



## ETUC Resolution

### Climate change negotiations: ETUC resolution on EU position at Durban COP17

Adopted at the Executive Committee on 19-20 October 2011

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In December 2011, international climate negotiators will converge on Durban (South Africa) for the 17<sup>th</sup> Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC). With the Kyoto Protocol set to expire in 2012, these international negotiations are crucial to ensuring the future framework for the reduction of greenhouse gas (GHG) emissions.

#### **International Demands: Avoiding a regulatory gap on emissions and implementing Just Transition**

1. The ETUC remains firmly committed to the creation of a global, fair, legally binding and ambitious agreement under the UNFCCC, in line with the International Panel on Climate Change (IPCC) recommendations of greenhouse gas emissions reduction for developed countries (including the EU) of at least -25 to -40% based on 1990 levels by 2020, and -80 to -95% by 2050 to avoid an increase in global temperature of more than 2°C by 2100, including provisions ensuring a Just Transition.<sup>1</sup>
2. The ETUC urges the EU to speak with one voice and take a unified and strong position in advance of and during the COP17 in Durban.
3. Considering the very slow pace of international negotiations and attempts by certain governments to usher in a 'voluntary pledge' system, it is important to avoid a regulatory gap in international emission reduction commitments and to preserve the legally binding and top-down aspects that a 2<sup>nd</sup> commitment period could bring. Therefore, in the absence of a global agreement, the ETUC calls for a minimum of a second commitment period for the Kyoto Protocol based on strong and ambitious emission reduction targets, increased transparency and clear monitoring, reporting and verification (MRV). Accordingly, in this case, the ETUC supports the high-ambition model for the second commitment period for the Kyoto Protocol by which:

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<sup>1</sup> In recent years, the ETUC has adopted a number of resolutions and positions on climate policy, together with the ITUC, shaped by various studies it has commissioned. This resolution is based on all this work and positions, including on the most recent resolution "for a sustainable new deal for Europe : [www.etuc.org/a/7743](http://www.etuc.org/a/7743)

- All Annex I (developed) countries, with the currently unavoidable exception of the United States, should join a second commitment period including the highest emission target already ‘pledged’ or more, in function of and with due regard to the IPCC scenario pointing to the need for a reduction of global greenhouse gas emissions by at least 25 to 40% by 2020 from 1990 emissions levels in the industrialised countries.
  - Non-Annex I countries join this effort with voluntary pledges either on emissions reductions or other forms of actions in support of low-carbon development below business as usual, either through the KP or the Long-Term Commitment Agreement (LCA) as appropriate. The ETUC supports the EU’s insistence on clear targets from the emerging countries to cut their emissions in-line with IPCC recommendations.
4. Under this scenario, the Durban conference should also lead to a roadmap designed to bring about such a global agreement as quickly as possible, and could include a review date at 2015 to take into account new scientific evidence from the IPCC’s Fifth Assessment Report in due time.
  5. Whatever the type of agreement to emerge from the Durban negotiations, the ETUC supports the demands of the ITUC, including the demand for the ILO’s role in the UNFCCC process to be beefed up and for it to be given a mandate recognising it as the United Nations agency specializing in labour issues.
  6. Trade unions have long called for a strong social and employment pillar in climate and energy policies. In the Cancun agreement resulting from the COP16 talks, Parties (including the EU): “10. Realize(s) that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs;” (Cancun Agreement, I. A shared vision for long-term cooperative action, December 2010<sup>2</sup>).
  7. For the ETUC, there are 5 pillars of Just Transition to a low-carbon Europe:
    - Consultation between Government and key stakeholders, including representatives from business, trade unions, local government and regional bodies and voluntary organisations.
    - Green and decent jobs through domestic investments in (new) low-carbon technologies, in R&D and innovation, and technology transfer. For the ETUC, all jobs that contribute to environmentally sustainable development are green. This spans all sectors and industries covering all workers; not only jobs in new

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<sup>2</sup> <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

emerging sectors, such as renewable energy, waste management and environmental protection services, but also the transformation and creation of jobs in existing sectors as they become “greener”. For the ETUC, it is the quality as well as the quantity of jobs that is crucial – jobs must be at least in line with ILO standards on decent work.

- Green skills: Government-led, active education/training and skills strategies for a low-carbon, resource-efficient economy.
- Respect for labour rights and human rights: democratic decision-making and respect for human and labour rights are essential in order to ensure the fair representation of workers’ and communities’ interests at the national level.
- Strong and efficient social protection systems.

These principles should now be operationalised in the Durban COP17, notably in emerging international sectoral initiatives.

8. Worryingly, there is a clear absence of financial commitments for the period 2013-2020, in the framework of the Fast Start Finance package concluded in 2012, as well as the absence of procedure to reach \$100 billion annually as from 2020. In Durban, Europe should commit funds for this period, a third of the total amount needed. This should be additional to EU member states responsibilities to provide 0.7% GDP in overseas development aid, and not substitute this earlier commitment.
9. In terms of REDD+ and other innovative ways to tackle deforestation in the third world, the loss of employment for forestry and forest industry workers needs to be taken into account. For example, REDD+ finance should be channelled into easing the labour market transitions from unsustainable (illegal) forestry into something more sustainable. To tackle deforestation what is most of all needed is the promotion of sustainable forest management, which ensures that forestry and forest industry will continue to employ workers, and forest-based communities’ rights are taken into account, while the environment is also looked after.

### **Within Europe: Moving beyond business as usual and creating a Sustainable New Deal**

10. Increasing concern about the economic future of Europe is currently dominating national and European political decision-making. The ETUC is deeply concerned that austerity measures will lead Europe into a double-dip recession, resulting in even more unemployment, deeper cuts in salaries and pensions, increasingly insecure working conditions for young people and other workers, poverty, social exclusion and social inequalities, coupled with a reduction in measures to combat climate change.

11. It is likewise worrying that recorded reductions in greenhouse gas emissions in Europe are the result largely of the current prolonged economic crisis and the collapse of central and eastern European industry in the 1990s, rather than climate policies. Currently, the EU is set to achieve its current -20% target by 2020 as a result of these factors, despite disappointingly low achievements in energy efficiency and savings in the absence of binding targets.
12. Together with the impact of austerity measures, the low price for CO<sub>2</sub> (currently 14€/CO<sub>2</sub>T) will delay and complicate the investment needed to support the transformation of industries, promote infrastructure modernisation, and, consequently, bring about the transition to a low-carbon economy. As other regions globally invest heavily in active industrial policies and technological innovation, the risk of carbon leakage from Europe will increase if Europe stagnates further, which is one of the reasons why the ETUC believes it is essential to proceed without delay to reform the ETS<sup>3</sup>. It is essential in this context to ensure the global competitiveness of Europe's energy intensive industries by adequate measures, if necessary. Jobs and production processes in Europe must be made more sustainable in these industries. In this way, jobs losses to countries with considerably lower environmental standards and legislation must be avoided.
13. In the face of the current assault on welfare provisions, social rights and collective bargaining systems, through aggressive austerity and reform programmes, worker attention is largely focused on promoting an alternative agenda to rapid spending cuts and increasing unemployment. Central to this agenda is the ETUC call for a Sustainable New Deal for Europe, at the same time encouraging active, strong public policies and promoting investments in energy and resource efficiency, and creating and maintaining good quality jobs in Europe, through:
  - the reform of existing funds to better integrate social and environmental conditions in project/loan criteria (EU budget, European Investment Bank, European Bank for Reconstruction and Development) and the creation of Eurobonds and a Financial Transaction Tax to stimulate sustainable investment and lever private capital towards sustainable economic development policies.
  - a levy on maritime and aviation transport should contribute in financing the climate change policies through the Green Climate Fund. These measures should be implemented on a universal basis to avoid unfair competition and include a compensation mechanism to address equity concerns, especially in developing countries.
  - urgently addressing the price of CO<sub>2</sub> in the carbon market. As stated in the ETUC Athens Strategy and Action Plan, "the European Union must give the right price signals to promote this transition, which could take the form of a

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<sup>3</sup> See the ETUC resolution in October 2009 (<http://www.etuc.org/a/6594>) and the ETUC position in June 2010 (<http://www.etuc.org/a/7395>)

CO<sub>2</sub> tax, subject to a series of conditions”<sup>4</sup>. This is crucial to address investment flows, supporting R&D and innovation in low-carbon technologies and processes.

- the creation of a European carbon market agency, modelled on ECHA and tasked with setting greenhouse gas emission reduction levels to be achieved through standards and benchmarks based on best available technologies, the full involvement of social partners, and market regulation to set standards for the European internal market (recognising WTO rulings on environmental protection standards), while contributing to sustainable development.
- the adoption of EU and national binding targets on energy efficiency and energy savings of at least -20% by 2020, plus the creation of large-scale energy efficiency programmes targeting energy production and manufacturing industries, the renovation of buildings (public and private sector), transport systems and workplaces (including through worker participation in programmes). This is one of the most cost-efficient ways to tackle climate change. Sources of funding need to be earmarked specifically to this end.
- the development of renewable energies and other low CO<sub>2</sub> alternatives, such as combined heat and power.
- in the context of a second credit crunch, the EU should ensure legal certainty for investors and be developing a strategy to guarantee the needed investments (in R&D) associated with transition technologies, such as clean coal technologies and carbon capture and storage. EU regional policies must better address the implications for coal-dependent areas.
- the strengthening of resource efficiency and closed-loop manufacturing policies, to promote a viable, bio-based economy. The calculation method of LULUCF emissions should promote the use of wood products from sustainable sources; moreover, wood should be seen first as a material, then compost and last as fuel. Products should be assessed on their environmental life-cycle contribution to reduced energy and resource use. This should be seen in light of the EU Roadmap on Resource Efficiency (September 2011).

14. The ETUC and its member organisations have demonstrated the importance of addressing the social dimension in recent years, through a wide range of tripartite initiatives involving government, business and trade unions at EU and national levels, as well as through numerous studies and resolutions. In 2011, together with the interprofessional employers’ organisations, the ETUC highlighted the substantial gains in economic terms, energy efficiency, employment security and job creation possible through social dialogue on climate change mitigation and adaptation. This experience at European, national, regional, sectoral and company levels should be better integrated into the EU’s climate and energy strategies. The ETUC has also shown that there are problems in terms of precarious work in some

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<sup>4</sup> See 5.23 XIIth ETUC Congress 2011

companies linked to the green economy and that it is thus all the more important to ensure that dignified, stable jobs are guaranteed.

15. Despite the publication of a general Roadmap on emissions reductions to 2050 in March 2011, and sectoral initiatives on transport emissions (April 2011) and energy production (due in autumn 2011), the social dimension of EU climate and energy policies remains largely ignored by the Commission and policy-makers.
16. The ETUC reiterates its position that these elements cannot be left to the market or chance. A poorly managed social transition to a low-carbon economy will result in higher social and economic costs and promote a backlash against climate policy.
17. The ETUC calls for a European Just Transition Roadmap to implement this European commitment. The Roadmap should be drawn up in collaboration with the trade unions and should include: the active promotion of social dialogue at all levels, sectoral roadmaps including employment, education and training strategies, instruments on the anticipation of change and restructuring, the promotion of strong and effective social protection systems, and the respect for fundamental trade union rights and human rights.
18. Ensuring a fair regional impact, these policies are the necessary foundations for an increase in the EU's ambitions on the overall domestic target for greenhouse gas emissions reductions by 2020. The ETUC believes that without ambitious climate targets and decisive leadership on climate and energy policies, the economic, environmental and social situation will continue to deteriorate. Therefore the ETUC is convinced that to stimulate sustainable growth in Europe, increased ambition beyond business as usual scenarios will be necessary.
19. Through increased binding energy efficiency standards and investment in renewables, the EU should ensure its domestic target reflects the IPCC's recommendation for developed countries: -25 to -40% domestic CO<sub>2</sub> emissions by 2020. This target should be seen in the context of a longer-term policy to achieve -80 to -95% by 2050 on 1990 levels, and might be pursued in Europe provided that the conditions for just transition are met.