

# Permission to pollute

by Oscar Reyes / The Guardian  
Thursday, 24 January 2008

Far from tackling climate change, the EU's timid plans are rewarding those on the wrong track.

Â

Promising a 20% cut in carbon emissions by 2020, the EU now claims to be the world leader in tackling climate change. But dig a little deeper, and the whole project starts to look like a smoke-and-mirrors trick to allow European industry to carry on polluting.

At the heart of the European commission's proposal, published yesterday, is an assumption that the EU emissions trading scheme (ETS) will put a high price on carbon emissions, and that this will encourage a switch to renewable energy. This is backed up with a target of 10% for biofuel use in transport by 2020. Both measures are deeply flawed.

For starters, the commission assumes that the ETS, which awards "permits to pollute" to industry, will deliver a practical means to achieve its target. These permits have to date been given away, resulting in massive windfalls for energy-intensive industries. It now proposes to auction the greater part of these pollution licences, although heavy lobbying has resulted in a series of opt-outs and delays. In effect, the EU is offering polluting industries an extended period of grace. This despite the mass of evidence, from the Intergovernmental Panel on Climate Change downwards, that the next 15 years will be the crucial period for action on climate change.

There are even more fundamental problems with the ETS, however, as the failure of its first phase (from 2005-07) showed. Under pressure from lobbyists, the EU was over-generous in its allocation of carbon credits. As a result, more than 90% of the heavy industrial plants covered by the scheme emitted less than their quota of free credits. The market value of the credits collapsed, pollution continued apace, and the companies involved made billions in windfall profits by passing on imagined "costs" to consumers.

The second phase, which started this month, imposes tighter limits on the number of credits allocated within Europe. But loopholes remain. In particular, companies can now import credits from the global south, providing them with a cheap means to offset their own failure to deliver emissions reductions.

The EU's biofuel target, meanwhile, flies in the face of mounting evidence that the expansion of this sector has a detrimental net effect. I have witnessed at firsthand that the changes in land to accommodate biofuels entail unsustainable farming practices and trigger serious land conflicts, all of which outweigh any net benefits that might be achieved in a shift from fossil to biofuels.

Last Monday, the House of Commons environmental audit committee called for a moratorium on biofuel targets, both because of the impact of changing land use and due to fears biofuels may, in fact, emit more greenhouse gases than fossil fuels. The commission claims to have resolved this problem with strict "sustainability criteria", but its definition of this term includes only a very narrow range of environmental criteria, and no mention of social or labour concerns whatsoever.

The EU may be trumpeting a new climate and energy road map, but it is one that will only send us in the wrong direction. By focusing on the price of carbon, rather than regulations to cut emissions domestically, it is offering polluters the means to buy their way out of action on climate change. By persisting with biofuel targets, it compounds the problem by incentivising measures that will increase emissions. And by fixing on a 20% target, rather than demanding the scale of cuts that climate scientists advocate, it has shown a paucity of ambition that no amount of talk about "leadership" on climate change can really hide.

Â