



EUROPEAN COMMISSION

DIRECTORATE-GENERAL
CLIMATE ACTION

The Director-General

Dear Madam / Sir,

Thank you very much for your letter and for introducing your legislative initiative “Alternative Climate Concept”, based on the currency "ECO" and on the ecological basic income, which distributes a personal carbon budget. It demonstrates your commitment in the fight against climate change and reflects the understanding that the ecological transition needs to be fair.

The European Commission is fully dedicated to reaching the EU-wide climate neutrality target by 2050. To that end, it has put forward in July 2021 a series of legislative proposals to deliver the 2030 greenhouse gas emissions net reduction target of 55% below 1990 levels, as established in the European Climate Law. These targets are in line with the Paris Agreement global goals. The Fit for 55 legislative proposals set out the ways in which the Commission will reach its updated 2030 target in real terms and cover a wide range of policy areas including climate, energy, transport and taxation, as well as a Social Climate Fund.

The EU Emissions Trading System (EU ETS) has demonstrated to be an effective and successful tool in reducing emissions in the most efficient way, already delivering a reduction of 43% compared to emission levels in 2005. The EU ETS is a market-based mechanism and works on the “cap and trade” principle, setting a harmonised carbon price for activities within its scope. The cap on emissions covered by the EU ETS ensures that the environmental objectives are reached. To address the lack of emissions reductions in road transport and buildings, a separate new ETS is proposed up for road transport and buildings. Revenues from the ETS can be used for climate change related purposes, including the social aspects that might arise from the transition to a decarbonised economy. The Commission is convinced that the instrument of pricing carbon emissions has a crucial role to play in achieving Europe’s agreed long-term objective of a completely climate neutral continent by 2050.

The Fit for 55 package enters this year into key a negotiation stage, where the Council and the European Parliament have to reach an agreement, according to the processes established under the European laws. I am confident the result of this process will ensure commensurate ambition to reach our common goals.

Yours faithfully,

e-signed
Mauro Petriccione