

Modeling Political Decisions for Sustainability

Actor Paper - CEFIC

Assignment #1

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How is the actor relevant to the permissibility of carbon removals to count towards reaching the 2040 EU net zero greenhouse gas (GHG) emission goal(s)?

CEFIC, the European Chemical Industry Council, is a significant actor in determining the permissibility of carbon removals under the 2040 EU net-zero GHG emission goals due to its role as one of the EU's most impactful industrial sectors. While not directly part of the decision-making, CEFIC spent over €10 million for their lobbying expenditure in 2023 (LobbyFacts, 2024), highlighting extensive engagement in EU policy. Regarding the permissibility of carbon removals counting towards the goal set for 2040, CEFIC is an actor to whom this would directly impact. Carbon removals are vital as ETS1 allowances are expected to be nearly eliminated by 2024 (European Commission, 2024). With the industry employing 1.1 million workers, creating a €543 billion turnover and €9.3 billion in R & I investments (CEFIC, 2021), the permissibility of carbon removals is very relevant due to its economic weight and important in maintaining economic competitiveness.

CEFIC has taken a strong position on obtaining the EU's climate-neutrality ambition, and part of that is incorporating carbon removals to count towards reaching the 2040 EU net zero greenhouse gas emission goals. They state, "carbon removals will be key to offset hard-to-abate emissions and achieve climate neutrality" (CEFIC, 2023). As mentioned in the 2040 target Impact Assessment Part 3, "the chemical sector relies almost exclusively on carbon capture by 2040 while implementation of low-carbon processes by replacement of fossil fuel feedstock and use of fossil-free CO₂ as feedstock occurs only in 2041-2050", highlighting the importance of the role of carbon capture and carbon removals, but also emphasizes the challenges of the delayed timeline while transitioning to fossil-fuel free processes, such as lack of infrastructure and also the high costs.

CEFIC's relevance is noted through its contribution to initiatives like the EU Carbon Removal Certification Framework. By addressing industry challenges, CEFIC emphasizes that some emissions are unavoidable and must be compensated through removal mechanisms (CEFIC, 2023).

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Describe the actor's relations with other actors on the abovementioned issue.

CEFIC holds strong lobbying power and maintains an influential relationship with key European institutions and actors. Through its lobbying activities, during the year of 2023, CEFIC has participated in 172 high-level commission meetings (LobbyFacts, 2024), demonstrating its active role in discussions during decision-making with the European Commission. CEFIC contributed to “a first kind of report” offering European Industry a roadmap towards the EU Green Deal goals (CEFIC, 2023). CEFIC collaborates with the European Parliament, as seen in its participation in the Parliamentary Intergroup in 2020 “Sustainable, Long-Term Investments & Competitive European Industry”(CEFIC, 2020) a forum for balancing industrial competitiveness with EU climate goals. Their relationship with the European Council is indirect, relying on strategic lobbying to influence national governments (such as France and Germany) and promote balanced climate policies. CEFIC aligns strategically with the European People's Party (EPP) on industrial competitiveness. Christian Ehler, EPP Group spokesman, highlights that the real challenge to European industrial competitiveness is delivering “the deal part of the Green Deal” (EPP, 2023), resonating CEFIC's stance. Environmental NGOs and CEFIC have oppositional relations, as CEFIC advocates for the inclusion of carbon removals to restore “industrial competitiveness”(CEFIC, 2023b), whilst NGOs argue that separate targets should be made to prevent replacing emission cuts with removals (Mair, 2024).

Where can the actor be found on the position scale? Justify.

CEFIC has not taken an official position; they prioritize the establishment of a framework set in place before stating a specific quantity. Its position papers and public statements advocate for the use of carbon removals in order to achieve the EU's 2040 climate targets. The European Commission and Industrial Carbon Management Communications foresee an important role for carbon removals, stating that 243 Mt of industrial CO₂ will have to be captured annually and stored by 2040 (CEFIC, 2024). CEFIC likely support carbon removals accounting for a moderate to high share of the target, around 200-300 Mt CO₂, thus having a position between 45-62 as they claim “carbon removals will be key to offset hard-to-abate emissions”(CEFIC, 2023a). Realistically, the Commission impact assessment predicts that while using BECCS and DACCS, they would deliver industrial removals up to 75 Mt by 2040 in the most ambitious scenario (European Commission, 2024). However, maximizing carbon removals remains in CEFIC's interest to sustain operations. Their likely position, between 45 – 62 on the scale, reflects advocacy for a significant share of carbon removals necessary for industries, whilst avoiding extreme positions, knowing that NGOs and scientist would oppose such reliance on removals.

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Which potential influence does the actor have on these negotiations? Develop a general scale/index for all actors and score your particular actor. Justify.

The general scale for all actors is from 0 – 100, and the most influential actors are the European Parliament and the European Council, due to their formal decision-making power. CEFIC lacks direct authority, but exerts significant influence on these negotiations, due to the economic weight of the chemical industry and its strong lobbying presence. In 2023, CEFIC employed 43 lobbyists and held 11 European Parliament accreditations, thus holding access passes allowing access to key negotiations (LobbyFacts, 2024). Additionally, CEFIC's influence is strengthened by its role in providing technical expertise and data-driven insights. For instance, in its report *"The Carbon Managers"*, CEFIC delivers critical analyses and impact assessments. Policymakers often rely on such industry data to establish realistic policy targets, thereby shaping the direction of negotiations. Due to CEFIC's noteworthy lobbying power, economic leverage of the industry and engagement with EU institutions, CEFIC has a potential influence on negotiations of 70.

What is the actor's salience and flexibility regarding the position scale? Do they have veto status? Justify.

Regarding the position scale, CEFIC has high salience, as allowing lower quantities of CO₂ removals would put the industry at a disadvantage, while it "needs, and will need in the future, carbon molecules as a raw material" in its climate strategy. The exact quantity of Mt of CO₂ removed is less critical, CEFIC accentuates establishing a framework, giving it a salient score of 65. While it is one of several important considerations, CEFIC places more emphasis on advocating for the development of specific framework, which is more prominent in its communications. Issues such as the availability and financing of infrastructure regarding carbon removals (CEFIC, 2024) are more discussed, showing that there are other issues that are more salient rather than the quantity.

CEFIC is relatively flexible, scoring 80, regarding the exact quantity of carbon removals that will be permitted, as it prioritizes a credible EU certification system over fixed quantities (CEFIC, 2023a). CEFIC has limits concerning how far they will go to reach a deal, as a quantity of carbon removal is still "key to achieve climate neutrality" (CEFIC, 2023a). In a joint statement with other industries, CEFIC calls for flexibility and policies and infrastructure investment to achieve emission targets while maintaining competitiveness (CEFIC, Eurometaux, Cembureau, Eurofer, WindEurope, 2024). This reflects the industry's reliance on removals for decarbonization. They will push for maximum inclusion of removals whilst also considering pressure from NGOs and policymakers who want to reduce emissions more.

CEFIS does not have veto status, as it is only a lobbying organization with no formal decision-making power within EU institutions.

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Für Rückfragen steht der Studiendekan der Fakultät zur Verfügung.

Vorlagen:

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