

Commission Conference "Options to Reduce Greenhouse Gas Emissions due to Mobile Air Conditioning"

Brussels, 10-11.2.2003

Speech by Commissioner Margot WALLSTRÖM

Ladies and Gentlemen,

I am very **pleased to open this conference** this morning. I know that some of you have travelled from very far to come here - welcome to you in particular. I was also pleased to learn that we **have worked closely with partners from other parts of the world in preparing this meeting**, and I would like to thank the US Environmental Protection Agency for our good co-operation in this respect. There can be no doubt that we **have to co-operate internationally** when it comes to addressing global threats such as climate change.

We in the EU see **climate change as one of the main threats to sustainable development**, and combating it is therefore a top priority for us.

Today and tomorrow we will **seek advice from you on the way forward to curbing emissions from mobile air conditioning**. It will be an important input to legislation that I intend to present later this year.

What I would like to do in my introductory remarks to this conference is to remind you of the **overall political framework** in which this conference takes place. I will say a few words on the European Climate Change Programme, and I will conclude by **setting out the challenge for this conference**.

International context

Where are we at the international level when it comes to addressing climate change?

As you know, the **EU has taken a leading role** in international negotiations on climate change for a number of years now, and this role only increased **after the US decision not to be part of the Kyoto Protocol**. Together with other nations around the world, we saved the Kyoto Protocol after this decision in 2001. The **Kyoto Protocol is a true landmark agreement**. It creates a long-term framework on which we can build in the future, although we all know that without the United States as the biggest emitter of greenhouse gases, it will be less effective.

Today, we can say that **our efforts have not been in vain**. By now, over 100 parties have ratified the Kyoto Protocol, including nearly all the industrialised countries. The **only step that separates us from its entry-into-force is the ratification by Russia**, and we are confident that Russia will ratify as Prime Minister Kassianow announced at the World Summit in Johannesburg last summer. We continue to remind them of this promise, and I will join an EU delegation to Moscow in early March to do so again. This is **a question of Russia's international credibility**.

Our leadership, however, requires that **words are matched by actions**. Developing countries are waiting to see the industrialised countries reduce their emissions as a pre-requisite for taking on commitments themselves. I think they are right. Our **per**

capita emissions in the EU are 9 times higher than per capita emissions in India. How could we argue that we do not have a duty to act first?

But the biggest reason why we should act is, in my opinion, the risks of inaction. From what the scientists tell us, **the costs of inaction would mostly be borne by those poorer and younger than ourselves.** Less developed countries, where the poor are more vulnerable to the effects of climate change, and future generations – our children and grandchildren – will pay a heavy price if we decide to sit on our hands and do nothing. The **flooding in Europe last summer** illustrates the kind of events, and the near-term costs, which will become more frequent as climate change happens. One consequence of doing nothing now would be that we would have to make even greater and more costly efforts in the future to put things right.

The science is clear, the signs are already there.

European Climate Change Programme

So what are we doing in the European Union to combat climate change?

Our efforts are developed under what we have called the **European Climate Change Programme** that the Commission launched in March 2000. It complements the efforts taken by the Member States to combat climate change through a series of common EU measures.

While the business community should rise to the challenge of climate change, it is **an obligation for policy-makers to help find the most cost-effective way of meeting our objectives.** The aim of the European Climate Change Programme - or ECCP - has hence been to identify cost-effective emission reduction options, and to do so together with stakeholders. The ECCP is a comprehensive approach which makes clear that **all sectors of the economy will have to share the burden of Kyoto.** That is politically important.

We can say today that the ECCP has delivered. First of all, it came to the re-assuring conclusion that there are sufficient low-cost measures to meet our Kyoto commitments. **Kyoto is technically and economically feasible.**

Under the European Climate Change Programme, the **Commission has presented a number of important initiatives and more are in the pipeline.** I just want to mention proposals that my colleague Loyola de Palacio has put forward on biofuels for transport and on the promotion of combined heat and power. A Directive on the energy efficiency of buildings has already been agreed by Council and the European Parliament. Further proposals are being worked on within the context of the ECCP on energy services, energy auditing - and of course on fluorinated gases, within which context we want to address mobile air-conditioning.

All these measures **build on earlier actions** for example to promote renewables in electricity generation and to improve the fuel-efficiency of passenger cars. We have an **important agreement with the European, Japanese and Korean car manufacturers** under which they will reduce the average emissions of new cars in the order of 25% between 1995 and 2008/2009, and we will start negotiations on a further reduction towards the end of this year. I am pleased that certainly the European and Japanese manufacturers have made good progress in honouring this agreement.

A **cornerstone of our European climate strategy is emissions trading** between companies within the EU, and Member States reached an agreement on establishing an emissions trading system in December. Emissions trading will dramatically cut the costs of implementing our Kyoto target, and it offers new opportunities for innovative and pro-active businesses.

This was just a brief overview of what we are doing to live up to our commitments under the Kyoto Protocol. It shows you that we are taking them seriously, and that all sectors are asked to contribute. **Combating climate change must be a joint effort, and it is an issue that will remain on the agenda for many years to come.**

The importance of emissions from mobile air conditioning

Let me turn then to **where you can contribute** to these efforts, today and tomorrow, and in the longer term.

But before I do so, **let's take a short holiday**. I want you to imagine a hot day in the middle of summer. I know that this is very difficult at this time of the year. But in fact, last summer was one of the hottest ever recorded in Sweden.

So, on one of these hot summer days a Swedish family decides to meet at their summer cottage. The son has to drive there from Stockholm. He cares deeply about the environment so when buying a car he has opted for a fuel-efficient, environmentally friendly model. In fact, it even meets the Community target of not emitting more than 120 grams of CO₂ per kilometre. So he is pleased to be doing his bit to protect the environment.

But he is driving a little too fast on the final bumpy stretch to the summer cottage and the car hits a rock thereby damaging the air-conditioning unit. When the son arrives at the cottage, his father – who for the sake of the story happens to be a greenhouse gas expert! – teases him about the damage he has been doing to the environment. The son is shocked when his father explains that he would have to stop driving for at least six months to make up for the global warming effect of the refrigerant that has escaped from the broken air-conditioning unit.

And he is even more surprised when his father adds that the fuel consumption and resulting CO₂ emissions of his brandnew car are actually much higher than he was told when he bought it because the measurement during type-approval did not include the weight and the operation of the air-conditioning.

So even though the son did his best to choose an environmentally friendly car, he was not aware of all its actual and potential environmental impacts, in this case due to air-conditioning. **While air-conditioning is rapidly becoming a standard feature of new cars because everyone wants to drive in comfort, it also puts an additional burden on the environment.**

Let me come back to real life now.

As I said before, the European Climate Change Programme has shown that **all sectors must contribute to a cost-effective strategy to meet our Kyoto target** of reducing greenhouse gas emissions by 8% between 1990 and 2008/2012. This also applies to road transport.

The challenge for us and for you is that **air-conditioning makes a growing contribution to total greenhouse gas emissions from passenger cars**. Our estimates

suggest that it will add the equivalent of at least another 30 million tonnes of CO₂ to total emissions by 2010, and another 50 million tonnes by 2020. Allowing this increase to happen would of course make achieving our Kyoto targets more difficult. It would also mean that in the future air-conditioning would account for 10% of total greenhouse gas emissions from cars.

Need for action

This makes it clear that **we need to take action to reduce emissions from mobile air-conditioning units**. This was reflected in a request by the Council of Ministers to the Commission to study and prepare appropriate measures. This conference is part of the consultation process that we have started to that effect.

It is no secret that **we are seriously considering phasing out hydrofluorocarbons** from mobile air-conditioning. If we opt for this course of action, we have to decide how long a transition period towards applying alternative technologies should be. This is one question where we need input from you. Many of you have already given careful consideration to the whole question of how to reduce greenhouse gas emissions from mobile air-conditioning units. We are encouraged by statements from a wide range of automotive and equipment manufacturers that they are committed to protecting the environment in the interest of future generations. **We want to work closely with you** to make sustainable development both for the industry and for the environment a reality. We want to **address the environmental problems caused by mobile air-conditioning while at the same time enabling citizens to continue to enjoy its benefits**.

Manufacturing and selling cars is a truly global business. What we decide to do in the EU will have a direct impact in Japan, the United States and elsewhere. The reverse is also true. Therefore, we **hope to achieve a common, effective approach that reaches beyond the European Union**.

Concluding remarks

As I mentioned earlier, we will propose legislation for reducing emissions of fluorinated gases later this year, and we will be looking at mobile air-conditioning units in this context. We have not yet decided exactly how to deal with them. **Phasing out HFC's is one option, but we are happy to consider alternative paths if they are promising**. This is why we have organised this conference, and why we want to listen to your views.

Thank you therefore again for coming - and I hope you will have productive discussions today and tomorrow.