

PRESS RELEASE

Climate campaigners hail European ban on industrial gas offsets as an historic victory for environmental integrity

21 January 2011, Brussels, Belgium. EU Member State representatives today adopted the European Commission's draft Regulation banning the use of credits from industrial gas projects in the EU Emissions Trading Scheme (EU ETS) post-2012.

The Commission's proposal, which sets out a comprehensive ban on HFC-23 and N₂O from adipic acid CDM offset credits in the EU Emissions Trading Scheme was hailed by climate campaigners as a milestone in the fight to uphold the environmental integrity of the EU ETS when it was published in November 2010. It has now been endorsed by the EU's Climate Change Committee, a body made up of technical experts from the 27 EU Member States.

"The scandal surrounding HFC-23 credits severely damaged the credibility of the carbon market" said Natasha Hurley, EU Policy Advisor at CDM Watch; *"Today's vote marks an historic victory for environmental integrity over financial interests and puts the EU ETS back on the right track"*.

While the Commission had proposed a ban on industrial gas offsets as of 1 January 2013, today's vote saw the date of the entry into force of the Regulation pushed back to 30 April 2013.

"While we welcome the outcome of today's vote, it's unfortunate that Member States were not entirely immune to pressure from a small group of investors who lobbied hard to extract as many concessions as possible throughout this process. Delaying the entry into force of the ban will open the door to an additional 52 million credits, equating to €676 million," Hurley added.

The adopted ban will now be scrutinized by the European Parliament before it enters into force. However, it will only apply to sectors which are covered by the EU's Emissions Trading Scheme.

"With a clear decision against bad quality credits in the EU ETS, we are now looking to EU Member States to stop using those credits for compliance within sectors not covered by the EU ETS." said Eva Filzmoser, Programme Director at CDM Watch.

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