

Position Paper

Brussels, 10 December 2018

Stepping up global climate action together: our future, our choice

"Climate action offers a compelling path to transform our world for the better": these were the opening words of UN Secretary General Antonio Guterres at the opening ceremony of this week's 24th Conference of the Parties to the United Nations Framework Convention on Climate Change in Katowice (COP24). And the week before, G20 leaders confirmed in their Buenos Aires declaration that "a strong economy and a healthy planet are mutually reinforcing".

As COP24 convenes and the G20 builds consensus on fair and sustainable development, the EU is sending strong signals to the global community, which Orgalime – representing Europe's technology industries – can only welcome.

Not only has the EU signed off three further critical files of its comprehensive Clean Energy Package this week, notably the Energy Efficiency Directive, Directive on Energy from Renewable Energy Sources and the new Governance Regulation. These now amplify Europe's energy efficiency and renewable energy ambition, empower consumers and give them the right to self-generate, self-consume, store, manage and sell electricity while optimising their overall carbon and environmental performance.

The EU has also arrived well equipped in Katowice with its fresh-off-the-press "2050 EU long-term strategy vision for greenhouse gas emission reduction – A Clean Planet for All", which envisions a prosperous, modern, competitive and climate-neutral economy.

Europe's technology industries believe that the EU 2050 long-term strategy communication represents a strong basis for further dialogue on the way towards the EU becoming among the first to achieve net-zero greenhouse gas emissions by mid-century, leading the way forward worldwide. This is in the interest of citizens, the planet and industry alike – and the time to act is now!

Our industries have provided and implemented solutions that, within the EU's existing framework, contribute to the significant results already achieved. We will continue to do so in line with the 2030 framework. Not only will the coming decade be critical for getting the world back on track, the implementation of the Paris Agreement through taking concrete actions needs to accelerate. Orgalime recommends prioritising action where it is most certain to deliver emissions reduction, where it is most beneficial and least costly.

While we note that the proposed 2050 vision does not put forward the launch of any new policies immediately, nor does it announce the Commission's intention to revise the 2030 targets, Orgalime supports the particular recognition and strengthening of the central role of citizens, energy consumers, local communities and local authorities who all need to be encouraged to be active in the energy and climate transition and the way they manage energy. This is consistent with the path taken in the Clean Energy Package.

Orgalime representing the European Technology Industries speaks for 45 trade federations of the mechanical, electrical, electronic, metalworking & metal technology industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2017 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.

In conclusion:

In its <u>position paper on the 2050 strategy</u>, Orgalime provides a comprehensive set of recommendations on how to turn common challenges into opportunities. We remain fully open to continuing the dialogue on the 'EU 2050 Clean Planet for All' strategic long-term vision.

As regards COP 24, there needs to be a clear signal from all parties in Katowice to the world considering the IPCC Special Report on 1.5°C: COP24 must finalise the "Paris Rulebook" with strong monitoring, verification and accounting rules and continue the Talanoa Dialogue. Orgalime industries stand ready to provide innovative, cutting-edge low-carbon and energy-efficiency solutions.

How do we get there?

Orgalime believes in a rules-based global order for all parties and stakeholders to cooperate and fairly compete with each other. All around the globe, we need to accelerate action at all levels – the next decade is crucial.

In our view, all regions of the world and all sectors of the economy have to contribute. Our industries offer a vast variety of different clean tech solutions for reducing greenhouse gas emissions in Europe and globally, and remain committed to further investing in the development of clean tech.

However, to maintain this high level of investment, the Paris implementation process needs to create the market for clean tech development and investment and send the right signals to accelerate technology development and deployment.

In addition to **boosting efficiencies at all levels** – including through use of promising digitally enabled technologies that simultaneously increase productivity, energy or water efficiency and cost efficiency – we promote the **following 'no-regrets' options**:

- A steady, long-term price signal in order to be economically efficient, allow early adoption of low-carbon technologies and minimise stranded investments.
- **Convergence of carbon prices at global level** in different policy instruments, including cap-and-trade systems and carbon taxes.
- More electrification and alternative fuels deployment in the transport, buildings and industry sectors and sector coupling.
- Highly energy-efficient, renewables-based energy systems with smart grids at all levels, and at distribution level in particular, and using all flexibility sources (interconnection, storage, demand response and flexible generation).
- In industrial sectors, apply advanced, digitally enabled resource- and energy-efficient industrial processes/equipment, and facilitate industrial symbiosis.

Please read more in our Talanoa contribution here.

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