



KEY ITEMS

Austria modifies proposal on HFC-ban

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Austria announced in August 2002 its intention to modify its proposed legislation banning HFCs. The changes were outlined in a communication sent to the Commission, which included Austria's response to comments and detailed opinions by Italy, Spain, France, the Netherlands, Italy, Belgium and the European Commission. The communication announces a deletion of the general ban on HFCs.

HFC taxes included in 2003 Norwegian Budget

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Norway's National Budget for 2003 was presented to the Norwegian Parliament "Storting" on 3 October. The proposal to regulate emissions of HFC and PFC has been included in the National Budget. It is proposed to tax imported products or the import of bulk amounts of HFC and PFC. The taxes will not be refundable and will amount to 180 Norwegian Krone (nkr) per tonne of CO₂ equivalent (a tax rate similar to the CO₂ tax on fuels). The tax should come into force as of 1 January 2003.

Germany launches GHG consultation paper

2

On 30 September, the German Environment Ministry presented a discussion paper on the reduction of fluorinated gases. The Ministry focuses on uses where more environmentally friendly substitutes are available. The private sector, associations, as well as the Länder are invited to comment and to contribute to the discussion paper by 30 October.

Denmark: EPA warns of ODS conversion costs and Order update

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The Danish Environmental Protection Agency (EPA) indicated in a report published in August that the overall cost to the Danish refrigeration industry of converting from hydrofluorocarbon (HFC) coolants to climate friendly equivalents such as hydrocarbons or ammonia "will exceed DKr300m (€40m) and 300,000 hours".

European Parliament votes on ECCP communication

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The draft report by Ms Anneli Hulthén (PES, Sweden) on the Commission's Communication on the implementation of the first phase of the ECCP was adopted by the European Parliament during its September Plenary session. The wording softening the initial wording of the forthcoming proposal on fluorinated gases was adopted.

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Austria modifies legislation on HFC-ban

Austria announced in August its intention to modify its legislation banning HFCs. The changes were outlined in a communication sent to the Commission, which included Austria's response to comments and detailed opinions by Italy, Spain, France, the Netherlands, Italy, Belgium and the European Commission. The main points of the Austrian response are:

- the general ban has been deleted, with restrictions applying now only to specifically identified uses;
- restrictions on HFC use in air conditioners and non-domestic refrigerators (e.g. bottle coolers) have been deleted;
- large installations have been "temporarily" removed from the ban, with Austria now pursuing a Dutch-style containment and monitoring policy;
- the ban on mobile cooling and freezing plants has been delayed until 2008 instead of 2007;
- in foamed materials, the bans will still apply but are moved back a year in each case.

This modification of Austrian legislation will help bring the country's approach more in line with future EU policy. It also highlights the isolated position held by Denmark with its HFC ban. The Commission will start its consideration of the dossier sent by the Austrians during October.

HFC taxes included in 2003 Norwegian Budget

Norway's National Budget for 2003 was presented to the Norwegian Parliament "Storting" on 3 October. The National Budget presents the Government's programme for the implementation of economic policy and projections for the Norwegian Economy.

As expected, the proposal to regulate emissions of HFC and PFC has been included in the National Budget. Taxes will apply to imported products or the import of bulk amounts of HFC and PFC. The taxes will not be refundable and will amount to 180 Norwegian Krone (nkr) per tonne of CO₂ equivalent (a tax rate similar to the CO₂ tax on fuels). The tax should come into force by 1 January 2003.

The section in the proposed National Budget concerning HFC and PCF states: "On tax policy one main element of the Government's proposal for tax changes in 2003 includes the introduction of environmental tax on HFC and PFC greenhouse gases."

The National Budget and the proposals on fluorinated gases will be discussed in the Parliament in October or November (the exact timing for these debates has not been confirmed). It is expected that the Energy and Environment Committee and industry will come forward with additional changes such as including an opinion covering a system of refund for gases returned at the end of life, which was not included in the Budget but was mentioned in the White Paper.

Germany launches GHG consultation paper

On 30 September, the German Environment Ministry presented a discussion paper on the reduction of fluorinated gases (f-gases). The Ministry focuses on uses where more environmentally friendly substitutes are available. The private sector, associations, as well as the Länder are invited to comment and to contribute to the discussion paper by 30 October.

The Environment Ministry intends to reduce the use of fluorinated greenhouse gases in those areas where the use of alternative

substances is technically possible and available. In general, Environment Minister Jürgen Trittin (Green Party) does not insist on compelling legislation. According to the Minister, a voluntary agreement with industry could be an alternative, if it leads to the same reduction.

However, on the specific use of HFCs in domestic refrigeration, the discussion paper advocates a ban on the production and introduction of appliances using HFCs. Discussions on a ban of HFC-using heat pumps are also suggested. Finally, a complete ban of the use of HFCs in dispensing machines is also strongly supported by the Ministry as viable alternatives supposedly exist.

Denmark: EPA warns of ODS conversion costs and Order update

Danish industry indicated in a report published by the Danish Environmental Protection Agency (EPA) in August that the overall cost to the Danish refrigeration industry of converting from hydrofluorocarbon (HFC) coolants to climate friendly equivalents such as hydrocarbons or ammonia "will exceed Dkr300m (€40m) and 300,000 hours".

The report emphasised that "a reasonable implementation of the reconversion process" will depend on "considerable economic support to the [refrigeration] sector". This report follows the Danish government's adoption of a Statutory Order in July under which most uses of the three fluorinated gases controlled under the Kyoto climate protocol, including HFCs, will be banned in the country as of 2006.

In further developments to recent adoption of the Statutory Order, the European Commission has confirmed that the Danish government has transmitted the text of the adopted Order and supporting documents. It is expected that the Commission will review

the submitted documentation sent in October, within the notification process.

European Parliament votes on ECCP

The draft report by Ms Anneli Hulthén (PES, Sweden) on the Commission's Communication on the implementation of the first phase of the European Climate Change Programme was adopted by the European Parliament during its September Plenary session.

The wording of the forthcoming proposal on fluorinated gases now states that the European Parliament "welcomes the Commission's intention to submit a proposal for a framework directive on fluorinated gases which aims to reduce emissions across all sectors through the containment and monitoring of such gases and by restricting marketing and use for some applications; considers the forthcoming reductions in emissions of fluorinated gases and improved monitoring as a cost-effective and environmentally efficient measure."

F-gases sub-working group considers drafts of studies

The F-gases sub-working group met on 25 September in Brussels to discuss the final drafts of the studies on the regulatory impact of containment and the business impact of possible marketing and use restrictions. The Commission has called for comments on the drafts of both of these studies from the group participation by 11 October. The studies will be finalised by end-November.

The time for adoption of the proposal had been further delayed. It is not now expected before early 2003. DG Environment has decided to await the finalisation of the regulatory impact and impact of possible marketing and use restriction studies before finalising drafting of the proposal.

DG Competition confirms investigation of CEN

The European Commission's Competition Directorate General confirmed in August that it had launched an investigation into the practices of the European Committee for Standardisation (CEN).

Calor Gas, a British producer of bottled hydrocarbon, filed a complaint against CEN claiming that leading chemical companies on the Committee manipulate regulatory standards on refrigerant gases in an effort to promote their products containing greenhouse gases. A number of companies and environmental NGOs have backed Calor's initiative. These include Star Refrigeration and Earthcare in the UK, Italy's De Longhi, and Germany's Stiebel Eltron.

Calor Gas claims that the new standard proposed by CEN could easily exclude hydrocarbon from refrigerating and air-conditioning equipment. It argues that HFC-producing chemical companies outnumber firms that produce hydrocarbon on four major committees involved in drafting the new standard. Calor Gas highlights one proposed amendment that would prohibit the use of hydrocarbons, a 'greener' alternative to HFCs, in most air-conditioners because of their alleged danger to consumers (hydrocarbons and ammonia are inflammable). Environmental NGOs argue that this is a mere pretext and the European Environmental Bureau emphasised that it is "almost impossible to set a refrigerator on fire".

Conciliation begins on WEEE and RoHS

The European Parliament and the Council initiated on 12 September negotiations in the Conciliation Committee on two directives:

- the proposal on waste from electrical and electronic equipment ; and
- the proposal on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

While considerable progress was made during the first day of negotiations, a number of key issues have yet to be resolved. These include:

- the financing of measures required to comply with the directive;
- recovery targets for electronic and electrical waste ; and
- requirements for collection of waste.

Under EU rules, negotiations in the Conciliation Committee should be concluded by 25 October. However, a two-week extension into early November is possible. It remains to be seen if the conciliation leads to changes in the current provisions effecting HFCs.

Commission comments on Swiss proposal to amend Regulation on ozone-depleting substances and fluorinated gases

The Commission has indicated that it has commented on the Swiss notification to EFTA and WTO. The Commission considers the measures taken by Switzerland as disproportionate as they go further than the measures proposed by the Kyoto protocol, especially in the case for the ban on gases used in the cooling and foam industry. It does not support a ban on such gases as long as there are no existing substitute for them.

The Swiss Government is currently carrying out an internal consultation on a revised document. The Swiss Federal Council plans to adopt the Ordinance in November or December 2002.

As background information, the Swiss Environment Ministry published in late December 2001 a proposal to modify the existing Regulation on dangerous substances for the environment concerning ozone-depleting substances and fluorinated gases. The proposal was notified to the Commission (under the EFTA agreement) in late March 2002. The standstill period ended on 19 June 2002. In addition, Switzerland notified the proposal to the Committee of Technical Barriers to Trade (CTBT) of the WTO and the deadline for comments was 19 May 2002. The European Commission has prepared observations on the Swiss proposal notified through EFTA and the WTO. The same set of observations was used in both cases.

Environment Committee adopts Resolution for COP8 Summit in New Delhi

On 11 September, the European Parliament's Environment Committee debated its draft motion for a Resolution on Climate Change. The draft Resolution:

- urges the EU to maintain a leading role in negotiations at the COP-8 conference in New Delhi;
- encourages the COP 8 Conference to adopt a decision on a review system for the reinstatement of parties that have dropped out of the scheme;
- calls upon those States that have not ratified the Kyoto Protocol to do so as soon as possible.

The Committee adopted this draft on 2 October. While the adopted draft makes no specific reference to HFCs, the Committee Chairman Caroline Jackson (EPP, UK) did indicate that *"the EU should redouble its efforts to meet the Kyoto Protocol targets, and set an example for other Parties to the Convention. Such EU measures should include;*

an adoption of an EU emission trading scheme and an adoption of proposals measuring other greenhouse gases than CO2."

Oral questions by Mrs Jackson to the Council and the Commission were also adopted without discussion by the Committee. Mrs Jackson asked for the Council's and the Commission's objectives for the forthcoming conference on 23 October - 1 November 2002 to be clarified. She also asked both institutions how they aim to encourage other Parties to ratify the Kyoto Protocol and what measures will be taken for its implementation.

A debate with the Commission, represented by Commissioner Wallström, and the Council will take place during the Second Plenary Session of October (week starting 21 October). The adoption of the Parliament's Resolution ahead of the COP8 summit is scheduled for the October Plenary Session.

EP Industry Committee adopts report on energy efficiency in buildings

The Industry and Energy Committee adopted in Second Reading on 11 September a Recommendation on the Directive on the energy performance of buildings. The Recommendation, drafted by Alejo Vidal Quadras Roca (EPP-ED, E), was adopted by 45 votes to 0 with no abstentions. The European Parliament as a whole is to vote on the Recommendation during the October plenary session in Brussels.

The Committee welcomed the fact that many of its First Reading amendments were taken up in the Council's Common Position, including the distinction between new and existing buildings. However, MEPs want to

shorten the deadline for enacting the directive. The Council proposes a three-year deadline, which could be extended to seven years in those countries where qualified experts to inspect heating and air-conditioning systems are not available. The Industry Committee proposes a three-year deadline (with a three-year extension for the same reasons as above).

The need for improved energy efficiency in buildings has already been highlighted in EU legislation and the European Parliament has stressed its importance on many occasions. Since this Directive is not binding, the Commission is now expected to propose a legal framework to strengthen existing national measures, with the aim of achieving a degree of convergence of standards in this area.

World Summit on Sustainable Development concludes - Russia pledges to ratify Kyoto

The World Summit on Sustainable Development concluded in Johannesburg on 4 September with the adoption of an Action Plan and a Political Declaration. These texts seek to reconcile economic growth, the fight against poverty and environmental protection.

Many commentators criticised the outcome of the summit as disappointing. However, all acknowledged that Russia's confirmation during the Summit that it will ratify the Kyoto Protocol represented an important achievement. Moreover, Jean Chretien, the Canadian Prime Minister of Canada (which accounts for 3.3% of the emissions reference figure) announced in Johannesburg that he would be tabling a draft law on his country's ratification of the Protocol "before the end of the year".

Neither climate change nor Kyoto was directly on the agenda of the Summit. The

nearest the agenda came to climate change issue was in its discussion of energy issues. The final Declaration mentions climate change as one of the challenges the world faces which is causing the global environment to suffer. The final action plan states *"States that have ratified strongly urge those that have not done so to ratify Kyoto in a timely manner."*

In addition it calls for improvements to be made to techniques and methodologies for assessing the effects of climate change, and encourage the continuing assessment of those adverse effects by the Intergovernmental Panel on Climate Change.

The summit saw some 250 plus type II initiatives announced, which set out partnerships between NGOs, businesses and international organisations. The initiative, which achieved most press coverage was the unlikely partnership between the World Business Council for Sustainable Development and Greenpeace, where both groups agreed to set aside their differences and:

'to call upon governments to be responsible and to build the international framework to tackle climate change on the basis of the UN Framework Convention on Climate Change and its Kyoto Protocol. We both agree that this is the essential first step. In making this statement together before the Heads of State and Government are expected to arrive here in Johannesburg, we are also calling upon governments to put their own differences aside, and to co-operate more fully to make the goal of greenhouse gas reduction a reality'

The groups admitted that they are unlikely allies but undertook to convene dialogue to encourage government to take action and encourage the public and private sector to take action on combating climate change. The group accepted that this co-operation

would not stop the groups from being critical of each other in the future.

Commission adopts Communication on Environmental (Voluntary) Agreements

The Commission adopted in July the long awaited Communication on Environmental Agreements. The Communication sets out three types of environmental agreements:

- Voluntary agreements on spontaneous commitments
- Voluntary agreements in response to a declared intention by the Commission to legislate
- Voluntary agreements via self-regulation/co-regulation.

Environmental Agreements at the Commu-

nity level are defined as 'those by which stakeholders undertake to achieve pollution abatement', as defined in environmental law, or environmental objectives of the EU.

In concluding the Communication, the Commission states that it wishes to encourage such agreements at a Community level in a wide range of sectors where it does not intend to legislate. The Commission suggests that it will consider some 4-6 voluntary agreements between now and 2005. The proposed agreements are likely to address the following areas:

- The PVC Strategy;
- The follow-up to the Green paper on Integrated Product Policy (IPP);
- Waste management;
- Climate change.

U P C O M I N G E V E N T S C A L E N D A R

O c t o b e r

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| 16-18 | IKK 2002, Nürnberg, Germany
Environment Council, Luxembourg |
| 30 | EPEE General Assembly (closed) |
| 31 | Steering Committee meeting (closed) |
| 23-1/11 | COP8 in New Delhi, India |

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