

**For immediate release**

**Brussels, 18 February 2013**

**‘It is time the EU scraps its carbon Emissions Trading System’**

**A growing group of civil society organisations<sup>i</sup> is calling on the EU to abolish its Emission Trading System (ETS) to open space for truly effective climate policies. Today they release a joint declaration that highlights the many structural loopholes the ETS is facing, that the proposed reform proposals put forward by EU policy makers will not be able to fix.**

Tomorrow (19 Feb.) the Environmental Committee of the European Parliament will vote on the Commission’s backloading proposal.<sup>ii</sup> “Although advertised as a way to fix the failing ETS, it is nothing but a drop in the ocean. The EU’s flagship policy to address climate change has diverted attention from the need to transform the system’s dependency on fossil fuels and growing consumption, resulting in *increased* emissions. After seven lost years, it’s time to make space for effective and fair climate policies,” says Joanna Cabello, from Carbon Trade Watch.

More than 90 organisations, networks and movements from all over the world launch today the joint declaration [‘It is Time to Scrap the ETS’](#).<sup>iii</sup> It lists the structural flaws of the ETS and the risks of trying to fix it.

One of the flaws is the use of offset projects which allows companies or governments from the North to buy credits from a project in the South instead of reducing emissions at source. “The offset projects under the Clean Development Mechanism (CDM), the biggest offset scheme, has actually *increased* emissions while causing land grabs and human rights violations, community displacements, conflicts and increased local environmental destruction,” says Isaac Rojas, from Friends of the Earth Latin America and Caribbean (ATALC). “Other new market mechanisms and related financial products (such as forest carbon offsets and biodiversity offsets) follow the same logic which allows, and offsets, deforestation, forest degradation, biodiversity loss and water pollution,” he adds. In spite of the growing evidence of the problems, offset use in the ETS grew by 85% in 2011.

Furthermore, the EU ETS is costing the public a lot of money without serving a public purpose. Belen Balanyá, from Corporate Europe Observatory says: “At a time when EU citizens are shouldering the cost of the economic crisis, they are also being forced to bear the cost of the legislation, regulation and much of the quantification of emissions that carbon markets require, as well as the costs of measures against fraud, theft, corruption, and tax evasion. Meanwhile big polluters such as Arcelor Mittal and Lafarge make millions of windfall profits with over allocated permits.”

The EU ETS created the biggest carbon market in the world and now serves as a model for other countries. China is setting up a system with EU support and is planning to link it to the EU ETS. Other countries and regions such as Brazil, Korea, Australia, California in the US and Quebec in Canada have similar plans. The failures of the ETS will also be exported to other areas, as it will be used as a model for trading other ‘ecosystem services’ such as forests, biodiversity, water, soils and landscapes. In the meantime, civil society groups from around the world are demanding to scrap the ETS so that market mechanisms stop being used as a model for environmental protection.

The organisations supporting this declaration conclude: “It is time to stop fixating on ‘price’ as a driver for change. We need to scrap the ETS and implement effective and fair climate policies by making the necessary transition away from fossil fuel dependency.”

For more information contact:

- Joanna Cabello (Carbon Trade Watch): + 32 493829459
- Belén Balanyá (Corporate Europe Observatory): +31 6 33090386
- Isaac Rojas (Friends of the Earth Latin America and Caribbean): in Costa Rica +506 83383204, in Uruguay +59899621591

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As of February 17<sup>th</sup>, 92 groups signed on to the common declaration ‘It is Time to Scrap the ETS’ <http://scrap-the-euets.makenoise.org/about/>. Signatories are: AITEC – Association Internationale de Techniciens, Experts et Chercheurs (France), ANPED – Northern Alliance for Sustainability, ATTAC (Austria), ATTAC (France), Banktrack, Beyond Copenhagen Collective (India), Biofuelwatch (UK), Biofuelwatch (US), Both ENDS (The Netherlands), BROC – Bureau for Regional Outreach Campaigns (Russia), Carbon Trade Watch, Censat Agua Viva / Friends of the Earth (Colombia), Centre for Civil Society (South Africa), Center for Environment (Bosnia and Herzegovina), Centre For Environmental Justice / Friends of the Earth (Sri Lanka), CESTA / Friends of the Earth (El Salvador), Climate & Capitalism (Canada), Climate Justice Collective (UK), COECOCEIBA / Friends of the Earth (Costa Rica), Confédération Paysanne (France), Cordillera Peoples Alliance, Corner House (UK), Corporate Europe Observatory, Corporate Watch (UK), Counter Balance, Earth in Brackets (US), EARTH PEOPLES (Germany), ECA Watch (Austria), Ecologistas en Acción (Spain), EcoNexus (UK), Eco Sitio (Argentina), ECVC – European Coordination Via Campesina, EJOLT – Environmental Justice Organisations, Liabilities and Trade, Entrepueblos/Entrepobles/Entrepobos/Herriarte (Spain), ERA / Friends of the Earth (Nigeria), FASE (Brazil), FERN, Food & Water Watch (Europe), Food & Water Watch (US), Fórum Mudanças Climáticas e Justiça Social (Brazil), France Amérique Latine (France), Friends of the Earth / Amigos de la Tierra (América Latina y el Caribe), Friends of the Earth (Africa), Friends of the Earth (Australia), Friends of the Earth (Flanders and Brussels), Friends of the Earth (Malaysia), Friends of the Earth (Sierra Leone), Friends of the Earth (Sweden), Friends of the Earth (US), Global Alliance of Indigenous Peoples and Local Communities for Climate Change Against REDD and for Life, Global Forest Coalition, Global Justice Ecology Project (US), Global Social Justice (Belgium), GRAIN, Green Cross Society (Ukraine), Groundwork / Friends of the Earth (South Africa), Indigenous Environmental Network, Indigenous Peoples Movement for Self Determination and Liberation, International Oil Working Group, International Rivers (US), JA! Justiça Ambiental / Friends of the Earth (Mozambique), Jubileu Sul (Brasil), Kolectivo El Rebelde (Mexico), Les Amis de la Terre / Friends of the Earth (France), Maryknoll Office for Global Concerns, Movimento Mulheres pela P@Z! (Brazil), NESPON (India), Network of Indigenous Peoples of the Solomon Islands, Nucleo Amigos da Terra / Friends of the Earth (Brazil), ODG – Observatori del Deute en la Globalització (Catalonia), OILWATCH AMERICA LATINA, Ongd AFRICANDO (Spain), OSC RECOs – Redes de Cooperação Comunitária Sem Fronteiras (Brazil), Otros Mundos AC / Friends of the Earth (México), Philippine Rural Reconstruction Movement (Philippines), Platform (UK), Re:Common (Italy), REDD-Monitor, REDES / Friends of the Earth (Uruguay), School of Democratic Economics, SOLdePaz.Pachakuti (Spain), South Asia Network on Dams, Rivers & People, Taller Ecologista (Argentina), Timberwatch Coalition (South Africa), TNI – Transnational Institute (Netherlands), Unidad Ecologica Salvadoreña (El Salvador), United Kingdom Without Incineration Network (UK), Urgewald (Germany), VZW CLIMAXI (Belgium), Woodland League (Ireland), WISE – World Information Service on Energy (NL), World Rainforest Movement.

The declaration is still open for signatures.

ii The Environment Committee of the EU Parliament will vote on an amendment to the EU ETS Directive. This proposed amendment is to adapt the auction timetable and enable the backloading of permits (delaying the auction of a certain amount of EUAs from the first three years of Phase 3 (2013-2020) to latter years of Phase 3 of the EU ETS (2018-2020)

iii <http://scrap-the-euets.makenoise.org/>