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RESPONSE TO EC COMMUNICATION ON
2015 INTERNATIONAL CLIMATE CHANGE AGREEMENT:
SHAPING INTERNATIONAL CLIMATE POLICY BEYOND 2020

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?

Forum of Electricity and Gas Receivers (FoEGR) and Forum CO2 sees the Emissions Trading System as the best tool to reach global goal of keeping temperature increase below 2 °C. It has been proven, that EU ETS is delivering assumed goal of 20% reduction by 2020. by the end of 2012 reductions in ETS sectors reached 14% while in non-ETS sectors only 5%.

The most valuable element of EU ETS is that it is market-based mechanism. Reaching the goal will cause financial burdens on emitters to decrease, since less allowances will be needed to cover their emissions, which will be accompanied by decrease of allowance prices on the markets, since demand for them decreases.

Necessary element is stability of the system, which provides all stakeholders with legal certainty required for investments in new and expensive low-emission technologies.

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

Climate policies must be growth-proof and not build obstacles for emerging economies to grow. It needs to be design in a way, that will allow it to adjust itself to current economic situation without interference from legislators. Therefore it should be based not on frozen 'ex-ante' assumptions but also include ex-post corrections.

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 must promote climate change policies as something that brings success and wealth to the countries that follow. Climate goals have to be equally important in such Agreement as economic and social. Stressing only environmental impact without taking into consideration effects on economy and social situation will lead to distortions in economies of involved countries, which will discourage stakeholders towards further development of climate policies.



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?

The Convention and The Agreement should provide certainty of long-term climate action along with predictable financial, fiscal and legal environment. Investments in low-emission technologies may require from 5 up to even 10 years between making a decision about making the investment and starting new plant or production line. Circumstances that make such investment profitable can not change during the investment process.

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

The EU has gained good experience in all MRV related issues around ETS. The EU's experience might be of great help to other countries for which this is a primary barrier to overcome. By sharing its experience, the EU should help others to catch up before the distance will be much too large to overcome. However, Forum of Electricity and Gas Receivers (FoEGR) and Forum CO2 believes that a 100% standardization is not feasible around the globe. In this context, further unilateral EU-target setting is not helpful.

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?

EU should focus on improving it's current climate policy, because by making it more stable and predictable will show, that reaching climate goals can lead to positive changes in economy. Development of new sectors of economy without endangering those indirectly related to reaching climate goals.

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