P8_TA(2017)0256

Binding annual greenhouse gas emission reductions to meet commitments under the Paris Agreement


(Ordinary legislative procedure: first reading)

Amendment 1

Proposal for a regulation
Title

<table>
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1 The matter was referred back for interinstitutional negotiations to the committee responsible, pursuant to Rule 59(4), fourth subparagraph (A8-0208/2017).
mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change

("Climate Action Regulation implementing the Paris Agreement")

Amendment 2
Proposal for a regulation
Citation 1 a (new)

Text proposed by the Commission

Having regard to Protocol No 1 of the Treaty on the Functioning of the European Union on the role of national parliaments in the European Union,

Amendment 3
Proposal for a regulation
Citation 1 b (new)

Text proposed by the Commission

Having regard to Protocol No 2 of the Treaty on the Functioning of the European Union on the application of the principles of subsidiarity and proportionality,

Amendment 4
Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) On 10 June 2016 the Commission presented the proposal for the EU to ratify the Paris agreement. This legislative proposal forms part of the implementation of the EU's commitment in the Paris agreement. The Union's commitment to economy-wide emission reductions was confirmed in the intended nationally determined contribution of the Union and its Member States that was submitted to the Secretariat of the UNFCCC on 6 March 2015.

(3) The Council ratified the Paris Agreement on 5 October 2016, following the consent that was given by the European Parliament on 4 October 2016. The Paris Agreement entered into force on 4 November 2016 and aims, under Article 2 thereof, ‘to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by: (a) Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to
1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; (c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

The Paris Agreement also requires its parties to take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases, including forests.

This legislative proposal forms part of the implementation of the EU’s commitment in the Paris agreement. The Union's commitment to economy-wide emission reductions was confirmed in the intended nationally determined contribution of the Union and its Member States that was submitted to the Secretariat of the UNFCCC on 6 March 2015.

Amendment 5
Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The Paris Agreement replaces the approach taken under the 1997 Kyoto Protocol which will not be continued beyond 2020.

Amendment

(4) The Paris Agreement replaces the approach taken under the 1997 Kyoto Protocol which will not be continued beyond 2020. The Green Investment Schemes linked to the Kyoto Protocol, which provide financial support for emission reduction projects in lower-income Member States, will therefore also be discontinued.

Amendment 6
Proposal for a regulation
Recital 4 a (new)
(4 a) The Environment Council meeting on 21 October 2009 supported a Union objective, in the context of necessary reductions according to the Intergovernmental Panel on Climate Change (IPCC) by developed countries as a group, to reduce emissions by 80 to 95% by 2050 compared to 1990.

Amendment 7
Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) The transition to clean energy and the bio-economy requires changes in investment behaviour and incentives across the entire policy spectrum. It is a key Union priority to establish a resilient Energy Union to provide secure, sustainable, competitive and affordable energy to its citizens. Achieving this requires continuation of ambitious climate action with this Regulation and progress on the other aspects of Energy Union as set out in the Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy.16

Amendment

(5) The transition to clean energy and the bio-economy requires changes in investment behaviour across the entire policy spectrum and incentives for small and medium-sized enterprises (SMEs) with less capital and small farms to adapt their business models. It is a key Union priority to establish a resilient Energy Union which prioritises energy efficiency and aims to provide secure, sustainable and affordable energy to its citizens as well as applying stringent sustainability and emission-reduction policies to the use of bio-based resources to replace fossil resources. Achieving this requires continuation of ambitious climate action with this Regulation and progress on the other aspects of Energy Union as set out in the Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy.16

16 COM(2015)0080

Amendment 8
Proposal for a regulation
Recital 9
(9) The approach of annually binding national limits taken in Decision No 406/2009/EC of the European Parliament and of the Council\(^\text{19}\) should be continued from 2021 to 2030, with the start of the trajectory calculation in 2020 on the average of the greenhouse gas emissions during 2016 to 2018 and the end of the trajectory being the 2030 limit for each Member State. An adjustment to the allocation in 2021 is provided for Member States with both a positive limit under Decision 406/2009/EC and increasing annual emission allocations between 2017 and 2020 determined pursuant to Decisions 2013/162/EU and 2013/634/EU, to reflect the capacity for increased emissions in those years. The European Council concluded that the availability and use of existing flexibility instruments within the non-ETS sectors should be significantly enhanced in order to ensure cost-effectiveness of the collective Union effort and convergence of emissions per capita by 2030.

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Amendment 9
Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

(9 a) In order to set the Union on track to a low-carbon economy, this Regulation provides for a long-term emission reductions trajectory to reduce from 2031 the greenhouse gas emissions covered by this Regulation. The Regulation also contributes to the aim of the Paris Agreement to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century.

Amendment 10
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) In order to preserve full efficiency of the market stability reserve established by Decision (EU) 2015/1814\(^1a\) of the European Parliament and the Council, the cancellation of allowances as the result of the use of the flexibility laid down in this Regulation following the reduction of EU ETS allowances should not be taken into account as allowances that have been cancelled in accordance with Directive 2003/87/EC when determining, under Decision (EU) 2015/1814, the total number of allowances in circulation in a given year pursuant to that Decision.

Amendment 11

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) A range of Union measures enhance Member States’ ability to meet their climate commitments and are crucial to achieving necessary emission reductions in the sectors covered by this Regulation. These include legislation on fluorinated greenhouse gases, CO₂-reductions from road vehicles, energy performance of building, renewables, energy efficiency and the Circular Economy, as well as Union funding instruments for climate-related investments.

Amendment 12

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

(11a) In order to achieve those emissions reductions and in an effort to maximise the role of the agriculture sector, it is important that Member States promote innovative mitigation actions with the greatest potential, including: conversion of arable to permanent grassland; management of hedges, buffer strips and trees on agricultural land; new agroforestry and woodland planting schemes; prevention of tree removal and deforestation; low or no till and use of cover/catch crops and crop residues on land; carbon auditing and soil/nutrient management plans; improved nitrogen efficiency and nitrification inhibition; wetland/peat land restoration and conservation; and enhanced livestock breeding, feeding and management methods for lower emissions.
Amendment 13
Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

(11b) This Regulation, including the available flexibilities, provides an incentive for emission reductions consistent with other Union legal acts on climate and energy for sectors that are covered by this Regulation, including in the area of energy efficiency. Given that over 75 % of the greenhouse gas emissions are energy-related, increased efficiency of energy use and energy savings will play an important role in delivering such emissions reductions. Ambitious energy efficiency policies are therefore key not only for higher fossil fuel import savings ensuring energy security and lower consumer bills, but also for an increased uptake of energy-saving technologies in buildings, industry and transport, the strengthening of economic competitiveness, local job creation as well as improving health conditions and tackling energy poverty. Paying for themselves over time, measures taken in sectors covered by this Regulation are a cost-effective way of helping Member States achieve their targets under this Regulation. Accordingly, when translating this Regulation into national policies, it is important that Member States pay particular attention to the specific and different potentials for energy efficiency improvements and investments across sectors.
Amendment 14
Proposal for a regulation
Recital 11 c (new)

Text proposed by the Commission

(11c) The transport sector is not only a major greenhouse gas emitter but has also been the fastest growing sector in energy consumption since 1990. It is important, therefore, that further efforts are made by the Commission and the Member States to improve energy efficiency, foster a shift to sustainable transport modes and reduce the sector’s high carbon dependency. The decarbonisation of the energy mix by promoting low emission energy for transport, for example by sustainable biofuels and electric vehicles, will contribute to the CO₂ emission reduction target, in line with the goals of the Paris Agreement. That could be facilitated by ensuring that the sector has a clear and long-term framework to provide certainty and upon which to base investments.

Amendment 15
Proposal for a regulation
Recital 11 d (new)

Text proposed by the Commission

(11d) The impact of energy and sectorial policies on the Union and national climate commitments should be assessed with common quantified methods, so that their impacts are transparent and verifiable.

Amendment 57
Proposal for a regulation
Recital 12
(12) Regulation [ ] [on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework] lays down accounting rules on greenhouse gas emissions and removals relating to land use, land-use change and forestry (LULUCF). While the environmental outcome under this Regulation in terms of the levels of greenhouse gas emission reductions that are made is affected by taking into account a quantity up to the sum of total net removals and total net emissions from deforested land, afforested land, managed cropland and managed grassland as defined in Regulation [ ], flexibility for a maximum quantity of 280 million tonnes of CO₂ equivalent of these removals divided among Member States according to the figures in Annex III should be included as an additional possibility for Member States to meet their commitments when needed. Where the delegated act to update the forest reference levels based on the national forestry accounting plans pursuant to Article 8 (6) of Regulation [LULUCF] is adopted, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of Article 7 to reflect a contribution of the accounting category managed forest land in the flexibility provided by that Article. Before adopting such a delegated act, the Commission should evaluate the robustness of accounting for managed forest land based on available data, and in particular the consistency of projected and actual harvesting rates. In addition, the possibility to voluntarily delete annual emission allocation units should be allowed under this Regulation in order to allow for such amounts to be taken into account when assessing Member States’ compliance with requirements under Regulation [ ].

(12) Regulation [ ] [on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework] lays down accounting rules on greenhouse gas emissions and removals relating to land use, land-use change and forestry (LULUCF). While the environmental outcome under this Regulation in terms of the levels of greenhouse gas emission reductions that are made is affected by taking into account a quantity up to the sum of total net removals and total net emissions from deforested land, afforested land, managed cropland and where applicable managed wetland as defined in Regulation [ ], flexibility for a maximum quantity of 280 million tonnes of CO₂ equivalent of these removals divided among Member States according to the figures in Annex III should be included as an additional possibility for Member States to meet their commitments when needed. Where the delegated act to update the forest reference levels based on the national forestry accounting plans pursuant to Article 8 (6) of Regulation [LULUCF] is adopted, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of Article 7 to reflect a balanced contribution of the accounting category managed forest land in the flexibility of 280 million provided by that Article. Before adopting such a delegated act, the Commission should evaluate the robustness of accounting for managed forest land based on available data, and in particular the consistency of projected and actual harvesting rates. In addition, the possibility to voluntarily delete annual emission allocation units should be allowed under this Regulation in order to allow for such amounts to be taken into account when assessing Member States’ compliance
Achieving, in a mutually coherent manner, the multiple Union objectives linked to the agricultural sector, including climate mitigation and adaptation, air quality, the conservation of biodiversity and ecosystem services and support for rural economies, will require changes in investment and incentives, supported by Union measures, such as the CAP. It is vital that this Regulation take into account the objective of contributing to the objectives of the Union Forest Strategy to promote a competitive and sustainable supply of wood for the Union bio-economy, the Member States’ national forest policies, the Union Biodiversity Strategy and the Union Circular Economy Strategy.

In order to ensure efficient, transparent and cost-effective reporting and verification of greenhouse gas emissions and of other information necessary to assess progress with Member State's annual emissions allocations, the requirements for annual reporting and evaluation under this Regulation are integrated with the relevant Articles under Regulation (EU) No. 525/2013, which should therefore be amended accordingly. The amendment of that Regulation should also ensure that progress of Member States with requirements under Regulation [ ].
in making emission reductions continues to be evaluated annually, taking into account progress in Union policies and measures and information from Member States. Every two years, the evaluation should include the projected progress of the Union towards meeting its reduction commitments and of Member States towards fulfilling their obligations. However, the application of deductions should only be considered at five-year intervals, so that the potential contribution from deforested land, afforested land, managed cropland and managed grassland taking place pursuant to Regulation [ ] can be considered. This is without prejudice to the duty of the Commission to ensure compliance with the obligations of Member States resulting from this Regulation or to the power of the Commission to initiate infringement proceedings for this purpose.

Amendment 19

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

(13 a) As the sectors covered by this Regulation constitute more than half of the Union’s greenhouse gas emissions, the emission reduction policies in these sectors are highly important in order to fulfil the Union’s commitments in accordance with the Paris Agreement. Therefore, the monitoring, reporting and follow up procedures under this Regulation should be fully transparent. Member States and the Commission should make the information concerning compliance with this Regulation publicly available and should ensure the proper involvement of the stakeholders and the public in the review process of this Regulation. The Commission is also urged to create an efficient and transparent system to monitor the
(14) As a means to enhance the overall cost-effectiveness of total reductions, Member States should be able to transfer part of their annual emission allocations to other Member States. The transparency of such transfers should be ensured and may be carried out in a manner that is mutually convenient, including by means of auctioning, the use of market intermediaries acting on an agency basis, or by way of bilateral agreements.

(15) The European Environment Agency aims to support sustainable development and to help achieve significant and measurable improvement in Europe’s environment by providing timely, targeted, relevant and reliable information to policy-makers, public institutions and the public. The European Environment Agency should assist the Commission, as appropriate in accordance with its annual work programme, and contribute directly and effectively to coping with climate change.
In order to ensure uniform conditions for the implementation of Article 4 according to which annual emission limits for Member States will be established, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council21.


In addition to the efforts to reduce its own emissions, it is important that the Union, in line with the aim of increasing its positive impact on the global carbon handprint, envisage, together with third countries, climate solutions by implementing joint projects with those countries, in the 2030 climate policy context, taking into account that the Paris Agreement refers to a new international cooperation mechanism for combating climate change.
(20) This Regulation should be reviewed as of 2024 and every 5 years thereafter in order to assess its overall functioning. The review should take into account evolving national circumstances and be informed by the results of the global stocktake of the Paris Agreement.

To comply with the Paris Agreement it is necessary that the Union makes progressively stronger efforts and submits every five years a contribution reflecting its highest possible ambition.

The review should therefore take into account the Union’s objective to reduce economy-wide greenhouse gas emissions by 80 to 95% by 2050 compared to the 1990 levels and the aim of the Paris Agreement of achieving a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century. It should be based on best available science and should rely on a preparatory report by the European Environment Agency.

The review of the emission reductions of Member States for the period from 2031 should take into account the principles of fairness and cost-effectiveness.

Amendment

Proposal for a regulation
Article 1 – paragraph 1

This Regulation lays down obligations on the minimum contributions of Member States to meeting the greenhouse gas emission reduction commitment of the Union for the period from 2021 to 2030, rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions.

This Regulation lays down obligations on the minimum contributions of Member States to meeting the greenhouse gas emission reduction commitment of the Union for the period from 2021 to 2030, rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions. It requires
Member States to reduce the greenhouse gas emissions referred to in Article 2 in order to meet the Union target of a reduction of at least 30% by 2030 compared to 2005 in a fair and cost-effective manner.

Amendment 26
Proposal for a regulation
Article 1 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

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

Amendment 27
Proposal for a regulation
Article 2 – paragraph 3

Text proposed by the Commission

Amendment

3. For the purposes of this Regulation, CO₂ emissions from IPCC source category '1.A.3.A civil aviation' shall be treated as zero.

3. For the purposes of this Regulation, CO₂ emissions from IPCC source category '1.A.3.A civil aviation' covered by the Directive 2003/87/EC shall be treated as zero.

Amendment 28
Proposal for a regulation
Article 2 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. This Regulation applies to CO₂ emissions from IPCC source category '1.A.3.D navigation' which are not covered by Directive 2003/87/EC.

Amendment 29
Proposal for a regulation
Article 4

Text proposed by the Commission

Annual emission levels for the period from 2021 to 2030

1. Each Member State shall, in 2030, limit its greenhouse gas emissions at least by the percentage set for that Member State in Annex I to this Regulation in relation to its emissions in 2005 determined pursuant to paragraph 3.

2. Subject to the flexibilities provided for in Articles 5, 6 and 7, to the adjustment pursuant to Article 10(2) and taking into account any deduction resulting from the application of Article 7 of Decision No 406/2009/EC, each Member State shall ensure that its greenhouse gas emissions in each year between 2021 and 2029 do not exceed the level defined by a linear trajectory, starting in 2020 on the average of its greenhouse gas emissions during 2016, 2017 and 2018 determined pursuant to paragraph 3 and ending in 2030 on the limit set for that Member State in Annex I to this Regulation.

3. The Commission shall adopt an implementing act setting out the annual emission allocations for the years from 2021 to 2030 in terms of tonnes of CO₂ equivalent as specified in paragraphs 1 and 2. For the purposes of this implementing act, the Commission shall carry out a comprehensive review of the most recent national inventory data for the years 2005 and 2016 to 2018 submitted by Member States pursuant to Article 7 of Regulation (EU) No 525/2013.

4. This implementing act shall also specify, based on the percentages notified by Member States under Article 6(2), the

Amendment

Article 4

Annual emission levels for the period from 2021 to 2030

1. Each Member State shall, by 2030, limit its greenhouse gas emissions at least by the percentage set for that Member State in Annex I to this Regulation in relation to its emissions in 2005 determined pursuant to paragraph 3.

2. Subject to the flexibilities provided for in Articles 5, 6 and 7, to the adjustment pursuant to Article 10(2) and taking into account any deduction resulting from the application of Article 7 of Decision No 406/2009/EC, each Member State shall ensure that its greenhouse gas emissions in each year between 2021 and 2029 do not exceed the level defined by a linear trajectory, starting in 2018 either on the average of its greenhouse gas emissions during 2016, 2017 and 2018 determined pursuant to paragraph 3 or on the 2020 annual emission allocation determined in accordance with Article 3(2) and Article 10 of Decision 406/2009/EC, whichever is lower, and ending in 2030 on the limit set for that Member State in Annex I to this Regulation.

3. The Commission shall adopt delegated acts in accordance with Article 12 to supplement this Regulation by setting out the annual emission allocations for the years from 2021 to 2030 in terms of tonnes of CO₂ equivalent as specified in paragraphs 1 and 2. For the purposes of those delegated acts, the Commission shall carry out a comprehensive review of the most recent national inventory data for the years 2005 and 2016 to 2018 submitted by Member States pursuant to Article 7 of Regulation (EU) No 525/2013.

4. This delegated act shall also specify, based on the percentages notified by Member States under Article 6(2), the
quantities that may be taken into account for their compliance under Article 9 between 2021 and 2030. If the sum of all Member States' quantities were to exceed the collective total of 100 million, the quantities for each Member State shall be reduced on a pro rata basis so that the collective total is not exceeded.

5. **This implementing act shall be adopted in accordance with the examination procedure referred to in Article 13.**

Amendment 30

Proposal for a regulation

Article 4 a (new)

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Text proposed by the Commission
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Amendment

**Article 4 a**

**Long-term emission reductions trajectory from 2031**

Unless decided otherwise in the first or one of the subsequent reviews referred to in Article 14(2), each Member State shall, for each year from 2031 to 2050, continue to reduce the greenhouse gas emissions covered by this Regulation. Each Member State shall ensure that its greenhouse gas emissions in each year between 2031 and 2050 do not exceed the level defined by a linear trajectory, starting from its annual emission allocations for 2030 and ending in 2050 on a level of emissions that is 80% below the 2005 level for that Member State.

The Commission shall adopt delegated acts in accordance with Article 12 to supplement this Regulation by specifying the annual emission allocations for the years from 2031 to 2050 in terms of tonnes of CO₂ equivalent.

Amendment 31

Proposal for a regulation

Article 5
1. Member States may use the flexibilities set out in paragraphs 2 to 6 of this Article, and in Articles 6 and 7.

2. In respect of the years 2021 to 2029, a Member State may borrow a quantity of up to 5% from its annual emission allocation for the following year.

3. A Member State whose greenhouse gas emissions for a given year are below its annual emission allocation for that year, taking into account the use of flexibilities pursuant to this Article and Article 6, may bank that excess part of its annual emission allocation to subsequent years until 2030.

4. A Member State may transfer up to 5% of its annual emission allocation for a given year to other Member States. The receiving Member State may use this quantity for compliance under Article 9 for the given year or for subsequent years until 2030.

5. A Member State may transfer the part of its annual emission allocation for a given year that exceeds its greenhouse gas emissions for that year, taking into account the use of flexibilities pursuant to paragraphs 2 to 4 and Article 6, to other Member States. A receiving Member State may use this quantity for compliance under Article 9 for the given year or for subsequent years until 2030.
may use this quantity for compliance under Article 9 for that year or subsequently until 2030.

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

6. Member States shall be able to use credits from projects issued pursuant to Article 24a (1) of Directive 2003/87/EC for compliance under Article 9, without any quantitative limit and while avoiding double-counting. Member States may encourage the establishment of private-private and public-private partnerships for such projects.

Amendment 32
Proposal for a regulation
Article 6 – paragraph 3 a (new)

Text proposed by the Commission

3a. Access to the flexibility set out in this Article and Annex II shall be granted on condition that the Member States concerned commit to taking measures in other sectors where insufficient results have been achieved in the past. The Commission shall supplement this Regulation by adopting a delegated act in accordance with Article 12 setting out a list of such measures and sectors by 31 December 2019.

Amendment 55
Proposal for a regulation
Article 7 - title

Text proposed by the Commission

Additional use of up to 280 million net removals from deforested land, afforested land, managed cropland and managed

Amendment

Additional use of up to 280 million net removals from land use, land use change
Amendment 34

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. To the extent that a Member State’s emissions exceed its annual emission allocations for a given year, a quantity up to the sum of total net removals and total net emissions from the combined accounting categories of deforested land, afforested land, managed cropland and managed grassland referred to in Article 2 of Regulation [ ] [LULUCF] may be taken into account for its compliance under Article 9 of this Regulation for that year, provided that:

(a) the cumulative quantity taken into account for that Member State for all years of the period from 2021 to 2030 does not exceed the level set in Annex III for that Member State;

(b) such quantity is in excess of that Member State’s requirements under Article 4 of Regulation [ ][LULUCF];

Amendment

1. To the extent that a Member State’s emissions exceed its annual emission allocations for a given year including any emission allocations banked pursuant to Article 5(3), a quantity up to the sum of total net removals and total net emissions from the combined accounting categories of deforested land, afforested land, managed cropland, managed grassland, managed wetland where applicable, and, subject to the delegated act adopted pursuant to paragraph 2, managed forest land, referred to in Article 2 of Regulation [ ] [LULUCF] may be taken into account for its compliance under Article 9 of this Regulation for that year, provided that:

(a) the cumulative quantity taken into account for that Member State for all years of the period from 2021 to 2030 does not exceed the level set in Annex III for that Member State;

(b) such quantity is demonstrated to be in excess of that Member State’s requirements under Article 4 of Regulation [ ][LULUCF] during the five year periods set out in in Article 12 of Regulation [ ]
(c) the Member State has not acquired more net removals under Regulation [LULUCF] from other Member States than it has transferred; and

(d) the Member State has complied with the requirements of Regulation [LULUCF].

The Commission may issue opinions on the action plans submitted by Member States in accordance with point (-a).

Amendment 56

Proposal for a regulation
Article 7 - paragraph 2

Text proposed by the Commission

2. Where the delegated act to update the forest reference levels based on the national forestry accounting plans pursuant to Article 8 (6) of Regulation [LULUCF] is adopted, the Commission shall be empowered to adopt a delegated act to modify paragraph 1 of this Article in order to reflect a contribution of the accounting category managed forest land in accordance with Article 12 of this Regulation.

Amendment

2. Where the delegated act to update the forest reference levels based on the national forestry accounting plans pursuant to Article 8 (6) of Regulation [LULUCF] is adopted, the Commission shall be empowered to adopt a delegated act to modify paragraph 1 of this Article and the accounting categories in Annex III in order to reflect a balanced contribution of the accounting category managed forest land in accordance with Article 12 of this Regulation without exceeding the total amount of 280 million available under this Article.

Amendment 36

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. In 2027 and 2032, if the reviewed greenhouse gas emissions of a Member State exceed its annual emission allocation

Amendment

1. Every two years the Commission shall carry out a check of Member States’ compliance with this Regulation. If the
for any specific year of the period, pursuant to paragraph 2 of this Article and the flexibilities used pursuant to Articles 5 to 7, the following measures shall apply:

(a) an addition to the Member State's emission figure of the following year equal to the amount in tonnes of CO$_2$ equivalent of the excess greenhouse gas emissions, multiplied by a factor of 1.08, in accordance with the measures adopted pursuant to Article 11; and

(b) the Member State shall be temporarily prohibited from transferring any part of its annual emission allocation to another Member State until it is in compliance with this Regulation. The Central Administrator shall implement this prohibition in the registry referred in Article 11.

Amendment 58

Proposal for a regulation
Article 9 a (new)

Text proposed by the Commission

Amendment

Article 9a

Early action reserve

1. In order to take into account early action before 2020, a quantity not exceeding a total sum of 90 million tonnes in annual emission allocations in the period 2026 to 2030 shall, upon the request of a Member State, be taken into account for that Member State's compliance for the purposes of the last compliance check under Article 9 of this Regulation provided that:

(a) its total annual emission allocations for the period 2013 to 2020 determined in accordance with Article
3(2) and Article 10 of Decision No 406/2009/EC exceed its total annual verified greenhouse gas emissions for the period 2013 to 2020;

(b) its GDP per capita at market prices in 2013 is below the EU average;

(c) it has used to the maximum extent the flexibilities referred to in Articles 6 and 7 to the levels set in Annexes II and III;

(d) it has used to the maximum extent the flexibilities referred to in Article 5(2) and (3) and it has not transferred emission allocations to another Member State pursuant to Article 5(4) and (5); and

(e) the Union as a whole meets its target referred to in Article 1(1).

2. The maximum share of a Member State of the total sum referred to in paragraph 1 that may be taken into account for compliance shall be established on the basis of the ratio of, on the one hand, the difference between its total annual emission allocations for the period 2013 to 2020 and its total verified annual greenhouse gas emissions in the same period, and, on the other, the difference between the total annual emission allocations for the period 2013 to 2020 of all the Member States fulfilling the criterion in point (b) of paragraph 1 and the total verified annual greenhouse gas emissions of those Member States in the same period.

The annual emission allocations and the verified annual emissions shall be determined pursuant to paragraph 3.

3. The Commission shall adopt delegated acts in accordance with Article 12 to supplement this Regulation by setting the maximum shares for each Member State in terms of tonnes of CO\textsubscript{2} equivalent pursuant to paragraphs 1 and 2. For the purpose of those delegated acts, the Commission shall use the annual emission allocations determined in accordance with Article 3(2) and Article

Amendment 38

Proposal for a regulation
Article 10 – paragraph 2

Text proposed by the Commission

2. The amount contained in Annex IV to this Regulation shall be added to the allocation for the year 2021 for each Member State referred to in that Annex.

Amendment

2. The amount contained in Annex IV to this Regulation, representing a total sum of 39,14 million tonnes of CO\textsubscript{2} equivalent for all Member States, shall be added to the allocation for the year 2021 for each Member State referred to in that Annex.

Amendment 39

Proposal for a regulation
Article 11 – title

Text proposed by the Commission

Amendment

Registry

European Register

Amendment 40

Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

1. The Commission shall ensure the accurate accounting under this Regulation through the Union Registry established pursuant to Article 10 of Regulation (EU) No 525/2013, including annual emission allocations, flexibilities exercised under Article 4 to 7, compliance under Article 9 and changes in coverage under Article 10 of this Regulation. The Central Administrator shall conduct an automated check on each transaction under this Regulation and, where necessary, block transactions to ensure there are no

Amendment

1. The Commission shall ensure the accurate accounting under this Regulation through the Union Registry established pursuant to Article 10 of Regulation (EU) No 525/2013. The Commission shall, for that purpose, adopt a delegated act in accordance with Article 12 to supplement this Regulation, concerning in particular annual emission allocations, flexibilities exercised under Article 4 to 7, compliance under Article 9 and changes in coverage under Article 10 of this Regulation. The Central Administrator shall conduct an
irregularities. This information shall be accessible to the public.

automated check on each transaction under this Regulation and, where necessary, block transactions to ensure there are no irregularities. The European Register system shall be transparent and include all relevant information regarding the transfer of allowances between Member States. This information shall be accessible to the public through a dedicated website hosted by the Commission.

Amendment 41

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adopt a delegated act to implement paragraph 1 in accordance with Article 12 of this Regulation.

Amendment

deleted

Amendment 42

Proposal for a regulation
Article 11 a (new)

Text proposed by the Commission

Article 11 a

Climate impact of Union funding

The Commission shall carry out a comprehensive, cross-sectorial study of the impact of funding granted from the Union budget or otherwise pursuant to Union law on the mitigation of climate change.

By 1 January 2019, the Commission shall present to the European Parliament and the Council a report on the findings of the study which shall be accompanied, if appropriate, by legislative proposals aimed at discontinuing any Union funding which is not compatible with the CO2 reduction targets or policies of the Union. It shall include the proposal of a mandatory ex ante climate compatibility check which applies to every new Union
Amendment 43

Proposal for a regulation
Article 12 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Article 7(2) and 11 of this Regulation shall be conferred on the Commission for an indeterminate period of time from the entry into force of this Regulation.

Amendment

2. The power to adopt delegated acts referred to in Article 4(3), Article 4a, Article 6(3a), Article 7(2), Article 9a and Article 11 of this Regulation shall be conferred on the Commission for a period of five years from ... [the date of entry into force of this Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

Amendment 44

Proposal for a regulation
Article 12 – paragraph 3

Text proposed by the Commission

3. The delegation of powers referred to in Article 7(2) and 11 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

3. The delegation of powers referred to in Article 4(3), Article 4a, Article 6(3a), Article 7(2), Article 9a and Article 11 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
Amendment 45

Proposal for a regulation
Article 12 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to Article 7(2) and 11 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Amendment

6. A delegated act adopted pursuant to Article 4(3), Article 4a, Article 6(3a), Article 7(2), Article 9a and Article 11 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Amendment 46

Proposal for a regulation
Article 13

Text proposed by the Commission

Article 13 deleted

Committee procedure

1. The Commission shall be assisted by the Climate Change Committee established by Regulation (EU) No 525/2013. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Amendment

Article 13 deleted

Amendment 47

Proposal for a regulation
Article 14 – paragraph 1

Text proposed by the Commission

Amendment
1. Within six months of the facilitative dialogue under the UNFCCC in 2018 the Commission shall publish a communication assessing the consistency of the Union’s climate and energy legislative acts with the goals of the Paris Agreement. In particular, the communication shall examine the role and adequacy of the obligations laid down in this Regulation in meeting those goals, and the consistency of Union legislative acts in the field of climate and energy, including energy efficiency and renewable energy requirements, as well as legislative acts in the field of agriculture and transport, with the EU’s greenhouse gas reduction commitment.

The Commission shall report to the European Parliament and to the Council by 28 February 2024 and every five years thereafter on the operation of this Regulation, its contribution to the EU’s overall 2030 greenhouse gas emission reduction target and its contribution to the goals of the Paris Agreement, and may make proposals if appropriate.

2. The Commission shall report to the European Parliament and to the Council by 28 February 2024 following the first global stocktake of the implementation of the Paris Agreement in 2023 and within six months of the subsequent global stocktakes thereafter, on the operation of this Regulation, its contribution to the EU’s overall 2030 greenhouse gas emission reduction target and the contribution to the goals of the Paris Agreement. The report shall, if appropriate, be accompanied by legislative proposals to increase the emission reductions of Member States.

The review of the emission reductions of Member States for the period from 2031 shall take into account the principles of fairness and cost-effectiveness in the distribution among Member States.

It shall also take into account progress by the Union and by third countries towards the goals of the Paris Agreement as well as progress made in leveraging and sustaining private finance in support of the transition to a low-carbon economy.

Amendment 48

Proposal for a regulation
Article 15 a (new)
Decision (EU) 2015/1814
Article 1 – paragraph 4
Article 15a

Amendment to Decision (EU) 2015/1814

Article 1 (4) of Decision (EU) 2015/1814 is replaced by the following:

“4. The Commission shall publish the total number of allowances in circulation each year by 15 May of the subsequent year. The total number of allowances in circulation in a given year shall be the cumulative number of allowances issued in the period since 1 January 2008, including the number issued pursuant to Article 13(2) of Directive 2003/87/EC in that period and entitlements to use international credits exercised by installations under the EU ETS in respect of emissions up to 31 December of that given year, minus the cumulative tonnes of verified emissions from installations under the EU ETS between 1 January 2008 and 31 December of that same given year, any allowances cancelled in accordance with Article 12(4) of Directive 2003/87/EC other than the allowances cancelled in accordance with Article 6 (1) of Regulation (EU) 2017/...* of the European Parliament and the Council, and the number of allowances in the reserve. No account shall be taken of emissions during the three-year period starting in 2005 and ending in 2007 and allowances issued in respect of those emissions. The first publication shall take place by 15 May 2017.

implementing the Paris Agreement") (OJ L ..., ..., p ... )."