

5 European Policies for Meeting the Kyoto Targets¹⁰

5.1 Introduction

The objective of this chapter is to evaluate, through the use of PRIMES, the economic potential of a number of policies and measures (PAM) for limiting the EU's level of CO₂ by 2010. Consistency analysis and quantified re-evaluation were the aims of the model-based analysis.

The policies and measures analysed here are based on the objective set by the Council of Ministers in March of 1997 which set a target for CO₂ emission reduction by 15% in 2010 compared to 1990 emissions. The decision included also targets per member-state defined following negotiations. The individual targets are summarised in the following table.

¹⁰ The principal authors of this chapter are Pantelis Capros and Leonidas Mantzos of NTUA.

Table 5-1: Emission reduction targets by country.

2010 Emissions	Reduction from 1990
AU	-25%
BE	-10%
DK	-25%
FI	0%
FR	0%
GE	-25%
GR	31%
IR	15%
IT	-7%
LX	-30%
NL	-10%
PO	43%
SP	17%
SW	5%
UK	-10%
EU	-10%

The decision of allocation concerns a 10% reduction for the whole of the EU. An additional 5% is considered to be achieved through common policies and measures, not yet identified.¹¹

Also, the decision concerned the basket of greenhouse gases, including methane, N₂O and CFC. It is estimated that it is cost effective to reduce emissions of the non CO₂ emissions, up to the level of -3% expressed in terms of CO₂ equivalent. This would leave -12% as a target for CO₂ emissions alone.

The Council had been supported by an ad hoc expert group that considered a set of policies and measures (PAM) that are necessary to be engaged for reaching the CO₂ target. The consideration of the PAM package allowed for a definition of targets per sector and by country that have been further considered in the negotiations for the burden sharing among member states.

The proposed PAM package covered the following.

1. Energy efficiency in heavy industry.
2. Equipment (domestic appliances, motors, air compressors, heat pumps, etc.).
3. Cogeneration, district heating.
4. Renewables.
5. Transports (cars, modal).

¹¹ Following the Kyoto negotiations, the EU reduction target has been set at 8%.