

Comments to Impact Assessment Institute's draft study on the ETS post-2020 revision

26 January 2016

IFIEC Europe applauds the draft report of the Impact Assessment Institute (IAI) on the "Impact Assessment accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC to enhance cost-effective emission reductions and low carbon investments" SWD(2015)135 because it throws a light on major shortcomings of the decision making process on EU ETS and related Climate and Energy policy instruments, namely:

- Evidence for the results attained in the Climate & Energy Impact Assessment (IA) is **not transparent**. However, a number of consequences for the ETS post-2020 legislation are based on the Climate & Energy IAs, so the information presented in the ETS post 2020 IA does not allow a full assessment of the quality and robustness of the proposals for the ETS post-2020.
- The selected ETS reform package was **not analysed** in the IA. Lack of such specific scrutiny of the selected option for carbon leakage protection (as per the draft legislation) dramatically reduces the transparency and hence the value of the evidence for the ETS post-2020 proposal.

So the IAI's report does nothing to disprove the view that EU ETS reform is essentially a political process which owes little to either environmental science or to economics.

- It leaves IFIEC Europe with the uneasy feeling that the risk sectors involved in EU ETS are facing may not have been evaluated fairly;
- But it should be a valuable source of questions to be asked by decision makers in the European Parliament and the Member States.