

Joint manifest of European climate and environment Ministers on the EU ETS

The European Emissions Trading Scheme (ETS) – our central instrument in Europe to prevent climate change – is facing a severe crisis. The ETS has shown that it works in general. Nevertheless, with the current low CO₂ price it does not actively contribute to climate protection. This is mainly caused by the economic crisis, which – as a consequence of lower production levels – led to the unpredictable high surplus of allowances that we currently see in the carbon market. Without sustainably strengthening the ETS, eight years of climate action will be lost, creating a serious threat for the existence of our most cost efficient climate policy instrument.

We need an effective price signal from the ETS if we do not want to put our long-term climate targets at risk. Otherwise investments in non-sustainable, CO₂-intensive technologies would lead to lock-in effects and would make the achievement of our long-term climate targets more expensive or even impossible.

If the ETS lost its central role in Europe, Member States would possibly introduce more unilateral measures for climate protection in order to incentivise sustainable investments in their industries and to enforce their national climate targets. This would lead to new competitive distortions in Europe.

An ineffective ETS would also have negative effects on international climate protection: A decline in prices of international project credits prohibits climate action measures in developing countries. Moreover, the European ETS would lose its model status for countries like China, which are just starting to make an effort to introduce such a system.

We, the undersigned, support the proposals for backloading a certain amount of allowances as a first necessary step to sustainably strengthen the central instrument of EU-wide climate protection.

Peter ALTMAIER

Minister for the Environment, Nature Protection, and Nuclear Safety, GERMANY

Corrado CLINI

Minister of Environment, Land and Sea, ITALY

Delphine BATHO

Minister of Ecology, Sustainable Development, and Energy, FRANCE

Edward DAVEY

Secretary of State for Energy and Climate, UNITED KINGDOM

[Lena EK

Minister for the Environment, SWEDEN]

Martin LIDEGAARD

Minister for Climate and Energy, DENMARK