

# 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) - 07/10/2008

The Committee on the Environment, Public Health and Food Safety adopted the report drafted by Satu **HASSI** (Greens, ALE, FI) and made some amendments to the proposal for a decision of the European Parliament and of the Council on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020.

The main amendments - made in 1<sup>st</sup> reading of the codecision procedure - are as follows:

**Purpose:**MEPs stipulate that this Decision lays down the minimum contribution of each Member State to meeting the greenhouse gas emission reduction commitment of the Community from 2013 to 2020 for greenhouse gas emissions from sources not covered under Directive 2003/87/EC, and for the evaluation thereof. It also lays down an **automatic procedure** for implementing a stricter reduction commitment when the Community enters into an international agreement committing the Community to an overall reduction target of more than 20 % by 2020 compared to 1990, such as the 30 % reduction objective as endorsed by European Council in March 2007.

**Scope:** emissions from international **maritime transport** are covered unless and until they have been brought within the scope of Directive 2003/87/EC or any other Community legal instrument to include them in the Community reduction commitments for the period 2013 - 2020. If by 2011 the sector has not been brought within the scope of Directive 2003/87/EC or of any other Community legal instrument to reduce greenhouse gas emissions of international maritime transport, the Commission shall make proposals by 2012 to that effect by incorporating the sector into this Decision.

On the basis of rules agreed as part of a future international agreement on climate change, the Commission shall make a proposal to include emissions and removals related to land use, land use change and forestry in this Decision according to harmonised modalities ensuring permanence and the environmental integrity of the contribution of land use, land use change and forestry as well as accurate monitoring and accounting.

**Emission levels for 2013-2020:** an amendment makes it possible for trade of emissions between Member States provided that they are in compliance with the obligations under the Decision for previous years and that revenues from such transfers shall be used to reduce greenhouse gas emissions through investments in energy efficiency, renewable energy or climate-friendly modes of transport.

**Emission levels for the period post 2020:** the report underlines that if the EU aims to respect its 2-degree objective, it should already be putting its emissions on a longer-term trajectory. MEPs propose that the Community greenhouse gas emissions from sectors not covered under Directive 2003/87/EC shall continue to decrease beyond 2020 on an annual pathway contributing to an overall reduction of greenhouse gas emissions by the Community from all sources of at least 50 % by 2035 and 60 to 80 % by 2050 compared to 1990 levels, with the ultimate objective of eliminating greenhouse gas emissions from fossil fuel use within the European Union.

**Energy efficiency:** MEPs request that the Commission report on the progress made in Member States as regards improvement in energy efficiency. To ensure that the potential for reducing energy consumption in the Community by 20 % by 2020 is realised, the indicative target of the [Action Plan for Energy Efficiency](#) shall become mandatory for the Member States. The Commission shall propose measures to this effect no later than 2009, after which Member States shall compile a strategy for energy efficiency.

**Use of project credits:** Member States shall ensure that at least 50% of these credits are purchased from LDCs and the SIDS so as to enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change. Member States shall only use project credits from renewable energy and end-use efficiency projects that conform to high quality criteria guaranteeing the additionality of projects as well as their contribution to sustainable development.

The use of credits by each Member State shall not exceed a quantity equal to **8%** of the greenhouse gas emissions of that Member State not covered under Directive 2003/87/EC in the year 2005 over the period 2013-2020.

**Community's external emissions reduction commitment:** upon the conclusion of a comprehensive international agreement on climate change, the Community and its Member States shall, as from the beginning of 2013, finance measurable, reportable, verifiable and binding greenhouse gas emissions reductions in countries that are Parties to the UNFCCC but not included in Annex I thereof (non Annex I Parties).

**Assistance to developing countries:** upon the conclusion of an international agreement on climate change, the Community shall, as from the beginning of 2013, make a binding commitment to provide grant-based financial assistance for developing countries, in particular for communities and countries most at risk from climate change, with the aim of supporting them in their adaptation and risk reduction. The assistance shall increase annually in a linear manner and reach at least EUR 10 billion in 2020. The assistance effort for 2013 should be at least EUR 5 billion.

**Evaluation of progress made in the implementation of commitments:** the report presented by the Member States shall include two-yearly projected emissions reductions for the measures planned in all major sectors in order to achieve the 2020, 2035 and 2050 reduction targets. Until conclusion of an international agreement on climate change leading to mandatory reductions in the Community exceeding those foreseen, Member States shall prepare policies and measures based on a Community target of -30% by 2020 compared to 1990. The Commission shall make proposals, as appropriate, to ensure that such policies contribute adequately to achieving the 2020 and 2050 reduction targets.

The Commission shall draw up and submit a report to the European Council by 31 December 2011 that sets out, in relation to greenhouse gas emissions reductions required under both sources covered by this Decision and sources covered by Directive 2003/87/EC: i) each Member State's greenhouse gas emission limits by 2020 compared to 1990 greenhouse gas emission levels; ii) each Member State's greenhouse gas emissions in 2020.

**Compliance mechanism:** where the greenhouse gas emissions of a Member State from sources not covered under Directive 2003/87/EC exceed the annual greenhouse gas emission limit, that Member State shall pay an excess emissions penalty equivalent to the amount determined in Article 16 of Directive 2003/87/EC. The excess emissions penalty shall be paid to a Community fund dedicated to enhancing and strengthening the research, development and use of renewable energy and increased energy efficiency and conservation in the European Union.

**Renewable energy sources:** given that increasing electricity generation from renewable energy sources is a particularly important means of reducing greenhouse gas emissions, Member States shall make energy production from renewable sources economically attractive, thus encouraging market participants, by

increasing electricity generation from renewable energy sources, to make a decisive contribution to Member States' compliance with their obligations.

**Involvement of market actors:** in addition to individual Member States, central governments and local and regional organisations and authorities, market actors – together with households and individual consumers – shall be involved in contributing to the implementation of the Community's commitment, irrespective of the level of greenhouse gas emissions which can be attributed to them.

**Funding for innovative techniques:** Member States shall ensure funding for the use of new, innovative techniques in order to enable industrial operators to create new jobs, thereby increasing competitiveness and promoting the achievement of the objectives set by the Lisbon Strategy.