



EFCTC contribution to post-2012 Stakeholder dialogue

1. Is it important for the EU to continue to show leadership on addressing climate change?

Leadership in driving environmental improvement is valued, but will be effective only within a global context. The EU should drive for global approach to the climate change issue and avoid unilateral activity which serves only to marginalize the continent from a competitive business standpoint, without achieving true environmental improvements.

EU leadership on the climate change issue should not undermine actions that are being undertaken in other multi-lateral agreements such as the Montreal Protocol. For example, whilst actions within the EU to monitor and control emissions of fluorinated gases are beneficial to the overall environment, premature plans, as have been introduced by some Member States or for certain applications, such as mobile air-conditioning should be discouraged as they undermine confidence in fluorinated gases, particularly in developing countries. This could lead to continued use of ozone depleting substances, such as CFCs, that have a larger overall climate change impact if emitted.

2. On the basis of the EU's 2°C long-term objective, what objectives should the EU set for global and EU climate change policy (including targets, timeframes and pathways for emission reductions)?

The future global climate regime should apply to all GHG and to all emitters. Further EU targets, timeframes and pathways for emission reductions must be based upon global negotiations and should be comparable with the EU's main competitors. The EU should continue to use the UNFCCC to engage the wider international community and to collect and process its views. EU climate change policy should be consistent and coherent with agreements at UNFCCC.

Energy efficiency is critical to emissions efficiency in any industry or sector. A sound and comprehensive policy on developing and adopting advanced energy conservation technologies should constitute the first building block of any climate change policy. It would also contribute largely to boosting the security of European energy supply alongside other policies such as the development of carbon capture and storage and the implementation of other low carbon options.

Fluorinated gases can confer significant energy efficiency benefits on equipment in which they are used, for example within refrigeration and air-conditioning equipment and through their use in insulating foams (in which savings of 400million metric tonnes of CO₂ have been indicated through the insulation of existing housing within the EU-25). EU policies should encourage use in applications where the environmental benefits outweigh the impacts of emission of the gases.

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3. What type and level of participation should the future climate change regime seek from developed countries and developing countries, what should be the timeframe for such participation and what should the contribution from the EU and other countries?

It is essential, that a truly comprehensive global agreement to combat the risks of climate change can be achieved that includes all countries and regions, particularly major emitters of greenhouse gases. Only with such an agreement, which must be developed on a global basis, will businesses around the world be competing on equal terms. Given the principle of common but differentiated responsibilities, equitable solutions will be needed to allow for a special role for developing countries. The rapid growth of emissions in many developing countries requires their inclusion within a new international regime.

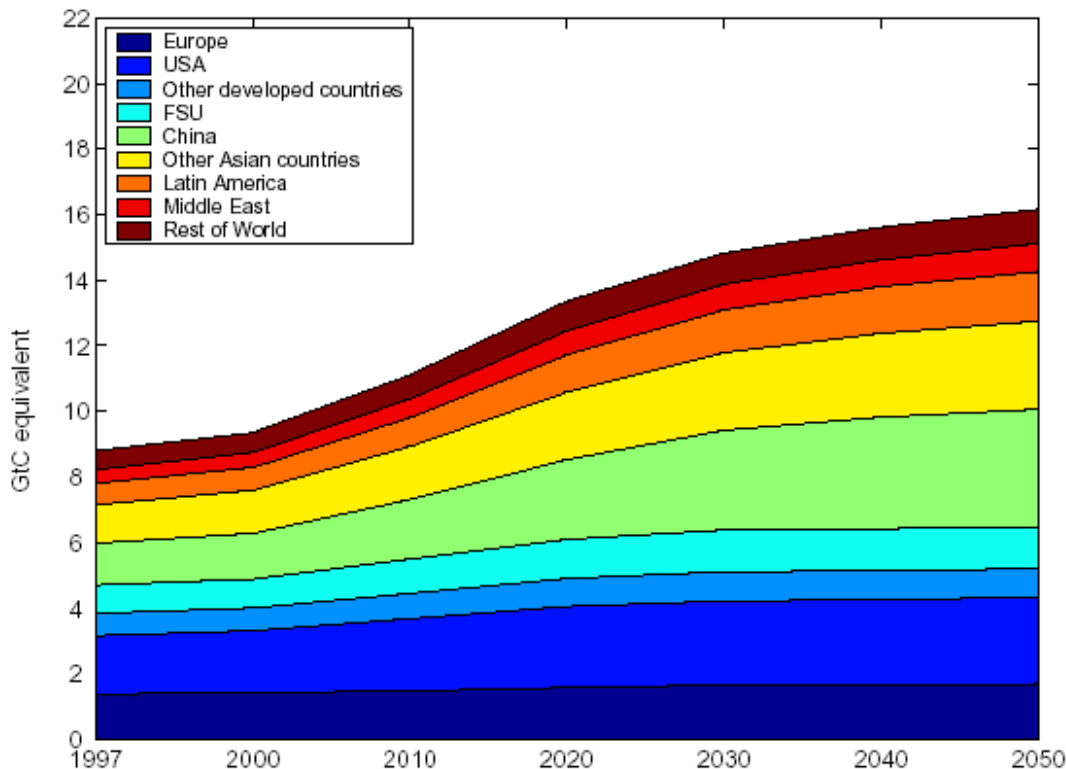


Figure 1: Regional Greenhouse Gas Emissions - Reference Case

4. Which technological solutions should be allowed or promoted (e.g. renewable energy, nuclear energy, carbon sequestration, carbon capture and storage)?



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Technology will have a major role in the mitigation of climate change. In long term it is essential to encourage innovations by investing directly in research and development programmes in co-operation between EU and other countries as well as between governments, universities, research institutes and private actors. The EU should encourage policies that encourage the implementation and diffusion of both new and existing technology.

The Kyoto Protocol was designed around a “basket” of greenhouse gases to enable an optimum balance to be achieved between emissions of those gases. EU policy must evaluate the overall environmental impact of applications that use and emit greenhouse gases, for example refrigeration, air-conditioning or foam insulation systems, rather than take specific actions to phase-out individual gases such as fluorocarbons. Technologies that have an overall benefit to the climate system should be encouraged not discouraged. Allowing technologies to compete within a Regulatory framework is the best way to improve environmental performance. Technologies evolve and improve over time only if they are allowed sufficient time to be developed. Unnecessarily eliminating technologies prevents effective competition to drive the development of the most environmentally efficient and cost-effective technologies.

5. Should the future global climate regime will maintain the key elements of the Kyoto Protocol, including the Kyoto mechanisms (joint implementation, the clean development mechanism and emissions trading) and what other elements should such regime contain?

It is vital to maintain the concept of the “basket” of greenhouse gases as was agreed in Kyoto. For end-use applications that use and emit greenhouse gases, for example refrigeration, air-conditioning or foam insulation, this concept allows the overall, global climate impacts of each application to be analysed and the appropriate choice of technology made to ensure the best environmental outcome whilst taking into account economic, efficiency and safety aspects.

It is essential that any decisions taken with respect to the global climate regime also take into account the objectives of other multi-lateral agreements such as the Montreal Protocol on Substances that Deplete the Ozone Layer. Actions to phase out ozone depleting substances make a significant contribution to climate protection and should be taken into account when negotiating a future global climate change regime.

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6. What are the costs of taking further action on climate change, including competitiveness impacts, and how can/should impacts be addressed?

One of the key challenges in evaluating costs is setting the boundaries applied to any assessment. If technology is to compete globally it has to be cost competitive as well as environmentally efficient. Fluorocarbons are utilized in many applications that use energy, and require servicing and maintenance. The applications utilising fluorocarbons often lead to reduced costs for example in building design and operating costs including energy.

A narrow focus on fluorocarbons will damage competitiveness, if others offer more energy efficient, environmentally efficient and cost effective technologies utilising fluorocarbons. It has been estimated that the cost of re-converting just the stationary refrigeration and air-conditioning from HFCs for the EU could be in the region of €4 billion to €6 billion.

Industry has limited resources, and developing improved competitive technologies requires long planning and implementation cycles. Diverting these resources into unnecessary activities, such as the re-conversion from HFCs would damage competitiveness. Providing stability, encouraging longer term developments and not prejudging technologies should help maintain and drive forward competitiveness.

7. What are the benefits of taking further action on climate change, including avoided damages, competitiveness impacts and ancillary benefits, and how can/should these be encouraged or optimised?

It is vital that a truly global approach is developed that enables environmental improvements within a level and competitive business field. The use of economic instruments, as opposed to taxation and burdensome legislation, should be encouraged to drive for improvements through technology.

Positive contributions should be recognized and incentives should be given to innovation and delivery. Technologies based on greenhouse gases such as fluorocarbons should not be discriminated against on the basis of the global warming potential of the gases involved. Full cost benefit and lifecycle analyses should be undertaken to evaluate the economic, environmental, health and safety impacts of actions.