

Fit for 55: Deal on stricter rules for member states' greenhouse gas emissions

- All EU countries must reduce greenhouse gas emissions in line with a stricter trajectory
- Limit to transfer, borrow and bank emission allocations
- More transparency: information on national actions to be made public

Parliament and Council agree on stricter regulation of greenhouse gas emissions in member states including less flexibility and more transparency.

As the [UN COP27 climate conference](#) has started in Egypt, Parliament and Council negotiators reached a provisional agreement on Tuesday night on a revision of the effort sharing regulation (ESR), which sets binding annual greenhouse gas (GHG) emission reductions for EU member states and currently regulates roughly 60% of EU emissions.

Negotiators agreed to increase the mandatory GHG reduction 2030-target at EU level from 30% to 40% compared to 2005-levels. For the first time, all EU countries must now reduce GHG emissions with targets ranging between 10-50%. [The targets for each member state](#) are based on GDP per capita and cost-effectiveness.

Timeline for member states targets

To reach these more ambitious national reduction targets, each member state will have to ensure every year that they do not exceed their annual GHG emission allocation. These are defined by a linear trajectory ending in 2030 and starting:

- for 2021-2022, the annual emission allocations currently in force apply;
- for 2023-2025, in 2022 on the annual GHG emission allocation for that member state in 2022;
- for 2026-2030, on nine-twelfth between 2023 and 2024 on the average of its GHG emissions during the years 2021, 2022 and 2023.

Flexibility for member states

In the deal, a balance has been struck between the need for flexibility for EU countries to achieve their targets while ensuring a just and socially fair transition for all, and the need to close loopholes so the EU Climate Law is not undermined. This was achieved by restricting the possibilities to transfer, borrow and save emission allocations compared to the Council's position, as follows:

- Transferring allocations: the possibility for member states to trade allocations with other member states will be limited to 10% of the allocations for 2021-2025. For 2026-2030 the maximum is 15%. Any proceeds from such trading should be allocated to climate action.
- Borrowing allocations: member states can in 2021-2025 borrow maximum 7.5% of the allocations from the following year to be used in years where emissions are higher than the annual limit. For 2026-2030 the maximum is 5%.
- Banking allocations: in years where emissions are lower, member states will be able to save emissions for the following year. 75% of the annual emission allocation in 2021 can be saved and used later. For 2022-2029 the figure would be 25%.
- Reserve: the so-called additional reserve will not be introduced.

More transparency

In order to be able to hold member states more accountable, the Commission will make information public on national actions in an easily accessible form, as requested by Parliament.

Quote

After the deal, rapporteur [Jessica Polfjärd \(EPP, SV\)](#) said: "With the deal reached today, we take a major step forward in delivering on the EU's climate objectives. The new rules for national emission cuts ensure that all member states contribute and that existing loopholes are closed. This allows us to go to COP27 with a clear signal that the EU is serious about being the global champion for a competitive and efficient climate agenda."

Next Steps

Parliament and Council will have to formally approve the agreement before the new law can come into force.

Background

The ESR sets national targets for emission reductions from road transport, heating of buildings, agriculture, small industrial installations and waste management. Its revision is part of the "[Fit for 55 in 2030 package](#)", which is the EU's plan to reduce greenhouse gas emissions by at least 55 % by 2030 compared to 1990 levels in line with [the European Climate Law](#).

Further information

[Steps of the procedure](#)

[EP Think Tank: Revising the Effort-Sharing Regulation for 2021-2030: 'Fit for 55' package \(July 2022\)](#)


[EP Think Tank: Infographic on Fit for 55 in 2030](#)


[Free photos, video and audio material The European Green Deal Committee on the Environment, Public Health and Food Safety](#)


Contacts

Thomas HAAHR

Press Officer

 (+32) 2 28 42976 (BXL)

 (+33) 3 881 72033 (STR)

 (+32) 470 88 09 87

 thomas.haahr@europarl.europa.eu
