

**“We need time to adapt”**

**Interview with Jerzy Buzek, member of the European Parliament, 6 November 2008**

**Roderick Kefferpütz**

**On 6 November 2008 I spoke with Jerzy Buzek, a member of the European Parliament (MEP) and former Prime Minister of Poland in order to discuss the upcoming climate change conference in Poznan, the European climate and energy package, as well as the link between the financial crisis and climate change in general. The following is a transcript of the interview.**

*All eyes will soon be on Poznan with the upcoming UN Climate Change Conference that will take place there. What, in your mind, needs to happen at this COP14?*

This is the broadest and most complicated question. Briefly, the conference in Poznan should stress the necessity of combating climate change and send strong political signals to the international community in order to strengthen efforts towards setting up a common co-operation framework during COP 15 in Copenhagen.

Each country needs to streamline their readiness into actual co-ordinated work on a global level. We need a clear programme for 2009 that will guide our negotiations to a successful conclusion in Copenhagen. The conference in Poznan should move towards striking a compromise in such subjects: reduction of GHG emissions, technology transfer, rules and scale of financing, adaptation and preventing GHG from deforestation and desertification. For example, one of many important steps should be getting an international adaptation fund ready and having governments contribute and shape it under a voluntary agreement.

*Who do you think might be an obstacle to conducive negotiations in Poznan?*

I think it will not be one single party *per se*. Rather, the fact is that the majority of the parties are not ready yet or are lacking the political will to really move forward. Everybody wants to wait until the last moment before they present their detailed proposal. The

European Union has been the only actor that indicated a 20% greenhouse gas (GHG) reduction by 2020, going up to 30% if other countries follow EU proposal. So I think the biggest obstacle is the fact that nobody wants to reveal its negotiating position before last-minute discussions in Poznan.

However, after all, I hope I am wrong and negotiations will proceed much easier and quicker in Poznan.

*You mention the EU's 2020 goals but the measures, envisioned under the EU's energy and climate change package, are hotly contested, particularly by Poland.*

We are sure that the main goal of 20% CO<sub>2</sub> emission reductions by 2020 is necessary to fulfill. There is no discussion. On the other hand, there are different ways on how to reduce greenhouse gas emissions. And there Poland has made several relevant propositions.

First of all, the most important of our proposals is the so-called benchmarking system for the electricity sector and energy-intensive industries. The proposal means that in case of using the best technology standards, it will not be necessary to buy emission allowances. As regards less efficient technologies which always produce higher emissions, it will be required to purchase allowances equivalent to the difference between emission levels for the best available technology and technology used.

In this way, we keep an incentive to modernise non-efficient installations. The best technology standards should be stated *ex ante* for the

coming year. In addition, if you are using the best technology and during the coming years you are able to improve your efficiency level and technology standards, then *ex post* you can achieve emission savings, which you can sell then as allowances. These will be the only emissions that would be allocated on the free market by individual producers. No other allowances can be sold on the market by a private entity. I think that this system will be very important for both the energy-intensive and electricity sectors.

Secondly, we need to prevent an excessive speculative growth of prices for allowances. That means we need to develop the right financial instruments for that purpose.

But once again I would like to stress that in Poland we fully agree with the goal of a 20% emission reduction by 2020. There remains the problem of the so-called base year. Poland and a number of other Central and Eastern European countries have significantly reduced the emission levels since 1990. Thus, the year 1990 should be maintained as the base year, so as to account for the enormous efforts made by those countries between 1990 - 2005.

*Is this an exclusive Polish view?*

Some other EU member states share our point of view. For example more than 10 countries support the necessity of preventing speculation and keeping prices in a certain corridor.

*But then how can Poland move away from a coal-based economy without hurting its economy?*

We have coal and lignite reserves that will last for the next 100 to 200 years and this is valid for the whole Europe, not just Poland. Moving away from coal to gas and oil is very dangerous because in these fuels we do not have our own reserves. Certainly coal will be our primary energy resource in Europe for the next decades. There is no need to move away from a coal-based economy, although we have to create new technological conditions for using coal, e.g. carbon capture and storage (CCS), coal gasification and polygeneration. We should also move towards renewable energy and nuclear.

*But nuclear and CCS is incredibly expensive. How do you expect to develop these alternatives in the context of the current financial crisis?*

It is obvious that generally the time of cheap energy is over. Four years ago the price of oil was 25\$ *per* barrel today it is 60\$ (few months ago was 140\$!). Similar situation is with the gas price. Wind farm and solar energy are very costly as well. In that context nuclear energy is rather cheap and the same with energy produced from coal using CCS.

What I would like to stress, is that we need time to adapt to these changes. We cannot do them in 4 years when, according to the EC proposal, full auctioning will start (2013). We need to change that proposal by replacing the full auctioning by benchmarking or at least phasing-in full auctioning by 2020 in order to develop alternative solutions mentioned above and additionally improve energy efficiency in every sector, ranging from households, offices, electricity production etc.

After all, our investments will be done in 12 - 15 years. On the other hand, nobody expects that financial crisis to be present longer than 2 - 3 years.

*How is the Commission so far reacting to the Polish proposal?*

I have been present at the meeting between Commissioner of Environment Mr. Stavros Dimas and Polish Minister of Environment prof. Maciej Nowicki. During the meeting in the presence of Commissioner Piebalgs, Mr Dimas expressed very important sentence that Polish arguments and problems should be taken into account. It is very optimistic and promising.

Interview conducted by Roderick Kefferpütz

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