Question 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?

Agreed actions to address climate change must enable economic growth and development. This can only be achieved by a transparent and thorough assessment of the effectiveness, costs induced and positive impacts of climate policies over the economy and society at large. Accordingly, the traditional discrimination of developing and developed countries from 1992 must be removed. The ghg emission shares, current trends and emission reduction commitments must be proportionate to technology potentials and to the desirable global emission reductions effect. Accordingly, the negotiation procedure should aim at effective global emission reduction. Once emission goals have been agreed, a mechanism needs to ensure enough flexibility to adapt the agreed goals to the countries' dynamic economic developments, growth, technological breakthroughs, etc. ghg emission reduction efforts need to be verifiable and comparable. Negotiations could possibly progress more quickly if major emitting regions and sectors were the first to implement effective, comparable, jointly agreed emission reduction commitments. The EU chemical industry can be instrumental in this supporting this process through technology solutions. A workable, economic growth-oriented global emission trading scheme could be a major instrument towards the transition to a global low carbon economy.

There is a strong need for establishing a global climate policy with a common international regulatory framework. The policy should favour industries that operate with low carbon footprints, and should encourage the development of cost efficient technologies for the reduction of climate gas emissions.

In the absence of a global agreement effective by 2020 the European Union should revisit its reduction ambitions.

Question 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?

A clear, and transparent and standardized system for the monitoring, reporting and verification and emission reductions is essential to enable the comparison of the implementation of pledges at a both sectoral and national level.

The Agreement should build up on the creation of the market-based approach of the current Convention and Kyoto Protocol as it gives an economic incentive for sectors to reduce their emissions in a technology-neutral way.

In order to minimise the potential risk of carbon leakage, the 2015 Agreement should encourage the linking of the various carbon pricing schemes as a way to achieve global playing field through a unified carbon price.

Fertiberia supports the methodology of emission trading systems (ETS), provided sufficient free allocations are given to avoid carbon leakage as long as there is no full global participation. The targets should be based on emission intensities rather than absolute emission volumes.

Alternatively, an international levy per ton CO2 could be envisaged. This needs to be established on a global scale. It would have the advantage of simplicity but would not provide as strong a driver for emissions reductions as a global ETS-like system.

Question 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?

It should be assessed case by case whether mainstreaming of climate change into other policy areas brings positive effects and help reaching determined policy goals. Ultimately, all policy areas should be sustainable thus meeting environmental, social and economic requirements in a balanced manner.

In some instances this can be counter-productive as has been demonstrated by the negative interaction between the EU's climate, renewables and energy efficiency targets. A successful climate and energy policy framework should properly consider and balance three objectives: security and stability of energy supply; cost-competitive energy prices to enable companies to compete globally; environmental sustainability to tackle negative externalities while taking advantage of opportunities to develop new technologies.

The 2015 agreement can stimulate processes and initiatives, e.g. the UNFCCC Technology Executive Committee, Green Climate Fund, etc. that may trigger e.g. further development of standards (efficiency of buildings), best practice exchanges, etc..

National circumstances and competences should be taken into account when deciding on the most appropriate policy mix.

It is also important that the mainstreaming of climate change into other policy areas undergoes a transparent impact assessment. When including climate change into other policy areas, one has to ensure this is done in the most cost-effective, predictable way without imposing unnecessary administrative burden on companies. Market-based approaches should be preferred.

The climate policy should promote regulations that take account of the use of products. This is of particular importance for fertilizers since different fertilizers give rise to different climate gas emissions

on the farmer's field. In addition, considering downstream use will also stimulate the farmers to adopt modern agricultural and fertilizing practices. This has the potential for significantly reducing the emission of climate gases from agriculture, without the loss of yield. Carbon footprint methodologies can provide a tool for the development of such regulations.

Question 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?

Recent ghg emission developments i.e. of emerging economies need to be taken into account when designing reduction targets for countries. Emission reduction achievements and potentials need to be accounted for, too. Any approaches must seek to avoid 'picking winners' or affecting the competitiveness of sectors. The global fairness of a 2015 agreement will be evaluated with regard to whether or not a level playing field will emerge and whether or not biggest emitters will be committed to effective emission reductions accordingly.

To succeed and be sustainable, there must also be an incentive for all participants to work to achieve objectives, such as limiting emissions, improving efficiency, cooperating on research, sharing good practices, etc.

Since climate gas emissions are strongly related to the use of energy (energy carrier and efficiency), it would be desirable to accommodate effects of differences of international pricing of energy. The variations in energy pricing today, coupled with the lack of a common climate policy, give rise to closure of efficient industries in the more costly and strictly regulated regions. In order to meet the growing demand for fertilizers, this leads to the growth of fertilizer capacity in less regulated regions and resulting in higher climate gas emissions on a global scale. This is opposite to the intentions of the climate policy.

Question 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 particular view: seems to be more a local, subsidiarity issue within national government competence, outside UNFCCC]

Question 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?

Cefic, acknowledged Observer of the UNFCCC, strongly supports the Convention as 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.

The 2015 agreement should further promote market-based mechanisms, it must develop further CDM and new market mechanisms to enable both the environmental integrity of credits used for compliance to be verified as well as to avoid double-counting. The aim should be global emission reductions where global carbon trading is a key tool towards cost-efficient emission reductions.

Question 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?

Regular reporting of inventory data must become mandatory for the larger emerging nations under the 2015 Agreement. This will enable improved transparency of actions. To enable comparability, a standardised verifiable accounting system is vital.

Question 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?

A wide stakeholder participation and a transparent process are necessary to ensure the agreement is reached and implemented. Industry can be a useful partner in this process. Companies and sectors can offer their expertise to the climate negotiations on effective ways to reduce emissions and develop solutions for sustainable development.

At the same time, focus should be put on biggest emitting regions, involving major sectors, in order to make faster progress.

It is anticipated that the chemical industry will be required to take many of the actions that will enable emissions reductions through technology solutions in nations, economic sectors. Industry offers advice in the decision-making process e.g. to ensure that targets are achievable. Such engagement should be organised in a more formal process gathering appropriate advice.

Question 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?

The European Union should focus, in parallel to the UNFCCC process, on processes such as the Major Economies Forum and the G20 that could have an impact on the reduction of emissions in the developed and emerging countries. Furthermore, the interaction between trading schemes and their ultimate linkage has the potential to develop a global carbon price that will assist in protecting competitiveness. The EU should showcase successful voluntary agreements in operation in member states that promote industrial energy and ghg efficiency.