation was the imaging sector, comprising of fax, scanner, printer and copying equipment, but that it had not come as far as the TV set-top box sector, Truscynski said.

The set-top box scheme could be in place as early as 1 July 2010 and would apply to set-top boxes that come to market after that date. It would then be revised in 2013 and 2016 to account for technological developments. Before approval, the European Commission would need to carry out an impact assessment, which could be ready by the end of this year.

- Wide membership -

The voluntary agreement includes the entire value chain of set-top box development, including chipset manufacturers, software developers, device manufacturers and TV operators.

This wide membership, it is hoped, will lead to greater impact of the scheme than would have been the case for an EC regulation, which would only have applied to the device manufacturers.

The list of members so far includes most of the main players in the sector, including Intel, Pace, Microsoft, Cisco, Thomson, Liberty Global, Sky and Canal+. With the current set of members, 70 percent of all set-top boxes on the market would be compliant with the voluntary agreement - a level that the commission says is acceptable to begin with.

In short, the agreement limits the amount of power a set-top box can use on an annual basis under typical usage, depending on the functionality of the device. Advanced devices such as those with recording capabilities or multiple tuners will be allowed higher energy consumption than simpler, low-end devices. Signatories will have to ensure 90 percent of all boxes that they bring to market are compliant, giving some leeway for distributing non-compliant equipment for legacy distribution platforms.

The actual energy usage of a device will be externally audited to ensure compliance, and companies that fail the audit run the risk of being excluded from the agreement, which is expected to allow members to carry a mark of certification.

Crucially, the energy consumption limits do not apply for functionality that has not been identified as "core" to the device, so future technologies that might consume considerable energy such as 3D TV could be added without contributing to the energy consumption of the device for the purpose of compliance.

However, revisions to the agreement, envisaged every three years, are expected to take into account the evolution of technology, allowing additional types of functionality to fall under the scope of the agreement if they become widespread.

Another caveat to the agreement is that it only applies to devices for which the TV set-top box is the principal function. Thus, a PC that had the capability of

receiving, recording and decoding TV signals would not be subject to energy consumption limits.

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## **Industry to cut energy use of "complex" set top boxes**

ENDS Europe

Wednesday 9 September 2009

The EU electronics industry has pledged to reduce the energy use of "complex" set top boxes as part of a voluntary commitment unveiled at a stakeholder meeting on Tuesday. A first set of efficiency requirements would apply from July 2010.

The "tier 1" targets for 2010 would limit the annual energy consumption of set top boxes to between 40 and 45 kilowatt hours (KWh) depending on the technology used. Products offering additional functions such as remote recording and high definition would have to use no more than 20-60 KWh per year.

A second set of more stringent targets would apply from July 2013, though under the agreement these could be revised at least nine months before the deadline. Manufacturers would have to ensure that 90% of their products comply with the targets.

This is the first voluntary commitment under the EU ecodesign directive. The proposed agreement covers complex set top boxes providing access to services such as pay-tv channels. [Mandatory energy efficiency requirements for "simple" set top boxes](#) were published in the EU's official journal on 5 February.

The initiative will be discussed by a multi-stakeholder forum on 12 October. If no major objections are raised, the commission will then check the proposed measures match recommendations made in a [consultancy report on complex set top boxes](#) published in December.

Edouard Toulouse, an ecodesign expert at the European Environmental Citizens' Organisation for Standardisation (ECOS) told ENDS the plan's ambition and penalties for non-compliance (exclusion from the scheme) were insufficient.

So far 26 manufacturers have endorsed the initiative. Industry body the Digital Interoperability Forum (DIF) expects signatories to cover 90% of the market. Similar voluntary ecodesign commitments are being drawn up by producers of medical equipment and imaging products.

\*Meanwhile on Monday member state officials attended a closed meeting with the commission to discuss closer cooperation on market surveillance activities under the EU ecodesign directive. They also discussed the prospect of national governments sharing more information on product compliance testing.

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## **EU's click of death for old family friends**

AFTER more than 70 years as a fixture in Britain's living rooms, the cathode ray television is to face the final fade-out, as part of the European Union's battle against climate change.

The European commission is demanding that manufacturers cut the energy consumption of televisions by a fifth. Both officials and manufacturers say cathode ray televisions will fall short of the new targets and be consigned to history.

The move, which follows the banning of the 100-watt incandescent lightbulb, is part of an EU directive intended to curb the growth in household electricity consumption.

Other measures, which come into force next year, include banning washing machines without a cold-wash setting. Cheap but inefficient fridges, freezers and dishwashers will also be banned.

Even the kettle is under intense scrutiny, with plans for a study into improving its energy efficiency. It is thought that researchers will look at kettles that heat a set number of cups.

Brussels predicts the new regulations, named the eco-design directive, could save the equivalent of Italy's entire annual electricity consumption. Critics, however, argue that the commission should tackle air travel before targeting domestic appliances.

According to Chris Goodall, author of *How to Live a Low-Carbon Life*, the average person in the UK produces 10 tonnes of CO<sub>2</sub> a year, of which domestic electricity consumption produces just 0.7 tonnes.

"Even cutting all electricity consumption in the home wouldn't compensate for the carbon dioxide produced by a return flight to Rome," he said.

"Politicians feel they can regulate efficiency but they're not brave enough to regulate lifestyle choices like flying."

In Britain, electricity consumption has doubled since 1970, driven in part by a huge increase in the number of electric appliances and gadgets. Televisions are among the worst offenders.

Britain has 60m sets, which consume an average of 500kWh per household a year, producing 5m tonnes of CO<sub>2</sub>. Just over half of them are cathode ray, or tube televisions.

The televisions are one of the most enduring technologies. Invented by John Logie Baird in 1926, the first commercial sets were sold in Britain a decade later. The rise of flat-screen plasma and LCD models, however, has led to a decline in their popularity. According to GFK, a market analyst, 259,000 tube televisions were sold last year compared with 8.6m LCD and plasma sets.

The commission is to demand that from August 2010 manufacturers cut sets' energy consumption by 20% over two years. Manufacturers confirmed last week that tube sets would not be upgraded.

Ironically, tube sets are actually more energy efficient than their flat-screen rivals. A 42in plasma television may use 822kWh a year, compared with 350kWh for an LCD flat screen of the same size. A 32in tube television, the biggest available, would use 322kWh.

Andre Brisaer, the commission's head of energy efficiency, said: "They [cathode ray televisions] will most likely be taken off the market. Manufacturers will most likely be unwilling to invest in upgrading them given the lack of interest from consumers."

The commission is also demanding that all washing machines are capable of running cold-wash cycles below 30C. Improved detergents mean clothes can be cleaned at lower temperatures.

The new regulations will potentially see the cost of fridges, televisions and washing machines rise by £100 or more. Under current EU benchmarks, kitchen appliances are graded from A++ to G for their energy efficiency.

From July next year, the commission will ban manufacturers from producing goods assessed as having a rating below the A grade.

Officials from the energy and transport group are now studying kettles, coffee machines, mixers and vacuum cleaners with a view to making them more efficient. Manufacturers are concerned. Paolo Falcioni, of the European Committee of Domestic Appliance Manufacturers, which lobbies for the industry, said: "Kettles are already as efficient as possible. The only improvement would be not to have them at all."

A spokesman for the commission said: "Our aim is not to take products off the market. We want to push an upgrade of technology that will, in turn, cut energy consumption."

# Climate Aid

## Poorest nations should get climate funds now - EU

ENDS Europe

Tuesday 1 September 2009

The world's least developed countries (LDCs) should receive funds immediately to adapt to climate change in coming years, Swedish environment minister Andreas Carlgren said in Brussels on Tuesday. The funds would be made available between now and 2012-13, before a successor to the Kyoto protocol enters force, Mr Carlgren said. They would also help developing nations build the capacity to design low-carbon growth plans. The Swedish presidency of the EU wants an agreement on this within weeks. "Up-front financing will be really urgent", said Mr Carlgren. The environment minister was speaking at a press conference following the first meeting of the European Parliament's environment committee since the end of summer recess. Mr Carlgren presented the Swedish presidency's green priorities and briefed MEPs about recent developments in international climate talks. The parliament's industry and energy committee will meet on 2-3 September in Brussels. Discussions will include draft energy efficiency laws for buildings and product labelling. EU finance ministers will discuss climate financing when they meet in Brussels on Wednesday to prepare for a G20 meeting later in September. Climate financing will also feature at this month's meetings of the Major Economies Forum (MEF), world leaders at the UN in New York and UNFCCC in Bangkok. Mr Carlgren hopes the US will propose more ambitious emission reductions. The senate's late September vote on a draft climate law will be "very decisive for the American position", the Swedish minister said. International talks will gather momentum if Japan's new government fulfils its climate election pledge, he added. Climate protection dominated the opening session of the parliament's environment committee. The committee is considering sending a delegation to Washington DC this month to "clear up any misunderstandings" on emissions trading, new chair Jo Leinen said. In other business, Mr Carlgren welcomed MEPs' "encouraging" position on biodiversity, another presidency priority. A meeting of EU environment ministers in Strömstad, Sweden, next week will lay the foundations for a post-2010 EU vision on biodiversity, he said.

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## Commission unveils actions to go beyond GDP

ENDS Europe

Wednesday 2 September 2009

Figures on Gross Domestic Product (GDP) should be complemented with environmental and social indicators to better measure economic activity, the European Commission said in a policy paper published ahead of a stakeholder discussion on 8 September. This is one of five actions proposed by the commission to improve GDP measurement. In particular, the EU will publish an annual green index showing countries' environmental performance in areas ranging from climate change to waste and air pollution. Other actions include developing a European sustainable development scoreboard and integrating economic and environmental accounting. The commission will propose a legal framework for environmental accounting next year. It wants to report on implementation of its recommended actions by 2012. The policy paper was announced two years ago at a conference in Brussels. The "beyond GDP" agenda is no longer confined to experts, says the commission. The idea is to develop indicators that "provide a more reliable knowledge base for better public debate and policy-making".

## **Commission unveils first climate aid blueprint**

EurActiv

Published: Friday 11 September 2009

The EU could offer 2-15 billion euros a year to help developing countries fight climate change and adapt to its predicted devastating consequences, the European Commission said yesterday (10 September). "The EU is moving and we hope other developed countries will follow," Environment Commissioner Stavros Dimas stated, presenting a blueprint for scaling up international finance in support of developing countries. The move represented an attempt to unblock stalled negotiations over a global treaty to replace the Kyoto Protocol on climate change, due to be agreed at the end of the year in Copenhagen. The Commission estimates that developing countries' overall financing needs will hit €100 billion a year by 2020, if an ambitious agreement is reached in Copenhagen. The EU executive foresees that between €22-50 billion will come from the international public sector. Emissions reductions in core sectors - industry, energy, agriculture and deforestation - would require €10-€20 billion, according to the Commission's proposal. Adaptation would take up €10-24bn, while €1-3bn is foreseen both for boosting capacity building and research respectively. Moreover, the EU executive earmarked €5-7 billion to "fast-track" the implementation of the new climate deal between 2010 and 2012 ahead of its entry into force. The proposal also recommends that the EU commit to providing at least €500 million and up to €2.1 billion a year, starting from next year. The EU's methodology for determining how much of the burden each developed country should offer hinges on its ability to pay, measured by GDP, and its responsibility for emissions. Depending on the weight of each factor, this would set the EU's contribution at somewhere between 10% and 30% of the total. The EU is keen to factor in responsibility for emissions, as this would lower its bill compared to a GDP-only calculation. Where the EU would end up in the wide range of €2-15 billion depends on how the weighting is decided in Copenhagen. Moreover, the Commission suggests that countries with lower climate ambitions should shoulder a larger financial burden.

### **Three sources of finance**

In addition to international public finance, the EU expects developing countries to take on a sizeable portion of the burden. The Commission blueprint suggests that around 20-40% of the total should be covered by public and private funding from the developing countries themselves. Poor countries should fund in particular low-cost energy efficiency measures, which pay for themselves through lower energy bills, it says. A third source of funding foreseen in the plan is the international carbon market. This would raise around 40% of resources and lessen the need for international public finance as it becomes more ambitious, it says.

### **Climate victim of politics?**

Dimas fended off accusations that the proposal had been scaled down after pressure from member states, as earlier drafts showed that the EU had been prepared to pay €13-€24 billion per year. As a result of the EU's emissions trading scheme, European companies are the biggest source of funding for emissions reduction projects in developing countries through the UN's Clean Development Mechanism (CDM), he pointed out. Environmentalists, however, were quick to note that the sums fall far short of an ambitious commitment. They have called on the EU to provide at least €35 billion annually on top of existing development aid.

### **Burden-sharing among EU countries**

According to the Commission, existing international burden-sharing principles would be used to calculate the contribution of each EU member state. But it

underlined that specific circumstances in individual member states would be taken into account. According to Dimas, one such circumstance could be where an EU country has to buy a lot of emission permits due to its reliance on coal, despite having a higher GDP. The EU is set for a heated debate on the matter, as countries such as Poland have insisted that internal burden-sharing is a prerequisite for an EU funding proposal in Copenhagen. But Dimas stressed that internal arrangements could be found after Copenhagen. He referred to the climate and energy package negotiated last year as an example of how this could be done.

### **Funding climate aid via the EU budget?**

The Commission's preferred means of financing the EU contribution would be via the EU budget, a method which would give the European Parliament a say in the process. Other options include the creation of a common 'Climate Fund' outside of the budget or direct contributions from member states, it said. The EU executive sees revenue from the bloc's emissions trading scheme as an obvious source of funding. It estimates that a robust market could deliver €38 billion annually by 2020. But so far only a vague agreement that 50% of the revenue "should" be used for climate monies has been struck. The paper will be discussed by EU leaders at their October summit, and it is now up to the member states to decide whether to take up the EU executive's recommendations.

### **Positions:**

Environmentalists were quick to react to the proposal, saying it lacked ambition. **Green MEPs Satu Hassi** (Finland) and **Bas Eickhout** (Netherlands) argued that the European Commission's proposal could jeopardise the negotiations by shifting a disproportionate share of the burden onto developing countries. "Overall, the underlying assumptions show that the Commission sees most of the global emissions reductions by 2020 taking place in developing countries. This is a clear renouncement of EU's purported leadership on climate change and ignores the EU's responsibility," they said. **WWF** congratulated the Commission for putting concrete figures on the table but said they fell far short of what is needed. "There is an impressive sleight of hand needed to arrive at these figures, said **Jason Anderson**, WWF's head of European climate policy. "Developing countries are meant to take on much of the reduction effort themselves, with most of the remaining amount covered by private capital. Even though these are assumed all to be lower-cost efforts, Europe has long failed to achieve such cuts itself," he added. **Greenpeace** was hopeful that the money on the table would break the deadlock in negotiations but warned that the modest amount would not stretch to help developing countries. "EU officials are playing political games without realising that they can write off the forests of Indonesia or central Africa with the stroke of a pen. The future of entire communities is at stake," said **Sebastien Risso**, Greenpeace EU's forest policy director. **Oxfam** welcomed the Commission's attempt to break the deadlock, but said that its proposal to divert funds from overseas aid spending was "scandalous". "Funds to help developing countries to tackle climate change must be additional to aid - not instead of it," said **Elise Ford**, head of Oxfam International's EU office. "This would rob tomorrow's hospitals and schools in developing countries to pay for them to tackle climate change today. This will undermine progress towards meeting the Millennium Development Goals."