Brussels' historic attempt to tackle climate change is already facing strong opposition from several bloc countries, as the plan would bring higher energy costs to households. Seven countries, including Bulgaria, have spoken out against the plan, according to the Financial Times.

EU officials told the Financial Times that the European Commission's attempts to expand the carbon trading system to the most polluting sectors of the economy, such as cars and buildings, are at risk because countries oppose the intention, believing that Brussels will force the poorest to pay the bill.

Frans Timermans, in charge of the green agreement in the EC, said that new measures are necessary. "Our current instruments are not working well enough. "If we do not fight the climate crisis, we will wage wars for water and food", he said.

Brussels on Wednesday unveiled 13 legislative measures designed to help reduce greenhouse gas emissions by 55% by 2030 and achieve net zero emissions by 2050 compared to 1990 levels.

At the heart of the strategy is an attempt to expand the EU's carbon pricing mechanism, known as the Emissions Trading Scheme, where companies have to pay the cost of pollution. Since its inception in 2005, the permit system has been limited to large energy producers and the polluting industry, which has been forced to raise loans to cover the cost of its emissions.

In the last month, the price of carbon in the EU was around 55 euros per ton, which is more than double the level before the pandemic, because traders bet that the price of permits will rise if the EU wants to meet its emissions targets.

Motives of opposition

The Financial Times and the Guardian claim that Italy, France, Spain, Ireland, Hungary, Lithuania and Bulgaria have spoken out against the proposal. In addition to the remarks already mentioned, seven countries also expressed concern about the proposed changes to the carbon trading mechanism. The current emissions trading scheme (ETS) should be complemented by a cross-border carbon tax (CBT). It will be paid for by importers of certain goods if there are no such strict environmental rules in countries of production outside the Union.

The main opponent of the proposed ideas is France. MEP Pascal Kanfen, MEP and chairman of the Environment Committee, said the focus of the message had shifted. "I am inclined to support the proposal, but on the issue of CBT, the focus has changed and we are already talking about a net tax. "It's a shame", he told the Financial Times.

Concerns in the EU’s second-largest economy are based on the bitter experience of 2018 and the yellow vest protests, when protests erupted over the country’s proposed increase in fuel excise taxes. The government of President Emanuel Macron supports the environmental goals of the union, but has spoken out against the sudden increase in prices for end customers. France will take over the presidency of the union next year, which will make its role in the negotiations even bigger. Next year is also the presidential election, which makes Macron’s task even more complicated.

Difficult negotiations

France, Spain, Italy, Hungary, Latvia, Ireland and Bulgaria expressed concern over the impact on citizens at a meeting of EU ambassadors on Wednesday, diplomats told the FT. EC President Ursula von der Leyen also faced opposition from at least seven of the 26 commissioners before presenting the plan. For the reforms to take effect, the support of a qualified majority of EU governments and the European Parliament will be needed.

The price of carbon in the EU has risen this year when governments have fulfilled their climate promises. The senior EU diplomat said that the expansion of the ETS could be stopped, despite the fact that Brussels offered a fund of 72 billion euros to alleviate energy poverty.

Tense negotiations on the package are expected, which will begin in the coming months and continue until 2023. Controversial policies include a ban on the sale of new diesel and petrol cars from 2035, the introduction of a kerosene tax in air transport and a border tax on imports from several sectors.

The so-called Social Climate Fund has also met resistance from “thrifty” northern countries such as the Netherlands, which oppose a greater redistribution of funds in the bloc. “If the fund is abolished, the logic behind the new ETS will disappear”, said the diplomat.

For now, Denmark and Germany have stated their support for the proposed changes. Germany is testing the national carbon market for trade quotas for buildings and cars. Denmark, on the other hand, considers the ETS a successful model, the coverage of which needs to be increased. “We know there are places where negotiations could fail, but the new system should stimulate the reduction of greenhouse gases, not the other way around,” Environment Minister Dan Jorgensen told the Financial Times.

Source: capital.bg