

Qualitative restrictions on the use of CDM/JI credits in the EU ETS



Ceci n'est pas un E.U.A.

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EU ETS FUNDAMENTALLY DIFFERENT FROM KYOTO MECHANISMS

When a tonne \neq a tonne...



CAP & TRADE



BASELINE & CREDIT

EUA



CER/ERU

Allowance to emit 1 tonne of CO₂

Credit resulting from difference
between baseline and project emissions

FLAWS in CDM (implementation)

Examples of serious flaws in CDM:

- **ADDITIONALITY:** many examples of CDM projects which are not additional
- **BASELINE ESTIMATION:** doubtful and inconsistent calculations of baseline scenario's
- **SUSTAINABLE DEVELOPMENT:** essential part of CDM but not in practice
- **WEAK MONITORING** of CDM projects
- **ROGUE** verifiers and validators in CDM market

SOLUTIONS FOR A STRONG EU ETS AND A STRONG KYOTO MARKET

QUALITATIVE CRITERIA TO BE APPLIED:

GOLD STANDARD CRITERIA

www.cdmgoldstandard.org

- only credits from energy-efficiency projects and renewables can enter EU-ETS (except large hydro-elec.)
- No credits from sinks allowed in EU ETS (JI and/or CDM)
- No nuclear energy in CDM or JI
- No J.I. credits for projects in EU ETS companies
- Conservative and thorough assessment of additionality
- Clear promotion of sustainable development
- Environmental integrity of projects

EU ETS SHOULD ACT AS A FILTER FOR BAD CDM/JI PROJECTS

- **ESTABLISH EU CDM/JI COMMITTEE**
- **MANDATED BY DIRECTIVE**
- **WORKS ON THE BASIS OF QUALITATIVE CDM/JI CRITERIA IN DIRECTIVE**
- **ONLY PROJECTS STAMPED BY EU CDM/JI COM CAN ENTER EU ETS**

HOW WILL THIS WORK?

Each CER/ERU has unique project identifier



Filter can be applied

CERs project X

ERUs project Y

...

CERs project Z



CDM/JI EU COM
project quality
assessment



CERs/ERUs accepted for
use in CITL compliance
accounts



CERs/ERUs rejected for
EU ETS compliance

Conclusion:

***“To safeguard the environmental integrity and effectiveness of the EU ETS
both qualitative AND quantitative restrictions should apply!”***

or

“An apple a day...”

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