

Out of Order

Loyola de Palacio's undermining of effective action on global climate change



European Commission Vice-President Loyola de Palacio has repeatedly undermined the European Union's clear commitment to the Kyoto Protocol and to related climate policies. Her behaviour represents grossly irresponsible political leadership and is in breach of her professional duty to act collectively with other Commissioners in the pursuit of agreed policies.

In December 2003, Mrs de Palacio said during a Brussels press conference, "We are following a strategy (of respecting the Kyoto Protocol) at the moment, but we need to look at other possible scenarios."¹ The widespread reporting of this claim required the Commission to issue a rebuttal the next day.²

In January 2004, Mrs de Palacio then attacked the new EU emissions trading regime by exaggerating its impact on the competitiveness of European industry. Speaking in Madrid, she said, "industry will have very serious problems of competitiveness and there will be relocations. There will be bankruptcies." Such claims were not backed up with any evidence, and appeared to reflect industrial lobbying in her home country, Spain.³

In February 2004, again speaking to journalists in Brussels, Mrs de Palacio said again that she wanted to consider alternatives to Kyoto. "We must look at other ways of achieving our goal - to reduce emissions - while maintaining the competitiveness of our industry," she said.⁴

Again, the Commission had to issue a statement contradicting Mrs de Palacio and setting the record straight.⁵ President Prodi was also forced to respond in the European Parliament, whilst the EC's chief spokesman

attempted to claim that Mrs de Palacio was only expressing her "private opinions", even though EC rules of procedure make clear that Commissioner must act collectively.

Commissioner de Palacio exploited events such as the Italian blackouts (2003) and the oil shortage (2000) to reinforce her rhetoric on the supply side of electricity rather than promoting the rational use of energy.

Energy supply problems related to the increase in peak demands are real. These problems could be solved quickly, cost-effectively and in a climate-friendly way through the promotion of efficient equipment, of stronger building regulations and with more renewable energy.

Instead, in December 2003, Mrs de Palacio pushed through a "package" of measures on the security of electricity supply that promoted heavy investments in the grid interconnection infrastructure, some to receive public funding through the European Investment Bank and structural funds.

Furthermore, she has tried to undermine democratic controls by giving the Commission power to override local objections to the building of new dirty power plants. This was done with no public consultation and stating that "European public interest" must prevail over national interest and local concerns.

The one initiative to address energy demand, the Directive on Energy Efficiency Services and Programmes, was neglected and repeatedly postponed. It only emerged when Mrs de Palacio realised that it could be used as window-dressing to the security of Electricity Supply Package.

Commissioner de Palacio's transport policy-making lacked transparency and was environmentally regressive.

Transport is currently responsible for over 23% of EU CO₂ emissions and is the sector with fastest growing emissions, both globally and in the EU. By 2010 it will account for almost 30% of EU emissions. In 2001, Heads of state and government singled out transport as one of four priority areas where integration of environmental policy needed to be accelerated. They agreed at the Gothenburg Summit on the need to decouple transport growth and GDP growth. This would be in line with the EC Treaty requirement to integrate environmental considerations in all EU policies.

Commissioner de Palacio has so far failed to deliver a proposal promised in 2001 as part of the Common Transport Policy, that would make transport prices reflect their real cost to society. Although the Commission's 2003 work programme promised a framework for infrastructure pricing, this now appears to have been postponed indefinitely by Mrs de Palacio.

The revision of the Eurovignette Directive (a road pricing scheme for trucks) fails to reach DG TREN's own policy goals for fair and efficient pricing, made in its 2001 White Paper on "European transport policy for 2010: time to decide". It also ignores the basic principles of a fair and efficient pricing system, which were laid down in the 1998 white paper on Fair payment for infrastructure use and reinforced by the transport integration strategy agreed in 1999 by EU transport ministers.

The revision of the Trans-European Transport Networks was undertaken in a fashion that was neither transparent nor sensible. The high-level working group launched by Mrs de Palacio was not only opaque, failing to include other stakeholders. The revision also made a number of questionable assumptions that contradict EU policy. For instance, it assumes continued transport growth, despite many EU statements on the need to slow transport growth and to decouple transport and economic growth.

Commissioner de Palacio consistently used her position to push a pronuclear agenda against democratic choices of most of the EU.

Nuclear power is a failed option. The risk of accidents, the huge economic costs and the highly radioactive waste for which there is no solution underline why most EU states either do not have or are phasing out nuclear power. So Mrs Loyola de Palacio's enthusiasm towards nuclear power is therefore a serious distraction from the need to focus on a strategy of expanding the use of sustainable alternatives, particularly renewable energy and energy efficiency, as the only effective and realistic approach to climate change and sustainable development.

Mrs de Palacio's 2002 proposals for directives on the management of nuclear installations and radioactive waste, only recently rejected by the Council of Ministers, were part of a concerted public relations exercise to prepare the ground for a nuclear revival. Included alongside the two directives were proposals to revive the Euratom Loans regime, in which the Commission also provides subsidised finance for new nuclear construction.

¹ Reuters, 15 December 2004 "EU questions its Kyoto policy due to Russia delay."

² IP/03/1747, 16 December 2003, "EC stands behind Kyoto Protocol"

³ Reuters, 23 January 2004 "CO2 Emission cuts may bankrupt firms"

⁴ Financial Times, 26 February 2004, "EU energy chief challenges stance on Kyoto"; Reuters

⁵ IP/04/269, 26 February 2004, "Commission rejects calls to drop Kyoto Protocol."