



## TEMPORARY COMMITTEE ON CLIMATE CHANGE

### Information package for the 2nd CLIM public hearing "THE CLIMATE PROTECTION CHALLENGE POST-2012"

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## **1. Introduction by theme leader Ms Satu HASSI, MEP**

This week's Joint Parliamentary Conference of the EP and the national parliaments has undoubtedly underlined how big the challenge to halt climate change actually is. Be it on the European level or on the level of each Member State: It is a challenge in an ecological way, but equally also an uncompered technological endeavour.

Keeping this in mind, we know that time is not on our side. We learned during the first hearing in CLIM that global emissions should peak before 2015 in order to keep the global warming below 2 degrees Celsius compared to pre-industrial times.

Moreover, to find a solution that is acceptable by the industrialised "north" and the developing "south" will be an intense test for coalition building capacities in international diplomacy. I strongly hope that with the EU leading the way to an agreement for the post 2012 climate framework, we will come up with such an agreement until 2009.

Today's hearing will help us to better understand the international context of the negotiations, but also how the business community and the civil society expects the new regime to look like. Mr Yvo De Boer, Executive Secretary of the UN Climate Framework Convention and Mr John Ashton, the Special Representative on Climate Change of the UK Foreign Ministry, will give us an overview of the situation in the negotiations, what are the key points for the major players, together with the representatives of Japan, USA and China, Ambassadors Takekazu Kawamura and C. Boyden Gray, and Minister Councillor Zhong Ronglai.

Professor Michael Grubb will give us the view of an economist, Mr Chris Mottershead from BP and My Andrei Marcu from Internatiopnal Emissions Trading Association will give us their business perspectives and Ms Katherine Watts will represent Climate Action Network, an umbrella for several environmental organisations.

I believe that two aspects should be covered in this new regime: First, the industrialised world has to cut emissions rather quickly, because the global warming seen so far is mainly due to our historic emissions. But at the same time, the developing countries have to work on decoupling economic growth and energy use taking our knowledge about sustainability on board. In the next 10-20 years also their emissions have to come on a sustainable track.



PARLAMENTO EUROPEO EVROPSKÝ PARLAMENT EUROPA-PARLAMENTET  
EUROPÄISCHES PARLAMENT EUROOPA PARLAMENT ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ EUROPEAN PARLIAMENT  
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PARLAMENT EUROPEJSKI PARLAMENTO EUROPEU EURÓPSKY PARLAMENT  
EVROPSKI PARLAMENT EUROOPAN PARLAMENTTI EUROPAPARLAMENTET

## 2. Draft programme

### TEMPORARY COMMITTEE ON CLIMATE CHANGE

#### THEMATIC SESSION

**"THE CLIMATE PROTECTION CHALLENGE POST-2012"**

**THURSDAY, 4 OCTOBER 2007, 15:00H-18:30H**

**European Parliament, Brussels, room PHS 3C 50**

**Chairman: Guido SACCONI MEP**

#### Keynote speaker:

**Mr John ASHTON**

**Special Representative on Climate Change of the  
UK Foreign and Commonwealth Office**

**With the participation of Mr. Yvo DE BOER,  
Executive Secretary of the UN Framework Convention on  
Climate Change**

## **DRAFT PROGRAMME**

### **15.00h: OPENING SESSION**

**Mr Guido SACCONI, MEP**

Chairman of the Temporary Committee on Climate Change

**Mr Karl-Heinz FLORENZ, MEP**

Rapporteur for the Temporary Committee on Climate Change

**Ms Satu HASSI, MEP**

Theme leader

### **15.20 h - 15.35h: KEYNOTE SPEECH**

**Mr John ASHTON**

Special Representative on Climate Change of the UK Foreign and Commonwealth Office

*"Climate Security and the Future of Europe"*

### **15.35 h - 16.05 h: VIEWS FROM THIRD COUNTRIES<sup>1</sup>**

**H.E. Mr Takekazu KAWAMURA**

Ambassador, Mission of Japan to the EU, Brussels, Belgium

*"Japan's Perspective on Long Term Goals and the Post 2012 Framework"*

**H.E. Mr. C. Boyden GRAY**

Ambassador, Mission of the United States of America to the EU, Brussels, Belgium

*"U.S. perspectives on climate change negotiations"*

**Mr. Ronglai ZHONG**

Minister Counsellor of the Mission of the People's Republic of China to the EU, Brussels, Belgium

*"China's perspectives on Post 2012"*

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<sup>1</sup> 10 min per presentation

**16.05h - 16.15h: THE POST 2012 PROCESS. A VIEW FROM THE UN<sup>2</sup>**

**Mr Yvo DE BOER**

Executive Secretary of the United Nations Framework Convention on Climate Change

*"Moving forward on post-2012 climate change regime"*

**16.15h - 17.00h: QUESTIONS & ANSWERS (DEBATE)<sup>3</sup>**

**17.00h - 17.30h: VOICES FROM THE SCIENTIFIC COMMUNITY, THE BUSINESS WORLD AND NGO VIEWS<sup>4</sup>**

**Prof. Michael GRUBB**

Faculty of Economics, University of Cambridge, United Kingdom

*"Sustaining European Action Post 2012 in a world of incomplete participation"*

**Mr Nick CAMPBELL**

Chair, International Chamber of Commerce Climate Change Task Force, Paris, France

*"ICC perspectives on a long-term international framework to address global climate change"*

**Ms Katherine WATTS**

Policy Officer, Climate Action Network (CAN), Brussels, Belgium

*"The political framework needed to avoid dangerous climate change, the NGO view"*

**Mr Chris MOTTERSHEAD**

Distinguished Advisor, Energy and the Environment, BP, United Kingdom

*"Technology for material greenhouse gas abatement post 2012"*

**Mr Andrei MARCU**

Chief Executive, International Emissions Trading Association (IETA), Brussels, Belgium

*"Architecture and role of markets after 2012"*

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<sup>2</sup> 10- 15 min

<sup>3</sup> 1 min per question and 5 min reply per panellist

<sup>4</sup> 5-7 min per presentation

**17.30h - 18.15 h: QUESTIONS & ANSWERS (DEBATE)**<sup>5</sup>

**18.15h: CONCLUSIONS**

**Ms Satu HASSI, MEP**

Theme leader

**18.20h: CLOSING REMARKS AND CLOSURE OF THE MEETING**

**Mr Karl-Heinz FLORENZ, MEP**

Rapporteur for the Temporary Committee on Climate Change

**Mr Guido SACCONI, MEP**

Chairman of the Temporary Committee on Climate Change

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<sup>5</sup> 1 min per question and 5 min reply per panellist

### **3. Mr John ASHTON: *Climate Security and the Future of Europe***

#### **CURRICULUM VITÆ**

##### ***of Mr John Ashton***

*Special Representative on Climate Change of  
the UK Foreign and Commonwealth Office, London, UK*

In June 2006 John was appointed as the UK Foreign Secretary's Special Representative for Climate Change with the aim of supporting Ministers in delivering a step-change in the international response to climate change – a new strategic priority for the Foreign and Commonwealth Office. He has the personal title of Ambassador, reporting directly to the Foreign Secretary.

A co-founder and Chief Executive of E3G since 2004, Mr Ashton has been continuously active in climate diplomacy in various capacities since 1997. He helped negotiate the agreement in 2005 between the EU and China to demonstrate zero emission coal technology in China, and was closely involved in the EU's engagement with Russia over the Kyoto Protocol. Before that, while still in government, he was from 1998-2002 a senior member of the UK negotiating team in the UN climate negotiations.

Mr Ashton has spent most of his career in the Foreign and Commonwealth Office. He founded and led its Environment Policy Department, before moving outside government in 2002 in preparation for the establishment of E3G.

A major theme of Mr Ashton's career has been China. He speaks Chinese. He was an adviser to Governor Chris Patten in Hong Kong from 1993-7. His first diplomatic assignment, from 1981-4, was as Science Attache in the British Embassy in Beijing. He also has experience at high level on a wide range of European and global issues, including as a political officer in the British Embassy in Rome from 1988-93.

John is married, with one son. He relaxes by playing cricket.

#### **4. H.E. Mr Takekazu KAWAMURA: *Japan's Perspective on Long Term Goals and the Post-2012 Framework***

In May this year, Japan launched an initiative called “Cool Earth 50”.

[Long-Term Strategy]

- Propose a long-term target of cutting global emissions by half from the current level by 2050 as a common goal for the entire world
- Present a long-term vision for developing innovative technologies and building a low carbon society

[Post-2012 international framework]

- three principles for establishing an international framework to address global warming from 2013 onwards
  1. All major emitters must participate, moving beyond Kyoto Protocol, leading to the global reduction of emissions.
  2. The framework must be flexible and diverse, taking into consideration the circumstances of each country.
  3. The framework must achieve compatibility between environmental protection and economic growth by utilization energy and other technologies.
- [Actions we can do right now] as Yoshiro Mori, Special Envoy of the Prime Minister of Japan stated at the High Level Event on Climate Change held in New York last week.
  1. voluntarily reduce or eliminate tariffs on the products that have effect of greenhouse gas reduction
  2. green purchasing
  3. operate the offices in an energy-efficient manner
- The way from Bali to the G8 Hokkaido Toyako Summit

**CURRICULUM VITÆ**  
*of H.E. Mr Takekazu Kawamura*  
*Ambassador, Mission of Japan to the EU, Brussels, Belgium*

Date of Birth: 28 August 1943 in Kyoto  
Married with 3 children

- 1964 Sep. Accepted at the highest level examination for the Foreign Service
- 1965 Mar. Left the University of Tokyo, Faculty of Law to join the Ministry of Foreign Affairs
- 1965 Apr. Attache, Embassy of Japan in France
- 1967 Jul. Third Secretary, Delegation of Japan to the International Organizations in Geneva
- 1969 Jul. to 1975 Jul. Various posts in the Ministry
- 1975 Jul. First Secretary, Embassy of Japan in Iran
- 1977 Jul. First Secretary, Mission of Japan to the United Nations in New York
- 1979 Jul. Deputy Legal Adviser to the Prime Minister, Office of the Prime Minister
- 1982 Jul. Director, Legal Affairs Division, Treaties Bureau, Ministry of Foreign Affairs
- 1984 Dec. Minister-Counsellor, Embassy of Japan in Belgium
- 1988 Oct. Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs
- 1990 Aug. Deputy Director-General, United Nations Bureau, Ministry of Foreign Affairs
- 1991 Dec. Minister, Embassy of Japan in France
- 1993 Dec. Envoy Extraordinary and Minister Plenipotentiary, Embassy of Japan in France
- 1995 Aug. Ambassador and Director-General, Arms Control and Scientific Affairs Bureau, Ministry of Foreign Affairs
- 1997 Aug. Ambassador and Chief of Protocol, Ministry of Foreign Affairs
- 1999 Jul. Ambassador and Consul-General in New York
- 2002 May Ambassador Extraordinary and Plenipotentiary to the Islamic Republic of Iran
- 2004 Sep. Ambassador Extraordinary and Plenipotentiary in charge of Inspection, Ministry of Foreign Affairs
- 2005 Sep. Ambassador Extraordinary and Plenipotentiary to the European Union

## **5. H.E. Mr C. Boyden GRAY: *U.S. Perspectives on climate change negotiations***

### **CURRICULUM VITÆ of H.E. Mr C. Boyden Gray**

*Ambassador, Mission of the United States of America to the EU, Brussels, Belgium*

C. Boyden Gray, of the District of Columbia, was sworn in as the Representative of the United States of America to the European Union, with the Rank and Status of Ambassador Extraordinary and Plenipotentiary, by Secretary of State Condoleezza Rice on January 20, 2006.

Prior to his appointment as Ambassador in Brussels, Mr. Gray was a partner in the Wilmer, Cutler, Pickering, Hale and Dorr law firm in Washington, where he worked from 1969 to 1981 and 1993 to 2005. He was White House Counsel in the administration of President George H.W. Bush (1989-1993) and earlier served as Legal Counsel to Vice President Bush (1981-1989).

Ambassador Gray was born in Winston-Salem, North Carolina. He earned his Bachelor's degree magna cum laude from Harvard University and his Juris Doctor (J.D.) from the Law School of the University of North Carolina at Chapel Hill, where he was editor-in-chief of the Law Review. Following his graduation from university, he served in the U.S. Marine Corps. After law school, he clerked for Earl Warren, Chief Justice of the United States Supreme Court (1968-69).

At the law firm of Wilmer, Cutler, Pickering, Hale and Dorr, his practice focused on a range of regulatory matters, with emphasis on environment, energy, antitrust, public health, and information technology. Ambassador Gray served as counsel to the Presidential Task Force on Regulatory Relief during the Reagan Administration. While working as White House Counsel, he was one of the principal architects of the 1991 Clean Air Act Amendments. He served as chairman of the Administrative Law and Regulatory Practice of the American Bar Association 2000-2002.

Ambassador Gray has served on the boards of numerous charitable, educational, and professional organizations. For Harvard University, he has been a member of the Committee to Visit the College and of the Committee on University Development. He is the recipient of the Presidential Citizens Medal and the Distinguished Alumnus Award of the University of North Carolina Law School.

## **6. Mr Ronglai ZHONG**

### ***China's Perspectives on climate change***

#### **CURRICULUM VITÆ of Mr Ronglai Zhong**

*Minister Counsellor, Mission of the People's Republic of China to the EU, Brussels,  
Belgium*

- 1973-1976 Studied at Beijing University of Foreign Studies
- 1976-1978 Studied at Université de Haute Bretagne, Rennes, France
- 1992-1993 Studied at l'Ecole Nationale d'administration, France
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- 1979-1984 Attaché at Chinese Embassy to Belgium, Chinese Mission to the EEC
- 1984-2007 Deputy head of unit, head of unit, Deputy Director General of Foreign Affairs Bureau of the General Office of the National People's Congress; in charge of affairs concerning IPU, Euro-Asia, America and Australia
- 05.2007- Minister Counsellor at the Chinese Mission to the EU

## **7. Mr Yvo DE BOER:** ***Moving forward on post-2012 climate change regime***

The newly released findings of the Intergovernmental Panel on Climate Change during the course of 2007 have confirmed that climate change is unequivocal and caused in the largest part by human activity. The political answers to the science need to be urgently provided. The United Nations Climate Change Conference in Bali needs to set in motion a comprehensive two-year agenda on a future climate change framework, which must accord equal importance to adaptation and mitigation, have technology at the heart of the solution and be equipped with an appropriate financial architecture. Beyond Bali, an enhanced framework should be in place by 2009 to allow for a ratification process and entry into force by 2012.

**CURRICULUM VITÆ**  
**of Mr Yvo De Boer**

*Executive Secretary of the United Nations Framework Convention on Climate Change,*

Yvo de Boer was appointed by UN Secretary-General Kofi Annan as the new Executive Secretary of the UNFCCC on 10 August 2006. The appointment had been endorsed by the Bureau of the Convention. Mr. de Boer took up his duties on 4 September 2006. Before joining the UNFCCC, Mr. de Boer was Director for International Affairs of the Ministry of Housing, Spatial Planning and Environment of the Netherlands, responsible for international policy, both in the context of the European Union, as well as broader international cooperation.

He has also served as Deputy Director-General for Environmental Protection in the same Ministry, as Head of the Climate Change Department and has worked in the fields of housing and public information. Early in his career, Mr. de Boer worked for the United Nations Centre for Human Settlements (UN-HABITAT).

Mr. de Boer has been involved in climate change policies since 1994. He has helped to prepare the position of the European Union in the lead-up to the negotiations on the Kyoto Protocol, assisted in the design of the internal burden sharing of the European Union and has since led delegations to the UNFCCC negotiations.

He has actively sought broad stakeholder involvement on the issue of climate change. To that end, he launched an international dialogue on the clean development mechanism and has partnered international discussions with the World Business Council on Sustainable Development, aimed at increasing private sector involvement.

Mr. de Boer has served as Vice-President of the Conference of Parties to UNFCCC and as Vice-Chair of the Commission on Sustainable Development. At the time of appointment, he was a member of the China Council for International Cooperation on Environment and Development, the Bureau of the Environment Policy Committee of the Organisation for Economic Cooperation and Development, the Advisory Group of the Community Development Carbon Fund of the World Bank and the Board of Directors of the Centre for Clean Air Policy.

Born in Vienna, Yvo de Boer is married and has 3 children. As the son of a Dutch diplomat, he has travelled the world extensively before entering boarding school in the United Kingdom and obtaining a technical degree in social work in the Netherlands.

## **8. Prof. Michael GRUBB: *Sustaining European Action Post 2012 in a world of incomplete participation***

Securing a global agreement on post 2012 action represents the most complex global negotiations ever conducted, including the long history of the WTO. To maximise the chance of success, leadership and credibility are essential elements. At present, the EU is a key driving force.

In this context, the foundational element is to recognise the EU ETS as backbone of implementation and compliance. It also dominates international carbon-related financial flows (with traded volumes a factor of five bigger than the CDM, which in turn eclipses all others). For both these reasons it is a focal point of global attention, and helps to energise international negotiations, demonstrating “real action” (and real lessons).

The EU ETS as it stands is effective at reducing operational emissions, but not supporting low carbon investment, both because of the perverse “new entrant” rules that shield carbon intensive investments in many countries, and uncertainty post 2012. A very few companies and sectors (major multinationals in oil and maybe power and commodity producers) can cope with fundamental uncertainties and factor in future action. Even for these, rational response to the uncertainty can still lead to deferred decisions and increases the cost of capital. However the vast majority of companies discount the implications of carbon control policies that do not yet exist. This leads to continued higher carbon investments, which increases both emissions and ultimate economic costs.

It is not credible to wait for the completion of global negotiations to provide such future investment security. The fundamental principles of mandatory carbon limits remain contested by the Bush Administration. Serious negotiations cannot even *start* until Jan 2009. The *earliest conceivable* date for a global deal is December 2009. Moreover, like Kyoto, such a deal would almost certainly have many ambiguities to be resolved through subsequent “rulebook” negotiations. Even if EU did not wait for this, translating a basic Dec 09 COP deal into EU legislation adds at least 6 months. Waiting till the middle of 2010 to define rules that help companies to realise the value of low carbon investment – and the risks of high carbon investment – is not a credible strategy.

Moreover, no credible post 2012 deal will harmonise global carbon prices. There will not be a harmonised global carbon trading system. Regional schemes are developing and they reflect regional circumstances (eg. NZ, Australia, Canada, RGGI, California); they all have different characteristics. EU ETS allowances have the potential to be the “dollar” of the global carbon markets, and a clarified EU ETS post 2012 design can have some influence on others’ scheme designs. An expanded CDM and East-west investment (JI, GIS) will remain an important part of the scene beyond 2012; this may also be positively influenced by clarifying the EU ETS post 2012.

The implication of the Council March 2007 conclusions is that the *strength* of action may be conditional on international process; but the fundamental *structure and institutional commitment* cannot be. Acting on this principle may help to incentivise

globally effective action, but a uniform carbon price will remain a long way away, irrespective of the success or failure of global negotiations. This obviously raises concerns about the economic consequences of unilateral EU commitment to the EU ETS.

The extensive studies convened by Climate Strategies lead to a number of conclusions. First, competitiveness is a *sector-specific* concern, not a *generalised* concern for the EU economy. Moreover the number of sectors potentially at concern are very limited. A key principle is thus to focus on *sector specifics* not *generalised solutions*. Moreover, the metric of concern should be *leakage*, not *competitiveness* per se: this offers a much sharper focus on EU ETS-related impacts rather than generalised pleas for protection, and aligns environmental with economic concerns.

For the period 2012-2020, our studies find case for concern in cement and Blast Oxygen Furnace Steel production, that may be (imperfectly) addressed through free allocation if other avenues are not developed. These two sectors represent about 0.2% of total economic value added in the UK and a similar fraction averaged across Europe. Other key sectors (mainly basic chemicals, pulp&paper, refining) should be monitored for *evidence-based* assessments of impacts, not driven by projections. Political judgement may be needed on whether to trouble for a few other very specific subsectors/products, that are macroeconomically trivial (very much less than 0.1% GDP) in terms of value added (and even less in terms of employment).

To conclude: negotiations need leadership. EU credibility rests on domestic implementation. Phase III of the EU ETS cannot await the outcome of global negotiations. It will have to work in a world of incomplete action. That is entirely possible and need not threaten economic competitiveness. Success in that endeavour will also provide a strong example, increase business pressure for an effective global deal, increase EU credibility globally, and provide a stable focal point for the most complex global negotiations in history.

*Climate Strategies research on the industrial competitiveness to be released 20 November, with a synthesis report by the Carbon Trust. For enquiries on the research contact [euets@econ.cam.ac.uk](mailto:euets@econ.cam.ac.uk).*

**CURRICULUM VITÆ**  
**of Professor Michael Grubb**

*Faculty of Economics, University of Cambridge, United Kingdom*

Michael Grubb is Chief Economist at the UK Carbon Trust (the £100m/yr body established to spearhead UK business and public sector implementation: [www.carbontrust.co.uk](http://www.carbontrust.co.uk)), and Director of *Climate Strategies*, a European networked research institution ([www.climate-strategies.org](http://www.climate-strategies.org)). His research positions comprise a 1 day/week Senior Research Fellow at Cambridge University Faculty of Economics and a Visiting Professorship at Imperial College. Until September 1998 he was Head of the Energy and Environmental Programme at Chatham House in London, where he remains an Associate Fellow. He was subsequently Professor of Climate Change and Energy Policy at Imperial College, before joining the Carbon Trust in Jan 2002.

Professor Grubb has been a Lead Author for several reports of the Intergovernmental Panel on Climate Change (IPCC) addressing the economic, technological and social aspects of limiting greenhouse gas emissions. He is editor-in-chief of the journal *Climate Policy* and is on the editorial board of *Energy Policy* and *Environmental Science and Policy*. Other positions have included DTI academic panel on emission projections, the UK government Green Globe Network, European Commission (including as member of EC delegation to climate change negotiations), and as consultant to BP and to the Shell Foundation. He has also been a member of the Advisory Council, International Association for Energy Economics, and Council Member, British Institute of Energy Economics.

As Director of Climate Strategies, Prof Grubb spearheaded the organisation's analysis of the EU ETS Phase II allocation, which contributed to the Commission assessments and decisions, and subsequent more detailed analysis of industrial competitiveness issues and post 2012 design. He also initiated and chaired the global Innovation Modelling Comparison project that was widely cited in both the Stern Review and the IPCC Fourth Assessment.

In addition to his institutional and advisory positions and publications, Michael Grubb has testified on climate policy to numerous UK House Committee enquiries. During 2006, he also testified before the US Senate Committee on Environment and Public Works, gave the keynote talk at the IBRD's 2006 Annual Bank Conference on Development Economics (ABCDE), and presented to the Board of EBRD. He appears regularly in media and has appeared on Newsnight, the Today programme, and frequently on BBC World and World Service.

## **9. Mr Nick CAMPBELL:** ***ICC perspectives on a long-term international framework to address global climate change***

### **Abstract**

Nations gathering in Bali face the significant challenge of beginning to formulate a credible, inclusive, longer-term, post-2012 international framework to address climate risks in a world facing other important and growing concerns regarding energy supply and use. Energy-related concerns include access to reliable, affordable, secure energy as well as associated environmental impacts. ICC expects nations to take a step forward in Bali to determine the future process they will undertake to meet these linked challenges.

Climate change risks are a significant long-term concern. To forge meaningful, long-term progress, ICC believes that a longer-term international climate policy framework under the UNFCCC must be developed, involving all nations, that reflects a full international consensus to address these risks effectively. It should be based on national priorities and circumstances while promoting maximum cooperation in emissions mitigation and adaptation among nations. It should encourage investments in and access to energy and advanced technology that promote economic growth and development. A “one size” fits all approach is unlikely to work; rather, nations must seek to optimise cooperation in a mosaic of national, regional and international approaches. In our view, stimulating and increasing action by all major emitting countries and societal partners is urgently needed through a variety of forums.

ICC members have actively addressed climate change by investing in and promoting energy efficiency and conservation, by developing new technologies and processes, and by measuring and reporting greenhouse gas emissions from facilities and products. Business and industry also continue to support research to improve the understanding of the possible long-term effects of economic growth and other human activities on the climate system, and are actively engaged in research to develop advanced, innovative technologies with reduced greenhouse gas emissions.

### **The Way Forward: Recommendations**

Objectives for an effective, inclusive, long term global framework, reinforced by other international initiatives and partnerships, should be resolved among all Parties as the UNFCCC process goes forward.

Given the global, long-term nature of climate change, and taking into account the common but differentiated responsibilities of developed and developing countries, the ICC urges UNFCCC Parties to pursue the development of a long term framework that:

- Promotes global participation;
- Focuses on long-term objectives to limit climate change risks and encourages mitigation and adaptation through a combination of incentives and other market-

orientated initiatives, particularly approaches that could provide resilience against existing natural climate variability now;

- Encourages voluntary actions by industry to reduce, avoid or sequester GHG emissions;
- Deals with the issues of deforestation;
- Provides market incentives for efficient energy use and eliminates subsidies that encourage excessive consumption of energy;
- Stimulates research and development and dissemination to create innovative, affordable and reliable, low greenhouse gas technologies sooner, and eliminates or reduces regulatory barriers to the development, utilisation and dispersion of new technology;
- Addresses climate change risks in the context of advancing cleaner development and access to energy in developing countries-- recognising that, in developing countries, priorities include economic development, poverty and disease eradication which are underpinned by enhanced access to basic services such as energy, health care, and education;
- Continues scientific research to assess better the risks of climate change, and uses these evolving assessments to inform policy responses to climate change;
- Supports the evolution of:
  - a) a system of flexible mechanisms post-2012, including the Clean Development Mechanism and Joint Implementation, to stimulate global emissions reductions in a cost-efficient and environmentally effective manner;
  - b) A meaningful and predictable compliance system for Parties.

**CURRICULUM VITÆ**  
***of Mr Nick Campbell***

*Chair, International Chamber of Commerce Climate Change Task Force, Paris, France*

Nick has spent 20 years working primarily on the ozone issue and climate change. He works for ARKEMA SA, based in Paris, as the Environment Manager for the Fluorinated Products Division.

In the Climate Change area, Nick has been involved in the international discussions since 1991 and has attended all the working groups meetings leading to the Kyoto Protocol as well as all the conferences of the Climate Change Convention and its Subsidiary Bodies. He has acted as a Coordinating Lead Author for the IPCC/TEAP joint Report on HFCs and PFCs (April, 2005), was an author of a section of the IPCC 'Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories' and has acted as an Expert Reviewer for the Working Group 3 and Synthesis Reports of the IPCC 4<sup>th</sup> Assessment Report.

Nick is Chairman of the BusinessEurope (formerly UNICE) Climate Change Working group, representing EU Employers' federations; he is also the Chairman of the European Chemical Industry Council (CEFIC) Task Force on Climate Change. Nick is the Chairman of the International Chamber of Commerce (ICC) Working Party on Climate Change and has led this group at COP-6 in The Hague and subsequent COPs.

He is deeply involved in both discussions concerning the EU Emissions Trading Scheme and its review and has recently been an active member of the European Climate Change Programme Working Group on the EU ETS review. He is also actively involved in the issues around the post-2012 discussions and has given many presentations on both this issue and the EU ETS.

Nick was awarded a 1997 United States EPA Stratospheric Ozone Protection Award for his role in the phase-out of ozone depleting substances.

## **10. Ms Katherine WATTS:** ***The political framework needed to avoid dangerous climate change, the NGO view***

### **Context**

A single, coherent post 2012 agreement with commitments adequate to address the enormity of the challenges of climate change needs to be agreed before the end of 2009, to allow Parties time to ratify the new agreement and to avoid a gap between the first and second commitment periods of the Kyoto Protocol. To achieve this, a comprehensive mandate to begin negotiations needs to be agreed by Parties in Bali in December.

The Bali Mandate will need to set a framework for negotiations to deliver a new agreement that will achieve real emissions reductions. The extent of reductions must be consistent with the ultimate objective of preventing dangerous anthropogenic interference with the climate system.

### **Ultimate Objective**

Scientific evaluation of impacts of climate change, including that in the recent IPCC Fourth Assessment Report, indicates that global average temperatures must be kept as far below 2°C as possible, compared to preindustrial levels, to avoid the worst impacts of climate change. This implies that countries will need to agree a common vision of the level of necessary ambition, based on an emissions trajectory that peaks global emissions by 2015 and defines emissions reductions targets of:

- ❖ *At least -30% by developed countries by 2020, with a 1990 base year.*
- ❖ *At least -50% globally by 2050, with a 1990 base year*
- ❖ *At least -80% for developed countries by 2050, with a 1990 base year*

### **Elements**

The post 2012 agreement will need to build on and extend the existing Kyoto architecture of absolute emission reductions and flexible mechanisms. Developed countries, joined by newly developed countries, must take on deeper binding absolute quantitative emissions reduction obligations. These emissions reductions must be achieved primarily by domestic action.

Even strong action by developed countries alone cannot achieve the emission reductions consistent with keeping well below 2°C. Broader participation by all major emitting developing country emitters is needed, driven by positive incentives. On equity grounds, differentiation of commitments is needed between developed and developing countries, and between the actions taken to reduce emissions by developing countries.

New effective forms of technology cooperation and deployment are needed, combining financing with set goals and policies, as well as new mechanisms, and improvements to existing mechanisms, to promote low carbon development.

Expanded adaptation mechanisms to deal with climate change impacts are essential to help the poorest and most vulnerable countries cope with the climate impacts to which

we are already committed. The scale of funding for adaptation needs to be appropriate to the need, at present it is at least two orders of magnitude too low.

*Other elements:*

- Scientific review, to include definition of the overall level of ambition, including medium and long term targets
- Expanded Annex B to include newly industrialized countries
- Fair and transparent target sharing criteria for allocating the Annex B emissions reductions
- New flexible mechanisms and other instruments, to provide new incentives for non-Annex B Parties to participate on a voluntary basis, with appropriate compliance measures
- A mechanism to reduce emissions from deforestation and degradation in non-Annex I Parties
- Review of the Land Use, Land-Use Change and Forestry modalities
- Clean Development Mechanism reviewed and reformed to ensure its environmental effectiveness
- Inclusion of new sources of emissions, notably bunker fuels
- Impacts of response measures
- An effective compliance regime
- Scientific and methodological review

**The EU's role**

***Leadership by example***

The EU must attain its existing targets, and should attain the 2020 -30% target by domestic action, with further emissions reductions to be achieved internationally.

***Leadership through cooperation, ideas and outreach***

The EU must work with international partners at every opportunity to ensure that the post-2012 negotiations under the Kyoto Protocol and the UNFCCC will be formally launched in December 2007 in Bali and conclude no later than 2009.

**CURRICULUM VITÆ**  
***of Ms Katherine Watts***

*Policy Officer, Climate Action Network (CAN), Brussels, Belgium*

CAN-Europe is a network of more than 100 environment and development non-governmental organizations working in the EU and other European countries. CAN Europe is part of CAN-International, a wider network with more than 400 NGO members in 85 countries worldwide.

Katherine Watts is responsible for the post 2012 climate policy work of both CAN-Europe and CAN-International, coordinating the development of policy positions, and providing inputs on behalf of the network to various fora including the EU institutions, UNFCCC talks and G8+5.

Ms Watts has Master's degrees in chemistry and environmental technology, respectively from the University of Oxford and Imperial College, London, latterly specializing in global environmental change and policy. She has done post-graduate research on synergies between climate mitigation and biodiversity conservation in tropical forests and the barriers that prevent these co-benefits being realized.

In 2004-2005, she was a stagiaire in DG Environment Ozone, Climate and Energy Unit in the EU Commission, working on post 2012 issues.

**11. Mr Chris MOTTERSHEAD:  
*Technology for material greenhouse gas  
abatement post 2012***

**CURRICULUM VITÆ  
*of Mr Chris Mottershead***

*Distinguished Advisor, Energy and the Environment, BP, United Kingdom*

Chris joined BP Research, at its London based research laboratories in 1978 as an instrument and control engineer. During the mid-eighties Chris lead a team to create and commercialise large-scale scientific computers. In the late eighties he ran BP's exploration computing activities. During the early nineties he became commercial manager of exploration and production technical activities. Chris then moved to BP's North Sea operations, first to Glasgow and then in Aberdeen, becoming the central technical manager. He returned to London, becoming the VP Technology, Engineering and HSE for BP's global gas, power and renewable activities. He is currently Distinguished Advisor – where he advises on energy and environmental issues.

He is a Director of the Carbon Trust in the UK and Center for Clean Air Policy in the US, and a member of the Advisory Boards of the National Center for Atmospheric Research in the US and the Engineering and Physical Research Council in the UK.

## **12. Mr Andrei MARCU: *Architecture and role of markets after 2012***

We are at the end of the Kyoto Protocol cycle that has achieved the creation of infrastructure, provided experience with offsets and Emissions Trading Systems and helped us learn about the issues that we shall have to address.

In Nicholas Stern's words, markets are necessary but not sufficient to meet the challenge of climate change, due to ambitious cuts and tight timetables. Markets should be used when and where appropriate.

Markets are essential to set a cap, put a price on a ton of carbon and incentives over compliance – i.e. provide incentives to operators to do more than required by legislation. They also provide flexibility, an economic signal for asset allocation, as well as incentives for the development of clean technology solutions. However, markets do not create reductions and are not applicable to all sectors. In other words, they are not a silver bullet solution.

From Bali we seek a mandate that shall ensure that post-2012 commitments are serious and send a clear signal that it is realistic to expect their achievement. At the same time, Governments must reassure investors that new goals –which create the demand in the carbon market – are credible and will continue to be adhered to over time.

The desired outcome post-2012 is a deep, broad and liquid emissions trading market worldwide driven by emission reduction goals and a common carbon currency.

The post 2012 global consensus should satisfy the following conditions:

- It should expressly adopt market-based approaches as the core basis for achieving new commitments.
- It should also ensure broader coverage of national reduction commitments for post-2012 that goes beyond the current members of Annex B of the Kyoto Protocol: countries that have not signed up to reduction commitments in the next period should be made eligible for project-based reductions.
- It should also allow access to market mechanisms to all emitters in all jurisdictions for compliance with Greenhouse Gases (GHG) reduction goals. This would ensure the creation of a 'level playing field', avoid distortions in competitiveness and enhance co-operation.

Regardless of the approach taken to set and achieve post-2012 commitments, it is essential to recognize that a long-term carbon price signal plays a critical role for investors, because it drives new investment in GHG reductions in a compliance market.

Tackling climate change is the pro-growth strategy for the future and we must act now.

## **CURRICULUM VITÆ**

### ***of Mr Andrei Marcu***

*Chief Executive, International Emissions Trading Association (IETA), Brussels,  
Belgium*

Andrei Marcu is President and CEO of the International Emissions Trading Association, a business association with offices in Geneva, Switzerland and Toronto, Canada. IETA includes organizations such as bp, Shell, Tokyo Electric, Ontario Power, Dupont, TransAlta, etc dedicated to the creation of an efficient and environmentally robust market for greenhouse gases to address the issue of global warming and climate change. In this capacity he has been deeply involved in COP process and the national and international effort to make the provisions of the Kyoto Protocol operational and create its governance regime

Mr. Marcu has spent most of his career in the electric power industry with Ontario Hydro in Toronto, Canada where he has worked in many areas of the corporation in a senior capacity position including contracts, energy efficiency, regulatory affairs, and international operations.

As Deputy Managing Director of the E7 and Chair of the Climate Change Subcommittee he has had the opportunity to work on issues related to sustainable energy development in a sector critical to development and in implementation of Agenda 21.

He has also worked in the field of development as Manager of Private Sector Cooperation in the United Nations Development Programme, where he has pioneered cooperation between the UN system and multinational corporations.

Mr. Marcu holds a degree in electrical engineering from McGill University in Montreal and an MBA from the University of Toronto.