

## Cefic position in view of a 2015 International Climate Change Agreement at COP 21 in Paris

The Paris-COP21 agreement must work with and for business. From Paris-COP21, we are looking for a successful global long-term agreement that speeds up the deployment of low carbon competitive technologies while avoiding distortions of competition and ensuring comparable burden sharing between Europe and other competing economies.

We are calling on Governments to implement the Paris Accord in a way that ensures an equitable GHG emission reduction across all sectors of their economies.

### **1. Cefic supports an international climate change agreement in Paris**

European Chemical Companies provide solutions contributing to the emergence of a low carbon economy. European Chemical Companies have more than halved their greenhouse emissions in the last 25 years. They are committed to making a further contribution to the global fight against climate change by developing innovative, low carbon, technologies and products that make a significant contribution to society's aim to reduce carbon emissions.

Cefic, the European Chemical Industry Council, supports the objective of the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21/CMP11): namely, to achieve a comprehensive new international agreement on the climate, applicable to all countries, with the aim of keeping the global temperature increase to below 2°C.

### **2. Cefic supports the transformation to a competitive low carbon economy**

Cefic recognises the need to reduce global carbon emissions in order to prevent climate change, and supports the goal of a competitive low carbon economy. For the chemicals industry, competitiveness depends on the cost of energy. Cefic supports policies that aim to reduce energy costs through reducing policy costs and boosting efficiency thereby enhancing competitiveness and investment.

In particular, we support a path to a low carbon economy under which the aim of the policy is to 'innovate down' the cost of decarbonisation to make it competitive, rather than to increase the cost of essential feedstocks and energy.

### **3. Cefic looks to major emitting countries to commit to comparable and equally ambitious action**

The European Union has already submitted its Intended Nationally Determined Contribution (INDCs) in which it commits to an ambitious reduction of at least 40% in greenhouse gas emissions from 1990 levels by 2030. We look to all Parties to the Convention, i.e. major emitting countries to make equally ambitious commitments, in order to avoid distortion of competition while providing the long term predictability which is necessary for investments, job creation and economic growth.

Insofar as commitments are to be delivered by means of carbon pricing, the goal should be to promote the reduction of global emissions at the lowest economic costs for society. To that end, we look to all parties to the Convention to ensure that carbon pricing mechanisms are global, market-based instruments designed to achieve emissions reductions at the lowest possible cost for industry: that measures are structured so as to avoid distorting competition in global markets and/or relying on trade barriers: and that revenues are reinvested in innovative, cost effective low carbon solutions.

If the COP21 does not reach an agreement conforming to these principles, Cefic maintains that instruments for the reduction of GHG emissions reductions in Europe (i.e. ETS or other carbon pricing instruments) should be reviewed to ensure that they include effective carbon leakage prevention measures and do not undermine the global competitiveness of EU energy intensive industry.

#### **4. An agreement should be binding, transparent and comparable on all Parties**

The COP21 agreement should have legal force, be binding on all major emitting parties and contain effective and comparable provisions for its implementation. These should include robust criteria for measuring emissions reductions backed by clear, simple and transparent rules for annual monitoring, reporting and verification of emissions reduction targets. Distortions of competition from inequitable burden should be avoided.

#### **Milestones on the road to Paris<sup>1</sup>:**

1. **20-21 May-Paris** : Cefic co-sponsored the **Business Climate Summit**, four Cefic member companies' CEOs spoke
2. **November 2015**: Cefic independent comparative study of **INDCs impacts** on the EU chemicals industry vs. other competing regions
3. **December 2015- COP 21- Paris**: Cefic and ICCA joint side events in Paris- Le Bourget
4. **December 2015-COP 21-Paris** : Cefic and UIC climate action event- TBC- downtown Paris

For more information please contact:  
Peter Botschek, Director Energy & HSE, Cefic,  
+32 2.676.73.97 or [pbo@cefic.be](mailto:pbo@cefic.be).

#### **About Cefic**

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of 29,000 large, medium and small chemical companies in Europe, which provide 1.2 million jobs and account for 17% of world chemicals production.

---

<sup>1</sup> *As endorsed by Cefic Board decisions- March 2015*