

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

2000/2104(COS) - 26/10/2000 - Text adopted by Parliament, single reading

The Parliament has adopted the report relating to greenhouse gas emissions trading within the European Union. The resolution calls on the Commission to introduce an EU-wide emissions trading system by 2005. This would prepare the EU for the global emissions trading system which is due to be introduced from 2008 under the Kyoto Protocol. It calls for no more than 50% of the total effort to be achieved via flexible mechanisms, namely emissions trading, the Clean Development Mechanism and joint implementation. It should be noted that the Parliament stresses the fact that nuclear power causes environmental problems which should not be underestimated and asks therefore the Commission to examine how it can be guaranteed that under the emission trading scheme renewable energies and energy efficiency are prioritised. Furthermore, the Parliament considers that, as a matter of priority, quantified greenhouse gas abatement targets should be set for emission trading in the EU in advance, per country, and per sector, and that the Commission should present these targets as soon as possible. Such targets should ensure a level playing field. As regards the arrangement for allocating emission permits, Parliament takes the view that the auction model would have an advantage over the grandfathering model. The importance of minimum requirements for transparent monitoring, reporting and verification procedures both at Member State level and EC level and the need for clear and serious penalties for non-compliance is stressed by the Parliament. Lastly, in relation to the quota systems, the Parliament calls for experience of other quota systems, national experiments with emission trading and the World Bank's Prototype Carbon Fund to be taken into account in designing an EU system for negotiable greenhouse gas emission quotas.