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The Changing Role of International Negotiations in EU Climate Policy

Severin Fischer and Oliver Geden

For many years, the EU pursued the strategy of 'leading by example' in international climate negotiations. Climate policy has generally been seen as one of the few policy fields in which the EU is able to develop coherent positions and speak with a single voice. Since the Copenhagen climate summit, however, frictions inside the EU and a paradigm shift have become increasingly evident. With the October 2014 compromise in the European Council on a new framework for 2030, the international climate negotiations have become less important and a more incremental domestic approach has prevailed.

Keywords: EU climate policy, European Union, international climate negotiations

For many years now, the question of how negotiations over an international climate treaty under the United Nations Framework Convention on Climate Change (UNFCCC) are affecting national and regional climate and energy programmes has been a subject of research in the social sciences. Since the beginning of climate negotiations, the European Union (EU) has led efforts to move mitigation policies forward worldwide. Up to the 15th Conference of the Parties to the UNFCCC (COP 15) in Copenhagen 2009, the EU clearly pursued a strategy of 'leading by example'. Europeans were trying to broker a deal by taking important decisions on unilateral mitigation measures in advance of an international treaty and demonstrating their firm commitment to multilateral climate policy.

The disappointing outcome of COP 15 was one of several reasons why the EU changed its position on the role of international climate negotiations as a means of promoting domestic policy measures. Not only were Europeans feeling the delayed political impact of the EU's eastern enlargement on climate policymaking and the short-term effects of the economic crisis, there was also open opposition to the EU's 'frontrunner' strategy from central actors within the EU.

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This article explores the changing role of international climate negotiations in the EU's internal strategy development and policymaking by focusing on the discussions around its 2030 energy and climate strategy. The difficulties the EU has faced in finding a compromise among all of its 28 member states is the result of a paradigm shift that might also shape its strategy for COP 21 in Paris 2015.

The EU's leadership role in past international climate negotiations

Since the United States' decision not to ratify the Kyoto Protocol and subsequent withdrawal from a constructive role in international climate negotiations during the presidency of George W. Bush, the EU has emerged as the main actor among industrialised countries to push the process forward under the UN convention. During the 2000s, climate policy evolved as a key feature of the EU's emerging foreign and security policy identity. Climate policy has generally been seen as one of the few policy fields in which the EU is able to develop coherent positions and speak with a single voice. Its external policy is reflected in domestic policymaking processes such as the Burden-Sharing Agreement for the implementation of the mitigation commitments in the context of the Kyoto Protocol's first commitment period. The creation of the EU Emissions Trading Scheme (EU ETS) and a framework directive for renewable energy would have been less likely without ongoing international climate negotiations and their effect of reaffirming the EU's self-perception as a pioneer in climate policy.

The process has revolved around the March 2007 decision of the European Council to establish an "integrated energy and climate policy". In their conclusions, the heads of state and government derived the arguments for their domestic actions mainly from the international climate negotiations and the goal of limiting global warming to no more than 2° Celsius.¹ Their voluntary adherence to the UN-level process was also reflected in the conditional target of a 30 percent greenhouse gas reduction by 2020 compared to the base year 1990 if a legally binding UN treaty including all major emitters could be achieved. A 20 percent reduction served as the fallback option. This strategy was developed by a group of northern and western EU member states around Germany, France, the UK, and Denmark, which urged the leaders of Central and Eastern European countries to agree to the close tie this implied between the UN process and the EU's domestic mitigation policy.

The close connection between the international climate negotiations and the EU's domestic climate policy was originally meant to create pressure for ambitious EU policymaking. Since the Copenhagen climate summit, however, this argument has begun to erode.

¹Council of the European Union, 2007 European Council Presidency Conclusions, 10-23.

A talk-action gap in post-Copenhagen climate policy

The 2009 climate summit in Copenhagen can be seen as a turning point in the EU's frontrunner approach. Although the EU Commission continued its dual strategy of promoting the domestic benefits of transformation to a low-carbon economy and creating incentives for international climate negotiations, an increasing number of member state governments had become vocally sceptical of this approach. When the new Climate Commissioner Connie Hedegaard initiated consultations over a unilateral increase in the EU's mitigation target to 30 percent despite Copenhagen's failure to meet the predefined conditions, the idea was rejected not only by Central and Eastern European member states but also by those that had been hit severely by the economic crisis. Even the German government had no clear position on this proposal.

The decline in attention for climate policy issues after Copenhagen became most evident in the debate over the Commission's 'Roadmap 2050'. In October 2009, during preparations for the Copenhagen summit, EU leaders agreed in the European Council Conclusions to reduce GHG emissions by 80-95 percent by 2050 a target that was derived from the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report (AR4) in 2007 and was meant to be consistent with international efforts to limit the global temperature increase to 2°C.² Numerous member states have since included this reduction target for 2050 in their national energy strategies. However, at the EU level, this target was set only under the condition that "[the European Council] supports an EU objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce emissions by 80-95% by 2050 compared to 1990 levels".³ The wording suggests that the 80-95 percent target would have to be based on a joint commitment by all developed countries (Annex I parties to the UNFCCC⁴). In addition, it would be subject to scientific review by the IPCC. In the majority of subsequent scientific assessments of EU climate policy, however, these conditionalities for the 80-95 percent target were simply ignored.

As a followup to the Copenhagen summit, the European Council asked the Commission to analyse the economic effects of implementing such a long-term mitigation target. In response, the Commission presented three 'roadmaps' for the period up to 2050: one on the low-carbon economy, one on the energy sector, and one on the transport sector. In these documents, the Commission implicitly

²Geden and Beck, "Renegotiating the Global Climate Stabilization Target", 747-8.

³Council of the European Union, 2009 European Council Presidency Conclusions, 3.

⁴Annex I parties include the industrialised countries that were members of the OECD in the early 1990s, plus countries with economies in transition, including the Russian Federation, the Baltic states, and several Central and Eastern European states. Non-Annex I parties are mainly developing countries, including China and India.

formulated a concept of climate policy mainstreaming based consistently on the 80-95 percent target.⁵

Like the proposed European Council target, the roadmaps entered the sphere of macroeconomic modelling as "EU projections" and were regarded as an integral part of the EU's climate policy. Politically, however, the roadmaps were never endorsed in the Council of the European Union by the ministers for the environment, energy or transport. A Polish veto blocked the conclusions on the low-carbon roadmap and the energy roadmap, and the transport roadmap was not even put to the vote. While various directorates of the Commission were busy talking about the future EU climate policy, there was still no political action: it was a textbook example of "organized inconsistency".⁶

Like the 2050 roadmaps, other attempts to implement domestic climate policy measures have been delayed or stopped at the legislative level. Measures ranging from a substantial reform of the EU ETS to the indirect land-use change provisions in the biofuels sector or the provisions in the Fuel Quality Directive to stop Canadian oil sands from entering the EU all look like EU climate policies, but have never actually been implemented through formal legislative procedures.

As a consequence, to many observers, little seemed to change in EU climate policy after the failure of Copenhagen. Frictions inside the EU and a paradigm shift in EU climate governance, however, became evident when the negotiations for a new energy and climate framework meant to last until 2030 began.

Paradigm shift in the 2030 debate

The two most important factors driving current debates around the new 2030 framework for energy and climate policy in the EU are, first, the signs that Europe's economies are slipping into long-term recession and, second, the lack of progress in international climate negotiations. When the Commission presented its proposal in January 2014, criticism came from two camps. On the side of the environmentally progressive actors (including NGOs and northern and western EU member state governments) the lack of ambition and the missed opportunities to push ahead with the transformation to a low-carbon economy were the main arguments against a target of only 40 percent emissions reduction by 2030 (compared to 1990). More interesting, however, was the message from the second camp: Poland and the other Visegrad countries felt that it was too early for such far-reaching decisions as long as the outcome of international climate negotiations was still unclear. Thus, just as international developments were used as an argument for more ambitious commitments by progressive northern and western

⁵Fischer and Geden, *The EU's Energy Roadmap 2050*.

⁶Brunsson, *The Organization of Hypocrisy.*

member states in the 2007 debate, in the post-Copenhagen period, the changed circumstances were the most frequently cited argument for less ambitious targets.⁷

Furthermore, only half a decade after the 2009 European Council conclusions, the 2050 objective of 80-95 percent has to be seen in a new light as well. Not only are global emissions still rising and some developing countries already producing emissions in excess of the per capita emissions of several EU member states, the traditional distinction between 'developed' and 'developing' countries has begun to dissolve. If the EU's 2050 emissions reduction target is really supposed to be based on IPCC assessments, it would have to be revised in accordance with the IPCC's Fifth Assessment Report (AR5) issued in 2014. This would result in a new distribution of responsibilities within the EU, with Central and Eastern European member states now finding themselves in a different country category (Economies in transition – EIT) than northern and western member states (OECD-1990). Furthermore, the crucial number of "80-95 percent emissions reductions by 2050", which was given in AR4, is neither updated, nor referred to in AR5 - for the EU or for Annex I countries as a whole.⁸ If EU climate policy really wants to be 'science-based', the 28 heads of state and government would have to decide on a new 2050 target now. But since this would most likely result in a long controversy potentially undermining the EU's image as a global climate policy leader, the EU's 2050 climate objective continues to refer to an outdated IPCC report.

The 2030 compromise

After a long debate on the target architecture for the EU's new 2030 energy and climate framework, the European Council decided in October 2014 on a 40 percent domestic emissions reduction target for 2030.⁹ This time, however, the international climate negotiations were perceived differently. This was reflected in a review clause in the Council Conclusions asking the heads of state and government to reassess the EU decision after COP 21 in Paris in December 2015. Whereas the Western European countries were presenting the review to their populations as a chance to raise the EU's climate ambitions after 2015, the Central and Eastern European countries were conveying the message that nothing had been decided conclusively and that the review after Paris could lead to a reduction in ambitions. This "constructive ambiguity" of the European Council conclusions helped to bridge the widening gap between climate policy ambitions inside the EU.¹⁰

⁷Geden and Fischer, *Moving Targets*.

⁸B. Knopf and O. Geden, "A warning from the IPCC: the EU 2030's climate target cannot be based on science alone", *Energy Post*, 26 June 2014, http://www.energypost.eu/warning-ipcc-eu-2030s-climate-target-based-science-alone/.

⁹Council of the European Union, 2014 European Council Conclusions.

¹⁰Buchan, Keay and Robinson, Energy and Climate Targets for 2030.

Conclusions

Experience with European energy and climate policy since 2007 shows that, in contrast to what environmentalists, think tanks, energy companies, policymakers, and macroeconomic modellers are assuming or even calling for, the EU does not consistently make decisions or adopt measures that correspond to its own political programme of a low-carbon energy system transformation. In addition, the lack of rapid progress in international climate negotiations and the ongoing economic crisis have fundamentally challenged the EU's decarbonisation agenda. With UN negotiations failing to deliver emissions reductions that are consistent with the 2°C target, the EU will be forced to shift its internal policy debate to politically achievable progress and "evidence-informed" policy rather than the so far prevailing approach of "evidence-based" policymaking.¹¹ In this sense, the EU's climate diplomacy will have to accept that the only possible form of a successful COP 21 deal in Paris will be a 'pledge and review' system, since key players like the United States or China will not be willing to renegotiate the scope of their mitigation commitment.¹² Most likely, the changing international landscape will also accelerate the already observable trend towards a more incremental domestic approach. As a result, EU climate policy will become a 'normal' policy area.

With the year 2050 approaching and the gap widening between the official 80-95 percent reduction target and political realities, it is time for a new EU climate policy narrative. Such a narrative should reflect the broader shift in international climate policies from a top-down to a bottom-up approach that is more common in diplomacy and more in touch with mainstream politics, where economic co-benefits in terms of employment, air quality, and energy security are just as important as emissions reductions.¹³ This would still allow the EU to argue that its climate targets are more ambitious than those of any other developed country in the UN climate negotiations. More importantly, it would underscore that the EU is continuing its climate policy leadership, albeit in a different way – no longer based on imperatives formulated by climate scientists, but relative to commitments by other industrialised countries.

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¹¹Rose, "Five Ways to Enhance", 522-4.

¹²Victor, "Copenhagen II or Something New?", 853-5.

¹³Geden, "The End of Climate Policy".

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