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RESOLUTION OF THE 13th STANDING COMMITTEE

(Land Use, Environment, Environmental Assets)

(Rapporteur: Senator BIGNAMI)

adopted at the sitting of 26 October 2016

ON THE

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE INCLUSION OF GREENHOUSE GAS EMISSIONS AND REMOVALS FROM LAND USE, LAND USE CHANGE AND FORESTRY INTO THE 2030 CLIMATE AND ENERGY FRAMEWORK AND AMENDING REGULATION NO 525/2013 OF THE EUROPEAN PARLIAMENT AND THE COUNCIL ON A MECHANISM FOR MONITORING AND REPORTING GREENHOUSE GAS EMISSIONS AND OTHER INFORMATION RELEVANT TO CLIMATE CHANGE (COM (2016) 479 FINAL)

pursuant to Article 144(1) and (6) of the Rules of Procedure

Sent to the President's Office on 27 October 2016

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The Committee,

having examined, pursuant to Article 144 of the Rules of Procedure, the proposal for a regulation of the European Parliament and of the Council 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 No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change;

whereas the proposal aims to determine how activities linked to land use, land-use change and forestry (LULUCF activities) can be included, in terms of carbon removal, in the EU's 2030 Climate and Energy Policy Framework from 2021 onwards, i.e. after the Kyoto Protocol expires (2020);

whereas Article 192 of the Treaty on the Functioning of the European Union (TFEU), by virtue of which the European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee and the Committee of the Regions, decide what action is to be taken by the Union in order to achieve the objectives laid down in Article 191 of that Treaty, confers powers on the European Union in the field of climate change;

whereas the proposal appears to comply with the principle of subsidiarity in that climate change is a cross-border problem that cannot be solved solely by means of national or local action; also, the LULUCF sector requires coordinated action since the European Union's climate change commitments must be faced jointly;

whereas the proposal appears to be in line with the principle of proportionality as it merely provides a common framework on how to account for emissions and removals of greenhouse gases in respect of LULUCF activities, leaving it up to the Member States to adopt specific measures to pursue the various objectives;

whereas the pledge made by the contracting parties signing up to the Paris agreement is, above all, to pursue ambitious aims in terms of reducing greenhouse gas emissions,

issues, for matters within its remit,

a favourable opinion with the following observations:

With regard to the frequency of the reports to be submitted to the Commission on the balance of total greenhouse gas emissions and removals, we take the view that the first three reports should be presented every two years instead of every five years, in order to have a prognostic framework allowing prompt corrective action if necessary.

While we recognise the importance of the Paris agreement (COP 21) and the need to play a key role at the forthcoming Conference in Marrakech, the way in which political agreement was reached on the new text of the proposed ratification decision of the European Commission, at an extraordinary meeting of the Environment Council on 30 September 2016, where the text was amended

using a novel procedure to allow the EU to ratify the agreement separately from the Member States, should be avoided in future.

Provision should be made, in line with the spirit of the Paris agreement, for national targets requiring each Member State to comply with the overall limit of ETS and non-ETS emissions, but with some form of theoretical trade-off that allows the balance of any surplus or deficit between the two sectors to be taken into account for emissions within one country.

Since the current ETS mechanism has not been able to bring about any significant switch to low-carbon technologies on the part of major emitters, all Member States should be able, if separate accounts (and targets) are kept for ETS and non-ETS sectors, to benefit from a set-off between the two systems as provided for in Article 6 of the proposal.

With respect to double counting we would stress that such a system tends to undermine national policies and could lead to conflicting findings during checks. The approach of imposing the ETS mechanism should therefore be reviewed with a view to promoting an effective and universal carbon pricing instrument at European level.

OPINION OF THE 14TH STANDING COMMITTEE

(EUROPEAN UNION POLICIES)

(*Rapporteur*: Senator FISSORE)

28 September 2016

The Committee, having examined the proposal,

whereas the proposal introduces the obligation for Member States to ensure, for the period 2021-2030, that greenhouse gas emissions do not exceed removals in the area of land use, changes in land use and forestry (LULUCF), with a view to including that sector in the scope of emission reduction commitments undertaken by the Union for the period between 2021 and 2030. The proposal also lays down information and accounting requirements for LULUCF-related emissions and removals, confirming the existing regulatory framework laid down by Decision 529/2013/EU of the European Parliament and of the Council of 21 May 2013;

whereas:

The EU land use, changes in land use and forestry sector is capable of absorbing a large share of the total greenhouse gas emissions caused by human activity from the atmosphere by way of vegetation and soils acting as a carbon sink.

Emissions and removals of greenhouse gases resulting from LULUCF activities are not currently accounted for with respect to the EU's emission reduction commitments for 2020 under Decision 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on reducing emissions of the non-ETS sectors (which would also include LULUCF) and Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 on the reduction of emissions from energy-intensive sectors through the Emissions Trading Scheme.

Account is taken of the LULUCF sector in terms of the overall reduction of greenhouse gases only as from the 1997 Kyoto Protocol annexed to the United Nations Framework Convention on Climate Changes (UNFCCC), approved by Council Decision 2002/358/EC of 25 April 2002, which commits the European Union and its Member States to ensure that this sector does not produce excess emissions.

Decision 529/2013/EU on the LULUCF sector merely lays down accounting rules for emissions and removals of greenhouse gases and the related information procedures, without setting quantitative requirements for the Member States.

The European Council of October 2014 approved the Climate and Energy Policy Framework for 2030, with a binding commitment to reduce overall greenhouse gas emissions to 40 % below their 1990 level by 2030, and invited the European Commission to establish a policy on how to include LULUCF in the 2030 Climate and Energy Framework.

The Paris Agreement adopted in December 2015 at the 21st Conference of the Parties to the UNFCCC, which will replace the Kyoto Protocol when it expires at the end of 2020, calls for a balance to be reached between emission sources and removals of anthropogenic greenhouse gases in the second half of this century and invites the parties to take action to preserve and improve, as appropriate, greenhouse gas sinks and reservoirs, including forests;

in view of the following:

The proposal for a regulation proposes to include LULUCF in the accounts for 2030 by treating it as a separate sector with respect to the rules on non-ETS sectors while allowing parts of the removals linked to land use, land use change and forestry to be taken into account towards meeting the targets set for the non-ETS sectors (cf. COM(2016) 482).

Article 4 of the proposal thus lays down an obligation for each Member State to ensure that, during the period 2021-2030, emissions do not exceed removals in the LULUCF sector, taking into account the flexibilities provided for in Article 11.

Article 11 provides that for Member States whose emissions exceed removals, account should be taken, with respect to meeting that obligation, of any emissions that have been deleted by way of the flexibility provided for in the proposal for a regulation on non-ETS sectors (COM(2016) 482). By contrast, Member States whose removals exceed emissions may transfer the surplus removal quota to another Member State for the purpose of complying with the above requirement;

having assessed the report drawn up by the Ministry of the Environment, Protection of Natural Resources and the Sea of 25 August 2016, submitted pursuant to Article 6(4) and (5) of Law No 234 of 2012;

comments favourably, for matters within its remit, highlighting the following points:

The legal basis has been correctly identified as Article 192(1) of the Treaty on the Functioning of the European Union (TFEU), which provides for using the ordinary legislative procedure to decide what action is to be taken by the Union to achieve its environmental policy objectives.

The subsidiarity principle is complied with, since the aim of including the LULUCF sector in the emission reduction commitments made by the European Union for the period from 2021 to 2030, by imposing a requirement that emissions must not exceed removals of greenhouse gases, cannot be sufficiently achieved by the Member States on their own.

The principle of proportionality is complied with since the proposed measures do not go beyond what is necessary to achieve that objective. Neither do the powers conferred on the European Commission to adopt delegated acts affect essential elements of the legislative act (as required by Article 290 TFEU), since they merely allow updates to take account of changes to the IPCC (Intergovernmental Panel on Climate Change) guidelines.

Reports drawn up by the Government pursuant to Article 6(4) and (5) of Law No 234 of 2012 should be as complete and timely as possible to allow the

Chambers to examine proposals for European legislation in depth and to be fully informed of the Government's view on the substance of the individual elements of the proposal, given the eight-week time limit provided for by Protocol No 2 on subsidiarity for submitting an opinion to the European institutions.

