'Fit for 55' package: Revising the Regulation on land use, land-use change and forestry (LULUCF)

Impact assessment (SWD(2021) 609, SWD(2021) 610 (summary)) accompanying a Commission proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2018/841 as regards the scope, simplifying the compliance rules, setting out the targets of the Member States for 2030 and committing to the collective achievement of climate neutrality by 2035 in the land use, forestry and agriculture sector, and (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review – COM(2021) 554

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission’s impact assessment (IA) accompanying the above-mentioned proposal, submitted on 14 July 2021 and referred to the European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI). The proposal is part of the 'fit for 55' legislative package announced in the 2020 Commission communication on stepping up Europe’s 2030 climate ambition (the climate target plan) and its impact assessment. The proposal aims to amend the land use, land-use change and forestry (LULUCF) Regulation (EU) 2018/841 that covers the greenhouse gas (GHG) emissions and removals resulting from the management of land, forests and biomass. Together with the LULUCF Regulation, the proposal amends Regulation (EU) 2018/1999 on the governance of the energy union and climate action, as it includes the rules for monitoring and reporting on GHG emissions and removals and for tracking Member States' progress towards achieving the targets under the LULUCF Regulation. These amendments are part of the review of relevant EU legislation to provide for the achievement of the 'at least 55 % net GHG emissions reduction target' by 2030 and the climate neutrality objective by 2050, set out in Articles 4 and 2 of the European Climate Law, Regulation (EU) 2021/1119, respectively. The proposal is included in the 2021 Commission work programme and the 2021 Joint Declaration on legislative priorities.

Problem definition

According to the IA, the problem is three-fold (IA, pp. 8-18):

1. The fact that net LULUCF removals have been significantly decreasing in recent years

The land sector can be responsible for GHG emissions (for example from cropland, settlements, deforestation or draining wetlands) and removals of GHG from the atmosphere (CO₂ absorbed by plant growth and forest land). According to the IA, between 2013 and 2018, the EU-27 saw its net LULUCF removals decline by 19 %, from -325 to -264 million tonnes (Mt) of CO₂ equivalent. This decline is driven by a mix of factors, including increase in wood demand, an increasing share of forests reaching maturity in terms of production management, and an increase in natural disturbances such as insect infestations, storms, droughts and forest fires (IA, p. 9). In addition, the continuation of cropping practices, the continued degradation of wetlands and the conversion of forest land into settlements drive the decreasing carbon removals in the land sector. A trajectory towards climate neutrality, on the other hand, would require net LULUCF removals to increase from their current level to around -400 Mt CO₂ equivalent in 2050, based on the in-depth analysis underpinning the Commission's clean planet for all communication.
2 The presence of unexplored opportunities to address climate in the land sectors in an integrated manner

The IA explains that, under the current LULUCF rules, the minimum commitment levels in each Member State are designed to ensure that land management practices do not become worse from a climate change mitigation perspective. If removals are smaller than these levels, a Member State may generate LULUCF debits, and if they are larger, it may generate LULUCF credits. The LULUCF Regulation commits Member States to avoid creating any debit ('no-debit' rule; if this happens, a Member State must step up emissions reduction efforts in its effort-sharing sectors (agriculture among them) to compensate the deficit, or it can buy LULUCF credits from other Member States. Finally, Member States can use a limited amount of LULUCF credits to help achieve Effort-Sharing Regulation (EU) 2018/842 (ESR) national targets ('flexibility').

According to the IA, the current policy framework maintains a regulatory separation between agriculture, which is fully included in the national emissions targets under the ESR, and LULUCF, which only contributes to EU-wide climate targets through the ESR-LULUCF flexibility. Thus, emissions from agricultural activities, and emissions or removals from other land uses, may take place on the same land parcel and yet be recorded under two different pieces of legislation and with two different approaches (IA, p. 15). The IA explains that this separation results in a lack of integrated policy frameworks linked to the non-existence of a climate target for the land sector. Furthermore, an analysis of the national energy and climate plans (NECPs) indicates that the current flexibility opportunities are not an integral part of Member States’ climate strategies, according to the IA.

3 Challenges to implement the accounting, monitoring and reporting rules as set out in the current LULUCF Regulation

The IA explains that the rules to account for ‘no-debit’ and ‘flexibility’ create regulatory costs and may not be strictly needed anymore, since the new 55% reduction target is expressed in terms of net emissions and thus fully includes the LULUCF sector. In particular, the process for establishing the forest reference level (FRL) – the benchmark for managed forest land – has proved to be technically and politically complex. It requires a very high level of technical competence in the Member States and has been very time-consuming. Despite all efforts, there is still ambiguity in interpretations of specific FRL components, which results in heterogeneity among Member State FRLs, according to the Commission. Furthermore, current monitoring and reporting requirements create policy gaps in the land-use sector. For instance, data on the impacts of measures taken at the individual actor level (e.g. measures supported by the common agricultural policy (CAP)) are not integrated in the climate inventories. As a result, there is no incentive for a Member States to use budget from the CAP to promote climate-friendly action related to LULUCF, if this action does not appear in the climate inventories and thus does not contribute to achieving national climate targets, according to the IA (pp. 11-12). Similarly, there is a missed opportunity to strengthen synergies between actions on climate and biodiversity, because monitoring and reporting systems do not provide information on areas of special importance for biodiversity, or distinguish between monocultures and bio-diverse forests.

The IA elaborates on the corresponding problem drivers and provides a problem tree diagram (IA, pp. 8-18); however, the scale of the problem remains unclear due to the absence of Member State data. The problem definition in the IA is underpinned by a support study carried out by an external consortium of consultants, and the EU-wide assessment of NECPs, and complemented by several Joint Research Centre (JRC) reports and academic sources. The data sources are systematically referenced and publicly accessible online.

Subsidiarity / proportionality

In addition to explaining the legal basis – Articles 191(1) and 192(1) of the Treaty on the Functioning of the European Union (TFEU) – the IA briefly discusses the necessity of EU action and the EU added value. The IA does not compare the options with regard to their proportionality, contrary to the requirements of the Better Regulation Guidelines (BRG). Two reasoned opinions have been issued
before the subsidiarity deadline of 8 November 2021: the Irish Houses of Oireachtas and the French Senate found that the proposal did not comply with the principles of subsidiarity and proportionality. The IA provides a dedicated subsidiarity grid, following the recommendations of the Task Force on subsidiarity, proportionality and 'doing less more efficiently'.

Objectives of the initiative

The general objective as outlined in the IA is to make the LULUCF Regulation fit for reaching at least 55% net GHG emissions reductions by 2030 compared with 1990, in line with the 2030 climate target plan (CTP), as a staging post towards achieving climate neutrality by 2050 (p. 19).

To achieve the general objectives, the following specific objectives have been set (IA, pp. 19-23):

1. A climate-neutral land sector by 2035

While the primary focus of the fit for 55 package is on achieving the 2030 climate target, in the case of the land sector, the Commission considers it important to signal a further, medium-term target for 2035. This is because of long lead times of nature-based actions, to avoid the lock-in of measures that may be counterproductive in the long-term, and to provide a clear long-term direction for the future CAP. To be on track for climate neutrality in 2035, net LULUCF removals should be above -300 Mt CO2 equivalent in 2030, while agricultural emissions should be around 360 Mt CO2 equivalent, as modelled in the CTP IA. Furthermore, the CTP IA modelling shows that an integrated land sector has the potential to become rapidly climate-neutral by around 2035 in a cost-effective manner, and subsequently generate more removals than GHG emissions (quoted in IA, p. 20).

2. A fair, flexible and integrated climate policy framework for the land sector

According to the IA, a fair policy framework should allocate any potential national target based on historical performance (e.g. past emissions) and capability (such as available land or cost-effective mitigation potential). Additionally, a flexible policy framework should allow Member States to choose which mitigation actions to prioritise across the economy, and to have access to inter-Member State trading mechanisms to ensure that action happens where it is the most cost-effective. Finally, an integrated policy framework should connect the LULUCF sector to mitigation strategies in the agricultural sector, and take into account other land-related objectives (adaptation, biodiversity, sustainable and circular bio-economy).

3. Simplification with regard to the accounting, monitoring and reporting systems

According to the IA, a number of accounting concepts (in particular FRL) can be optimised and simplified. Moreover, monitoring and reporting systems could be improved by making use of land-monitoring techniques such as remote sensing and satellites.

The general objective of the IA is already rather specific, namely to achieve a binding goal that has been set in the European Climate Law. The specific objectives correspond to the problems identified in the IA. The definitions of a ‘fair’, ‘flexible’ and ‘integrated’ climate policy framework are provided in the objectives section of the IA, and are so specific that they seem to pre-empt the preferred type of measures and the analysis. According to the IA, the operational objective of the monitoring is to assess the annual progress towards, and compliance with, the LULUCF 2030 target assigned to each Member State (annex IIA of the proposal provides concrete targets of net GHG removals in kilotonnes (kt) of CO2 equivalent in 2030 for each Member State and for the EU-27). Although this could make it possible to monitor the achievement of specific objective 1, the IA does not provide any indicators to allow the monitoring of specific objectives 2 and 3. As a result, the objectives do not fully comply with the definition of SMART (specific, measurable, achievable, relevant and time-bound) as recommended by the BRG.

Range of options considered

In addition to the baseline scenario (‘do nothing’ option), the IA assesses a total of three options (IA, pp. 23-31). These are summarised in Table 1 below.
Table 1 - Overview of options, sub-options and their main elements

<table>
<thead>
<tr>
<th>Option</th>
<th>Main elements</th>
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<tbody>
<tr>
<td><strong>Baseline</strong></td>
<td>Accounting rules established under the current LULUCF Regulation remain unchanged. EU-wide 2030 accounting target (minimum compliance level) for the LULUCF sector is expected to be around <strong>-225 Mt CO₂ equivalent</strong>. Member States can create up to 262 Mt CO₂ equivalent of LULUCF credits (i.e., removals in excess of the minimum compliance levels) over the 10-year period 2021-2030, i.e., an average of 26.2 Mt CO₂ equivalent per year. These can be used to help achieve ESR national targets (flexibility with ESR).</td>
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<tr>
<td><strong>Option 1</strong>: self-standing LULUCF target in 2030</td>
<td><strong>Option 1.1</strong>: changing the accounting rules for managed forest land</td>
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<td></td>
<td><strong>Option 1.2</strong>: setting a single removal target</td>
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<tr>
<td><strong>Option 2</strong>: flexible LULUCF target in 2030</td>
<td>Member State targets based on the average LULUCF emissions and removals between 2016 and 2018. Only if the mitigation performance of the LULUCF sector is better than its recent level can a Member State generate LULUCF credits for compliance with its ESR target. Broader ESR-LULUCF flexibility: Member States can use LULUCF credits for compensating their own ESR debits and can sell them to other Member State for their ESR compliance. EU-wide 2030 accounting target of <strong>-267.7 Mt CO₂ equivalent</strong>.</td>
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<tr>
<td><strong>Option 3</strong>: fully integrated agriculture and LULUCF targets in 2030 towards land-based climate neutrality in 2035</td>
<td>EU trajectory towards land-based climate neutrality in 2035 based on the average LULUCF emissions and removals between 2016 and 2018 and the area of managed land. Planning: Member States submit national plans (a new element within the existing NECPs) that outline their strategies to decrease agricultural emissions and increase land-based removals in an integrated manner through CAP and the existing EU and national funds. Full land flexibility: the possibility to achieve the land targets with integrated action in either the agricultural or the LULUCF sector. EU-wide 2030 accounting target for the land sector of <strong>39.9 Mt CO₂ equivalent</strong> (agricultural emissions should not exceed land-based removals by more than this target). Member State targets for integrated land sector in 2030 based on the computations in Annex 10 of the IA; Member State targets for 2035 to be established in a dedicated IA.</td>
</tr>
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</table>


The IA baseline refers to the current policy framework (LULUCF removals of -225 Mt CO₂ equivalent in 2030), which, as the IA explains on pp. 24 and 74, is distinct from the EU reference scenario 2020. The IA does not clarify whether the EU reference scenario was used alongside the baseline, or why a different baseline was needed for the IA of LULUCF, other than stating that all methodological analysis is specific to the LULUCF sector. Considering that the EU reference scenario reflects the most recent data available and is a common baseline for the fit for 55 package, it is unclear from the IA whether the baseline used in this IA is dynamic (i.e., takes account of relevant policies and anticipates technological or societal developments) or harmonised with the fit for 55 package. The options' content is set out in a balanced manner, but their description could be made more detailed and accessible to a non-specialist reader. Furthermore, it is not evident from the IA how each option can
help correct the problems identified and meet the specific objectives set. The IA also does not clarify whether the options are cumulative. According to the IA, the preferred option is a package of several elements. One of them is the binding target for 2030, which only covers the LULUCF sector and not the integrated sector (Option 1.2 and/or Option 2), while other elements are taken from Option 3 and aim to better integrate the LULUCF sector with the agricultural sector by 2035. Therefore, the IA explains, the preferred option is a package consisting of the simplified and more ambitious national LULUCF targets for Member States in 2030 (depending on the ESR targets’ ambition); this is combined with an EU-wide climate neutrality target for the land sector in 2035, based on the national integrated mitigation plans and binding national land targets for 2035 proposed at a later stage (pp. 54-55). However, by the IA’s own admission, the possibilities to combine actions under Options 1.2 and 2 have not been identified in the IA as separate options for reasons of simplicity of analysis, and because it would depend on the choices made in the ESR revision (p. 29).

Assessment of impacts

With the help of several modelling tools, the IA assesses the options for their economic and environmental impacts. The economic impacts are narrowly defined as, on the one hand, additional costs of achieving the LULUCF targets per tonne of CO₂ – which are relatively low (€5-10 per tonne of CO₂ under all options based on the modelling results) – and, on the other, revenues from land-based action. Under the environmental impacts, the IA assesses only GHG emissions and removals. Additionally, the IA contains a qualitative appreciation of administrative impacts (simplification, synergies, and improved monitoring and reporting). The territorial dimension is addressed to a certain extent through the assessment of distributional impacts, which cover the fairness of target distribution across the Member States, although this analysis is not very detailed. The IA states that ‘higher LULUCF targets could promote a shift of the bio-economy sectors towards sustainable, long-lasting and circular uses of natural resources, leading to jobs and growth in these sectors’ (p. 35). Similarly, stakeholder feedback identified the generation of new business opportunities, the promotion of territorial cohesion, and repopulation in rural areas among the expected social impacts (IA, p. 34). However, the IA does not assess the options for their social impacts as required by the BRG, nor does it provide a justification for not doing so. The IA compares the options based on the mandatory criteria of efficiency, effectiveness and coherence, but not in regard to their proportionality as required by the BRG (IA, pp. 49-53). With regard to coherence, the IA concludes that 1) if the ESR is phased out, Option 3 would be the most coherent; 2) if ESR targets are significantly raised, Option 2 would be the most coherent; and 3) if ESR targets are kept at their current levels, Option 1.2 would be the most coherent (IA, p. 52). Although the preferred option remains open between the elements of Options 1.2 and/or 2, with elements of Option 3, its costs and benefits are summarised in Tables 9 and 10. It is estimated to generate additional removals of around -75 Mt CO₂ equivalent in 2030, to increase trading of carbon removals at Member State level (if the target is designed according to Option 2), and reduce regulatory and monitoring costs. The recurrent costs for business are estimated at approximately €2.2 billion over the 10-year period, and recurrent costs for the Commission and national administrations are estimated to decrease by €4.5 million as a result of changing the accounting rules (IA, pp. 69-71). The IA does not clarify which option(s), or combination of actions under various options, was used as a basis to estimate the preferred option’s costs and benefits.

Small and medium-sized enterprises / competitiveness

According to the IA (p. 69), the initiative will not affect the bio-economy actors directly, although higher national targets will have an indirect effect on the primary bio-economy sector (e.g. farmers, forest owners or land managers in general) and in the relevant value chains (e.g. food processors or bioenergy producers). However, precise quantification of the economic costs and benefits for individual land managers was not possible in the context of the IA (p. 48). The IA does not provide information on the share of small and medium-sized enterprises (SMEs) in the bio-economy sector, nor does it discuss whether SMEs are affected by the proposal, which is contrary to the BRG.
Furthermore, the IA briefly states that indirect effects can also reach final consumers through prices and more sustainable products (IA, p. 69), but does not discuss impacts on competitiveness.

Simplification and other regulatory implications

The IA discusses the coherence with the ESR proposal at greater length than the interactions with the other fit for 55 initiatives (IA, pp. 52-54). Moreover, the IA elaborates on the synergies with the EU biodiversity strategy, the climate change adaptation strategy, the circular economy action plan, the CAP and several other related strategies (pp. 94-132). According to the IA, ‘the preferred policy option is expected to significantly simplify the legal framework’ (p. 55). Here, the IA reiterates each option’s simplification potential.

Monitoring and evaluation

The IA discusses the improvements to monitoring and reporting systems that could enhance the accuracy, completeness and reliability of the reported estimates of emissions and removals, such as the use of digital technologies (pp. 56-58). Following up on these recommendations, the proposed amendments to Regulation (EU) 2018/1999 on the governance of the energy union and climate action include a definition of geographical information systems and geo-spatial application. Moreover, they enable the Commission to carry out a comprehensive review of national inventory data in 2025, so as to be able to set out the Member States’ national annual targets for 2026-2030. Finally, these amendments put in place measures to increase the accuracy of the monitoring and reporting of the GHG emissions and removals in the LULUCF sector. According to the IA, monitoring results will be used to determine if action is on track to meet policy objectives in each Member State (targets set in annex IIa of the proposal). The exercise would be made on a yearly basis, and provide global assurance of the progress towards meeting the EU’s target transparently (IA, p. 58). Although this could allow for monitoring the achievement of specific objective 1, the IA contains no further evaluation or monitoring provisions, nor does it provide any indicators to monitor the achievement of specific objectives 2 or 3, which is contrary to the BRG.

Stakeholder consultation

Stakeholders were offered an opportunity to provide feedback on the inception IA between 29 October and 26 November 2020. An open public consultation (OPC) took place between 13 November 2020 and 5 February 2021, fulfilling the 12-week requirement. In total, 235 replies were received to the OPC and 93 replies to the inception IA. The insights from the OPC are reported throughout the IA and seem to be taken on board in Options 1.1 and 1.2, where no flexibility exists between LULUCF and ESR, as this approach was supported by many stakeholders. According to the IA, an expert workshop on the LULUCF reporting and accounting approaches took place with 70 experts from different stakeholder groups (national authorities, research and academia, non-governmental organisations (NGOs), and business associations) on 18 November 2020. The results of stakeholder consultation activities are only briefly reported in the IA’s annex, and the stakeholder views are not consistently broken down into categories (pp. 62-68). However, a more detailed OPC summary report, the contributions received and their annexes are available online and in the external support study mentioned above (the latter reports on three additional LULUCF expert workshops). Overall, the IA seems to have taken into account the stakeholder views, although they could be reported in a more detailed manner in the IA.

Supporting data and analytical methods used

The IAs accompanying several of the legislative proposals included in the fit for 55 package rely on a common analytical framework that builds on the CTP IA (IA, pp. 53-54). However, the present IA seems to apply a different baseline (LULUCF removals of -225 Mt CO₂ equivalent in 2030) than the rest of the fit for 55 initiatives, which build on the EU reference scenario 2020 (LULUCF removals of -258 Mt CO₂ equivalent in 2030). Similar to other fit for 55 initiatives, the Commission uses the CTP IA’s MIX policy scenario and models it using the tools unique to the LULUCF sector, such as
GLOBIOM and G4M, complemented by CAPRI and GAINS. These modelling tools have a proven track record in supporting EU policy-making and are publicly available in the European Commission’s modelling inventory and knowledge management system (MIDAS). The modelling work was done in-house by the Commission and complemented with qualitative analysis carried out externally in the above-mentioned support study. The modelling assumptions and uncertainties are clearly stated in the annex describing the IA’s analytical methods (pp. 72-88), although reporting them in the IA’s main text could have improved transparency overall. The results of calculations is the EU 2030 target distributed among the Member States under each option (pp. 89-93). The costs and benefits are identified, but quantified only to a limited extent (IA Annex 3, Tables 9 and 10, pp. 69-71). As previously indicated, it remains unclear which option(s), or combination of actions under various options, was used as a basis to estimate the preferred option’s costs and benefits.

Follow-up to the opinion of the Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) adopted a positive opinion with reservations on a draft version of the IA report on 19 April 2021, highlighting a number of shortcomings that needed to be addressed. The RSB found that the report did not sufficiently justify the choice of preferred option. It did not make clear why an EU-level target for the land sector for 2035 needs to be taken now, in addition to binding national LULUCF targets for 2030. Moreover, the RSB observed that the report did not provide sufficient information on the impacts of the preferred option, the resulting costs and benefits, and the related stakeholder views. The IA provides an explanation as to how it addressed the recommendations of the RSB (IA Annex 1, pp. 59-61). Overall, the IA appears to have made some effort to incorporate the RSB’s recommendations, but the impacts of combined actions under various options, which together represent the preferred option, are not assessed separately. Furthermore, the IA could have clarified why a baseline that is different from that of the fit for 55 package was used in this IA, to what extent it is harmonised with the EU reference scenario, and whether the latter was at all used in this IA.

Coherence between Commission legislative proposal and IA

The legislative proposal appears to follow the IA recommendations, in that it combines a binding 2030 target for the LULUCF sector on the one hand (EU target distributed among the Member States), and measures to better integrate the LULUCF sector into a wider policy framework from 2031 onwards, on the other. Thus, article 4 of the proposal introduces the EU-27 target for net greenhouse gas removals of 310 Mt CO₂ equivalent as a sum of the Member State targets to be achieved in 2030. Member State targets are specified in annex Ila of the proposal and are consistent with the targets computed under Option 1.2 of the IA. Article 2(3) introduces the combined land use and non-CO₂ agricultural sector from 2031 onwards, establishing a new ‘land sector’ pillar. Article 4 sets the objective to achieve climate neutrality in the EU-wide GHG emissions and removals in the land sector at the latest by 2035, which is consistent with Option 3. Furthermore, the Member States need to present the updated integrated NECPs by June 2024, and the Commission will propose the post-2030 Members State targets based on an impact assessment in a new legislative proposal, which is coherent with Option 3. Finally, in line with Option 2, the targets will continue to provide flexibility mechanisms such as inter-Member State trading, although the Member States will no longer be able to bank surplus removals from the 2021-2025 period to the 2026-2030 period (article 12). In terms of coherence, the proposal does not seem to follow the recommendations of the IA, as the IA suggests that relatively less ambitious 2030 LULUCF targets under Option 2, combined with ESR-LULUCF flexibility, would be more coherent with the more ambitious ESR targets (which are the preferred option in the ESR IA and proposed in the ESR revision).
The present IA supporting the proposal to amend the land use, land-use change and forestry (LULUCF) Regulation (EU) 2018/841 is part of the fit for 55 legislative package. Its problem definition is underpinned by recent and reliable data sources, which are systematically referenced and publicly accessible online. Moreover, it balances the quantitative modelling work done in-house by the Commission with qualitative analysis carried out by an external consortium of consultants. The modelling tools used in the IA have a proven track record in supporting EU policy-making. Furthermore, the IA takes into account the insights from the open public consultation throughout the report, although it could have presented them in a more detailed manner. Despite the effort involved, the IA contains a number of shortcomings that limit its potential to usefully inform policy-making. To begin with, the preferred option is defined as a package, consisting of the elements of different options, that partially depends on the Effort-Sharing Regulation (ESR) targets’ ambition. However, by the IA’s own admission, the possibilities to combine actions under several options have not been identified in the IA as separate options. As a consequence, the preferred option, its impacts, costs and benefits remain unclear, despite the estimates provided in the IA. Moreover, it is unclear from the IA whether the baseline used in this IA is dynamic (i.e. takes account of relevant policies and anticipates technological or societal developments), and why it is different from that of the fit for 55 package. Furthermore, it is not evident from the IA how each option can help correct the problems identified and meet the specific objectives set. Finally, the proposal does not seem to follow the IA’s recommendations, as the IA suggests that relatively less ambitious 2030 LULUCF targets under Option 2, combined with ESR-LULUCF flexibility, would be more coherent with the more ambitious ESR targets (i.e. the preferred option in the ESR IA and proposed in the ESR revision).

ENDNOTE

1 See V. Vikolainen, Setting the 2030 GHG emissions reduction target, EPRS, European Parliament, December 2020.
2 See L. Jensen, Revision of the LULUCF Regulation Strengthening the role of the land use, land-use change and forestry sector in climate action, EPRS, European Parliament, December 2021.
4 The preferred option of the ESR IA is a strong increase in ESR ambition based on the gross domestic product per capita (GDP/capita) data methodology, but with additional adjustments to reflect cost-efficiency concerns. For further details, see E. Karamfilova, ‘Fit for 55’ package: Revision of the Effort-Sharing Regulation, EPRS, European Parliament, December 2021.

This briefing, prepared for the ENVI committee, analyses whether the principal criteria laid down in the Commission’s own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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