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## The Stern Review and the question of energy and climate change in the European Union?

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*In Studia Diplomatica* Vol. LX: 2007, n°2

The Stern Review on the Economics of Climate Change was published at the end of 2006. It was perceived by some as an element capable of triggering not only consciousness of climate change as an urgent problem, but also international political action.

The Review is a substantive piece of work, which considers both the scientific basis of climate change caused by human activity, and the economics of the problem. It assesses both the costs of climate change, and the costs of acting against it through the policy responses for mitigation, adaptation and international collective action.

The key figures of the Review speak an easy language: the estimated costs of climate change and acting against it, respectively, are 5% and 1% of global GDP, now and forever. Globally speaking, the economic case for action should therefore be sufficiently demonstrated.

In this part of the Energy-issue of *Studia Diplomatica*, the Stern Review is read in an EU perspective. Using the Review as a measuring bar, the paper firstly considers the current EU strategy on climate change and energy. In the same way, the Review is used with a view to assess the European Commission's proposal for an EU Energy Policy. On this basis, the paper develops two recommendations to the EU which are inferable from the Stern Review, on technology cooperation and the future of the EU Emissions Trading Scheme. In the conclusion it especially highlights the difference between the levels of realism and ambition displayed by the Commission's proposal and the Stern Review, to the advantage of the latter.

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