

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

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The Commission presents a report evaluating the implementation of Decision No. 406/2009/EC (also called the Effort Sharing Decision, or 'ESD').

Adopted in 2009 as part of the climate and energy package, the ESD establishes greenhouse gas (GHG) emission limits for all Member States for 2020. It covers emissions in the transport, buildings, agriculture, small industry and waste sectors.

The objective of the ESD is to reduce GHG emissions in the EU by 10% by 2020 compared to 2005 and promote reductions of GHG emissions within its scope in a fair and cost-effective manner.

The evaluation explored **the impacts of the Effort Sharing Decision both at EU and Member State level**. It focuses on actions in Member States from 2009 onwards to meet ESD obligations. It covered the period from when the ESD entered into force in June 2009 to November 2015.

The evaluation criteria were effectiveness, efficiency, relevance, coherence and EU added value.

Implementation - state of play: whilst the ESD is still in the early stages of implementation, \ it seems clear from the evidence gathered so far that **ESD targets have been effective in stimulating new national policies and measures promoting effective reductions of GHG emissions** within the ESD scope. Member States have so far fulfilled their reporting obligations and the exchange of information with the Commission is working well.

The main observations are as follows:

- **total 2013 emissions covered by the ESD at EU level were 9.7% lower than the 2005 emissions.** In 2014 EU emissions covered by the ESD further decreased to a level 12.9% below 2005 levels, which was below the EU-wide ESD target for 2020;
- **total emission reductions** between 2005 and 2013 were achieved in all sectors, ranging from -3 % in agriculture to -25 % in the waste sector;
- in this period there was also a convergence of GHG emission intensities across Member States, both per capita and per GDP;
- **ESD emissions per Member State have also decreased significantly since 2005.** In all Member States ESD emission were below their annual limits in 2013 and 2014;
- **24 Member States are projected to meet their national targets domestically**, while four Member States are expected to need additional measures or use flexibility instruments within the ESD to reach their targets;
- so far, **no Member State has used any of the flexibility instruments provided in the ESD** as all countries appear to be meeting their annual emission limits for the first two years of the compliance period.

Most emission reductions since 2009 have come from technological changes and policies that have resulted in increased uptake of less carbon-intensive technology. For several of the ESD sectors, including buildings, transport, agriculture and waste, part of the emissions reductions to date can be attributed to factors that are influenced by policy interventions related to the 2020 package.

Results of the evaluation: the report notes that whilst ESD targets have been effective in stimulating new national policies in certain Member States, there was **insufficient evidence to quantify the overall impact of the ESD on GHG emissions at this stage**. Evidence on the direct costs of national policies implemented in response to the ESD is very limited; it was not possible to assess these costs with confidence.

The ESD was found to have resulted in limited additional administrative burden on Member State level, although there may be **opportunities for reducing administrative costs at EU level**, for example by simplified or less frequent compliance controls.

The report also notes that the ESD:

- **remains relevant regarding its objectives:** there remains a need to continue to limit anthropogenic GHG emissions, and put in place appropriate mechanisms to reflect the full social cost of climate change. The ESD also remains relevant for addressing market failures;
- **remains coherent with other EU climate and energy policies.** The public consultation showed strong consensus among stakeholders that there continues to be a need for an instrument such as the ESD after 2020;
- **adds value through EU action.** There was a strong level of agreement among stakeholders that the ESD had: (i) raised awareness of mitigation potential in ESD sectors and contributed to establishing new national institutional and legal framework; (ii) improved coordination on GHG mitigation across the ESD sectors and between national and regional or local governments.

Lastly, stakeholders did not present any evidence that national policies resulting from the ESD have unduly distorted **competition** in the EU internal market.