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Italy singled out for playing politics

By Joshua Chaffin in Brussels and Guy Dinmore in Rome

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Italy risks being cast the villain in undermining bold European Union plans to reduce greenhouse gas emissions. Silvio Berlusconi, centre-right prime minister, is accused of playing politics while the planet heats up.

In mid-2007, when European ministers unveiled their ambitious 20-20-20 targets, Italy was at the forefront of support. At the time it had a centre-left government whose Green environment minister, Pecoraro Scanio, was probably the most hated politician among Italian industrialists.

Now with Stefania Prestigiacomo running the environment portfolio, Italy has an industrialist as minister and a government more attuned to the big business lobby rather than fighting climate change.

At a summit of European leaders in October, Mr Berlusconi threatened to veto the climate package, saying it would cost Italy 18bn (\$23.2bn) a year to comply, a figure hotly contested by the European Commission.

Brussels officials fear the stance of Italy, among others, could doom efforts to close a deal by December, the EU self-imposed deadline for adopting the package. The financial crisis and economic downturn in Europe have also made the negotiations more difficult, as governments shifted focus from climate issues.

This week Rome reiterated its opposition to the EU plans to cut carbon dioxide emissions by 20 per cent from 1990 levels by 2020, saying it would cost Italian companies 40 per cent more. This would be untenable for our production, particularly in light of the current global economic crisis, it said.

Italy is also concerned about the other EU targets to gain 20 per cent of energy from renewable sources and improve energy efficiency by 20 per cent, both by 2020.

Italy's latest position is to ask that any European agreement be revisited in early 2010 after an international conference in Copenhagen next year to renegotiate the Kyoto climate accord. It is also pushing for concessions in separate but related European legislation that would force carmakers to reduce vehicle emissions by either 2012 or 2015.

European officials have suggested there are areas where they could show flexibility without compromising the plan's main goals. This could mean giving companies credit for contributing to projects to reduce emissions in developing countries, a concession being pushed by Enel, Italy's main power utility.

Professor Marzio Galeotti says the Italian government has woken up too late in understanding its commitments, although it was a previous Berlusconi government that ratified the Kyoto accord.

There is too much tendency to concentrate on the costs and under-estimate the potential benefits which are harder to measure, he said. He believes Italy will eventually settle for modifications and concessions to the package, possibly including the removal of mandatory intermediate targets rather than the final goal.

Stavros Dimas, the European environmental commissioner, has publicly rejected Italy's cost forecasts, saying they would be about half that. Others in the Commission are fuming. They view the Italians as late-comers who are playing politics with an initiative on which the EU has staked much of its credibility.

Italy has several factors working against it as it tries to reduce its emissions. Unlike the UK, it still boasts a sizable manufacturing base. Unlike France, it decommissioned its nuclear power plants after a 1987 referendum.

As Andrea Clavarino, president of Assocarboni, the coal operators lobby, explained, one of Italy's chief concerns is that its manufacturers will be discriminated against if competitors in India, China and the US are not forced to follow suit.

Italy's record on cutting back emissions compares poorly with its European peers yet, per capita, Italians produce considerably less greenhouse gas than most Europeans. On that score Poles, Germans and Belgians are among the worst offenders.

According to official US figures, Italy's per capita emissions grew by 4.3 per cent between 2000 and 2005. This compares with 1.2 per cent for France, 2.5 per cent for the UK and a 0.7 per cent drop in Germany.

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