

**Speaking Notes for Dr Nick Campbell, Chair, UNICE Climate Change Working Group  
at ECCP II Conference : Session 1 : Review of ECCP I  
24<sup>th</sup> October 2005**

Thank you Mr Chairman, Ladies and Gentlemen,

Thank you for the opportunity to give a few remarks. I was involved in ECCP I firstly, as Industry co-ordinator for the F-gas sub-group, involving some 50-60 persons, and secondly, as part of the Flexible Mechanisms group.

I need to stress that these remarks are as a result of my experiences in ECCP I and do not necessarily represent those of my association.

I am delighted that we are starting a review of ECCP I – it will be fascinating to see the impacts that have resulted from it. I must, however, express some surprise at the timing of the review. It is not usual, certainly within business, to carry out a review of any project whilst simultaneously launching another phase of the project with similar structural and operational parameters. In my experience the review is usually carried out first so that lessons learned can be implemented at the start of the 2<sup>nd</sup> project.

That topic aside, and I do realise that the topics being addressed are different, it is clear from the data that have been presented this morning that considerable work needs to be done – this has been clearly demonstrated by the recent emission trends displayed.

I am not going to discuss the remit of this ECCP group, suffice to say that many of my colleagues in the Energy Intensive industries believe that there is a strong need to review the functioning and impacts of the EU ETS, particularly the impacts of rising electricity prices.

The first topic that I will address is timing:

I have to ask the question of why in the EU we are seem to be rushing things?

Climate change is a long-term issue. The results of our actions, or in-actions, will be seen long into the future – so why do we always need to conclude everything tomorrow or, at least within 6 months? It is, in my view, better to do a good thorough job than a rushed and inadequate one. When you consider that we are launching this group just before Christmas and effectively expecting it to report in 6 months, it is only really getting 4 months in which to work – barely sufficient to do any job. Will rushing help us to adopt measures?

Let me give an example.

ECCP I for F-gases recommended in June 2001 that there was broad support to implement a Directive to control emissions through better containment, improve monitoring and reporting and to bring in limited use bans. So where are we now?

This week the European Parliament will give its 2<sup>nd</sup> reading to a regulation. This will probably lead to conciliation as they wish to bring in measures far beyond those envisaged in ECCP and which would have little impact on the reduction of overall climate change emissions and could severely increase costs. The resulting regulation will possibly enter into force 1 January 2007 with most reduction measures starting after that. So 5 and a half years

after ECCP I, one of the recommendations will enter into force, and one that was supported by business.. This brings me back to my 1<sup>st</sup> point – does the timing have to be so tight? Commissioner Dimas informed us earlier that most ECCP I measures had entered into force. I hope that this review bears this out.

Christian asked the question if ECCP II measures were aimed at the 2008-2012 or a subsequent period. Given the timing that I have suggested for the F-gas regulation, then they will clearly be for the period post-2012, for which we do not yet have agreed international policies and for which the European Community is pursuing a strategy of attaining a comprehensive international agreement.

On a 2<sup>nd</sup> point, I would like to focus on some practical aspects of how ECCP works.

As a representative from a major stakeholder group, I believe that the process is a good opportunity to get our views at least heard by the Commission, and an opportunity to take part in the policy making process. I believe that it is considerably better than the recent two Internet stakeholder consultations on climate change. The first consultation on post-2012 policy received an enormous number of submissions, which all appeared on the Commission Internet site. How they were taken into account is a mystery to me. However, I have to admit that Business was delighted that the Commission recommended in its February 2005 Communication, “combating climate change”, that the Community should adopt a strategy of attaining a comprehensive international agreement post-2012 involving all nations and regions and that climate change cannot be solved by the EU alone.

The 2<sup>nd</sup> Internet consultation, the McKinsey survey on the 2006 ETS Review was characterized, in my opinion, by a number of leading questions, an Internet system that required you to quantify answers before passing to the next questions. On the whole, it seemed to be aimed at providing similar answers to those that had been presented by McKinseys in a report for the Commission prior to the survey. It will be very interesting to see the final outcome of the survey and, in particular, how the diverse views of stakeholders have been taken into account.

But back to the structure of this group.

I believe that the Working group structure works well – given the right chairman/woman who is willing to be open to the views of those present and does not solely reflect his/her own perceptions in the meeting reports. One piece of practical advice, although horribly mundane, is that the minutes of each meeting must be available at least two weeks before the next meeting. This gives a decent time for review and also facilitates the completion of the final report and recommendations. The principle of presentations by stakeholders as well as by the Commission and their consultations are vital to the discussions.

How to choose the stakeholders is vital to the success of the process. We have heard from Stefan that the groups will be limited to 20-25 members. Obviously a balance amongst all stakeholders is required. From an industry perspective it is vital that SMEs are not excluded – this is difficult because in most cases such companies do not have personnel to spare for such activities. Therefore, there must be a balance achieved between the larger companies and Trade Associations which can represent the views of their memberships, in many cases, the SMEs.

In a number of cases, ECCP recommendations include legislative proposals. These will be invariably under the co-decision process. I, therefore, feel that we should make a positive effort to involve both Members of the European Parliament as well as their researchers during the ECCP II process. Such involvement could shorten the length of time required for legislation to pass through the co-decision process.

Finally on the structure, the difficult issue of attendees. There must be flexibility in who can attend the different meetings. Certain people may be interested in only one topic on an agenda being covered in only one meeting. This may also help SME attendance. I believe that the roles of Industry and ENGO co-ordinators assisted this process during ECCP I – but I would say that as I was one! Seriously, I hope that the Commission will not, this time, fall back on the excuse that they are unable to secure a conference room that is big enough to accommodate a few more attendees.

Finally, a few concluding remarks:

ECCP is an important process and I encourage as many of my industry colleagues as possible to take part in the ECCP II process. It is an opportunity to get views heard and may help to influence Commission policy and proposals. It is not an opportunity to write or change legislation. It certainly does not replace the detailed impact assessments that must accompany legislative proposals but may help in formulating these assessments.

Within ECCP there is an opportunity to identify new opportunities for policies and measures to reduce emissions within the EU. The majority of groups have been created with mandates to investigate and evaluate such opportunities. I was surprised to see that the aviation group had a different remit, that of helping to implement the Commission decision to include aviation within the ETS.

As a final point, one fundamental issue that I would stress must be part of ECCP II and that is the concept that climate change is a global issue and will only be solved by measures that are acceptable throughout the world. It is vital that the 2<sup>nd</sup> phase of ECCP evaluates any policies and measures in a global context and takes into account costs and benefits as well as potential impacts on the global competitiveness of EU business.

Thank you for your attention.