

CLIMATE ACTION

THREE REASONS WHY IT'S A FOREIGN POLICY ISSUE

Jean-Claude Juncker

CLIMATE action has often been treated as an offshoot of environmental policy, and mainly dealt with as part of “internal” or domestic policies. This could not be further from the truth; climate action is an international problem requiring a global solution. It is a foreign policy issue—indeed, it is perhaps the major strategic, longterm foreign policy issue of our time.

In this area, as in many others, the distinction between “internal” and “foreign” policies is suspect; events beyond our borders can readily influence or disrupt our affairs at home. We see this very clearly today.

I want to consider the compelling threat to humanity posed by climate change, whilst laying out three major reasons why climate action and energy are international issues. I also want

to look to the future: what I expect to happen at, and after, the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), which will take place in Paris in December 2015.

Without urgent action, climatic change will have severe, pervasive and irreversible impacts on all the world's people and ecosystems.

IMPLICATIONS OF FAILING TO ACT

Foreign policy has many goals: ensuring the political stability that can maintain security; the development that can bring

people from poverty to prosperity; and the values that maintain the rights and dignity of people across the globe.

Foreign policy is often simply a matter of self-interest. Troubles beyond our borders can easily spill over within them: as we see today in the European Union with the situation in Syria and Libya, where instability leads to a flood of migration and

Jean-Claude Juncker is President of the European Commission, having previously served as Prime Minister and Finance Minister of the Grand Duchy of Luxembourg.



Photo: European Commission

Jean-Claude Juncker

a humanitarian tragedy; or in the Middle East, where the rise of Da'esh (the Islamic State) has bloody consequences for terrorism in Europe. The same applies on the economic side: trade—beneficial to both parties—will only arise from an economy that grows and develops; the more inter-linked economies become, the greater their mutual interests.

But foreign relations are not merely a matter of self-interest. Europe cannot exist for itself; it has obligations to the world. Every day, over 1,500 people die of malaria; in Africa, 25,000 children die of hunger; many more of other preventable diseases and the consequences of poverty.

Those are the areas in which foreign policy matters. On all these areas, the EU takes action.

We take action on migration: by cutting the incentives for irregular migration, improving border management, developing a fair common asylum policy, and putting in place the foundations for a new policy on legal migration—whilst tackling the issue at its root cause, working in partnership with third countries to tackle migration upstream.

And we take action on development: the EU and its member states remain the world's largest aid donor, providing over half of the world's official development assistance.

These goals are valuable and the EU should continue to pursue them. But they could all be jeopardized by one thing: the man-made changes to our planet’s climate, which threaten to disrupt livelihoods, destabilize societies, and stop development in its tracks.

The consensus of scientific opinion is clear: as the Intergovernmental Panel on Climate Change (IPCC) recognizes, without urgent action climatic change will have severe, pervasive and irreversible impacts on all the world’s people and ecosystems. Extreme weather events could become commonplace.

Land that is today fertile can tomorrow become unproductive or uninhabitable. Rising sea levels can submerge regions—even whole islands or countries. All this could have significant consequences—famine, war, and tragedy.

And, indeed, it could be those countries already most affected by poverty and instability that are among those worst affected by climate change. If we fail on climate change, we will fail on many other foreign policy goals too.

ENERGY SECURITY LINKAGE

The second reason why climate action policy has international implications is its close link with

energy policy—and the potential to reduce energy dependence.

The European Union is the largest energy importer in the world: we import over half of our energy. Those imports are largely of fossil fuels and cost Europeans over €1 billion per day. They also make Europe reliant on a relationship of dependence with many of the less stable regions of the world—in particular gas from Russia and oil from the Middle East. As long as that continues, we remain more vulnerable, less resilient, and more subject to control.

If we fail on climate change, we will fail on many other foreign policy goals too.

Fundamentally, as long as we continue to rely on foreign oil and gas, that dependence will continue.

The EU’s nascent energy union strategy means, among other things, reducing this dependence.

For one thing, we can take a united stance when we deal with those third countries. For example, we can be more transparent when European governments make deals to buy energy or gas from countries outside the European Union.

But for another, we can reduce our demand for fossil fuels in the first place, with more capacity for renew-

able energy production—and more investment, research, and development in those alternatives. We can stimulate new trade in green technology, an area where European innovation has strong potential. Indeed, a flexible, responsive electricity grid can take into account the needs of renewables—given that renewable energy does not always come from massive megawatt power stations, but often from the single solar panel on your roof or a windmill on a field.

We also need to look at energy subsidies. Such subsidies are sometimes intended to help the most vulnerable in our society—a noble goal to which we should remain committed.

Yet, in practice, such subsidies are costly, amounting to €120 billion a year; and, more to the point, many are unjustified and environmentally harmful, affecting investment decisions which encourage wasteful spending and harmful emissions; those should be phased out. And we also need to increase energy efficiency—75 percent of our housing stock is energy inefficient; but the best sort of

energy is the kind you do not need in the first place.

And alongside this, within the EU, we can make the most of the European single market. Europe’s single market benefits millions of people and many sectors of our economy; but it does not yet include energy—even though energy underpins our economy.

Energy should flow freely—just as goods, services, people, and capital should—within our single market. We can make that happen by improving interconnections, better synchronizing our grids, and fundamentally overhauling our internal energy markets.

Energy should flow freely—just as goods, services, people, and capital should—within our single market. We can make that happen by improving interconnections, better synchronizing our grids, and fundamentally overhauling our internal energy markets. These can all deliver the twin goals of cutting the harmful emissions that provoke changes in the climate, and making energy sup-

plies more secure, sustainable, robust, and reliable. At the same time, it will reduce the vulnerability and risk of disruption in those countries that depend on a single supplier for their gas.

When we stand united on such issues, we deliver; we should not provide an opportunity for those

who want to exploit our division and disunity. This is one area where European unity can really make a difference—both for our policies abroad and our lives at home.

In short: a resilient energy union and a forward-looking climate change policy can ensure not just green, secure, sustainable, competitive, and affordable energy for every European; it can also cut our dependence and vulnerability on foreign supplies.

INTERNATIONAL SOLUTION

Third, climate action is an international issue because it can only be solved if we work internationally. This is the premise of COP21, which will take place in Paris in December 2015.

Limiting dangerous rises in global average temperature to below two degrees Celsius compared with pre-industrial levels calls for all countries to cut their emissions. This calls for change—and commitments that are substantial, sustained, and systemic.

We want to see COP21 commit to mitigate emissions—clearly, specifically, ambitiously, and fairly—in order to keep the temperature rise below two degrees. Of course, each country

has different capabilities and circumstances, and the commitments will need to reflect that; but, equally, they will need to be legally binding. And, of course, emissions cuts cannot come alone; they will need to be accompanied by robust reporting and reviews; by the sustainable development that makes countries less vulnerable and more adaptable to the effects of climate change; and by investment in low-emission alternatives.

We want to see COP21 commit to mitigate emissions—clearly, specifically, ambitiously, and fairly—in order to keep the temperature rise below two degrees.

There are encouraging signs already. Europe is leading by example: the EU itself saw emissions fall 19 percent between 1990 and 2013; our target is to reach a 40 percent cut by 2030—a target both binding and economy-wide. The G20, representing 75 percent of the world's emissions, has committed to strong and effective action to address climate change; it has also committed to a protocol, another legal instrument, or an agreed outcome with legal force, which will sit under the UN Framework Convention, and apply to all parties. The United States and China, the world's two biggest emitters, have also called for an ambitious deal in Paris.

For years, the EU has been leading global action to reduce greenhouse gas emissions: not just by talking about the

issue, but by legislating on it. We are continuing to lead on the road to Paris, and I am glad to see others following.

THE NEED FOR IMPLEMENTATION

I met with UN Secretary-General Ban Ki-moon in late May 2015. He has many issues on his plate, and we discussed several of them. But we both agreed that dealing with the growing threat of climate change is at the forefront.

We both agreed that COP21 needs to have an ambitious outcome. But perhaps more importantly, we also discussed how this outcome will—crucially—be implemented.

There is a Road to Paris; but there is also a Road from Paris.

For all the rhetoric and dazzle—for all the political pleas and exhortations taking place at the moment—the outcome of the Conference will have to include not just a target, but a process by which it can be met.

For me, as European Commission President, reaching a political agreement is matched in political importance by ensuring it is followed up. There is a Road *to* Paris; but there is also a Road *from* Paris.

I also find that this is an area where the EU can add particular value, and where we have particular experi-

ence and expertise to share. We are going to Paris not just to bandy rhetoric or declare targets; but to put in place the frameworks and laws that will make implementation happen.

There are many ways to make it happen. In the EU we have chosen an emissions trading scheme enforced by EU law—what in other parts of the world is called a “cap-and-trade” scheme.

If our goal is to reduce emissions, then the role of policymakers should be merely to say by how much those emissions need to fall—creating the market that lets that happen in the most efficient way possible, and then letting that market do its job. That is what emissions trading can achieve. It is also an example of better regulation in action: that we do what is needed to achieve our goals—no more, no less—with an EU that is no more intrusive or directive than it needs to be in order to achieve a given outcome, without imposing more costs or burdens than necessary.

Better Regulation is a watchword of the Commission over which I preside. In the case of climate action, it is also a strategy proven to work: in the 10 years we have had the EU emissions trading scheme, we have seen emissions fall while the economy grows. It

has been an instrument to increase the predictability of clean and sustainable investments in industry.

Perhaps other parts of the world—having different policy tools available—may want to choose a different option to achieve climate change targets. The tool they choose, however, will need to be something that is ambitious, up to the challenge, implementable, and effective; and there will need to be robust reviews, monitoring, and reporting.

ENVIRONMENTAL IMPERATIVE, ECONOMIC OPPORTUNITY

Earlier in this essay, I referred to energy security. But I want to be clear: it is not my dream for Europe to become independent of, and isolated from, the rest of the world—in energy or in anything else.

On the contrary. I see enormous potential for new global trade in green technology. I think this is an area where Europe will do well in developing and exporting its ingenuity and knowhow; I believe this will deliver for Europe and for the world.

Today, EU companies have a share of 40 percent of all patents for renewable technologies, and renewable energy caters for the needs of 78 million Europeans. And today around one quarter of our electricity is from

renewable energy. If—as we expect—this figure rises to one half by 2030, this will need to be accompanied by considerable ingenuity; we will be multiplying wind capacity by a factor of four, and solar capacity by a factor of five. This will create significant opportunities for economic growth and skilled jobs in researching, developing, marketing, and exporting new, more effective, technologies; but also in the more hands-on roles like planning, installation, and maintenance.

Today, European renewable energy businesses employ over one million people and generate €130 billion in turnover in the EU economy. In the coming decades, they could achieve much more—with renewable investment until 2030 amounting to half a trillion euros and 1.2 million net additional jobs. This is not to mention areas like renovating buildings, which could create two million local jobs by 2020. Moreover, every year we export €35 billion worth of renewable equipment: around 40 percent of the world's wind turbines are built by European companies and—it bears repeating—European companies lead the world in the number of patents for renewable technologies, with 40 percent coming from EU member states.

This is why I see climate action as an economic opportunity. Indeed, by 2030 the EU's climate targets could

be worth nearly half a point extra on GDP. I have seen the future, and it is renewable.

Europe needs to get on board and lead in this area, and to grab all these opportunities.

DELIVERING FOR THE NEXT GENERATION

COP21 will happen in less than six months' time. We are working intensely with our partners to make it a success, and I am calling on others to do so too. I am calling on every state, every citizen of the world, and everybody who cares about our future stability and prosperity, to ensure a result which can provide that safeguard, avoid that catastrophe, and ensure we do our duty for the generations to come.

I conclude this essay with two short observations. First, in many areas of foreign policy, we know the problem but cannot always find the right tool to fix it: for example, where we are aware

of instability, but do not know whether or how to intervene to resolve it. In the case of climate change, we do not have that problem. We know beyond a doubt the nature of, and the solution to, the problem; we know that only international action can fix it, and we have an opportunity to do so in Paris in December 2015.

Second, Europe is a small part of the world. If we have something to offer, it is our knowledge and leadership. Around a century ago, one in five of the world's population were in Europe; today that figure is more like one in nine; in another century it will be one in twenty-five.

But I believe we can, and should, play our part on the world stage; not for our own vanity, but because we have something to offer. We can show the world the science that calls for urgent action; the strength that comes from uniting; and the strategic interest in acting together. There has never been a more urgent and compelling time to do so. ●