

Workshop 14: Climate Change: The Road to Copenhagen

Cillian Donnelly, EU Reporter

A robust post-2012 deal on climate change has the potential to create the right market conditions and earn billions for European business, maintains Werner Schnauppau, CEO of the German Federation of Industries, BDI, who opened this workshop outlining the challenges facing the EU as the international community strives to come to an agreement on future climate targets at the end of the year.

European industry and policymakers, he said, “will do everything to make 2009 a breakthrough year for climate protection. “Despite the economic downturn, we must not displace the climate challenge from the headlines”.

Mr Schnauppau was adamant that both crises, that of the economy and the environment, could be tackled together, and insisted that “everything must be done to combine climate and economic policies”.

Industry, he said, is willing to co-operate with international politics to work out a favourable solution for all, which should produce “a world-wide level playing field that strikes a balance between what’s good for the economy and the environment”.

Responding to this last point, Stavros Dimas, EU Commissioner for the Environment, said that creating a functioning, global market for emissions trading would be a key factor in any deal reached in Copenhagen.

“We wish to see an OECD-wide, and eventually an international, cap and trade system. I am pleased to say that the US administration is eager also to get a deal in Copenhagen”. It is the function of policymakers, he said, to create the right market conditions through a predictable regulatory environment, that will stimulate business growth. “Business should follow and contribute to the debate. All opportunities at all levels should be used”.

Emissions trading, and market-driven solutions to the environmental challenge will not be good enough on their own to overcome all problems. Innovative technology, such as carbon capture and storage, needs to be commercially viable if the EU is to reduce its industrial emissions, said Joan MacNaughton, Senior Vice President of Power and Environmental Policies at Alstom.

“Power demand is probably not going to go away. We have to de-carbonise the power generation sector. We have to look at the technology mix; nuclear, renewables, energy efficiency and CCS”. It is important, therefore, to get CCS demonstration plants operational by 2015, to help the EU in its fight against climate change.

“You can’t have energy discussions without mentioning water, you can’t have water discussions without mentioning biodiversity”, insisted Jacqueline McGlade, Executive

Director of the European Environmental Agency, alluding to the complexity of the current negotiations.

As the crucial deadline approaches, Europe needs to steer away from bridging policies, she said, and more towards long-term solutions in the areas of emissions reduction targets, an adaptation fund for the developing world and the securing of valuable resources.

Whatever deal is reached at the end of the year, said, Rudolph Huber, President of Alcoa European Region, “it must not be done at the expense of industry”. The Copenhagen summit, he continued, must focus on creating a level playing field for emissions trading, enforcing similar conditions on other international regions with mandatory enforcement rules. If these are not properly worked out, he continued, “Europe will sacrifice its heavy industry with no benefit to the environment”.

A further downbeat note was added by Stephen Singer of WWF, who criticised the current EU, and US, stand on the environment. Focussing on emissions, he said that there is a need “to address coal in Europe in a more aggressive way, not just through the ETS. We need to look at efficiency, especially through buildings, the electrification of transport, and infrastructural investment”.