



Representing over 5 million European citizens

NGO briefing on: Effort Sharing amendments tabled in ENVI Committee August 2008

1. Introduction: will this European Parliament show leadership in addressing Climate Change?

2008 and 2009 are crucial years for fighting Climate Change for establishing the robust global agreement that we need in order to have a fighting chance at tackling dangerous climate change. The EU Climate package puts the EU in the driving seat for leading a break through to a successful international deal. Failing to agree on an ambitious EU Climate policy for 2020 will most likely lead to a collapse of those international negotiations.

This Parliament therefore has an international responsibility to improve the weak proposals by the European Commission. If it fails, there will be much more at stake than its credibility towards EU citizens in showing itself capable of addressing a global environmental crisis.

This briefing provides an overview of European environmental NGO views on the priority amendments tabled in ENVI Committee on the “2020 Greenhouse Gas Emission reductions effort sharing for EU Member States” (due to be voted on 7 October 2008).

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Summary of NGO priority issues

	Support ams	Reject ams
1. EU 2020 GHG emission reduction target		
- guaranteed EU reduction target of at least 30% by 2020 in case of int'l agreement	13, 14, 15 , 17, 30, 82, 83	75, 85, 89, 90, 92, 95, 98, 171, 172, 173,
- more EU domestic emission reductions and less off-setting via external credits abroad	23, 24, 25, 31, 33, 70, 86, 87, 88, 93, 148, 150	174, 175, 176, 184, 193 146, 147, 149
- Long term 2050 target	19, 114, 115, 116	
2. Financial assistance to developing countries		
- mitigation support (for reducing their emissions)	26, 158	
- adaptation support (for adapting to impacts of climate change)	154, 155	
3. Gold Standard or equivalent quality for external credits	20, 21, 22, 127, 126, 131, 132, 137 136, 140, 153, 179	122, 123, 124, 128, 129, 130, 133, 135, 138, 139, 142, 146, 147, 149, 181, 182
4. Compliance		
- flexibility and enforcement of reduction targets	29, 103, 104, 105, 106, 113, 166, 167, 168, 169, 170	98, 99, 101, 107
- improved reporting	121, 159, 160, 161, 163, 164, 189	

2. Analysis of priority amendments:

2.1. Ambition level of domestic EU GHG emission reductions by 2020:

In June 2008 the European Parliament voiced strong support for keeping the global average temperature rise below +2°C, through the approval of the interim Climate Change Committee report,. This commitment now needs to be backed-up by support for amendments that strengthen the European Commission’s proposal.

The Commission proposal, starting with a modest 20% emission reduction by 2020, and including significant off-setting of domestic reductions through external credits is equivalent to a temperature trajectory of almost +3°C! We urge MEPs to reject amendments which further weaken the ambition level (through allowing more off-setting). Acceptance of those amendments could lead to global temperature increases of more than 4°C!

a) Guaranteed (at least) 30% emission reduction in case of an international agreement

Am no.	Article no/ ref	Content	Voting rec'n	Justification
13, 14, 15, 17, 30, 83	Art 3.1 (new), para 2	start with 30% emission reductions (and fall back to 20% if no int'l agreement)	+	consistent with council conclusions of march 2007 and with <+2C
19, 114, 115,116	Art 3a (new)	introduces 80% reduction by 2050 and am 115 a 60% reduction by 2035	+	80% emission reductions by 2050 are crucial to stay <+2C
82	art 3.1 (new)	40% by 2020	+	consistent with having more than 50% chance of <+2C
84	art 3 para 1	No MS can emit more than Kyoto 08-12 target	+	laggards are not rewarded
86, 87, 88	art 3 para 1	Strengthens language and introduces the word “domestic” before emission reductions	+	consistent with <+2C
93	art 3 para 1 (new)	No use of external credits unless over-all target is -40%	+	consistent with <+2C
75	art 1	does away with EU ETS and non-EU ETS differentiation	-	this eliminates the EU wide cap and much needed harmonised approach under the EU ETS
85, 89, 90, 92	art 3 para 1	removes 2005 as a ref year	-	can introduce “hot air”: virtual emission reductions not related to climate change policies
95	art 3 para 2 sub para 1	deletes this para	-	removes essential part of legal text without replacing it with something else

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Am no.	Article no/ ref	Content	Voting rec'n	Justification
98	art 3 para 2 sub para 2	starting point for emission limitation is KP target or 2008,2009,2010 emissions	-	can introduce "hot air": virtual emission reductions not related to climate change policies
171	Art 6	changes "conclusion" to "approval" of int'l agreement by all MS	-	Would /delay/prevent the EU moving to a higher ambition level once Int'l agreement is agreed. ,gives de facto veto power to MS
172, 175, 176	art 6	removes trigger to move to 30% from Commission proposal	-	inconsistent with March 2007 council conclusions. Would avoid further emission reductions once there is int'l agreement, by removing the trigger or making trigger politically impossible
173	art 6 para 1a new	New Member States don't have to do more in case of int'l agreement	-	will make move to 30% impossible
183	art 6a (new)	if no int'l agreement MS may use removal from sinks for meeting obligations	-	distorted accounting: sinks can become sources of GHG emissions and those have to be accounted too.

b) Emission reductions are domestic

According to the IPCC 4th assessment report industrialised nations must reduce their emissions by 25-40% in 2020 to stay within a <+2°C global temperature scenario¹. Those emission reductions need to be domestic. The European Commission's proposal is by allowing the off-setting of a significant part of EU emission reductions, not consistent with a <+2°C scenario. In order to stay consistent with its position on keeping global average temperature increases <+2°C, Parliament needs to support amendments to remove the off-setting from the 20% and 30% reduction targets.

The European Parliament has the potential to generate a break-through at the international talks by supporting amendments that call for the EU to commit to binding mitigation commitments in developing countries (see 2.3 below). This support will be a major diplomatic leverage tool for getting significant mitigation commitments from major developing countries such as India and China by 2020.

Am no.	Article no/ ref	Content	Voting recommendation	Justification
23	Art 4 para 2	until int'l agreement has been reached use of external credits (CERs) shall be discounted with 50%	+	improves additionality

¹ IPCC 4th assessment report WG III pg. 776

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Am no.	Article no/ ref	Content	Voting recommendation	Justification
24, 31, 33	Art 4 para 3, art 6 para 5	CERs can only be used for additional mitigation support in non-Annex I countries (no off-setting!)	+	this am is crucial to be compliant with a <+2C pathway
25	art 4 para 4	maximum use of CERs in case of no int'l agreement is 1% of 2005 emissions	+	guarantees more domestic emission reductions in case of no int'l agreement
148	Art 4 para 4	reduces use of external credits to 1% of 2005 emissions	+0	Would lead to more EU domestic emission reductions and an EU CC policy that is more consistent with <+2C
150	Art 4 para 4	delete transfer of unused external credits between Member States	+	Would lead to more domestic emission reductions
146	Art 4 para 4	doubles the amount of external credits that can be used	-	Would reduce emission reductions in the EU. Am is not consistent with <+2C
147	Art 4 para 4	increases the amount of external credits that can be used to 5% of 2005 emissions	-	Would reduce emission reductions in the EU. Am is not consistent with <+2C
149	Art 4 para 4	More use of external credits for MS which have to reduce more	-	Would limit domestic emission reductions in Europe and is inconsistent with <2C

2.2. Assistance for developing countries:

This European Parliament can play a historic role in assisting the EU in becoming a key player in brokering an international agreement on Climate Change by voting for a binding greenhouse gas (GHG) mitigation support in developing countries by EU Member States. This is the key to moving international negotiations in the direction of an agreement which is consistent with <+2°C. In Bali it was agreed that developing countries action is contingent on developed country support. This now needs to be made operational and the EU Climate Change package is the key instrument to generate the required support. Furthermore many developing countries, vulnerable for the impacts of climate change are owed support for adapting to those impacts, mainly caused by our historical greenhouse gas emissions. This support should not be counted towards the 0.7 % target of ODA as this is not aid, but compensation for the damage that the EU has caused, based on the historical responsibility principle and should be provided in the form of grants.

A Parliament call for substantial support for developing countries is the only way to convince developing countries on a path to industrialisation to commit to a substantial reduction in their GHG emissions. The latter, in its turn, is the best remedy against carbon leakage.

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Am no.	Article no/ ref	Content	Voting recommendation	Justification
26, 158	Art 4a, 4b (new)	binding mitigation commitment in developing countries. up to 850 Mtonnes support by 2020	+	crucial amendment for <+2C and major diplomatic step for making so India and China move towards better commitments
154, 155	art 4a (new)	10, 11 Billion EUR support for adaptation in developing countries	+	support for adaptation is essential to reach an int'l agreement

2.3. Gold standard-type credits or equivalent

There is ample evidence that the current Clean Development Mechanism (CDM) is not fulfilling its twin goals of emission reductions and sustainable development benefits. Research shows that it is likely that a significant proportion of credits come from projects which are not delivering additional emission reductions. Furthermore, some projects are not supporting sustainable development in developing countries.

A greater level of assurance that these twin goals are being adhered to is provided by the CDM Gold Standard². To remain credible in helping developing countries address the challenges of greenhouse gas mitigation, this Parliament has to support a high quality standard for external credits.

The risk for non-additional, non-permanent and non-sustainable credits from forestry projects is very high due to the current lack of decent international standards/agreements. In absence of these we urge MEPs not to support amendments that entail such a risk.

Am no.	Article no/ref	Content	Voting recommendation	Justification
20, 21, 22, 126, 131, 136, 140, 153	Art 4 point a, b, c and art 4 para 1 4a	only credits from RNE and demand side E-eff, exclusion of large hydro	+	Investing in these types of projects clearly has longer term benefits for developing countries e.g. in terms of helping to catalyze the transition to non-fossil fuel based energy systems than investment in industrial gas abatement projects which to date have dominated the market. These types of projects are also more likely to have positive sustainable development benefits e.g. access to energy, more sustainable energy sources etc.
127, 132, 137,141, 145	Art 4 para 1,2,3	only Gold Standard allowed	+	Gold Standard guarantees additionality and Sustainable Development (SD)
179	art 6 para 5 subpara 1	additional use of credits in case of int'l agreement must ensure additionality and SD	+	additionality and SD are crucial when using external credits

² The CDM gold standard is developed and maintained by the Gold Standard foundation.
<http://www.cdmgoldstandard.org/>

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Am no.	Article no/ref	Content	Voting recommendation	Justification
122, 123, 124, 128, 129, 130, 133, 135	Art 4 para 1	delete criteria that projects have to be accepted by all MS	-	would dramatically reduce the quality (SD and additionality) of external credits entering the EU
125142,181, 182	Art 4 para 1 para 3, art 6a (new)	allow use of TCERS and/or afforestation and reforestation credits	-	There are serious issues with TCERS: such as additionality, permanence, sustainable development. Many TCERS do not guarantee real and permanent or long term emission reductions
138, 139	Art 4 para 1	deletes guarantee of equitable geographical distribution of projects	-	Many LDC's have no benefit from CDM. Would not improve situation for LCD's

2.4. Compliance

Good legislation always needs to be backed with credible compliance and enforcement rules. The European Commission's proposal is disappointing in this regard. Because a self-legislating Council is expected to be very weak on this topic, it is very important that better compliance and enforcement gets strong support by the European Parliament. Amendments calling for better and faster reporting - an essential first step in having good compliance - and proposing sanctions in the form of fines from Member States that under-perform would give a strong political signal to Member States.

Am no.	Article no/ref	Content	Voting recommendation	Justification
29	Art 5a (new)	introduces fines for underperforming Member States. Underperformance is subtracted from EU ETS cap	+/-0 (split vote: + on para 1 and 2 and - on para 3)	fines are good tool; but ex post change of EU ETS cap would be politically unacceptable
108, 109, 110, 177	art 3 para 3 and Art 6 para 4	introduces trading of non-EU ETS allowances for under- and over-achievers	+ (BUT CONDITIONAL)	this would only be acceptable if there is ALSO strong compliance (i.e. fines) otherwise this waters down everything....
103, 104, 105	art 3 para 3	introduces amendment linked to compliance. Underachievers must make up in the next year	0/+	strengthens compliance language
106	art 3 para 3	limits carry over of reduction target to 1%	+	guarantees better compliance

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Am no.	Article no/ref	Content	Voting recommendation	Justification
113	art 3 para 4a (new)	underachieving MS have additional reduction of 1.3 in next year	+	enhances compliance and consistency with current Kyoto compliance regime
159,161, 163, 164	Art 5 para 1a (new), 2 and Art 5 para 2 subpara 3	Report of GHG emissions in the following year + verification of reports by EC	+	Timely and verified reporting of GHG emissions is essential for compliance
121, 160	art 3b (new) and Art 5 para 1b (new)	MS have to make action plan to on how to achieve 2020 reduction targets	+	Could help with compliance for achieving targets
166, 167, 168, 169	Art 5a (new)	Introduces penalty/fine for MS not achieving emission reductions	+	Compliance and enforcement is an essential part of good CC policies
170	Art 5a (new)	withhold allowances for auctioning until fines are paid	+	Compliance and enforcement is an essential part of good CC policies
189	art 10	Commission shall draw up reports on implementation (annual as from 2015)	+	These reports are important to safeguard the over-all EU 2020 target
98	art 3 para 2 subpara 2	starting point for reducing emissions is not 2005 but 2008-2009-2010	-	This would give an incentive to Member States not to start reduce their emissions as soon as possible
99	art 3 para 2 subpara 2	removes annual emission reduction targets and foresees only a sub-target for 2016	-	This gives no or very limited incentive to Member States to stay on track for meeting their 2020 target.
101	art 3 para 2 sub para 2	deletes annual linear reduction	-	introduces risk that member states will not achieve 2020 target
107	art 3 para 3	increases carry over of reduction target to 5%	-	weakens compliance significantly