

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) - 17/12/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 555 votes to 93 with 60 abstentions, a legislative resolution amending 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 report had been tabled for consideration in plenary by Satu **HASSI** (Greens/ALE, FI), on behalf of the Committee on the Environment, Public Health and Food Safety. The amendments were the result of a compromise between the Council and the Parliament.

The amendments are the result of a compromise agreement between Parliament and Council. The main amendments - adopted under the 1st reading of the codecision procedure - were as follows:

Objective: the Decision lays down the minimum contribution of Member States to meeting the greenhouse gas emission reduction commitment of the Community from 2013 to 2020 for greenhouse gas emissions covered by this Decision, and rules on meeting these contributions and for the evaluation thereof. It also lays down provisions for assessing and implementing a stricter EU reduction commitment exceeding 20%, to be applied upon the approval by the Community of an international agreement leading to emissions reductions exceeding those required, as reflected in the 30% commitment as endorsed by the Spring 2007 European Council.

Emission levels for the period 2013 to 2020: during the years 2013 to 2019, a Member State may carry forward from the following year a quantity up to 5% of its annual emission allocation. If the greenhouse gas emissions of a Member State are below its annual emission allocation, taking into account the use of flexibilities, it may carry over the part of its annual emission allocation of a given year that exceeds its greenhouse gas emissions in that year to the subsequent years up to 2020.

A Member State may :

- request an increased carry forward rate in excess of 5% in the year 2013 and the year 2014 in case of extreme meteorological conditions which have led to substantially increased greenhouse gas emissions in those years compared to years with normal meteorological conditions. To this end, the Member State shall submit a report to the Commission substantiating this request. Within 3 months, the Commission shall decide whether an increased carry forward can be granted;
- transfer up to 5% of its annual emission allocation of a given year to other Member States. A receiving Member State may use this quantity for the implementation of its obligation under this Article for the given year or any subsequent years up to 2020. A Member State cannot transfer any part of its annual emission allocation if, at the moment of transfer, it is not in compliance with the requirements of this Decision.

Energy efficiency : the Commission shall no later than 2012 assess and report on the progress of the Community and its Member States towards the objective to reduce energy consumption by 20% by 2020 compared to projections for 2020, as outlined in the Action Plan on Energy Efficiency. If appropriate, in particular in view of assisting Member States in their contributions towards meeting the Community's

greenhouse gas reduction commitments, the Commission shall propose strengthened or new measures to accelerate energy efficiency improvements, no later than December 2012.

Use of credits from project activities: the text sets out the greenhouse gas emission reduction credits that Member States may use for the discharge of their obligations. The compromise text states that these include tCERs or ICERs from afforestation and reforestation projects under certain conditions. Member States with an emissions reduction target, or a target of an increase of at most 5% shall, in addition to credits used, be allowed to use additional credits amounting to 1% of their verified emissions in 2005 from projects in Least Developed Countries and Small Island Development States each year, in consequence of their compliance with one of four conditions listed in the text.

Reporting, evaluation of progress, amendments and review : Member States must cover certain prescribed issues in their reports, including projected progress towards meeting their commitments under this Decision, including information on national policies and measures and national projections; and information on planned additional national policies and measures envisaged with a view to limit greenhouse gas emissions beyond their commitments under this Decision in view of the implementation of an international agreement.

Corrective action : in case the greenhouse gas emissions exceed the limit, taking into account the flexibilities used, the following measures shall apply:

- deduction from the Member State emission allocation of the following year equal to the amount in tons of those excess emissions multiplied by an abatement factor of 1,08;
- development of the corrective action plan;
- temporary suspension of the eligibility to transfer part of its emission allocation and JI/CDM rights to another Member State up until exceedance of limits no longer applies in the following years.

Adjustments applicable upon the approval by the Community of a future international agreement on climate change : at the latest 3 months after the signature by the Community of an international agreement on climate change leading, by 2020, to mandatory reductions of greenhouse gas emissions exceeding 20% compared to 1990 levels, as reflected in the 30% commitment as endorsed by the Spring 2007 European Council, the Commission shall submit a report assessing, in particular, the following elements:

- the nature of the measures agreed upon in the framework of the international negotiations as well as the commitments made by other developed countries to comparable emission reductions to the EU's and the commitments made by economically more advanced developing countries to contributing adequately according to their responsibilities and respective capabilities;
- the implications of the international agreement, and consequently, options required at the EU level, in order to move to the 30 % reduction target in a balanced, transparent and equitable way, taking into account work under the Kyoto Protocol first commitment period;
- the EU manufacturing industries' competitiveness in the context of carbon leakage risks;
- the impact of the international agreement on other EU economic sectors;
- the impact on the EU agriculture sector, including carbon leakage risks;
- appropriate modalities for including emissions and removals related to land use, land use change and forestry in the Community;
- afforestation, reforestation, avoided deforestation and forest degradation in third countries in the event of the establishment of any internationally recognised system in this context;
- the need for additional Community policies and measures in view of the Community's and the Member States' greenhouse gas reduction commitments.

On the basis of this report, the Commission shall, if appropriate, submit a legislative proposal to the European Parliament and to the Council amending the present Decision with a view to its entry into force

upon the approval by the Community of the international agreement and in view of the emissions reduction commitment to be implemented under that agreement.

This proposal shall allow, as appropriate, Member States to use CERs, ERUs or other approved credits from projects in third countries which have ratified the international agreement in addition to the credits provided for in the present Decision. It shall also include : (i) measures to allow for Member States to use the unused part of that quantity in the subsequent years or transfer the unused part of that quantity to another Member State; (ii) any other measures needed to help reach the mandatory reductions in a transparent, balanced and equitable way and, in particular, implementing measures to provide for the use by Member States of additional types of project credits or the use by Member States of other mechanisms created under the international agreement, as appropriate. On the basis of rules agreed as part of a future international agreement, the Commission shall make a proposal to include emissions and removals related to land use, land use change and forestry in the Community reduction commitment, as appropriate, 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.

Procedure in relation on land use, land use change and forestry in the event of no international agreement: in the event that no international agreement has been approved by the Community by 31 December 2010, Member States may specify their intentions for the inclusion of land use, land use change and forestry in the Community reduction commitment taking into account methodologies within the work carried out in the context of UNFCCC. Taking into account such specification by Member States the Commission shall, by 30 June 2011, assess modalities for the inclusion of emissions and removals from activities related to land use, land use change and forestry in the Community reduction commitment, ensuring permanence and the environmental integrity of the contribution of land use, land use change and forestry as well as accurate monitoring and accounting, and make a proposal as appropriate with the aim of its entry into force from 2013 onwards. The Commission's assessment shall consider if the distribution of individual Member States' efforts should be adjusted accordingly.