

**Comments on Commission Working Document and Consultation on the Future
EU2020 Strategy
15 January 2010**

In bringing together economic, social and environmental goals, the EU2020 Strategy offers a crucial **opportunity** for the EU to ensure that its development in the next ten years, and indeed for the 21st century as a whole, is genuinely sustainable. As the first major policy initiative of the new Commission, it will give a clear signal of how President Barroso intends to demonstrate **leadership** during his second term of office and it should be judged as such.

The document is certainly correct in its assessment that 'this is a time of deep transformation for Europe', and it does indeed 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". The question is whether the approach as indicated will deliver this.

Although a number of the initiatives mentioned in the subsequent sections of the Working Document are undoubtedly important in achieving this, there should be much stronger emphasis from the outset on the following 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 poorest and most vulnerable communities are already experiencing the impacts of climate change on their lives and livelihoods, and additional potentially devastating impacts are inevitable if action is not taken now. Climate change is a major threat to all aspects of human development and to the achievement of the Millennium Development Goals. The imperative that flows from this is for almost **complete (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**

User Name: Tearf524736112

www.tearfund.org 100 Church Road, Teddington, Middlesex TW11 8QE

0845 355 8355 (ROI: 00 44 845 355 8355) enquiry@tearfund.org

Registered Charity No. 265464

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.

- EU projects that reflect and make real these targets should also therefore be prioritised and highlighted in the strategy. A new level of European integration in the area of **energy policy** should be the most visible demonstration of 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. And this is truly a project that can only be undertaken at EU level and realised with the sense of purpose that drove the EU's founding fathers in the last century.
- Another flagship project that could be deliver inter-generational social benefit consistent with the 'smart green' imperative would be to build on the ideas in the working document concerning **European research, education and innovation**. Targeting EU resources to a programme infrastructure renewal and exchange of experience and knowledge in centres of education (from primary to tertiary), research and innovation would also deliver visible socio-economic benefits to those on who our future depends.
- 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 lead 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.
- The default assumption should be 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 to environmental pressures, resource use and capital**.

References:

E3G, [30 % and beyond: Strengthening EU Leadership on Climate Change](#), 20 November 2009.
E3G with Chatham House, [Innovation and Technology Transfer, Framework for a Global Climate Deal](#), November, 2008.
WWF: [Jobs and the climate and energy package: Climate Protection creates EU employment](#), September 2008
ILO, [World of Work Report 2009: The Global Jobs Crisis and Beyond](#), December 2009
ECOFYS, [Ambitious emissions reductions will be cost-neutral for the EU](#), October 2009
New Energy Finance, [Impact of the EU ETS on Power Sector Investments, a survey of European utilities](#), 14 December, 2009