



GREENPEACE



GREENHOUSE GAS EMISSIONS TRADING DIRECTIVE
Second Reading vote on the 'Moreira da Silva' report
Wednesday 2 July
- Briefing for political group meetings -

Environmental NGOs welcome Second Reading agreement:

CAN Europe, WWF, Greenpeace and BirdLife International welcome the compromise reached between the European Parliament, Commission and Council on the Directive for an Emission Trading system in the EU on Monday 23 June. We hope that the European Parliament as a whole will adopt these compromises at the Second Reading vote on the 'Moreira da Silva' report on Wednesday 2 July.

The importance of EU Emissions Trading:

The Emissions Trading proposal has emerged as a key part of the EU strategy to meet the target to which it is committed under the Kyoto Protocol. This is an issue on which the EU has staked its credibility, both to its own citizens and internationally.

NGOs recognise the vital role the European Parliament has played in terms of bringing forward improvements to the Directive in several key areas. We are now close to having legislation that, while not perfect, gives us a sound structure that can be built on to achieve real emission reductions.

The key to doing this is to set stringent targets in the national allocation plans, and this process needs to proceed without delay. The Second Reading agreement should allow the emissions trading system to start in 2005, as planned. A protracted conciliation process would have damaged both business and the environment by causing additional uncertainty and undermining those defining the national allocation plans.

Key improvements to the Directive:

We welcome Parliament's improvements to the Common Position, particularly:

- The language on setting the caps now ensures Member States will set national allocation in line with meeting the Kyoto targets, and not over-allocate to their industry. Simultaneously, subsidiarity for credits for "early actions" has been maintained.
- Opt-outs for Member States during the first period (2005-7) are restricted to named installations, rather than whole activities.
- Member States have the possibility of auctioning some (up to 5%) allowances during the initial period.
- Reviews will give early consideration to widening the system to include other highly-emitting sectors.
- Introduced wording on combined heat and power (CHP) addresses the greenhouse gas reduction potential for this technology and helps to avoid perverse incentives.

Future action:

Environmental NGOs now call for the swift adoption of the Directive, and for Member States to set ambitious targets that will allow the EU to meet its international obligations, while giving industry the chance to innovate and reduce costs.

For further information, please contact:

Rob Bradley (CAN Europe): 02 2295222

Stephan Singer (WWF): 02 743 8800

Victoria Phillips (RSPB, BirdLife partner in the UK): +44 (0) 7803 151132

Mahi Sideridou (Greenpeace): 02 274 1904
