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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the exercise of the delegation conferred on the Commission pursuant to 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 and amending Regulation (EU) 525/2013

1. Introduction

Regulation (EU) 2018/842 of the European Parliament and of the Council[1] ("the Effort Sharing Regulation") establishes the targets for the Union and the Member States as regards the reduction by 2030 of greenhouse gas emissions neither covered by the Union's Emissions Trading System[2], nor by the Regulation on greenhouse gas emissions and removals from land use, land use change and forestry[3].

Articles 7(2) and 12(1) of the Effort Sharing Regulation empower the Commission to adopt delegated acts with a view to, respectively, amend the title of Annex III to the Effort Sharing Regulation, and ensure the accurate accounting under the Effort Sharing Regulation through the Union Registry established under Directive 2003/87/EC of the European Parliament and the Council[4] on the Union's Emissions Trading System.

According to Article 13(2) of the Effort Sharing Regulation, the power to adopt delegated acts is conferred on the Commission for a period of five years from 9 July 2018, that is, until 9 July 2023. The delegation of power is tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension.

With this report, the Commission aims to meet the obligation set by Article 13(2) of the Effort Sharing Regulation, according to which the Commission is to draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period.

2. Exercise of the delegation

Since the entry into force of the Effort Sharing Regulation, the Commission has adopted one delegated act, namely Commission Delegated Regulation (EU) 2019/1124[5] amending Commission Delegated Regulation (EU) 2019/1122 on the functioning of the Union Registry ("the Union Registry Regulation") established under Directive 2003/87/EC.

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[1] 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 and amending Regulation (EU) 525/2013 (OJ L 156, 19.6.2018, p. 26).

[2] The EU Emission Trading System (ETS) was established by 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 25.10.2003, p. 32).

[3] 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 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

[4] Directive 2003/87/EC of the European Parliament and 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, 25.10.2003, p. 32).

[5] Commission Delegated Regulation (EU) 2019/1124 of 13 March 2019 amending Delegated Regulation (EU) 2019/1122 as regards the functioning of the Union Registry under Regulation (EU) 2018/842 of the European Parliament and of the Council, (OJ L 177, 2.7.2019, p. 66).

The Commission Delegated Regulation (EU) 2019/1124 was adopted on 13 March 2019 and was submitted to the European Parliament and the Council for scrutiny. The European Parliament and the Council did not raise any objection to the adoption of the delegated act. The main objective of Commission Delegated Regulation (EU) 2019/1124 is to add to the Union Registry Regulation provisions that ensure the accurate accounting of the transactions under the Effort Sharing Regulation, including, in particular, the use of the flexibilities provided for in Article 5 of the Effort Sharing Regulation (borrowing, banking and transfer of annual emission allocations).

As mentioned above, Article 7(2) of the Effort Sharing Regulation also empowers the Commission to adopt a delegated act in order to amend the title of its Annex III. On 14 July 2021, the Commission adopted a proposal for a regulation amending the Effort Sharing Regulation[6]. The proposal includes an amendment to title of Annex III. Once the proposal is adopted by the co-legislators, the purpose of the empowerment will be fulfilled, making it unnecessary to adopt a delegated act.

4. Conclusion

The Commission adopted one delegated act under the Effort Sharing Regulation, namely Commission Delegated Regulation (EU) 2019/1124 of 13 March 2019 amending Delegated Regulation (EU) 2019/1122 as regards the functioning of the Union Registry under Regulation (EU) 2018/842 of the European Parliament and of the Council. The European Parliament and the Council did not raise any objection.

The Commission invites the European Parliament and the Council to take note of this report.

[6] COM(2021) 555 final.