



Procedure file

Basic information			
COD - Ordinary legislative procedure (ex-codecision procedure) Directive		Procedure completed	
Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions Amending Directive 2003/87/EC 2001/0245(COD)			
Subject 3.20.15.02 Air transport agreements and cooperation 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements			
Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ENVI Environment, Public Health and Food Safety		17/10/2013
		PPE LIESE Peter	
		Shadow rapporteur	
		S&D GROOTE Matthias	
		ALDE DAVIES Chris	
		Verts/ALE HASSI Satu	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy		20/11/2013
		PPE KORHOLA Eija-Riitta	
	TRAN Transport and Tourism		04/11/2013
		PPE GROSCH Mathieu	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	3308	14/04/2014
European Commission	Commission DG	Commissioner	
	Climate Action	HEDEGAARD Connie	
European Economic and Social Committee			
European Committee of the Regions			
Key events			

16/10/2013	Legislative proposal published	COM(2013)0722	Summary
24/10/2013	Committee referral announced in Parliament, 1st reading		
30/01/2014	Vote in committee, 1st reading		
31/01/2014	Committee report tabled for plenary, 1st reading	A7-0079/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Results of vote in Parliament		
03/04/2014	Decision by Parliament, 1st reading	T7-0278/2014	Summary
14/04/2014	Act adopted by Council after Parliament's 1st reading		
16/04/2014	Final act signed		
16/04/2014	End of procedure in Parliament		
30/04/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/0344(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2003/87/EC 2001/0245(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 192-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/7/14381

Documentation gateway

Legislative proposal		COM(2013)0722	16/10/2013	EC	Summary
Document attached to the procedure		SWD(2013)0430	16/10/2013	EC	
Document attached to the procedure		SWD(2013)0431	16/10/2013	EC	
Committee draft report		PE522.946	28/11/2013	EP	
Amendments tabled in committee		PE526.175	19/12/2013	EP	
Committee opinion	TRAN	PE524.529	22/01/2014	EP	
Economic and Social Committee: opinion, report		CES7943/2013	22/01/2014	ESC	
Committee opinion	ITRE	PE524.643	24/01/2014	EP	
Amendments tabled in committee		PE527.914	28/01/2014	EP	

Committee report tabled for plenary, 1st reading/single reading	A7-0079/2014	31/01/2014	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T7-0278/2014	03/04/2014	EP	Summary
Draft final act	00018/2014/LEX	16/04/2014	CSL	
Commission response to text adopted in plenary	SP(2014)471	09/07/2014	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

[Regulation 2014/421](#)

[OJ L 129 30.04.2014, p. 0001](#) Summary

[Corrigendum to final act 32014R0421R\(01\)](#)

[OJ L 140 14.05.2014, p. 0177](#) Summary

Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

PURPOSE: to amend Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions.

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

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

BACKGROUND: the 2001 International Civil Aviation Organisation (ICAO) Assembly endorsed the application of open emissions trading systems to international aviation. The Union is endeavouring to secure a future international agreement to control greenhouse gas impacts from aviation and, in the meantime, is limiting climate change impacts from aviation activities to and from aerodromes in the Union by autonomous action. In line with the outcome of the 38th ICAO Assembly held in September 2013, there should be a single global market-based measure (MBM) applying to international aviation emissions from 2020 onwards. In response to this progress and to promote further momentum towards the successful establishment of a global MBM, the Commission proposes to make amendments to the aviation activities covered by the EU ETS.

IMPACT ASSESSMENT: the Impact Assessment has shown that adapting the EU ETS to accord with what was expected to be ICAO's MBM Resolution for the period up to 2020 is feasible at low administrative costs.

The environmental benefit of this proposal comes from two key elements:

- it gives impetus to the global MBM that will cover the total emissions from international aviation from 2020 onwards. Depending on the ambition level agreed for the global MBM, total international aviation emissions will be capped at their 2020 level and even be halved by 2050 below 2005 levels;
- the EU ETS will continue to achieve substantial emission reductions that are expected to be up to 250 million tons CO₂ in the period from 2013 to 2020.

LEGAL BASIS: Article 192(1) of the Treaty on the Functioning of the European Union.

CONTENT: the Commission proposed amending the EU emissions trading system (EU ETS) so that aviation emissions would be covered for the part of flights that takes place in European regional airspace. The adjustment in the legislation would apply from 1 January 2014 and until a planned global market-based mechanism (MBM) becomes applicable to international aviation emissions by 2020.

The key features of the revised ETS system resulting from this proposal would be as follows:

- flights between aerodromes in the EEA remain fully covered, as under the original Directive and Decision No. 377/2013/EU;
- flights to and from third countries which are not developed countries and which emit less than 1% of global aviation emissions would be exempted;
- flights to and from third countries are responsible for emissions taking place not beyond EEA countries, as from 2014. A simplified procedure is proposed to determine the relevant proportion of emissions of a given flight which is covered by the ETS;
- overflights of EEA countries are exempt, as are emissions from flights between airports in third countries and EEA airports as regards

As a simplification and to in order to lighten administrative tasks for the smallest aircraft operators, the proposal provides that action should not be taken against non-commercial aircraft operators in respect of emissions from small aircraft operators emitting less than 1000 tonnes CO₂ per annum. This is expected to reduce the number of aircraft operators regulated by Member States by around 2200 representing 0.2% of emissions.

All other obligations in respect of flights remain unaffected.

The Commission calls for this proposal to be adopted rapidly by the European Parliament and Council, so as to provide clarity for aircraft operators, who would otherwise have to surrender allowances.

BUDGETARY IMPLICATION: the proposal has no budgetary implications for the EU budget.

Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

The Committee on the Environment, Public Health and Food Safety adopted the report by Peter LIESE (EPP, DE) on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions.

The committee recommended that the position of the European Parliament adopted in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

International approach: the report stressed that climate protection initiatives should be taken quickly as global problems of the kind posed by aviation emissions could be most effectively addressed by means of an international approach that included an obligation to comply with the same measures or to achieve the same objectives using different measures.

Members felt that a global agreement at the ICAO offers the best prospects of ensuring sustainability in the long term.

Legal position after 2016: Members recalled that the Commission proposed to amend the Emissions Trading System so that emissions from aviation would be covered for the part of the flight which took place in European airspace. The amendment would apply from 1 January 2014 until global market-based measure (MBM) became applicable to international aviation emissions from now to 2020.

Members recommend temporarily considering the requirements set out in Directive 2003/87/EC as satisfied for the period until 2016, when obligations are met in respect of a certain percentage of the emissions from flights to and from aerodromes in third countries.

They stated that the current derogations would only apply until 2016, and the next ICAO Assembly. Following the ICAO conclusions in 2016 and results achieved, the Union could consider what further steps needed to be made to reflect the outcome of the international negotiations.

Accordingly, the Commission should report annually to the European Parliament and the Council on the progress of the negotiations and preparations leading up to the 2016 ICAO Assembly as well as on the Commission's efforts to promote the international acceptance of the airspace approach among third countries.

Revenues generated from the auctioning of allowances: Member States shall use revenues generated from the auctioning of allowances for efforts to tackle climate change, in particular at international level, to reduce greenhouse gas emissions and to adapt to the impact of climate change in developing countries as well as to fund research and development for mitigation and adaptation including, in particular, in the field of aeronautics and air transport.

Revenues generated from auctioning should also be used on low-emission transport. The proceeds of auctioning should also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund and the Green Climate Fund under UNFCCC as well as measures to avoid deforestation.

Flights between the outermost regions and the EEA mainland: the report stated that these flights should also follow the regional market based approach. The percentages should be calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA mainland and in the outermost region that is not more than 12 miles beyond the furthest point of EEA mainland until a global market-based measure enters into force.

Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

The European Parliament adopted by 458 votes to 120, with 24 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of an agreement negotiated between the European Parliament and the Council. They amend the proposal as follows:

Current derogations applicable only until 31 December 2016: in order to sustain the momentum reached at the 38th Session of the ICAO Assembly in 2013 and facilitate progress at the upcoming 39th Session in 2016, it is desirable to temporarily consider the requirements set out in Directive 2003/87/EC of the European Parliament and of the Council to be satisfied for the period until 31 December 2016 in respect of

flights to and from aerodromes in countries outside the European Economic Area (EEA).

According to the amended text, Member States would therefore take no action against aircraft operators in respect of:

- all emissions from flights to and from aerodromes located in countries outside the European Economic Area (EEA) in each calendar year from 1 January 2013 to 31 December 2016;
- all emissions from flights between an aerodrome located in an outermost region within the meaning of Article 349 of the Treaty on the Functioning of the European Union (TFEU) and an aerodrome located in another region of the EEA in each calendar year from 1 January 2013 to 31 December 2016.

The Commission should regularly inform the European Parliament and the Council of the progress of the International Civil Aviation Organization (ICAO) negotiations as well as of its efforts to promote the international acceptance of market-based mechanisms among third countries. Following the 2016 ICAO Assembly, the Commission should report to the European Parliament and to the Council on actions to implement an international agreement on a global market-based measure from 2020, that will reduce greenhouse gas emissions from aviation.

In its report, the Commission should consider, and, if appropriate, include proposals in reaction to, those developments on the appropriate scope for coverage of emissions from activity to and from aerodromes located in countries outside the EEA from 1 January 2017 onwards.

Use to be made of revenues generated from the auctioning of allowances: those revenues, or their equivalent in financial value, should be used to tackle climate change in the Union and third countries, among other things, to :

- reduce greenhouse gas emissions,
- adapt to the impacts of climate change in the Union and third countries, especially developing countries,
- fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport,
- reduce emissions through low-emissions transport and cover the costs of administering the Union scheme,
- fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

Member States would be obliged to submit to the Commission a report on the use of revenues from the auctioning of such allowances.

Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

Corrigendum to Regulation (EU) No 421/2014 of the European Parliament and of the Council of 16 April 2014 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

for: ?Article 1

Directive 2003/87/EC is hereby amended as follows:

(1) The following Article is inserted:

"Article 28a

Derogations applicable in advance of the implementation by 2020 of an international agreement applying a single global market-based measure

1. (...)

2. (...)

As regards activity in the period from 1 January 2013 to 31 December 2016, Member States shall publish the number of free aviation allowances allocated to each aircraft operator by 1 August 2014.",

read: ?Article 1

Directive 2003/87/EC is hereby amended as follows:

(1) The following Article is inserted:

"Article 28a

Derogations applicable in advance of the implementation by 2020 of an international agreement applying a single global market-based measure

1. (...)

2. (...)

As regards activity in the period from 1 January 2013 to 31 December 2016, Member States shall publish the number of free aviation allowances allocated to each aircraft operator by 1 September 2014."

Scheme for greenhouse gas emission allowance trading within the Community: implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

PURPOSE: to introduce a temporary derogation for the monitoring, reporting and surrendering of allowances from flights to and from countries outside the EEA from 1 January 2013 to 31 December 2016, to lighten the administrative burden and simplify the administration of the scheme.

LEGISLATIVE ACT: Regulation (EU) n° 421/2014 of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions

CONTENT: in line with the outcome of the 38th International Civil Aviation Organisation (ICAO) Assembly held in September 2013, there should be a single global market-based measure applying to international aviation emissions from 2020 onwards. This new Regulation is intended to maintain the momentum reached within the ICAO and to facilitate progress at the upcoming 39th session in 2016.

The main amendments are as follows:

Derogations to 31 December 2016: the new Regulation provides that [Directive 2003/87/EC](#) on greenhouse gas emission allowance trading within the Community will apply within the European Economic Area (EEA) for the period until 31 December 2016 in respect of: (i) flights to and from aerodromes located in countries outside the European Economic Area (EEA); (ii) flights to and from an aerodrome in an outermost region and an aerodrome located in another region in the EEA.

Flights between aerodromes located in States of the EEA and aerodromes located in countries that acceded to the Union in 2013 should be considered to be flights between States of the EEA. Flights between an aerodrome located in an outermost region and an aerodrome located in another region of the EEA should also be included in the derogation established under the Regulation.

Simplified procedures: to avoid a disproportionate administrative burden for the smallest aircraft operators, a temporary exemption is added to Directive 2003/87/EC. Non-commercial aircraft operators emitting less than 1 000 tonnes CO₂ per annum will be exempt from the scope of that Directive, from 1 January 2013 to 31 December 2020.

Report: after the 2016 ICAO Assembly, the Commission will provide a full report to the European Parliament and to the Council on actions to implement an international agreement on a global market-based measure from 2020, that will reduce greenhouse gas emissions from aviation in a non-discriminatory manner.

In its report, the Commission shall consider, and, if appropriate, include proposals in reaction to, the appropriate scope for coverage of emissions from activity to and from aerodromes located in countries outside the EEA from 1 January 2017 onwards.

The Commission shall regularly, and at least once a year, inform the European Parliament and the Council of the progress of the International Civil Aviation Organisation (ICAO) negotiations.

Use to be made of revenues generated from the auctioning of allowances: these revenues, or their equivalent in financial value, should be used to tackle climate change in the Union and third countries, especially developing countries. They should also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

ENTRY INTO FORCE: 30.04.2014.