

STAKEHOLDERS' CONSULTATION FOR EU ETS STRUCTURAL REFORM

EU ETS AND INTERNATIONAL CREDITS KEY ETUC MESSAGES

19/4/2013

1. The problem

Lack of quantitative and qualitative limitation in initial ETS phases has had the following consequences:

ETS	CDM
Main driver of the surplus	Low-cost mitigation projects (weak additionality and social standards)
Opportunity cost: lack of investment within the EU industry (risk of long term competitive disadvantage when carbon constrain effective)	Money not going where it is the most needed

2. ETUC position

- International credits = complementary instruments to domestic efforts → EU-wide cap on their use within ETS
- Only from projects which deliver genuine benefits in terms of Sustainable Development (mitigation additionality and social standards)
- Social standards should apply through a mandatory approval procedure based on the following criteria:
 - Project promoter's pledge to respect OECD guidelines for multinationals, ILO Basic Conventions and ILO Conventions 155 and 169
 - Social sustainability, covering employment (number of jobs created, skills' development, quality of employment) equity and access to essential services such as water and energy
 - The involvement of civil society organisations and social partners in project assessment procedures

Specific remarks

- No « price buffer »: need permanent cap and strong environmental and social requirements
- No double-counting: use of international credits should not be accounted to comply with financial commitments made by developed countries (100 bn in 2020)
- Quantitative and qualitative limitations should also apply under the scope of ESD
- No access in the EU to offset credits from countries without an ambitious pledge on its whole economy in the context of the future climate agreement (except from LDCs)

Going beyond ...

- Putting Just Transition into action in Europe and globally: ETUC position towards Qatar COP18

<http://www.etuc.org/a/10041>

- ETUC position on the revision of the EU Emissions Trading Directive (December 2007)

http://www.etuc.org/IMG/pdf_RESOLUTIONS_2007_EN-3.pdf

European
Trade Union
Confederation



Confédération
européenne
des syndicats

**La voix des travailleurs
auprès des décideurs européens**