

## PRESS RELEASE

### **Climate Policy – The Need for European Leadership**

**The European Climate Forum - a platform for joint studies on climate change founded by seven leading European research institutes together with businesses and NGOs - calls for new initiatives to exploit the full potential of emissions trading.**

The world is watching Europe for leadership in climate policy. Currently, Europe is implementing emissions trading, a key instrument of climate policy. After years of debates and negotiations, this is the first large-scale experience with a practical step to address the challenge of climate change.

By the end of March, the National Allocation Plans that provide the basis for emissions trading have to be finalized. Unfortunately, various voices - including the Union of Industrial and Employers' Confederation of Europe and the European commissioner for energy - are trying to undermine that process. Today's compromise between the German minister for economics and the minister for the environment has averted one such attempt. While we share the concern for European competitiveness, critics of emissions trading fail to acknowledge two key facts: humankind is currently headed for dangerous climate change, and European competitiveness can actually be enhanced by engaging in the experience of emissions trading.

Everybody understands that it is wise not to fly an airplane in which some key components may cause disaster. The current global energy system has become such an airplane. The reports of the Intergovernmental Panel on Climate Change (IPCC) as well as the recent Pentagon study on the risks of abrupt climate change show that the risks of man-made climate change are serious beyond reasonable doubt.

The Kyoto protocol has helped to consolidate worldwide concern about climate change and it has established the idea of emissions trading in the international policy debate. To proceed further, it will be necessary to show Russia that it is in its own best interest to join the protocol.

To reap the benefits of European climate policy, it will also be necessary to establish bilateral partnerships between Europe and other world regions:

- An energy partnership between Europe and North Africa provides opportunities for major steps towards a sustainable energy system, using first natural gas and then solar energy,
- A partnership between Europe and China can lead to major emissions reductions by joint developments of more efficient energy technologies,
- European cities can engage in partnerships with megacities in developing countries to harness the potential of information technologies for sustainable urban development.

All these initiatives provide large business opportunities. Europe needs these opportunities both for environmental reasons and in order to overcome persistent unemployment. A properly functioning emission trading system, linked to other climate policy initiatives, will spur technological innovation in Europe in areas like renewable energy, highly efficient energy use, and new transport systems. Rather than quarreling over the details of the implementation of emissions trading in Europe, we should be planning how best to take advantage technologically and economically of this system.

**The scientific founding members of the European Climate Forum are:**

Potsdam Institute for Climate Impact Research  
Max Planck Institute for Meteorology, Hamburg  
Tyndall Centre for Climate Change Research, Norwich  
Fondazione ENI Enrico Mattei, Milano  
Nansen Environmental and Remote Sensing Centre, Bergen  
Paur Scherrer Institut, ETH Zürich  
National Center on Environment and Development, Paris

**Businesses working with ECF include:**

Munich Re, Deutsche Telekom, Asea Brown Boveri, Alstom, as well as the European Business Council for Sustainable Energy

**NGOs working with ECF include:**

Greenpeace, WWF, and Germanwatch

**For a view of debates carried on in ECF see:**

K. Hasselmann et al., The Challenge of Long-term Climate Change. Science magazine, Nr. 5652, 2003.

**For further information see:**

[www.European-Climate-Forum.net](http://www.European-Climate-Forum.net)

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*European Climate Forum (ECF) provides a platform for joint studies, dialogues and the exchange of views between scientists, corporations, companies and NGOs. The non-profit association was founded in 2001 by seven leading European research institutes in the field of climate and energy studies as well as business and NGO members. See: [www.european-climate-forum.net](http://www.european-climate-forum.net)*

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