

Compromise amendments to the Effort Sharing Regulation: National climate neutrality targets

Sharon Turner, Ciara Brennan and Caitlin McIlhennon*

Why is using the ESR to implement economy-wide climate neutrality in all member states important?

The EU's climate ambition is now clear. A climate neutral Union must be achieved. There is no turning back or postponing. But the shocks of the Covid-19 pandemic and war in Ukraine highlight the urgent need for resilient national commitments to the EU's climate neutrality objective to ensure political leadership endures irrespective of immediate headwinds and the crises of the future. The Fit for 55 review provides an important opportunity to put in place a proven but currently missing cornerstone of resilience in the EU's climate architecture. **All member states (MS) must adopt a national economy-wide climate neutrality target to ensure achievement of the EU's target and describe how they plan to achieve it in their updated national Long-Term Strategies with EU Commission (COM) powers to evaluate if these are sufficient to achieve the EU's climate neutrality objective. Why?**

- **EU COM's Fit for 55 proposals provide no clarity about MS responsibility after 2030.** There is an urgent need for all MS to be clear about the scale of reductions and removals needed to achieve EU's climate neutrality objective.
- **Progressive MS are concerned about the lack of transparency about national convergence on the EU's long-term objective.** Transparency about convergence would strengthen solidarity and resilience about the EU green deal.
- **Europe's climate law countries – which includes Ireland - have already recognised that carbon pricing is not enough on its own and must be accompanied with robust national responsibility to achieve the climate neutrality objective.** Adopting a national climate neutrality target mobilises the state to become a policy innovator and engage proactively with the public, drives near term ambition, and makes political leadership on climate resilient to external shocks.

PRIORITY: Compromise amendment on Article 15 – the EPP rapporteur is proposing the introduction of Article 15a entitled 'alignment with Union and member states climate neutrality objective.' **Why is this important?** The rapporteur's proposal is misleading and missing a critical aspect to climate-neutrality. The title suggests MS already have individual climate neutrality targets - which is incorrect. The EU's target is only collective. The proposed compromise amendment only relates to ESR sectors and is not economy wide. Looking at climate neutrality only for the ESR sectors is not the correct approach. Uncertainty exists about whether ESR sectors can reach climate neutrality without more loopholes, accounting tricks and 'flexibilities'. To be serious about net zero, the national target must be economy-wide. **Amendment 393** tabled by the Greens is the best approach and is reasonable because Member States would be leading the target setting process - which 13 EU Countries have already done or are about to, as demonstrated in this [map](#).

CONCERNS: The proposed Article 15a(3) also contains dangerous elements. The compromise amendment would require that within 1 year after the adoption of the EU's climate goal for 2040, the COM makes a proposal to reduce the emissions in the ESR sectors. Why are we concerned? This compromise amendment does not require that this proposal should set ESR targets for 2035 and 2040 (or after 2030). Instead, it contemplates the continuation of Union-level market-based instruments to reduce emissions in the ESR sectors. This amendment is dangerous as it opens the option of repealing the ESR after 2030 and goes in the opposite direction of other progressive amendments.

What is needed instead? To dramatically cut emissions **we need the combination** of national climate neutrality targets and post 2030 ESR targets, EU sectoral measures and carbon pricing. **National targets after 2030 must continue.** The Greens **Amendment 393** guarantees this and gives an extra push *now* to MS to adopt sufficiently ambitious measures across the LULUCF and ESR sectors.

Please cite this document as:

Environmental Justice Network Ireland, 'Compromise amendments to the ESR: National climate neutrality targets', April 2022 available [here](#).

* Prof. Sharon Turner is a consultant and visiting Professor at the University of Sussex, Dr Ciara Brennan is the Director of EJNI and a visiting fellow at Newcastle University and Caitlin McIlhennon is EJNI's Research Officer.

The Climate Governance Observatory Project has been generously funded by the European Climate Foundation and is being carried out by researchers from EJNI in collaboration with a wide range of external, expert stakeholders. For more information on EJNI or the Climate Governance Observatory Project, visit our website: www.ejni.net or email admin@ejni.net