

EU carbon reform blocked in its parliament

By admin On June 10, 2022 In Insurance Marine News, Keep, Political Risk, Credit & Finance

Efforts by the EU to extend carbon emissions to the shipping and road markets stalled this week when three political groups in the parliament unexpectedly combined to delay the amended reform. The Greens and Socialists considered the changes as weakening the reform too much, while the conservatives deemed them too ambitious.

The report on the emissions market was meant to set out parliament's position for talks with member states on its final legislation, but it will now be sent back to the environment committee for further debate.

Iratxe García Pérez, president of the Socialists & Democrats group, said that “we are going to take this back to the committee and use that time to try and build a coherent common position.”

The reform of the EU ETS had been unveiled by the commission in a high-profile move last July, but, as is often the case, the implementation of such pronouncements has proved rather complex and difficult.

The programme aims to aligning the cap-and-trade system with a new climate goal of cutting emissions 55% by 2030. The programme — which currently covers about 11,000 installations owned by manufacturers, power producers and airlines — would be expanded to shipping.

The Christian Democrats and Liberals had already aligned to scale back the pace of emissions reductions recommended by the environment committee last month, although their amendments were still more ambitious than the EC's plan.

The legislators supported a later date than that recommended by the Socialists and Greens for phasing out free emission permits when the carbon border levy is introduced. However, once again the end of the free allocation would still come sooner than the EC's proposal.

The rejection of the overall ETS report meant that the European Parliament also postponed votes on linked proposals to introduce a carbon border levy and a

climate fund protecting the most vulnerable. The proposals in the Fit for 55 package need approval