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**Subject: European Fluorocarbons Technical Committee (EFCTC)**  
***Answer to the Consultation on the 2015 International Climate Change Agreement:  
Shaping international climate policy beyond 2020.***

The European Fluorocarbons Technical Committee (EFCTC) is a sector group of the European Chemical Industry Council (CEPIC). One of the Sector Group's main objectives is to monitor the constantly changing legislation related to HFCs (hydrofluorocarbons), PFCs (perfluorinated carbons) and SF<sub>6</sub> (sulphur hexafluoride), in the EU and at global level. We fully endorse the submission undertaken by CEPIC and wish to add the following contribution with respect to our specialised sector of fluorocarbons.

The family of F-gases comprises hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). In the context of the Kyoto Protocol, it excludes CFCs and HCFCs which are covered by the Montreal Protocol (and which also have high GWPs).

The F-gases have a number of properties that enable them to provide an appropriate balance of improving energy efficiency, safety and efficacy in use. They are used in a number of vital societal uses that include:

- Preserving food and medicines in refrigerators, in supermarkets and transport, minimizing waste.
- Providing comfortable and safe living through air-conditioning in offices, houses, hospitals, shops, schools, etc.
- Saving energy through their use as insulating agent in high performance thermal insulation foam....
- Facilitating the production of semiconductors and electronics as precision cleaning solvents
- Ensuring high safety levels as electrical insulation gases in high voltage equipment (SF<sub>6</sub>)
- Saving lives, goods and property when used in water-free fire extinguishers
- Treating asthma as propellant in medical inhalers

It is estimated that the overall global warming impact of HFC emissions worldwide currently represents less than 2% of the impact of the total global greenhouse gases emissions. While HFCs are the preferred solution for many societal needs because of their safety and performance advantages, without action their demand will grow due to the replacement of HCFCs as well as due to the increasing demand for refrigeration and air conditioning, especially in developing countries. Such growth would result in HFCs becoming a more significant potential source of emissions in the future.

*Question 1:*

*How can the 2015 Agreement be designed to ensure that countries can pursue sustainable economic development while encouraging them to do their equitable and fair share in reducing global GHG emissions so that global emissions are put on a pathway that allows us to meet the below 2°C objective? How can we avoid a repeat of the current situation where there is a gap between voluntary pledges and the reductions that are required to keep global temperature increase below 2°C?*

EFCTC would like to take the opportunity presented in the development of a new 2015 agreement to combat climate change to encourage Parties to the UNFCCC to allow the Parties to the Montreal Protocol to move forward with a constructive dialogue to achieve an agreement for a global cap and reduction for HFC consumption on a GWP-weighted basis.

*Question 2:*

*How can the 2015 Agreement best ensure the contribution of all major economies and sectors and minimise the potential risk of carbon leakage between highly competitive economies?*

It is essential that a truly comprehensive global agreement to combat the risks of climate change can be achieved that includes all countries and regions, particularly major emitters of greenhouse gases. Only with such an agreement, which must be developed on a global basis, will businesses around the world be competing on equal terms. Given the principle of common but differentiated responsibilities, equitable solutions will be needed to allow for a special role for developing countries. The rapid growth of emissions in many developing countries requires their inclusion within a new international regime.

The incorporation of HFCs within the Montreal Protocol would give developing country Parties to that agreement access to funding to enable a more rapid transition to alternatives to HFCs through the Multilateral Fund of the Montreal Protocol.

*Question 3:*

*How can the 2015 Agreement most effectively encourage the mainstreaming of climate change in all relevant policy areas? How can it encourage complementary processes and initiatives, including those carried out by non-state actors?*

EFCTC recognises the important role played by the Montreal Protocol in successfully controlling consumption of CFCs and HCFCs and acknowledges that this could provide the necessary expertise to effectively implement a similar system for HFCs. We believe that including provisions for controlling the placing on the market of HFCs under the Montreal Protocol would complement and strengthen the HFC emissions provisions of the UNFCCC and its Kyoto Protocol.

Energy efficiency is critical to overall emissions in any industry or sector. A sound and comprehensive policy on developing and adopting advanced energy conservation technologies should constitute the first building block of any climate change policy.

Fluorinated gases can confer significant energy efficiency benefits on equipment in which they are used, for example within refrigeration and air-conditioning equipment and through their use in insulating foams (in which savings of 400million metric tonnes of CO<sub>2</sub> have been indicated through the insulation of existing housing within the EU-25).

Preference should be given to market based mechanisms and technology prescriptive approaches are best avoided.

*Question 4:*

*What criteria and principles should guide the determination of an equitable distribution of mitigation commitments of Parties to the 2015 Agreement along a spectrum of commitments that reflect national circumstances, are widely perceived as equitable and fair and that are collectively sufficient avoiding any shortfall in ambition? How can the 2015 Agreement capture particular opportunities with respect to specific sectors?*

It is vital to maintain the concept of the “basket” of greenhouse gases as was agreed in Kyoto. For end-use applications that use and emit greenhouse gases, for example refrigeration, air-conditioning or foam insulation, this concept allows the overall, global climate impacts of each application to be analysed and the appropriate choice of technology made to ensure the best environmental outcome whilst taking into account economic, efficiency and safety aspects.

It is essential that any decision taken with respect to the global climate regime also takes into account the objectives of other multi-lateral agreements such as the Montreal Protocol on Substances that Deplete the Ozone Layer. Actions to phase out ozone depleting substances make a significant contribution to climate protection and should be taken into account when negotiating a future global climate change regime.

*Question 5:*

*What should be the role of the 2015 Agreement in addressing the adaptation challenge and how should this build on ongoing work under the Convention? How can the 2015 Agreement further incentivise the mainstreaming of adaptation into all relevant policy areas?*

*Question 6:*

*What should be the future role of the Convention and specifically the 2015 Agreement in the decade up to 2030 with respect to finance, market-based mechanisms and technology? How can existing experience be built upon and frameworks further improved?*

Technology will have a major role in the mitigation of climate change. In long term it is essential to encourage innovations by investing directly in research and development programmes in co-operation between EU and other countries as well as between governments, universities, research institutes and private actors. The EU should encourage policies that encourage the implementation and diffusion of both new and existing technology.

One of the key challenges in evaluating costs is setting the boundaries applied to any assessment. If technology is to compete globally it has to be cost competitive as well as environmentally efficient. Fluorocarbons are utilized in many applications that use energy, and require servicing and maintenance. The applications utilising fluorocarbons often lead to reduced costs for example in building design and operating costs including energy.

A narrow focus on fluorocarbons will damage competitiveness, if it also targets energy efficient, environmentally efficient and cost effective technologies utilising fluorocarbons. It has been estimated that the cost of reconverting just the stationary refrigeration and air-conditioning from HFCs for the EU could be in the region of €4 billion to €6 billion.

Industry has limited resources, and developing improved competitive technologies requires long planning and implementation cycles. Diverting these resources into unnecessary activities, such as the re-conversion from HFCs would damage competitiveness. Providing stability, encouraging longer term developments and not prejudging technologies should help maintain and drive forward competitiveness.

The Kyoto Protocol was designed around a “basket” of greenhouse gases to enable an optimum balance to be achieved between emissions of those gases. EU policy must evaluate the overall environmental impact of applications that use and emit greenhouse gases, for example refrigeration, air-conditioning or foam insulation systems, rather than take specific actions to phase-out individual gases such as fluorocarbons. Technologies that have an overall benefit to the climate system should be encouraged not discouraged. Allowing technologies to compete within a Regulatory framework is the best way to improve environmental performance. Technologies evolve and improve over time only if they are allowed sufficient time to be developed. Unnecessarily eliminating technologies prevents effective competition to drive the development of the most environmentally efficient and cost-effective technologies.

*Question 7:*

*How could the 2015 Agreement further improve transparency and accountability of countries internationally? To what extent will an accounting system have to be standardised globally? How should countries be held accountable when they fail to meet their commitments?*

The Montreal Protocol has a comprehensive global reporting system that could be adopted easily to include reporting on HFCs. It, furthermore, has a compliance system that has successfully managed the transition from CFCs to HCFCs.

*Question 8:*

*How could the UN climate negotiating process be improved to better support reaching an inclusive, ambitious, effective and fair 2015 Agreement and ensuring its implementation?*

A broad stakeholder participation and a transparent process is necessary to ensure the agreement is reached and implemented. Industry can be a useful partner in this process. Companies and sectors can offer their expertise to the climate negotiations on effective ways to reduce emissions and develop solutions for sustainable development.

At the same time, focus should be put on biggest emitting regions, involving major sectors, in order to make faster progress. The complications of dealing with numerous different topics under the UNFCCC make it harder to make progress on one due to political linkage been drawn with other, sometimes unrelated, topics. Through moving the management of the control of consumption of HFCs into the Montreal Protocol, it should be possible to de-link this topic from the control of overall emissions of HFCs that can remain as part of the basket of greenhouse gases under the 2015 agreement.

*Question 9:*

*How can the EU best invest in and support processes and initiatives outside the Convention to pave the way for an ambitious and effective 2015 agreement?*

As noted above, the European Union should focus, in parallel to the UNFCCC process, on processes such as the Montreal Protocol and the Climate and Clean Air Coalition (CCAC) that could have an impact on the reduction of emissions in the developed and emerging countries.