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Committee on Industry, Research and Energy

2008/0014(COD)

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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

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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

(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.

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

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

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.

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. 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.***

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 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

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 ***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.

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

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),

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

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 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 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

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***

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.

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.

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 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).

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 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.

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.

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 ***4%*** of the greenhouse gas emissions of that Member State not covered under Directive 2003/87/EC in the year 2005.

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

Amendment

1. Paragraphs 2, 3 and 4 shall apply upon the conclusion by the Community of an international agreement on climate change

1. Upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions of

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);

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*

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);

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

in accordance with paragraph 5 by up to half of the additional reduction taking place in accordance with paragraph 2.

agreement.

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).

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 Țicău, 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