

Air pollution, greenhouse gas emissions: effort of Member States to meet the Community's greenhouse gas emission reduction commitments up to 2020

2008/0014(COD) - 23/04/2009 - Final act

PURPOSE: to determine the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments by 2020.

LEGISLATIVE ACT: Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020.

CONTENT: following a first reading agreement with the European Parliament, the Council adopted this Decision, which lays down the minimum contribution of Member States to meeting the greenhouse gas emission reduction commitment of the Community for the period from 2013 to 2020 for greenhouse gas emissions covered by this Decision, and rules on making these contributions and for the evaluation thereof.

The Decision aims to reduce greenhouse gas emissions across a wide range of activities. This "effort-sharing" Decision sets binding emissions targets for EU Member States in sectors not subject to the EU's Emissions Trading System. The EU Emissions Trading System covers roughly half of the EU emissions from 2013 to 2020. This Effort Sharing Decision covers the other sectors (such as transport, buildings, services, smaller industrial installations, agriculture and waste) and together the two form the EU emissions cap.

Across the EU, greenhouse gas emissions from the relevant sectors are to diminish by 10 % on 2005 levels by 2020, thus contributing to the EU's goal of a 20 % reduction in CO₂ ejections across the entire economy. EU Member States have agreed to share this effort in line with the principles of solidarity and equity so that individual countries have different targets. EU states with low GDP per head and strong prospects for economic growth may increase their carbon emissions by up to 20 % whereas those with high national income per head must cut CO₂ pollution by up to a fifth.

The national trajectory of carbon emissions until 2020 is binding on Member States and enforceable through the usual EU infringement procedure. If a Member State exceeds its annual objective it must implement corrective measures. In addition, the excess emissions will be multiplied by an abatement factor of 1.08 and deducted from the following year's CO₂ allowance.

To make the reductions more cost-effective, Parliament and Council have introduced several **flexibility mechanisms**, including the possibility of trading emissions cuts among Member States and carrying forward excess reductions to future years. Member States may also use a limited amount of carbon credits from developing countries, through the so-called "Clean Development Mechanism". The combined effect of the flexibility mechanisms would be to cut costs while ensuring that emissions drop substantially in the EU and abroad.

This Decision also lays down provisions for assessing and implementing a stricter Community reduction commitment exceeding 20 %, to be applied upon the approval by the Community of an international agreement on climate change leading to emissions reductions exceeding those required here, as reflected in the 30 % reduction commitment as endorsed by the European Council of March 2007.

Report: the Commission must draw up a report by 31 October 2016, evaluating the implementation of the Decision. That report shall also evaluate how the implementation of the Decision has affected competition at national, Community and international level. The report must be accompanied by proposals as appropriate, in particular whether it is appropriate to differentiate national targets for the period after 2020.

It should be noted that this Directive forms part of the climate-energy legislative package containing measures aimed at fighting climate change and promoting renewable energy. (See also [COD/2008/0013](#), [COD/2008/0015](#), [COD/2008/0016](#), [COD/2007/0019](#) and [COD/2007/0297](#)). The package is designed to achieve the EU's overall environmental target of a 20 % reduction in greenhouse gases and a 20 % share of renewable energy in the EU's total energy consumption by 2020.

ENTRY INTO FORCE: 25/06/2009.