

**ENVIRONMENT COUNCIL**  
**Luxembourg, 17 October 2016**

Chair: Slovak Minister for the Environment **László Sólymos**

European Commission representation: Commissioners **Karmenu Vella** and **Miguel Ángel Arias Cañete**

Starting time: 9:30

The Council will hold a public policy debate on the Commission proposals for an **effort-sharing regulation** and a regulation on land use, land use change and forestry (**LULUCF regulation**). This legislation -together with the revision of the emission trading system (ETS)- intends to deliver on the EU's commitment to the Paris Agreement on **climate change**.

Both regulations aim to reduce greenhouse gas emissions in the sectors not covered by the ETS. The effort-sharing regulation covers sectors such as transport and buildings and sets emission **reduction targets for each member state**. The LULUCF regulation covers contributions to the emission reduction targets in the **land use and forestry** sector to the emission reduction targets.

The Council will also adopt conclusions on **sustainable water management**. These conclusions are intended to contribute to a wider debate on the EU's future water policy. They take into account pressures related to land use and to climate change as well as a new international context, including the Paris Agreement and the 2030 Agenda for Sustainable Development.

Council conclusions are also expected on **biodiversity**, ahead of the meeting of the parties to the Convention on Biological Diversity and its protocols (Cancun, Mexico, 4-17 December). These will be the basis for the EU negotiating position at the meeting.

**Press conference**: +/- 16:10

Following this Council meeting, there will be an **EU-Eastern Partnership** environment and climate change ministerial meeting on 18 October 2016. Press conference: Tuesday 18 October at 11:45

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Press conferences and public events by video streaming: <http://video.consilium.europa.eu>

Video coverage in broadcast quality (MPEG4) and photo gallery on:  
<https://tvnewsroom.consilium.europa.eu/event/environment-council-october-2016-57e3e9672e579>

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<sup>1</sup> This note has been drawn up under the responsibility of the press office.

# CLIMATE CHANGE

## Emission reductions in sectors not covered by the ETS

The Council will hold a policy debate on the Commission proposals for an **effort-sharing regulation** and a regulation on land use, land use change and forestry (**LULUCF regulation**). This legislation -together with the revision of the emission trading system (ETS)- aims to deliver on the EU's commitment to the Paris Agreement on **climate change**. They are therefore meant to contribute to reduce greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels.

Both regulations aim to reduce greenhouse gas emissions in the sectors not covered by the ETS. Ministers are invited to provide political guidance on the way forward for these files during the Council debate, the first one on this legislative package. In particular, they are expected to discuss the fairness and effectiveness of the framework and the adequacy of the flexibilities.

[Non-ETS sectors - Policy debate, October 2016 - Presidency document \(12696/16\)](#)

### Commission proposal for an effort-sharing regulation

The effort sharing regulation (ESR) addresses emissions from the sectors not covered by the EU ETS. These sectors include buildings, agriculture (non-CO2 emissions), waste management and transport. They accounted for almost 60% of total EU emissions in 2014. The regulation sets annual emission reduction targets for each member state for the period 2021–2030. Member states will decide what measures to take in order to achieve the targets.

#### - Targets:

The overall target in these sectors is to reduce emissions by 30% by 2030 compared to 2005. All member states must contribute with national targets ranging from 0% to 40%. Targets are based on relative GDP per capita. For countries with a GDP per capita above the EU average, national targets are further adjusted to reflect cost-effectiveness.

#### - Flexibilities:

The proposal incorporates the existing flexibilities in the current effort-sharing decision (banking or borrowing of annual emission allocations from one year to another within the trading period; transfers between countries). It also proposes two new flexibilities: limited use of removals from the land-use sector to account for the targets in the ESR and the possibility to cancel ETS allowances to be accounted under the ESR. This second flexibility is only available for countries that either have targets above EU average and their cost-effective reduction potential or did not have free allocation for industrial installations in 2013.

#### - Reduction trajectory and starting point:

The annual emission levels will be determined based on a decreasing linear trajectory. The starting point is set as the average emissions for 2016-2018 because this will be the most recent reviewed emission data available in 2020. For lower income member states that are allowed (under the current effort-sharing decision) to increase their emissions until 2020, the sum of the allowed increases between 2017 and 2020 are added to their starting point.

#### - Reporting and compliance:

The proposal keeps annual reporting of emissions and biennial reporting on projections and policies and measures, but proposes compliance checks every five years instead of every year.

## Proposed targets and access to new flexibilities

	2030 target compared to 2005	Maximum annual flexibility (as % of 2005 emissions)	
		One-off flexibility from ETS to effort sharing regulation	Flexibility from land use sector to effort sharing regulation*
LU	-40%	4%	0.2%
SE	-40%	2%	1.1%
DK	-39%	2%	4.0%
FI	-39%	2%	1.3%
DE	-38%		0.5%
FR	-37%		1.5%
UK	-37%		0.4%
NL	-36%	2%	1.1%
AT	-36%	2%	0.4%
BE	-35%	2%	0.5%
IT	-33%		0.3%
IE	-30%	4%	5.6%
ES	-26%		1.3%
CY	-24%		1.3%
MT	-19%	2%	0.3%
PT	-17%		1.0%
EL	-16%		1.1%
SI	-15%		1.1%
CZ	-14%		0.4%
EE	-13%		1.7%
SK	-12%		0.5%
LT	-9%		5.0%
PL	-7%		1.2%
HR	-7%		0.5%
HU	-7%		0.5%
LV	-6%		3.8%
RO	-2%		1.7%
BG	0%		1.5%

*\*These figures are estimates. The limit is expressed in absolute million tonnes over 10 years in the proposal.*

[Commission proposal on effort-sharing - Original document \(11483/16\)](#)

[Commission proposal on effort-sharing - Factsheet \(European Commission\)](#)

[Current effort sharing decision \(up to 2020\)](#)

[Evaluation of the implementation of the current effort sharing decision](#)

### **Commission proposal for a LULUCF regulation**

The proposed LULUCF regulation sets out the role of the sectors linked to the use of soil (land-use, land-use change and forestry) in greenhouse gas emission reductions. These sectors are linked to the use of soils, trees, plants, biomass and timber. Their particularity is that they not only emit greenhouse gases but can also remove CO<sub>2</sub> from the atmosphere.

- Accounting rules:

The proposal updates the accounting rules for emissions and removals from these sectors. In land management the proposal sets as the base period the average accounts for 2005-2007. Emissions from biomass will also be recorded and counted. The proposal also introduces a new monitoring process based on forest management reference levels.

- No-debit rule:

Member states have to ensure that accounted emissions and removals stay in balance and the sector therefore does not generate net emissions.

- Flexibilities:

Member states are allowed to use excess allocations from the ESR, compensate emissions from one land category by removals from another, cumulate net removals over the period 2021-2030, and trade excess removals among countries.

[Commission proposal on LULUCF - Original document \(11494/16\)](#)

[Commission proposal on LULUCF - Factsheet](#)

[Current decision on accounting rules for LULUCF](#)

### **Commitment: EU emissions reduction target**

In its October 2014 conclusions, the European Council agreed on the 2030 EU climate and energy framework and endorsed a binding EU target to reduce greenhouse gas emissions by **at least 40% by 2030 compared with 1990**. This target was reflected in the intended nationally determined contribution to the Paris Agreement submitted by the EU in March 2015.

The target is to be delivered **collectively** by the EU in the most cost-effective manner possible, with all member states participating in the effort, balancing considerations of fairness and solidarity. European Council conclusions also specify that the reduction will amount to 43% in the **ETS sectors** and 30% in **non-ETS sectors**, in both cases by 2030 compared with 2005. The European Council will keep all the elements of the framework under review and will continue to give strategic orientations as appropriate.

[European Council \(October 2014\) - Conclusions](#)

[Intended nationally determined contribution to the Paris Agreement](#)

## Timeline and next steps

Based on the guidelines provided by the **European Council**, in its October 2014 conclusions, the European Commission presented its proposal for a review of the ETS in July 2015. The **Commission** presented its proposals for two regulations on the sectors not covered by the ETS in July 2016. As the three files follow the **ordinary legislative procedure**, these proposals need to be discussed by the **Council** and the **European Parliament**, with a view to agreeing final texts. The proposals are currently being analysed and neither institution has established its position on any of them yet.

## ENVIRONMENT

### Sustainable water management

The Council will adopt conclusions on **sustainable water management**. These conclusions are intended to contribute to a wider debate on the EU's future water policy. They take into account challenges related to land use and climate change as well as a new international context, including the Paris Agreement and the 2030 Agenda for Sustainable Development.

The conclusions will refer to the challenges resulting from water pollution, the increasing demand for water and the speed and intensity of land use and climate change impacts. These problems compromise water security and exacerbate the negative effects of drought and water scarcity.

[EU policies on water \(European Commission\)](#)

### Biodiversity

Ministers are expected to agree on Council conclusions on **biodiversity**, ahead of the meeting of the parties to the Convention on Biological Diversity and its protocols (Cancun, Mexico, 4-17 December 2016). These conclusions will be the basis for the EU negotiating position at the meeting. The text will refer to issues such as the situation with regard to pollinators, climate change, marine litter and synthetic biology, among many others.

In December 2016, about ten thousand participants -including representatives of the countries parties, observer countries, international organizations and others interested- will meet in Cancun. They will negotiate agreements and commitments to promote the conservation and sustainable use of biodiversity, as well as the implementation of the Strategic Plan for Biodiversity 2011-2020 and the Aichi goals.

### Convention on Biological Diversity

The objectives of the Convention on Biological Diversity are the conservation of biodiversity, its sustainable use and the fair and equitable sharing of the benefits of the use of genetic resources. It entered into force in December 1993.

The main topics on the agenda for the meeting in December 2016 will be the implementation of the strategic plan, mainstreaming of biodiversity (especially in agriculture, forestry fisheries and tourism sectors), resource mobilisation, protected areas and ecosystem restoration, the involvement of indigenous and local communities, marine and coastal biodiversity, invasive alien species, pollinators and synthetic biology.

## **Cartagena Protocol**

The Cartagena Protocol on biosafety is a supplementary agreement to the Convention on Biological Diversity. It regulates international trade in living modified organisms resulting from modern biotechnology from one country to another. It ensures that importing countries know what they are importing and are satisfied that there are no undue risks to biodiversity or human health. It was adopted in January 2000 and entered into in September 2003.

The key priorities for the meeting in December will be the consolidation of activities under the protocol and its improved implementation.

## **Nagoya Protocol**

The Nagoya Protocol aims to ensure that the benefits arising from the use of genetic resources are shared in a fair and equitable way. It is another supplementary agreement to the Convention on Biological Diversity. It entered into force in October 2014.

During the meeting in December, the focus will be on activities promoting the effective implementation of the protocol.

[Convention on Biological Diversity](#)

[Official website of the meeting in Cancun in December 2016](#)

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## **Any other business**

- Montreal Protocol on substances that deplete the ozone layer - Meeting in Kigali, Rwanda (10-14 October 2016)  
[Information from the Presidency and the Commission \(12984/16\)](#)
- Unspent funds from the NER300 funding programme  
Information from the Cyprus delegation
- Communication on a European strategy for low-emission mobility  
[Information from the Commission \(11333/16\)](#)
- International civil aviation organisation (ICAO) - Assembly in Montreal, Canada (27 September - 7 October 2016)  
Information from the Commission
- Convention on international trade in endangered species of wild fauna and flora (CITES) - Meeting in Johannesburg, South Africa (24 September - 7 October 2016)  
[Information from the Commission \(13190/16\)](#)

- Natural resources management: the example of Białowieża Forest: repercussions for Europe  
[Information from the Polish delegation \(12911/16\)](#)
- Proposal for a directive on the reduction of national emissions of certain air pollutants: lessons learnt  
[Information from the Polish, Romanian and Hungarian delegations \(12846/16\)](#)
- Identification of endocrine disrupting substances  
[Information from the Danish, Netherlands and Swedish delegations, supported by the Luxembourg delegation \(12959/16\)](#)
- 2016 World Conservation Congress of the International Union for Conservation of Nature (Hawaii, 1-10 September 2016)  
[Information from the presidency \(13224/16\)](#)