

Air pollution, greenhouse gas emissions : EC trading system.Green Paper

2000/2104(COS) - 08/03/2000 - Non-legislative basic document

PURPOSE : to present the Green Paper on greenhouse gas emissions trading within the European Union.

CONTENT : this Green Paper is intended to launch a discussion on greenhouse gas emissions trading within the European Union, and on the relationship between emissions trading and other policies and measures to address climate change. Under the Kyoto Protocol, the European Community committed itself to reducing its emissions of greenhouse gases by 8% during the period 2008-2012 in comparison with their levels in 1990. It should be noted that emissions trading, both internally within the Community and externally with other industrialised countries, will help to reduce the cost to the Community of respecting its commitments. Together with other policies and measures, emissions trading will be an integral and major part of the Community's implementation strategy. It is the Commission's belief the Community as a whole will need to use all the tools at its disposal to respect its international commitments, and the sooner the concrete steps are taken the better. Emissions trading is a new instrument for environmental protection within the EU, therefore, it is important to gain experience in its implementation before the international emissions trading scheme starts in 2008. Therefore, the Commission believes that a coherent and co-ordinated framework for implementing emissions trading covering all Member States would provide the best guarantee for a smooth functioning internal emissions market. A Community emissions trading scheme would lead to one single price for allowances traded by companies within the scheme, whereas different unconnected national schemes would result in different prices within each national scheme. Furthermore, there are a number of key policy options to be decided upon in establishing such a framework which include: - which countries and which companies in which sectors will participate?; - how, and by whom, should the allocation of allowances be made to the sectors and companies involved in emissions trading compared to those not involved?; - how can emissions trading build upon existing policies and measures such as technical regulation, environmental agreements and fiscal incentives, and - how can equivalence of effort be ensured between companies involved in emissions trading and those subject to other policies and measures?. The Commission believes that a Community approach is necessary to ensure competition is not distorted within the internal market. In conclusion, this Green Paper constitutes the start of a process of exploring these issues. Succinct reactions and opinions are requested, focussed on the questions contained in this document. These are invited to be made by 15/09/2000 so that the Community's implementation strategy can be developed in the light of these opinions immediately after the Sixth Conference of the Parties that will take place in the Hague from 13 to 24 November 2000.