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WHY THE EU NEEDS TO WALK THE TALK ON CLIMATE POLICY

Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 170 member organisations from 38 European countries, representing over 1.500 NGOs and more than 47 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

What is happening in plenary with regards to climate ambition?

The negotiations on key climate files of the Fit For 55 package which was launched by the European Commission in July 2021, are approaching critical moments. On 7 June (tbc), the European Parliament plenary will vote on the reports for the EU Emissions Trading System (ETS), including the proposal for a new Emissions Trading System for road transport and buildings (ETS2), the Effort Sharing Regulation (ESR) and the Land Use, Land Use Change and Forestry (LULUCF) Regulation.

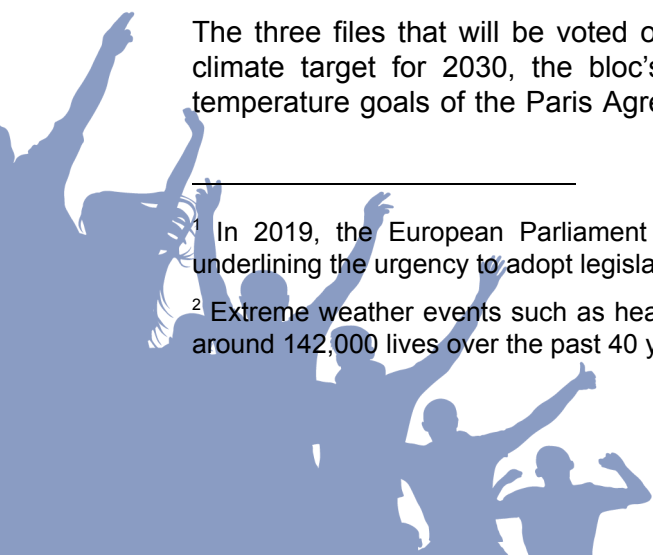
Why are these votes relevant for the EU's climate ambition?

We are still amidst a climate and environmental emergency¹. The current course of the EU to further increase its climate ambition is vitally important to keep the goals of the Paris Agreement in reach and protect people from climate disaster². Particularly in light of the ongoing invasion of Ukraine by Russia and the increased urgency to accelerate the shift away from fossil fuel dependency, a strong EU climate policy framework is essential to ensure that measures considered and taken are compatible with global efforts to fight dangerous climate change.

The three files that will be voted on in plenary (ETS, ESR and LULUCF) implement the EU's climate target for 2030, the bloc's nationally determined contribution (NDC) to achieve the temperature goals of the Paris Agreement. The target was adopted by the European Council in

¹ In 2019, the European Parliament passed a [resolution on climate and environmental emergency](#), underlining the urgency to adopt legislation in line with the 1.5°C target of the Paris Agreement.

² Extreme weather events such as heatwaves and floods [have cost Europe almost 510 billion euros](#) and around 142,000 lives over the past 40 years



December 2020 and foresees economy-wide net emission reductions of at least -55% by 2030, compared to 1990 levels.

Is the EU's 2030 climate target to achieve at least -55% net emission cuts in line with the 1.5°C goal of the Paris Agreement?

No. Although the increase (from previously -40% emission cuts that was agreed in 2014 before the ratification of the Paris Agreement) is an important step forward, the level of ambition is still insufficient to represent a fair share of EU efforts towards the Paris Agreement objective to limit global temperature increase to 1.5°C by the end of the century, above pre-industrial levels³. The European Commission's proposals under the Fit For 55 package align the ambition levels of the ETS, ESR and LULUCF just about to reach net emission cuts of -55% by 2030, ignoring the potential to go beyond in light of the "at least" prefix of the overall target.

Together the Commission proposals will lead to a reduced overall EU carbon budget for the period 2021-2030. But this budget is still far too generous: it entails that EU per capita emissions would be double as high as the global average if we take into account what is available to emit to have a 67% likelihood of achieving the 1.5°C target of the Paris Agreement⁴.

NGOs are calling for the revision of the EU climate policies to enable the EU to achieve at least -65% overall emission reductions by 2030.

What would Paris aligned ambition look like for the ETS, ESR and LULUCF?

In order to deliver at least -65% emission cuts by 2030, compared to 1990 levels, CAN Europe calls for the ETS to achieve at least -70% emission cuts and the Effort Sharing Regulation at least -50% emission cuts by 2030, compared to 2005 levels. In order to accelerate the transition towards climate neutrality and enhance natural carbon sinks, CAN Europe is calling for setting a binding removal target in the LULUCF Regulation. An ambitious LULUCF of -600Mt by 2030 with honest accounting rules⁵.

What is the European Parliament's position on the level of EU climate ambition?

In October 2020, the European Parliament adopted its position on the EU Climate Law⁶, including a call for an overall EU target of 60% emission cuts by 2030. Back then, the European Parliament's influence on the EU 2030 climate target was very limited, as the target was discussed and adopted in the European Council. Today however, the revisions of the ETS, ESR and the LULUCF Regulation do not foresee any direct involvement of the European Council and

³ See [this briefing](#) outlining seven reasons underlining why the -55% net emissions target is not in line with the 1.5°C goal of the Paris Agreement.

⁴ For further details on the available carbon budgets and the EU's share, please see this briefing.

⁵ Please find here CAN Europe's more detailed positions on the revision of the [ETS](#), [ESR](#) and [LULUCF](#).

⁶ Find the final text of the European Parliament's position [here](#) and further details on the procedure [here](#).

give the European Parliament an equal say vis-a-vis the Council of the EU. This gives Members of the European Parliament the unique chance to show consistency with their support for increased climate ambition in 2020 and keep their promise to enhance EU climate action.

In addition, the need to further increase EU climate ambition has only increased since 2020, not only in light of exacerbating climate impacts and continuous alarm from climate scientists, but also as a necessary building block to accelerate the European energy transition in light of Russia's aggression. If the European Parliament wants to be a champion of climate action, MEPs now need to walk the talk⁷.

How can the European Parliament increase climate ambition concretely through the Fit For 55 climate files?

In order to increase the EU's overall climate ambition, the European Parliament can strengthen the ambition levels of the Commission proposals of each of the files. The Parliament Environment committee has already voted on the three files. While no additional ambition was agreed in the ESR the report includes a slight improvement of the reduction pathway and some limitations on the flexibilities Member States can use. The ENVI committee however has agreed to increase the ambition of the ETS and the LULUCF Regulation, compared to the Commission proposal. Should these elements both be agreed by plenary, they would increase the EU's climate ambition to -58-59% overall emission cuts by 2030, compared to 1990 levels. Hence, if the European Parliament wants to stay true to their position of increased overall EU climate ambition, the plenary needs to support these elements.

We therefore call on Members of the European Parliament to:

- **Support the ambition level of the ENVI ETS report** initially proposed by the Renew group foreseeing a rebasing of the cap based on the average emissions of the previous 3 years and a dynamic linear reduction factor of 4.2%, increasing annually by 0.1;
- **Support the LULUCF Report as adopted in the ENVI Committee.** The ENVI Report improves the Commission's proposal in several ways. It maintains the current separation of LULUCF removals and agriculture emissions. This is important because removals need to be additional to emission reductions, not done instead of. The Report also improves biodiversity monitoring, sets separate targets for emitting land sectors, and also increases the headline net LULUCF target for 2030;
- **Support the ENVI ESR report, and where possible strengthen it further.** Much is left out of the report on the table, especially choosing the most ambitious trajectory, putting limits to dangerous flexibilities, removing loopholes (with ETS and LULUCF sectors), designing a more stringent compliance framework and ensuring alignment with the EU's climate neutrality commitment.

⁷ The voting results for the 2020 vote on the 60% EU 2030 climate target (Am 48/2 + 100PC) can be found [here](#).

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USEFUL SOURCES AND RESOURCES

Impact of War in Ukraine resources:

- CAN Europe key messages working document on [War in Ukraine and energy security](#)
- CAN Europe statement on [War in Ukraine and fossil fuel energy crisis](#)

REPowerEU resources:

- CAN Europe press release on REPowerEU communication in March: [The European Commission fails to put a quick end to fossil fuels and to frontline precious funds for the urgently needed energy transition](#)
- CAN Europe briefing ahead of 'REPowerEU' launch in May: [Repowering for the People: Flagship actions the Commission's plan 'REPowerEU' should feature in the current fossil fuel and energy prices crisis](#)
- CAN Europe's [assessment of the 'REPowerEU'](#)

ETS and Free Allowances resources:

- CAN Europe memo on the [ETS Modernisation Fund](#)
- CAN Europe Blog: [The EU Emissions Trading System: Time to end free pollution permits for big polluters](#)
- CAN Europe position paper on [Emissions Trading System](#)

1.5 pathways resources:

- Climate science and policy briefing authored by Wendel Trio, [The EU too must revisit its 2030 climate pledge \(NDC\) as -55% is not compatible with 1.5°C](#)
- Briefing authored by Wendel Trio: [Making the EU EU ETS and ESR Legislation Compatible with the Paris Agreement](#)

ESR resources:

- UNIFY/CAN Europe new report (Launched 14th March) [Implementing the Effort Sharing Regulation at the national level. Lessons learned and recommendations from the LIFE Unify project](#)
- CAN Europe briefing on [ESR compliance rules - Make them abide](#)
- EJNI Q&A on [climate neutrality targets](#) in ESR
- EJNI [Visuals on Climate Neutrality](#)
- UNIFY/CAN Europe [Communications Package on new ESR report](#)
- CAN Europe/UNIFY Climate Laws Report [Communications Package](#)
- CAN Europe position paper on [Effort Sharing](#)

LULUCF resources:

- CAN Europe position paper on [LULUCF](#)

Social Climate Fund (SCF)

- [Joint statement on Social Climate Fund](#)

CAN Europe position papers on additional files and topics:

- CAN Europe position paper on [Climate Policy Architecture](#)
- CAN Europe blog on [Energy Efficiency Directive](#)

- CAN Europe policy briefing on the revision of the [Renewable Energy Directive](#)
- [Maximising the social benefits of climate action](#). CAN Europe scoping study based on a research by the Cambridge Institute for Sustainability Leadership (CISL) and endorsed by the Social Platform and the European Anti-Poverty Network

Connected Communications packages

- [Fit For 55 -June-July 2021](#)
- [#RepowerForThePeople - briefing on REPowerEU - May 2022](#)