

EU-27 WATCH



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EU-27 Watch

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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Poland**Auctioning of emission allowances controversially debated****Maria Karasinska-Fendler**

In 1992 Poland signed the United Nations Framework Convention on Climate Change (UNFCCC) and then went on to sign the Kyoto Protocol in 1997. According to the Kyoto Protocol, Poland is obliged to reduce its greenhouse gas (GHG) emissions for 2008–2012 by 6 percent in relation to the base year, 1988. During the period from 1988 to 2009, Poland reduced its emissions by 58 percent, mostly due to economical changes related to the political transformation from central planning to market economy. The costs of those changes were significant, with a 20 percent decrease of employment, for example. In 2005, more than 73 percent of total GHG emissions in Poland were generated by the energy sector (excluding transport). Hard coal plays a very important role in the Polish energy mix, resulting in high emissions and CO₂ intensity. The share of solid fuels in electricity generation (97 percent in 2009) is the highest among the EU member states. The primary energy supply from coal is also high (58 percent in 2008). The GHG emissions of the energy sector decline year by year, as a result of energy-efficiency policies and measures implemented. In the future, a slight increase is expected, stemming from the forecasted economic growth rate. For the transport sector, emissions are also declining continuously. In the period from 2007 to 2013, more than 100 billion Euros from EU funds will be spent on new investments in Poland. Some 63 percent of those funds are expected to be channelled into road-based transportation projects. Since 2003, Poland has implemented its Climate Policy Act, with the goal of 40 percent GHG reductions by 2020, compared to 1988. The planned increase of GHG emissions in the period from 2007 to 2013 may affect these ambitious results; for instance, the energy intensity of Poland's gross domestic product (GDP) has decreased by approximately 30 percent. The energy intensity remains twice as low as the EU average for that same period; the respective efficiencies of power plants in Poland and in the EU-15 amount to 36.5 percent and 46.5 percent; thermal insulation of residential buildings in Poland amounts to 150-350 kWh per sq m per year, as compared to 40-90 kWh per sq m per year in the EU-15.

According to the official data, the increased intensity of extreme weather incidents in Poland is a fact. In 1991 there was only one case of a heavy gale, while in 2006 the number increased to 52 and the first half of 2010 appeared abundant in such events. Apart from a lot of other negative factors, tourism suffers from a lack of snowy winters, while agriculture is harmed by floods and droughts. Despite all of those facts, the general public's interest in climate issues is very low. There is a general awareness that climate change is a fact, but there is still disagreement on the human responsibility for this process and a general doubt prevails in the public and media debates on any other related topics.

There has been almost no news about major scientific and economic reports, such as the Intergovernmental Panel on Climate Change Fourth Assessment Report (IPCC 4AR) or Stern reports. Moreover, in Poland, the existing and potential consequences of climate change are considered a non-issue for the neighbouring vicinity. They are rather perceived as a "problem of other regions whom we cannot help to any larger extent".¹ Also, it is a common misunderstanding of the problem to translate and consider the climate change process as, e.g., delivering more advantageous conditions for tourism on the Baltic seaside. As far as energy is concerned, the understanding of EU energy and climate policies is poor. GHG emissions reduction is seen mostly as a cause of higher energy costs for households and national industry sectors.

Strong scientific bodies dealing with climate-change issues in Poland are almost non-existent. The Polish NGO movement has a good understanding of the problem and seems to have one of the most important roles in providing relevant information and education. NGOs, through their activities and cooperation with the media, provide and disseminate crucial analyses of current issues related to climate change as well as reports of its confirmed and possible consequences. In 2009, the International Institute for Sustainable Development (IISD) issued a report on the environmental awareness of the general public in Poland. Contrary to the previous study from 2004, the public's opinion as to the nature of the country's leading environmental problem changed from "ozone layer depletion" to "climate change". It seems to be an effect of the increasing media interest in climate issues. The important role of research energy (RES) within the energy system was indicated by

¹ Foundation for European Studies – European Institute.

approximately 50 percent of respondents, while 23 percent mentioned energy efficiency. Nuclear power was supported by 30 percent of the respondents.²

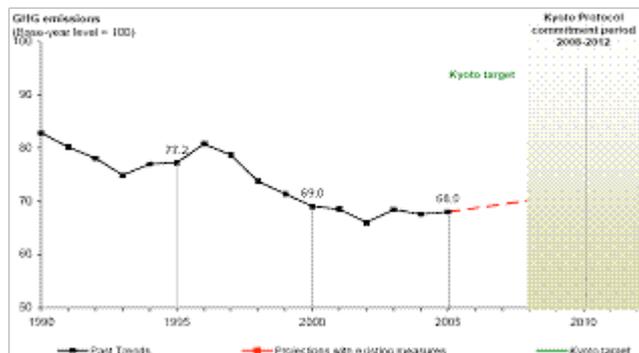
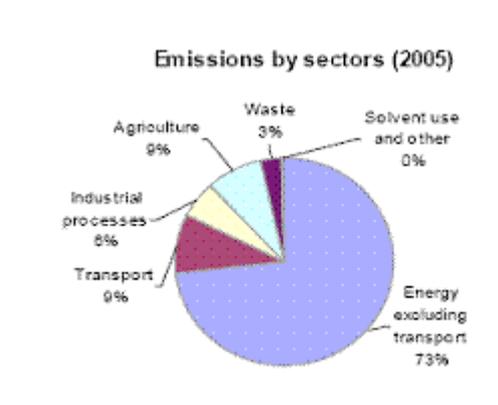
There is a media debate on the human responsibility aspect of the process. Natural disasters like floods and gales are linked to the fact of climate change; yet, the topic is still not correctly and adequately understood. It is suspected that it is not “sexy” enough for the media. The media in Poland seems to be interested more in the European Climate and Energy Policy rather than in global problems such as climate change. The concepts of allocation of GHG-emissions permits for the EU Emissions Trading Scheme (EU ETS) (in the past) and of auctioning and its allegedly damaging impact on the national economy seem currently to be very hot media topics. There is a lack of interest in issues like the future post-Kyoto agreement, burden-sharing, etc. Major high-level meetings like the COPs and events such as the publication of the IPCC 4AR report are brought to the media’s attention mostly by NGOs.

Poland has agreed to the European Climate and Energy Package goals, even though ways to achieve them are still disputed and viewed as difficult to follow at some points. The most controversial idea of the agreement is auctioning 100 percent of the CO₂ emission credits through the EU ETS, which is expected to be in place in 2013. It is seen both by the government and in public opinion as a serious threat to the national economy and as an even more serious threat to a lot of the industry stakeholders and other businesses in Poland. The NGOs are not as sceptical of the auctioning idea, viewing it as a challenge for Poland, highlighting at the same time the opportunities for the economy, potential for boosting innovations, expanding RES and improving overall energy efficiency. As far as the agreement on post-2012 targets is concerned, the discussions are ongoing, and there is no official position available. As is mentioned above, the government is expecting an increase in GHG emissions in the next several years. The NGOs’ climate coalition lobbies to keep the Polish Climate Policy goal of a 40 percent GHG emissions reduction target by 2020. It must also be noted that Poland did not officially support the Hungarian Proposal. As for the national energy policy, a new policy act is currently being drafted by the Ministry of Economy. Apart from the priorities assigned to energy efficiency and the increase of renewable energy use, the draft also envisages the construction and operation of a nuclear power plant in Poland in the future as a tool for GHG emission reduction.

On 25 March 2010, demosEUROPA – Centre for European Strategy organised its first expert roundtable meeting on a low carbon economy in Poland, within the framework of the project “Poland’s Low Carbon Transition Strategy – putting Poland on the path of CO₂ emission reductions”, entitled: “Global Trends and European Context.” The meeting took the form of an expert roundtable composed of economists, practitioners and policy makers. Dieter Helm,³ who was the main speaker of the day, deliberated on the global and European trends that pertained to building a low emission economy and Poland’s prospects in this framework.⁴ The topics of the meeting included: issues associated with global energy and climate policy making; a critical analysis of the European low emission economy project, closely associated with the proposal for the Europe 2020 Strategy; and the potential for transformation of the Polish energy sector. Problems pertaining to climate change politics on a global level were also mentioned – especially the more evident failure of the Kyoto Protocol, which has not proven to reduce emissions of greenhouse gases into the Earth’s atmosphere. EU energy and climate policies, which are now based on possibly unattainable goals due to economic constraints, were also subjected to constructive criticism by the group. The participants agreed on the huge potential associated with shale gas, which could influence the improvement of energy security in Poland, as well as lower the level of greenhouse gas emissions in the energy sector. Shale gas has the potential to become the transition energy source between coal, which currently stands as the base of Polish energy production, and renewable energy, for which rollout and implementation will take many more years. The main problems of the Polish energy sector were also identified: old energy installations, lack of diversification and the need to increase energy output production for the growing Polish economy. The experts assumed that energy diversification would improve Poland’s energy security, as well as reduce the investment risk associated with gas, oil and electricity prices. However, such diversification will not be possible, unless a number of policy reforms are set in place by the Polish government. The meeting was summarised with an interesting discussion on new methods of measuring human and economic development, in which natural resources, water and air quality and environmental degradation were to be included as factors of economic calculations.

Growth of GDP and Change Gross Inland Energy Consumption in Poland

2007	2008	2009	Gross Inland Energy Consumption Change Dec.2009/Dec.2008 in %
GDP Growth in %	GDP Growth in %	GDP Growth (est.) in %	
6,6	5,0	1,1	-6,3



Source: Aleksandra Arcipowska (Polish Ecological Club, Mazovia Branch, Poland)

¹ Since 1992, the Institute for Sustainable Development has published studies of the environmental awareness of Polish society. All of the studies reported were conducted by the same center, the Social Opinion Research Center, which provides uniform standards for research, available at: <http://www.koalicjaklimatyczna.org/index.php?id=koalicja&lang=en> (last access: 28 July 2010).

² There is a report prepared by Energsys on the potential impact of the EU climate policy on the Polish economy. It is claimed that the EU Energy and Climate Package implementation will cause losses to the economy amounting to 505 billion PLN in 2030.

³ British economist specialising in energy and climate policy, Professor at Oxford University, former adviser to the British Prime Minister Tony Blair and currently member of the group of external advisers to the Polish Presidency in the Council of the European Union.

⁴ The discussion was attended by a number of distinguished guests, amongst whom were: Maciej Bukowski (president, Institute for Structural Research), Adam Czyżewski (chief economist, PKN Orlen), Leszek Kaşzek (economist, World Bank), Witold Orłowski (chief economist, PriceWaterhouseCoopers), Marcin Putra (partner, McKinsey&Company), Filip Thon (partner, RWE Polska), Krzysztof Źmijewski (secretary general, Social Council of National Programme for Emissions' Reduction) Jakub Michałowski (secretary, Group of Strategic Advisers to the Prime Minister), Ewa Gaşiorowska (chief specialist, Vattenfall Polska), Daria Kulczycka (director, Department of Energy and Climate Change, Leviatan), Adam Jasser (secretary, Economic Advisory Council to the Prime Minister), Ewa Stepan (director of the Climate and Energy Programme, Center for International Relations), Paweł Świeboda (president, demosEUROPA), Krzysztof Blusz (vice-president, demosEUROPA), Agata Hinc (project leader, "Low Emission Economy", demosEUROPA) and Jerzy Brodzikowski (project assistant, demosEUROPA).

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?