



Third Stakeholder Meeting on post-2020 carbon leakage provisions for the EU ETS

Overview of the preliminary findings of the written consultation on post-2020 carbon leakage provisions

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Some numbers

- duration: 12 weeks
- period: 8 May – 31 July – later submissions also accepted
- method: online questionnaire

http://ec.europa.eu/clima/consultations/articles/0023_en.htm

- format: **23 multiple choice questions** (with possibility to motivate answers) + question 24 allowing stakeholders to underline additional aspects

Some numbers

- responses: **440**

http://ec.europa.eu/clima/consultations/articles/0023_en.htm

- taken into account: 427 (because of multiple entries from same entity)
- respondent profile
 - **89%** industry + their representatives
 - **4%** national/regional/local authorities
 - **7%** civil society (NGOs, academic and research institutions, citizens, trade unions)

Approach

- Multiple submissions from same entity counted as one
- Some answers seemed incorrectly classified – we reclassified according to nature of respondent
- Several submissions were in the form of narratives rather than questionnaire format – we also took them into account

Business and trade representations of business interests – main issues

- industry believes the current system needs **some improvement**
- **concerns:** limitations of existing technologies linked with need for breakthroughs; unavoidable process emissions; investments need a stable framework; indirect cost approach; long-term impact of CSCF
- considerable support expressed **in favour of an innovation funding instrument** – respondents stress that innovation and technological development are key to ensuring EU industry remains globally competitive
- regarding **allocation modalities** - support for using more recent data as basis for determining allocation: many industry stakeholders mention ex-post approach although acknowledgement of problems (e.g. data confidentiality, administrative complexity); benchmark updating

Government and regulatory authorities – main issues

- authorities believe the current system needs **some improvement**
- **concerns:** EU industry needs to be protected in the absence of an international agreement; ensuring protection that is effective and well-targeted; surplus of allowances in the market linked with weak carbon price signal must be addressed; carbon leakage criteria should take into account among others the ability to pass on costs to customers, trade patterns and also availability of data;
- most views **in favour of an innovation funding instrument**
- regarding **allocation modalities** – interest shown in using more recent data as basis for determining allocation – this however needs to be balanced with need for manageability

Civil society (academic and research institutions, NGOs, citizens, trade unions) – main issues

- ETS is perceived as an **important instrument** by civil society respondents but which needs **some improvement**
- **concerns:** strong carbon price signal needed; surplus of allowances needs to be addressed; the need to take into account the ability to pass on costs;
- wide support for **innovation funding** – some views stress that measures to protect EU industry should focus on innovation and should be linked to international developments (more and more countries/regions implementing climate policies)
- regarding **allocation modalities** – some believe more recent data should be used but caution against added complexity and challenges related to obtaining timely and accurate confidential information

Analysis is on-going (due to large number of replies),
and will be published

Replies have been published

Website

http://ec.europa.eu/clima/consultations/articles/0023_en.htm