Ministear airson na h-Arainneachd agus Atharrachadh Aimsir Minister for Environment and Climate Change

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I am writing to update the Committee on the Environment Council which I attended on 12 June. Key agenda items of interest to Scotland were GMOs, 2030 Climate and Energy Framework and the Clean Air Package.

The Council agreed a compromise position on a proposed revised Regulation offering extended and legally sound provisions for the restriction/ banning of GMOs in all or parts of Member States' territories.

This was followed by a policy debate on the sectors that have significant potential to contribute to the reduction of greenhouse gas emissions to 2030 and the policies and tools that could contribute to addressing the investment needs of the 2030 framework.

After lunch, there was an orientation debate on the Commission's proposed Clean Air Package.

In addition to the formal business I had bilateral discussions with Paulo Lemos, Portuguese Secretary of State for Environment; Fedrico Ramos, Spanish Secretary of State for Environment; Phil Hogan, Irish Environment Minister; and Einārs Cilinskis, Latvian Parliamentary Secretary for Environment. I am hoping that the Scottish Government will be able to place a secondee in the upcoming Latvian Presidency.

GMOs

The Council reached an agreed position on the proposed revised Regulation offering extended and legally sound provisions for the restriction/ banning of GMOs in all or parts of Member States' territories.

France welcomed this application of the principle of subsidiarity and the fact that the new directive allows Member States choice and clarifies the procedure and possibilities open to Member States in case of difficulty.

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Luxembourg and Belgium abstained but most other countries, including the UK, also welcomed the proposed text as a good compromise, respecting the principle of subsidiarity and the right of Member States and administrations within Member States to make their own decisions. With my support UK Ministers ensured that provisions were included in the text so that this is workable in a UK context, allowing the Devolved Administrations to take their own decisions to restrict or prohibit GMO cultivation.

The Italian Minister indicated that the incoming Italian Presidency of the Council of the European Union would seek to reach agreement with the European Parliament by the end of the year and this aim was supported by the Commissioner.

2030 Climate and Energy Framework

Commissioner Hedegaard opened the discussion with a plea for Member States to come forward with constructive proposals to move forward. Member States were asked to consider which sectors have significant potential to contribute to the reduction of GHG emissions to 2030. Many Member States suggested that the transport sector was key. The Netherlands said that recent changes to the directive on transport fuels should be reversed to tighten limits on emissions and fuel quality. Austria also said that sustainable fuels needed to be promoted, with Italy highlighting the role of second generation biofuels. Belgium said that in previous years efficiency gains have been undermined by the increased need for mobility – a trend that will continue. This could be addressed by an EU policy on interconnections via rail and inland waterways.

Ireland flagged the potential but also the difficulties facing the agricultural sectors and Belgium and France highlighted the challenges for the construction sector. Cyprus highlighted the importance of interconnection and energy storage.

In considering the policies and tools that could contribute to addressing the investment needs of the 2030 framework, Ireland and Austria said that access to funding for RE development and grid was essential. Some Member States suggested that the EIB should play an important role in financing, using innovative financial instruments to limit risk and improve participation from investors – new targeted tools based on existing funding programmes could be brought forward. The potential for ETS revenue to be used was also highlighted and some Member States suggested that the European Structural and Investment Fund was useful for funding renewables and energy efficiency. Sweden pointed out that the 20% allocated to climate policy under the MFF is a significant tool. Belgium said the climate should be mainstreamed into EU policy and budget after 2020 and that access to funding for SMEs needed to be addressed.

More broadly on the 2030 framework, Germany stressed that need to stick to the timetable adopted at the March Council. In October, decision should be taken on all three goals, rapid reform of the ETS, and on measures to improve energy security as they are all closely related. Germany reiterated its support for 3 targets of 40% GHG, 30% RE and an unspecified energy efficiency target. October agreement was also called for by Austria, the Czech Republic, Estonia, France, and Cyprus. Ireland flagged the potential difficulties for countries exiting bail outs. Austria, Romania, Cyprus, Slovenia, Italy and the Czech Republic all stressed the need for fair burden sharing.

Germany said that the EU must make clear in international negotiations that it is willing to increase ambition – the EU needs to bear in mind costs related to failure to act. France underlined that the EU must be credible at the Paris COP in 2015 in order to provide







leadership. Sweden also said that emissions reduction and economic growth were compatible. Romania said that isolated EU efforts could not prevent the negative effects of climate change. The UK emphasised the complementarity of energy security and climate change policies.

Kyoto

After months of technical discussions in the EU on the terms of the ratification of the second commitment period of the Kyoto Protocol (KP2), Poland is now arguing that the approach should be radically changed, arguing that they have promised their Parliament that they would only take an 80% commitment in KP2, and no more.

There was a frank discussion on this agenda item. Sweden, the UK, Germany, Spain, the Netherlands, Denmark all expressed concern about the delay and the impact that it could have on international negotiations and the EU's credibility.

Poland said that they were not trying to reopen the climate and energy package but to address an imbalance built into the EU system. They are working hard at home to propose a solution but is politically sensitive and technically complicated. Poland said that it was in the common interest to take issue off table and not force decisions. Lima and Paris deadlines could still be met. The Presidency asked Poland to present concrete solutions as soon as possible.

Air Quality

Member States were generally supportive of taking measures to improve air quality, recognising the harmful impacts of poor air quality on the environment and human health. Denmark pointed out that this was a clear cross border issue. Sweden called for tough and ambitious air quality targets and Ireland warned against complacency.

On the issue of medium combustion plants, Finland expressed concerns about cost efficiency and plant categorisation, suggesting that the time for which plants are active should also be taken into account. Issues about categorisation and cost effectiveness were raised by several Member States. Denmark supported the Commission proposal as it stands saying that smaller plants should be included as they are larger in number and more likely to be located near residential areas.

On the national emissions ceilings, Finland said that measures should be taken where they would have most impact and would be most cost efficient. Latvia was among Member States who felt the proposed level of ambition was too high, and that any agreement should not go beyond the Gothenburg principle.

I am copying this letter to Christina McKelvie, Convener European and External Relations Committee for information.

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