

WEEK IN BRUSSELS

Week ending Friday 3 February

25 EU countries sign up to new fiscal treaty

EU leaders from 25 member states have agreed a treaty on tighter fiscal rules in a bid to preserve the eurozone from further financial crises. The intergovernmental "Treaty on Stability, Coordination and Governance in the Economic and Monetary Union" will not be signed by the UK, following Prime Minister David Cameron's veto last year. The Czech Republic also did not sign the treaty due to constitutional disagreements, however ratification at a future date has not been discounted. The treaty, which aims to strengthen fiscal discipline through the introduction of more automatic sanctions and stricter surveillance, is due to be signed at the next EU summit on 1-2 March. According to the agreed text, the 'fiscal compact' will enter into force once it has been ratified by at least 12 countries using the common currency. EU leaders hope that ratification will be completed by the end of the year. The treaty will be legally binding as an international agreement and will be open to the EU countries that do not sign it at the outset. The aim is to incorporate the fiscal compact into EU law within five years of its entry into force. Poland, a non-eurozone country, had threatened not to sign the deal if it is not allowed to take part in meetings of the single-currency states. However, a compromise was found at the summit whereby non-eurozone countries which ratify the treaty will be allowed to attend summits at least once a year to discuss the "architecture" of the eurozone and competitiveness. Under the new treaty, eurozone leaders will meet at least twice a year. (Source: EurActiv)

<http://www.euractiv.com/euro-finance/25-eu-countries-sign-german-led-fiscal-treaty-news-510489>

Environment Committee back post-2020 carbon reduction plan

The European Parliament's Environment Committee has given its backing to post-2020 carbon reduction

targets in the proposed low-carbon roadmap. A majority of its members also support setting aside EU emissions trading scheme (ETS) allowances. A draft resolution prepared by UK MEP Chris Davies was approved by 32 to 24 votes overall with five abstentions, but further negotiations will be needed with the centre-right group EPP before the plenary vote. Some EPP members are understood to be unhappy with the set-aside recommendation in particular. Mr Davies had originally wanted plans drawn up before the end of 2013 for a more rapid fall in the ETS cap beyond 1.74% a year. However, following negotiations the deadline was replaced with the suggestion that this be done "at the earliest appropriate date". Amendments calling for a more ambitious 2020 target failed to find support, as did a recommendation by some left-wing groups that agriculture use 40% renewable energy by 2020 and be fossil-fuel free by. The full parliament is expected to vote on the resolution at its mid-March plenary session. (Source: ENDS)

<http://www.endseurope.com/28066?referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY/environment-committee-backs-lowcarbon-plan?referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY>



Denmark puts 2030 emission targets on the agenda

Europe's 27 environment ministers will call for a 40% greenhouse gas emissions reduction by 2030 if they follow draft conclusions prepared by the Danish EU Presidency ahead of a meeting on 9 March. The

Danish EU Presidency wants the European Commission “to present timely options for delivering the reductions in the Low-Carbon Economy Roadmap to 2050 for the period to 2030,” while taking into account the “underlying assumptions” of EU nations. The roadmap proposed a series of interim milestones on the way to reaching an overall 80%-95% cut by 2050, the minimum that scientists say is necessary to avoid global warming of more than 2 degrees Celsius. For 2030, a target of 40% of the bloc’s 1990 emissions is pencilled in. That goal rises to 60% by 2040 and 80% or more by 2050. (Source: EurActiv) <http://www.euractiv.com/climate-environment/denmark-puts-2030-emissions-target-agenda-news-510478>

EU Climate Action Commissioner rejects calls to introduce carbon price floor

Connie Hedegaard, the EU's Climate Action Commissioner, has rejected calls to introduce a price floor to sustain Europe's depressed carbon market, stating she does not want a "politically regulated system". Ms Hedegaard cautioned the European Parliament about the temptation to regulate the carbon market, warning about the dangers of political meddling. In a bid to sustain Europe's depressed carbon market, MEPs want to set aside €1.4 billion worth of allowances from the EU's emissions trading system as of 2013, effectively creating a carbon price floor. But Hedegaard stated this would be a risky road to take. "If you start to toy with that idea, then you will also have a ceiling and very soon you will not have a market-driven system. And we think it's important to have a market-based system". Europe's economic crisis has pushed down carbon prices to around €7 per tonne of carbon emitted, considerably below the €25 to €40 considered necessary to have a significant influence on business decisions. (Source: EurActiv) <http://www.euractiv.com/climate-environment/hedegaard-dismisses-politically-regulated-carbon-price-news-510569>



Week ahead

European Commission

No relevant activity

Council of Ministers

Friday 10 February

Education Youth Culture and Sport

Ministers are expected to adopt:

- A joint report on the implementation of the strategic framework for European cooperation in the field of education and training

Ministers are expected to discuss

- Education related aspects of the Commission's Annual Growth Survey
- The role of education in fostering employability, with particular emphasis on the need to reduce youth unemployment, and in ensuring a smooth transition into work.

European Parliament

(Meeting of Committees - Brussels)

ITRE – Presentation of the key elements of the study on European Renewable Energy Network (6 Feb)

TRAN – Implementing Decision of Commission on TEN-T (6 Feb)