

Binding annual greenhouse gas emission reductions by Member States from 2021 to 2030

2016/0231(COD) - 30/05/2018 - Final act

PURPOSE: to establish obligations for Member States as regards their minimum contributions for the period 2021-2030 in order to achieve the Union's objective of reducing its greenhouse gas emissions and contributing to the achievement of the objectives of the Paris Agreement.

LEGISLATIVE ACT: Regulation (EU) 2018/842 of the European Parliament and of the Council 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) No 525/2013.

CONTENT: the Regulation is a further step towards meeting the EU's commitment under the **Paris Climate Agreement** to reduce greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels.

In concrete terms: the Regulation:

- lays down **obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030** to fulfilling the Union's target of reducing its greenhouse gas emissions by 30 % by 2030 compared to 2005 levels in sectors outside the scope of the EU emissions trading scheme;
- **lays down rules on determining annual emission allocations** and for the evaluation of Member States' progress towards meeting their minimum contributions.

The Regulation concerns in particular greenhouse gas emissions in the sectors of construction, agriculture (emissions other than CO₂ emissions), waste management and transport (excluding air transport and international maritime transport).

Annual emission levels for the period 2021-2030: each Member State shall limit its greenhouse gas emissions in 2030 by respecting at least the percentage set for that Member State in Annex I to the Regulation in relation to the level of its greenhouse gas emissions in 2005. Each Member State shall follow an emission reduction plan, which would be calculated according to a linear trajectory starting at **five-twelfths of the distance from 2019 to 2020, or in 2020**, whichever results in a lower allocation for that Member State.

Flexibility to meet the annual limits: in order to enable Member States to meet their targets, the Regulation sets up:

- flexibilities in the form of revenues, reserves and transfers;
- flexibility for certain Member States following a reduction in EU ETS allowances: certain Member States listed in Annex II to the Regulation will be eligible, for each year of the 2021-2030 period, for a limited cancellation of up to 100 million EU ETS allowances collectively taken into account for compliance purposes under the Regulation;
- **flexibility to access land use sector credits (LULUCF):** the Regulation provides for the additional use of up to EUR 280 million of net removals from land use, land-use change and forestry to achieve national objectives. The flexibility will apply to net credits generated at national level by managed woodlands, managed grasslands and managed croplands, as well as, subject to delegated acts, managed forest lands and managed wetlands.

Corrective measures: if the Commission finds, in its annual assessment that a Member State is not making sufficient progress towards meeting its obligations, that Member State shall, within three months, submit to the Commission a **corrective action plan**. The Commission may issue an opinion regarding the robustness of the corrective action plans. The Member State concerned shall take utmost account of the Commission's opinion and may revise its corrective action plan accordingly.

Security reserve: in recognition of previous efforts made since 2013 by those Member States which had a GDP per capita below the Union average in 2013, the Regulation shall establish a limited special purpose safety reserve corresponding to up to **105 million tonnes CO2 equivalent**.

The safety reserve should benefit Member States whose GDP per capita was below Union average in 2013, whose greenhouse gas emissions remain below their annual emission allocations from 2013 to 2020 and which have problems with achieving their 2030 greenhouse gas emission target despite using other flexibilities provided for in this Regulation.

Registry: the Commission shall adopt delegated acts to ensure accurate accounting under the Regulation by the Union registry for annual emission allowances, flexibilities used, compliance checks, adjustments to each Member State's annual emission allowances and the security reserve.

ENTRY INTO FORCE: 9.7.2018.