Procedure file

Basic information

COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2016/0231(COD)
Binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 Amending Regulation (EU) No 525/2013 2011/0372(COD) Amended by 2021/0200(COD) Subject 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements Legislative priorities Joint Declaration 2017 Joint Declaration 2018-19	Procedure completed

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ENVI Environment, Public Health and Food Safety	GERBRANDY Gerben-Jan Shadow rapporteur AYUSO Pilar DALLI Miriam DUNCAN Ian EICKHOUT Bas EVI Eleonora JALKH Jean-François	19/09/2016

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	JÁVOR Benedek	19/10/2016
TRAN Transport and Tourism		
REGI Regional Development	The committee decided not to give an opinion.	

	AGRI Agriculture and Rural Development		30/08/2016
		S&D CAPUTO Nicola	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	3615	14/05/2018
	Environment	3565	13/10/2017
	Environment	3512	19/12/2016
	Agriculture and Fisheries	3509	13/12/2016
European Commission	Commission DG	Commissioner	
	Climate Action	ARIAS CAÑETE Miguel	
European Economic and Social Committee			
European Committee of the Regions			

Key events

20/07/2016	Legislative proposal published	COM(2016)0482	Summary
12/09/2016	Committee referral announced in Parliament, 1st reading		
13/12/2016	Debate in Council	3509	
19/12/2016	Debate in Council	3512	
30/05/2017	Vote in committee, 1st reading		
06/06/2017	Committee report tabled for plenary, 1st reading	A8-0208/2017	Summary
13/06/2017	Debate in Parliament		
14/06/2017	Decision by Parliament, 1st reading	T8-0256/2017	Summary
14/06/2017	Matter referred back to the committee responsible		
24/01/2018	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations		
16/04/2018	Debate in Parliament		
17/04/2018	Results of vote in Parliament		
17/04/2018	Decision by Parliament, 1st reading	T8-0097/2018	Summary
14/05/2018	Act adopted by Council after Parliament's 1st reading		
30/05/2018	Final act signed		
30/05/2018	End of procedure in Parliament		
19/06/2018	Final act published in Official Journal		

Technical information

Procedure reference	2016/0231(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EU) No 525/2013 2011/0372(COD) Amended by 2021/0200(COD)
Legal basis	Rules of Procedure EP 59-p4; Treaty on the Functioning of the EU TFEU 192-p1
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/8/07450

Documentation gateway

Legislative proposal		COM(2016)0482	20/07/2016	EC	Summary
Document attached to the procedure		COM(2016)0500	20/07/2016	EC	Summary
Document attached to the procedure		SWD(2016)0247	22/07/2016	EC	
Document attached to the procedure		SWD(2016)0248	22/07/2016	EC	
Committee draft report		PE592.423	24/01/2017	EP	
Amendments tabled in committee		PE599.594	07/02/2017	EP	
Amendments tabled in committee		PE599.569	07/02/2017	EP	
Committee opinion	ITRE	PE592.166	23/03/2017	EP	
Committee opinion	TRAN	PE595.458	27/03/2017	EP	
Committee opinion	AGRI	PE597.445	04/05/2017	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0208/2017	06/06/2017	EP	Summary
Text adopted by Parliament, partial vote at 1st reading/single reading		T8-0256/2017	14/06/2017	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0097/2018	17/04/2018	EP	Summary
Draft final act		00003/2018/LEX	30/05/2018	CSL	
Commission response to text adopted in plenary		SP(2018)350	06/06/2018	EC	
Follow-up document		COM(2022)0467	16/09/2022	EC	

Additional information

Research document	Briefing

Final act

Regulation 2018/842
OJ L 156 19.06.2018, p. 0026 Summary

Final legislative act with provisions for delegated acts

Delegated acts

2019/2645(DEA)	Examination of delegated act

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

PURPOSE: to achieve a reduction at EU level of 30% in greenhouse gas emissions (GHG) by 2030 compared to 2005, in all sectors that are not part of the Emission Trading System (non-ETS sectors) in order to implement EU commitments under the Paris agreement.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides following the ordinary legislative procedure on an equal footing with Council.

BACKGROUND : the Commission considers that with current policies, GHG emissions are not expected to sufficiently decrease to reach the European Union's target of at least 40% reductions on 1990 by 2030 and, more specifically, a 30% GHG reduction in non-ETS sectors compared to 2005. Under current trends and with full implementation of existing legally binding targets and policies, emissions covered by the Effort Sharing Decision ('ESD') are only projected to decrease by around 24% below 2005 levels in 2030. Hence, national reduction targets, which provide the incentive for further policies driving deeper reductions, are required.

The proposal is an important element of the strategic framework for the Energy Union. It aims to implement the Paris Agreement on Climate Change (December 2015), which includes a long-term goal to keep the global temperature increase well below 2°C above pre-industrial levels and to pursue efforts to keep it to below 1.5°C. The EU's climate objective is to reduce GHG emissions by 80-95% in 2050 compared to 1990, in the context of necessary reductions by developed countries as a group. In order to achieve the European Union's domestic long-term objective to cut emissions by at least 80% by 2050, continued progress is needed for a transition to a low-carbon economy.

IMPACT ASSESSMENT : the impact assessment considered options for implementing the reduction in the non-ETS sectors other than the LULUCF sectors, building upon the current ESD and the guidance given by the European Council. The impact assessment looks at what the impact of the proposal would be on fairness, cost efficiency, and environmental integrity.

CONTENT : the proposal lays down the minimum contributions of Member States to emission reductions for the period from 2021 to 2030 and the rules for determining the annual emissions allocations and those on evaluation on progress. The reductions aim to promote improvements, particularly in the sectors building, agriculture, waste management and transport.

Annual emission levels for the period from 2021 to 2030: the proposal lays down Member States emission limits in 2030 as set in Annex I, and the rules on how emission levels are determined for 2021-2030:

- all Member States will have national emission targets for 2030 expressed as a percentage reduction from 2005 emission levels as well as access to new flexibilities to achieve those targets cost effectively. Collectively, these national targets give an overall EU reduction of 30% in the sectors covered by the proposal. The 2030 targets range from 0% to -40% compared to 2005 levels;
- the annual emission levels are determined based on a linear trajectory starting with average emissions for 2016-2018 based on the most recent reviewed GHG emission data. Annual emissions allocations (AEAs) in CO2 equivalent for each Member State for each year of the period will be set out in an implementing act ;
- different capacities of Member States to take action are recognised by differentiating targets according to GDP per capita across Member States.

Flexibility instruments to achieve annual limits: the proposal sets out the flexibility available to Member States to achieve their annual limits including flexibility over time through banking and borrowing of annual emissions allocations (AEAs) within the commitment period, and flexibility between Member States through transfers of AEAs. In particular, two new flexibilities are introduced, which will allow Member States to reach their targets cost efficiently.

- One-off flexibility for certain Member States to access allowances from the EU Emissions Trading System: the new flexibility allows eligible Member States to achieve their national targets by covering some emissions in the non-Emission Trading System sectors with EU Emission Trading System allowances which would normally have been auctioned, generating revenue for that Member State;
- Flexibility to access credits from the land use sector (LULUCF): the proposal permits up to 280 million tonnes of CO2 to be credited from certain land categories to be used for national targets over the entire period from 2021-2030. The flexibility applies only to net credits generated at national level by deforested land, afforested land, managed cropland and managed grassland.

Corrective action: if, based on the annual evaluation performed by the Commission, a Member State's progress deviates from its annual emission allocation, that Member State will need to prepare an action plan with additional measures to be implemented in order to ensure that it will comply with its obligations.

Compliance check: the compliance check on GHG emissions from each Member State will take place every five years, and no longer annually, for each of the previous years of the period. Should a Member State be found to be non-compliant with its annual emissions allocations for any year of the period, corrective action in the form of the addition to the next year's emissions of a quantity equal to the amount in tonnes of CO2 equivalents of the excess emissions multiplied by a factor of 1.08 will apply.

BUDGETARY IMPLICATIONS: the proposal has very limited implications for the EU budget (EUR 3346 for the period 2017-2020).

The indirect impacts on Member States budgets will depend on their choice of national policies and measures for GHG emission reductions and other mitigation action in sectors covered by this initiative. The proposal provides for continued annual reporting but with less frequent compliance checks. This will reduce the administrative costs for Member States.

DELEGATED ACTS : the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

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

The Commission presents a communication entitled Accelerating Europe's transition to a low-carbon economy, which accompanies:

- the legislative proposal on binding annual greenhouse gas emissions reductions by Member States from 2021 to 2030;
- the legislative proposal on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework.

The series of measures set out in the communication aim to offer those Member States that have already started to prepare their post-2020 energy and climate strategies with the necessary clarity and tools to proceed with the domestic ratification process of the Paris agreement in climate change.

The Commission considers that the package of measures helps Europe to prepare for the future and to stay competitive. These measures are primarily addressed to Member States, since they will be in the forefront of deciding how to implement measures to meet the agreed greenhouse gas emission target for 2030.

However, Member States cannot do it alone. The EU must also:

- support its businesses, farmers, researchers, investors, educators and social partners, by providing EU-wide measures and enabling environment ;
- support action by its rural communities and also its cities, which are among the most dynamic and innovative actors in implementing a low-carbon, circular economy.

In the current global context, the Union must support its climate diplomacy action plan and seek to:

- remain a leader in developing innovative low-carbon technologies and services, not only in the energy sector but also in industry, buildings and transport;
- continue to equip Europeans with the right skills for the low-carbon economy, invest in the future and help industry to adjust to changing needs.

Guiding principles of a regulatory framework: the EU agreed in October 2014 a clear commitment to reach a binding, economy-wide emissions reduction target of at least 40% by 2030, compared to 1990 levels in all sectors (buildings, transport, waste, agriculture, as well as land-use and forestry). The new regulatory framework is based on the key principles of fairness, solidarity, flexibility and environmental integrity.

To start implementing that commitment, in July 2015, the Commission presented a proposal to reform the EU Emissions Trading System (ETS) to make it fit for purpose and drive investments after 2020 in the industrial and power sectors. The European Parliament and the Council should do their utmost to adopt this proposal quickly.

To ensure fairness and solidarity, embedded in the climate and energy framework for 2030 as agreed by the European Council, the Commission proposes differentiated national emission reduction targets for 2030 that take account of the gross domestic product of each Member

State to reflect relative wealth. The levels of the targets for individual richer Member States are further adapted among themselves to take into account cost-effectiveness.

Furthermore, the proposal creates a flexible system in which Member States can reduce emissions jointly, across a number of sectors and over time, reflecting also the different structure of Member States' economies. It will allow trade in emission allocations between Member States or the development of projects to reduce emissions in other Member States. This mechanism will facilitate investments flows across the EU regions towards where they are most needed to modernise the economy.

Fostering the enabling environment for low-carbon transition in the EU: building on this regulatory framework, the EU will support Member States with a number of tools and enabling measures.

Strategy for Energy Union and other sectoral initiatives:

- the Commission is presenting a strategy on low-emission mobility, which identifies the key levers in the field of transport, including EU-wide measures on low and zero-emission vehicles and alternative low emissions fuels. The strategy also underlines the need to make the most of the synergies between the transport and energy systems;
- the Commission is reviewing the existing EU-framework for energy efficiency and will present proposals later this year, including on how to attract financing into buildings renovation;
- the land-use and forestry proposal will create additional incentives for carbon sequestration in these related activities;
- with regard to the common agricultural policy, the review of EU-wide policy addressing the use of fertilisers is expected to contribute to a reduction of emissions from mined and synthetic fertilisers;
- the Waste Management Framework Directive and in particular the Landfill Directive, for which the Commission proposed revisions last year, are expected to contribute to a significant reduction of emissions from waste.

Several factors outside this framework can help to facilitate energy transition in all sectors of the economy. The Commission notes the following:

- meet the challenges of the circular economy (an ambitious circular economy package was presented in 2015);

- present an integrated Energy Union strategy for research, innovation and competitiveness later this year, in order to directly support the achievement of Europe's climate and energy goals;
- increase efforts for shifting and rapidly scaling up private investment: the recent emergence of green bonds can also help direct capital flows towards low-carbon investments;
- ensure that the current EU budget spending is aligned with the climate objectives;
- explore ways to combine the resources available under other EU programmes, as for example the Connecting Europe Facility or Horizon 2020 to unlock additional investments, in particular through investment platforms ;
- anticipate and mitigate the societal impact of the transition in specific regions and socio-economic sectors, including through the European Structural and Investment Funds;
- improve skills intelligence and address skills shortages in specific economic sectors including green technologies in the framework of the new comprehensive skills agenda for Europe;
- as a member of the World Trade Organisation, actively promote liberalisation of goods and services, which can deliver environmental benefit.

The Commission will immediately start or accelerate better regulation processes (including public consultations and impact assessments) to turn the action plan on low-emission mobility into a set of efficient and proportionate measures. By the end of the year, it will also present the remaining initiatives to complete the delivery of the EU's Energy Union Strategy.

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

The Committee on the Environment, Public Health and Food Safety adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on the proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change.

The committee recommended that the European Parliaments position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

Objective: Members stated that the general objective of this Regulation is to set the Union on track to a low-carbon economy through the establishment of a predictable long-term pathway to reducing by 2050 the greenhouse gas emissions of the Union by 80 to 95% compared to 1990 levels.

Shipping emissions should be covered under this Regulation unless they are included in the EU Emissions Trading System (EU ETS).

Linear trajectory: the approach of setting binding annual emission limits set out in Decision No 406/2009/ EC of the European Parliament and of the Council should be maintained during the period from 2021 to 2030, following a linear trajectory starting in 2018 (instead of 2020).

Long-term emission reductions trajectory from 2031: each Member State shall ensure that its greenhouse gas emissions in each year between 2031 and 2050 do not exceed the level defined by a linear trajectory, starting from its annual emission allocations for 2030 and ending in 2050 on a level of emissions that is 80% below the 2005 level for that Member State.

Flexibility in respect of annual limits: a Member State may transfer:

- up to 10% of its annual emission allocation for a given year to other Member States for the years 2021 to 2025;
- up to 5% of its annual emission allocation for a given year to other Member States for the years 2026 to 2029.

A Member State whose greenhouse gas emissions for a given year are below its annual emission allocation for that year, taking into account the use of flexibilities may:

- in respect of the years 2021 to 2025, bank the excess part of its annual emission allocation up to a level of 10% of its annual emission allocation to subsequent years until 2025;
- in respect of the years 2026 to 2029 a Member State may bank the excess part of its annual emission allocation up to a level of 5% of its annual emission allocation to subsequent years until 2030.

A Member State shall not transfer any part of its annual emission allocation if, at the time of transfer, that Member State's emissions exceed its annual emission allocation.

Access to the flexibility shall be granted on condition that the Member States concerned commit to taking measures in other sectors where insufficient results have been achieved in the past.

Margin of manoeuvre for land use, land-use change and forestry (LULUCF) activities: Members proposed a downward adjustment to the LULUCF Level of LULUCF credits (EUR 190 million, instead of the proposed EUR 280 million).

The Member States concerned shall submit by 1 January 2019 an action plan to the Commission that sets out measures, including where relevant the use of Union financing, for climate efficient farming and for the land-use and forest sectors. The Commission may issue opinions on the action plans submitted by Member States.

Early action reserve: Members proposed that early action reserve rewards early action and allows Member States to use additional allocations for compliance, in case other flexibilities are not sufficient. In order to take into account early action before 2020, a quantity not exceeding a total sum of 70 million tonnes in annual emission allocations in the period 2026 to 2030 shall, upon request of a Member State, be taken into account. The relative amount of additional allocations available to a Member State should depend on the degree of overachievement of its 2020 target.

European register: the European Register system shall be transparent and include all relevant information regarding the transfer of allowances between Member States. This information shall be accessible to the public through a dedicated website hosted by the Commission.

Climate impact of Union funding: the Commission shall carry out a comprehensive, cross-sectorial study of the impact of funding granted from

the Union budget or otherwise pursuant to Union law on the mitigation of climate change. By 1 January 2019, the Commission shall present to the European Parliament and the Council a report on the findings of the study which shall be accompanied, if appropriate, by legislative proposals aimed at discontinuing any Union funding which is not compatible with the CO2 reduction targets or policies of the Union.

Review: the Union shall submit every five years a contribution reflecting its highest possible ambition. The review shall take into account the Unions objective to reduce economy-wide greenhouse gas emissions by 80-95% by 2050 compared to the 1990 level and the goal of the Paris Agreement.

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

The European Parliament adopted by 534 votes to 88, with 56 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change.

The matter was referred back to the committee responsible for interinstitutional negotiations.

The main amendments adopted in plenary were as follows:

Objective: Parliament stressed that the proposed Regulation was intended to implement the Paris Agreement, which entered into force on 4 November 2016 and whose objective is to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty.

The proposed Regulation shall set the Union on track to a low-carbon economy through the establishment of a predictable long-term pathway to reducing by 2050 the greenhouse gas emissions of the Union by 80 to 95% compared to 1990 levels.

Shipping emissions should be covered under this Regulation unless they are included in the EU Emissions Trading System (EU ETS).

Linear trajectory: each Member State shall follow an emission reduction plan, which shall be calculated on a trajectory starting in 2018 and not in 2020 as proposed by the European Commission.

Long-term emission reductions trajectory from 2031: each Member State shall ensure that its greenhouse gas emissions do not exceed the level defined by a linear trajectory, starting from its annual emission allocations for 2030 and ending in 2050 on a level of emissions that is 80% below the 2005 level for that Member State.

Flexibility in respect of annual limits: in order to achieve these objectives, a Member State may transfer:

- up to 10% of its annual emission allocation for a given year to other Member States for the years 2021 to 2025 (up to 5% for the years 2026 to 2029);
- in respect of the years 2026 to 2029 a Member State may bank the excess part of its annual emission allocation up to a level of 5% of its annual emission allocation to subsequent years until 2025;
- up to 5% of its annual emission allocation for a given year to other Member States in respect of the years 2021 to 2025, and up to 10% in respect of the years 2026 to 2030.

A Member State shall not transfer any part of its annual emission allocation if, at the time of transfer, that Member State's emissions exceed its annual emission allocation.

Access to the flexibility shall be granted on condition that the Member States concerned commit to taking measures in other sectors where insufficient results have been achieved in the past.

Margin of manoeuvre for LULUCF activities: Parliament endorsed the Commission proposal for an additional use of up to EUR 280 million net removals from land use, land use change and forestry.

The Member States concerned shall submit by 1 January 2019 an action plan to the Commission that sets out measures, including where relevant the use of Union financing, for climate efficient farming and for the land-use and forest sectors. The Commission may issue opinions on the action plans submitted by Member States.

Early action reserve: Members proposed that early action reserve rewards early action and allows Member States to use additional allocations for compliance, in case other flexibilities are not sufficient. In order to take into account early action before 2020, a quantity not exceeding a total sum of 90 million tonnes in annual emission allocations in the period 2026 to 2030 shall, upon request of a Member State, be taken into account. The relative amount of additional allocations available to a Member State should depend on the degree of overachievement of its 2020 target.

Climate impact of Union funding: the Commission shall study the impact of funding granted from the Union budget or otherwise pursuant to Union law on the mitigation of climate change.

By 1 January 2019, the Commission shall present to the European Parliament and the Council a report on the findings of the study which shall be accompanied, if appropriate, by legislative proposals aimed at discontinuing any Union funding which is not compatible with the CO2 reduction targets or policies of the Union.

European register: the European Register system shall be transparent and include all relevant information regarding the transfer of allowances between Member States. This information shall be accessible to the public through a dedicated website hosted by the Commission.

Review: the Union shall submit every five years a contribution reflecting its highest possible ambition. The review shall take into account the Unions objective to reduce economy-wide greenhouse gas emissions by 80-95% by 2050 compared to the 1990 level and the goal of the Paris Agreement.

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

The European Parliament adopted by 343 votes to 172, with 170 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change.

The question had been referred back to the committee responsible for interinstitutional negotiations at the meeting of 14.6.2017.

The European Parliaments position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Objective: the Regulation shall contribute to achieving the objectives of the Paris Agreement on Climate Change. It shall set minimum contributions for Member States for the period 2021-2030, with a view to achieving the Union's target of reducing, by 2030, its greenhouse gas emissions by 30% below 2005 levels, particularly in the agriculture, transport, construction and waste sectors.

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 respect annual limits: to achieve its objectives, a Member State may:

- borrow up to 10% of its annual emission quota for the following year for the years 2021 to 2025 (up to 5% for the years 2026 to 2029);
- in respect of the year 2021, bank that excess part of its annual emission allocation to subsequent years until 2030;
- in respect of the years 2022 to 2029, bank the excess part of its annual emission allocation up to a level of 30 % of its annual emission allocations up to that year to subsequent years until 2030;
- transfer up to 5 % of its annual emission allocation for a given year to other Member States in respect of the years 2021 to 2025, and up to 10 % in respect of the years 2026 to 2030.

A Member State whose updated greenhouse gas emissions for a given year are less than its annual emission allowance for that year, taking into account the use of the projected room for manoeuvre, could transfer this excess part of its annual emission allowance to other Member States.

Member States may use revenues generated by transfers of annual emission allocations to tackle climate change in the Union or in third countries.

Certain Member States listed in Annex II to the Regulation may benefit, for each year of the 2021-2030 period, from a limited cancellation of up to 100 million allowances from the European Union Emissions Trading Scheme (EU ETS) collectively taken into account for their compliance under the Regulation.

Flexibility for LULUCF activities: the proposed Regulation provides for additional use of up to EUR 280 million of net removals resulting from land use, land-use change and forestry.

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, while maintaining the environmental integrity of this Regulation as well as incentives for Member States' actions beyond the minimum contributions under this Regulation.

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.

Review: this Regulation shall be kept under review taking into account inter alia evolving national circumstances, the manner in which all sectors of the economy contribute to the reduction of greenhouse gas emissions, international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement.

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

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

Unions 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.