

Voluntary Report – Voluntary - Public Distribution

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Report Name: EU Commission Launches Consultations to Assist in the Review of its Emission Reduction Legislation

Country: European Union

Post: Brussels USEU

Report Category: Policy and Program Announcements, Climate Change/Global Warming/Food Security, Wood Products

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Report Highlights:

On November 13, the Commission launched public consultations on three of its climate-related pieces of legislation: the Land Use, Land Use Change and Forestry Regulation, the Effort Sharing Regulation, and the EU Emission Trading System Directive. These legislative acts feed into binding greenhouse gas emission targets for all sectors of the EU economy including forestry, agriculture and transport. With the European Green Deal, the Commission wants to revise these policies and align them to the EU's new objective of climate neutrality by 2050.

On November 13, 2020, the European Commission launched three public consultations on proposed revisions to climate-related EU legislations:

- The Land Use, Land Use Change and Forestry Regulation (LULUCF Regulation)
- The Effort Sharing Regulation (ESR Regulation)
- The EU Emission Trading System Directive (ETS Directive)

These consultations stem from the [European Green Deal](#). One of the main objectives of the Green Deal is for the EU to become climate-neutral by 2050. To do so, the Commission has proposed to enshrine climate neutrality into EU law through the [EU Climate Law](#)¹. The Commission has also proposed a greenhouse gas (GHG) emissions reduction target by 2030 of at least 55 percent in its [2030 Climate Target Plan](#)². Building on the EU Climate Law and the 2030 Climate Target Plan, the Commission announced that it will review and propose to revise relevant legislation by June 2021. This includes changes to existing laws such as the EU Emissions Trading System (ETS) Directive, the Effort Sharing Regulation (ESR) and the Land Use, Land Use Change and Forestry Regulation (LULUCF).

These consultations will contribute to impact assessments that will feed into the revisions of these three texts. U.S. Stakeholders who would like to take part in the consultation can do so on the following page:

- [The Land Use, Land Use Change and Forestry Regulation](#) (LULUCF Regulation)
- [The Effort Sharing Regulation](#) (ESR Regulation)
- [The EU Emission Trading System Directive](#) (ETS Directive)

The deadline for input is 12:00 am Brussels Time (Universal Time Coordinated + 01:00) on February 5, 2021.

All comments made in the framework of the consultation may be published.

Background Information:

The Land Use, Land Use Change and Forestry Regulation (LULUCF Regulation)

The current [LULUCF Regulation](#) covers the accounting of GHG emissions and CO₂ removals caused by the manner in which the EU manages its land and forests. The Regulation sets out rules to ensure that only human-induced emissions and removals are taken into account in the achievement of current EU climate targets. By revising the LULUCF Regulation, the Commission wants to look at other policy options that can be envisaged to increase mitigation action in the LULUCF sector as well as how to link

¹ More information on the EU Climate Law can be found in GAIN Report '[EU Parliament and Council Move Forward on Landmark EU Climate Law](#)'

² More information on the 2030 Climate Target Plan can be found in GAIN Report '[EU Commission Unveils EU Climate Target Plan 2030](#)'

the LULUCF sector and the agricultural sector through the accounting of carbon sequestration by farmers.

The EU Emission Trading System Directive (ETS Directive)

The [current EU ETS Directive](#) is a cap-and-trade system that currently governs 41 percent of the EU's emissions of GHG. Under the 'cap and trade' principle, a cap is set on the total amount of greenhouse gases that can be emitted by all participating installations. 'EU Allowances' for emissions are then auctioned off or allocated for free and can subsequently be traded. The ETS Directive covers power and heat generation, energy-intensive industrial sectors and aviation. The Commission has announced that it might extend the EU ETS Directive to new sectors, such as the maritime sector, road transport and buildings, and potentially all fossil fuel use.

The Effort Sharing Regulation (ESR)

The current [Effort Sharing Regulation](#) lays down binding annual greenhouse gas emission targets with an overall aim to reduce EU emissions in the sectors covered by 30 percent compared to 2005 by 2030. The ESR applies to the sectors of the economy that fall outside the scope of the ETS Directive. These sectors include agriculture, transport and waste. They account for 59 percent of total domestic EU emissions. One of the options the Commission is considering is the phasing out of ESR through the combination of the extension of the ETS to all fossil fuel combustion emissions and the grouping of agricultural emissions with LULUCF.

More information:

- GAIN Report [EU Parliament and Council Move Forward on Landmark EU Climate Law](#)
- GAIN Report [EU Commission Unveils EU Climate Target Plan 2030](#)
- GAIN Report [EU Green Deal - September 2020 Update](#)

Attachments:

No Attachments.