

Binding annual greenhouse gas emission reductions by Member States from 2021 to 2030

2016/0231(COD) - 06/06/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on the proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change.

The committee recommended that the European Parliament's position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

Objective: Members stated that the general objective of this Regulation is to set the Union on track to a low-carbon economy through the establishment of a **predictable long-term pathway to reducing by 2050 the greenhouse gas emissions of the Union by 80 to 95% compared to 1990 levels.**

Shipping emissions should be covered under this Regulation unless they are included in the EU Emissions Trading System (EU ETS).

Linear trajectory: the approach of setting binding annual emission limits set out in Decision No 406 /2009/ EC of the European Parliament and of the Council should be maintained during the period from 2021 to 2030, following a linear trajectory **starting in 2018** (instead of 2020).

Long-term emission reductions trajectory from 2031: each Member State shall ensure that its greenhouse gas emissions in each year between 2031 and 2050 do not exceed the level defined by a linear trajectory, starting from its annual emission allocations for 2030 and ending in 2050 on a level of emissions that is **80% below the 2005 level** for that Member State.

Flexibility in respect of annual limits: a Member State may transfer:

- up to 10% of its annual emission allocation for a given year to other Member States for the years **2021 to 2025;**
- up to 5% of its annual emission allocation for a given year to other Member States for the years **2026 to 2029.**

A Member State whose greenhouse gas emissions for a given year are below its annual emission allocation for that year, taking into account the use of flexibilities may:

- in respect of the years 2021 to 2025, **bank the excess part** of its annual emission allocation up to a level of 10% of its annual emission allocation to subsequent years until 2025;
- in respect of the years 2026 to 2029 a Member State may bank the excess part of its annual emission allocation up to a level of 5% of its annual emission allocation to subsequent years until 2030.

A Member State shall not transfer any part of its annual emission allocation if, at the time of transfer, that Member State's emissions exceed its annual emission allocation.

Access to the flexibility shall be granted on condition that the Member States concerned commit to **taking measures in other sectors** where insufficient results have been achieved in the past.

Margin of manoeuvre for land use, land-use change and forestry (LULUCF) activities: Members proposed a downward adjustment to the LULUCF Level of LULUCF credits (**EUR 190 million**, instead of the proposed EUR 280 million).

The Member States concerned shall submit by 1 January 2019 an **action plan** to the Commission that sets out measures, including where relevant the use of Union financing, for climate efficient farming and for the land-use and forest sectors. The Commission may issue opinions on the action plans submitted by Member States.

Early action reserve: Members proposed that early action reserve rewards early action and allows Member States to use additional allocations for compliance, in case other flexibilities are not sufficient. In order to take into account early action before 2020, a quantity not exceeding a total sum of **70 million tonnes** in annual emission allocations in the period 2026 to 2030 shall, upon request of a Member State, be taken into account. The relative amount of additional allocations available to a Member State should depend on the degree of overachievement of its 2020 target.

European register: the European Register system shall be **transparent** and include all relevant information regarding the transfer of allowances between Member States. This information shall be accessible to the public through a dedicated website hosted by the Commission.

Climate impact of Union funding: the Commission shall carry out a comprehensive, cross-sectorial study of the impact of funding granted from the Union budget or otherwise pursuant to Union law on the mitigation of climate change. By 1 January 2019, the Commission shall present to the European Parliament and the Council a report on the findings of the study which shall be accompanied, if appropriate, by legislative proposals aimed at discontinuing any Union funding which is not compatible with the CO₂ reduction targets or policies of the Union.

Review: the Union shall submit every five years a contribution reflecting its highest possible ambition. The review shall take into account the Union's objective to reduce economy-wide greenhouse gas emissions by 80-95% by 2050 compared to the 1990 level and the goal of the Paris Agreement.