

Climate Justice Organisations Say "Forget Backloading and Scrap the ETS!"

by Scrap the EU-ETS
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Joint statement by civil society groups and organisations

1 July 2013, Brussels, Belgium "Ahead of the backloading vote at the European Parliament that will take place tomorrow, a coalition of 44 civil society organisations released a statement today rejecting the EU ETS, which they say is entrenching fossil fuel use in the EU. They call for MEP attention to be re-directed urgently toward genuine measures to tackle climate change, including a phase-out of fossil-fuels.

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The signatories list some urgent priorities for action on climate change, including working toward a European ban on fracking projects, phasing out public subsidies for fossil fuel exploration and use, and supporting a full phase-out of fossil fuel use. The statement calls for structural changes in consumption and production as well as supporting small-scale, locally-owned and governed sustainable energy initiatives. Among the priorities, the statement also proposes a ban on fracking and a halt to the negotiation of free trade agreements and Bilateral Investment Treaties (BITs) that allow the EU to import goods from unsustainable energy sources and evade environmental regulations.

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The organisations supporting this statement say it is time to stop fixating on a "right" carbon price as a way to reduce emissions. The EU ETS needs to be scrapped to implement effective and fair climate policies.

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Climate Justice Organisations Say "Forget Backloading and Scrap the ETS!" What MEPs Should be Debating Instead

1 July 2013

As part of a growing civil society critique of the failure of the EU ETS and market-based false solutions to address climate change, organisations and people's movements are opposing the EU attempt to reform the EU ETS as a measure that will merely further entrench fossil fuel use.

The EU ETS has been designed to prolong dependency on fossil fuels and expand and increase the role of financial markets in the daily lives of people. For example, Shell recently admitted that it is relying on the ETS and a "robust carbon price" in order to "stimulate CCS investment" and thereby sustain oil, coal and gas use.[i] Fossil fuel-dependent companies also use the existence of the ETS as an argument for eliminating EU targets for energy efficiency and renewable energy.[ii] The EU ETS has not been designed to send a "price signal"™ that could influence long-term investment since even the most insignificant potential price signal is always immediately cushioned through subsidies. This is the case with new State Aid rules that allow EU Member States to reimburse the heaviest polluters for increases in energy costs due to power permits being fully auctionable in Phase III of the EU ETS.[iii]

Worse still, the new reform proposals take additional steps backwards, allowing new financing for extractive industries.[iv] Instead of wasting more time on attempts to reform the EU ETS " which thus far has been actively undermining climate objectives - MEPs should be working on phasing out fossil fuels and adopt effective energy, finance and trade policies to tackle climate change.

To phase out fossil fuels requires that the EU re-think the way it consumes and produces. This is a political and societal project that must involve a discussion of how to reduce energy needs (addressing all sectors such as mobility, industry, agriculture etc.), become more efficient and switch to sustainable and locally-owned and -governed renewable energy. The discussion must also examine how finance should be regulated rather than how financial markets could be expanded through an artificial commodity like carbon. The EU is currently doing the exact opposite through policies that are put in place while the public spotlight is kept on an ineffective EU ETS.

One issue crying out for critical Parliamentary attention is a recent piece of regulation[v] that fast-tracks over 200 trans-European energy infrastructure projects, including pipelines and other infrastructure for transporting gas, transboundary electricity lines and carbon dioxide transport. This new regulation, together with innovative financial mechanisms like the Europe 2020 project bond initiative, will have an adverse effect on local communities and the environment. They will also lock the EU into another round of fossil-fueled energy generation that the planet cannot afford.[vi]

Another example of energy policy that contradicts the EU's™ climate objectives is the proposal to increase the percentage of agrofuels in EU fuel from 5% to 6.5%. Agrofuels drive deforestation, fuel climate change and lead to land-grabbing from local communities. The EU has the world's™ largest impact on deforestation and should remove all agrofuel targets.[vii]

To tackle climate change and phase out fossil fuels, urgent priorities for action on climate change include:

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Working toward a European ban on fracking projects. While it is praised as a solution to energy insecurity and flagging economic growth, unconventional gas exploitation is a threat to local communities and expands fossil fuel use while preventing the changes that are needed to address climate change.

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Phasing out public subsidies for fossil fuel development and use. No more public money should be allowed to support EU energy production that increases coal, oil or gas exploitation or relies on fossil fuel imports from neighboring countries and the Global South. Nor should any public subsidies be given to large-scale hydro-electric dams, wood-based bioenergy, or nuclear power.

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Supporting a full phase-out of fossil fuel use that would leave the bulk of fossil fuel reserves under the soil, through, for example, policies mandating timetables for phase-outs by energy companies. The phase-out should not unjustly disadvantage societies that already use a minimum of fossil fuels.

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Halting the negotiation of free trade agreements and Bilateral Investment Treaties (BITs) that allow the EU to import goods from unsustainable energy sources and evade environmental regulations.

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Learning from community, municipal and regional initiatives that are already addressing the real drivers of climate change.

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Supporting small-scale, locally-owned and governed sustainable energy initiatives that provide an alternative to centralised energy production and distribution.

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Supporting structural changes in consumption and production in ways that promote livelihoods while questioning the imperative for never-ending economic growth.

We call for coherence in EU energy and climate policy decisions. We demand that European policy makers implement a swift and just transition to fossil fuel-free energy production which does not harm communities and ecosystems, and to define a participatory process to allow the public debate that is essential for such a transition and which the European Commission is still avoiding.

Hence we reiterate the irrelevance of the backloading vote and the critical importance of scrapping the ETS and by doing so, creating the space for the debate needed on achieving a swift and just phaseout of fossil fuels so we as a society retain a chance to shape this transition. Market-based mechanisms including the EU ETS will not help us avoid runaway climate change, it is therefore 'Time to scrap the ETS'[viii]!

Aliança RECOs – “Redes de Cooperação Comunitária Sem Fronteiras (Brazil),

ANPED - Northern Alliance for Sustainability,

Asociación Ambiente y Sociedad (Colombia),

ATALC -Amigos de la Tierra América Latina y el Caribe,

Attac Austria,

Attac Castilla y León,

Attac Spain,

Attac France,

BiofuelWatch (UK/US),

Both ENDS (The Netherlands),

Carbon Trade Watch,

Centro de Referência do Movimento da Cidadania pelas Águas Florestas e Montanhas Iguaçu Iterei (Brazil),

Climaxi (Belgium),

COEKOCEIBA-Amigos de la Tierra Costa Rica,

Cordillera Peoples Alliance,

Corner House (UK),

Corporate Europe Observatory,

Counter Balance,

Durban Centre for Civil Society (South Africa)

ECA Watch Austria,

Ecologistas en Acci3n (Spain),

EcoNexus (UK),

EJOLT – Environmental Justice Organisations, Liabilities and Trade network,

FASE (Brazil),

FERN,

Friends of the Earth Australia,

Friends of the Siberian Forests (Russia),

Global Forest Coalition,

Indigenous Peoples Movement for Self Determination and Liberation,

Iterei Refúgio Particular de Animais Nativos (Brazil),

JA! Justiça Ambiental / Friends of the Earth Mozambique,

Movimento Mulheres pela P@Z! (Brazil),

Observatori del Deute en la Globalització³ (Catalunya),

OILWATCH America Latina,

Philippine Rural Reconstruction Movement (Philippines),

Plataforma Interamericana de Derechos Humanos, Democracia y Desarrollo - PIDHDD (Ecuador),

re:Common (Italy),

Taller Ecologista (Argentina),

Terrae (Brazil),

Timberwatch (South Africa),

Transnational Institute - TNI,

Vrede VZW (Belgium),

Woodland League (Ireland),

World Rainforest Movement

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See Letter to MEPs

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[i] David Hone, speaking at the recent conference Towards a Global Carbon Market stated, "A robust carbon price is in the long-term interest of the oil and gas industry. It is needed to stimulate CCS investment and that is the technology of the future."

[ii] It should be noted that much of what the EU's Renewable Energy policies describe as "renewable" is far from being so since the policies fail to distinguish between the technologies and the political processes, power relations, ownership structures and unsustainable energy consumption patterns within which these technologies are used. The most contested of these examples is the use of agrofuels and biomass for large-scale energy production. These give rise not only to significant unaccounted emissions but also to major negative environmental, social and health impacts.

[iii] http://www.fern.org/sites/fern.org/files/State%20Aid%20Press%20Release_Final.pdf

[iv] http://www.euoparl.europa.eu/meetdocs/2009_2014/documents/envi/dv/940/940539/940539en.pdf

[v] Regulation 347/2013, passed on the 17th of April.

[vi] re:Common, CounterBalance, The Corner House, "Large infrastructure to overcome the crisis? The hidden risks of the Europe 2020 project bond initiative", July 2013. <http://www.counterbalance-eib.org/wp-content/uploads/2013/06/Infrastructure-briefingOK.pdf>

[vii] On 19th June the MEPs in the Industry, Research and Energy (ITRE) committee of the European Parliament voted on their opinion of proposed legislation (amending the so-called Fuel Quality Directive - Directive 98/70/EC) to limit the quantities of "food based" agrofuels in 'renewable energy' transport targets. They voted to reject environmental and social safeguards, and among other things to increase agrofuels from food to 6.5% of transport energy (currently 4.5% are used)

[viii] <http://scrap-the-euets.makenoise.org/english/>

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