Basic information

2021/0207(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Revision of the EU Emissions Trading System for aviation Amending Directive 2003/87/EC 2001/0245(COD) **Subject** 3.20.01 Air transport and air freight 3.20.15.02 Air transport agreements and cooperation 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ENVI Environment, Public Health and Food Safety	GLAVAK Sunčana (EPP)	17/09/2021
	Shadow rapporteur BRGLEZ Milan (S&D) GAMON Claudia (Renew) EICKHOUT Bas (Greens /EFA) ZALEWSKA Anna (ECR) MODIG Silvia (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	OETJEN Jan-Christoph (Renew)	29/10/2021

Council of the European Union

European Commission	**Commission DG**	**Commissioner**
	Climate Action	TIMMERMANS Frans
European Economic and Social Committee		
European Committee of the Regions		

Key events

Date	Event	Reference	Summary
14/07/2021	Legislative proposal published	COM(2021)0552	Summary
13/09/2021	Committee referral announced in Parliament, 1st reading		
17/05/2022	Vote in committee, 1st reading		
20/05/2022	Committee report tabled for plenary, 1st reading	A9-0155/2022	Summary
07/06/2022	Debate in Parliament		
08/06/2022	Decision by Parliament, 1st reading	T9-0230/2022	Summary
08/06/2022	Results of vote in Parliament		
08/06/2022	Matter referred back to the committee responsible for interinstitutional negotiations		
09/02/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2023)001089 PE742.483	
17/04/2023	Debate in Parliament		
18/04/2023	Decision by Parliament, 1st reading	T9-0102/2023	Summary
18/04/2023	Results of vote in Parliament		
25/04/2023	Act adopted by Council after Parliament's 1st reading		
10/05/2023	Final act signed		
16/05/2023	Final act published in Official Journal		

Technical information

Procedure reference	2021/0207(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2003/87/EC 2001/0245(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 192-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed

Committee dossier	ENVI/9/06896

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE703.137	17/01/2022	
Amendments tabled in committee		PE719.687	22/02/2022	
Amendments tabled in committee		PE719.690	22/02/2022	
Committee opinion	TRAN	PE704.639	28/04/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0155/2022	20/05/2022	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T9-0230/2022	08/06/2022	Summary
Text agreed during interinstitutional negotiations		PE742.483	13/02/2023	
Text adopted by Parliament, 1st reading/single reading		T9-0102/2023	18/04/2023	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2023)001089	08/02/2023	
Draft final act	00008/2023/LEX	10/05/2023	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0552	14/07/2021	Summary
Document attached to the procedure	SEC(2021)0552	15/07/2021	
Document attached to the procedure	SWD(2021)0555	15/07/2021	
Document attached to the procedure	SWD(2021)0603	15/07/2021	
Document attached to the procedure	SWD(2021)0604	15/07/2021	
Commission response to text adopted in plenary	SP(2023)260	05/07/2023	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	SWD(2021)0555	04/11/2021	

Contribution	ES_PARLIAMENT	SWD(2021)0603	04/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0604	04/11/2021	
Contribution	CZ_SENATE	COM(2021)0552	15/11/2021	
Reasoned opinion	IE_SENATE	PE700.506	13/12/2021	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES4708/2021	08/12/2021	
CofR	Committee of the Regions: opinion	CDR4546/2021	28/04/2022	

Additional information

Source	Document	Date
European Parliament	Briefing	03/06/2022
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
BRGLEZ Milan	Shadow rapporteur	ENVI	20/01/2023	Ryanair Holdings
OETJEN Jan-Christoph	Rapporteur for opinion	TRAN	30/11/2022	A4E
GLAVAK Sunčana	Rapporteur	ENVI	16/11/2022	Wizz Air Hungary Limited
EICKHOUT Bas	Shadow rapporteur	ENVI	24/10/2022	Transport and Environment (European Federation for Transport and Environment)
GLAVAK Sunčana	Rapporteur	ENVI	27/09/2022	Lufthansa Group
BRGLEZ Milan	Shadow rapporteur	ENVI	22/09/2022	Ryanair Holdings
BRGLEZ Milan	Shadow rapporteur	ENVI	01/06/2022	Ryanair Holdings
EICKHOUT Bas	Shadow rapporteur	ENVI	04/05/2022	easyJet
BRGLEZ Milan	Shadow rapporteur	ENVI	20/04/2022	Airlines for Europe
GLAVAK Sunčana	Rapporteur	ENVI	19/04/2022	European Express Association
GAMON Claudia	Shadow rapporteur	ENVI	01/03/2022	Transport and Environment (European Federation for Transport and Environment)

GLAVAK Sunčana	Rapporteur	ENVI	10/02/2022	German Environment Agency (UBA)
GLAVAK Sunčana	Rapporteur	ENVI	09/02/2022	Lufthansa
GLAVAK Sunčana	Rapporteur	ENVI	08/02/2022	Air France-KLM
GLAVAK Sunčana	Rapporteur	ENVI	08/02/2022	Aena
GLAVAK Sunčana	Rapporteur	ENVI	02/02/2022	AeroSpace and Defence Industries Association of Europe
GLAVAK Sunčana	Rapporteur	ENVI	02/02/2022	Ryanair
GLAVAK Sunčana	Rapporteur	ENVI	12/01/2022	A4E
GLAVAK Sunčana	Rapporteur	ENVI	11/01/2022	EasyJet
GLAVAK Sunčana	Rapporteur	ENVI	14/12/2021	Lufthansa
GLAVAK Sunčana	Rapporteur	ENVI	24/11/2021	Transport & Environment
GLAVAK Sunčana	Rapporteur	ENVI	09/11/2021	IATA

Other Members

Transparency

Name	Date	Interest representatives
CUFFE Ciarán	06/06/2022	Airlines for Europe

Final act

Directive 2023/0958
OJ L 130 16.05.2023, p. 0115 Summary

Revision of the EU Emissions Trading System for aviation

2021/0207(COD) - 18/04/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 463 votes to 117, with 64 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Ensuring the integrity of the EU Emissions Trading Scheme (EU ETS)

The amended text stressed that the changes introduced by this Directive are essential to ensure the integrity and effective steering of the EU ETS so that it contributes, as a policy instrument, to the achievement of the Union's objectives of reducing net greenhouse gas emissions by at least 55% by 2030 and achieving climate neutrality by 2050 at the latest. These amendments therefore also aim to implement the EU's contributions under the Paris Agreement with regard to aviation.

Phasing out free emission allowances for the aviation sector

The amending regulation provides for the gradual phasing out of free emission allowances for the aviation sector as follows: **25% in 2024, 50% in 2025 and 100% from 2026**. This means that allowances will be fully auctioned from 2026 onwards.

Encouraging the decarbonisation of commercial aviation

For the period from 1 January 2024 until 31 December 2030, a maximum of **20 million of the total quantity of allowances** should be reserved in respect of commercial aircraft operators, on a transparent, equal-treatment and non-discriminatory basis, for the use of **sustainable aviation fuels**, and other aviation fuels that are not derived from fossil fuels. The reserved allowances should be allocated by the Member States to **cover part of or all of the price differential between the use of fossil kerosene and the use of the relevant eligible aviation fuels**, taking into account incentives from the price of carbon and from harmonised minimum levels of taxation on fossil fuels.

The allowances allocated under this paragraph should cover:

- **70 %** of the remaining price differential between the use of fossil kerosene and hydrogen from renewable energy sources, and advanced biofuels;

- **95 %** of the remaining price differential between the use of fossil kerosene and renewable fuels of non-biological origin compliant with Article 25 of Directive (EU) 2018/2001, used in aviation;

- **100 %** of the remaining price differential between the use of fossil kerosene and any eligible aviation fuel that is not derived from fossil fuels at airports situated on islands smaller than 10 000 km2 and with no road or rail link with the mainland, at airports which are insufficiently large to be defined as Union airports in accordance with a regulation on ensuring a level playing field for sustainable air transport and at airports located in an outermost region;

- in other cases, **50 %** of the remaining price differential between the use of fossil kerosene and any eligible aviation fuel that is not derived from fossil fuels.

The Commission should publish in the Official Journal of the European Union details of the average cost difference between fossil kerosene, taking into account incentives from the price of carbon and from harmonised minimum levels of taxation on fossil fuels, and the relevant eligible aviation fuels, on a yearly basis for the previous year.

Non-CO2 effects on climate from aviation

Aircraft operators should report once a year on the non-CO2 aviation effects occurring from 1 January 2025. For that purpose, the Commission should adopt by 31 August 2024 an **implementing act to include nonCO2 aviation effects in a monitoring, reporting and verification framework**.

That monitoring, reporting and verification framework should contain, at a minimum, the three-dimensional aircraft trajectory data available, and ambient humidity and temperature to enable a CO2 equivalent per flight to be produced. The Commission should ensure, subject to available resources, that tools are available to facilitate and, to the extent possible, automatise monitoring, reporting and verification in order to minimise any administrative burden.

By 31 December 2027, based on the results from the application of the monitoring, reporting and verification framework for non-CO2 aviation effects, the Commission should submit a report and, where appropriate and after having first carried out an impact assessment, a **legislative proposal** to mitigate nonCO2 aviation effects by expanding the scope of the EU ETS to include nonCO2 aviation effects.

Derogations applicable in advance of the mandatory implementation of ICAO's global market-based measure

By way of derogation, Member States should consider the requirements set out in those provisions to be satisfied and should take no action against aircraft operators in respect of:

- all emissions from flights to and from aerodromes located in States outside the EEA, with the exception of flights to aerodromes located in the United Kingdom or Switzerland, in each calendar year from 1 January 2021 to 31 December 2026, subject to the review;

- all emissions from flights between an aerodrome located in an **outermost region** and an aerodrome located in another region of the EEA in each calendar year from 1 January 2013 to 31 December 2023, subject to the review.

Reporting and review by the Commission concerning the implementation of ICAO's global market-based measure

Before 1 January 2027 and every three years thereafter, the Commission should report to the European Parliament and to the Council on progress in the ICAO negotiations to implement the global market-based measure to be applied to emissions from 2021. In line with the global stocktake of the Paris Agreement, the Commission should also report on efforts to meet the aviation sector's long-term global aspirational goal of reducing aviation CO2 emissions to net zero by 2050.

By 1 July 2026, the Commission should submit a report in which it should assess the environmental integrity of ICAO's global market-based measure, including its general ambition in relation to targets under the Paris Agreement. The report should be accompanied by a legislative proposal, where appropriate, to amend this Directive in a way that is consistent with the Paris Agreement temperature goals.

Revision of the EU Emissions Trading System for aviation

2021/0207(COD) - 14/07/2021 - Legislative proposal

PURPOSE: to review the EU Emissions Trading Scheme (EU ETS) for aviation emissions in line with the EU's 2030 climate objectives.

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2003/87/EC of the European Parliament and of the Council established a system for greenhouse gas emission allowance trading within the Union, in order to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner (EU ETS). Aviation activities were included in the EU emissions trading system by Directive 2008/101/EC of the European Parliament and of the Council.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The 'European Climate Law' has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a **complementary and interconnected set of proposals as part of the 2030 Climate and Energy 'Fit for 55' package** to achieve the greenhouse gas emission reduction target of **at least 55% compared to 1990**. This 'Fit for 55' legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

Considering current and projected emissions from the aviation sector, and in the context of an enhanced climate ambition of the EU for 2030, the **climate contribution needs to be significantly strengthened**, also with a view to allow for the necessary contribution to the EU climate neutrality by 2050.

CONTENT: under this proposal, the Commission introduces **amendments to the EU Emissions Trading System (EU ETS)** legislation in relation to its application to aviation to ensure that:

- aviation contributes to the 2030 emissions reduction target in accordance with the European Green Deal;

- the EU ETS is amended as appropriate in respect of the ICAO's Carbon Offset and Reduction Scheme for International Aviation; and

- allocation of emission allowances in respect of aviation is revised to increase auctioning.

The proposal makes amendments to Directive 2003/87/EC in order to:

- consolidate the total quantity of allowances for aviation at the level of allocation/auctioning for intra-European flights and departing flights from EEA airports to Switzerland and the UK. The allocation for year 2024 will be based on the total allocation to active aircraft operators in 2023. The total number of aviation allowances in the ETS will be capped at current levels and be reduced annually by 4.2% (linear reduction factor). The number of free allowances allocated to aircraft operators will be reduced progressively, with the aim of stopping free allocation to aviation by the end of 2026;

- include a time-limited derogation from the EU ETS for emissions from flights between an aerodrome located in an outermost region of a Member State and an aerodrome located in the same Member State;

- allows delegated acts to be adopted to supplement this Directive concerning the detailed arrangements for the auctioning by Member States of aviation allowances should include the modalities for the transfer of a share of revenues to the Union budget;

- delete the provisions on free allocation rules to aircraft operators are no longer needed after the transition to full auctioning;

- allow the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) to apply to emissions from EU-based airlines for flights to and from countries outside the EEA, Switzerland and the UK. When emissions from flights outside the EEA reach levels higher than those in 2019, they will have to be offset by corresponding carbon offsets;

- provide for EU-based airlines to use appropriate international credits for compliance for flights to or from third countries that are applying CORSIA;

- ensure that fights to and from most Least Developed Countries and Small Island Developing States not implementing CORSIA would be exempt from EU ETS or CORSIA obligations without end date for the exemption.

In parallel to these amendments to the EU ETS Directive, a separate proposal is being made to implement Member State notification to EU-based airlines of zero CORSIA offsetting for the year 2021. The separate proposal relates to CORSIA-related aspects that should be in place by November 2022, for notification of zero additional offsetting to take place by that date.

Revision of the EU Emissions Trading System for aviation

2021/0207(COD) - 16/05/2023 - Final act

PURPOSE: to review the EU Emissions Trading Scheme (EU ETS) for aviation emissions.

LEGISLATIVE ACT: Directive (EU) 2023/958 of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and the appropriate implementation of a global market-based measure.

CONTENT: this Directive revises the EU Emissions Trading Scheme (EU ETS) rules applicable to the aviation sector. It ensures that aviation contributes to the EU's emission reduction targets under the Paris Agreement.

Scope of application

The EU ETS will apply to intra-European flights (including flights from the UK and Switzerland), while CORSIA (ICAO Carbon Offsetting and Reduction Scheme for International Aviation) will apply to extra-European flights to and from third countries participating in CORSIA from 2022 to 2027.

Phasing out free emission allowances for the aviation sector

The amending directive provides for the gradual phasing out of free emission allowances for the aviation sector as follows: 25% in 2024, 50% in 2025 and 100% from 2026. This means that allowances will be **fully auctioned from 2026 onwards**.

Encouraging the decarbonisation of commercial aviation

For the period from 1 January 2024 until 31 December 2030, **a maximum of 20 million** of the total quantity of allowances should be reserved in respect of commercial aircraft operators, on a transparent, equal-treatment and non-discriminatory basis, for the use of sustainable aviation fuels, and other aviation fuels that are not derived from fossil fuels.

The reserved allowances should be allocated by the Member States to **cover part of or all of the price differential** between the use of fossil kerosene and the use of the relevant eligible aviation fuels, taking into account incentives from the price of carbon and from harmonised minimum levels of taxation on fossil fuels.

All fuels eligible under RefuelEU, with the exception of fuels derived from fossil fuels, will be eligible for Sustainable Aviation Fuels (SAF) quotas. The mechanism will be in place until 2030.

Small islands, small airports and outermost regions will be able to cover the price differential between paraffin and eligible fuels with **100%** of SAF quotas to ensure the availability of eligible fuels in these locations with specific supply constraints.

For all other airports, coverage of the price differential will be modulated according to the type of fuel:

- 95% for renewable fuels of non-biological origin (RFNBO);

- 70% for advanced biofuels;

- and 50% for other eligible fuels.

Non-CO2 effects on climate from aviation

A **framework for monitoring, reporting and verifying** the non-CO2 effects of aviation will be put in place. From 1 January 2025, aircraft operators will be required to report annually on the non-CO2 effects of aviation. To this end, the Commission will adopt, no later than 31 August 2024, an implementing act to include the non-CO2 effects of aviation in a monitoring, reporting and verification framework.

No later than 1 January 2028, on the basis of the results of this framework, the Commission will propose, where appropriate, measures to mitigate the non-CO2 impacts of aviation.

Reporting and review by the Commission concerning the implementation of ICAO's global market-based measure

Before 1 January 2027 and every three years thereafter, the Commission will report to the European Parliament and to the Council on progress in the ICAO negotiations to implement the global market-based measure to be applied to emissions from 2021. In line with the global stocktake of the Paris Agreement, the Commission will also report on efforts to meet the aviation sector's long-term global aspirational goal of reducing aviation CO2 emissions to net zero by 2050.

By 1 July 2026, the Commission will present a report assessing the environmental integrity of ICAO's global market-based measure, including its general ambition in relation to targets under the Paris Agreement.

The Commission's report will be accompanied by a legislative proposal, where appropriate, to amend this Directive in a way that is consistent with the Paris Agreement temperature goal.

ENTRY INTO FORCE: 5.6.2023.

TRANSPOSITION: 31.12.2023.

Revision of the EU Emissions Trading System for aviation

2021/0207(COD) - 08/06/2022 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 479 votes to 130, with 32 abstentions, **amendments** to the proposal on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure.

The matter was referred to the committee responsible for inter-institutional negotiations.

The proposal to amend the EU Emissions Trading Scheme (EU ETS) legislation as regards its application to aviation is part of the 'Fit for 55 in 2030 package', which is the EU's plan to reduce greenhouse gas emissions by at least 55 % by 2030 compared to 1990 levels.

The main amendments adopted in plenary are as follows:

Inclusion of emissions from flights to non-European Economic Area (EEA) countries

In order to ensure ambitious greenhouse gas emission reductions in the aviation sector, in line with the Paris Agreement, and to help create an international level playing field while ensuring a level playing field on routes, Members proposed that the EU ETS should **apply to all flights departing from an airport located in the EEA** as of 30 April of the year following the entry into force of the new rules.

A derogation from the EU ETS should be provided for emissions from flights between an aerodrome located in an outermost region of a Member State and an aerodrome located in another region of the EEA and flights between two aerodromes located within the same outermost region.

In order to ensure that emissions are not double-counted, aircraft operators should be able to deduct the financial value of expenditure on credits they use under the **Carbon Offset and Reduction Scheme for International Aviation** (CORSIA) for flights falling within the scope of the Directive.

Phasing out free allowances by 2025

Aviation accounts for 2-3% of global CO2 emissions. In the EU, aviation emissions account for 3.7% of total CO2 emissions. The aviation sector generates 15.7% of transport emissions, excluding non-CO2 emissions, making it the second largest producer of greenhouse gas emissions after road transport.

Parliament plans to end free allowances to the aviation sector by 2025, two years ahead of the timetable proposed by the Commission. To ensure a gradual phase-out, an **accelerated 50% reduction in free allowances is proposed for 2024**, compared to the Commission's proposal.

Of the total quantity of allowances for the period 1 January 2024 to 31 December 2029, 20 million should be reserved for allocation in the same manner as a contract for difference, **covering the remaining price differential between fossil kerosene and sustainable aviation fuels**, to aircraft operators that use more **sustainable aviation fuels**, giving priority to renewable fuels of non-biological origin.

The Commission should ensure that 70% of these allowances are allocated specifically to the use of synthetic aviation fuels, with priority given to non-biobased renewable fuels.

Directing financial resources to the climate transition

Members proposed that:

- 75% of the revenues generated by the auctioning of aviation allowances (except those earmarked as own resources in the EU budget) be used to support innovation and new technologies, including the deployment of decarbonisation solutions in the aviation sector through the Climate Investment Fund;

- 15% of the revenue generated from the auctioning of allowances for emissions from flights leaving the EEA be allocated to the UNFCCC climate funds (in particular the Green Climate Fund and the Adaptation Fund) to advance international action to mitigate the effects of climate change on the most vulnerable communities.

Framework for monitoring and reporting of non-CO2 emissions from aviation

The Commission should establish a monitoring, reporting and verification system for aviation emissions other than CO2 (such as water vapour (H2O), nitrogen oxides (NOx), sulphur dioxide (SO2) and soot particles). Based on the results of this scheme, the Commission should, by 31 December 2026, on the basis of an impact assessment, present a **legislative proposal** containing mitigation measures for non-CO2 emissions, extending the scope of the EU ETS to cover these emissions.

Enforceability of CORSIA

In order to ensure data transparency and improve the enforceability of CORSIA and public access to information on CORSIA, aircraft operators should report in a user-friendly manner their emissions and offsetting in the process of assessing the impact of CORSIA on the global reduction of CO2 emissions and its role in achieving the goals of the Paris Agreement.

In order to increase transparency, accountability and user-friendly accessibility of information, the Commission should publish a list of aircraft operators that are not considered to be applying CORSIA for flights to and from third countries.

Reporting and review

Parliament called on the Commission to present a progress report, **before 1 January 2027 and every two years thereafter**, on the International Civil Aviation Organisation (ICAO) negotiations to implement the global market-based measure to be applied to emissions from 2021.

Members also considered that the transition of the aviation sector towards sustainable aviation should **take into account the social dimension of the sector and its competitiveness**, to ensure that this transition is socially just and provides workers with access to training, re-skilling and up-skilling. The Commission should submit a report to the European Parliament and the Council on the application of the Directive and its impact on the internal market as regards the aviation sector, including its social impact.

Revision of the EU Emissions Trading System for aviation

2021/0207(COD) - 20/05/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Sunčana GLAVAK (EPP, HR) on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure.

The proposal to amend the EU Emissions Trading Scheme (EU ETS) legislation as regards its application to aviation is part of the 'Adjustment to Target 55' package which aims to enable the Union to reduce its net greenhouse gas emissions by at least 55% by 2030 compared to 1990.

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

Members recalled that **aviation accounts for 2-3% of global CO2 emissions**. In the EU, aviation emissions account for 3.7% of total CO2 emissions. The aviation sector is responsible for 15.7% of transport emissions, excluding non-CO2 emissions.

Inclusion of emissions from flights to non-European Economic Area (EEA) countries

Members proposed that the EU ETS should apply to **all flights departing from an airport in the EEA** from 30 April of the year after the new rules enter into force. This would contribute to an international level playing field while ensuring a level playing field on routes.

To ensure that emissions are not double-counted, flights from the EEA to third countries operating the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) would be able to deduct the financial value of purchased CORSIA credits from the EU ETS surrender requirements.

Phasing out free allocations by 2025

Free allowances would be **reduced by 50% in 2024 and phased out by 2025**.

Of the total quantity of allowances for the period 1 January 2024 to 31 December 2029, it is proposed that 20 million be reserved for allocation in the same manner as a contract for difference, covering the price difference between fossil kerosene and sustainable aviation fuels, to aircraft operators that use more sustainable aviation fuels, giving priority to renewable fuels of non-biological origin.

Directing financial resources to the climate transition

Members proposed that:

- **75%** of the revenues generated by the auctioning of aviation allowances (except those earmarked as own resources in the EU budget) be used to support innovation and new technologies, including the deployment of decarbonisation solutions in the aviation sector through the Climate Investment Fund;

- **15%** of the revenue generated from the auctioning of allowances for emissions from flights leaving the EEA be allocated to the UNFCCC climate funds (in particular the Green Climate Fund and the Adaptation Fund) to advance international action to mitigate the effects of climate change on the most vulnerable communities.

The report also proposed a number of additional measures to be taken by the Commission:

- the publication of all aircraft operator emissions **data** in a user-friendly format to improve data transparency;

- the publication of a **list of aircraft operators** that are not considered to be applying CORSIA for flights to and from third countries;

- a **monitoring, reporting and verification scheme for non-CO2 emissions** (nitrogen oxides, soot particles, sulphur dioxide, water vapour) and, if appropriate, by 2026, a legislative proposal to extend the scope of the EU ETS to these emissions;

- a **progress report**, by 1 January 2027 and every two years thereafter, on the International Civil Aviation Organisation (ICAO) negotiations to implement the global market-based measure to be applied to emissions from 2021 onwards;

- the submission, by 1 January 2027, of a report on the application of the Directive and its impact on the internal market as regards the aviation sector, including its social impact.