



European Economic and Social Committee

NAT/535
Monitoring and Reporting
Greenhouse Gas Emissions

Brussels, 28 March 2012

OPINION

of the

European Economic and Social Committee

on the

Proposal for a Regulation of the European Parliament and of the Council on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change

COM(2011) 789 final – 2011/0372 (COD)

Rapporteur: **Mr Adams**

On 23 November 2011, the European Commission decided to consult the European Economic and Social Committee, under Article 192(1) of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change
COM(2011) 789 final – 2011/0372 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 14 March 2012.

At its 479th plenary session, held on 28 and 29 March 2012 (meeting of 28 March) the European Economic and Social Committee adopted the following opinion by 151 votes to 3 and 16 abstentions.

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1. **Conclusions and recommendations**

- 1.1 The Committee recognises and supports the need for accurate and comprehensive data to help the Union and Member States meet their mitigation commitments and implement the climate and energy package. This regulation will strengthen that process.
- 1.2 In addition to the detailed recommendations made in section 4. the EESC wishes to emphasise the need for proportionality in the data collection process and the need for a continuing focus on using the outcomes to achieve the objectives of climate policy and continue the work of public education in the energy field.

2. **Introduction**

- 2.1 This new regulation is the instrument which provides the legal basis to implement revised domestic monitoring commitments set out in the 2009 climate and energy package, as well as to ensure timely and accurate monitoring of the progress in implementation of these and international commitments. Although the EU accounts directly for approximately 11% of the world's CO₂ emissions its strategic commitment and action on greenhouse gas (GHG) reduction and resource efficiency can be regarded as a positive and essential contribution to international implementation mechanisms. The intention is to keep global average temperature increase below 2°C compared to pre-industrial levels (Targets for 2020 are 20%

reduction in CO₂, 20% increase in renewable energy and 20% improvement in energy efficiency over 1990 levels.)

- 2.2 There is accelerating change in the world's climate due to alterations in the global energy balance. The presence of GHGs in the Earth's atmosphere, with their capacity to absorb and emit infrared radiation, greatly affects temperature. After water vapour the main GHG is carbon dioxide (CO₂), with methane and ozone also making a significant contribution.
- 2.3 In the last 250 years the burning of fossil fuels has contributed to an increase in CO₂ in the atmosphere from 280ppm to 390ppm. Although natural sources of CO₂ greatly exceed man-made sources these natural sources were previously balanced by carbon "sinks" such as the photosynthesis of CO₂ by plants and plankton. The increase in anthropogenic GHGs coupled with deforestation has destroyed this balance.
- 2.4 There is overwhelming scientific evidence of climate change which has already created significant adverse economic, social and environmental impacts. Projections based on some models indicate serious future impacts through rises in sea level, desertification, loss of biodiversity and climatic disruption. In principle it is agreed that prevention is better (and cheaper) than mitigation or adaptation. However, demands for economic growth, inequalities in global development, the continued reliance on fossil fuels as the world's primary energy source and the inexorable rise of the Earth's population have all played a part in failing, so far, to achieve political consensus on how to implement an effective mechanism to reduce anthropogenic GHG emissions.
- 2.5 In 1992 the Rio "Earth Summit" produced an international treaty, the United Nations Framework Convention on Climate Change (UNFCCC) designed to stabilise greenhouse gas concentrations in the atmosphere. In 1993 the EU established a mechanism for monitoring GHG emissions in response to this treaty¹. In 1997 the Kyoto Protocol to the UNFCCC sought to contain GHG emissions in ways that reflected underlying national differences, wealth, and capacity to make the reductions. In response the EU updated their monitoring mechanisms for GHGs in 2004² and developed a series of low carbon strategies³, the most recent of which being the Energy Roadmap 2050⁴. Progress on the essential international agreements continues to be slow but this regulation will provide the necessary monitoring framework for the EU to support national, Union and international commitments.

1 Council Decision 93/389/EEC of 24 June 1993.

2 Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004.

3 COM(2011) 112.

4 COM(2011) 885/2.

3. **Summary of the Commission's proposal**

- 3.1 The objectives of the regulation are to help the Union and Member States meet their mitigation commitments and implement the climate and energy package. It will improve many aspects of the data reported and ensure that international monitoring and reporting obligations are met, including the reporting on financial and technical support provided to developing countries. It will also facilitate the development of new climate change mitigation and adaptation instruments and provide a legal basis for the implementation of future reporting requirements and guidelines.
- 3.2 The regulation deals with the reporting required under the UNFCCC and the Kyoto Protocol, covering emissions of seven greenhouse gases from all sectors (energy, industrial processes, land use, land use change and forestry (LULUCF), waste, agriculture, etc.). The 2009 and 2010 UNFCCC conferences agreed enhanced reporting to enable the EU, amongst others, to meet commitments on the provision of financial, technological and capacity-building support to developing countries.
- 3.3 The new regulation will implement the monitoring and reporting requirements of the Effort Sharing Decision and the revised EU ETS Directive through establishing a review and compliance cycle under the Effort Sharing Decision, incorporating the reporting requirements for the use of revenues from auctioning carbon allowances, as stipulated in the revised ETS Directive. It will also enhance the current monitoring and reporting framework to meet the needs of future EU and international legislation through establishing a basis for monitoring and reporting emissions from maritime transport, non-CO₂ climate impacts from aviation, LULUCF, and adaptation.
- 3.4 Generally, it enhances EU reporting on financial and technology support provided to developing countries, improves the consistency of reporting in line with other EU legal instruments that address air pollutants and, by taking into account lessons learned from past implementation, enhances reporting of actual emissions, projections, policies and measures.
- 3.5 The new regulation also provides the basis for the reporting of auctioning revenues from the EU ETS, ensuring transparency and monitoring the intention to use at least half of the annual auctioning revenues for measures to fight climate change in the EU and third countries.
- 3.6 It contributes to the 20% emission reduction objective by making the annual review process faster and more efficient, and by enabling the annual determination of compliance by the Member States with their targets. It requires specific reporting on policies and measures implemented by the Member States in both the ETS and non-ETS sectors and sets the basis for reporting emissions from maritime transport and the non-CO₂ impacts from aviation, paving the way for the implementation of effective measures in these sectors.

3.7 The revision, which replaces earlier legislation, does not require additional data collection from SMEs or industry and applies to national authority level reporting. It thus does not impose any further obligations on companies.

4. **General and specific comments**

4.1 The Committee shares the Commission's view that accurate and comprehensive monitoring and reporting of emissions and other climate change data is absolutely essential to effective implementation of international obligations under the UNFCCC and to building trust and confidence among countries around the world that all are playing their fair part in tackling climate change.

4.2 In the European Union the Commission with the support of the European Environment Agency have long had responsibilities for assembling monitoring information from Member States and transmitting it to the UNFCCC as part of an EU overview of European emissions, and for assembling the necessary information to monitor compliance with the intra-EU agreements about burden-sharing of climate change requirements. It is therefore essential that the Commission has the powers to require the necessary information from Member States, to check its accuracy, timeliness and consistency and to take any necessary action to enforce compliance where reporting is unsatisfactory.

4.3 The various reporting requirements have grown piecemeal over time and contain some overlaps, gaps and inconsistencies. New requirements have recently been added in the climate and energy package, and it can be foreseen that others such as reporting of marine emissions are likely to be added before long. It is particularly important that there be accurate and timely monitoring and reporting on progress towards the 20% reduction target agreed for the year 2020.

4.4 The Committee agrees with the Commission's view that it is now therefore timely to consolidate all the requirements into a single new regulation. This will both extend the coverage in some important areas at the same time as simplifying the overall compliance regime by consolidating all the requirements into a single monitoring and reporting system that captures all present and currently anticipated monitoring and reporting requirements.

4.5 The Committee welcomes the building of the reporting systems (providing they are proportionate and beneficial) around national and EU inventory systems (Articles 5 and 6) that will enable progress to be annually assessed against the overall 2020 target and the national low-carbon development strategies provided for in Article 4. This is the best sort of proactive information-gathering, collected to enable progress to be monitored and re-energised where necessary, so that we can make sure we reach a crucial medium-term goal.

4.6 The regulation provides for comprehensive monitoring and reporting of greenhouse gas emissions and "sinks" from all sectors within the European Union which is clearly one

essential element to obtain an accurate assessment of the overall impact that Europe is having on global emission levels. The Committee supports the proposed extension of coverage to include maritime transport emissions (Article 10) and any other types of emission there may be that are not yet included in monitoring and reporting requirements. As the Committee has previously commented⁵ we are concerned about the suggestion in paragraph (10) of the recitals that certain flights should be excluded from the reporting of aviation emissions because this kind of loophole can sometimes be exploited; we think this should be kept under active review.

- 4.7 In addition to monitoring GHG emissions themselves it is also important to monitor and report on the extent of measures and investment being taken to reduce or limit emissions and their impact, and the efforts and investment being made to adapt to the impacts of the climate change that is already taking place. Information about both public and private sector efforts and investment is needed and the Committee fully supports the proposals in Articles 13-16 of the regulation on these aspects. Article 16 is, however, somewhat imprecise about the information to be provided in relation to adaptation measures and in the Committee's view this Article needs to be developed further. Due proportional benefit must be taken into account and duplication of effort avoided.
- 4.8 The Committee believes that efforts should also be made to monitor and report on the Union's carbon footprint or impact on other parts of the world through its trade and investment with them. Article 17 covers reporting on development assistance and technology transfer. But it does not cover trade impacts or private financial flows. We are aware that emissions from other countries (both developed and developing) have to be accounted for under the UNFCCC by those countries themselves, and that as part of the 2010 and 2011 agreements developed countries including the EU will be assisting efforts to improve inventory and monitoring systems in developing countries. This is a useful development but it will not in itself get to the heart of the issues about the EU's carbon footprint in the rest of the world. We urge the Commission to consider these aspects more.
- 4.9 We also encourage the Commission and Member States to do their utmost to ensure the inclusion in the financial and technology reporting of the financial and technology support that is provided **in addition** to Official Development Assistance (ODA). In this way a more comprehensive picture of the scope and size of the aid provided to developing countries by the EU as a whole will be obtained and thus improve policy design and help prioritise implementation interventions.
- 4.10 Accuracy and consistency of reporting information is particularly important in this area because of the crucial importance for the world of dealing effectively with climate change, and of ensuring that every country plays its part fairly. Timeliness is also crucial so that any divergences from plans and commitment can be identified promptly and corrective action

⁵ [OJ C 175, 27.7.2007, p. 47.](#)

taken promptly. The Committee supports the tighter discipline and review procedures on these aspects reflected in the new regulation.

- 4.11 Most of the articles of the regulation lay duties on Member States to provide information of specified types to the Commission. We understand that there are close working relationships between the Commission, Member States and the European Environment Agency, and that most of the requirements have been worked out cooperatively and consensually between the Commission and the Member States and with the European Environment Agency which is responsible for much of the detailed data gathering and quality control. We strongly support that cooperative approach which we believe is much the most likely to secure the best flow of timely and accurate information and to iron out difficulties.
- 4.12 We note that there may still be occasions when some data or reports are not forthcoming from individual Member States at the right time. We support the provisions enabling estimates of missing information to be made in such cases (Article 9), and the possibility for the Commission to initiate infringement procedures in the case of persistent or wilful non-compliance.
- 4.13 We welcome the explicit recognition of the EEA's role in Article 25, and the Commission's assurance to us that it is intended to continue to build the regular monitoring effort around the excellent professional and cooperative networks which the EEA has created around Europe. The EEA has the professional skills and networks for the task, and their independent reports about environmental information and trends have a high standing and credibility in the world. The Committee believes that the EEA should have a leading role in the implementation of this regulation and that the more the EEA can be used as the agent to publish or validate the collected information the more independent authority and credibility the regulation will be seen to have.
- 4.14 The EEA are also in the best position to informally extend the same or similar monitoring and reporting methods to some of the Union's immediate neighbours who already cooperate regularly with the EEA with obvious advantages. Ultimately the objective should be to establish in Europe a monitoring regime that is capable of being generally recognised as a model or standard for practice throughout the world.
- 4.15 Capacity-building. A successful monitoring and reporting system in Europe depends on there being skilled and professional teams and networks in each Member State to assemble the prime data in an accurate, objective and timely manner. The Committee welcomes the intention of the Commission and the EEA to help support and maintain Member State capacity in this area through cooperative networking, peer grouping activities and support for appropriate training. It could be helpful to devote some specific budget funding to these tasks.
- 4.16 We are glad to note that the Commission believes that the regulation should secure a considerable improvement in the scope and quality of information in this field at a modest

extra total cost because of the offsetting savings that will be made through the stream-lining of the requirements. Given the critical importance of the climate change issue for Europe and the world it is clearly essential that monitoring and reporting be done thoroughly and reliably as provided for in the regulation. Equally however it is clearly important at the present time that any additional burdens should be kept to a minimum. We are therefore glad to note that the regulation should not impose any additional burdens on business.

- 4.17 At the general level, we would urge that country specific data (see Article 2) is shared within relevant DGs in the Commission and units in the European External Action Service. This will encourage wider use of valuable information by those who set sectoral and other priorities in relevant planning DGs/units.
- 4.18 As well as providing aggregate data for purposes of national and international monitoring of progress on climate commitments it is extremely important to continue to develop disaggregated data so that the contribution of individuals and organisations of all kinds to the climate change challenge and its solutions can be assessed and monitored both by the individuals and organisations themselves and by others. It is very desirable that any local or individual measuring and monitoring systems that are put in place should be consistent with the national and international measuring and monitoring systems so that data can be readily aggregated and disaggregated and the contribution of different policies and of actions by different actors can be compared and assessed. Although this is not the immediate purpose of the present regulation it is very important that this requirement should be fully taken into account in the development of national and European monitoring systems so that a fully coherent monitoring system at all levels can be developed.
- 4.19 We also suggest that this significant exercise in data collection and monitoring offers scope for engaging the citizen through information and educational material and related practical action programmes. Every opportunity should be taken to raise awareness, explain and monitor the social impact of climate change policy to European citizens and the Committee will continue to play an active role in this area.

Brussels, 28 March 2012.

The President
of the
European Economic and Social Committee

Staffan Nilsson
