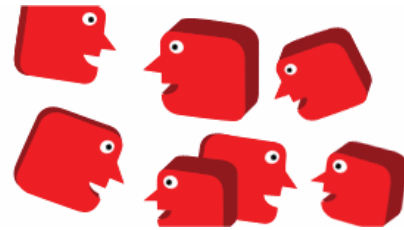




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## Consultation for the PES Manifesto for the European elections 2009: Discussion Paper

### SAVE OUR PLANET

#### 1. The Challenge

The challenge Europe faces today is that of achieving **sustainable development**: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

More and more people consider fighting **climate change** to be the most pressing problem of our time. The human contribution to global warming is now widely accepted. The Stern Report, commissioned by the UK Labour Government, and the reports of the Intergovernmental Panel on Climate Change (IPCC) show that we face a simple choice: either we reduce emissions of greenhouse gases (GHG) quickly, or the effects of global warming will be irreversible. As the Stern report clearly states:

*“If we don’t act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more. In contrast, the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year. The investment that takes place in the next 10-20 years will have a profound effect on the climate in the second half of this century and in the next. Our actions now and over the coming decades could create risks of **major disruption to economic and social activity**, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century.”<sup>1</sup>*

Global dependence on **fossil fuels** not only threatens the climate: the increasing volatility of energy markets and high prices lead to economic instability. In the long run, the growing hunger for limited resources of coal, oil, and gas is unsustainable and might lead to international conflicts.

The world economy will run into the severest economic crisis in modern history if we do not end our dependence on fossil fuels. Today, the **cost of not acting is much higher** than effective climate protection. In the long run there should be no conflict between affordable energy prices and a progressive climate policy.

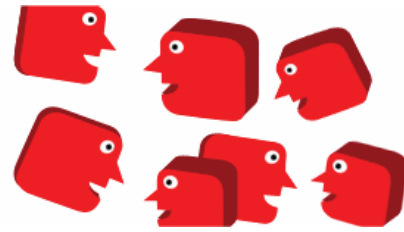
The effects of climate change will not only be economic, but will also be measured in **human lives**. Consistent rises in fossil fuel energy prices will hit the poorest harder and harder, leaving many Europeans in **energy poverty**. On a global scale, **drought**, famine and energy

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<sup>1</sup> “Stern Review on the economics of climate change”, HM Treasury, 30<sup>th</sup> October 2005



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poverty in Africa, south-east Asia and the Middle East particularly could cause great flows of migrants towards Europe.

We must act now to **reform energy production and consumption** in a way that reduces carbon dioxide and other greenhouse gas emissions. If greenhouse gas emissions are not reduced significantly by 2020, there will be drastic consequences for the way we live.

**New, sustainable energy sources** are essential. If we want to achieve the ambitious targets necessary for achieving **sustainable development** and limiting the consequences of global warming, we need big changes in transport, housing, logistics, consumption, and industrial production, to name but a few issues. New, cooperative forms of international agreements have to be developed, and new development strategies for under-developed countries need to be explored. Minor improvements are no longer good enough.

## 2. What's Europe got to do with it?

In 1997 **sustainable development** became a fundamental objective of the EU when it was included in the Treaty of Amsterdam as an overarching objective of EU policies. In the fight against climate change, European heads of state and government have accepted the international commitment to keep global warming within 2 degrees above pre-industrial level, within the framework of the **Kyoto Protocol**.

The EU established a sustainable development strategy in 2001, which sets out objectives to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy. The strategy's objectives, targets and concrete actions are designed to address seven key priority challenges until 2010: Climate change and clean energy; Sustainable transport; Sustainable Consumption and Production; Public health threats; Better management of natural resources; Social inclusion, demography and migration; Fighting global poverty. The question remains whether the objectives and actions foreseen are sufficient, in view of the increasing urgency of climate change, for the period following 2010 when the strategy in its current form is due for revision.

In March 2007, the European Council adopted an integrated strategy to combat climate change and to **secure Europe's energy supply**. This strategy includes binding targets for the reduction of greenhouse gas emissions (GHG), the use of **renewable** energy sources and the implementation of the European energy efficiency action plan.

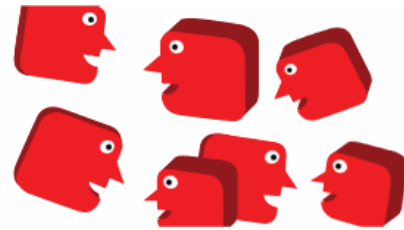
The European Union committed itself to reducing GHG emissions by 20% by 2020. At the international level, the European Council has endorsed an EU objective of 30% reduction in greenhouse gases by developed nations by 2020, depending on all major GHG producing countries, such as the US and China, supporting such a binding goal.

To achieve these targets, the EU needs gains of 20% energy consumption through more efficient use of energy. It has therefore set binding targets by 2020 of 20 % of EU energy production from renewable sources; 10% of biofuels in the transport fuel mix; and saving 20% of total primary energy consumption. New initiatives include proposals for an international agreement on **energy-efficiency** standards in appliance-producing countries.



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The European Union is now developing a **common external energy policy** with major supplier, consumer and transit countries, including Russia. It is also putting in place a **European Strategic Energy Technology Plan** that focuses R&D efforts on low carbon technologies.

The **Emissions Trading Scheme (ETS)** is the major tool for achieving these targets, which will now be revised. The ETS allows companies exceeding individual CO<sub>2</sub> emissions targets to buy allowances from “greener” companies and help reach the EU targets under the Kyoto Protocol. However, since its creation, some member states have allocated too many pollution credits and, in 90% of cases granted them for free, which has forced carbon prices down and allowed some companies to make money out of the scheme by selling credits without having to reduce their emissions. There is also the question of the sectors which are currently excluded from the ETS, like aviation. For these reasons, the ETS’ credibility has, to many observers, been undermined. However, the ETS will need to be revised for its post-2013 period of trading, where its defects could be corrected. The global extension of the Emissions Trading Scheme will also come under consideration in order to achieve deep cuts in worldwide emissions at lowest cost, within a global climate framework. The question remains open as to what type of ETS the European Union will agree to have in future and whether it decides to persuade other global powers to join a global ETS.

Although the EU is united in its common commitment to develop a sustainable, low carbon economy, the implementation of these ambitious targets will be difficult if the right policies are not developed at EU level and in member states.

### 3. Our ideas

The PES has developed ideas for climate change and energy policy in its resolution “Secure energy supply and smart, green growth: A new social democratic energy policy”, adopted at the PES Congress of December 2006. Our main ideas, at present, are the following:

#### A. Sustainable, independent and secure energy for Europe

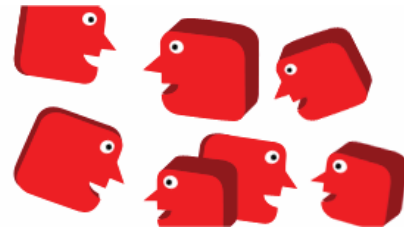
- Europe’s energy strategy has to tackle climate change and energy policy in an integrated way;
- The new strategy should be based on the principle of sustainability;
- Renewable energy and energy efficiency are key elements;
- The introduction of renewable energies and the more efficient use of energy offer huge economic opportunities for Europe;
- Sustainability means more than changing the pattern of energy consumption: it touches on production, consumption, transport, housing, urban planning, etc.

#### B. Smart, green growth

- Smart growth means combining sustainable economic growth with tackling climate change;
- The right economic and tax incentives will ease the necessary transition to a low carbon economy;
- Europe must focus its research on key technological areas for a green industrial revolution;



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- Europe needs the right mix of private and public investment, citizen's choices and political leadership for the transition to a low carbon economy.

### **C. Action at all levels**

- Consumer choices and interests are a huge, largely untapped resource in the fight against climate change.
- Citizens' individual energy choices can be influenced by the "energy culture" of their local communities and the countries in which they live. Public policies – not least at the regional and local levels - are important for promoting awareness as well as facilitating energy efficiency and energy conservation;
- Political parties have to stress corporate environmental responsibility for the fight against climate change.

### **D. A Global Answer to a Global Challenge**

- Energy must become a major element of Europe's foreign, security, and development policies;
- Security of energy supply must be an integral part of the EU's common foreign and security policy, on the same level as development and trade policies. The EU must use its collective weight in dialogues with key energy suppliers, aiming at solid long-term partnerships and energy cooperation agreements.
- Europe's socialists and social democrats call for a global answer to this global challenge. We will work on involving the US and the biggest developing countries in the UN Framework Convention on Climate Change.
- Co-operation with developing countries depending on energy imports must support investments in a domestic ecologically sustainable energy production. Their access to energy imports must be safeguarded while hurtful competition between them and developed countries must be prevented.

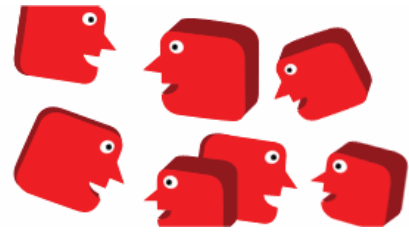
## **4. Questions for you**

1. What priorities and policies should the EU pursue for sustainable development and the fight against global warming in the period 2009-14?
2. How can Europe help developing countries to reduce CO2 emissions?
3. How can Europe reduce its dependence on fossil fuel?
4. What can citizens do to fight global warming? And how should the EU encourage its citizens to take action?
5. How can we combine sustainable economic growth with tackling climate change?
6. Which economic and tax incentives will ease the transition to a low carbon economy?
7. What are the key technological areas for a green industrial revolution?
8. How can we organize the right mix of private and public investment, citizen's choices and political leadership for effective sustainable development and climate change policies?



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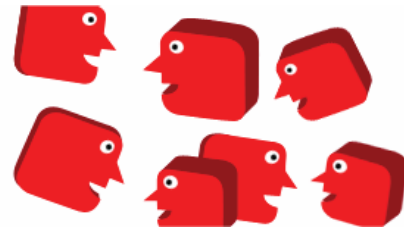
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9. What should Europe's energy priorities be in its foreign policy?
10. How can the EU take the lead in achieving a post-2012 Kyoto framework?



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### **Background documents**

PES Congress Resolution of December 2006 on “Secure energy supply and smart, green growth: a new social democratic energy policy”

[http://www.pes.org/downloads/Energy\\_Congress\\_EN.pdf](http://www.pes.org/downloads/Energy_Congress_EN.pdf)

PES Presidency Declaration of February 2007 on “A New EU Energy Strategy”

[http://www.pes.org/downloads/Presidency\\_Energy28-02.pdf](http://www.pes.org/downloads/Presidency_Energy28-02.pdf)

Reports of the Intergovernmental Panel on Climate Change (IPCC)

<http://www.ipcc.ch/>

Stern Review on the economics of climate change, HM Treasury, 30<sup>th</sup> October 2005

[http://www.hm-treasury.gov.uk/independent\\_reviews/stern\\_review\\_economics\\_climate\\_change/stern\\_review\\_report.cfm](http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm)

EU sustainable development strategy

[http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/90111.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/90111.pdf)

European Council decision of March 2007 on an “Integrated climate and energy policy”

[http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/93135.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/93135.pdf)