

Binding annual greenhouse gas emission reductions by Member States (Effort Sharing Regulation)

2021/0200(COD) - 08/06/2022 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 437 votes to 142, with 40 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council Amending Regulation (EU) 2018/842 (Effort Sharing Regulation - ESR) on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement.

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

The main amendments adopted in plenary are as follows:

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

This Regulation:

- lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 towards fulfilling the Union's target of reducing its greenhouse gas emissions by 40 % below 2005 levels in 2030 in the sectors covered by ESR;

- lays down rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions and paves the way for the setting of **post-2030** Union's greenhouse gas emissions reduction targets.

The amended Regulation therefore sets Member States' annual emissions allowances for the whole of the period 2023-2030, unlike the Commission's plan to readjust them in 2025, and changes the way the linear trajectory is defined.

For the purposes of the Regulation, only biofuels, bioliquids and biomass fuels that meet the sustainability and greenhouse gas emission reduction criteria set out in Directive (EU) 2018/2001 of the European Parliament and of the Council could be considered net zero emission.

Alignment with the EU and Member States' climate neutrality objective

The European Commission is invited to present a **report** to ensure that national targets are sufficient to achieve the long-term objective of climate neutrality by 2050 in a fair and cost-effective manner, as well as to define a greenhouse gas emission reduction pathway for each Member State.

Within six months of the publication of this report, the Commission would present proposals to limit greenhouse gas emissions for the sectors covered by the ESR.

Minimum emissions reduction contribution from non-CO2 greenhouse gases for 2030

Members called for a legislative proposal to be tabled by July 2023 setting EU-wide targets for **non-CO2 emissions** covered by the ESR after close consultation with the Scientific Advisory Board on Climate Change.

By 31 July 2023, the Commission should submit to the European Parliament and the Council an assessment report on the EU-wide non-CO2 emission reductions planned and implemented under the relevant national and EU legislation and policies.

Flexibilities by means of borrowing, banking and transfer

The amendments propose to restrict the rules on banking, borrowing and trading of annual emission allowances and delete the provision to create a new voluntary mechanism, in the form of an additional reserve, which would help participating Member States to meet their obligations.

Corrective action

Parliament proposes to strengthen remedial measures. For example, corrective action plans submitted to the Commission should include a detailed explanation of why the Member State is not making sufficient progress to meet its obligations under the ESR.

If a Member State exceeds its annual emissions quota for **two or more consecutive years**, it should undertake a review of its integrated national energy and climate plan and long-term strategy under Regulation (EU) 2018/1999 on the governance of the Energy Union and climate action. The Member State should complete this review within six months

Access to justice

A new provision is introduced to ensure public access to justice for actions implementing the ESR as amended.