EUROPEAN GREEN DEAL RISK RADAR | NEW

What to watch out for in the EU's new legislative term 2024-2029



COUNT EMISSIONS EU

Proposal for a Regulation on the accounting of greenhouse gas emissions of transport services (COM(2023) 441 final)

The draft Regulation sets out a common framework to voluntarily calculate and report transport-related greenhouse gas emissions. This information will allow service providers to monitor and reduce their emissions, improve efficiency of transport services and chose the most sustainable option.

WHAT'S IN IT? **GOOD PROSPECTS** A STEP BACKWARDS, MIXED IN VIEW OF UNDERMINING **OBJECTIVE** THE OBJECTIVE **PROSPECTS** THE OBJECTIVE Climate ambition In view of respecting the limit of 1.5°C global warming under the Paris Agreement **Biodiversity** N/A Preserving biodiversity in the EU and beyond Zero pollution

WHAT TO WATCH OUT FOR?

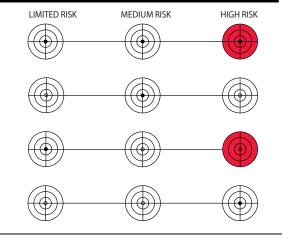
Speed. Slowing down the EU law's progress or implementation.

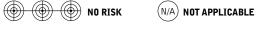
Achieving zero pollution and a circular economy in the EU and beyond

Money. Conflict on distributional effects or lack of finance for making this EU law impactful.

Licence for polluters. Undermining the polluter-pays principle, increasing global pollution.

Inequalities. Allowing for practices that deepen global inequality.





Count Emissions EU

WHAT'S IN IT?

Climate ambition

This draft Regulation sets out a common framework to voluntarily calculate and report transport-related well-to-wheel greenhouse gas emissions, with regard to both the passenger and freight sector. A common methodology for calculating their climate impact is a first step in promoting the needed modal shift and reducing the growing negative impact of the transport sector. However, its voluntary nature and the limited scope of the European Commission's proposal strongly reduce its real impact.

(N/A) Biodiversity

Not directly relevant for the protection of biodiversity.

Zero pollution

As combustion engines are significant sources of pollution, it is assumed that any action incurred to reduce greenhouse gas emissions will also generate co-benefits in reducing overall pollution.

WHAT TO WATCH OUT FOR? RISKS



Speed





Money Licence for polluters Inequalities



Twenty-seven years after the EU first adopting a target to reduce greenhouse gas emissions, there is still no common methodology to track the climate impact of transport services. Getting agreement on this issue is highly needed but the question is whether this will be in place before 2030. That depends on the trilogue negotiations, which still have not started one year after all actors agreed on their positions (April 2025). The Polish presidency of the Council is stalling further negotiations. There is thus a big risk that this law will be further delayed or even abandoned. In addition, the widespread uptake of the new rules is at risk because in the current state of negotiations, they would not apply to many market participants such as small and medium-sized enterprises. The proposal does not foresee putting limits on extremely harmful practices of high-emitting transport services.

'The regulation is a step in the right direction. For the first time, battery electric vehicles are not magically 'zero-emission'. However, the production and recycling of a vehicle was omitted, therefore the regulation still gives an unfair advantage to battery electric vehicles produced outside Europe. Without addressing the elephant in the room, the EPP cannot support this regulation.'

Barbara Thaler, former MEP European People's Party (EPP), 10 April 2024

WHAT'S NEXT?



Both the Council (4 December 2023) and the European Parliament (4 December 2024) have adopted their positions, and trilogues could have started already since early 2025.

Transposition by EU Member States

The proposal explicitly calls for a harmonised approach and thus foresees no transposition.

Revision clauses and reporting duties

The European Commission (EC) will evaluate the Regulation and its implementation five years after entry into force.

Delegated acts and other related legislative action

The EC may adopt both delegated and implementing acts when deemed necessary, in particular with regard to methodological progress.

HOW TO IMPROVE IT? OPPORTUNITIES

During the trilogue negotiations, opportunities may arise to ensure: firstly, that the rules apply to all market participants (including SMEs), and that non-motorised transport service options are included in all relevant communications and actions; secondly, that greenwashing is diminished through the use of more accurate primary data; and thirdly, that robust penalties prevent fraudulent practices.

The EC's evaluation five years after the entry into force will be another opportunity to look into these elements.

FURTHER READING

CE Delft: Study supporting the Impact Assessment of the CountEmissions EU initiative, November 2023