



**COUNCIL OF
THE EUROPEAN UNION**



A Roadmap for moving to a competitive low-carbon economy in 2050

- Presidency conclusions -

3103rd ENVIRONMENT Council meeting

Luxembourg, 21 June 2011

The Hungarian Presidency of the Council

1. REAFFIRMS the EU objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce emissions by 80-95% by 2050 compared to 1990 levels; RECALLS the EU's independent commitment to achieve a 20% reduction of greenhouse gas emissions by 2020 compared to 1990 as well as the EU's conditional offer to move to a 30% reduction by 2020 compared to 1990, as part of a global and comprehensive agreement for the period beyond 2012 and provided that other developed countries commit themselves to comparable emission reductions and that more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.
2. HIGHLIGHTS the importance of long-term, cost-effective low-carbon development strategies, in line with the Cancun Agreements, which are consistent with the objective to keep the global average temperature increase below 2°C compared to pre-industrial levels.
3. RECOGNISES the importance of transitioning to a low-carbon economy and society in Europe in driving sustainable growth and innovation, increasing energy security, creating jobs and enhancing competitiveness; NOTES Member States' efforts to develop low-carbon development strategies and INVITES all Member States to undertake such efforts.

P R E S S

4. WELCOMES the Commission's Communication on a "Roadmap for moving to a competitive low-carbon economy in 2050", which is a key element of the EU2020 Resource-efficient Europe flagship initiative; STRESSES the urgent need to give clear signals for businesses, investors and other stakeholders; UNDERLINES that delays in the adoption of adequate measures can generate additional costs and RECOGNISES the proposed milestones for EU domestic emission reductions presented in the 2050 Low-carbon economy roadmap of 40% by 2030, 60% by 2040 and 80% by 2050 compared to the 1990 level as the basis for further work on the action needed to make the transition in a gradual, cost-effective way; Similarly TAKES NOTE of the Commission's finding that the 25% domestic reduction by 2020 would be in line with the pathway, consistent with the long-term climate objective; STRESSES the need to continue to take into account in further work technological and market developments in light of the uncertainty associated with such long-term projections; INVITES the Commission, taking into account the underlying assumptions at Member State level, to present timely options for delivering the reductions in 2050 Low-carbon economy roadmap for the period to 2030; In this context, STRESSES the need for a balanced approach that respects the principles of "polluter pays", cost-effectiveness, fairness and solidarity in the distribution of additional efforts and benefits between Member States.
5. LOOKS FORWARD to considering the Commission's cost-benefit analysis of the consequences at Member State level of moving beyond a 20% greenhouse gas emission reduction by 2020; RECOGNISES that this analysis should inform the discussions on the EU reduction target for 2020, notably in the context of the international negotiation process; RECOGNISES the Commission's finding in the 2050 Low-carbon economy roadmap that if the EU delivers on its energy-efficiency objectives, this would enable the EU to outperform the current 20% emission reduction target and achieve a 25% reduction by 2020; UNDERLINES the key importance of energy efficiency in enabling the EU to reduce its emissions in a cost-effective way; RECALLS the European Council conclusions of February 2011, which stated that the 2020 20% energy-efficiency target as agreed by the June 2010 European Council, which is presently not on track, must be delivered.
6. RECOGNISES that in order to deliver the domestic reductions necessary for the transition to a competitive low-carbon economy by 2050, all sectors of the economy will need to contribute; STRESSES, therefore, the need to integrate climate change objectives and milestones into all relevant sectoral policy areas, such as energy, transport, industry, and buildings, and specifically to mainstream mitigation and adaptation strategies into the future Common Agriculture Policy and Cohesion Policy; UNDERLINES the economic and employment opportunities and challenges for the EU of increased investment in safe and sustainable low-carbon technologies; INVITES the Commission to consider how public and private resources and investments could be stepped up and used more efficiently within the EU to facilitate a cost-effective transition to a low-carbon economy.

7. **UNDERLINES** the need for coherence between the 2050 Low-carbon economy roadmap and all other relevant components of the Resource-efficient Europe flagship initiative, such as the Commission's recently published White Paper on Transport and Energy Efficiency Plan, as well as the forthcoming Energy Roadmap; **INVITES** the Commission, based on analyses of sectoral constraints and potentials, to further develop sectoral roadmaps and policy initiatives in order to elaborate the cost-efficient reduction pathway to a competitive low carbon economy in 2050, specifying the required flexibility between sectors and taking into account various technology development scenarios, the importance of accompanying policies, as well as relevant challenges, appropriate milestones and measures in all other relevant policy areas.
 8. **EMPHASISES** the crucial role of R&D and demonstration of safe and sustainable low-carbon technologies; **CALLS** for the implementation of the Strategic Energy Technology Plan as one of the key tools to manage the transition towards a low-carbon economy.
 9. **RECALLS** the importance of international and domestic carbon markets, including cap-and-trade systems, and new sectoral or other scaled-up market mechanisms, as well as of ensuring the continuation of existing flexible mechanisms, while improving them, for achieving ambitious global mitigation objectives in a cost-efficient manner and for driving low-carbon investments while contributing to sustainable development; **EMPHASISES** that a robust carbon market is required, which drives the carbon price necessary for low-carbon investment, to achieve the global mitigation objectives; In the EU context, **EMPHASISES** the role of the EU ETS as a key instrument; **INVITES** the Commission to further consider the possible practical modalities that may be needed to ensure that the EU ETS continues to reward energy efficiency and low-carbon investments in all relevant sectors of the economy while ensuring the consistency of emission reduction efforts between the EU ETS and non-ETS sectors, with due attention to be paid to the risk of carbon leakage; **RECOGNISES** that complementary EU measures will also be needed in non-ETS sectors, and **RECALLS** the possible role of Article 24a of the ETS Directive.
 10. **INVITES** the Commission to inform the Council on a timetable for future work as soon as possible and **DECIDES** to revert to these issues as soon as possible and no later than March 2012 in the light of existing and forthcoming analyses and initiatives.
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