



2021/0200(COD)

11.5.2022

COMPROMISE AMENDMENTS

1 - 16

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(PE703.217v01-00)

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2018/842 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
(COM(2021)0555 – C9-0321/06906 – 2021/0200(COD))

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United in diversity

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Compromise Amendment 1

CA 1 on Article 1 replacing amendments: 141, 142, AGRI 17, 143, 146, 144, 396, 145, 147, 148, 6, REGI 18, 149, AGRI 18, 395 and 150

Proposal for a regulation

Article 1 – paragraph 1 – point 1 a (new)

Regulation (EU) 2018/842

Article 1

Present text

This Regulation lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 to fulfilling the Union's target of reducing its greenhouse gas emissions by **30** % below 2005 levels in 2030 in the sectors covered by Article 2 of this Regulation **and** contributes to achieving the objectives of the Paris Agreement. This Regulation also lays down rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions.

Amendment

This Regulation lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 to fulfilling the Union's target of reducing its greenhouse gas emissions by **40** % below 2005 levels in 2030 in the sectors covered by Article 2 of this Regulation. ***It also contributes to the long-term target of climate neutrality in the Union by 2050 at the latest, with the aim to achieve negative emissions thereafter. It thereby*** contributes to achieving the objectives of ***Regulation (EU) 2021/1119*** and the Paris Agreement. This Regulation also lays down rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions. ***This Regulation also paves the way for the setting of post-2030 Union's greenhouse gas emissions reduction targets in the sectors covered by Article 2 of this Regulation.***

Annex I unchanged from Commission proposal

Compromise Amendment 2

CA 2 on Article 4 and 4a (new) replacing amendments: 169, 172, 173, 174, 177, 183, 195, 205, 210, 220, 175, 176, 178, 181, 196, 204, 207, 218, 179, 184, 193, 190, 198, 214, 224, 186, 191, 209, 225, REGI 19, REGI 20, REGI 22, REGI 23, 185, 187, 192, 194, 211, 212, 217, 219, 188, 197, 215, 222, 189, 213, 221, 180, 182, 199, 206, 208, 223, 200, 201, AGRI 20, 202, 203, REGI 21, 216, 8, TRAN 25, 226, 227, 228, REGI 24, 229, 230, 231, 232, 233, 234, 235, 236, 237, 170, 171, 240, 239, 168, TRAN 26, TRAN 27 and 356

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Proposal for a regulation

Article 1 – paragraph 1 – point 2 a (new)

Regulation (EU) 2018/842

Article 4 – paragraph 1

Present text

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 in relation to its greenhouse gas emissions in 2005, determined pursuant to paragraph 3 of this Article.

Amendment

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 in relation to its greenhouse gas emissions in 2005, determined pursuant to paragraph 3 of this Article.

Or. en

Article 4—paragraphs 2 and 3

Text proposed by the Commission

2. Subject to the flexibilities provided for in Articles 5, 6 and 7 of this Regulation and the adjustment pursuant to its 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:

(a) do not exceed, in the years 2021 and 2022, the limit defined by a linear trajectory, starting on the average of its greenhouse gas emissions during 2016, 2017 and 2018, as set out pursuant to paragraph 3 of this Article, and ending in 2030 at the limit set for that Member State in column 1 of Annex I to this Regulation. The linear trajectory of a Member State shall start either at five-twelfths of the distance from 2019 to 2020 or in 2020, whichever results in a lower allocation for that Member State;

(b) do not exceed, in the years 2023, **2024 and 2025**, the limit defined by a

Amendment

2. Subject to the flexibilities provided for in Articles 5, 6 and 7 of this Regulation and the adjustment pursuant to its 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:

(a) do not exceed, in the years 2021 and 2022, the limit defined by a linear trajectory, starting on the average of its greenhouse gas emissions during 2016, 2017 and 2018, as set out pursuant to paragraph 3 of this Article, and ending in 2030 at the limit set for that Member State in column 1 of Annex I to this Regulation. The linear trajectory of a Member State shall start either at five-twelfths of the distance from 2019 to 2020 or in 2020, whichever results in a lower allocation for that Member State;

(b) do not exceed, in the years 2023 **to 2030**, the limit defined by a linear

linear trajectory *starting in 2022 at the annual emission allocation for that Member State*, as set out pursuant to paragraph 3 of this Article for that year, and ending in 2030 at the limit set for that Member State in column 2 of Annex I to this Regulation;

(c) do not exceed, in the years 2026 to 2030, the limit defined by a linear trajectory starting in 2024, at the average of its greenhouse gas emissions during the years 2021, 2022 and 2023, as submitted by the Member State pursuant to Article 26 of Regulation (EU) 2018/1999, and ending in 2030 at the limit set for that Member State in column 2 of Annex I to this Regulation.

3. The Commission shall adopt implementing acts setting out the annual emission allocations for each Member State for the years from 2021 to 2030 in tonnes of **CO₂** equivalent in accordance with the linear trajectories set out in paragraph 2.

For the years 2021 and 2022, it shall determine the annual emission allocations based on a comprehensive review of the most recent national inventory data for the years 2005 and 2016 to 2018 submitted by the Member States pursuant to Article 7 of Regulation (EU) No 525/2013 and indicate the value for the 2005 greenhouse gas emissions of each Member State used to determine those annual emission allocations.

For the years 2023, **2024 and 2025**, it shall determine the annual emission allocations based on the value for the 2005 greenhouse gas emissions of each Member State indicated pursuant to the second

trajectory *on the average of its greenhouse gas emissions during 2016, 2017, and 2018*, as set out pursuant to paragraph 3 of this Article for that year, and ending in 2030 at the limit set for that Member State in column 2 of Annex I to this Regulation; *The linear trajectory of a Member State shall start either at five-twelfths of the distance from 2019 to 2020 or in 2020, whichever results in a lower allocation for that Member State;*

deleted

3. The Commission shall adopt implementing acts *following close consultation with Member States*, setting out the annual emission allocations for each Member State for the years from 2021 to 2030 in tonnes of **CO₂** equivalent in accordance with the linear trajectories set out in paragraph 2.

For the years 2021 and 2022, it shall determine the annual emission allocations based on a comprehensive review of the most recent national inventory data for the years 2005 and 2016 to 2018 submitted by the Member States pursuant to Article 7 of Regulation (EU) No 525/2013 and indicate the value for the 2005 greenhouse gas emissions of each Member State used to determine those annual emission allocations.

For the years 2023 **to 2030**, it shall determine the annual emission allocations based on the value for the 2005 greenhouse gas emissions of each Member State indicated pursuant to the second

subparagraph and the reviewed values of the national inventory data for the years 2016, 2017 and 2018 referred to in the second subparagraph.

subparagraph and the reviewed values of the national inventory data for the years 2016, 2017 and 2018 referred to in the second subparagraph.

For the years 2026 to 2030, it shall determine the annual emission allocations based on the value for the 2005 greenhouse gas emissions of each Member State indicated pursuant to the second subparagraph and on a comprehensive review of the most recent national inventory data for the years 2021, 2022 and 2023 submitted by the Member States pursuant to Article 26 of Regulation (EU) 2018/1999.

deleted

Or. en

Article 4 – paragraphs 4, 5 and 5 a (new)

Present text

Amendment

4. Those implementing acts shall also specify, based on the percentages notified by Member States under Article 6(3), the total quantities that may be taken into account for a Member State's compliance under Article 9 between 2021 and 2030. If the sum of all Member States' total quantities were to exceed the collective total of 100 million, the total quantities for each Member State shall be reduced on a pro rata basis so that the collective total is not exceeded.

4. Those implementing acts shall also specify, based on the percentages notified by Member States under Article 6(3), the total quantities that may be taken into account for a Member State's compliance under Article 9 between 2021 and 2030. If the sum of all Member States' total quantities were to exceed the collective total of 100 million, the total quantities for each Member State shall be reduced on a pro rata basis so that the collective total is not exceeded.

5. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14.

5. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14.

(5 a) The actions undertaken to limit the greenhouse gas emissions as set out in paragraphs 1, 2 and 3 shall be implemented in line with a fair and just transition for all. The Commission shall adopt guidelines specifying methods to comply with this obligation.

Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4 a

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

- 1. By July 2023, the Commission shall, where appropriate, present to the European Parliament and the Council a legislative proposal setting one or more Union-wide targets for the reduction of non-CO2 emissions covered by Article 2(1) of this Regulation by 2030. The target or targets shall be aligned with estimated emission reductions necessary for the fulfilment of the target set in Article 1 of this Regulation and the objective set in Article 2 of Regulation (EU) 2021/1119 and shall be proposed following close consultation with the Scientific Advisory Board on Climate Change..***
- 2. By 31 July 2023, the Commission shall submit a report to the European Parliament and the Council, assessing the Union-wide non-CO2 emissions reductions planned and implemented under relevant Union and national laws and policies, including the integrated National Energy and Climate Plans pursuant to Regulation (EU) 2018/1999 and the Common Agricultural Policy Strategic Plans pursuant to Regulation (EU) 2021/2115. Where the Commission presents a legislative proposal pursuant to paragraph 1 and assesses that the non-CO2 emission reductions are not expected to reach the target or targets referred to in that paragraph, the Commission shall make recommendations for additional***

mitigation measures and Member States shall take appropriate actions.

3. If the Commission concludes, in the report referred to in paragraph 2 of this Article or in its annual assessment under Article 26 of Regulation (EU) 2018/1999, that the Union is not making sufficient progress towards meeting the minimum emission contribution as regards the non-CO2 emissions pursuant to Article 1 of this Regulation, the Commission shall, if appropriate, present legislative proposals to the European Parliament and the Council, which may include sectoral targets or sector specific measures, or both, to that effect.

Or. en

Compromise Amendment 3

CA 3 on Article 5 replacing amendments: 242, 9, 243, 245, 246, 244, 250, 249, 248, 247, TRAN 28, 253, 10, 254, 252, 251, 255, AGRI 21, 256, 257, 259, 262, 263, 261, 260, 11, 258 and 264

Proposal for a regulation

Article 1 – paragraph 1 – point 3 d (new)

Regulation (EU) 2018/842

Article 5

Present text

Flexibilities by means of borrowing, banking and transfer.

1. In respect of the years 2021 to **2025**, a Member State may borrow a quantity of up to **10** % from its annual emission allocation for the following year.

2. In respect of the years 2026 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

Amendment

Flexibilities by means of borrowing, banking and transfer.

1. 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.

deleted

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:

(a) in respect of the year 2021, bank *that* excess part of its annual emission allocation to subsequent years until **2030**; and

(b) in respect of the years 2022 to **2029**, bank the excess part of its annual emission allocation up to a level of **30 %** of its annual emission allocations up to that year 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 in respect of the years 2021 to 2025, **and up to 10 % in respect of the years 2026 to 2030**. The receiving Member State may use that quantity for compliance under Article 9 for the given year or for subsequent years until **2030**.

5. A Member State whose reviewed 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 paragraphs 1 to 4 of this Article and Article 6, may transfer that excess part of its annual emission

pursuant to this Article and Article 6, may:

(a) in respect of the year 2021, bank *the* excess part of its annual emission allocation **up to a level of 5 % of that annual emission allocation** to subsequent years until **2025**; and

(b) in respect of the years 2022 to **2024**, bank the excess part of its annual emission allocation up to a level of **10 %** of its annual emission allocations up to that year to subsequent years until **2025**.

(ba) in respect of the years 2026 to 2029, bank the excess part of its annual emission allocation up to a level of 10 % of its annual emission allocations up to that year 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 in respect of the years 2021 to 2025. The receiving Member State may use that quantity for compliance under Article 9 for the given year or for subsequent years until **2025**.

A Member State may transfer up to 5 % of its annual emission allocation for a given year to other Member States in respect of the years 2026 to 2030. The receiving Member State may use that quantity for compliance under Article 9 for the given year or for subsequent years until 2030.

Member States shall inform the Commission of any actions taken pursuant to this paragraph, and the transfer price per tonne of CO₂ equivalent.

5. A Member State whose reviewed 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 paragraphs 1 to 4 of this Article and Article 6, may transfer that excess part of its annual emission

allocation to other Member States. The receiving Member State may use that quantity for compliance under Article 9 for that year or for subsequent years until 2030.

6. Member States *may* use revenues generated by transfers of annual emission allocations pursuant to paragraphs 4 and 5 to tackle climate change in the Union or in third countries. Member States shall inform the Commission of any actions taken pursuant to this paragraph.

7. Any transfer of annual emission allocations pursuant to paragraphs 4 and 5 may be the result of a greenhouse gas mitigation project or programme carried out in the selling Member State and remunerated by the receiving Member State, provided that double counting is avoided and traceability is ensured.

8. Member States may use credits from projects issued pursuant to Article 24a(1) of Directive 2003/87/EC for compliance under Article 9 of this Regulation without any quantitative limit, provided that double counting is avoided.

allocation to other Member States. The receiving Member State may use that quantity for compliance under Article 9 for that year or for subsequent years until 2030.

6. Member States *shall* use revenues generated by transfers of annual emission allocations pursuant to paragraphs 4 and 5 to tackle climate change in the Union or in third countries. Member States shall inform the Commission of any actions taken pursuant to this paragraph ***and shall make this information public in an easily accessible form. A Member State transferring annual emissions allocations to another Member state shall publish the record of the transfer and make public the remuneration received for the allocations.***

7. Any transfer of annual emission allocations pursuant to paragraphs 4 and 5 may be the result of a greenhouse gas mitigation project or programme carried out in the selling Member State and remunerated by the receiving Member State, provided that double counting is avoided and traceability is ensured.

8. Member States may use credits from projects issued pursuant to Article 24a(1) of Directive 2003/87/EC for compliance under Article 9 of this Regulation without any quantitative limit, provided that double counting is avoided.

Compromise Amendment 4

CA 4 on Article 6 replacing amendments: 268, 269, 270, 377, 378, 379, 271, 272, 273, 274, 380, 381, 382, 275, 276, 23, 25 and 24

Proposal for a regulation

Article 1 – paragraph 1 – point 3 q (new)

Regulation (EU) 2018/842

Article 6

Present text

Flexibility for certain Member States

Amendment

Flexibility for certain Member States

following reduction of EU ETS allowances

1. The Member States listed in Annex II to this Regulation may have a limited cancellation of up to a maximum of 100 million EU ETS allowances collectively taken into account for their compliance under this Regulation. Such cancellation shall be made from the auctioning volumes of the Member State concerned pursuant to Article 10 of Directive 2003/87/EC.
2. The EU ETS allowances taken into account under paragraph 1 of this Article shall be considered as EU ETS allowances in circulation for the purposes of Article 1(4) of Decision (EU) 2015/1814. In its first review pursuant to Article 3 of that Decision, the Commission shall consider whether to maintain the accounting set out in the first subparagraph of this paragraph.
3. The Member States listed in Annex II shall notify the Commission by 31 December 2019 of any intention to make use of the limited cancellation of EU ETS allowances referred to in paragraph 1 of this Article, up to the percentage listed in Annex II for each year of the period from 2021 to 2030 for each Member State concerned, for its compliance under Article 9.

The Member States listed in Annex II may decide to revise the notified percentage downwards once in 2024 and once in 2027. In such case, the Member State concerned shall notify the Commission thereof by 31 December 2024 or by 31 December 2027, respectively.

- 3a. Malta shall notify the Commission by 31 December 2023 if it intends to make use of the limited cancellation of EU ETS allowances referred to in paragraph 1, up to the percentage listed in Annex II for each of the years 2025 to 2030 for its

following reduction of EU ETS allowances

1. The Member States listed in Annex II to this Regulation may have a limited cancellation of up to a maximum of 100 million EU ETS allowances collectively taken into account for their compliance under this Regulation. Such cancellation shall be made from the auctioning volumes of the Member State concerned pursuant to Article 10 of Directive 2003/87/EC.
2. The EU ETS allowances taken into account under paragraph 1 of this Article shall be considered as EU ETS allowances in circulation for the purposes of Article 1(4) of Decision (EU) 2015/1814. In its first review pursuant to Article 3 of that Decision, the Commission shall consider whether to maintain the accounting set out in the first subparagraph of this paragraph.
3. The Member States listed in Annex II shall notify the Commission by 31 December 2019 of any intention to make use of the limited cancellation of EU ETS allowances referred to in paragraph 1 of this Article, up to the percentage listed in Annex II for each year of the period from 2021 to 2030 for each Member State concerned, for its compliance under Article 9.

The Member States listed in Annex II may decide to revise ***their notification decision by 2023 and to revise*** the notified percentage downwards once in 2024 and once in 2027. In such case, the Member State concerned shall notify the Commission thereof by 31 December ***2023, by 31 December*** 2024 or by 31 December 2027, respectively.

- 3a. Malta shall notify the Commission by 31 December 2023 if it intends to make use of the limited cancellation of EU ETS allowances referred to in paragraph 1, up to the percentage listed in Annex II for each of the years 2025 to 2030 for its

compliance under Article 9.

4. At a Member State's request, the Central Administrator designated pursuant to Article 20(1) of Directive 2003/87/EC ('the Central Administrator') shall take into account an amount up to the total quantity determined pursuant to Article 4(4) of this Regulation for that Member States' compliance under Article 9 of this Regulation. One-tenth of the total quantity of EU ETS allowances determined pursuant to Article 4(4) of this Regulation shall be cancelled pursuant to Article 12(4) of Directive 2003/87/EC for each year from 2021 to 2030 for that Member State.

5. Where a Member State, in accordance with paragraph 3 of this Article, has notified the Commission of its decision to revise the previously notified percentage downwards, a correspondingly lower quantity of EU ETS allowances shall be cancelled for that Member State in respect of each year from 2026 to 2030 or from 2028 to 2030, respectively.

compliance under Article 9.

4. At a Member State's request, the Central Administrator designated pursuant to Article 20(1) of Directive 2003/87/EC ('the Central Administrator') shall take into account an amount up to the total quantity determined pursuant to Article 4(4) of this Regulation for that Member States' compliance under Article 9 of this Regulation. One-tenth of the total quantity of EU ETS allowances determined pursuant to Article 4(4) of this Regulation shall be cancelled pursuant to Article 12(4) of Directive 2003/87/EC for each year from 2021 to 2030 for that Member State.

5. Where a Member State, in accordance with paragraph 3 of this Article, has notified the Commission of its decision to revise the previously notified percentage downwards, a correspondingly lower quantity of EU ETS allowances shall be cancelled for that Member State in respect of each year from 2026 to 2030 or from 2028 to 2030, respectively.

Annex II is left unchanged.

Compromise Amendment 5

CA 5 on Article 7 (includes also the new recital on carbon removals) replacing amendments: 277, 278, 279, 280, 383, 384, 385, 281, 282, 283, 284, 386, 387, 388, 285, 286, 287, 288, 290, AGRI 22, 289, 291, 266, 293, 12, 265, 267, 101, 4, 100 and 102

Proposal for a regulation

Article 1 – paragraph 1 – point 5 – point a
Regulation (EU) 2018/842
Article 7

Present text

Additional use of net removals from
LULUCF

Amendment

Additional use of net removals from
LULUCF

1. To the extent that a Member State's greenhouse gas emissions exceed its annual emission allocations for a given year, including any annual emission allocations banked pursuant to Article 5(3) of this Regulation, a quantity up to the sum of total net removals and total net emissions from the combined land accounting categories included in the scope of Regulation (EU) 2018/841, 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 the years 2021 to 2025 does not exceed half of the maximum amount of total net removals set out in Annex III to this Regulation for that Member State;

(aa) the cumulative quantity taken into account for that Member State for the years 2026 to 2030 does not exceed half of the maximum amount of total net removals set out in Annex III to this Regulation for that Member State;

(b) such quantity is in excess of that Member State's requirements under Article 4 of Regulation (EU) 2018/841;

(c) the Member State has not acquired more net removals under Regulation (EU) 2018/841 from other Member States than it has transferred;

(d) the Member State has complied with Regulation (EU) 2018/841; and

(e) the Member State has submitted a description of the intended use of the flexibility available under this paragraph pursuant to the second subparagraph of Article 7(1) of Regulation (EU) No 525/2013.

1. To the extent that a Member State's greenhouse gas emissions exceed its annual emission allocations for a given year, including any annual emission allocations banked pursuant to Article 5(3) of this Regulation, a quantity up to the sum of total net removals and total net emissions from the combined land accounting categories included in the scope of Regulation (EU) 2018/841, 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 the years 2021 to 2025 does not exceed half of the maximum amount of total net removals set out in Annex III to this Regulation for that Member State;

(aa) the cumulative quantity taken into account for that Member State for the years 2026 to 2030 does not exceed half of the maximum amount of total net removals set out in Annex III to this Regulation for that Member State;

(b) such quantity is in excess of that Member State's requirements under Article 4 of Regulation (EU) 2018/841;

(c) the Member State has not acquired more net removals under Regulation (EU) 2018/841 from other Member States than it has transferred;

(d) the Member State has complied with Regulation (EU) 2018/841; and

(e) the Member State has submitted a description of the intended use of the flexibility available under this paragraph pursuant to the second subparagraph of Article 7(1) of Regulation (EU) No 525/2013.

Proposal for a regulation

Recital 14 a (new)

(14a) In line with Regulation (EU) 2021/1119, priority should be given to direct emissions reductions, which will have to be complemented by increased CO₂ removals in order to achieve climate neutrality. Regulation (EU) 2021/1119 recognises that carbon sinks include natural and technological solutions. The role of technological solutions for carbon removal has also been addressed in several reports of the Intergovernmental Panel on Climate Change, in particular in the Working Group III contribution to the Sixth Assessment Report. It is important that a Union scheme for the certification of safely and permanently stored carbon removals through technological solutions is put in place, offering clarity for Member States and market operators to enhance such removals. When such a certification scheme is in force, an analysis can be made about the accounting of such removals under Union law, including whether the accounting of such removals affects the emissions covered by Regulation (EU) 2018/842, in full respect of conditions set out in Article 4(1) of Regulation (EU) 2021/1119. Such removals are additional and do not offset necessary emissions reduction in accordance with the Union climate targets laid down in Regulation (EU) 2021/1119.

Compromise Amendment 6

CA 6 on Article 8 replacing amendments: 295, TRAN 29, 13, 296, 297, 299, 300, 298, 302, 301, 303, 308, 304, AGRI 23, 305, 307, REGI 25, 306, 309, 312, 310, 315, 311, 14, 314 and 313

Proposal for a regulation
Article 1 – paragraph 1 – point 5 a (new)
Regulation (EU) 2018/842
Article 8

Present text

1. If the Commission finds, in its annual assessment under Article **21** of Regulation (EU) **No 525/2013** and taking into account the intended use of the flexibilities referred to in Articles 5, 6 and 7 of this Regulation, that a Member State is not making sufficient progress towards meeting its obligations under Article 4 of this Regulation, that Member State shall, within three months, submit to the Commission a corrective action plan that includes:

(a) additional actions that the Member State shall implement in order to meet its specific obligations under Article 4 of this Regulation, through domestic policies and measures and the implementation of Union action;

(b) a strict timetable for implementing such actions, which enables the assessment of annual progress in implementation.

Amendment

1. If the Commission finds, in its annual assessment under Article **29** of Regulation (EU) **No 2018/1999** and taking into account the intended use of the flexibilities referred to in Articles 5, 6 and 7 of this Regulation, that a Member State is not making sufficient progress towards meeting its obligations under Article 4 of this Regulation, that Member State shall, within three months, submit to the Commission a corrective action plan that includes:

(-a) a detailed explanation identifying the reasons for which the Member State is failing to make sufficient progress towards meeting its obligations under Article 4 of this Regulation;

(-ab) the total amount of Union funding the Member State has received for spending and investments related to climate and the green transition, how the use of that funding has contributed to meeting its obligations under Article 4 of this Regulation, and how it intends to use such funding for the purpose of meeting those obligations;

(a) additional actions that the Member State shall implement in order to meet its specific obligations under Article 4 of this Regulation, through domestic policies and measures and the implementation of Union action;

(b) a strict timetable for implementing such actions, which enables the assessment of annual progress in implementation. ***Where a Member State has established a national climate advisory body, it shall seek the advice of this body to identify necessary actions;***

1a. If a Member State exceeds its annual emissions allowance (AEA) in two or more consecutive years it shall undertake

a review of its National Energy and Climate Plan (NECP) and national Long-Term Strategy (LTS) under Regulation (EU) 2018/1999. That review shall be completed within 6 months. The Commission shall issue recommendations identifying how the NECP and/or LTS is to be revised. Member States shall notify the revised plans to the Commission together with a statement setting out how the proposed revisions are to remedy non-compliance with the national AEAs and how they have responded to the Commission's recommendations where relevant. If the NECP or LTS remains substantially unaltered, the Member State shall publish an explanation setting out its reasoning.

2. In accordance with its annual work programme, the European Environment Agency shall assist the Commission in its work to assess any *such* corrective action plans.

3. The Commission *may* issue an opinion regarding the robustness of the corrective action plans submitted in accordance with paragraph 1 and shall in that case do so within four months of receipt of those plans. The Member State concerned shall take utmost account of the Commission's opinion and *may* revise its corrective action plan *accordingly*.

2. In accordance with its annual work programme, the European Environment Agency *and Scientific Advisory Board on Climate Change established in Article 3 of Regulation (EU) 2021/1119* shall assist the Commission in its work to assess any corrective action plans.

3. The Commission *shall* issue an opinion regarding the robustness of the corrective action plans submitted in accordance with paragraph 1 and shall in that case do so within four months of receipt of those plans. The Member State concerned shall take utmost account of the Commission's opinion and *shall* revise its corrective action plan. *If the Member State concerned does not address the recommendation or a substantial part thereof, that Member State shall provide a justification to the Commission.*

3a. The corrective action plans and Commission opinions as well as answers and justifications received from Member States referred to in paragraphs 1, 1a and 3 shall be accessible to the public.

3b. When updating their National Energy and Climate Plan (NECP) under Article

14 of Regulation EU (2018)1999, Member States shall make references to their corrective plans pursuant to paragraph 1 and 1a and any opinions issued by the Commission under this Article, as appropriate.

Or. en

Compromise Amendment 7

CA 7 on Article 9 replacing amendments: 318, 319, 15, 317, 320, 321, 329, 328, 16, 318, 322, 324, 323, 325, TRAN 30, 326, AGRI 24, 330, REGI 26, 327 and 316

Proposal for a regulation

Article 1 – paragraph 1 – point 6 a (new)

Regulation (EU) 2018/842

Article 9

Present text

1. In 2027 and 2032, if the reviewed greenhouse gas emissions of a Member State exceed its annual emission allocation for any specific year of the period, taking into account paragraph 2 of this Article and the flexibilities used pursuant to Articles 5, 6 and 7, the following measures shall apply:

(a) an addition to the Member State's greenhouse gas emission figure of the following year equal to the amount in tonnes of CO₂ equivalent of the excess greenhouse gas emissions, multiplied by a factor of 1,08, in accordance with the measures adopted pursuant to Article 12; 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 Article 4.

The Central Administrator shall implement the prohibition referred to in point (b) of the first subparagraph in the Union Registry.

2. If the greenhouse gas emissions of a

Amendment

1. In 2027 and 2032, if the reviewed greenhouse gas emissions of a Member State exceed its annual emission allocation for any specific year of the period, taking into account paragraph 2 of this Article and the flexibilities used pursuant to Articles 5, 6 and 7, the following measures shall apply:

(a) an addition to the Member State's greenhouse gas emission figure of the following year equal to the amount in tonnes of CO₂ equivalent of the excess greenhouse gas emissions, multiplied by a factor of 1,08, in accordance with the measures adopted pursuant to Article 12; 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 Article 4.

The Central Administrator shall implement the prohibition referred to in point (b) of the first subparagraph in the Union Registry.

2. If the greenhouse gas emissions of a

Member State in the period from 2021 to 2025 referred to in Article 4 of Regulation (EU) 2018/841 exceeded its removals, as determined in accordance with Article 12 of that Regulation, the Central Administrator shall deduct from that Member State's annual emission allocations an amount equal to those excess greenhouse gas emissions in tonnes of CO₂ equivalent for the relevant years.'.

Member State in *either* the period from 2021 to 2025 *or the period from 2026 to 2030* referred to in Article 4 of Regulation (EU) 2018/841 exceeded its removals, as determined in accordance with Article 12 of that Regulation, the Central Administrator shall deduct from that Member State's annual emission allocations an amount equal to those excess greenhouse gas emissions in tonnes of CO₂ equivalent for the relevant years.

Or. en

Compromise Amendment 8

CA 8 on Article 11a (Article 11a is deleted) replacing amendments: 18, 340, 341, 343, 344, 342, 345, 346, 347, 348, 349, 350, 351, 352, REGI 27, 353, 354 and 355

Proposal for a regulation

Article 1 – paragraph 1 – point 7

Regulation (EU) 2018/842

Article 11a

Text proposed by the Commission

Amendment

Article 11a

Additional reserve

1. If, by 2030, the Union has reduced net greenhouse gas emissions by at least 55% compared to 1990 levels in compliance with Article 3 of Regulation (EU) 2021/1119 of the European Parliament and of the Council, and taking into account the maximum limit of the contribution of net removals, an additional reserve shall be established in the Union Registry.**

deleted

2. Member States which decide to neither contribute nor benefit from the additional reserve shall notify their decision to the Commission no later than six months after the entry into force of this Regulation.

3. The additional reserve shall consist of the net removals that participating

Member States have generated in the period 2026 to 2030 in excess of their respective targets pursuant to Regulation (EU) 2018/841, after deduction of both of the following:

(a) any flexibilities used under Articles 11 to 13b of Regulation (EU) 2018/841;

(b) the quantities taken into account for compliance pursuant to Article 7 of this Regulation.

4. If an additional reserve is set up pursuant to paragraph 1, a participating Member State may benefit from it if the following conditions are fulfilled:

(a) the greenhouse gas emissions of the Member State exceed its annual emission allocations in the period from 2026 to 2030;

(b) the Member State has exhausted the flexibilities pursuant to Article 5(2) and (3);

(c) the Member State has made the maximum use possible of net removals in accordance with Article 7, even if that quantity does not reach the level set in Annex III; and

(d) the Member State has made no net transfers to other Member States under Article 5.

5. If a Member States fulfils the conditions set out in paragraph 4, it shall receive an additional quantity from the additional reserve up to its shortfall to be used for compliance under Article 9.

If the resulting collective quantity to be received by all of the Member States which fulfil the conditions set out in paragraph 4 of this Article exceeds the quantity allocated to the additional reserve under paragraph 3 of this Article, the quantity to be received by each of those Member States shall be reduced on

a pro rata basis.

**** Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).**

Or. en

Compromise amendment replacing Amendments: 366,363,20,367,364,21,365,368,369,370

Compromise Amendment 9

CA 9 on Article 15 replacing amendments: 366, TRAN 31, 363, 20, 367, 364, 21, 365, 368, 369 and 370

Proposal for a regulation

Article 1 – paragraph 1 – point 7 a (new)

Regulation (EU) 2018/842

Article 15

Present text

1. This Regulation shall be kept under review taking into account, inter alia, evolving national circumstances, the manner in which all sectors of the economy contribute to the reduction of greenhouse gas emissions, international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement.

2. The Commission shall submit a report to the European Parliament and to the Council, within six months of each global stocktake agreed under Article 14 of the Paris Agreement, on the operation of this Regulation, including the balance between supply and demand for annual emission allocations, as well as on the contribution of this Regulation to the Union's overall 2030 greenhouse gas emission reduction **target** and its contribution to the goals of the Paris Agreement, in particular with regard to the need for additional Union policies and measures in view of the necessary greenhouse gas emission reductions by the Union and its Member

Amendment

1. This Regulation shall be kept under review taking into account, inter alia, evolving national circumstances, the manner in which all sectors of the economy contribute to the reduction of greenhouse gas emissions, international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement **and Regulation (EU) 2021/1119.**

2. The Commission shall submit a report to the European Parliament and to the Council, within six months of each global stocktake agreed under Article 14 of the Paris Agreement, on the operation of this Regulation, including the balance between supply and demand for annual emission allocations, as well as on the contribution of this Regulation to the Union's **climate-neutrality objective and the Union's intermediate climate targets pursuant to Articles 2 and 4 of Regulation (EU) 2021/1119** and its contribution to the goals of the Paris Agreement, in particular with regard to the need for additional Union policies and measures in view of the

States, including a post-2030 framework, and may make proposals if appropriate.

Those reports shall take into account the strategies prepared pursuant to Article 4 of Regulation (EU) No 525/2013 with a view to contributing to the formulation of a long-term Union strategy.

Compromise Amendment 10

CA 10 on compatibility with climate neutrality objective and post-2030 replacing amendments: 374, 372, 22, 238, 241 and 393

Proposal for a regulation

Article 1 – paragraph 1 – point 7 b (new)

Regulation (EU) 2018/842

Article 15a

Text proposed by the Commission

Amendment

Article 15a

Alignment with Union and Member State climate-neutrality objective

1. By the adoption of the legislative act establishing the Union's 2040 climate target pursuant to Article 4(3) of Regulation (EU) 2021/1119, the Commission shall submit a report to the European Parliament and the Council which sets out:

(a) the suitability of the current national targets under Annex I of this Regulation as regards their contribution to achieving the objective of climate neutrality by 2050 at the latest under Regulation (EU) 2021/1119 in a cost-effective and fair manner;

(b) a reduction pathway for each Member State of the greenhouse gas emissions covered by this Regulation that is compatible with the objective of climate neutrality for each Member State by 2050 at the latest.

2. Within six months of the publication of the report referred to in paragraph 1, the Commission shall make proposals to limit GHG emissions for the sectors covered by this Regulation. Those proposals shall ensure the cost-effective and fair distribution of reduction efforts across the Union based on the reduction pathways referred to in paragraph 1, point (b).

Or. en

Compromise Amendment 11 (recitals)

CA recitals replacing amendments: 33, 34, 35, 36, 37, 38, TRAN 3, 40, AGRI 1, REGI 1, 39, 41, 42, 43, 44, TRAN 4, TRAN 5, REGI 2, 45, AGRI 2, 46, 47, TRAN 6, TRAN 7, 48, 49, REGI 3, AGRI 3, 50, TRAN 8, TRAN 9, TRAN 10, TRAN 11, TRAN 12, REGI 4, 55, REGI 6, 56, 57, 58, 59, 60, REGI 7, 1, AGRI 5, TRAN 14, 73, 61, 71, 70, AGRI 6, REGI 9, 72, REGI 10, 74, 75, 76, 77, 78, 79, 80, 81, REGI 11, AGRI 7, 82, 83, 84, REGI 12, TRAN 16, TRAN 17, 85, 88, TRAN 18, 91, 90, 89, 92, 3, REGI 13, AGRI 8, REGI 14, TRAN 19, 93, 97, 99, REGI 15, 98, 101, 4, 100, 102, 114, 115, 117, 118, 121, 120, 122, AGRI 11, AGRI 12, 127, 128, 129, REGI 16, AGRI 13, 130, 131, 132, 133, 134, 135, TRAN 23, 136, AGRI 14, REGI 17, 137, AGRI 15, TRAN 24, AGRI 16 and 139

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), entered into force in November 2016 (“the Paris Agreement”). Its Parties have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

Amendment

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), entered into force in November 2016 (“the Paris Agreement”). Its Parties have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels, ***while being guided by, inter alia, the principles of equity and of common but differentiated responsibilities and respective capabilities. By adopting the Glasgow Climate Pact in November 2021, the Parties to the Paris Agreement recognised that keeping the increase in the global average temperature to 1,5 °C would significantly reduce the risks and impacts of climate change, and committed***

to strengthen their 2030 targets by the end of 2022.

Or. en

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) The need for action to reduce emissions is becoming increasingly urgent, as stated by the Intergovernmental Panel on Climate Change (IPCC), in its latest reports of 7 August 2021 entitled 'Climate change 2021: The Physical Science Basis' and of 28 February 2022 entitled 'Climate Change 2022: Impacts, Adaptation and Vulnerability'. The IPCC stated, with very high confidence, that climate change is a threat to human well-being and planetary health any further delay in concerted anticipatory global action on adaptation and mitigation will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all. It provides new estimates of the chances of crossing the global warming level of 1,5 °C in the coming decades, and finds that unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1,5 °C or even 2 °C will be beyond reach. The Union should therefore address this urgency by stepping up its efforts and establishing itself as an international leader in the fight against climate change.

Or. en

Proposal for a regulation
Recital 2

Text proposed by the Commission

Amendment

(2) The Union has put in place a regulatory framework to achieve the 2030 greenhouse gas emission reduction target

(2) The Union has put in place a regulatory framework to achieve the 2030 greenhouse gas emission reduction target

of at least 40% as endorsed by the European Council in 2014, before the entry into force of the Paris Agreement. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council²⁸ (which establishes a system for greenhouse gas emission allowance trading within the Union), Regulation (EU) 2018/841 of the European Parliament and of the Council²⁹ (which requires Member States to balance greenhouse gas emissions and removals from land use, land use change and forestry), and Regulation (EU) 2018/842 of the European Parliament and of the Council³⁰, which establishes national targets for reduction of greenhouse gas emissions by 2030, in the sectors neither covered by Directive 2003/87/EC, nor by Regulation 2018/841.

²⁸ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275 of 25.10.2003, p. 32).

²⁹ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

³⁰ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 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

of at least 40% as endorsed by the European Council in 2014, before the entry into force of the Paris Agreement. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council²⁸ (which establishes a system for greenhouse gas emission allowance trading within the Union), Regulation (EU) 2018/841 of the European Parliament and of the Council²⁹ (which requires Member States to balance greenhouse gas emissions and removals from land use, land use change and forestry), and Regulation (EU) 2018/842 of the European Parliament and of the Council³⁰, which establishes national targets for reduction of greenhouse gas emissions by 2030, in the sectors neither covered by Directive 2003/87/EC, nor by Regulation 2018/841.

²⁸ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275 of 25.10.2003, p. 32).

²⁹ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

³⁰ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 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

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) The European Green Deal³¹ combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the Union by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, **where economic growth is decoupled from resource use**. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects **women and men** differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

³¹ Commission Communication - The European Green Deal, COM(2019) 640 final of 11 December 2019.

Amendment

(3) The European Green Deal³¹ **provides a starting point for the achievement of the Union's climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter laid down in Article 2(1) of Regulation (EU) 2021/1119**. It combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the Union by 2050 **at the latest**, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects **all genders** differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities, **persons suffering from energy or transport poverty**, and persons with a minority racial or ethnic background. **The transition also affects Member States and regions differently**. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

³¹ Commission Communication - The European Green Deal, COM(2019) 640 final of 11 December 2019.

Proposal for a regulation
Recital 3 a (new)

Text proposed by the Commission

Amendment

(3 a) To be socially acceptable the climate ambition set out in this Regulation should be matched by an equivalent social ambition. The increased level of ambition implies substantial changes in the affected sectors which might have social and labour impacts. The revised emission reduction targets need to be accompanied by sufficient financial and policy measures to guarantee that those targets can be met in a socially fair way. The measures may include, inter alia, carrying out employment impact assessments which evaluate the impact on jobs and working conditions both at national and regional levels as well as allocating national and Union resources to fund social adaptation measures and quality job-creation, gender equality, life-long learning, vocational training and social protection and to ensure effective collective bargaining. It is also important that there is timely consultation and effective involvement of national social partners in the sectors covered by Article 2 with regard to the development and implementation of national measures implementing this regulation.

Or. en

Proposal for a regulation
Recital 3 b (new)

Text proposed by the Commission

Amendment

(3 b) The transition to a Union economy compatible with target of climate neutrality by 2050 at the latest furthermore could have a particular

impact on certain economic sectors, especially vulnerable micro, small and medium enterprises in these sectors. When implementing this Regulation, it is important that Member States create an enabling environment for these enterprises to transition to practices that entail fewer and gradually no GHG emissions.

Or. en

Proposal for a regulation Recital 3 c (new)

Text proposed by the Commission

Amendment

(3 c) The United Nations Environment Programme and the OECD Global Forum on Environment have concluded that environmental changes have gender-specific impact. Gender-differentiated roles also result in differentiated vulnerabilities for all genders in relation to the effects of climate change, and climate change impacts exacerbate gender inequalities.

Or. en

Proposal for a regulation Recital 4

Text proposed by the Commission

Amendment

(4) In Regulation (EU) 2021/1119 of the European Parliament and of the Council³² (‘European Climate Law’), the Union has enshrined into legislation the target of economy-wide climate neutrality by 2050. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55% below 1990

(4) In Regulation (EU) 2021/1119 of the European Parliament and of the Council³² (‘European Climate Law’), the Union has enshrined into legislation the target of economy-wide climate neutrality by 2050 *at the latest and the aim to achieve negative emissions thereafter*. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions

levels by 2030.

after deduction of removals) of at least 55% below 1990 levels by 2030. *It establishes that when implementing the target, swift and predictable emission reductions are to be given priority and, at the same time, removals by natural sinks are to be enhanced. The contribution of net removals to the 2030 target is limited to 225 million tonnes of CO₂ equivalent, while the rest of the target has to be achieved through direct emissions reductions.*

³² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

³² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Or. en

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In order to implement those commitments as well as the *Union's* contributions under the Paris Agreement³³ adopted under the UNFCCC, the Union regulatory framework to achieve the greenhouse gas emission reduction target should be adapted.

³³ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Amendment

(5) In order to implement those commitments as well as the *nationally determined Union* contributions under the Paris Agreement³³ adopted under the UNFCCC, the Union regulatory framework to achieve the greenhouse gas emission reduction target should be adapted.

³³ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Or. en

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Regulation (EU) 2018/842 lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 to fulfilling the Union's current target of reducing its greenhouse gas emissions by 30 % below 2005 levels in 2030 in the sectors covered by Article 2 of that Regulation. It also lays down rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions.

Amendment

(6) Regulation (EU) 2018/842 lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 to fulfilling the Union's current target of reducing its greenhouse gas emissions by 30 % below 2005 levels in 2030 in the sectors covered by Article 2 of that Regulation. It also lays down rules on determining annual emission allocations and for the evaluation of Member States' progress towards meeting their minimum contributions.

Or. en

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) In its Communication of 17 September 2020³⁵ the Commission indicated that the increased 2030 overall target can only be achieved with the contribution of all sectors.

³⁵ COM/2020/562 final.

Amendment

(8) In its Communication of 17 September 2020³⁵ the Commission indicated that the increased 2030 overall target can only be achieved with the contribution of all sectors.

³⁵ COM/2020/562 final.

Or. en

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) In its conclusions of 11 December 2020 the European Council mentioned that the 2030 target will be delivered collectively by the Union in the most cost-effective manner possible, that all Member States will participate in this effort, taking into account considerations of fairness and solidarity, while leaving no one behind,

Amendment

(9) In its conclusions of 11 December 2020 the European Council mentioned that the 2030 target will be delivered collectively by the Union in the most cost-effective manner possible, that all Member States will participate in this effort, taking into account considerations of fairness and solidarity, while leaving no one behind,

and that the new 2030 target needs to be achieved in a way that preserves the Union's competitiveness and takes account of Member States' different starting points and specific national circumstances and emission reduction potential, including those of island Member States and islands, as well as efforts made.

and that the new 2030 target needs to be achieved in a way that preserves the Union's competitiveness and takes account of Member States' different starting points, ***emissions reductions already achieved***, and specific national circumstances and emission reduction potential, including those of island Member States and islands, as well as efforts made.

Or. en

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) Beyond 2030, it is necessary that the Union and each Member State reach the Union-wide climate-neutrality objective by 2050 at the latest with the aim to achieve negative emissions thereafter. Regulation (EU) 2018/842 should ensure that all Member States are brought on emissions trajectories, and adopt concrete long-term policies, that lead to the accomplishment of this objective.

Or. en

Proposal for a regulation Recital 11

Text proposed by the Commission

Amendment

(11) For that purpose, the greenhouse gas emission reduction target for 2030 needs to be revised for each Member State. The revision of the greenhouse gas emission reduction target ***should use*** the same methodology that was followed when Regulation (EU) 2018/842 was first adopted, where the national contributions were determined in consideration of the different capacities and cost-efficiency opportunities in Member States so to

(11) For that purpose, the greenhouse gas emission reduction target for 2030 needs to be revised for each Member State. The revision of the greenhouse gas emission reduction target ***uses*** the same methodology that was followed when Regulation (EU) 2018/842 was first adopted, where the national contributions were determined in consideration of the different capacities and cost-efficiency opportunities in Member States ***so to***

ensure a fair and balanced distribution of the effort. The reduction of the maximum greenhouse gas emissions for each Member State in 2030 should thus be determined in relation to the level of its 2005 reviewed greenhouse gas emissions covered by this Regulation, excluding verified greenhouse gas emissions from installations that operated in 2005 and which were only included in the emission trading system of the Union after 2005.

ensure a fair and balanced distribution of the effort. ***The distribution of Member State targets nevertheless do not converge, which should be considered when evaluating how the national targets contribute to the objective of climate neutrality by 2050 at the latest in a cost-effective and fair manner.*** The reduction of the maximum greenhouse gas emissions for each Member State in 2030 should thus be determined in relation to the level of its 2005 reviewed greenhouse gas emissions covered by this Regulation, excluding verified greenhouse gas emissions from installations that operated in 2005 and which were only included in the emission trading system of the Union after 2005.

Or. en

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) The Commission's Communication of 14 October 2020 on an EU strategy to reduce methane emissions^{1a} highlighted that methane is a powerful greenhouse gas, second only to carbon dioxide in its overall contribution to climate change. On a molecular level, methane is more powerful than carbon dioxide. Although methane remains for a shorter time in the atmosphere than carbon dioxide, it has a significant effect on the climate. In September 2021, the Union and the United States announced the Global Methane Pledge, to which more than 100 countries in total have since joined. The signatories of the pledge aim to achieve by 2030 the collective goal of reducing global methane emissions by at least 30 % from 2020 levels and enhance reporting standards. Methane, nitrous oxide and so-called F-gases together account for over 20 % of the

Union's greenhouse gas emissions. Given those commitments and the short-lived nature of many of those GHG gases, it is appropriate to lay down one or more Union-wide targets for all non CO2 greenhouse gas emissions in all sectors.

1^a COM(2020)0663.

Or. en

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) As a consequence, it will be necessary to set, as from the year of adoption of this Regulation, new binding national limits, expressed in annual emission allocations, progressively leading to the 2030 target of each Member State, while keeping in force the annual limits established for the years preceding it as set in Commission Implementing Decision (EU) 2020/2126³⁶.

³⁶ Commission Implementing Decision (EU) 2020/2126 of 16 December 2020 on setting out the annual emission allocations of the Member States for the period from 2021 to 2030 pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council (OJ L 426, 17.12.2018, p. 58).

Amendment

(12) As a consequence, it will be necessary to set, as from the year of adoption of this Regulation, new binding national limits, expressed in annual emission allocations, progressively leading to the 2030 target of each Member State, while keeping in force the annual limits established for the years preceding it as set in Commission Implementing Decision (EU) 2020/2126³⁶.

³⁶ Commission Implementing Decision (EU) 2020/2126 of 16 December 2020 on setting out the annual emission allocations of the Member States for the period from 2021 to 2030 pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council (OJ L 426, 17.12.2018, p. 58).

Or. en

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) The COVID-19 pandemic has impacted the Union's economy and its

Amendment

(13) ***The COVID-19*** pandemic has impacted the Union's economy and its

level of emissions to a degree that cannot yet be fully quantified. On the other hand, the Union is deploying its largest stimulus package ever, also having a potential impact on the level of emissions. ***Due to those uncertainties, it is appropriate to review the emissions data in 2025 and, if necessary, readjust the annual emission allocations.***

level of emissions to a degree that cannot yet be fully quantified. On the other hand, the Union is deploying its largest stimulus package ever, ***aiming to ensure a green recovery while*** also having a potential impact on the level of emissions. It is appropriate to ***maintain a stable, predictable and ambitious regulatory emissions pathway throughout the ongoing decade in order to ensure both the necessary emissions reductions and planning security.***

Or. en

Proposal for a regulation Recital 14

Text proposed by the Commission

Amendment

(14) It is therefore appropriate to update in 2025 the annual emission allocations for the years 2026 to 2030. This should be based on a comprehensive review of the national inventory data carried out by the Commission in order to determine the average of the greenhouse gas emissions of each Member State during the years 2021, 2022 and 2023.

deleted

Or. en

Proposal for a regulation Recital 16 a (new)

Text proposed by the Commission

Amendment

(16 a) In order to ensure and incentivise compliance by Member States with respect to their minimum contributions for the period from 2021 to 2030 under the Regulation as amended, corrective actions under the Regulation should be strengthened and more closely connected to the integrated national energy and

climate plans under Regulation (EU) 2018/1999. If a Member State exceeds its annual emission allocations during two successive years, that Member State should revise its integrated national energy and climate plan submitted to it in accordance with Regulation (EU) 2018/1999, while giving the public a possibility to participate in the process.

Or. en

Proposal for a regulation
Recital 16 c (new)

Text proposed by the Commission

Amendment

(16 c) In order to achieve the objectives under the Regulation as amended and other Union legislation, particularly those under Regulation (EU) 2021/1119, the Union and its Member States should make use of the latest science while implementing policies. The advice of the European Scientific Advisory Board on Climate Change, established by Article 3 of Regulation (EU) 2021/1119, should therefore be considered throughout the Regulation as amended, as appropriate.

Or. en

Proposal for a regulation
Recital 17

Text proposed by the Commission

Amendment

(17) Considering, the introduction of a strengthened compliance regime in Regulation (EU) 2018/841 as of 2026, it is appropriate to abolish the deduction of the greenhouse gas emissions generated by each Member State in the period from 2026 to 2030 in the land sector in excess of its removals. Article 9(2) should therefore be

(17) Considering, the introduction of a strengthened compliance regime in Regulation (EU) 2018/841 as of 2026, it is appropriate to abolish the deduction of the greenhouse gas emissions generated by each Member State in the period from 2026 to 2030 in the land sector in excess of its removals. Article 9(2) should therefore be

amended accordingly.

amended accordingly.

Or. en

Proposal for a regulation
Recital 18

Text proposed by the Commission

Amendment

(18) *The setting of more ambitious targets under Regulation (EU) 2018/841 will decrease the capacity of Member States to generate net removals that can be used for compliance under Regulation (EU) 2018/842. In addition, the split of the use of the LULUCF flexibility into two separate time periods, will further limit the availability of net removals for the purpose of compliance with Regulation (EU) 2018/842. As a result, some Member States may face challenges in meeting their targets under Regulation (EU) 2018/842, while some Member States, the same or other, may generate net removals that cannot be used for compliance with Regulation (EU) 2018/842. As long as the Union objectives as set out in Article 3 of Regulation (EU) 2021/1119 are met, in particular with regard to the maximum limit of the contribution of net removals, it is appropriate to create a new voluntary mechanism, in the form of an additional reserve, that will help adhering Member States to comply with their obligations.*

deleted

Or. en

Proposal for a regulation
Recital 18 a (new)

Text proposed by the Commission

Amendment

(18 a) *Given the long-term dimension of effective climate protection set out in Regulation (EU) 2021/1119 and the Union's commitment to the objectives of*

the Paris Agreement, clarity about Member States' individual long-term reduction pathways beyond 2030 would allow for more accurate policy planning. It is therefore appropriate to include a process setting national reduction pathways for each Member State for climate neutrality by 2050 at the latest.

Or. en

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Regulation (EU) 2018/842 should therefore be amended accordingly,

Amendment

(19) Regulation (EU) 2018/842 should therefore be amended accordingly,

Or. en

Compromise Amendment 12 (recital 7)

CA on recital 7 replacing amendments: 51, TRAN 13, 52, 53, 54, REGI 5 and AGRI 4

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) While emissions trading **will** also apply to greenhouse gas emissions from road and maritime transport as well as buildings, the scope of Regulation (EU) 2018/842 will be maintained. Regulation (EU) 2018/842 will therefore continue applying to the greenhouse gas emissions from domestic navigation, but not to those from international navigation. Greenhouse gas emissions of a Member State within the scope of Regulation (EU) 2018/842 to be taken into account for compliance checks will continue to be determined upon completion of inventory reviews in accordance with Regulation (EU) 2018/1999 of the European Parliament and the Council³⁴.

Amendment

(7) While emissions trading **may** also apply to greenhouse gas emissions from road and maritime transport as well as buildings, the scope of Regulation (EU) **2018/842 will** be maintained. Regulation (EU) 2018/842 will therefore continue applying to the greenhouse gas emissions from domestic navigation, but not to those from international navigation. Greenhouse gas emissions of a Member State within the scope of Regulation (EU) 2018/842 to be taken into account for compliance checks will continue to be determined upon completion of inventory reviews in accordance with Regulation (EU) 2018/1999 of the European Parliament and the Council³⁴. **However, the emissions of**

some sectors in past years have either increased or remained stable.

³⁴ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

³⁴ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

Or. en

Compromise Amendment 13 (recital 10)

CA on recital 10 replacing amendments: 62, 63, 64, 66, 65, TRAN 15, 68, 67, 69, REGI 8 and 2

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) In order to achieve the target of reducing greenhouse gas emissions by **55%**, **the** sectors covered by Regulation (EU) 2018/842 will need to reduce their emissions progressively until they reach - 40% in 2030, compared to 2005 levels.

Amendment

(10) In order to **implement the Union's commitments under the Paris Agreement** and achieve the target of reducing greenhouse gas emissions by **at least 55%**, **all** sectors covered by Regulation (EU) 2018/842 will need to reduce their emissions progressively until they reach - 40% in 2030, compared to 2005 levels.

Or. en

Compromise Amendment 14 (recital 15)

CA on recital 15 replacing amendments: 106, 104, 105, 103, AGRI 9 and 107

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) Under Regulation (EU) 2018/842, the cancellation of a limited quantity of emission allowances in the European Union emission trading system may be taken into account for some Member States' compliance under Regulation (EU) 2018/842. Given the particular structure of Malta's economy, the national reduction target of that Member State based on Gross Domestic Product per capita is significantly above its cost-effective reduction potential, is *is* therefore appropriate to increase Malta's access to that flexibility, without compromising the 2030 target of the Union on emission reductions.

Amendment

(15) Under Regulation (EU) 2018/842, the cancellation of a limited quantity of emission allowances in the European Union emission trading system may be taken into account for some Member States' compliance under Regulation (EU) 2018/842. Given the particular structure of Malta's economy, the national reduction target of that Member State based on Gross Domestic Product per capita is significantly above its cost-effective reduction potential, is therefore appropriate to increase Malta's access to that flexibility, without compromising the 2030 target of the Union on emission reductions. ***The Member States entitled to this flexibility but which did not make use of it in the 2019 context of the current Regulation, should be given the possibility to revise that decision to take account of the newly proposed national reduction targets. The Member States concerned should also be allowed to revise their notified percentages more often than under the current regulation.***

Or. en

Compromise Amendment 15 (recital 16)

CA on recital 16 replacing amendments: 109, 112, 110, 111, 113 and AGRI 10

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) In addition to that flexibility, a limited quantity of net removals and net emissions from land use, land-use change and forestry ('LULUCF') may be taken into account for Member States' compliance under Regulation (EU)

Amendment

(16) In addition to that flexibility, a limited quantity of net removals and net emissions from land use, land-use change and forestry ('LULUCF') may be taken into account for Member States' compliance under Regulation (EU)

2018/842 ('the LULUCF flexibility'). In order to ensure that sufficient mitigation efforts are deployed until 2030, it is appropriate to limit the use of the LULUCF flexibility by separating the use of such flexibility into two separate time periods, each capped by a limit corresponding to half of the maximum amount of total net removals set out in Annex III to Regulation (EU) 2018/842. It is also appropriate to bring the title of Annex III in line with the amendment to Regulation (EU) 2018/841 carried out by Commission Delegated Regulation (EU) 2021/268 of 28 October 2020³⁷. As a consequence, there is no longer a need for Regulation (EU) 2018/842 to provide for a legal basis allowing the Commission to adopt delegated acts to amend the title of its Annex III. Article 7(2) of Regulation (EU) 2018/842 should therefore be deleted.

³⁷ Commission Delegated Regulation (EU) 2021/268 of 28 October 2020 amending Annex IV to Regulation (EU) 2018/841 of the European Parliament and of the Council as regards the forest reference levels to be applied by the Member States for the period 2021-2025 (OJ L 60, 22.2.2021, p. 21).

2018/842 ('the LULUCF flexibility'). In order to ensure that sufficient mitigation efforts are deployed until 2030, it is appropriate to limit the use of the LULUCF flexibility by separating the use of such flexibility into two separate time periods, each capped by a limit corresponding to half of the maximum amount of total net removals set out in Annex III to Regulation (EU) 2018/842. It is also appropriate to bring the title of Annex III in line with the amendment to Regulation (EU) 2018/841 carried out by Commission Delegated Regulation (EU) 2021/268 of 28 October 2020³⁷. As a consequence, there is no longer a need for Regulation (EU) 2018/842 to provide for a legal basis allowing the Commission to adopt delegated acts to amend the title of its Annex III. Article 7(2) of Regulation (EU) **2018/842 should** therefore be deleted.

³⁷ Commission Delegated Regulation (EU) 2021/268 of 28 October 2020 amending Annex IV to Regulation (EU) 2018/841 of the European Parliament and of the Council as regards the forest reference levels to be applied by the Member States for the period 2021-2025 (OJ L 60, 22.2.2021, p. 21).

Or. en

Compromise Amendment 16 (recital 16 b)

CA on recital 16 b replacing amendments: 116, 138 and 137

Proposal for a regulation Recital 16 b (new)

Text proposed by the Commission

Amendment

(16 b) The Union and the Member States are parties to the Aarhus Convention. Public scrutiny and access to justice are an essential part of the democratic values

of the Union and a tool to safeguard the rule of law. In its communication of 14 October 2020 entitled 'Improving access to justice in environmental matters in the EU and its Member States', the Commission recognised that access to justice is not guaranteed in all Member States and called on the Council and the European Parliament to introduce explicit access to justice provisions in sectoral legislation. It is therefore appropriate to lay down a provision to ensure the public's access to justice for the actions implementing the Regulation as amended.

Or. en