

PRESS RELEASE

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New data shows China, Ukraine and Russia still benefit from EU's Emissions Trading Scheme

Yesterday, the European Commission released new data on the number and origin of carbon offsets used in 2013 by companies in the EU Emissions Trading Scheme (ETS). Despite new eligibility criteria that took effect in 2013 which should incentivise investments in Least Developed Countries (LDCs), the majority of offsets come from projects in China, Ukraine and Russia. Only 0.04% of offsets used came from LDCs.

From the 1st January 2013 only international offsets originating from LDCs were eligible to enter the EU ETS. However, this restriction is not foolproof because it does not exclude projects from richer countries if they were registered before 2013.

Eva Filzmoser, Director of Carbon Market Watch commented *"This latest data shows that European companies are still subsidising Russian and Ukrainian offsetting projects, instead of investing in Least Developed Countries or spurring European action."*

Last week aggregate offset data released by the European Commission excluded the specific origin of these offsets. This latest data reveals where the offsets came from, but unfortunately falls short on information at the installation level so it is impossible to see which company bought what.

"In the absence of clear rules for companies to stay away from dubious projects that are tainted by human right abuses, we need transparency in order to hold companies accountable for their investment decisions." says Eva Filzmoser.

In 2013, only 0.04% of the 133 million offsets that entered the EU ETS are from poor countries, even though new offsets should only come from poor countries. Almost 90% of the offsets (CERs and ERUs) came from just three countries: China, Ukraine and Russia.

"Business-as-usual projects from China, Ukraine and Russia constitute the majority of international credits used. The lack of emission reductions that these offsets represent further undermines the EU's carbon market that is already suffering from credibility issues. With around 1.2 billion offsets already having entered the EU ETS, the only way to preserve the environmental integrity of the scheme is to permanently retire carbon credits." Femke de Jong, Policy Officer of Carbon Market Watch."

Contact:

Femke de Jong, Policy Officer – Carbon Market Watch

femke.dejong@carbonmarketwatch.org

Tel: 32489772637