they are unlikely to experience sales volumes that would force them to take on outside help, in addition to that provided by the family.

2.6. All things considered, the EESC feels that the exemption measures are only marginally warranted by the need, referred to in the fifth recital, 'to prevent damage to the island's economic and social equilibrium'. Furthermore, it cannot fail to point out that the circumstances described in the French Government's document, and repeated in the Commission document, regarding 'Corsica's special position as an island' and the problems raised by the 'isolation and topography of the island' are common to almost all islands in the EU, sometimes more acutely.

2.7. All things considered, the EESC feels that the reasons advanced do little to justify the provision, so much so that one might wonder whether this were not a almost a case of state aid rather than a temporary tax exemption. However, the Committee is well aware of the political circumstances and of the state of relations between Corsica and the motherland. A refusal would have consequences reaching far beyond the relatively small figures at stake. Consequently, and mindful of its responsibilities, the EESC reluctantly endorses the proposed directive as submitted.

Brussels, 16 July 2003.

The President

of the European Economic and Social Committee

Roger BRIESCH

Opinion of the European Economic and Social Committee on the 'Proposal for a Decision of the European Parliament and of the Council for a monitoring mechanism of Community greenhouse gas emissions and the implementation of the Kyoto Protocol'

(COM(2003) 51 final — 2003/0029 (COD))

(2003/C 234/14)

On 19 February 2003 the Council decided to consult the European Economic and Social Committee, under Article 175 (1) of the Treaty establishing the European Community, on the above-mentioned proposal.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 27 June 2003. The rapporteur was Ms Le Nouail-Marlière.

At its 401st Plenary Session on 16 and 17 July 2003 (meeting of 16 July), the European Economic and Social Committee adopted the following opinion by 106 votes in favour, with eight abstentions.

1. **Introduction**

1.1. Scientific evidence [1] confirms that climate change is taking place and that most of the warming observed during the last 50 years is attributable to human activities. The atmosphere concentration of carbon dioxide has increased by 31 % in 25 years, the global average temperature has increased by 0,6 °C since 1861 and the rate of change will be more rapid if measures are not taken to reduce emissions. Temperatures are projected to rise by 1,4 to 5,8 °C over the next 100 years, and sea levels by between 0,1 — 0,9 metres [2].

[1] Third Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) 2001 and European Commission study on World Energy, Technology and Climate Policy Outlook.

[2] Europe's environment: the third assessment, European Environment Agency, Copenhagen, 2003, p. 91.

Climate change will result in economic losses due to more frequent tropical cyclones, loss of land as a result of rising sea levels and damage to fishing stocks, agriculture and water supplies. Less than a metre rise in sea levels in 100 years would engulf several small island states, flood coastal areas and displace 150 million people by 2050.

It will also worsen food security in tropical, sub-tropical and predominantly rural countries. These will suffer a general reduction in potential crop yields and be most vulnerable to famine, social unrest and political instability.

The number of people living in countries that are water-stressed will increase massively, from 1,7 billion people (one-third of the world's population) to around 5 billion by 2025. There will be an increase in the geographic spread of potential transmission of malaria and dengue fever, which already impinge on 40-50 % of the world's population.

All the models warn that given the planet's thermic inertia, even drastic action would need decades to significantly check warming.

1.2. The United Nations Framework Convention on Climate Change (UNFCCC) was signed by 154 countries at the Earth Summit in Rio in June 1992. It came into effect on 21 March 1994 and it represents a concerted effort to tackle global warming occurring as a result of human-induced (anthropogenic) climate change. Its ultimate objective is the 'stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner' ([1]).

1.3. The Kyoto Protocol (KP) to the UNFCCC was adopted in December 1997 at the 3rd session of the Conference of the Parties (COP) in Kyoto, Japan. To date, 76 countries plus the EC and its Member States, as well as most of the applicant countries, have already ratified it.

To enter into force the Kyoto Protocol needs to be ratified by at least 55 countries responsible for more than 55 % of carbon dioxide (CO_2) emissions in 1990. The United States withdrew from the protocol in 1998. Despite the efforts to achieve this objective before the Johannesburg summit in August 2002, the protocol has not yet entered into force.

1.4. The EU is committed to reducing its collective emissions of greenhouse gases by 8 % below its emissions level in 1990 in the 2008-2012 period. However, total greenhouse gas emissions in the EU are expected to fall by 4,7 % from 1990 to 2010 assuming adoption and implementation of current measures, leaving a shortfall of 3,3 % to the target of 8 % reduction. If the EU is to achieve its Kyoto target, substantial further action and additional policies are needed ([2]). In 1998 the EU Member States adopted the 'burden-sharing agreement' in which they agreed to internally distribute the collective EU reduction obligation of 8 %. The EU ratified the Kyoto Protocol at the Council meeting of 4 March 2002 pursuant to Council Decision No 358/2002/EC ([3]). The Member States completed their national ratification procedures on 31 May 2002.

1.5. In order to encourage and facilitate the implementation of their emission reduction commitments, Annex I Parties have at their disposal so-called flexible mechanisms, created with a view to promoting the achievement of emissions reductions in a cost-effective way. These flexible mechanisms are: Emissions Trading, Joint Implementation, and the Clean Development Mechanism (encouraging sustainable development and cooperation between developed countries and developing countries).

At the Seventh Conference of the Parties to the UNFCCC held in Marrakech in November 2001 (COP7), the Parties also adopted the Marrakech Ministerial Declaration recognising that the World Summit on Sustainable Development provides an important opportunity for addressing the linkages between climate change and sustainable development ([4]).

2. **Content of the proposal**

2.1. This proposal replaces Council Decision No 389/93/EEC for a monitoring mechanism of Community CO_2 and other

([1]) Article 2 UNFCCC.

([2]) Europe's environment : the third assessment, European Environment Agency, Copenhagen, 2003, p. 102.

([3]) Decision 358/2002/EC concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder (OJ L 130 of 15.5.2002, p. 1, comprising the protocol and its annexes.
EP Report A5-0025/2002 on the proposal of the Council relating to the above decision.

([4]) Commission Communication to the Council and the European Parliament on climate change in the context of development cooperation. (COM(2003) 85 final).

greenhouse gas emissions [1] which established a mechanism for monitoring anthropogenic greenhouse gas emissions and evaluating progress towards meeting commitments in respect of these emissions.

2.2. The aims of this revision are to:

— reflect in the Monitoring Mechanism reporting obligations and guidelines for the implementation of the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, on which the political agreements and legal decisions were taken at the seventh Conference of the Parties (COP7) in Marrakech;

— provide for further information on emission forecasts at Member State and Community-level, and harmonisation of these emission forecasts, in the light of experience with the current Monitoring Mechanism;

— to address reporting requirements and implementation relating to the 'burden-sharing' between the Community and its Member States.

2.3. Experiences with the current Monitoring Mechanism have revealed the need for some further harmonisation in the reporting of policies and measures and projections by Member States. So far, proper assessment of Member States' policies and projections has been difficult due to significant methodological differences under the current scheme. Reliable projections will be crucial for an early warning system and for non-compliance prevention.

2.4. A Community greenhouse gas Inventory System under the Kyoto Protocol will be introduced. The Community's compliance with Kyoto Protocol guidelines and the quality of the Community greenhouse gas inventory depends on the implementation of National Inventory Systems in the Member States and the quality of the Member States' inventories.

2.5. In order to assess whether the Community and its Member States are on track towards their targets under the Kyoto Protocol, i.e. the actual progress and projected progress, the established annual reporting to the Council and the Parliament needs to be continued.

2.6. Guidelines under Article 7(4) of the Kyoto Protocol require that each Annex I Party shall establish and maintain a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of assigned amount units, emission reduction units, certified emission reductions and removal units. As Parties to the Kyoto Protocol, the Community and the Member States are therefore required to establish national registries.

3. **General comments**

3.1. The Kyoto Protocol, which was established in 1997 to limit the emission of greenhouse gases, represents only 3 % of the effort necessary to check the warming process. Its application would be derisory or even counter productive for some, as it favours sectors presenting other risks, such as nuclear energy or accelerated carbon storage, whose side effects have not been determined. Nevertheless, the EESC approves the modifications to simplify the annual or periodic report procedures by Member States of the enlarged European Union and their communication obligations to the Convention Secretariat.

3.2. The EESC supports the Commission's efforts to present forward projects and studies, such at the WETO study (World Energy, Technology, and Climate Policy Outlook 2030) [2]. This is a priority of the Sixth Community Framework Research Programme 2003-2006, which earmarks 2,12 billion euros for sustainable development, global change and ecosystems over the next four years. This study incorporates world energy forecasts, progress in the field of energy technologies, consequences on climate change policy and technological prospects.

3.2.1. The Kyoto Protocol's objectives for emissions could be reached more easily if new energy sources were found.

---

(1) OJ L 167 of 9.7.1993, p. 31, modified by Decision No 296/99/EC (OJ L 117 of 5.5.1999, p. 35).
Opinion of the Economic and Social Committee on the Proposal for a Council Decision for a monitoring mechanism of Community CO_2 and other greenhouse gas emissions, OJ C 73 of 15.3.1993, p 73.
EP Opinion, single reading OJ C 115, p 246 (1993).
Opinion of the Economic and Social Committee on the Proposal for a Council Decision amending Decision 93/389/EEC for a monitoring mechanism of Community CO_2 and other greenhouse gas emissions, OJ C 89 of 19.3.1997, p. 7.
EP Decision, second reading PE T4-0079/1999, 9.2.1999, OJ C 150 of 28.5.99.

(2) Two recent Commission communications should also be mentioned: Climate change in the context of development cooperation COM(2003) 85 final of 11.3.2003, and Developing an action plan for environmental technology COM(2003) 131 final of 25.3.2003.

According to the WETO study, the costs of implementing the objectives could be reduced by up to 30 % if nuclear or renewable energy sources were used on a large scale. Emissions could also be significantly reduced through improved energy efficiency and energy savings, which would reduce energy demand and the carbon intensity of energy consumption. The WETO study also considers that the industry will probably have to make the greatest efforts to reduce the energy demand. Lowering high carbon intensity energy consumption should mainly be achieved by replacing coal with gas and biomass, as well as oil to a lesser extent. This scenario would also include a considerable increase in various forms of renewable energy production such as wind and solar power. The Committee believes that all sectors of human activity should be involved in efforts to lower energy consumption.

3.3. The ECCP has confirmed that there is a great emissions reduction potential, but that much of this potential has remained unrealised because of obstacles that hinder the market penetration of the relevant technologies. This is why, within the ECCP, a number of different barriers have already been identified along with specific actions to overcome them ([1]).

4. Specific comments

4.1. The Clean Development Mechanism (CDM) will allow developed countries to gain Certified Emission Reductions by financing emissions-reducing projects in developing countries. The Certified Emission Reductions will then in turn help the developed countries in meeting their own emission reduction targets. Consequently, the Clean Development Mechanism is of particular relevance with respect to developed-developing country relations and cooperation.

4.2. Already now, before the Kyoto Protocol enters into force, project-based activities can be eligible under the CDM and generate credits. These credits will have a value since governments can purchase them to meet their Kyoto targets or entities can use them to fulfil their domestic obligation to reduce emissions at lower cost. This makes the CDM an economic incentive for greening Foreign Direct Investment. As such, and taking account the environmental additionality requirement laid down by the Kyoto Protocol, the CDM is expected to be a good vehicle for the transfer of clean and modern technologies in developing countries while delivering real development benefits ([2]).

5. Conclusions

5.1. The EESC stresses the importance of updating the EU's monitoring system for Community greenhouse gas emissions and implementing the Kyoto Protocol if it wants to work actively towards accessions to and ratifications of the Kyoto Protocol, in the context of pan-European environmental cooperation after the Kiev Conference ([3]).

([1]) COM(2003) 131 final.

([2]) COM(2003) 85 final.

([3]) Communication from the Commission to the Council and the European Parliament on Pan-European environmental cooperation after the 2003 Kiev conference COM (2003) 62 final.

Brussels, 16 July 2003.

The President

of the European Economic and Social Committee

Roger BRIESCH