



# The Belgian presidency and EU climate policy or *How to play the final in Mexico?*

Sam Van den plas, WWF-Belgium  
CCIM stakeholdersmeeting 'post-2012'  
30 June 2010, Brussels





# Training





## Remember 3 C's

- **COMPARABILITY**  
Evidence showing that EU's target(s) are less stringent than other developed countries' pledges under the Copenhagen Accord (WRI and den Elzen et al.)
- **COSTS**  
Achieving a 30% pledge requires the SAME carbon price (30€/ton) than the original estimations for the 20% pledge
- **CLIMATE SECURITY**  
Bottom line: consistency with EU 2°C objective!





# Comparability (© den Elzen et al.)

<i>Regions</i>	Average reduction	Equal reduction baseline	Equal MAC	Equal costs (excl. IET & CDM)	Equal costs (incl. IET & CDM)	Converging per capita emissions	Triptych
Canada	-28	-19	-33	-30	-26	-33	-28
USA	-15	-12	-14	-13	-10	-14	-16
EU	-35	-36	-34	-39	-42	-32	-32
Russian Federation	-50	-50	-51	-45	-44	-49	-52
Japan	-19	-20	-13	-20	-25	-28	-15
Oceania	-5	1	7	6	9	-25	-3
Ukraine region	-61	-65	-62	-58	-58	-56	-58
Annex I	-30	-30	-30	-30	-30	-30	-30





# First half: crisis?





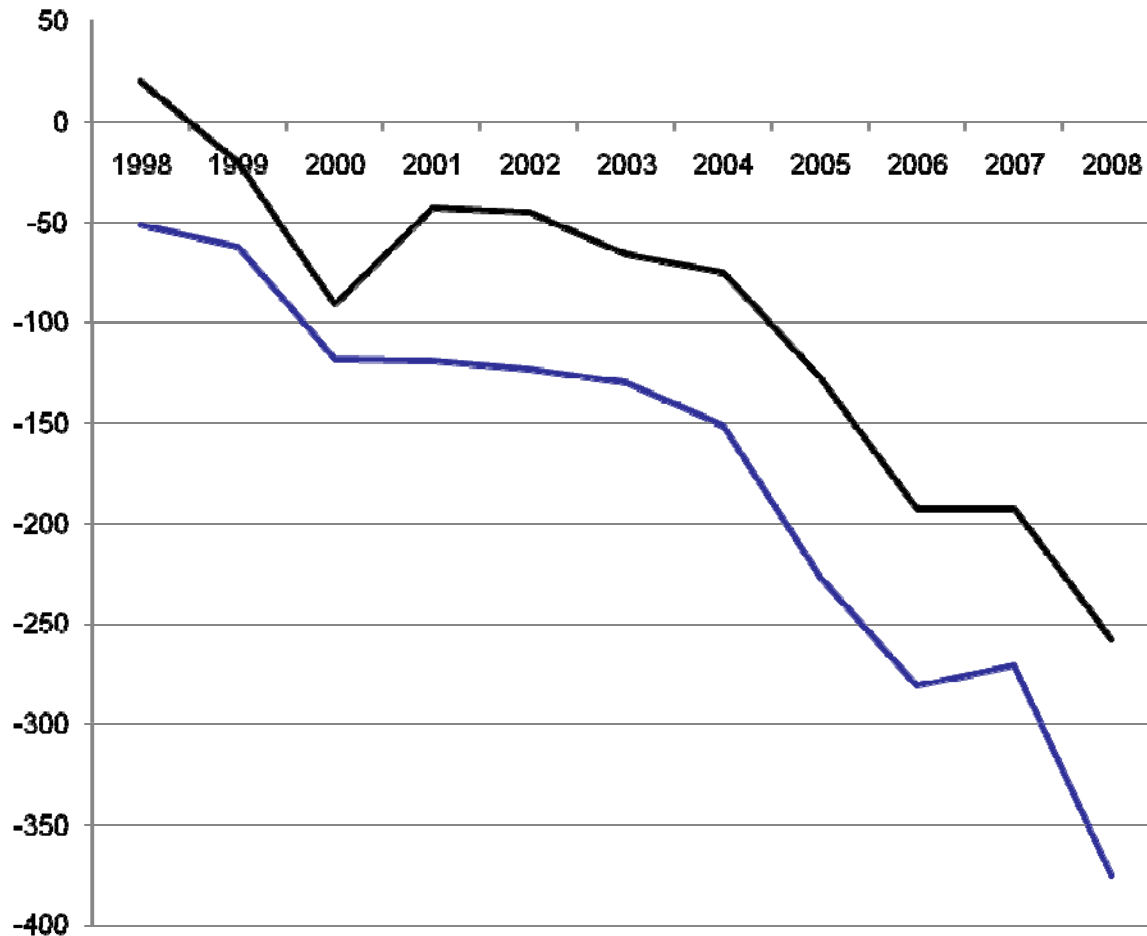
# Budgetary solutions

- Income from ETS auctioning will be 1/3rd higher under a 30% reduction target
- A too low carbon price will require additional investments in renewable energy and energy efficiency
- Significant health benefits as result of improved air quality
- Innovation and investments in innovative techniques and technologies are the long term answer.





# The international game: EU trade and limiting the consumption of fossil fuels



— EU-27 trade deficit towards the rest of the World in billion €

— EU-27 trade balance in fossil fuels towards the rest of the World





# The yellow card: the polluter gets paid







## Carbon rich companies (©Sandbag)

Company	Estimated Surplus EUAs (2008-2012)	Asset Value (€)
ArcelorMittal	99,801,132	1,397,215,847
Corus	26,965,777	377,520,882
Lafarge	23,507,560	329,105,840
SSAB - Svenskt Stal	17,818,541	249,459,580
Cemex	14,669,057	205,366,804
Salzgitter	12,636,864	176,916,099
US Steel	11,281,904	157,946,658
Heidelberg Cement	10,905,197	152,672,755

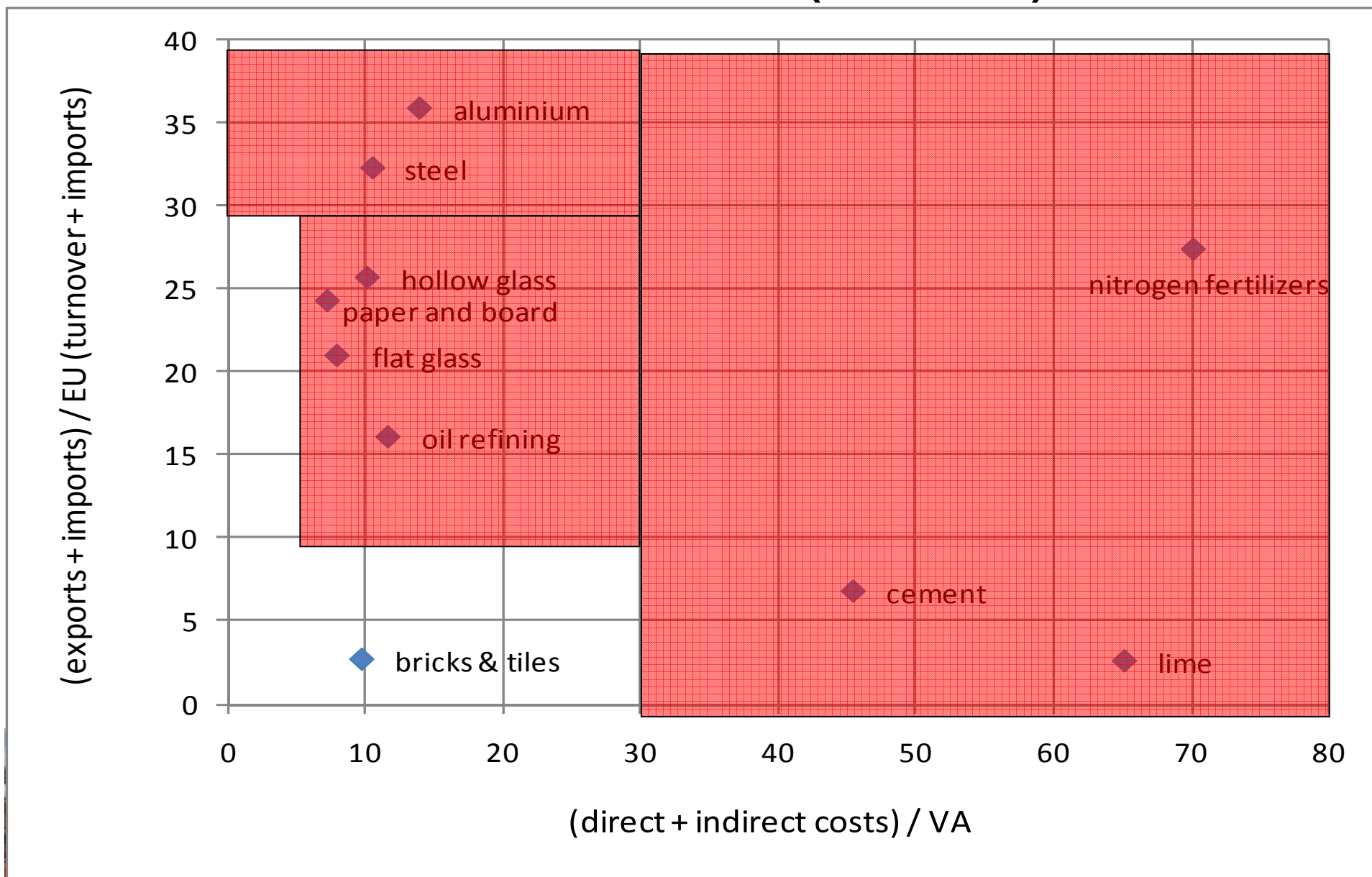


# The red card





# Situation of key industrial sectors vis-à-vis EU ETS criteria (© Quirion)





# Half time





# Industry support (1)

## EU Corporate Leaders Group on Climate Change, 17th

**May 2010** – signed by Acciona, Alstom, Barilla, Kingfisher plc, Philips lighting, Shell, Eidiseis dot com-skai tv, Tesco, Vodafone, Deutsche Telekom, United Technologies, Telecom Italia, Skanska and Cemex

- Core message from the group is that there is an economic case to review the 20% GHG reduction target even in the absence of a strong international agreement.
- Concerned that weak carbon prices could seriously undermine domestic investments in low carbon technologies, as well as the development of emissions trading internationally.





## Industry support (2)

**WWF Climate Savers, The Climate Group, EU Corporate Leaders Group, 10 June 2010** – Endorsed by Acciona, BNP Paribas, Barilla, Crédit Agricole, Elopak, F&C Asset Management, Johnson Controls Inc, Google, Marks and Spencer, Nike, Philips, Sony Europe, and Swiss Re:

- Climate action will boost economic growth and create new jobs
- The EU needs to race to the top in the low carbon economy to be competitive in the global low carbon products and services marketplace
- ‘Carbon leakage’ must be avoided but to date heavy industry concern may overstate current evidence.



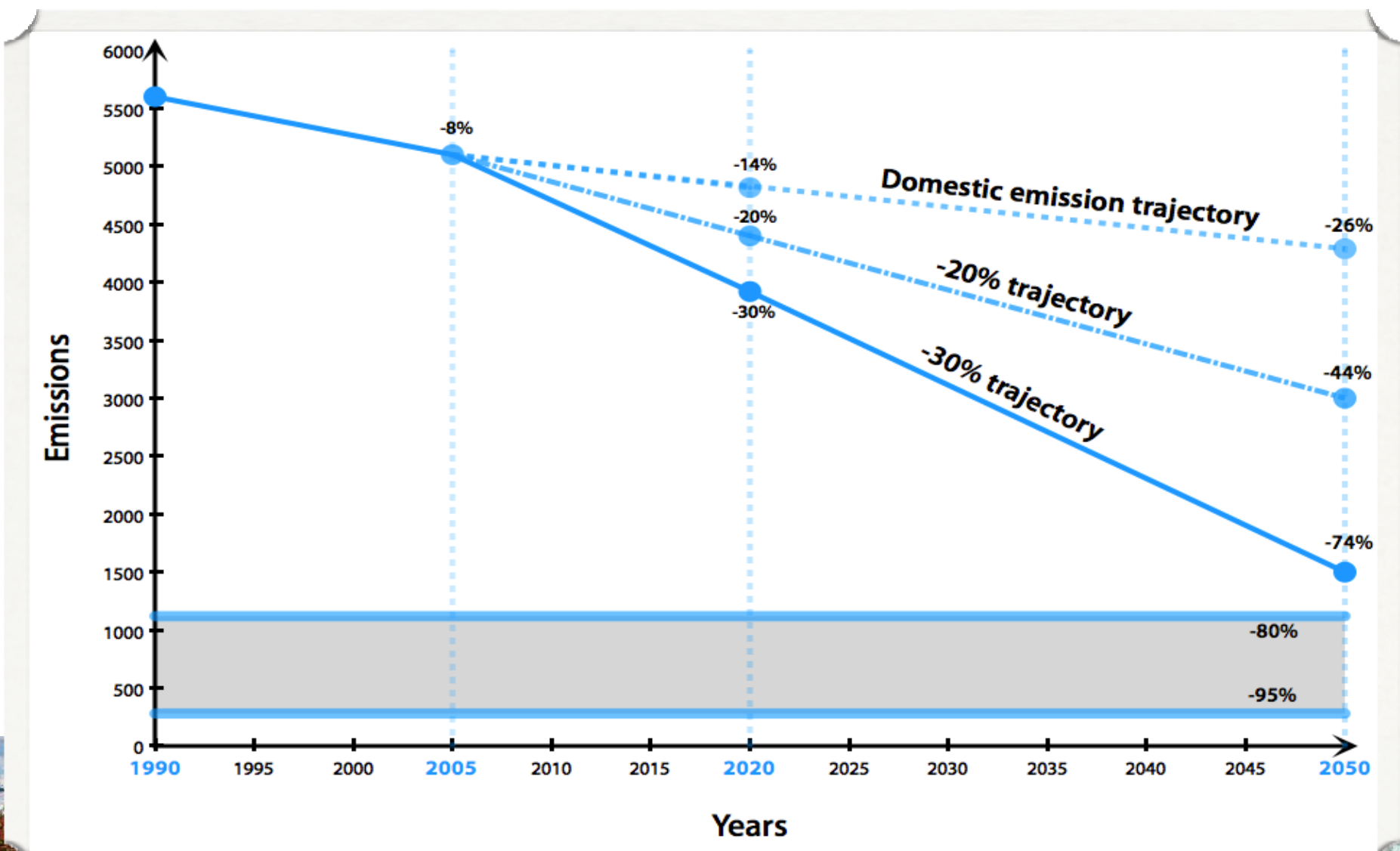


**Second half:  
get moving!**





# The “off-track” approach







## Getting back on track...

2020 target (ref. 1990)	Reduction rate between 2005 and 2020	Reduction rate to achieve - 80% from 2020 to 2050	increase in reduction rate after 2020
14% (domestic)	0.4%	2.2%	1.8% [x4]
20%	0.8%	2%	1.2% [x2]
30%	1.47%	1.67%	0.2%





# The endgame: conclusions





# The final in Cancun

- Defense tactics:
  - Involvement of all stakeholders
  - The EU needs to be a team player without internal division: AAU surplus and LULUCF accounting rules put environmental integrity of emission targets at stake!
  - Deliver what you promised (new and additional fast start finance)
  - Clear commitment to the continuation of the Kyoto Protocol
  - Joint understanding over legal form with BASIC and developing countries: top-down emission caps, transparent MRV and effective compliance
- Attack strategy:
  - October EU Council: Move the EU to at least 30% emission reduction by 2020 without loopholes.
  - Remember that only 40% emission reductions by 2020 is in line with the 2°C target
  - Energy Ministers: get serious on binding energy saving targets
  - Finance Ministers: EU commitment for 35 billion € public finance annually from 2013
  - National zero carbon strategies for 2050 needed



