



Brussels Tuesday, 10 November 2020

PRESS STATEMENT: IMPLEMENTING THE CLIMATE LAW REQUIRES A GOOD MATCH BETWEEN AMBITION AND REALISTIC IMPLEMENTATION

During the 9 November 2020 webinar the European Sugar Manufacturers (CEFS) explored the challenges and opportunities of reaching climate neutrality by 2050.

Jesper Thomassen, Managing Director of Nordic Sugar Denmark and Sweden and chair of CEFS WG Environment exchanged views with Isobel Findlay and Thomas Brinkmann from DG CLIMA and Monika Figaj from the Polish Ministry of Climate and Environment.

Jesper Thomassen explained the substantial efforts the EU sugar sector already made in reducing GHG emissions (-50% since the 1990s) and the sector's commitment to continue on this path. However, further reductions require a clear regulatory framework and, in view of further transition, also financial support which could be found in the context of the state aid guidelines. Getting clarity on a revised ETS is key as the sector is at risk of carbon leakage. ***"We are satisfied with how the ETS scheme currently works. With regard to the future Carbon Border Adjustment Mechanism, the Commission needs to ensure that the mechanism genuinely creates a level-playing field between EU producers and third country ones and eliminates the risk of carbon leakage."***

The Commission emphasised that the target of climate neutrality was a Union and economy-wide target and that it allows the Commission to periodically assess progress to keep in line with the target. The EU Commission also referred to the 'Fit for 55' initiatives, the revision of several legislative acts starting June 2021 and invited the sugar industry and all sectors to contribute to the various ongoing consultations. With regard to the ETS review, DG CLIMA indicated that an increased target was needed, and that further reflection was needed on the modalities (linear annual reduction or otherwise). It also mentioned that the Carbon Border Adjustment Mechanism (CBAM) will be proposed in June 2021 and that it will have to be WTO compatible. The Commission is working on the exact nature and scope of the mechanism.

Monika Figaj expressed the overall view of Poland: it's all about implementation. *'We will have a target by December but the question is how do we implement this, which tools do we use, which funds? We as a country and many sectors are eagerly awaiting the concrete nature of the implementation.'* She also referred to the non-paper provided by Poland on the CBAM as well as a non-paper on the ETS. The extension of ETS to other sectors risks leading to price increases

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and will make energy poverty grow. Poland will therefore be particularly vigilant on those two points in the context of the ETS revision.

Jesper Thomassen concluded that EU sugar manufacturers are allies for the climate ambitions provided the further transition would take into account the particularities of the sector and guarantee its competitiveness. Coherence and harmonisation of EU legislation frameworks, providing compensation for the significant additional cost in switching to alternative fuels, guaranteeing the full use of biogas and ensuring a level-playing field on the international level, will be key for the EU sugar manufacturers .

You can find the presentations made at the event and read CEFS positions on [Climate Law](#), [CBAM](#), [F2F](#) and [Biodiversity Strategies](#) on <https://cefs.org>

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