

24 February 2005

CLIMATE CHANGE : DEVELOPMENT OF THE EU MEDIUM AND LONGER TERM STRATEGY

KEY ISSUES AND ACTION AGENDA

**RECOMMENDATIONS IN VIEW OF THE ENVIRONMENT COUNCIL ON 10 MARCH 2005, THE EUROPEAN
SPRING COUNCIL ON 22-23 MARCH 2005 AND SUBSEQUENT MEETINGS.**

UNICE calls for development of a medium- and longer-term (post-2012) EU climate change strategy through in depth discussion between authorities competent for environmental and economic issues, in a process coordinated at the highest national and EU political level. The agenda for developing this strategy should be based of the following key points:

1. Climate protection is a long-term challenge: global participation, technology R&D, ongoing scientific research and flexibility will be essential over the coming decades.
2. As reflected in the Commission Communication: "Winning the battle against global climate change", it is premature for the EU to develop or suggest a "starting point" for new absolute emission targets (at European or global level) for post-2012. The first priority is to successfully tackle the "participation challenge", i.e. the challenge for developed and developing countries to join together in creating a truly global strategy to combat the risks of climate change and to build political consensus on the way forward for international cooperation.
3. The EU cannot solve the challenge of climate change on its own. Only global solutions will work – regional absolute caps will lead to considerable carbon leakage, and associated loss of investments to regions without caps.
4. Cost-efficiency is the key - climate protection will cost money. Real costs are incurred now, while the associated policy benefits will materialise later. The short and long-term wealth creation capacity and competitiveness of EU industry will be instrumental in making the necessary environmental investments. It is essential that the Commission not only analyses the potential benefits of climate change policies, but also the costs, in particular their impacts on EU competitiveness.
5. Full and unrestricted use of the Kyoto Mechanisms will help to improve the cost-benefit ratio of climate change policies – the operation of the Clean Development Mechanism (CDM) must be made more professional and effective.
6. There is significant room for encouraging more widespread use of existing efficient technologies in the EU, and in other developed and developing countries - efforts to facilitate such dissemination could promote global participation and offer business opportunities. Technology research, development and deployment are part of the solution to climate change; they are vital means to create long-term solutions. Research and development must be prioritised.
7. Raising the awareness of the end-users is vital – all sectors of society should contribute to climate protection.
8. The starting EU discussion on post 2012 issues should not lead to losing sight of the vital need to improve the existing Emission Trading Scheme (ETS). The second ETS phase (2008-2012) should remove undesirable environmental or economic impacts.

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