

Comments on Commission Working Document and Consultation on the Future EU2020 Strategy

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 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.

- 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**.

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