

Practical Action, an international development NGO with Head Office registered in UK, welcomes the opportunity to comment on the EU 2020 Strategy. For the communities with whom we work to reduce poverty through access to appropriate technology, climate change has become a major additional challenge to their already very difficult lives. Practical Action is running programmes to help people in the countries where we work, in Asia, Africa and Latin America, adapt to the anticipated changes that climate change will bring. Adaptation will not however be possible unless the developed and industrialising countries make major cuts in their emissions, starting **now**.

The document does contain some important ideas when it states: "The exit from the crisis should be the point of entry into a new, sustainable social market economy, a **smarter, greener economy**, where our prosperity will come from innovation and from using resources better, and where the key input will be knowledge". We find it quite surprising that the issue of climate change and the major economic and social challenges that it will bring are not addressed in a holistic way at all.

We believe there should be much stronger emphasis from the outset for the strategy to have a coherence and prioritisation that is consistent with its introductory intentions.

- As the International Community's meeting in Copenhagen in December 2009 clearly demonstrated, the central challenge for all countries and regions of the world, including the EU, is to avoid dangerous climate change and its potentially catastrophic effects on human society, the economy and the environment. The imperative that flows from this is for almost **complete (80-95%) decarbonisation of the European economy to be achieved by 2050**. The EU2020 strategy must more clearly recognise this already agreed primary long-term priority as the driver for its efforts to increase employment and international competitiveness. Only then will the enormous opportunities that are entailed in such a new industrial revolution be led by Europe and its successful social model sustained during the transition.
- In that perspective, the pathway to success in 2050 is already partially indicated by **the move beyond the existing EU objectives of reducing emissions by 20% to at least 30% and ideally 40% by 2020**. There is now abundantly clear evidence of the short-term cost-effectiveness and achievability of such an approach, but also the strategic competitive advantages for the EU in pursuing such an approach, and generating very significant, sustainable, high social value employment growth. The disadvantages of not exploiting this moment of opportunity are also equally clear and this case needs to be clearly present in the rationale for and subsequent priorities contained in the final EU2020 strategy.
- Further essential components of this 2020 strategy must therefore establish a **stronger carbon price** to drive long-term investment decisions in the green economy that will deliver benefits in particular post-2020 and set **binding targets for more ambitious energy efficiency improvements** of at least 30% whose benefits will be experienced in the period up to 2020 and indeed will be of immediate impact in driving the EU's recovery from recession.
- A new level of European integration in the area of **Energy policy** should clearly demonstrate the EU's determination to achieve its 2050 decarbonisation target through the building of an integrated, pan-European

'super-smart' power grid offering secure, predominantly renewable and competitively priced energy for consumers. The enabling effect of rapidly driving this on other areas that require decarbonisation, notably transport and buildings, would be huge.

- Delivery of the EU2020 strategy must indeed be shared across EU institutions but driven by the Commission. **Mainstreaming** the 'smart green' basis for EU competitiveness and growth must be led by the Commission and demonstrated through the role of the new Commissioner for climate action in particular. Working with the full support of the President, she must ensure the **all EU policies, including the budget, are 'climate-proofed'** and consistent with this strategic imperative.
- We assume that the Commission can hold Member States to account on specific objectives through mandatory targets, such as those on energy efficiency. In areas not covered by such binding targets, for example in the fiscal policy, the Commission should use the open method of co-ordination. It should seek to achieve a **shift of at least 10% of the revenue or tax-base away from labour towards resource use and environmental protection**

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