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*****I**

REPORT

on 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

(COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Satu Hassi

Rapporteur for opinion(*):

Robert Goebbels, Committee on Industry, Research and Energy

(*) Associated committee - Rule 47 of the Rules of Procedure

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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(*) Associated committee - Rule 47 of the Rules of Procedure

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on 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 (COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0017),
 - having regard to Articles 251(2) and 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0041/2008),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Industry, Research and Energy, the Committee on Economic and Monetary Affairs, the Committee on Employment and Social Affairs and the Committee on Regional Development (A6-0411/2008),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Amendment 1

Proposal for a decision

Recital 2

Text proposed by the Commission

(2) The view of the Community, most recently expressed by the Environment Council in its meeting of 5 November 2007 in Brussels, is that in order to meet this objective, the overall global annual mean surface temperature increase should not exceed 2°C above pre-industrial levels, which implies that global greenhouse gas emissions should be reduced to at least 50% below 1990 levels by 2050. All

Amendment

(2) The view of the Community, most recently expressed by the Environment Council in its meeting of 5 November 2007 in Brussels, is that in order to meet this objective, the overall global annual mean surface temperature increase should not exceed 2°C above pre-industrial levels, which implies that global greenhouse gas emissions should be reduced to at least 50% below 1990 levels by 2050. All

sectors of the economy should contribute to achieving these emission reductions. Developed countries should continue to take the lead by committing to collectively reducing their emissions of greenhouse gases in the order of 30% by 2020 compared to 1990.

sectors of the economy should contribute to achieving these emission reductions. Developed countries should continue to take the lead by committing to collectively reducing their emissions of greenhouse gases in the order of 30% by 2020 compared to 1990, **and by 60 to 80 % by 2050.**

Justification

The European Council pointed out, at its March 2007 meeting, that long-term emission reductions of 60 to 80% by 2050 would be required.

Amendment 2

Proposal for a decision Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) In order to ensure that the potential for reducing energy consumption in the EU by 20 % by 2020 is realised, the indicative target of the Action Plan for Energy Efficiency: Realising the Potential (COM(2006)0545) should become mandatory for Member States. The Commission should adopt legislative measures to this effect no later than 2009.

Justification

The efficiency target set by the EU is the only 2020 objective that is not legally binding. Achieving this potential must be a primary aim in all sectors. Savings of energy due to the achievement of the target of energy efficiency will lead to a reduction of overall emissions and more particularly from the emissions of the building and transport sector. Converting the energy efficiency target into a legally binding objective is the only way to secure focus on energy conservation and put a clear obligation on EU governments to invest in energy efficiency.

Amendment 3

Proposal for a decision
Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) Every Member State should draw up a national action plan setting out how it intends to meet its reduction target in sectors outside the emissions trading scheme. Each action plan should be presented together with a strategy to promote energy efficiency.

Amendment 4

Proposal for a decision
Recital 6 b (new)

Text proposed by the Commission

Amendment

(6b) In fulfilling their obligations, the Member States and the Commission should consider the opportunities and risks associated with the reduction in greenhouse gases for social security and employment. Since climate change has been included in the new employment guidelines (COM(2007)0803), adjustments to climate change should also play a key role in national action plans, particularly in the areas of employment, education and research.

Amendment 5

Proposal for a decision
Recital 6 c (new)

Text proposed by the Commission

Amendment

(6c) Emission reductions in sectors outside the emissions trading scheme depend greatly on the actions of individual citizens. Member States should ensure that citizens are properly prepared,

and have the necessary resources, to adopt the best possible technologies and solutions. Citizens should be encouraged to embrace an energy-saving way of life with the aid of, among other things, education and independent information.

Amendment 6

Proposal for a decision Recital 6 d (new)

Text proposed by the Commission

Amendment

(6d) Adjustments and restructuring in the labour market which become necessary as a result of climate change should be supported with appropriations from the structural funds, particularly the European Social Fund and, where appropriate, from the European Globalisation Adjustment Fund, and facilitated by promoting social dialogue at various levels (sector specific, inter-sectoral, and at regional, national and EU levels) and by creating socially egalitarian conditions in order to promote training and retraining for businesses and individuals. These measures should be taken in the context of a preventive approach and should involve the social partners in accordance with national customs and practice.

Amendment 7

Proposal for a decision Recital 7

Text proposed by the Commission

Amendment

(7) 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.***

(7) Member State reduction efforts should be based on the principle of ***equal treatment*** between Member States and the need for sustainable economic growth across the Community.

Member States that currently have a relatively low per capita GDP and thus high GDP growth expectations should be allowed to increase their greenhouse emissions compared to 2005, but should limit this greenhouse emissions growth to contribute to the overall reduction commitment of the Community. Member States that currently have a relatively high per capita GDP should reduce their greenhouse emissions compared to 2005.

Amendment 8

Proposal for a decision Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Member States may justify unrestricted levels of domestic greenhouse gas emissions reduction above and beyond their greenhouse gas emission limits, based on no-regrets actions and policies that have co-benefits. In this regard primacy should be given to the co-benefits to public health (particularly relating to air quality) and improved safety, ecosystem preservation and biodiversity, poverty reduction and employment, and energy security.

Justification

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change working group III on mitigation clearly indicates that the co-benefits of action in the form of reduced air pollution, more energy security or more rural employment offset mitigation costs. There is a general consensus for all world regions analyzed that near-term health and other benefits from GHG reductions can be substantial, both in industrialised and developing countries.

Amendment 9

Proposal for a decision

Recital 9

Text proposed by the Commission

(9) In order to provide for flexibility for Member States in implementing their commitments, to promote sustainable development in third countries, in particular in developing countries, and to provide certainty to investors, the Community should continue to recognise a certain amount of credits from greenhouse gas emission reduction projects in third countries before a future international agreement on climate change has been reached. Member States should ensure that ***their policies for purchasing*** these credits enhance the equitable geographical distribution of projects and enhance the achievement of a future international climate change agreement.

Amendment

(9) In order to provide for flexibility for Member States in implementing their commitments, to promote sustainable development in third countries, in particular in developing countries, and to provide certainty to investors, the Community should continue to recognise a certain amount of credits from greenhouse gas emission reduction projects in third countries before a future international agreement on climate change has been reached. Member States should ***commit to greenhouse gas emissions mitigation efforts in developing countries and therefore should ensure that at least 50 % of these credits are purchased from Least Developed Countries (LDCs) and the Small Island Developing States (SIDS) so as to enhance the equitable geographical distribution of projects and enhance the achievement of a future international climate change agreement. All projects in third countries should guarantee the transfer of new, low-carbon technologies and should conform to high quality criteria that guarantee their additionality and their environmental and social integrity.***

Amendment 10

Proposal for a decision

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) As a means of evening out the differences in abatement cost faced by different Member States by allowing for increased geographical flexibility and, at the same time, enhancing the overall cost-

efficiency of the total commitment of the Community, Member States should be able to transfer part of their allowed greenhouse gas emissions entitlement to another Member State. Such transfers would be regulated through a bilateral agreement and transparency would be ensured by way of a notification to the Commission and the registration of such a transfer in the registries of both Member States involved.

Justification

With this proposal the cost-efficiency increases when it comes to meeting the EU target on emission cuttings. This voluntary possibility might also help those countries that, due to lack of resources, will have difficulties cutting their emissions, since it enables financing of further action/measures in the transferring country based on the funds received from the transfers. All member-states that wishes to participate will benefit. But most of all the environment benefits the most since efficient use of our resources are fundamental for good environmental policy.

Amendment 11

Proposal for a decision

Recital 13

Text proposed by the Commission

(13) The continued ability for Member States to use CDM credits is important to help ensure a market for those credits after 2012. To help ensure such market as well as to ensure further greenhouse gas emission reductions within the Community and thus enhance the implementation of the objectives of the Community relating to renewable energy, energy security, innovation and competitiveness, it is proposed to allow the annual use by Member States of credits from greenhouse gas emission reduction projects in third countries, until a future international agreement on climate change has been reached, up to a quantity representing 3% of the greenhouse gas emissions of each

Amendment

(13) The continued ability of Member States to use CDM credits is important to help ensure a market for those credits after 2012. To help ensure such *a* market as well as to ensure further greenhouse gas emission reductions within the Community and thus enhance the implementation of the objectives of the Community relating to renewable energy, **energy efficiency**, energy security, innovation and competitiveness, it is proposed to allow the annual use by Member States of credits from greenhouse gas emission reduction projects in third countries **or in other Member States**, until a future international agreement on climate change has been reached, up to a quantity representing 3%

Member State not covered *under* Directive 2003/87/EC in the year 2005. This quantity is equivalent to a third of the reduction effort in 2020. Member States should be allowed to ***transfer*** the unused part of that quantity to other Member States.

of the greenhouse gas emissions of each Member State not covered *by* Directive 2003/87/EC in the year 2005. This quantity is equivalent to a third of the reduction effort in 2020. Member States should be allowed to transfer the unused part of that quantity to ***sell to*** other Member States ***by auction, provided that at least 50 % of such projects are implemented in the LDCs and the SIDS.***

Amendment 12

Proposal for a decision Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) The Community should contribute significantly to the reduction of greenhouse gas emissions in countries that are Parties to the UNFCCC but not included in Annex I thereof (non-Annex I Parties). This contribution to greenhouse gas emissions reduction efforts in non-Annex I Parties should be based on a global emission pathway that is likely to achieve the objective of limiting climate change to an increase of 2 °C compared to pre-industrial levels and should be conditional on a comprehensive post-2012 international agreement. This Community external greenhouse gas emissions reduction commitment should be divided between Member States, taking into account their relative per capita GDP. Member States should devote adequate resources to achieve their external greenhouse gas emissions reduction commitment, inter alia by earmarking a substantial part of the revenues generated by the auctioning of allowances under Directive 2003/87/EC.

Justification

The IPCC 4AR concludes that to limit the global warming below 2 °C also a significant deviation from the business as usual path in the developing countries is needed. Industrialised

countries have a responsibility to contribute to the required emissions limitation in developed countries in addition to their mandatory domestic reductions, provided a comprehensive international agreement is reached.

Amendment 13

Proposal for a decision

Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) In the event that no international agreement has been ratified by the Community and the Member States by 31 December 2012 the Commission should 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.

Justification

Land use, land use change and forestry (LULUCF) accounts for a large share of global climate impact and is expected to be an important element of the agreement at Copenhagen in 2009. Inclusion of LULUCF to the effort sharing decision should be based on harmonised community rules on ensuring the environmental integrity and accurate accounting. If part of the international regime, the use of forestry credits for compliance under effort sharing should also be considered provided that the question of permanence (or replacement of temporary credits) is guaranteed.

Amendment 14

Proposal for a decision

Recital 14 b (new)

Text proposed by the Commission

Amendment

(14b) If emissions and removals related to land use, land use change and forestry are included in the future international agreement, a Commission proposal on including these emissions and removals in

this Decision could address the conditions for the use of credits from sustainable, verifiable and permanent afforestation and reforestation projects certified by the CDM Executive Board, forestry activities in developing countries that are foreseen in an agreement that has been concluded in accordance with Article 11a(5) of Directive 2003/87/EC or any sustainable, verifiable and permanent forestry projects in developing countries in compliance with the international agreement referred to in Article 6(1), recognising that all tCERs or ICERs with units valid under the Kyoto Protocol or the international agreement have to be replaced and that the Member State should also replace those tCERs or ICERs before their expiry on a continuing basis.

Justification

Land use, land use change and forestry (LULUCF) accounts for a large share of global climate impact and is expected to be an important element of the agreement at Copenhagen in 2009. Inclusion of LULUCF to the effort sharing decision should be based on harmonised community rules on ensuring the environmental integrity and accurate accounting. If part of the international regime, the use of forestry credits for compliance under effort sharing should also be considered provided that the question of permanence (or replacement of temporary credits) is guaranteed.

Amendment 15

Proposal for a decision

Recital 15

Text proposed by the Commission

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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

Amendment

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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 this
Decision should be made in 2016.

evaluation of the implementation this
Decision should be made in 2016, *putting forward, where appropriate, proposals with a view to achieving the objectives up to 2020. As part of the two-yearly assessment the Commission should assess and report on progress made in ensuring that different Community policies (for instance in the field of agriculture, product requirements, structural policies and research) contribute to the greenhouse gas emissions reduction effort. The assessment should also include an evaluation of the CDM projects registered and/or implemented by the Member States, so as to verify whether they are in line with the quality criteria referred to in this Decision.*

Amendment 16

Proposal for a decision Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Where planned Community policies and measures could have a significant impact, positive or negative, on the achievement of the greenhouse gas emissions reduction commitments by Member States, the impact assessment for each proposal should include a quantification of the impact on greenhouse gas emissions in respect of each Member State, and for the Community as a whole. By 31 December 2010, and every three years thereafter, the Commission should draw up a report on the positive and negative impacts that Community policies and measures are having on the efforts of each Member State, and for the Community as a whole, to limit greenhouse gas emissions in accordance with Article 3(1) and Article 6(3).

Justification

For most sectors outside the ETS, Community level measures will be critical for Member States to meet their obligations (e.g. transport and vehicle efficiency standards, efficiency standards for buildings and appliances, agriculture). The impact of proposed Community policies and measures should be assessed at the policy formulation stage, and subject to regular review.

Amendment 17

Proposal for a decision

Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) In order to ensure its effectiveness, this Decision should provide for a mechanism whereby a Member State exceeding its annual greenhouse gas emission target will be subject to a penalty equal to the one applicable to installations under Directive 2003/87/EC and a corresponding CO₂ equivalent amount being deducted from the subsequent auction of allowances under that Directive. Any revenues from such penalties should accrue to a Community fund dedicated to financing climate change mitigation measures.

Justification

For achieving the overall EU objective it is important that the Members States comply with the Decision. An effective compliance mechanism in line with the one applying to installations under the ETS is needed.

Amendment 18

Proposal for a decision

Recital 17 b (new)

Text proposed by the Commission

Amendment

(17b) In order to ensure clear and robust compliance by the Member States, the Commission shall establish a mechanism for imposing direct penalties on the individual Member States not fulfilling

their obligations under this Decision.

Amendment 19

Proposal for a decision Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) The deadline for implementing commitments is 2020. During the period up to 2020, a number of projects should be financed from the European Union's Structural Funds and Cohesion Fund. The Commission should seek to reflect the Community's commitment to reducing greenhouse gas emissions in cohesion policy and incorporate aspects of reducing greenhouse gas emissions into the conditions imposed in relation to the funds earmarked for cohesion and structural development.

Amendment 20

Proposal for a decision Article 1

Text proposed by the Commission

Amendment

This Decision lays down ***rules on the determination of*** the contribution of Member ***States*** 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.

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

Amendment 21

Proposal for a decision

Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1a

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.

Amendment 22

Proposal for a decision

Article 2

Text proposed by the Commission

Amendment

For the purposes of this Decision, the definitions laid down in Article 3 of Directive 2003/87/EC shall apply.

In addition, ‘greenhouse gas emissions’ means the emission of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) from sources, expressed

For the purposes of this Decision, the ***relevant*** definitions laid down in Article 3 of Directive 2003/87/EC shall apply.

In addition, ‘greenhouse gas emissions’ means the emission of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) from sources, expressed

in terms of carbon dioxide equivalent, as determined pursuant to Directive 2003/87/EC.

in terms of carbon dioxide equivalent, as determined pursuant to Directive 2003/87/EC. ***On the basis of rules agreed as part of a future international agreement as referred to in Article 3(1), 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.***

Justification

Land use, land use change and forestry (LULUCF) accounts for a large share of global climate impact and is expected to be an important element of the agreement at Copenhagen in 2009. Inclusion of LULUCF to the effort sharing decision should be based on harmonised community rules on ensuring the environmental integrity and accurate accounting. If part of the international regime, the use of forestry credits for compliance under effort sharing should also be considered provided that the question of permanence (or replacement of temporary credits) is guaranteed.

Amendment 23

Proposal for a decision Article 3 – paragraph 1

Text proposed by the Commission

1. Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions from sources not covered under Directive 2003/87/EC by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year 2005.

Amendment

1. Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions from sources not covered under Directive 2003/87/EC ***at a minimum*** by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year 2005.

Amendment 24

Proposal for a decision
Article 3 - paragraph 3

Text proposed by the Commission

3. During the years 2013 to 2019, a Member State may carry forward from the following year a quantity equal to **2%** of the greenhouse gas emission limit of that Member State in paragraph 2. If the emissions of a Member State are below the limit in paragraph 2 it may carry over **its excess emission reductions** to the subsequent year.

Amendment

3. During the years 2013 to 2019, a Member State may carry forward from the following year a quantity equal to **1%** of the greenhouse gas emission limit of that Member State in paragraph 2. If the **domestic** emissions of a Member State are below the limit in paragraph 2 it may carry over **the difference between its domestic greenhouse gas emissions and that limit** to the subsequent year.

Justification

For several Member States a 2% banking would represent a major part of their reduction obligation, and therefore it could jeopardise a true linear reduction. Using instead a 1% as the maximum quantity provides a higher certainty that indeed Member States emissions will take a downward trajectory.

Amendment 25

Proposal for a decision
Article 3 - paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Each Member State, provided it is in complete compliance with the obligations under this decision, may transfer, sell or lend, based on a bilateral agreement notified to the Commission, part of its greenhouse gas emissions entitlement permitted under paragraphs 1 and 2 to another Member State. The acquiring Member State may use the greenhouse gas emissions entitlement to implement its obligations under this Article. The 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.

Justification

The proposal opens up 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 are used to reduce emissions.

Amendment 26

Proposal for a decision

Article 3 - paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. If the greenhouse gas emissions of a Member State are above the limit set by paragraph 2, this Member State shall compensate for this underachievement in the next year by multiplying the excess greenhouse gas emissions of the previous year by a mandatory additional climate abatement factor of 1,3. If the greenhouse gas emissions of a Member State are below the limit set in paragraph 2, it may carry over its excess emission reductions to the subsequent year.

Justification

Since the total amount of emission reductions is what counts to combat climate change, penalties alone are not enough. The Commission should apply the same restoration factor of 1.3, which is also used in the Kyoto Protocol compliance mechanism.

Amendment 27

Proposal for a decision

Article 3 a (new)

Text proposed by the Commission

Amendment

Article 3a

Emission levels for the period post 2020

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. The Commission shall examine by 2012 whether it is appropriate to differentiate the Community reduction target for a further period, and shall make proposals, if appropriate.

Justification

If the EU aims to respect its 2-degree objective, it should already be putting its emissions on a longer-term trajectory.

Amendment 28

**Proposal for a decision
Article 3 b (new)**

Text proposed by the Commission

Amendment

Article 3b

Energy efficiency

The Commission shall 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: Realising the Potential (COM(2006)0545) 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.

Amendment 29

Proposal for a decision

Article 4 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall ensure that ***their policies for purchasing*** these credits enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change.

Amendment

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.

Amendment 30

Proposal for a decision

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. 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. High quality project credits are credits which:

(a) represent real, verifiable, additional and permanent emission reductions from projects with clear sustainable development benefits and no negative environmental or social impacts; and

(b) originate from projects in countries which are contributing appropriately to global emission reductions under a future international agreement which they have ratified.

Harmonised measures confirming which projects or project types meet these criteria may be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2).

Amendment 31

Proposal for a decision Article 4 – paragraph 4

Text proposed by the Commission

4. The **annual** use of credits by each Member State pursuant to paragraphs 1, 2 and 3 shall not exceed a quantity equal to **3%** of the greenhouse gas emissions of that Member State not covered under Directive 2003/87/EC in the year 2005.

Each Member State may transfer the unused part of that quantity to another Member State.

Amendment

4. The use of credits by each Member State pursuant to paragraphs 1, 2 and 3 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.***

Justification

As part of an overall compromise on flexibility where internal flexibility within the EU is allowed without any restriction, the CDM/JI offset cap is accommodated to reflect preference for intra-EU transfers and changed to cover the whole period instead of annual use-it-or-loose-it quota.

Amendment 32

Proposal for a decision Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4a

Community external emissions reduction commitment

1. 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) .

2. Member States may implement their individual external emissions reduction commitment under paragraph 1 through:

a) Direct funding or participation in one or more bilateral and/or multilateral funds which have as their sole purpose the financing of greenhouse gas reduction policies and measures in non-Annex I Parties;

b) Contributions to reduced greenhouse gas emissions from deforestation and forest degradation, as defined under an international agreement on climate change under the UNFCCC.

3. Member States shall ensure that their policies for financing emission reductions in non-Annex I Parties enhance the equitable geographical distribution of projects.

Justification

The IPCC 4AR concludes that to limit the global warming below 2 °C also a significant deviation from business as usual path in the developing countries is needed. Industrialised countries have a responsibility to contribute to the required emissions limitation in developed countries in addition to their mandatory domestic reductions, provided a comprehensive international agreement is reached.

Amendment 33

Proposal for a decision Article 4 b (new)

Text proposed by the Commission

Amendment

Article 4b

Helping developing countries adapt to the negative consequences of climate change

1. 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. These investments should be in addition to those mentioned under Article 4.

2. The assistance mentioned under paragraph 1 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. Assistance should be channelled to EU and/or international funds for adaptation, including the Global Climate Change Alliance (GCCA) and future international funds for adaptation supported by an international agreement. Assistance for adaptation should be additional to current aid flows but integrated into mainstream development aid.

3. Member States may use the revenues from auctioning under the implementation of Directive 2003/87/EC as amended for the purpose of meeting the obligations of this article.

Justification

Industrialized countries are to a large extent responsible for the negative impacts of climate change affecting developing countries. The EU therefore has an obligation to pay for these damages.

Amendment 34

Proposal for a decision Article 5

Text proposed by the Commission

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3 **and** the use of credits in accordance with Article 4.

Amendment

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3, the use **and geographical distribution** of credits in accordance with Article 4 **and the implementation and geographical**

distribution of external adaptation and the Community emission reduction commitment pursuant to Article 4a.

These reports 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 pursuant to Article 3, Member States shall prepare policies and measures based on a Community target of -30% by 2020 compared to 1990.

1a. Member States shall report on their annual greenhouse gas emissions from sources not covered under Directive 2003/87/EC by 31 August of the following year.

The Commission shall verify and publish these reports within two months after that date. In the event of non-compliance the provisions of Article 5a shall apply.

2. The Commission shall in its report submitted pursuant to Article 5(1) of Decision 280/2004/EC evaluate whether progress is sufficient to fulfill the commitments under this Decision.

The evaluation shall take into account progress in Community policies and measures and information from Member States in accordance with Article 3 and Article 5 of Decision 280/2004/EC.

Every two years, starting with the emissions reported for the year 2013, the evaluation shall also include the projected progress of the Community and its Member States towards fulfilling their commitments under this Decision. Member States shall submit an update of their projected progress before 1 July 2016.

2. The Commission shall in its report submitted pursuant to Article 5(1) of Decision 280/2004/EC evaluate whether progress is sufficient to fulfill the commitments under this Decision.

The evaluation shall take into account progress in Community policies and measures and information from Member States in accordance with Article 3 and Article 5 of Decision 280/2004/EC.

Every two years, starting with the emissions reported for the year 2013, the evaluation shall also include the projected progress of the Community and its Member States towards fulfilling their commitments under this Decision. Member States shall submit an update of their projected progress before 1 July 2016 ***and for every two subsequent years.***

The Commission shall assess the impact of EU sectoral policies on the Community's greenhouse gas emissions

and the emissions reduction potential relating to these policies. The Commission shall make proposals, as appropriate, to ensure that such policies contribute adequately to achieving the 2020 and 2050 reduction targets.

2a. The standard format for reporting of greenhouse gas emissions resulting from the implementation of Article 3, the use of credits in accordance with Article 4 and the implementation of Article 4a shall be laid down in accordance with the regulatory procedure with scrutiny referred to in Article 9.

2b. 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:

- each Member State's greenhouse gas emission limits by 2020 compared to 1990 greenhouse gas emission levels; and*
- each Member State's greenhouse gas emissions in 2020.*

2c. The Commission shall review and, where appropriate, update or amend Decision 280/2004/EC, Decision 2005/166/EC and Commission Regulation (EC) No 2216/2004 in light of the experience drawn from the implementation of this Decision.

2d. The Commission shall draw up a report specifying further steps that should be taken at Community level to ensure the achievement of the efficiency target set by the European Council in March 2007. In particular, the report shall include:

- a) the results of the examination referred to in Article 4(5) of Directive 2006/32/EC on whether a directive on white certificates is appropriate. In particular this report shall set out the potential for a mandatory, Community-wide white*

certificates trading scheme;

b) detailed proposals for reducing emissions from homes and commercial buildings by means of enhanced product and building standards, with the aim of ensuring that all new homes and commercial premises are 'zero carbon' by 2020;

Justification

Timely reporting is essential for the Commission to be able to evaluate whether Member States are in compliance with their targets and to introduce the necessary measures in case of non-compliance.

Amendment 35

Proposal for a decision Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

Compliance Mechanism

1. 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 pursuant to Article 3 of this Decision, 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.

2. In addition to paragraph 1, the total by which the limit in tonnes of carbon dioxide equivalent is exceeded shall be deducted from the subsequent quantity of allowances auctioned by that Member

State pursuant to Article 10(2) of Directive 2003/87/EC. In order to keep the EU Emissions Trading Scheme (ETS) cap intact, these allowances shall be auctioned by the Commission and the revenues shall go into the fund referred to in paragraph 1.

3. The Commission shall establish a mechanism for withholding allowances for auctioning from the respective Member State's amount of allowances under Article 9a and 10 of Directive 2003/87/EC until the excess emissions penalty for non-compliance is received. In order to keep the EU Emissions Trading Scheme (ETS) cap intact, these allowances shall be auctioned by the Commission. The Commission shall also provide for a mechanism to liberate the revenues from the auctioning from the withheld allowances after the Member State in question has paid its penalty payment.

4. The Commission shall adopt measures to establish the Community fund referred to in paragraph 1 and the mechanisms referred to in paragraph 3. Those measures, designed to amend non-essential elements of this Decision by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2).

Justification

A strong and efficient compliance mechanism is crucial, especially if trade between Member States is allowed.

Amendment 36

Proposal for a decision Article 5 b (new)

Text proposed by the Commission

Amendment

Article 5b

Cooperation between authorities

Since the commitment entered into by the Community imposes tasks not only on the central governments of Member States but also on their local and regional governments and on other local and regional advocacy forums and organisations, Member States shall ensure cooperation between their central authorities and local authorities at different levels.

Amendment 37

**Proposal for a decision
Article 5 c (new)**

Text proposed by the Commission

Amendment

Article 5c

Renewable energy sources

Since 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.

Amendment 38

**Proposal for a decision
Article 5 d (new)**

Text proposed by the Commission

Amendment

Article 5d

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.

Amendment 39

Proposal for a decision Article 5 e (new)

Text proposed by the Commission

Amendment

Article 5e

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.

Amendment 40

Proposal for a decision Article 6 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Amendment

5. The Commission shall adopt 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.

5. The Commission shall adopt measures to provide for the use by Member States of additional types of project credits ***which ensure quality and additionality and contribute to sustainable development***, or the use by Member States of other mechanisms created under the international agreement, as appropriate.

Amendment 41

Proposal for a decision
Article 9 – paragraph 2

Text proposed by the Commission

2. Where reference is made to this paragraph, **Articles 5a and 7** of Decision 1999/468/EC shall apply, having regard to Article 8 thereof.

Amendment

2. Where reference is made to this paragraph, **Articles 5a(1) to (4) and Article 7** of Decision 1999/468/EC shall apply, having regard to **the provisions of** Article 8 thereof.

Justification

Aligning the provision to a standard way of referring to the new regulatory procedure with scrutiny.

Amendment 42

Proposal for a decision
Article 10

Text proposed by the Commission

The Commission shall draw up a report evaluating the implementation of this Decision. The Commission shall submit that report to the European Parliament and to the Council by 31 October 2016, accompanied by proposals as appropriate.

Amendment

The Commission shall draw up a report evaluating the implementation of this Decision. **That report shall also evaluate how the implementation of this Decision has affected competition at national, EU and international level.** The Commission shall submit that report to the European Parliament and to the Council by 31 October 2016, accompanied by proposals as appropriate.

EXPLANATORY STATEMENT

Background

In March 2007 the European Council agreed upon climate targets for the European Union. As a part of an international agreement the EU would commit to a 30 % reduction of greenhouse gas emissions by 2020, compared to 1990 levels. Even without an international agreement the EU would independently achieve at least a 20% reduction. This proposal is part of the so called EU climate package, which the Commission put forward to implement those decisions. The EU Emissions Trading System covers roughly half of the EU emissions from 2013 to 2020. The proposal for the Effort Sharing Decision covers the other sectors (such as transport, buildings, services, smaller industrial installations, agriculture and waste) and together the two form the EU emissions cap.

Reduction target

This proposal of the Commission is based on an overall greenhouse gas reduction target of 20 % by 2020, which will be tightened to 30 %, when an international post 2012 climate agreement is finalised.

However, the 4th Assessment Report of IPCC concludes that in order to have a 50 % probability to limit global warming below 2 °C compared to pre-industrial levels, industrialised countries need to reduce their emissions by 25-40% compared to 1990. This range was explicitly recognised by all industrialised countries apart from the US at the UN Climate Conference in Bali in December 2007. The 20 % reduction target falls clearly below the necessary ambition level. Furthermore, the European Parliament has called (e.g. 26.10.2006) for EU internal policies to be based on a -30% target.

Therefore the rapporteur proposes that the 30 % reduction target, which is in line with the advice of the IPCC, is taken as the starting point of this decision, and 20 % reduction is kept as a fallback option, in case an international agreement is delayed. This would direct the planning and implementation measures in the EU member countries to the 30 % reduction from the beginning. It would not be difficult to relax this target later, if the post 2012 climate agreement would not be in time. But if Member States prepare themselves and plan measures based on an overall reduction of just 20 %, it will be much more difficult to tighten the measures later.

Use of Clean Development Mechanism/Joint Implementation

The Commission proposal allows for a rather generous level of offsetting domestic emissions by using emissions reductions outside of the EU, 3 % of the emissions of the non-ETS sectors in 2005, even in the "no-international-agreement" scenario with 20 % reduction target.

The total reduction from 2005 to 2020 in the -20 % scenario in the non-ETS sectors is 1200 Mt. The Commission proposal would mean up to 700 Mt of potential offsets with JI/CDM, which is more than 50 % of the reductions required in these sectors.

This large use of JI/CDM credits is not in line with the reduction path given in the IPCC 4th Assessment Report to the industrialised countries to stay within the 2 degrees objective. A reduction of 25-40% compared to 1990 is required. This was confirmed at a workshop (3 June 2008) on the Role of CDM in the climate package, hosted by the rapporteur. One of the key conclusions was that industrialised countries would need to reduce their greenhouse gas emissions with 25-40% compared to 1990 and at the same time the developed countries would need to limit their emissions with 15-30% compared to their business as usual scenario. Offsetting emissions in industrialised countries by using CDM credits would mean that developing countries would need to do 15-30% in addition to emissions reductions from the CDM projects.

The large use of JI/CDM furthermore prevents the EU from benefiting from reducing the use of fossil fuels, resulting in improved energy security and air quality. Achieving the reduction within the EU provides a much stronger incentive for innovation. The value of these co-benefits increases when the oil price goes up. The Commission analysis of 50 billion € saved on our fossil fuel energy bill in 2020 was based on 60 \$/barrel, whereas we have already passed 120 \$/ barrel and predictions go as far as suggesting a price of 200 \$/barrel in the next years.

To be in line with the advice of IPCC and to ensure a strong incentive for innovations, the rapporteur proposes to reduce the level of offsets from 3% to 1 % in relation to 2005 emissions in the non-ETS sector.

There are several recent studies, which have suggested significant misgivings regarding the integrity and additionality of the CDM/JI emission reductions. In the case where offsets are not additional and "real", their use for compliance, instead of domestic emissions reductions will have a net negative effect on climate.

Until a new international agreement rapporteur proposes that such credits used after 2012 should be discounted by 50%. After the finalisation of an international post 2012 climate agreement, an additional external emissions reduction commitment is proposed to replace CDM/JI offsets as a financing tool for mitigation efforts in developing countries.

Furthermore the rapporteur thinks that it would be inconsistent to allow for offsets in such industrial sectors which are prone to carbon leakage, when special measures under the ETS are planned to protect the same sectors. Recognising credits from CDM investments in these sectors would de facto mean financial incentives promoting carbon leakage.

For these reasons the rapporteur proposes to restrict not only the quantity but also the types of CDM/JI offsets. Until the finalisation of an international post 2012 climate agreement, the types of CDM offsets allowed and available after 2012 will not be known, as this will be part of the overall negotiations. The rapporteur proposes that only renewable energy and demand side energy efficiency projects are accepted.

Additional external emissions reduction obligation

The rapporteur proposes a separate external emissions reduction obligation, which would be only effective after the finalisation of an international post 2012 climate agreement. The IPCC 4AR says that to limit the global warming below 2 °C significant deviation from business as usual path also in the developing countries is needed. The rapporteur is of the position that the developed countries have a responsibility to contribute to the required emissions limitation in developed countries. Co-financing of climate protection investments in developing countries by developed countries must come in addition to their mandatory domestic reductions and should not be used for offsetting their own emissions. Therefore a new commitment for an EU contribution in financing greenhouse gas emission reductions in developing countries must be put in place once the international agreement is reached. This external emissions reduction commitment should be divided among the Member States on the basis of GDP/capita and should be binding.

The magnitude of the external emission reduction, starting from 250 Mt of CO₂ equivalent per year in 2013, and increasing to 850 Mt/year in 2020 is based on an analysis by the Wuppertal Institute and Ecofys. They estimate that, on top of the 30 % domestic emission reductions in Annex I countries, approximately 5.7 Gt reduction compared to business as usual is needed in non-Annex I countries. If half of this effort is financed by the Annex I countries and if this is divided according to the 1990 emissions, the share of EU is around 880 Gt of CO₂ -eq.

Reduction pathway beyond 2020

The European Council in March 2007 signalled 60-80 % reductions are necessary by 2050. In order to make such reductions happen, Member States must have a long term policy in several sectors, e.g. housing, land-use and transport, to avoid further investment into infrastructure which is not compatible with climate protection targets. Also the ETS proposal has a reduction pathway beyond 2020. To ensure that the emissions of the EU continue to decline after 2020, a reduction pathway beyond that year must be added, which will reduce the annual emissions towards 80 % reduction by 2050 compared to 1990.

Enforcement

According to the Commission proposal Member States shall reduce their non-ETS emissions annually in a linear manner until 2020. They may borrow from the next year a quantity equal to 2 % of their emission limit, or carry the same amount forward to the following year.

For achieving the overall EU objective it is important that all Members States comply with their legally binding emission limits. But to ensure compliance there is only the normal infringement procedure, which is far too slow and cumbersome for this purpose.

Therefore more rapid sanctions are needed. The rapporteur proposes fines which are similar to what is already there for installations under the ETS. In addition, and in line with what is required of installations under the ETS, it is proposed that the same amount of tonnes shall be deducted from the quantity of allowances auctioned by the same member state in the ETS. This arrangement would keep the total EU cap intact.

Scope

All sectors that are not covered by the ETS should fall under the Effort Sharing Decision. The aviation sector will be part of the ETS in the near future. International maritime emissions are not covered by any of the Commission proposals, large evidence of their significant contribution and European Parliament's repeated calls for measures to tackle the maritime emissions. The rapporteur proposes that emissions from international maritime transport are covered by this decision unless and until they will be included into ETS or any other Community legal instrument.

ANNEX

List of related stakeholder meetings on Effort Sharing decision with Rapporteur Satu Hassi

Governments and Permanent Representations:

Belgian Permanent Representation

Czech Environment Minister Martin Bursik

Danish Permanent Representation

Finnish Environment Minister Kimmo Tiilikainen

Finnish Permanent Representation and other Finnish Government representatives (3 times)

French Ecology, Energy and Sustainable Development Minister Jean-Louis Borloo

French Permanent Representation

Netherlands Permanent Representation

Slovenian Environment Minister Janez Podobnik (2 times)

Slovenian Permanent Representation

Swedish Environment Minister Andreas Carlgren

Swedish Permanent Representation

United Kingdom Permanent Representation (2 times)

European Commission:

Commissioners Barroso, Dimas, Verheugen & Piebalgs

DG Environment, civil servants responsible for Effort sharing decision (several times)

Industries and Non-Governmental Organisations

American Chamber of Commerce

Austrian Economic Chamber

Association of Finnish Steel and Metal Producers (2 times)

BASF Chemicals

Carbon Markets Association (CMA)

Climate Action Network (2 times)

Confederation of British Industry's (CBI)

Confederation of Danish Industries & BUSINESSEUROPE

Confederation of Finnish Industries (EK) (2 times)

EURELECTRIC

European Federation of Intelligent Energy Efficiency Services (EFIEES)

European Forum for Renewable Energy Sources (EUFORES) (2 times)

European Lime Association

European Peat and Growing Media Association (EPAGMA) & Vapo (2 times)

European Trade Union Confederation (ETUC)

Finnish Energy Industries

Finnish Forest Industries Federation (2 times)

French and German Chambers of Commerce and Industry

Friends of the Earth (2 times)

Greenpeace

International Emissions Trading Association (IETA)

Others:

The Grand Committee of the Finnish Parliament

European Economic and Social Committee (ECOSOC) Effort Sharing Rapporteur Mr Morkis

24.9.2008

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY (*)

for the Committee on the Environment, Public Health and Food Safety

on 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
(COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

Rapporteur (*): Robert Goebbels

(*) Associated committees - Rule 47 of the Rules of Procedure

SHORT JUSTIFICATION

The draft Decision sets separate, binding targets for each Member State to reduce emissions from sectors not covered by the EU ETS. The proposals anticipate that a large proportion of the emissions reductions required to deliver either target will be delivered through the EU ETS. Sectors covered by the EU ETS often offer the most cost effective opportunities for emissions reductions. But the EU ETS also includes industrial sectors which are exposed to international competition and at risk of 'carbon leakage' (i.e. transfer of production to 3rd countries with less stringent emissions controls) if costs and regulatory burdens in the EU are too high. Placing too much of the burden of emissions reductions on the EU ETS will impact on all sectors of the economy through electricity prices.

In principle, therefore, your draftsman welcomes the draft Decision tabled by the Commission - which clearly set out the contribution that non-ETS sectors are to make to the EU's emissions targets. However, he believes that there is room for considerable improvement and clarification.

Your draftsman does not propose to table detailed amendments to the Articles aimed at increasing the overall emissions target to 30%, or extending the target beyond 2020. Nor does he intend to table any amendments to the targets established for individual Member States. Both represent the results of long negotiations with Member States. Amendments to these

targets are, at best, likely to be ineffectual; at worst they may damage ongoing negotiations in Council, delay adoption of the package and complicate the EU's position on a future international agreement.

1. Comitology Provisions

Article 6 enables the Commission to use Comitology to amend Member State emissions targets in the event of a new international agreement, so that any additional emissions reductions are distributed in proportion to each Member State's share of the Community's total emissions from non EU ETS sources. It also envisages the use of Comitology to adopt 'measures to provide for the use by Members States of additional types of project credits or other mechanisms created under the international agreement' - a sweeping power, use of which will have a potentially significant impact on the flexibilities available to Member States in meeting their targets. Finally, Article 6 also sets out what proportion of the increased emissions reductions established by the new agreement can be met through use of project credits from 3rd countries.

Your draftsman believes that it is premature to establish firm principles for the distribution of effort and delivery of a new target established by a new international agreement. Such an international agreement could come in many forms - and key factors such as which countries will be covered, what level of ambition is envisaged and whether, indeed, the agreement will be based on legally binding targets are still far from being resolved.

More importantly, as an important matter of principle, Comitology should be limited to areas which are technical and 'non essential' by nature. It is clear that the question of what targets individual Member States have to meet, and what flexibilities they should have to meet them under a new international agreement are not 'non-essential' issues.

2. Trading of Effort between Member States

Your draftsman notes that the 20% target is a collective EU goal. On this principle, emissions reductions should, as far as practical, be delivered wherever in the EU they are most cost effective. For the EU ETS, this is allowed for via trading between installations under an EU cap. This Decision, however, makes no explicit provision for such trading - beyond the transfer of project credits from 3rd countries.

Your draftsman regards this as a serious omission, and believes that Members should be able to transfer overachievement - on annual and 2020 targets - to other Member States, subject to appropriate controls and properly reporting. This will provide incentives for Member States to overachieve on their targets, and provide further flexibilities for those Member States who, possibly for reasons beyond their control, find themselves unable to deliver their targets.

3. Project Credits from 3rd Countries

Your draftsman notes the concerns that have been raised that use of project credits from 3rd countries should not be envisaged whilst the EU is aiming for its lower, unilateral target of 20%. This remains questionable.

Your draftsman believes that Member states should be offered a maximum level of flexibility.

At least, Member States should be given early certainty about what project credits they will be able to use and when. Should an international agreement be concluded early, this certainty will be assured by the relevant treaties. However, in the absence of an international agreement, there is no such certainty for Member States beyond 2012.

Your draftsman believes that the Commission should be required to bring forward specific proposals for Community level agreements with third countries specifying the opportunities to generate project credits that will be allowed under such agreements, by January 2011 (well after the possible conclusion of international negotiations in Copenhagen in December 2009).

4. The principles raised

The proposal for a decision is based on the principles of solidarity and equality between Member States.

However, it makes no mention of how to increase solidarity between Member States or of the criteria to be used for determining the necessary fairness among Member States. Not only do the latter have very different economic situations but they also have very different opportunities to develop renewable energies.

According to the Commission, the reduction efforts to be made by the Member States should take account of the relative *per capita* GDP of the 27 countries. Gross domestic product measures annual flows, but not the final destination of those flows. It does not take account of the wealth stocks of each country. If the Commission wanted to base country efforts on the solidarity principle, a more objective basis would be the *per capita* GNP. Moreover, the gross national product used for the calculation of the Union's own resources is obtained by deducting from GDP the primary resources payable by resident units to non-resident units and adding the primary income receivable from the rest of the world.

The Commission proposal also ignores the true situation of the Member States. If the Commission wishes to impose an obligation on Member States to achieve results, it should leave them great flexibility in choosing their means. It should allow each State to make arrangements for an energy mix that is as intelligent as possible, taking account of the country's genuine possibilities and of the cost effectiveness, and therefore the economic efficiency, of the methods to be implemented. It should allow Member States to use the so-called Kyoto flexible mechanisms (CDM), which make an important contribution to the transfer of cleaner technologies to third-world countries.

The principle of territoriality, on which the 'climate-energy' packages are based, prohibits the small countries of the EU in particular from making greater use of renewable energies. Clearly, geographical and geological environments and water resources differ widely from one Member State to the next. There is more sun in the south than in the north of Europe. There are more water sources in Alpine countries and in Nordic countries. Wind energy is easier to harness in countries with sea borders that are exposed to the winds, enabling them to build offshore wind parks. Carbon capture and storage (CCS) is only possible if a country's geology permits it. Member States that are handicapped by their geography should be allowed to invest in renewable energy projects outside their territory and to benefit from them in terms of their emissions reductions. In your draftsman's view, a genuine internal market in 'green' energy certificates also needs to be established.

5. Low-CO₂ energy sources

The use of nuclear energy falls under the subsidiarity principle, and is thus a matter of democratic choice in each country. In your draftsman's view, the EU will not be able to avoid a debate on nuclear energy, especially in the light of the fact that all authoritative reports on this topic, be they those of the International Energy Agency or of the IPCC (2007 Bangkok report) leave no shadow of a doubt that the huge demand for carbon-based products will increase until 2030, or even 2050. This will occur in spite of any efforts that are made over the next few decades to save energy and increase its efficiency. The use of renewable energy sources will be slower and more costly than is claimed by some. It is becoming obvious that Europe will be unable to meet its target of 10% of biofuels in 2020, which will undoubtedly jeopardise the target of 20% of renewable energy sources by 2020. In any case, in 2020, 70 or 80% of remaining energy demand will have to be covered by traditional energy sources such as fossil or nuclear energy.

If the main aim is urgently to reduce CO₂ emissions, the EU targets should include low-CO₂ energy sources.

6. The urgent need for a global effort

In your draftsman's view, efforts to reduce greenhouse gases in the European Union (14% of global CO₂ emissions) will come to nothing unless the other major industrialised nations, starting with the United States, China, India, Russia, Brazil, etc. undertake to make sizeable efforts to reduce their emissions.

Should there be a binding international agreement over the next few years for the post-Kyoto period, the EU will raise its emissions reduction target from 20% to 30% up to 2020. This will entail a considerable effort which, however desirable it might be from an environmental point of view, will have huge economic, social and sociological repercussions on the peoples of Europe.

Such an adjustment cannot be made through Comitology but will have to be adopted through the codecision procedure following a democratic debate. The Commission is asked to make proposals, taking account of the commitments to be entered into by the international community. Even if future negotiations should fail, which is always possible, the European Union should still review the legislation it intends to adopt.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision
Recital 3

Text proposed by the Commission

(3) In order to meet this objective, the European Council in its meeting of 8 and 9 March 2007 in Brussels has endorsed a Community objective of a 30% reduction in greenhouse gas emissions by 2020 compared to 1990 ***as its contribution*** to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries commit themselves to contributing adequately according to their responsibilities and capabilities.

Amendment

(3) In order to meet this objective, the European Council in its meeting of 8 and 9 March 2007 in Brussels has endorsed a Community objective of a 30% reduction in greenhouse gas emissions by 2020 compared to 1990 ***with a view*** to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries commit themselves to contributing adequately according to their responsibilities and capabilities.

Justification

The EU's declared objective is to reduce greenhouse gas emissions by 20% from the 1990 level. Only if there is a post-Kyoto international agreement can the Union take steps to achieve an additional reduction of up to 30% from that 1990 level.

Amendment 2

Proposal for a decision
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) As stressed by the Intergovernmental Panel on Climate Change (IPCC), nuclear energy has a decisive role to play in the fight against climate change. Together with renewable energy, up to 60% of EU energy could be generated from CO₂-free production by 2020. Nuclear energy could produce the majority of base load electricity in a cost-efficient way, with renewables used for medium and peak loads.

Justification

With a high proportion of electricity produced by nuclear energy, France already emits significantly less CO₂ per person than its neighbours. If the fight against climate change is to be taken seriously without putting competitiveness at risk, the development of nuclear energy is inevitable in view of the considerably higher cost of renewable energy sources. This will also guarantee security of supply.

Amendment 3

Proposal for a decision

Recital 8

Text proposed by the Commission

(8) To further ensure a fair distribution of efforts between the Member States of the contribution to the implementation of the independent commitment of the Community, no Member State should be required to reduce its greenhouse gas emissions in 2020 to more than 20% below 2005 levels and no Member State should be allowed to increase its greenhouse gas emissions in 2020 to more than 20% above 2005 levels. Reductions in greenhouse gas emissions should take place between 2013 and 2020, with each Member State being allowed to carry forward *from* the following year a quantity equal to **2%** of the greenhouse gas emission limit of that Member State and a Member State whose emissions are below that limit being allowed to carry over its excess emission reductions to the subsequent year.

Amendment

(8) To further ensure a fair distribution of efforts between the Member States of the contribution to the implementation of the independent commitment of the Community, no Member State should be required to reduce its greenhouse gas emissions in 2020 to more than 20% below 2005 levels and no Member State should be allowed to increase its greenhouse gas emissions in 2020 to more than 20% above 2005 levels. Reductions in greenhouse gas emissions should take place between 2013 and 2020, with each Member State being allowed to carry forward *to* the following year a quantity equal to **3%** of the greenhouse gas emission limit of that Member State and a Member State whose emissions are below that limit being allowed to carry over its excess emission reductions to the subsequent year. ***A Member State whose greenhouse gas emissions are, in any year between 2013 and 2020, at the limit or below the target level for 2020, should also be allowed to trade its excess emission reductions with other Member States to assist them in meeting their limits or targets.***

Amendment 4

Proposal for a decision

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) As a means of evening out the differences in emission reduction costs faced by various Member States, and to allow for increased geographical flexibility, while at the same time enhancing the overall cost-efficiency of the total commitment of the Community, a Member State should be allowed to transfer a part of its greenhouse gas emissions entitlement to another Member State. This transfer should be regulated by a bilateral agreement and transparency should be ensured by way of notification to the Commission and the registration of the transfer in the registries of both Member States involved.

Amendment 5

Proposal for a decision

Recital 9

Text proposed by the Commission

Amendment

(9) In order to provide for flexibility for Member States in implementing their commitments, to promote sustainable development in third countries, in particular in developing countries, and to provide certainty to investors, the Community should continue to recognise a certain amount of credits from greenhouse gas emission reduction projects in third countries before a future international agreement on climate change has been reached. Member States ***should*** ensure that ***their policies for purchasing*** these credits enhance the equitable geographical distribution of projects and enhance the achievement of a future international climate change agreement.

(9) In order to provide for flexibility for Member States in implementing their commitments, to promote sustainable development in third countries, in particular in developing countries, and to provide certainty to investors, the Community should continue to recognise a certain amount of credits from greenhouse gas emission reduction projects in third countries before a future international agreement on climate change has been reached. Member States ***should commit to greenhouse gas emissions mitigation efforts in developing countries and therefore should*** ensure that ***at least 50 % of these credits are purchased from Least Developed Countries (LDCs) and the***

Small Island Developing States (SIDS) so as to enhance the equitable geographical distribution of projects and enhance the achievement of a future international climate change agreement. All projects in third countries should guarantee the transfer of new, low-carbon technologies and should conform to high quality criteria that guarantee their additionality and their environmental and social integrity.

Amendment 6

Proposal for a decision

Recital 13

Text proposed by the Commission

(13) The continued ability *for* Member States to use CDM credits is important to help ensure a market for those credits after 2012. To help ensure such market as well as to ensure further greenhouse gas emission reductions within the Community and thus enhance the implementation of the objectives of the Community relating to renewable energy, energy security, innovation and competitiveness, it is proposed to allow the annual use by Member States of credits from greenhouse gas emission reduction projects in third countries, until a future international agreement on climate change has been reached, up to a quantity representing **3%** of the greenhouse gas emissions of each Member State not covered *under* Directive 2003/87/EC in the year 2005. ***This quantity is equivalent to a third of the reduction effort in 2020.*** Member States should be allowed to transfer the unused part of that quantity to other Member States.

Amendment

(13) The continued ability *of* Member States to use CDM credits is important to help ensure a market for those credits after 2012. To help ensure such *a* market as well as to ensure further greenhouse gas emission reductions within the Community and thus enhance the implementation of the objectives of the Community relating to renewable energy, ***energy efficiency,*** energy security, innovation and competitiveness, it is proposed to allow the annual use by Member States of credits from greenhouse gas emission reduction projects in third countries, until a future international agreement on climate change has been reached, up to a quantity representing **4%** of the greenhouse gas emissions of each Member State not covered *by* Directive 2003/87/EC in the year 2005. Member States should be allowed to transfer the unused part of that quantity to other Member States, ***provided that at least 50% of such projects are implemented in the LDCs and the SIDS.***

Amendment 7

Proposal for a decision
Recital 15

Text proposed by the Commission

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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.

Amendment

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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. ***The assessment should also include an evaluation of the CDM projects registered and/or implemented by the Member States, so as to verify whether they are in line with the quality criteria referred to in this Decision.***

Justification

It is essential that the EU also efficiently monitors whether the quality criteria for the CDM projects proposed in this Decision are respected and followed by the Member States. Abiding by these standards would lead to better quality CDM projects.

Amendment 8

Proposal for a decision
Recital 17

Text proposed by the Commission

(17) Upon the conclusion by the Community of an international agreement on climate change the emission limits for Member States ***should be adjusted*** to achieve the Community's greenhouse gas emission reduction commitment set out in that agreement, taking into account the principle of solidarity between Member States ***and*** the need for sustainable economic growth across the Community.

Amendment

(17) Upon the conclusion by the Community of an international agreement on climate change ***implementing its 30% greenhouse gas reduction target, the Commission should submit a proposal and an impact assessment to the European Parliament and the Council, concerning the adjustment of*** emission limits for Member States ***in order*** to achieve the Community's greenhouse gas

The amount of credits from greenhouse gas emission reduction projects in third countries that each Member State can use ***should be increased by up to half of the additional reduction effort from sources not covered under Directive 2003/87/EC.***

emission reduction commitment set out in that agreement, taking into account the principle of solidarity between Member States, the need for sustainable economic growth across the Community ***and the principle of shared responsibilities. The proposal should specify*** the amount of credits from greenhouse gas emission reduction projects in third countries that each Member State can use.

Amendment 9

Proposal for a decision

Recital 19

Text proposed by the Commission

(19) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission. In particular power should be conferred on the Commission to ***adopt, after the conclusion of an international agreement, measures for the adjustment of Member State emission limits, as well as measures for the use of additional types of project credits in accordance with that agreement, as well as to adopt the measures necessary to*** check transactions under this Decision. Since those measures are of general scope and are designed to amend non-essential elements of this Decision and to supplement this Decision by the addition or modification of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

Amendment

(19) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission. In particular power should be conferred on the Commission to check transactions under this Decision. Since those measures are of general scope and are designed to amend non-essential elements of this Decision and to supplement this Decision by the addition or modification of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

Amendment 10

Proposal for a decision
Article 2

Text proposed by the Commission

For the purposes of this Decision, the definitions laid down in Article 3 of Directive 2003/87/EC shall apply.

In addition, ‘greenhouse gas emissions’ means the emission of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydro fluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) from sources, expressed in terms of carbon dioxide equivalent, as determined pursuant to **Directive 2003/87/EC**.

Amendment

For the purposes of this Decision, the **relevant** definitions laid down in Article 3 of Directive 2003/87/EC shall apply.

In addition, **the following definitions shall apply:**

‘greenhouse gas emissions’ means the emission of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) from sources **not covered by the ETS**, expressed in terms of carbon dioxide equivalent, as determined pursuant to **the methodologies for emissions by sources and removals by sinks regulated by the Kyoto Protocol**.

‘international agreement’: means a global and comprehensive agreement in the context of the UNFCCC, entailing for the EU an objective of a 30% reduction in greenhouse gas emissions by 2020 compared to 1990, commitments to comparable efforts by other developed countries and adequate contributions by economically more advanced developing countries, according to their responsibilities and respective capabilities.

Amendment 11

Proposal for a decision
Article 3 – paragraph 1

Text proposed by the Commission

1. Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions from sources not covered under Directive

Amendment

1. Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions from sources not covered under Directive

2003/87/EC by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year 2005.

2003/87/EC **at a minimum** by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year 2005.

Amendment 12

Proposal for a decision Article 3 – paragraph 3

Text proposed by the Commission

3. During the years 2013 to 2019, a Member State may carry forward *from* the following year a quantity equal to **2%** of the greenhouse gas emission limit of that Member State in paragraph 2. If the emissions of a Member State are below the limit in paragraph 2 it may carry over its excess emission reductions to the subsequent year.

Amendment

3. During the years 2013 to 2019, a Member State may carry forward *to* the following year a quantity equal to **3%** of the greenhouse gas emission limit of that Member State in paragraph 2. If the emissions of a Member State are below the limit in paragraph 2 it may carry over its excess emission reductions to the subsequent year **or transfer them to another Member State, which may use the quantity transferred to meet its greenhouse gas emission limit for the year in which the excess emission reductions have been generated.**

Amendment 13

Proposal for a decision Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. In 2020, if the emissions of a Member State are below the level specified in the Annex to this decision, it may transfer its excess emission reductions to another Member State, which may use the quantity transferred to meet its greenhouse gas emission limit for 2020.

Amendment 14

Proposal for a decision
Article 4 – Title

Text proposed by the Commission

Use of credits from project activities.

Amendment

Use of credits from project activities ***and transfer of excess national emission reductions***

Amendment 15

Proposal for a decision

Article 4 – paragraph 1 – points a) to c) – subparagraph 2, paragraphs 2 and 3 and paragraph 4, subparagraph 1

Text proposed by the Commission

(a) Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) issued in respect of emission reductions until 31 December 2012 from project types which were accepted by ***all*** Member States pursuant to Directive 2003/87/EC during the period 2008 to 2012.

(b) CERs issued in respect of emission reductions from 1 January 2013 from projects which were registered during the period 2008 to 2012 of which the project type was accepted by ***all*** Member States pursuant to Directive 2003/87/EC during the period 2008 to 2012.

(c) CERs issued in respect of emission reductions achieved from projects implemented in Least Developed Countries of which the project type was accepted by ***all*** Member States pursuant to Directive 2003/87/EC during the period 2008 to 2012, until those countries have ratified an agreement with the Community or until 2020, whichever is the earlier.

Amendment

(a) Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) issued in respect of emission reductions until 31 December 2012 from project types which were accepted by ***a majority of*** Member States ***representing a qualified majority as defined in Article 205(2) of the Treaty***, pursuant to Directive 2003/87/EC during the period 2008 to 2012.

(b) CERs issued in respect of emission reductions from 1 January 2013 from projects which were registered during the period 2008 to 2012 of which the project type was accepted by ***a majority of*** Member States ***representing a qualified majority as defined in Article 205(2) of the Treaty***, pursuant to Directive 2003/87/EC during the period 2008 to 2012.

(c) CERs issued in respect of emission reductions achieved from projects implemented in Least Developed Countries of which the project type was accepted by ***a majority of*** Member States ***representing a qualified majority as defined in Article 205(2) of the Treaty***, pursuant to Directive 2003/87/EC during the period 2008 to 2012, until those countries have ratified an agreement with the Community or until

Member States shall ensure that *their policies for purchasing* these credits enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change.

2. In addition to paragraph 1 and in the event that the conclusion of an international agreement on climate change is delayed, Member States may, for the implementation of their obligations under Article 3, use additional greenhouse gas reduction credits resulting from projects or other emissions reducing activities in accordance with agreements referred to in Article 11a(5) of Directive 2003/87/EC.

3. Once a future international agreement on climate change has been reached, Member States may only use CERs from third countries which have ratified that agreement.

4. The annual use of credits by each Member State pursuant to paragraphs 1, 2

2020, whichever is the earlier.

Member States shall ensure that *at least 50% of* these credits *are purchased from the LDC and the SIDS so as to* enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change.

2. In addition to paragraph 1 and in the event that the conclusion of an international agreement on climate change is delayed, Member States may, for the implementation of their obligations under Article 3, use additional greenhouse gas reduction credits resulting from projects or other emissions reducing activities in accordance with agreements referred to in Article 11a(5) of Directive 2003/87/EC.

2a. Any projects arising from any agreement referred to in paragraph 1, points (a) to (c) and paragraph 2 shall meet high quality criteria to be adopted by the Commission within the framework established by the United Nations.

That measure, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2).

2b. Member States shall ensure that emission reductions achieved as a result of project activities referred to in paragraphs 1 or 2 or as a result of transfers from other Member States under Article 3, paragraph 3 and 3a, are supplementary to domestic measures taken by Member States.

3. Once a future international agreement on climate change has been reached, Member States may only use CERs *and any other types of project credits created by the international agreement* from third countries which have ratified that agreement.

4. The annual use of credits by each Member State pursuant to paragraphs 1, 2

and 3 shall not exceed a quantity equal to **3%** of the greenhouse gas emissions of that Member State not covered under Directive 2003/87/EC in the year 2005.

and 3 shall not exceed a quantity equal to **4%** of the greenhouse gas emissions of that Member State not covered under Directive 2003/87/EC in the year 2005.

Amendment 16

Proposal for a decision Article 5 – paragraph 1

Text proposed by the Commission

1. Member States shall, ***in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3*** and the use of credits in accordance with Article 4.

Amendment

1. Member States shall, ***by 31 March of the following year, report on their annual emissions from sources not covered under Directive 2003/87/EC, on any transfer of excess emission undertaken or received in accordance with Article 3, paragraphs 3 and 3a and on*** the use of credits in accordance with Article 4..

The Commission shall verify the reports thoroughly and within a reasonable time-scale.

Amendment 17

Proposal for a decision Article 5a (new)

Text proposed by the Commission

Amendment

Article 5a

Report on Community measures to support implementation of the commitments

1. The Commission shall draw up a report specifying further steps that should be taken at Community level to ensure the achievement of the emission reduction commitments set out in this Decision and the efficiency target set by the European Council in March 2007. In particular, the report shall include:

a) an assessment of the progress made in

Member States as regards energy efficiency improvement;

b) the results of the examination referred to in Article 4(5) of Directive 2006/32/EC (on whether a directive on white certificates is appropriate). In particular this report shall set out the potential for a mandatory, Community-wide white certificates trading scheme;

c) detailed proposals for reducing emissions from homes and commercial buildings by means of enhanced product and building standards, with the aim of ensuring that all new homes and commercial premises are 'zero carbon' by 2020;

2. Where proposed Community policies and measures could significantly impact on the achievement of the greenhouse gas emissions reduction commitments by the Community and its Member States, the regulatory impact assessment of each proposal by the Commission shall include a quantification of the impact, if any, on greenhouse gas emissions for the Community, and in respect of each Member State.

3. The Commission shall submit this report to the European Parliament and the Council by the end of 2009. It shall submit in 2010 appropriate legislative proposals to ensure that the Community energy efficiency target for 2020 decided by the European Council in March 2007 is met.

Amendment 18

Proposal for a decision Article 5 b (new)

Text proposed by the Commission

Amendment

Article 5b

Compliance

If a Member State does not meet its obligations regarding reduction of total emissions of greenhouse gases, as required by this decision, the Commission can undertake, in accordance with Article 226 of the Treaty, an action against the Member State concerned for failure to fulfil an obligation under the Treaty, and can request interim measures under Article 243 of the Treaty or an expedited procedure under Article 62a of the rules of procedure of the Court of Justice of the European Communities.

Amendment 19

Proposal for a decision Article 5 c (new)

Text proposed by the Commission

Amendment

Article 5c

New Community funding for low carbon and energy efficient technologies

1. A proportion of the revenues generated from the auctioning of allowances under the Community greenhouse gas emission allowance trading scheme, specified under Article 10 of Directive 2003/87/EC, shall be invested in a Community-level fund for:

a) the promotion and deployment of low carbon and energy efficiency measures in homes and commercial buildings;

b) the promotion and deployment of low carbon transport technologies and practices.

2. The aim of the fund shall be to leverage, as far as possible, private sector funding.

3. The Commission shall submit specific proposals for the size, operation and objectives of such a fund by 30 June 2010.

Amendment 20

Proposal for a decision

Article 6

Text proposed by the Commission

1. ***Paragraphs 2, 3 and 4 shall apply upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions exceeding those pursuant to Article 3.***

2. ***From the year following the conclusion of the agreement referred to in paragraph 1, the Community's greenhouse gas emissions from sources not covered under Directive 2003/87/EC in 2020 pursuant to Article 3(1) shall be further reduced by a quantity equal to the overall additional reduction of greenhouse gas emissions by the Community from all sources to which the international agreement commits the Community, multiplied by the share of the Community's total greenhouse gas emission reductions for the year 2020 to which the Member States are contributing through greenhouse gas emission reductions from sources not covered under Directive 2003/87/EC pursuant to Article 3.***

3. ***Each Member State shall contribute to the Community's additional reduction effort in proportion to its share of the Community's total emissions from sources not covered under Directive 2003/87/EC for the year 2020 pursuant to Article 3.***

The Commission shall amend the Annex to adjust the emission limits in accordance with the first subparagraph. That measure, designed to amend non-essential elements of this Decision shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2);

Amendment

1. Upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions ***of 30% in its greenhouse gas emissions, the Commission shall submit an appropriate proposal for the amendment of this Decision, together with an impact assessment. The proposal shall include:***

a) provisions that ensure that the Community's greenhouse gas emissions from sources not covered under Directive 2003/87/EC in 2020 pursuant to Article 3(1) shall be further reduced by a quantity which is sufficient, when combined with additional reductions expected from sources covered by Directive 2003/87/EC to achieve the Community's commitments under the international agreement;

b) provisions which amend the Annex to adjust the emission limits for each Member State in accordance with the further reductions envisaged under point a);

4. Member States may increase the use of greenhouse gas emission reduction credits referred to in Article 4(4) from third countries which have ratified the agreement referred to in paragraph 1 and in accordance with paragraph 5 by up to half of the additional reduction taking place in accordance with paragraph 2.

Each Member State may transfer the unused part of that quantity to another Member State.

5. The Commission shall adopt 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.

Those measures, designed to amend non-essential elements of this Decision by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2).

c) provisions which amend rules on the use of greenhouse gas emission reduction credits referred to in Article 4(4) from third countries which have ratified the agreement.

PROCEDURE

Title	Shared effort to reduce greenhouse gas emissions		
References	COM(2008)0017 – C6-0041/2008 – 2008/0014(COD)		
Committee responsible	ENVI		
Opinion by Date announced in plenary	ITRE 19.2.2008		
Associated committee(s) - date announced in plenary	10.4.2008		
Drafts(wo)man Date appointed	Robert Goebbels 27.3.2008		
Discussed in committee	8.4.2008	26.6.2008	10.9.2008
Date adopted	22.9.2008		
Result of final vote	+: 35 –: 10 0: 1		
Members present for the final vote	Jan Březina, Jerzy Buzek, Jorgo Chatzimarkakis, Giles Chichester, Dragoş Florin David, Pilar del Castillo Vera, Den Dover, Lena Ek, Norbert Glante, Umberto Guidoni, Fiona Hall, Rebecca Harms, Erna Hennicot-Schoepges, Ján Hudacký, Werner Langen, Anne Laperrouze, Angelika Niebler, Reino Paasilinna, Aldo Patriciello, Francisca Pleguezuelos Aguilar, Anni Podimata, Vladimír Remek, Herbert Reul, Teresa Riera Madurell, Andres Tarand, Catherine Trautmann, Claude Turmes, Nikolaos Vakalis		
Substitute(s) present for the final vote	Jean-Pierre Audy, Ivo Belet, Dorette Corbey, Robert Goebbels, Matthias Groote, Françoise Grossetête, Malcolm Harbour, Satu Hassi, Vittorio Prodi, Esko Seppänen, Silvia-Adriana Ţicău, Lambert van Nistelrooij		
Substitute(s) under Rule 178(2) present for the final vote	Ignasi Guardans Cambó, Lily Jacobs, Johannes Lebech, Riitta Myller, Markus Pieper, Agnes Schierhuber		

11.9.2008

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on the Environment, Public Health and Food Safety

on 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
(COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

Rapporteur: Cornelis Visser

SHORT JUSTIFICATION

Your draftsman is generally in favour of reducing green house gas emissions and he can subscribe to the two key targets were set by the European Council:

- A reduction of at least 20% in greenhouse gases (GHG) by 2020 – rising to 30% if there is an international agreement committing other developed countries to "comparable emission reductions and economically more advanced developing countries to contributing adequately according to their responsibilities and respective capabilities".
- A 20% share of renewable energies in EU energy consumption by 2020.

Your draftsman underlines, however, that efforts to reduce green house gasses must be a global effort. All countries should contribute and therefore the Commission must make its utmost to make sure that an international agreement is reached and that it has a wide coverage.

Your draftsman agree with the Commission that the efforts of each Member State to contribute to meeting the Community's greenhouse gas emission reduction commitment for 2020 through limiting greenhouse gas emissions from sources outside the EU ETS should be shared.

Your draftsman is favourable towards the Commissions proposal aimed at determining Member States contribution to meeting the Community's greenhouse gas emission reduction commitment from 2013 to 2020 for greenhouse gas emissions from sources not covered under Directive 2003/87/EC (i.e. sources outside the EU ETS). It provides for the evaluation of the achieved emissions reductions resulting from the implementation of this Decision. Moreover, he favourable towards the flexibility provided to Member States through allowing for the use

of certified emission reductions resulting from clean development mechanism projects under Article 12 of the Kyoto Protocol and resulting from emission reduction activities in third countries to implement this effort.

Your draftsman is, however, concerned that the scheme could distort competition within the EU if Member States do not implement the scheme in similar ways. Moreover, EU companies may also suffer in international competition.

Against that background your draftsman considers that the Commission continuously should monitor EU wide and international competition effects as well as present an overall report by 2016 on these issues to the European Parliament.

AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision Article 5 – paragraph 1

Text proposed by the Commission

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3 and the use of credits in accordance with Article 4.

Amendment

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision *No* 280/2004/EC, report ***on competition aspects and*** their annual emissions resulting from the implementation of Article 3 and the use of credits in accordance with Article 4 ***of this Decision***.

Amendment 2

Proposal for a decision Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Every two years following the entry into force of this Decision, the Commission shall draw up a report evaluating how the implementation of the Member States' commitments thereunder

has affected competition at national, EU and international level.

Amendment 3

Proposal for a decision

Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

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 laid down in Article 3 of this Decision, that Member State shall pay an excess emissions penalty equivalent to the amount laid down in Article 16 of Directive 2003/87/EC. That excess emissions penalty shall be paid to a Community fund dedicated to financing climate change mitigation measures.

Amendment 4

Proposal for a decision

Article 6

Text proposed by the Commission

Amendment

Adjustments applicable upon the conclusion of a future international agreement on climate change

Conclusion of a future international agreement on climate change

1. Paragraphs 2, 3 and 4 shall apply upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions exceeding those pursuant to Article 3.

Within six months following the conclusion of an international agreement on climate change leading to mandatory reductions exceeding those laid down in Article 3, the Commission shall submit a legislative proposal to be adopted in accordance with the procedure laid down in Article 251 of the Treaty determining the contribution by each Member State to the Community's additional reduction

effort.

2. From the year following the conclusion of the agreement referred to in paragraph 1, the Community's greenhouse gas emissions from sources not covered under Directive 2003/87/EC in 2020 pursuant to Article 3(1) shall be further reduced by a quantity equal to the overall additional reduction of greenhouse gas emissions by the Community from all sources to which the international agreement commits the Community, multiplied by the share of the Community's total greenhouse gas emission reductions for the year 2020 to which the Member States are contributing through greenhouse gas emission reductions from sources not covered under Directive 2003/87/EC pursuant to Article 3.

3. Each Member State shall contribute to the Community's additional reduction effort in proportion to its share of the Community's total emissions from sources not covered under Directive 2003/87/EC for the year 2020 pursuant to Article 3.

The Commission shall amend the Annex to adjust the emission limits in accordance with the first subparagraph. That measure, designed to amend non-essential elements of this Decision shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2);

4. Member States may increase the use of greenhouse gas emission reduction credits referred to in Article 4(4) from third countries which have ratified the agreement referred to in paragraph 1 and in accordance with paragraph 5 by up to half of the additional reduction taking place in accordance with paragraph 2.

Each Member State may transfer the unused part of that quantity to another Member State.

5. The Commission shall adopt 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.

Those measures, designed to amend non-essential elements of this Decision by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 9(2).

Justification

The reactions to the conclusions of the negotiations on an international agreement shall not be an automatism but subject to political evaluation and decision. Furthermore, the distribution of additional efforts should be based on the outcome of the international negotiation.

Amendment 5

Proposal for a decision Article 10

Text proposed by the Commission

The Commission shall draw up a report evaluating the implementation of this Decision. The Commission shall submit that report to the European Parliament and to the Council by 31 October 2016, accompanied by proposals as appropriate.

Amendment

The Commission shall draw up a report evaluating the implementation of this Decision. ***That report shall also evaluate how the implementation of this Decision has affected competition at national, EU and international level.*** The Commission shall submit that report to the European Parliament and to the Council by 31 October 2016, accompanied by proposals as appropriate.

PROCEDURE

Title	Shared effort to reduce greenhouse gas emissions	
References	COM(2008)0017 – C6-0041/2008 – 2008/0014(COD)	
Committee responsible	ENVI	
Opinion by Date announced in plenary	ECON 19.2.2008	
Drafts(wo)man Date appointed	Cornelis Visser 11.3.2008	
Discussed in committee	2.6.2008	16.7.2008
Date adopted	9.9.2008	
Result of final vote	+: 38 -: 1 0: 0	
Members present for the final vote	Mariela Velichkova Baeva, Paolo Bartolozzi, Zsolt László Becsey, Pervenche Berès, Sebastian Valentin Bodu, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, Christian Ehler, Elisa Ferreira, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Robert Goebbels, Donata Gottardi, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Othmar Karas, Christoph Konrad, Guntars Krasts, Kurt Joachim Lauk, Andrea Losco, Astrid Lulling, Gay Mitchell, Sirpa Pietikäinen, John Purvis, Alexander Radwan, Bernhard Rapkay, Heide Rühle, Eoin Ryan, Antolín Sánchez Presedo, Salvador Domingo Sanz Palacio, Olle Schmidt, Margarita Starkevičiūtė, Ieke van den Burg	
Substitute(s) present for the final vote	Harald Ettl, Piia-Noora Kauppi, Vladimír Maňka, Bilyana Ilieva Raeva, Margaritis Schinas	

10.9.2008

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on the Environment, Public Health and Food Safety

on 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
(COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

Rapporteur: Sepp Kusstatscher

SHORT JUSTIFICATION

On 23 January 2008 the Commission published its proposals on how to reduce greenhouse gas emissions over the coming years in the Member States. The emissions considered were those from transport, buildings (mainly heating and air-conditioning), services, small industries, agriculture and waste disposal. These currently account for some 60% of the EU's total greenhouse gas emissions.

The fact that the proposal sets concrete targets for each Member State, to be met by 2020, is welcome. However, there is no similarly ambitious catalogue of measures for the period after 2020.

What are the implications of this proposal for EU employment policy?

Initial studies, e.g. the joint study by ETUC, ISTAS, SDA, Syndex and the Wuppertal-Institut, show that the consequences of climate change will have positive effects on employment in the EU: there will be scope for the creation of more and better-qualified jobs.

However, the effects will vary considerably from one economic sector or geographical region to another. In particular the Mediterranean regions will suffer more from the rise in temperatures than those further north. Problems will increase most markedly in agriculture and in tourism, where there will be a need for restructuring with more investments to prevent the worst impacts.

As the greatest emitter of CO₂, transport requires special efforts. There are great possibilities, and determined action is needed to exploit them: reducing unnecessary transport, restricting

the most energy-intensive modes of transport, and increasing efficiency by technical and logistical means. There are also good opportunities for the creation of new jobs. The consistent expansion of public passenger transport could lead to the creation of four times as many jobs, benefiting local and regional economic structures in particular.

A similar situation obtains in the construction sector. The renovation of existing buildings (improved insulation, installation of renewables, etc.) and the construction of new, more energy-efficient buildings create new jobs at local and regional level.

Climate change is treated as a priority challenge in relation to other areas of policy. However, with all its effects it is a very complex topic. That makes it all the more important to prepare people at all levels for the new situation climate change will engender. We need a strategy on the best way for businesspeople and workers, particularly in SMEs, to adjust themselves. Specific training measures for all are urgently needed. The EU Agencies in Dublin and Bilbao and the European Employment Observatory are now under greater pressure to find answers to the many unanswered questions on what specific effects climate change will have in the various regions and economic sectors.

Climate change changes society. Accordingly it is the poorest in society – both in the EU and worldwide – who are hardest hit by climate change. They, more than any others, lack the resources to adapt to climate change. High energy prices are already affecting people in the lowest income brackets. Rising food prices are likely to drastically exacerbate existing famines. There is a need for a global offensive against hunger in the world. The burden of saving the energy that produces greenhouse gases needs to be shared in a socially just manner.

Overproduction and unhealthy consumption in the ‘First World’ not only cause a waste of resources but also have a heavy impact on the climate. On the basis of the ‘polluter pays’ principle, then, we need to make economical use of all resources, including those which emit greenhouse gases.

Energy taxes should be harmonised at EU level, rewarding forms of business with low emissions and increasing taxes on high greenhouse gas emitters. This would give a solid boost to the development of new technologies and thus promote highly-qualified new jobs, particularly in the alternative energy sector.

It is in the areas already affected by drought and extreme weather conditions that the impact of climate change will be most keenly felt. International solidarity will become even more important than in the past in an increasingly interdependent world. Whether Clean Development Mechanism (CDM) projects represent a correct way of addressing this issue is as yet unclear.

The idea of ‘Building a Global Climate Change Alliance between the European Union and poor developing countries most vulnerable to climate change’ (COM(2007)540 of 18 September 2007) is very much to be welcomed.

The increasing migration from the poorest countries most severely affected by climate change is socio-political dynamite, and affects not only the countries from which emigration takes place but also those in which heavy pressure from immigration creates social tensions.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) In fulfilling their obligations, the Member States and the European Union should consider the opportunities and risks associated with the reduction in greenhouse gases for social security and employment. Since climate change has been included in the new employment guidelines, adjustments to climate change should also play a key role in national action plans, particularly in the areas of employment, education and research. It is increasingly incumbent on existing bodies such as the European Foundation for the Improvement of Living and Working Conditions in Dublin, the European Agency for Safety and Health at Work in Bilbao and the European Employment Observatory to provide support for the necessary adjustments by means of analyses and studies.

Justification

The involvement of the European agencies in Dublin and Bilbao and the Employment Observatory is particularly necessary since there is still a major research gap concerning the effects of climate change on social and employment policy in the EU. For example, the European Agency for Safety and Health at Work could consider changes to EU health and safety legislation made necessary as a result of climate change.

Amendment 2

Proposal for a decision Recital 6 b (new)

Text proposed by the Commission

Amendment

(6b) Adjustments and restructuring in the labour market which become necessary as a result of climate change should be supported with appropriations from the structural funds, particularly the European Social Fund and, where appropriate, from the European Globalisation Adjustment Fund, and facilitated by promoting social dialogue at various levels (sector specific, inter-sectoral, and at regional, national and EU levels) and by creating socially egalitarian conditions in order to promote training and retraining for businesses and individuals. These measures should be taken in the context of a preventive approach and should involve the social partners in accordance with national customs and practice.

Amendment 3

Proposal for a decision Recital 6 c (new)

Text proposed by the Commission

Amendment

(6c) In assessing progress towards the achievement of the stated objectives, emissions reduction should not be the sole criterion: there should also be a qualitative and quantitative assessment of the impact on the employment situation in terms of new jobs and/or adaptation of jobs and better working conditions.

Amendment 4

Proposal for a decision
Article 4 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall ensure that their policies for purchasing these credits enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change.

Amendment

Member States shall ensure that their policies for purchasing these credits ***give priority to environmentally and socially friendly projects***, enhance the equitable geographical distribution of projects and the achievement of an international agreement on climate change.

PROCEDURE

Title	Shared effort to reduce greenhouse gas emissions		
References	COM(2008)0017 – C6-0041/2008 – 2008/0014(COD)		
Committee responsible	ENVI		
Opinion by Date announced in plenary	EMPL 10.4.2008		
Drafts(wo)man Date appointed	Sepp Kusstatscher 26.2.2008		
Discussed in committee	29.5.2008	24.6.2008	9.9.2008
Date adopted	10.9.2008		
Result of final vote	+: 44 -: 2 0: 0		
Members present for the final vote	Jan Andersson, Edit Bauer, Iles Braghetto, Philip Bushill-Matthews, Milan Cabrnach, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Jean Louis Cottigny, Proinsias De Rossa, Harald Ettl, Richard Falbr, Carlo Fatuzzo, Ilda Figueiredo, Roger Helmer, Stephen Hughes, Karin Jöns, Ona Juknevičienė, Jean Lambert, Bernard Lehideux, Elizabeth Lynne, Thomas Mann, Maria Matsouka, Mary Lou McDonald, Elisabeth Morin, Juan Andrés Naranjo Escobar, Csaba Öry, Siiri Oviir, Pier Antonio Panzeri, Rovana Plumb, Jacek Protasiewicz, Bilyana Ilieva Raeva, Elisabeth Schroedter, José Albino Silva Peneda, Jean Spautz, Gabriele Stauner, Ewa Tomaszewska, Anne Van Lancker, Gabriele Zimmer		
Substitute(s) present for the final vote	Petru Filip, Donata Gottardi, Rumiana Jeleva, Sepp Kusstatscher, Claude Moraes, Roberto Musacchio, Csaba Sógor		

18.7.2008

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on the Environment, Public Health and Food Safety

on 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
(COM(2008)0017 – C6-0041/2008 – 2008/0014(COD))

Rapporteur: Antonio De Blasio

SHORT JUSTIFICATION

In 2007 the European Union made a commitment that it would, by the year 2020, reduce its greenhouse gas emissions by 20% in relation to the year 1990 level.

Since this objective fundamentally affects the economic and social cohesion of individual regions, it must be stressed that an energy-efficient European economy with low greenhouse gas emissions can only be achieved if it is integrated into cohesion policy. These two target areas must be linked together, and it is recommended that aspects of reducing greenhouse gas emissions be incorporated into the system of conditions of the funds earmarked for cohesion and structural development.

As a consequence of the economic differences between individual regions, reducing greenhouse gas emissions could represent a considerable burden to regions lagging behind. Such regions should therefore receive special funding in order that meeting the EU's objectives should not cause them to suffer unreasonably high losses.

Although the European Union obliges governments of the Member States to undertake this commitment, there is a considerable burden on their local and regional governments and other local and regional advocacy forums and organisations. The ambitious objective can only be achieved if, during harmonisation and completion of the tasks, there is continuous vertical cooperation between central government and local/regional organisations and continuous horizontal cooperation between individual local/regional organisations.

However, since a large proportion of greenhouse gas emissions can be attributed to private sector market players and individual consumers, the involvement of individual industrial emitters and households in implementing the programme is vital at both Member State and

regional level. The interest of market players in increasing energy production from renewable sources must be aroused by economic means, thereby contributing significantly to meeting the commitments of Member States.

Greenhouse gas emissions have decreased significantly in a number of Member States since 1990; however, by making 2005 the base year in its proposal, the Commission takes no account of the efforts made so far. The results already achieved by individual Member States must be acknowledged; therefore, it is suggested that the year 1990 be used as the basis for comparison.

AMENDMENTS

The Committee on Regional Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision – amending act Recital 7

Text proposed by the Commission

(7) 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. Member States that currently have a relatively low per capita GDP and thus high GDP growth expectations should be allowed to increase their greenhouse emissions compared to **2005**, but should limit this greenhouse emissions growth to contribute to the overall reduction commitment of the Community. Member States that currently have a relatively high per capita GDP should reduce their greenhouse emissions compared to **2005**.

Amendment

(7) 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. Member States that currently have a relatively low per capita GDP and thus high GDP growth expectations should be allowed to increase their greenhouse *gas* emissions compared to **1990**, but should limit this greenhouse *gas* emissions growth to contribute to the overall reduction commitment of the Community. Member States that currently have a relatively high per capita GDP should reduce their greenhouse *gas* emissions compared to **1990**.

Amendment 2

Proposal for a decision – amending act Recital 8

Text proposed by the Commission

(8) To further ensure a fair distribution of efforts between the Member States of the contribution to the implementation of the independent commitment of the Community, no Member State should be required to reduce its greenhouse gas emissions in 2020 to more than 20% below **2005** levels and no Member State should be allowed to increase its greenhouse gas emissions in 2020 to more than 20% above **2005** levels. Reductions in greenhouse gas emissions should take place between 2013 and 2020, with each Member State being allowed to carry forward from the following year a quantity equal to 2% of the greenhouse gas emission limit of that Member State and a Member State whose emissions are below that limit being allowed to carry over its excess emission reductions to the subsequent year.

Amendment

(8) To further ensure a fair distribution of efforts between the Member States of the contribution to the implementation of the independent commitment of the Community, no Member State should be required to reduce its greenhouse gas emissions in 2020 to more than 20% below **1990** levels and no Member State should be allowed to increase its greenhouse gas emissions in 2020 to more than 20% above **1990** levels. Reductions in greenhouse gas emissions should take place between 2013 and 2020, with each Member State being allowed to carry forward from the following year a quantity equal to 2% of the greenhouse gas emission limit of that Member State and a Member State whose emissions are below that limit being allowed to carry over its excess emission reductions to the subsequent year.

Amendment 3

Proposal for a decision Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) The greenhouse gas emissions from sectors not covered by Directive 2003/87/EC should continue to decrease annually in linear fashion after 2020, leading to a reduction in such emissions of 80% compared to 1990 levels by 2050, with the ultimate objective of eliminating greenhouse gas emissions from fossil fuel use within the European Union. The Commission should by 2012 examine the appropriateness of this target in the light of international commitments made by the Community, the latest climate-change

scientific knowledge relating to climate sensitivity and the scope for making the greenhouse gas emission reductions needed to avert dangerous anthropogenic interference with the climate system, recognising that local and regional communities make an important contribution to such reductions. The Commission should, if appropriate, present proposals to differentiate the target between Member States.

Justification

The European Council in March 2007 signalled reductions in the order of 60-80 % in industrialised countries are necessary by 2050. In order to make such reductions happen, Member States must have a long term policy in several sectors, e.g. housing, land-use and transport, to avoid further investment into infrastructure which is not compatible with climate protection targets. This is also in line with the ETS proposal which also contains a reduction pathway beyond 2020.

Amendment 4

Proposal for a decision

Recital 15

Text proposed by the Commission

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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 this Decision should be made in 2016.

Amendment

(15) Progress in implementing commitments under this Decision should be annually evaluated on the basis of reports submitted under Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 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 this Decision should be made in 2016. ***As part of that assessment the Commission should assess and report on progress made in ensuring that various Community policies (for instance in the field of agriculture, product requirements, structural policies, research) contribute to the greenhouse gas emission reduction effort.***

Amendment 5

Proposal for a decision – amending act Article 1

Text proposed by the Commission

This Decision lays down rules on the determination of the contribution of Member States 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.

Amendment

This Decision lays down rules on the determination of the contribution of Member States to meeting the greenhouse gas emission reduction commitment of the Community from 2013 to 2020, and for the evaluation thereof.

Amendment 6

Proposal for a decision – amending act Article 3 – paragraph 1

Text proposed by the Commission

(1) Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions **from sources not covered under Directive 2003/87/EC** by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year **2005**.

Amendment

(1) Until a future international agreement on climate change has been concluded by the Community leading to emission reductions exceeding those required pursuant to this Article, each Member State shall, by 2020, limit its greenhouse gas emissions by the percentage set for that Member State in the Annex to this Decision in relation to its emissions in the year **1990**.

Amendment 7

Proposal for a decision – amending act Article 3 – paragraph 2

Text proposed by the Commission

(2) Subject to paragraph 3 and Article 4, each Member State shall ensure that its total greenhouse gas emissions in 2013

Amendment

(2) Subject to paragraph 3 and Article 4, each Member State shall ensure that its total greenhouse gas emissions in 2013 do

from sources not covered under Directive 2003/87/EC do not exceed the average *annual greenhouse gas* emissions of that Member State *from those sources* during the years 2008, 2009 and 2010, as reported and verified pursuant to Directive 2003/87/EC and Decision 280/2004/EC.

not exceed *the upper limit laid down for 2020 for that Member State in the Annex. In determining the linear limits of this, each Member State shall be able to choose between the following two options:*

i) either on the basis of the target values set for that Member State in the Kyoto Protocol, or

ii) on the basis of the average emissions of that Member State during the years 2008, 2009 and 2010, as reported and verified pursuant to Decision 280/2004/EC.

Amendment 8

Proposal for a decision Article 5 – paragraph 1

Text proposed by the Commission

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3 and the use of credits in accordance with Article 4.

Amendment

1. Member States shall, in their annual reports submitted pursuant to Article 3 of Decision 280/2004/EC, report their annual emissions resulting from the implementation of Article 3 and the use of credits in accordance with Article 4

These reports shall include the projected emission reductions resulting from the measures planned in all major sectors in order to achieve the 2020 and 2050 targets.

Amendment 9

Proposal for a decision Article 5– paragraph 2 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The evaluation shall also assess the impact of sectoral Community policies on the Community's greenhouse gas

emissions and the emission reduction potential of those policies. The Commission shall make proposals, as appropriate, to ensure that such policies contribute adequately to achieving the 2020 and 2050 reduction targets.

Amendment 10

Proposal for a decision – amending act Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5 a

The Commission shall ensure that the Community's commitment to reducing greenhouse gas emissions is implemented in harmony with its cohesion policy, taking into account the need to maintain and strengthen the economic and social cohesion of individual Member States and regions.

Amendment 11

Proposal for a decision – amending act Article 5 b (new)

Text proposed by the Commission

Amendment

Article 5 b

Since the commitment entered into by the Community imposes tasks not only on the central governments of Member States but also on their local and regional governments and on other local and regional advocacy forums and organisations, Member States shall ensure cooperation between their central authorities and local authorities at different levels.

Amendment 12

Proposal for a decision
Article 5 b (new)

Text proposed by the Commission

Amendment

Article 5b

Since 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.

Amendment 13

Proposal for a decision – amending act
Article 5 c (new)

Text proposed by the Commission

Amendment

Article 5 c

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.

Amendment 14

Proposal for a decision – amending act Article 5 d (new)

Text proposed by the Commission

Amendment

Article 5 d

The deadline for implementing commitments is 2020. During the period up to 2020, a number of projects shall be financed from the European Union's Structural Fund and cohesion fund. The Commission shall seek to reflect the Community's commitment to reducing greenhouse gas emissions in cohesion policy and incorporate aspects of reducing greenhouse gas emissions into the system of conditions of the funds earmarked for cohesion and structural development.

Amendment 15

Proposal for a decision – amending act Article 5 f (new)

Text proposed by the Commission

Amendment

Article 5 f

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.

Amendment 16

Proposal for a decision – amending act Article 5 g (new)

Text proposed by the Commission

Amendment

Article 5 g

Joint Implementation and the Clean Development Mechanism are flexible instruments which help the European Union to meet its commitments; the Commission shall, therefore, increase and not reduce their future application, since Member States – and individual regions within them – have different economic-social and environmental characteristics, and thus the means of achieving the objectives set might differ between Member States and between regions within them.

Amendment 17

Proposal for a decision – amending act Article 5 h (new)

Text proposed by the Commission

Amendment

Article 5 h

Since it is of crucial importance to the European Union that an international agreement be reached on reducing greenhouse gas emissions, the Commission shall, with a view to maintaining economic cohesion, do all it can to ensure there is a new, worldwide agreement on reducing greenhouse gas emissions when the Kyoto Convention expires.

Amendment 18

Proposal for a decision – amending act Article 5 i (new)

Text proposed by the Commission

Amendment

Article 5 i

Since the European Union's ambitious commitments represent a considerable burden for regions lagging behind, the Commission shall support these regions to ensure that short-term financial

difficulties do not result in serious losses for them as the stated objectives are achieved.

Amendment 19

Proposal for a decision – amending act Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6 a

Within six months of the signature of the international climate change agreement stipulating a compulsory reduction of emissions beyond what is set out in Article 3 of the Decision, the Commission shall submit a legislative proposal on Member States' contributions to further Community commitments to be adopted on the basis of Article 251 of the Treaty establishing the European Community.

Amendment 20

Proposal for a decision – amending act Article 7

Text proposed by the Commission

Amendment

The maximum quantity of emissions under Article 3 of this Decision shall be adjusted in accordance with the quantity of allowances for greenhouse gas emissions issued pursuant to Article 11 of Directive 2003/87/EC that results from a change in the coverage of sources under that Directive following the final approval by the Commission of the national allocation plans for the period 2008 to 2012 pursuant to Directive 2003/87/EC. The Commission shall publish the figures resulting from that adjustment.

deleted

Amendment 21

Proposal for a decision

Annex; title of the first column: Greenhouse gas emissions in Member States, with reference to Article 3

Text proposed by the Commission

Member State greenhouse gas emission limits by 2020 compared to **2005** greenhouse gas emission levels for sources not covered under Directive 2003/87/EC

Amendment

Member State greenhouse gas emission limits by 2020 compared to **1990** greenhouse gas emission levels for sources not covered under Directive 2003/87/EC.
The Commission shall draw up a new table setting out the greenhouse gas emission limits and the quantity of gasses emitted, expressed in tonnes of CO₂ equivalent.

Justification

It would be contrary to the principle of solidarity to adopt a legislative approach which disregards the carbon dioxide emission reductions achieved by the individual Member States between 1990 and 2005. There is no justification for making further excess emissions possible on account of anticipated economic growth, as growth in GDP is not directly proportional to increases in carbon dioxide emissions. By adopting this approach, the European Union would be setting a bad example to developing countries for the planned negotiations on an international agreement.

PROCEDURE

Title	Shared effort to reduce greenhouse gas emissions
References	COM(2008)0017 – C6-0041/2008 – 2008/0014(COD)
Committee responsible	ENVI
Opinion by Date announced in plenary	REGI 19.2.2008
Drafts(wo)man Date appointed	Antonio De Blasio 26.3.2008
Discussed in committee	8.4.2008 25.6.2008
Date adopted	16.7.2008
Result of final vote	+ : 28 - : 14 0 : 5
Members present for the final vote	Emmanouil Angelakas, Stavros Arnaoutakis, Elspeth Attwooll, Jean Marie Beaupuy, Rolf Berend, Jana Bobošíková, Victor Boştinaru, Wolfgang Bulfon, Antonio De Blasio, Petru Filip, Gerardo Galeote, Iratxe García Pérez, Eugenijus Gentvilas, Ambroise Guellec, Zita Gurmai, Marian Harkin, Mieczysław Edmund Janowski, Rumiana Jeleva, Gisela Kallenbach, Evgeni Kirilov, Constanze Angela Krehl, Florencio Luque Aguilar, Jamila Madeira, Sérgio Marques, Miguel Angel Martínez Martínez, Yiannakis Matsis, Miroslav Mikolášik, James Nicholson, Lambert van Nistelrooij, Jan Olbrycht, Maria Petre, Markus Pieper, Pierre Pribetich, Wojciech Roszkowski, Elisabeth Schroedter, Grażyna Staniszevska, Catherine Stihler, Dimitar Stoyanov, Margie Sudre, Oldřich Vlasák
Substitute(s) present for the final vote	Jan Březina, Emanuel Jardim Fernandes, Lidia Joanna Geringer de Oedenberg, Zita Pleštinská, Samuli Pohjamo, Miloslav Ransdorf
Substitute(s) under Rule 178(2) present for the final vote	Dimitrios Papadimoulis

PROCEDURE

Title	Shared effort to reduce greenhouse gas emissions			
References	COM(2008)0017 – C6-0041/2008 – 2008/0014(COD)			
Date submitted to Parliament	23.1.2008			
Committee responsible Date announced in plenary	ENVI 19.2.2008			
Committee(s) asked for opinion(s) Date announced in plenary	INTA 19.2.2008	ECON 19.2.2008	EMPL 10.4.2008	ITRE 19.2.2008
	REGI 19.2.2008			
Not delivering opinions Date of decision	INTA 25.2.2008			
Associated committee(s) Date announced in plenary	ITRE 10.4.2008			
Rapporteur(s) Date appointed	Satu Hassi 27.2.2008			
Discussed in committee	26.2.2008	7.5.2008	25.6.2008	
Date adopted	7.10.2008			
Result of final vote	+: –: 0:	65 0 1		
Members present for the final vote	Adamos Adamou, Georgs Andrejevs, Margrete Auken, Liam Aylward, Pilar Ayuso, Irena Belohorská, Johannes Blokland, John Bowis, Hiltrud Breyer, Martin Callanan, Dorette Corbey, Magor Imre Csibi, Chris Davies, Avril Doyle, Mojca Drčar Murko, Edite Estrela, Jill Evans, Anne Ferreira, Karl-Heinz Florenz, Elisabetta Gardini, Matthias Groote, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Gyula Hegyi, Jens Holm, Marie Anne Isler Béguin, Caroline Jackson, Dan Jørgensen, Eija-Riitta Korhola, Holger Krahmer, Urszula Krupa, Marie-Noëlle Lienemann, Peter Liese, Jules Maaten, Linda McAvan, Roberto Musacchio, Riitta Myller, Péter Olajos, Miroslav Ouzký, Vladko Todorov Panayotov, Vittorio Prodi, Frédérique Ries, Dagmar Roth-Behrendt, Guido Sacconi, Daciana Octavia Sârbu, Amalia Sartori, Richard Seeber, Kathy Sinnott, María Sornosa Martínez, Salvatore Tatarella, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Anders Wijkman, Glenis Willmott			
Substitute(s) present for the final vote	Jerzy Buzek, Bairbre de Brún, Erna Hennicot-Schoepges, Johannes Lebech, Caroline Lucas, Lambert van Nistelrooij			
Substitute(s) under Rule 178(2) present for the final vote	Domenico Antonio Basile, Catherine Stihler			