

Emissions targets set for delay

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The future of the EU's Low Carbon Revolution hangs in the balance as it becomes likely its emissions targets will be delayed again.

The ongoing uncertainty is rooted in the EU's offer to the Copenhagen climate summit of a 30% emissions cut.

But this was dependent on "comparable effort" from other big polluters.

Observers say there is a world of difference between the upper and lower targets - but Europe still hasn't decided how high to aim.

The EU's figure of 30% translates to 42% in the UK.

Along with other countries that signed the "Copenhagen Accord" it faces a deadline of 31 January to come up with final numbers and plans for reducing emissions.

The final decision will affect the whole economy of the EU, from business investment strategies to households' fuel bills - and many major firms are demanding clarity on the steepness of the path ahead.

But the UN climate body, the UNFCCC, has acknowledged the uncertainty by re-categorising January 31st as a "soft" deadline not a "firm" deadline.

Three factors are likely to be influencing the EU's hesitant position:

Some European nations don't want to expose their industries to higher energy prices if competitors are unaffected - Poland and Italy have been vocal on this

There's an argument for the EU continuing to hold a bargaining chip until the US has passed its Climate Bill (if, indeed it manages to pass a bill).

The EU deliberately didn't define what "comparable effort" by other big polluters might mean, in order to allow negotiating space... and in several ways the negotiations over Copenhagen have not properly finished.

Greens are pushing for the EU to adopt the 30% target immediately. They believe it will lead to a profitable low-carbon economy, creating jobs and encouraging new technologies in Europe.

Impossible demands?

The climate economist Lord Stern supports this view, along with the governments in



The EU faces a deadline to come up with final numbers

the UK and France. The UK Environmental Audit Committee went further this week and urged the government to adopt a 42% target irrespective of EU action. The CBI fears that an EU unilateral 30% cut may be premature - opening opportunities for low-carbon firms but having a detrimental impact on energy-intensive manufacturers. The Institute of Directors is totally against a unilateral cut. Other sectors of European industry are also very nervous about competitiveness. The German government said in Copenhagen that other big polluters should offer more, but confirmed that Germany itself would adopt a unilateral 40% target. A source in the European Commission told me they were not yet convinced that conditions for the 30% mark had been reached.

The UK government fears that any conditions demanded by the EU on the US and Russia may prove impossible to meet - leaving the world with emissions cuts much lower than the safety threshold demanded by official science advisers. Japan's offer of a 25% cut by 2020 at Copenhagen was also conditional but following that meeting a government spokesman told reporters the offer would stand. But Australian policy is severely challenged following the defeat of climate legislation in their upper house, so their promises on climate may be hard to meet.

Global problem

The EU is really looking towards the US, where the climate bill is under fire in the Senate and has become even more difficult following the loss of the Massachusetts Democratic seat.

Commentators in the US say the bill will realistically need to be passed by June in some form as America moves towards mid-term elections.

If the US fails to pass a bill, will the EU shrug its shoulders and go ahead with its 30% cut? We can't yet say.

In the meantime, many of the world's businesses are looking on in frustration at this multinational game of climate poker. Business wants to be told exactly where it stands on climate policy. But it looks as if clarity will be hard to find.

It's precisely the lack of clarity that drives the UK government to continue to push for a legally-binding global deal in Mexico in December.

Sceptics point out that big developing countries have already offered their climate policies voluntarily and wonder what is the point of pursuing a legally-binding deal when there are no real sanctions for deal-breakers.

The British government believes a deal would help ensure that countries stick by their targets, adhere to the rules and subscribe to the firmest possible contract to tackle a quintessentially global problem.