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EU Evaluates Key Climate Legislation to Accelerate Green Transition

Key policies: *European Climate Law, EU Emissions Trading System (EU ETS), Effort Sharing Regulation (ESR), Land Use, Land-Use Change and Forestry (LULUCF) Regulation, Fit for 55 Legislative Package, Social Climate Fund, National Energy and Climate Plans (NECPs), Communication on Managing Climate Risks in Europe*

The European Commission has published detailed reports assessing the implementation of several cornerstone climate policies: the **European Climate Law**, the **EU Emissions Trading System (EU ETS) Directive**, the **Effort Sharing Regulation (ESR)**, and the **Land Use, Land-Use Change and Forestry (LULUCF) Regulation**. These evaluations highlight progress toward climate goals, identify areas for improvement, and reinforce the EU's commitment to achieving climate neutrality by 2050.

European Climate Law

The European Climate Law enshrines the EU's commitment to climate neutrality by 2050, providing a long-term vision for policy direction and investment decisions. The report details the steps taken to enhance resilience, strengthen adaptation capacity, and reduce vulnerability to climate change since the law's adoption. It also highlights ongoing discussions about setting a 2040 emissions reduction target, fostering dialogue with stakeholders and Member States on future legislative proposals.

EU Emissions Trading System (ETS)

As part of the **Fit for 55** package, the EU ETS has undergone significant revisions to align with the updated target of a 55% net emissions reduction by 2030. Key updates include:

- Expanding the ETS to cover **maritime transport** and additional aviation emissions.
- Introducing a **second emissions trading system (ETS2)** for buildings, road transport, and small industry, set to begin in 2027.
- Establishing a **Social Climate Fund** to support vulnerable households and micro-enterprises.
- Tightening the emissions cap to achieve a 62% reduction in emissions from ETS-covered sectors by 2030, compared to 2005 levels.

The Commission emphasizes the importance of correctly implementing the ETS framework to ensure its effectiveness. A review in 2026 will explore expanding ETS coverage to waste management and integrating carbon removals.

Effort Sharing Regulation (ESR)

The ESR sets national targets for emissions reductions in key sectors such as transport, buildings, agriculture, and waste. While Member States are progressing, draft **National Energy and Climate Plans (NECPs)** indicate additional efforts are needed to achieve the ESR's 40% reduction target by

2030, compared to 2005 levels. The Commission has recommended that Member States enhance their policies to close this gap, with final NECPs due by June 2024.

Land Use, Land-Use Change and Forestry (LULUCF)

The revised LULUCF Regulation strengthens land-based climate action by increasing net carbon removals. Member States must collectively achieve a net sink of -310 Mt CO₂-eq by 2030, representing an additional 42 Mt CO₂-eq compared to the 2016-2018 baseline. However, the EU is currently off-track, falling short by approximately 50 Mt CO₂-eq.

Improved reporting accuracy and monitoring technologies, in line with IPCC guidelines, are essential for reversing this trend. The Commission plans to evaluate the LULUCF Regulation in 2024, ensuring it aligns with broader land-use policies and supports a sustainable bioeconomy.

Strengthening Climate Adaptation and Resilience

Parallel to these legislative reviews, the Commission's **Communication on Managing Climate Risks in Europe** calls for enhanced adaptive capacity and clarified risk ownership to protect communities and economies.

A Unified Approach to Climate Action

The reports demonstrate the EU's comprehensive approach to addressing climate challenges. By assessing the effectiveness of existing policies and recommending improvements, the EU reaffirms its leadership in global climate action. These legislative pillars—European Climate Law, EU ETS, ESR, and LULUCF—are integral to achieving the ambitious goals of the **European Green Deal** and ensuring a sustainable future.

For more details, visit the [European Commission's Climate Policy page](#).

Source: https://climate.ec.europa.eu/news-your-voice/news/commission-takes-stock-how-key-pieces-climate-legislation-are-operating-2024-05-15_en