

Air pollution, greenhouse gas emissions: monitoring mechanism and implementation of the Kyoto Protocol

2003/0029(COD) - 12/10/2010 - Follow-up document

The Commission presented a report on the progress towards achieving the Kyoto objectives (required under Article 5 of Decision 280/2004/EC of the European Parliament and of the Council concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol).

The main findings of the report are as follows:

On track to reach the Kyoto target, 2008-2012: under the Kyoto Protocol, the EU-15 has agreed to reduce its greenhouse gas (GHG) emissions by 8% by 2008–12 compared to base year levels.

EU-15: based on the latest available inventory data of 2008, total GHG emissions in the EU-15 have fallen for the fifth consecutive year and were 6.9% below base year emissions without Land Use, Land Use Change and Forestry (LULUCF). While since 1990, the economy has grown significantly with an increased of EU-15 GDP by almost 45%, GHG emissions in EU-15 have nevertheless been decreasing.

In 2008, **EU-15 GHG emissions decreased by 1.9% compared to 2007** while the EU-15 GDP grew by 0.6%. **Projections indicate that the EU-15 will reach its Kyoto target.** Current projections, reflecting the economic recession, indicate that the target is very likely to be overachieved.

According to the recent GHG projections **six Member States** (Finland, France, Germany, Greece, Sweden, the United Kingdom) are on track to achieve their GHG reduction targets domestically. Taking into account the planned use of the Kyoto flexible mechanisms, use of unused allowances from the EU ETS new entrant reserve and carbon sinks, only two Member States (Austria and Italy) might face difficulties with achieving their targets, though not undermining the overall EU-15 capacity to meet its Kyoto target.

New Member States: in most of the twelve Member States which entered the EU as from 2004 emissions are projected to slightly decrease between 2008 and 2012, nine of them that have a Kyoto target are projected to meet or over-achieve their Kyoto targets using only existing policies and measures. Slovenia projects that it will meet its target when all the existing and planned measures, including the purchase of Kyoto credits will deliver as expected.

Total EU-27 GHG emissions were, in 2008, **14.3% below base year levels without emissions** and removals by LULUCF. Emissions were 2% lower compared to 2007 while during the same period the EU-27 economy grew by 0.7%.

Additionally, according to the provisional 2009 data, EU-15 and EU-27 greenhouse gas emissions decreased by 6.9% in 2009 compared to 2008. Based on these estimates, EU-15 stands 12.9 % below the base-year level, beyond its Kyoto commitment of 8% reduction for the first time. **EU-27's 2009 emissions stand approximately 17.3 % below the 1990 level.** The change of DGP in 1990-2009 was 38% for EU-15 and 40% for EU-27.

New measures to reach the EU's ambitious 2020 target: the climate and energy package adopted in 2009 provides an integrated and ambitious package of policies and measures to tackle climate change until 2020 and beyond.

From 2013 onwards the total EU effort to reduce greenhouse gas emissions by 20% by 2020 compared to 1990 will be divided between the EU ETS and non-ETS sectors as follows:

- 21% reduction in EU ETS sector emissions compared to 2005;
- reduction of around 10% compared to 2005 for the sectors that are not covered by the EU ETS.

The overall reduction of -20% compared to 1990 is equivalent to a -14% reduction compared to 2005. A larger reduction is required by the EU ETS sectors because it is more cost effective to reduce emissions in the sectors covered by the ETS rather than in the other sectors that are not covered by the system.

Progress made: since 2009 further preparation for the implementation of the GHG reduction commitment by 2020 has taken place.

(1) In regard to the implementation of the [revised EU ETS Directive](#) this covers among others a Commission Decision to determine the sectors and subsectors deemed to be exposed to carbon leakage and a Commission Decision on the Community-wide quantity of allowances to be issued in the third trading period. Furthermore, rules for the timing, administration and other aspects of auctioning of allowances and Community-wide harmonised allocation rules for allocating allowances in the third trading period are in preparation. The Registries Regulation is also being revised in order to address necessary changes.

(2) The [Effort Sharing Decision](#) regulates GHG emissions in all sectors except installations and aviation covered by the EU ETS, Land Use, Land Use Change and Forestry (LULUCF), and international maritime shipping. It obliges Member States to limit their GHG emissions between 2013 and 2020 according to a linear trajectory with binding annual targets. This will ensure a gradual move towards agreed 2020 targets in the respective sectors. Member States will be responsible for defining and implementing policies and measures to limit their emissions. A robust monitoring system will be put in place for monitoring Member States' action and help them make any necessary corrective measures if they fail to meet their targets. The Commission started work on implementing measures under the Effort Sharing Decision, which include determining the absolute values for Member States targets in 2013-2020 and setting rules for transfers of annual emission allocations among Member States as well as ensuring their transparency.

(3) The 20% GHG reduction objective was also rooted in the [Europe 2020 strategy](#) for jobs and smart, sustainable and inclusive growth adopted by the European Council in June 2010. The emission reduction target is one of the five headline targets.

The report illustrates the significant **gap between projections for 2020 and the EU's 2020 targets (-20% and -30% respectively)** requiring the EU to significantly step up its efforts to reduce its greenhouse gas emissions.

Depending on the actual target, in 2020 emission reductions will have to amount to 350 – 800 Mt CO₂ equivalents compared to baseline scenario. This underlines the need for the **EU and its Member States to implement as soon as possible the new legislation to ensure that necessary emission reductions will take place.**