

EU ETS under heavy pressure

by CTW, CEO, Counter Balance and FERN
Tuesday, 16 October 2012

BRUSSELS — “The EU ETS is under heavy pressure, there is a real option it will die”, warned MEP Peter Liese (EPP) during a conference on the future of EU Emissions Trading System (ETS). A reason to enhance it, say EU policy makers. An opportunity to formulate non market based alternatives, say NGOs.

“Industry is not interested in a higher carbon price. They don’t want to invest low carbon technology”, Liese said. A reason to protect it better, he argued because “it’s our only major instrument to mitigate climate change. There is no better alternative”. Jutta Kill from FERN counters this view: “ETS has proven to be an ineffective instrument. It is not generating the needed investments and it doesn’t reduce greenhouse gas emissions beyond conjectural waves. It’s time for a real debate on policies that work”;

Peter Liese’s statement indicates that the future of the EU ETS — the cornerstone of the EU climate policy — is not as evident as often perceived. For Liese, Damien Meadows (DG Clima) and Peter Carter (European Investment Bank) the ETS has its loopholes and problems which could be fixed with some adaptations. E.g. by intervening in the supply side or excluding CDM offset projects outside the Least Developed Countries. But for them a market mechanism like the ETS remains crucial and “the only possible way” to solve the climate problem.

Peter Carter stated that he believed in markets and regulation and that it is the European Investment Bank’s job to pave the way for the private sector in niche sectors that are still too risky in order to mainstream it.

Damien Meadows argued that putting a price is absolutely essential in order to make pollution more expensive.

NGOs disagree. According to Fabrina Furtado from the Network for Environmental Justice in Brazil, the loopholes are much more fundamental: “This system subjects Nature to an economic logic. We are no longer talking about Nature and rights but about assets, services and capital. The ETS establishes the right for companies to pollute while allowing destructive projects in the South.”;

“If you add up all the emerging design flaws you have a system designed to fail”, Kill said. “It cannot be saved with a few quick fixes. We need an open debate on policies that truly value Nature outside of an economic logic. Sticking with what doesn’t work because “we have nothing else to replace them” is not good enough. Other options and policies exist. What seems to be lacking is the political will to explore and implement them, against vested interested where needed.”;

Notes for editors:

The debate “Questioning carbon markets: Which perspectives on EU ETS and expansion of carbon markets” was organised by Carbon Trade Watch, CEO, FERN and Counter Balance, NGOs advocating against the EU ETS.

Participants were Damien Meadows (DG Clima), Peter Carter (EIB), Jutta Kill (FERN), Peter Liese (MEP – EPP), Fabrina Furtado (RBJA) Jorje Tadeo Vargas (Rising Tide/GAIA)

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Questioning carbon finance: Which perspectives on EU ETS and expansion of carbon markets?

Tuesday, 9 October 2012, 16:00 – 18:00

Residence Palace, Room ‘Passage’

Rue de la Loi 155 – 1040 Brussels

Registration desk opens at 15:30

The conference will be in English

With reform of the EU’s Emissions Trading System under discussion, join civil society groups, policy makers from the European Commission, the Parliament and the European Investment Bank (EIB) to discuss the role of the EU in carbon finance.

Besides actively promoting the expansion of carbon markets, the EU and the EIB are looking to extend into ecosystem trading and habitat banking. What would be the impact of this expansion for Europe and the rest of the world? And how does carbon trading contribute to the needed transition of Europe’s economy?

The current discussion on the reform of the Emissions Trading System is an opportune moment for an open and inspiring exchange of views on the existing proposals with civil society organisations from around the world.

Speakers’ short brief presentations will open the floor to a participatory and interactive roundtable debate.

Speakers will be:

Damien Meadows, Head of International Climate Markets, DG Climate Action

Peter Carter, EIB, Chief Environment at the Environment, Climate and Social Office, Projects Directorate

Member of the European Parliament (TBC)

Jutta Kill, FERN

Godwin Ojo, Friends of the Earth Nigeria

Moderator: Alessandro Torello, Journalist at Dow Jones, Wall Street Journal

Please confirm your attendance to xavier.sol@bankwatch.org

Places are limited.

Organised by:

Carbon Trade Watch

Corporate Europe Observatory

Counter Balance

FERN