

Responsibility for the Future – how to make the most for the environment of the German EU and G8 Presidencies

Berlin, October 19, 2006

Dr. Mikael Karlsson, President of the European Environmental Bureau

The wounds that mankind is cutting in nature today will be the reality for our children tomorrow. The impressive Millennium Ecosystem Assessment, compiled by nearly 1400 researchers, which is the largest scientific synthesis ever on the relationships between man and nature, shows that about 60 percent of global ecosystem services are on their way of being destroyed. To a significant extent, we feel the adverse consequences of this development already today, but most of the changes taking place will have an impact on future generations. The on-going development is all but responsible towards future generations.

The forces of mankind actually alter the environment more than solar cycles, geological forces and the evolution itself. In a way that is impressive. It bears witness of an enormous capacity and reflects knowledge and technical skills never seen before in history. But even more it signals a lack of wisdom – or phronesis as Aristotle would have put it – necessary to manage such powers and to promote sustainable development.

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Can a German Presidency of the EU and the G8 change the present route to any significant extent?

Of course! Not only since any Presidency can put a significant print on the development of the European Union, not only that 2007 is an important year in many respects, and not only that Germany is the strongest economy and the largest country of the European Union, with a relatively good record of being a forerunner in the field of environmental management.

Even more – there are simply no good reasons for not taking action for sustainable development. On the contrary, there are many low-hanging fruits that could be picked as an immediate start, promotion of increased energy efficiency being one of them. The fruits that hang a bit higher up in the tree would also be rewarding to bring down, from both an

environmental and a socio-economic point of view, in the short term as well as in a longer perspective. There are plenty of win-win cases in the quest for sustainable development. While not neglecting the complexity of the problems, there is either no reason to avoid seeing the great chances that we have to foster sustainable development.

I can actually go as far as saying that we have the knowledge and ideas, the natural resources, the technical skills and the financial means to manage more or less all serious problems related to environment and development in a global perspective. Of course, much remains to be done, and continued research and development is of outmost importance, but the bottleneck is mainly lack of solidarity with man and nature, or – expressed somewhat differently – a non-appreciation of environment as one of the human rights.

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Unfortunately, there are serious signs today that this lack of solidarity is getting more profound in the field of environmental protection. We notice that some Commissioners, not least the President of the Commission, attempt to stall progress, and we observe that some Member States and a number of MEPs, who previously were forerunners, are losing speed and ambitions. The 6th Environment Action Programme is an example of the former, and the air pollution legislation of the latter, in spite of the fact that the pollutants cause over 270 000 premature deaths in EU annually. Here one can really ask, what it actually takes to convince on the importance of strict policies. People are dying and policies have repeatedly been shown to be positive from a socio-economic perspective.

Further, the waste hierarchy has been seriously questioned and the legislation on nature protection is put into question.

In yet other fields, progress has always been more or less missing and action has been weak, such as fishing quotas and the agricultural common policy, the latter also causing huge problems in the context of global development. REACH could also be seen as an example of a failure, the legislation that is now debated is far too weak to deliver the benefits that are possible to gain for welfare in general, for health and also for companies using chemicals.

This weakening of policy or lack of action can sometimes be smelled in a new terminology that like a virus infects environmental policies. One clear example is the mantra of ‘cost-effectiveness’, which sound very nice – of course the measures we choose to reach a specific target should be the cheapest ones – but which is loaded with hidden presumptions. If we, just to take one example, talk about short-sighted cost-effectiveness in order to achieve EU-narrow objectives we reach completely other solutions than if we talk about global objectives and long-term cost-effectiveness. In the former case, the answer might be more nuclear power, in the latter case increased efficiency and renewable technologies.

Nevertheless, in this sometimes anti-environment context, I think – and really hope – that Germany could play a very important role, to avoid the roll-back route, and instead contribute to put EU on the true road to the future, the sustainable one.

So, let me give you a bit more detailed example of the most profound challenge that lie ahead of us, and an example that shows the opportunities that exist for the EU, and for the German EU Presidency to promote sustainable development.

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The largest challenge we face is the global warming that takes place already today, and that will escalate in the future. The maximum 2 degree Celsius warming objective often referred to is not sufficient if we want to avoid extremely problematic environmental change, including seriously adverse health effects, large scale ecosystem conversions, fast rising sea levels, severe drought frequencies in many developing countries, and loss of biodiversity at unprecedented rates.

Industrialised countries need to reduce emissions of greenhouse gases in the order of 60 to 80 percent in the coming few decades. This might seem extremely difficult, but if we start now the required ‘system development’ in the energy and transport sectors is around 1-2 percent annually, which is a speed of change that is perfectly manageable, and that would stimulate new business opportunities and jobs, and thereby foster growth in traditional terms as well as.

Here, Germany should go and really push for a binding EU target to reduce emissions of carbon dioxide by at least 30 percent until 2020. To achieve such an objective requires targets

and tools for supply of renewable energy by at least 25 percent, and increased efficiency by at least 20 percent until the very same year.

These objectives in turn require development of a number of concrete measures that actually put a price on pollutants and environmental resources in a wide sense. To start with, the present emissions trading systems must be developed and put emission reductions as its chief goal, which is not at all the case today. Price signals need to work on a much broader base though, and the European Environmental Bureau has therefore suggested an environmental fiscal reform for the whole union, just to mention one among many well-needed tools.

These issues will be put at stake on the coming Spring Council. The EU, led by Germany, must then decide whether or not to confirm the EU's lead role on combating climate change and other environmental problems. We know that energy policy has rapidly risen on the agenda for political leaders in the EU, but also that energy security and the price of energy for energy intensive industries working on a global market seem to be larger concerns to many, which unfortunately overshadow environmental protection and win-win strategies.

We will watch very carefully, which road the EU embarks on under the German Presidency. We truly hope that the Spring Council decides – not only on tough objectives- but even more important, to systematically ‘make the market work for the environment’. The polluter pays principle is part of the EC Treaty, and is often applauded, but it is seldom applied. For instance, the use of nuclear energy and fossil fuels is heavily subsidized in explicit and non-explicit ways, and the same seems to be happening with unsustainable biofuels.

In this way, it is unnecessary difficult to boost efficiency, saving and renewables. Therefore, we insist on an environmental fiscal reform, that is, to remove environmentally perverse subsidies and to introduce an environmental tax reform. As the Treaty requires unanimity for tax-related legislation, we know that this road unfortunately is difficult to use, due to lack of political will – that is, lack of solidarity. But in line with the approach of the Lisbon process, a political decision can be made by EU's political leaders on a 10 percent shift in taxation income in 10 years in all Member States, away from labour and towards energy and natural resource use. This decision should then be subject to the Open Method of Coordination, a tool being used to follow and stimulate implementation of Spring Council decisions. Where some governments feel the need for agreements that prevent or minimize unwanted cross-

border impacts and others want to stay out of such limitations, the tool of “enhanced cooperation” could be used for legally binding rules for interested Member States.

We hope that Germany will push for such solutions. It can be done with high credibility, since the German experience with energy tax reform in the past years has delivered.

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Now, I have focused quite strongly on climate change policies. I could tell you a similar story on the importance of protecting biodiversity, on how cheap it actually is, but how huge the gains for us and future generations would be from a stronger protection, from reaching the Countdown 2010 objective, to reverse the trend with decreasing biodiversity. I could also tell you then about the need for reforming agriculture, fisheries and forestry, to point at just a few sectors, and also to show how climate change policies as well contribute to protect biodiversity in the long run.

But I will end by once again expressing my hope that Germany – as previously in the EU history of environmental policy making – will continue to play an essential role in the formulation of the EU environmental legislation.

Germany has the power to once again inject environmental leadership in the EU. If Germany manages to convince other to chose the road of sustainable development instead of the roll-back route remains to be seen. In eight months we will know.