

Directorate-General Climate Action - Directorate A

E-mail: CLIMA-CC-2015-CONSULT@ec.europa.eu

European Commission
Directorate-General Climate Action
Stakeholder consultation 2015 climate agreement
BU24 04/065
Avenue de Beaulieu, 24
B-1049 Bruxelles
Belgium

Brussels, 26th of June 2013

Ref: Answer to the consultation paper on the 2015 International Climate change Agreement: Shaping the international climate policy beyond 2020, by Eurometaux, EU transparency register nr. 61650796093-48

Dear Sir/Madam,

Eurometaux is the Brussels-based EU association of the non-ferrous metals industry, representing the main EU and international metals producers, EU and international metal commodity groups and national metal federations. The industry covers base metals (Al, Cu, Pb, Ni, Zn, Sn Sb), precious metals (Au, Ag, PGM's) and technical metals (e.g. Co, W, Cr, Mo, Mn, SI, FeS), manufactured from both primary and recycled raw materials.

Eurometaux hereby submits its reaction to the consultation paper on the 2015 International Climate change Agreement: Shaping the international climate policy beyond 2020. Eurometaux is a registered organisation in the EU transparency register (n° 61650796093-48).

EUROMETAUX wants particularly to point out that global level playing field can only be achieved through linkages based on symmetry and reciprocity in terms of privileges and burdens on the industry.

1. How can the 2015 Agreement be designed to ensure that countries can pursue sustainable economic development while encouraging them to do their equitable and fair share in reducing global GHG emissions so that global emissions are put on a pathway that allows us to meet the below 2°C objective? How can we avoid a repeat of the current situation where there is a gap between voluntary pledges and the reductions that are required to keep global temperature increase below 2° C?

*The answer to this question follows the basic definition of the EU ETS. In the past years the focus was put only on one single part of this definition, namely climate mitigation and almost no attention was put to the cost efficiency element. Therefore the potential new agreement design should place **industrial competitiveness** on an equal footing with climate and energy goals, and set as an energy policy goal the reduction of the gap between the energy prices paid by the energy-intensive trade exposed industries in the EU and their global competitors. These measures will enable economic recovery and stimulate investments in new innovative process solutions in the industry and reduce emissions.*

*Second very important design element is the **principle of reciprocity and equal burden** for all actors competing on a global market – inclusion of all major global players. Global agreement should include comparability indicators and clear rules/penalties for the countries participating.*

2. How can the 2015 Agreement best ensure the contribution of all major economies and sectors and minimise the potential risk of carbon leakage between highly competitive economies?

The answer follows the conclusion made in the previous question. In order to engage all the major economies into this process, climate policies need inbuilt growth-proof principles. The approach taken so far focused on the climate elements, forgetting the costs related to specific measures. In times of economic crisis, growth “enablers” should be put up front and additional cost related burdens for the industry should be avoided. Eurometaux sees these two elements as crucial recipes for success.

Secondly, a clear and transparent system for the monitoring, reporting and verification and emission reductions is essential to enable the comparison of the implementation of pledges at a sector level.

3. How can the 2015 Agreement most effectively encourage the mainstreaming of climate change in all relevant policy areas? How can it encourage complementary processes and initiatives, including those carried out by non-state actors?

The 2015 Agreement should promote climate change policies as something that brings success and wealth to the countries that follow. Since the benefits of combating climate change is not equally dispersed around the globe (some countries would suffer much harder from global warming than others), following the related policies have to bring benefits as compared to those that do not follow. Efficient growth and modernization of the economy should be in the center of interest for politicians and negotiators.

4. What criteria and principles should guide the determination of an equitable distribution of mitigation commitments of Parties to the 2015 Agreement along a spectrum of commitments that reflect national circumstances, are widely perceived as equitable and fair and that are collectively sufficient avoiding any shortfall in ambition? How can the 2015 Agreement capture particular opportunities with respect to specific sectors?

Any approaches should seek to avoid affecting the competitiveness between sectors. Different countries and regions have very different profiles of sectors and hence a simple comparison of country-wide emissions reduction commitments may be misleading or not informative. In order to carefully analyse the impact of national commitments, it is necessary to take a view at a sector level and explore sector approaches.

There is the potential for sector approaches for those sectors where beneficial contributions to climate change policy objectives would be expected to occur through both operational and best management practice changes, as well as through the development of products and services that will contribute to climate change mitigation and adaptation.

5. What should be the role of the 2015 Agreement in addressing the adaptation challenge and how should this build on ongoing work under the Convention? How can the 2015 Agreement further incentivise the mainstreaming of adaptation into all relevant policy areas?

No views.

6. What should be the future role of the Convention and specifically the 2015 Agreement in the decade up to 2030 with respect to finance, market-

based mechanisms and technology? How can existing experience be built upon and frameworks further improved?

Eurometaux supports the Convention remaining the focal point for international action on climate change. It must act as the central point for the collection and analysis of emissions inventories, supported by expert review.

7. How could the 2015 Agreement further improve transparency and accountability of countries internationally? To what extent will an accounting system have to be standardised globally? How should countries be held accountable when they fail to meet their commitments?

In the Eurometaux's view EU ETS could be taken as an example and frontrunner in a global harmonisation process attempt, BUT only if the cost effectiveness element is considered on equal level as emissions reductions. If this is not the case and EU cannot prove it, no other global partner will take EU ETS seriously. Full harmonisation level will most probably not be possible, but harmonisation to the extend, where it ensures equal global level playing field should be possible and the main requirement to succeed with the global agreement.

8. How could the UN climate negotiating process be improved to better support reaching an inclusive, ambitious, effective and fair 2015 Agreement and ensuring its implementation?

It is vital that business is engaged within the decision-making process to provide advice to ensure that commitments agreed are achievable.

9. How can the EU best invest in and support processes and initiatives outside the Convention to pave the way for an ambitious and effective 2015 agreement?

No views.

Regards,



Jernej Vernik
Energy and Climate change policy manager
(vernik@eurometaux.be)