

Brussels 27th January 2026

To the Permanent Representation of [REDACTED]

[REDACTED]
Brussels

Subject: Proposal to avoid environmental, social, and economic damage due to the postponement of ETS2

Dear Ambassador [REDACTED]

We are a consortium of civil society organisations partnering in the EUKI-financed project [ClimateFair Monitor: Towards climate-neutral buildings and road transport](#).

We express our serious concerns about the postponement of ETS2 (the EU emission trading system for buildings and road transport) and its accompanying measures by one year (from 2027 to 2028). This postponement will not only hinder the attainment of the EU's climate targets, but it will also increase the risk of growing social inequalities and jeopardise the competitiveness of the EU's economy.

According to an [Eurobarometer survey](#), 81% of EU citizens believe that income inequality is too high. Numerous studies (e.g., the OECD study "[In It Together: Why Less Inequality Benefits All](#)") have demonstrated a negative correlation between income inequality and economic development. Thus, **reducing income inequality is key to a stable, peaceful, and prosperous EU as well as to curbing the further rise of populism**. ETS2, combined with parallel compensation measures for citizens, could help reduce social inequalities. A carbon price would require individuals—typically those in higher-income brackets—and companies to pay more; the revenues, if properly redistributed, could [compensate](#) the entire population except the richest people.

Among many other studies, the Commission's Impact Assessment on ETS2, as well as practical experience, prove that **ambitious carbon pricing accompanied by well-designed revenue use can increase GDP**. If revenues are used to improve energy efficiency, the competitiveness of the economy will be enhanced while reducing energy import dependency.

Thus, **ETS2 and its accompanying measures should be implemented even if it were not for combating climate change**. For the economy, delaying or weakening ETS2 serves only the interests of the most polluting industries (such as oil companies and natural gas suppliers), wastes public money through the continuation of harmful subsidies (fossil fuels are subsidised at a rate of [\\$13 million per minute](#) in the world) and enormous opportunity costs, and delays the inevitable transition to a better functioning economic system. Postponing ETS2 – and thereby also delaying the compensation to citizens – means the continuation of subsidising rich people at the expense of poor people.

For the above reasons, we urge those countries that do not yet have an emission trading system or a carbon tax for buildings and road transport to consider implementing such measures (for example, introducing ETS2 at the national level already in 2027), accompanied by parallel compensation for citizens.

We ask those countries that already have such an emission trading system or carbon tax to enhance these measures to achieve the same aim already in 2027 as would have been achieved by the timely implementation of ETS2.

Please [find here](#) a more detailed description of our arguments.

Sincerely yours,

On behalf of the consortium

Patrick ten Brink

Secretary General

