

Air pollution, greenhouse gas emissions: effort of Member States to meet the Community's greenhouse gas emission reduction commitments up to 2020

2008/0014(COD) - 23/01/2008 - Legislative proposal

PURPOSE: to determine the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments by 2020.

PROPOSED ACT: Decision of the European Parliament and of the Council.

BACKGROUND: on 10 January 2007, the Commission adopted an integrated package of measures in the area of energy and climate change, inviting the Council and the European Parliament to approve:

- an EU commitment to reduce greenhouse gas emissions by at least 20% by 2020 compared to 1990 levels, as well as the aim for a 30% reduction by 2020, subject to the conclusion of an international agreement on climate change;
- a binding target for the EU of a 20% share of renewable energy sources in energy consumption by 2020, and a 10% target for biofuels.

This strategy was approved by the European Parliament and EU leaders during the March 2007 European Council. The European Council invited the Commission to present concrete proposals, particularly on the provisions for sharing the effort between Member States to achieve this objective.

The series of measures here presented is the response to this invitation. It includes a proposed set of key interdependent measures to be taken, as outlined below:

- a proposal for a directive amending Directive 2003/87/EC, to improve and extend the European Union Greenhouse Gas Emission Trading Scheme (see [COD/2008/0013](#));
- a proposal for a decision on the effort to be made by Member States to reduce their greenhouse gas emissions, in order to respect the Community's commitments to reduce these emissions by 2020 (subject of the current document);
- a proposal for a directive aiming to promote renewable energy (see [COD/2008/0016](#)).

Included among the proposals that make up this set of measures are: a proposal for a regulatory framework on carbon capture and storage (see [COD/2008/0015](#)); a communication on the demonstration of carbon capture and storage; and a new Community framework on State aid in the area of the environment.

CONTENT: this Decision determines the contribution of Member States to meeting the Community's greenhouse gas emission reduction commitment from 2013 to 2020 for greenhouse gas emissions from sources not covered by the ETS, such as buildings, transport, agriculture and waste. It provides for the evaluation of the achieved emissions reductions resulting from the implementation of this Decision. It also promotes flexibility in achieving this effort through allowing for the use of certified emission reductions resulting from clean development mechanism projects, under Article 12 of the Kyoto Protocol, and from emission reduction activities in third countries.

Member State reduction efforts should be based on the principle of solidarity between Member States and the need for sustainable economic growth across the Community (taking into account the relative *per capita* GDP of Member States).

In terms of the proposal, each Member State shall, by 2020, limit its greenhouse gas emissions from sources not covered by ETS, by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year 2005:

- Member States that currently have a relatively low *per capita* GDP and thus high GDP growth expectations may increase their greenhouse gas emissions compared to 2005. Nevertheless, these targets still represent a limit to their emissions and will require those Member States to take measures to limit the growth of their emissions;
- Member States that currently have a relatively high *per capita* GDP will need to reduce their greenhouse gas emissions compared to 2005.

To further ensure a fair contribution of each Member State to the implementation of the Community's independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 compared to 1990:

- no country should be required to reduce its greenhouse gas emissions by 2020 to more than 20% below 2005 levels;
- and no country should be allowed to increase its greenhouse gas emissions by 2020 to more than 20% above 2005 levels.

Reductions in greenhouse gas emissions should take place between 2013 and 2020. This proposal allows each Member State to carry forward, from the following year, a quantity equal to 2% of the greenhouse gas emission limit established for that Member State. It also allows a Member State for which the emissions are below its limit to carry over its excess emission reductions to the subsequent year.

To provide for flexibility for Member States in implementing their commitments and to promote sustainable development in third countries, particularly in developing countries, and to provide certainty to investors, the Community should continue to recognise credits from greenhouse gas emission reduction projects in third countries, even before a future international agreement on climate change has been reached.

It is therefore appropriate to offer guarantees in terms of the acceptance of credits from projects started after the 2008-2012 period in the Least Developed Countries (LDCs), and for project types that were accepted by all Member States during the 2008-2012 period. This acceptance should continue until 2020 or until the conclusion of an agreement with the Community, whichever is the earlier.

To ensure the existence of the market for credits issued by the clean development mechanism (CDM) after 2012, it is proposed to allow Member States to use, each year, credits from greenhouse gas emission reduction projects in third countries (with a limit of up to 3% of each Member State's emissions from sources outside the ETS in the year 2005), until a future international agreement on climate change has been reached.

Upon the conclusion by the Community of an international agreement on climate change, the emission limits for Member States should be adjusted.

Each year, progress in implementing commitments under this Decision should be evaluated on the basis of reports submitted under Decision No 280/2004/EC concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol. Every two years an assessment should be made on the projected progress and a full evaluation of the implementation of this Decision should be made in 2016.