• Background information

Please answer following questions about your profile

REPLY FOR THE Plateform : FEB-VBO, UWE, VOKA, BECI (BELGIUM)

I reply: (compulsory)

- [x] On behalf of an organisation or an institution
- [ ] As an individual

- [ ] Public authority (national, regional or local)
- [ ] Academic organisation/think tank
- [ ] NGO (international, national, regional or local)
- [x] Organisation representing the private sector
- [ ] Other type of organisation

What is your country of residence/country where your organisation or institution is based? (compulsory)

BELGIUM

2. The climate change challenge - a shared vision for the 21st century development

The Bali Action Plan agreed on a shared vision for long-term cooperative action, including a long-term global goal for emission reductions, to achieve the ultimate objective of the Convention, stabilizing greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. The EU determined already in 1996 its long term goal of limiting the global average temperature increase to no more than 2°C above pre-industrial levels. To achieve this, in 2050 global greenhouse gas emissions should be reduced by at least 50% compared to 1990 levels.

Would this aspirational long term goal be appropriate in the light of the 2007 IPCC reports and latest scientific knowledge? (max 4000 characters) (optional)

The Belgian industry takes no specific position on the scientific elements of climate change but recognises that the IPCC 2007 reports consolidated the scientific knowledge and reiterated the need for urgent GLOBAL action. Fixing pragmatic and achievable long-term goal(s), based on a proper impact assessment, is good for business certainty and predictability for investments (especially investments in energy – industry and transport infrastructures), provided this implies the commitment of all key players (countries and/or actors).

Is there a need for other elements to be part of the shared vision in order to ensure the transition to a sustainable low carbon economy? (max 4000 characters) (optional)

Important to underline that the countries are negociating the international future agree-

ment post 2012, whereas most actors (and business in particular) are competing in an international context and do not face similar GHG constraints imposed by the countries. The major issue for business is to maintain (or restore) a level playing field between the major competitors. Therefore, the following elements should be part of the shared vision / international negotiations

- Commitment by all countries (developed, emergent and developing) to mid and longer term objectives and policies involving similar burden to actors competing in an international context;
- Cost-effective responses to climate change – both for mitigation and adaptation (especially regarding the importance of the challenges and reduction targets needed)
- Appropriate multidimensional approach combining energy & climate issues, environmental protection (including forest management), ODA, demographical changes, health & poverty eradication, finance and trade flows …
- Stable and predictable geo-political international context
- Strengthen multilateral trade and investment that will support the economic, R&D and technological flows required to implement solutions worldwide.
- Massive investments in low carbon technology transfer, public-private partnerships and investments in R&D for new low carbon technologies development

3. Mitigation commitments by developed countries

The EU is of the view that developed countries should continue to take the lead by committing to collectively reducing their emissions of greenhouse gases by 30 % by 2020 compared to 1990. They should do so also with a view to collectively reducing their emissions by 60 - 80 % by 2050 compared to 1990.

What should be the criteria for allocating emission reduction efforts among developed countries, considering also the need to ensure the "comparability of efforts" as agreed in Bali? (max 4000 characters) (optional)

Negotiations between countries should be done at the highest level to ensure a global agreement, without unilateral move / burden to specific regions. Distinction should be made between BRIC countries and other developing countries, especially the least developing ones. Allocation to actors should be based on sound scientific performance related approach in order to recognise performance and early actions of actors, wherever they operate. Cooperation between developed countries and emergent / developing countries can be enhanced via the definition of appropriate modalities for instruments such as projects mechanisms (CDM/JI), ODA, Private-public financing of major infrastructure projects, technology transfer …
Global sectoral approach should be one of the instruments used by business to allow further sustainable development of activities worldwide.

4. Mitigation actions by developing countries

The EU recognises the need for enhanced contribution by developing countries, whereby economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

What type of mitigation actions should developing countries undertake? How should these be measured, reported and verified? What should be the scale and legal nature of these actions? How should differences in responsibility and capability of different developing countries be taken into account? (max 4000 characters) (optional)

Larger emerging economies (BRIC) must commit to starting negotiations on equivalent measures in sectors that are competing internationally as soon as possible and should alleviate any restrictions on energy / infrastructure projects in the framework of CDM and or ODA, R&D or Technology Transfer. (as a way to balance responsibilities and cost-efficient GHG reduction measures).

To what extent and how should those actions be supported by technology and financial assistance from the developed countries? What kind of supporting tools could be developed at the international level to support domestic action and should there be respective roles for the public and private sector, including the carbon market? (max 4000 characters) (optional)

Further private sector support should be developed through improvements in the project mechanisms. Issues such as intellectual property rights protection, Technology Transfer modalities as well as removal of trade and investment barriers should be dealt with urgently. This would enable appropriate resources allocation in order to realise cost-efficient measures rather than corrective reactions to unilateral burden for a specific actors/ Régions of the world. Innovative initiatives and funding mechanisms, such as the G8 Clean Technology Fund, as well as integration in the ODA policies and public-private partnerships should be encouraged.

How should technology and financial assistance by developed countries to developing country mitigation and adaptation actions be measured, reported and verified and should they be compared? (max 4000 characters) (optional)

This should be measured by adding the public financial transfer between countries to the private investments in technology transfer, projects mechanisms or development actions by private entities (companies or individuals)… Those efforts should be compared in order to foster equitable efforts from all countries/actors (with potential correction factor).

5. Carbon market

How should the existing Clean Development Mechanism and Joint Implementation be improved in order to increase their environmental integrity and effectiveness? (max 4000 characters) (optional)

Environmental integrity of most CDM projects is guaranteed via the procedures imposed by the CDM Executive Board. But many investments are currently discouraged by the burdensome procedures and especially the additional qualitative or quantitative criteria imposed by some (national) authorities. This implies that this useful flexibility mechanisms introduced in the Kyoto Protocol is not delivering its full potential, increasing thereby the overall mitigation and adaptation costs. Reforms of the CDM is vital, in view of the additional efforts that will be required to reach the 2020 and 2050 GHG reduction targets. Positive or negative technology lists should be avoided as all technology options will be needed to face the challenges.
Selection of projects to be completed should be based on cost-efficiency reasons while maintaining the environmental integrity of the projects.

What new market mechanisms could be developed to improve the effectiveness of carbon market? (max 4000 characters) (optional)

Extension of the CDM into global sectoral approach would be beneficial to ensure cost-efficiency. Concrete implementation of sustainable technology transfer, rewarding efficient

technologies (and encouraging the retirement of old inefficient equipments), should be developed in the UNFCCC context and with close cooperation of the business community.

6. Carbon leakage

How could the delocalisation of emissions from developed countries with binding emission caps to other parts of the world be minimized? (max 4000 characters) (optional)

It is vital that equivalent burdens between equivalent industries are established in any climate policies. At present, in the EU, the most appropriate mechanism will be through sound allocation of emission rights based on actual performance of the sectors/installations involved. This is the only way to secure correct treatment of the most efficient companies while leaving enough financial means within the companies itself to ensure further investments in order to stay worldwide leader in energy efficiency and avoird delocalisation/carbon leakage.
Clear sound performance based is crucial rather than a vague international agreement negotiated between "Parties" (countries) without ensuring that similar burden would be placed on industry exposed to international competition.

Unilateral trade sanctions will not contribute to safeguarding the climate and may create retaliation measures that could be very detrimental for EU competitiveness.

7. Sectoral approaches

What type of sectoral approaches could effectively contribute to global emission reductions? (max 4000 characters) (optional)

Worldwide sectoral approaches within the business community can be set-up at several levels:

- Monitoring, Reporting & Verification of GHG emissions
- R&D investment to enhance energy efficiency
- Concrete project investment / technology cooperation to ensure new technology breakthrough
- Benchmarking method to allocate concrete emissions rights.

Furthermore, it should be noted that there are a lot of interaction between sectors and sub-sector and that most of the energy efficiency gains are located in an integration process and/or value chain approach (the final product and/or the "waste" of one process being used for another process). In such sectoral approach, targets can be set-up on sound technology-based bottom-up potential (as opposed to political top-down imposed targets) to ensure cost-efficient approach and recognition of early action and concrete performance while reaching the best environmental standards. Technology transfers and project based mechanisms are obviously also part of this approach and cannot be restricted by political (unilateral) decisions. Sectoral approach could also recognise the sectors that are "enabler for solutions to address climate change" for other actors such as transport / households … Specific measures can thereby be developed at sector level.

8. Emissions from international air and maritime transport

How could emissions from international air and maritime transport be effectively addressed? (max 4000 characters) (optional)

Its is important to address those emissions, as they represent a large and growing part of global GHG emissions . However, any inclusion of those emissions should be done at international level (within UNFCCC framework) and in close cooperation with ICAO and IMO. Impact on the other actors such as industry should also be carefully analysed.

9. Emissions from deforestation and forest degradation

What should be sources of financing emission reductions from deforestation and degradation? (max 4000 characters) (optional)

Its is alos important to address those emissions, as they represent a large and growing part of global GHG emissions and are directly linked to other worldwide challenges such as agriculture, food, poverty eradication … Emission reductions should be financed through public funding and/or a dedicated project mechanism either as part of, or separate from, the CDM.

How financing of emission reductions from deforestation and degradation should be monitored taking into account non-permanence, leakage and liability issues? (max 4000 characters) (optional)

Development of appropriate modalities at an international level with efficient monitoring, reporting and verification.

10. Adaptation needs and support for most vulnerable countries

What mechanism should be used to finance cost-efficient adaptation action in the most vulnerable countries, in particular LDCs, SIDS and African countries? (max 4000 characters) (optional)

Funding should be through a re-focussing of ODA and FDI as well as public-private partnerships.

How should the effectiveness of adaptation measures be monitored and assessed? (max 4000 characters) (optional)

Evaluation of projects against specific criteria developed and uniformly implemented at international level.

What should be the catalyst role of the UNFCCC, considering notably the role and contribution of other relevant international organisations addressing the impacts of climate change on their area of competence? (max 4000 characters) (optional)

To bring together the appropriate organisations and encourage public/private dialogue and concrete partnerships.

11. Technology cooperation

Is there a need for specific support schemes for the development, demonstration or deployment of certain technologies? If so, for which ones and how should these be structured? (max 4000 characters) (optional)

Business requires clear, predictable and stable frameworks for long term planning and investment. This is essential to implement and accelerate technology research, cooperation and deployment, especially in the massive, long-term investments required for projects related to energy access and supply as well as to diversify energy sources. Technology breakthroughs is obviously also need to ensure energy efficiency in all manufacturing processes. Transport infrastructure and development of cities (accommodation, offices, products and services related installations …) as well as land uses are important elements to consider as they will strongly influence the global GHG emissions. Technology cooperation is feasible for all those policies and can be based on public-private partnership or sectoral approach.

How to strengthen enabling environment for the deployment of the many existing clean technologies? (max 4000 characters) (optional)

Trade liberalization is indispensable to the diffusion and deployment of climate friendly technologies, particularly to developing countries both for mitigation and adaptation. Trade and climate policies should work hand-in-hand.

Private business is the main source of innovation, development, commercialization and wide- spread dissemination of technologies, led by successful and profitable companies investing massively in R&D. Effective solutions for IPR and patent protection are indispensable in this regard.

It should be noted again that the "Parties" are negotiating in the UNFCCC framework whereas most of technologies are owned by private entities. Good dialogues and appropriate public-private partnerships are therefore crucial. Sectoral approach also offers solutions. Innovative funding mechanisms such as the G8 Clean Technology Fund to accelerate promising technologies, and the removal of trade and investment barriers should be encouraged.

12. Finance and investment

How should additional public support be organised and which should be the three top priority areas for financial support in developing countries? (max 4000 characters) (optional)

ODA and climate policies revenues (being via ETS and/or project mechanisms) should be allocated according to cost-efficiency measures without artificial political priorities.
Land use and manufacturing / transport infrastructures will certainly be at the top of the list mainly because of the magnitude of the emissions and the remaining potential in those activities.

How could private sector be involved in mobilising additional finance? (max 4000 characters) (optional)

CDM and improved public-private funding particularly focussing on large infrastructure projects.

13. Compliance and enforcement of the new agreement

How should it be ensured that countries will comply with their commitments? (max 4000 characters) (optional)

Improved monitoring, reporting and verification procedures through UNFCCC for each countries as well as the development of sound sectoral approach for key actors such as industry. It should be noted that compliance and enforcement would be mostly guaranteed as the new agreement is based on sound technology / energy efficiency performances policies.

14. Other suggestions

Please enter any other suggestions that were not covered by previous questions (max 4000 characters) (optional)

Increase the sensibilisation /information of each and everyone to move to positive concrete actions to reduce GHG emissions. Clearly show the individual contribution in sustainable production and consumption pattern.

By responding to this consultation you automatically give permission to the Commission to publish your contribution on the Internet. It is important to read the specific privacy statement at the begining of this questionnaire for information on how your personal data and contribution will be dealt with. (compulsory)

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