



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from : General Secretariat of the Council
to : delegations

Subject : Adoption of a Directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms

Delegations will find enclosed a written statement by the French delegation for the Council minutes re voting on the above Directive:

"France has always actively supported the adoption of a text which allows credits from projects using the "flexible mechanisms" under the Kyoto Protocol to be linked to the Community allowance trading scheme. This legal instrument should thus enable European businesses to limit the cost of reducing their greenhouse gas emissions, while facilitating financing for projects and for the transfer of "clean" technologies in developing countries.

This would provide significant support, as of 2005, for a rapid start to the Clean Development Mechanism in the developing countries, and for preparing Joint Implementation projects in the countries listed in Annex I, in particular in countries with economies in transition.

However, France does not agree with the text submitted for Council approval.

The text unjustifiably discriminates against credits from non-greenhouse sources, namely from nuclear and hydro-electric energy. For the latter, which is a renewable energy, discrimination arises de facto since the criteria applied, on which there is no consensus at international level, are impracticable.

In adopting such a position, the European Union is restricting the scope of international commitments that it has endorsed. It is sending a negative signal to countries receiving incoming investment whereas such investment is not generating carbon dioxide.

This choice, which has been made on grounds not directly related to combating climate change, could in the future have an unfavourable influence on energy independence and energy policy in third countries, and even in the European Union.

In studying the draft framework law on energy that is to determine the country's long-term energy policy, France's national representation has, on the contrary, recently confirmed its interest in maintaining the nuclear sector and in developing renewable energy sources for power generation.

France accordingly regrets that it is compelled to vote against the text submitted to the Council; it is harmful to the European Union's multilateral position and limits action which is desirable in the fight against climate change."

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