



**European Committee
of the Regions**

ENVE-VI/017

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OPINION

Legislative proposals for an Effort Sharing Regulation and a LULUCF Regulation

THE EUROPEAN COMMITTEE OF THE REGIONS

- takes the view that local and regional authorities have a decisive role in the sectors covered by the Effort-Sharing Regulation and the LULUCF Regulation, as these regulations require the inclusion of the territorial dimension. At the same time, these are areas where local and regional authorities could be active, in view of their legal responsibilities and powers;
- stresses that all Member States and sectors of the economy contribute to achieving the CO₂ emission reductions, balancing considerations of fairness and solidarity, and adapting national targets within the group of Member States with a GDP per capita above the Union average proportionately in order to reflect cost-effectiveness in a fair and balanced manner;
- calls on the Commission to propose concrete solutions to the problems of those regions which are highly dependent on fossil-fuel use or energy intensive industries, or which may be otherwise disproportionately affected by the application of the proposed Regulations in the context of the necessary transition to a low-carbon economy;
- points out that the Effort-Sharing Regulation provides for many opportunities for flexibility aimed at helping the Member States to meet their 2030 emission reduction targets. In this context, warns that flexibility should not lead to more emissions in some Member States or to the setting of lower targets through manipulation, either before the provisions enter into force or when the flexibility mechanism is applied;
- stresses that the funding opportunities must be extended to the local and regional level, acting as an attractive complement to private finance and for credit institutions. In addition to the provision of national and European funding in the form of grants and co-financing, consideration could be given to improving the creditworthiness of local and regional authorities and their capacity to grant loans.

Rapporteur

Juri Gotmans (EE/PES), Mayor of Haanja Municipality

Reference documents

Proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change, COM(2016) 482 final
and

Proposal for a regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change, COM(2016) 479 final

THE EUROPEAN COMMITTEE OF THE REGIONS

1. **welcomes** the European Commission's legislative proposals to establish binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 in sectors that do not come under the emissions trading system (ETS) [COM(2016) 482 final] and on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF) in the 2030 climate and energy framework [COM(2016) 479 final];
2. **stresses the importance of reducing greenhouse gas emissions in non-ETS sectors** to such a degree by 2030 that the long term objective of cutting emissions by 95% by 2050 can be achieved;
3. **considers** that, with a view to complying with the undertakings made in the Paris Agreement, it would be highly innovative and cost-effective if the full potential for the removal of CO₂ emissions from land use, land use change and forestry (LULUCF) could be organically incorporated into EU climate policy;
4. **considers it crucial** that local and regional authorities be recognised as key players in the implementation of the new climate policy measures and more actively and comprehensively involved, in line with the principles of multilevel governance, in implementing the EU's energy and climate policies;
5. **highlights** the role and competences of cities and regions in the gathering and compilation of the data needed to establish the greenhouse gas emissions inventory in sectors covered by the LULUCF and Effort Sharing Regulations; **recommends** that the Member States and the Commission systematically support local and regional authorities by boosting the capacities they have in this area to meet their core tasks in conceiving and planning local development in the energy sector, transport, waste management, land use and in other areas;
6. **is of the opinion** that the flexibility instruments reflect market principles and land use practices, as well as being a means to meet the emission reduction targets enshrined in climate protection measures (although changes to these are needed) so that a downgrading of EU climate policy's ambitious goals and inflation in the trade in quotas are avoided. This can be done by deducting the actual emissions or their linear reduction trajectory in 2020, reducing transfers of quota surpluses in the EU ETS sectors to non-ETS sectors and by setting more ambitious targets, including for countries with low GDP;
7. **calls for** the introduction of interim compliance checks every five years as an effective way to ensure – by means of more regular monitoring – that emission reduction targets are being met;
8. **considers** that, given the lack of specific emission reduction targets for the individual sectors covered by the Effort Sharing Regulation, planning provisions should be put in place in order to enable strategies and measures to be developed at EU, Member State and regional and local level to guarantee the transition of these sectors to measures for low CO₂ emissions. Sector-specific targets should therefore be drawn up in order to ensure that all the sectors covered by

the Effort Sharing Regulation are compliant with the global emission reduction goal it sets out, and compliance checks must be stepped up, with annual reviews and balance sheets;

9. **stresses the need** to exploit comprehensively and even more ambitiously the opportunities afforded by the legal requirements for sectoral initiatives in sectors that have a risk of increased emissions (e.g. efficiency of passenger cars and light commercial vehicles in the transport sector);
10. **calls** on the European Commission to consider the contribution from LULUCF in a holistic manner, acknowledging that this sector, especially forests, has the potential to contribute positively to climate change mitigation through sequestration, storage and substitution of CO₂ emissions.

Opinion of the European Committee of the Regions - Legislative proposals for an Effort Sharing Regulation and a LULUCF Regulation

I. RECOMMENDATIONS FOR AMENDMENTS

Proposal for a regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change COM(2016) 482 final

Amendment 1

Recital 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<i>The transition to clean energy requires changes in investment behaviour and incentives across the entire policy spectrum.</i>	<i>When it comes to co-financing to complement EU funds, regional and local investment programmes must be launched to support non-ETS sectors.</i>

<i>Reason</i>
<p>This new recital states the need for investment programmes to be launched in regions and cities. Local and regional levels cannot operate optimally without recognition in the form of a mandate and long-term funding. To a large extent, the main sources of funding local and regional authorities have available for implementing sustainable measures in their areas of competences are in the hands of national governments and are only complemented to a limited extent by EU instruments. This funding must be devolved. In addition to the provision of national and European funding in the form of grants and co-financing, consideration could be given – with a view to the implementation of environmental initiatives – to improving the ability of local and regional authorities to grant or contract loans.</p> <p>This is about creating a European finance platform, co-financed by EU resources, in which lenders</p>

and investors, on the one hand, and cities and regions, on the other hand, get together to agree on relevant projects. Ideally, this would serve as the forum for the sectors covered by the Effort Sharing and LULUCF Regulations, because these are the areas above all in which local and regional authorities can fully exploit their territorial competence.

Amendment 2

Recital 18

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
This Regulation should be without prejudice to more stringent national objectives.	This Regulation should be without prejudice to more stringent national objectives, <i>a condition that is needed to achieve the long-term objectives by 2050.</i>

Reason

This is a drafting amendment intended to encourage countries to lay down additional objectives, since those for 2030 imply that far greater efforts must be undertaken to reduce greenhouse gas emissions in the years 2031-2050.

Amendment 3

Article 4(3)

<i>Commission proposal</i>	<i>CoR amendment</i>
[...] For the purposes of this implementing act, the Commission shall carry out <i>a comprehensive review</i> of the most recent national inventory data for the years 2005 and <i>2016 to 2018</i> [...]	[...] For the purposes of this implementing act, the Commission shall carry out <i>an assessment</i> of the most recent national inventory data for the years 2005 and <i>2018 to 2020</i> [...]

Reason

The choice of reference year is vitally important and should ideally be based on the most up-to-date emission levels (i.e. from 2020) or on a linear reduction trajectory over the period 2018 to 2020, with random variations compensated. Taking the years 2016 to 2018 as the basis results in an inflationary effect on the carbon inventory if a reduction is expected in the following years. This runs counter to the purpose of the instrument and encourages non-compliance with commitments, rather than supporting countries that comply with higher standards.

Amendment 4

Article 5(5)

<i>Commission proposal</i>	<i>CoR amendment</i>
[...] A receiving Member State may use this quantity for compliance under Article 9 for <i>that</i> year or subsequently until 2030.	[...] A receiving Member State may use this quantity for compliance under Article 9 for <i>the current</i> year or subsequently until 2030.

<i>Reason</i>
The wording needs to be clarified to avoid confusion and to distinguish between the accounting year and the reporting year.

Amendment 5

Article 6(1)

<i>Commission proposal</i>	<i>CoR amendment</i>
Member States that may have a limited cancellation of up to a maximum of 100 million EU ETS allowances as defined in Article 3(a) of Directive 2003/87/EC collectively taken into account for their compliance under this Regulation are listed in Annex II to this Regulation.	Member States that may have a limited cancellation of up to a maximum of 50 million EU ETS allowances as defined in Article 3(a) of Directive 2003/87/EC collectively taken into account for their compliance under this Regulation are listed in Annex II to this Regulation.

<i>Reason</i>
There is currently an oversupply of certificates and the price of CO ₂ is low (EUR 5/t in December 2016). Against this backdrop, the maximum limit of 100 million units proposed for emissions does nothing to help achieve a substantial reduction in ETS emissions, but could mean that emissions in sectors not covered by ETS actually rise as a result of the equalisation process. A penalty of 1:2 should be used in the conversion when applying flexibility between sectors. This proposal would cancel 50 million units, thus reducing the value of a tonne of CO ₂ . It should be borne in mind here that a high level of climate protection is to be maintained in both sectors and in the measures that apply to them.

Amendment 6

Article 8(1) and (2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
A Member State which is evaluated [...] as not <i>making sufficient progress</i> [...]	A Member State which is evaluated [...] as not <i>being in a position to meet its obligations</i> [...]
The European Environment Agency shall <i>assist</i> the Commission in its work to evaluate the action plans [...]	The European Environment Agency shall <i>work with</i> the Commission, <i>which shall make use of independent sources</i> , in its work to evaluate the action plans [...].

<i>Reason</i>
Clearer wording. "Progress" is too vague, while "support" denotes a cautious approach. If an excess has occurred, it is essential to carry out an independent assessment of the Member State's action plan.

Amendment 7

Article 9(2)

<i>Commission proposal</i>	<i>CoR amendment</i>
[...] there shall be a deduction from that Member State's annual emission allocations equal to the amount in tonnes of CO ₂ equivalent of those excess greenhouse gas emissions for the relevant years.	[...] there shall be a deduction from that Member State's annual emission allocations equal to the amount in tonnes of CO ₂ equivalent of those excess greenhouse gas emissions for the years in which the excess occurred .

<i>Reason</i>
Rewording to specify the years to which the deduction clause applies and the relevant conditions.

**Proposal for a regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change
COM(2016) 479 final**

Amendment 8

Recital 9

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Emissions and removals from forest land depend on a number of natural circumstances, age-class structure, as well as past and present management practices. The use of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their interannual variation. The relevant accounting rules should instead provide for the use of reference levels to exclude the effects of natural and country-specific characteristics.	Emissions and removals from forest land depend on numerous natural circumstances, age-class structure, as well as management practices. The choice of a base year would not make it possible to reflect those factors and resulting cyclical impacts on emissions and removals or their random interannual variation. The relevant accounting rules should instead provide for the use of reference levels to exclude the effects of natural, country-specific and regional characteristics.

<i>Reason</i>
There is no need for a nuanced consideration of agricultural practices – they have to be taken into account in any case. Keywords should be used to stress natural variations in addition to cyclical phenomena. There are many natural events that happen randomly. Even in smaller countries there can be regional differences, so that a country-by-country approach is not sufficient to address the natural diversity in both large and smaller countries.

Amendment 9

Recital 10

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
[...] and select a sufficient number of experts from the Member States.	[...] and select a sufficient number of experts from the Member States, <i>including from the regional and local levels</i> .

Reason

The methodology needs to be clarified to the effect that local and regional experts should be involved, especially given that what the central authorities and the capital know can differ substantially from local knowledge. Europe has respected universities outside capitals that are involved in the relevant sciences and this potential should be used more insistently and as a matter of priority. Central environmental authorities in the capitals may also be inclined to take a routine, national and indiscriminate approach or to see things through the prism of the political climate and standard responses, leaving local developments and unexpected turns of event unaddressed.

Amendment 10

Recital 16

<i>Text proposed by the Commission</i>	<i>Amendment</i>
The European Environment Agency should assist the Commission, as appropriate in accordance with its annual work programme, with the system of annual reporting of greenhouse gas emissions and removals, the assessment of information on policies and measures and national projections, the evaluation of planned additional policies and measures, and the compliance checks carried out by the Commission under this Regulation.	The European Environment Agency should assist the Commission, as appropriate in accordance with its annual work programme, with the system of annual reporting of greenhouse gas emissions and removals, the assessment of information on policies and measures and national projections, the evaluation of planned additional policies and measures, and the compliance checks carried out by the Commission under this Regulation, <i>with proper account being taken of independent information provided by studies and expertise of the national, regional and local levels</i> .

Reason

The positions taken by the Commission and its compliance assessments should recognise and take on board national and regional experiences and views so that sight is not lost of the real point of establishing a pan-European system.

Amendment 11

Recital 17

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<i>[...] The best use shall be made of existing Union and Member State programmes and surveys [...] for data collection.</i>	<i>[...] The administrative role of local and regional authorities in data collection and management and improving data quality should be strengthened. Reporting should include a mechanism for compliance checking by local experts. The methodological principles and standards should also be defined on the basis of local conditions.</i>

Reason

The administrative capacity of local and regional authorities should be highlighted and their role in land use policy and in monitoring the setting of accounting units for land use strengthened. At the same time, the capacities of cities and regions for monitoring LULUCF-related data and for reporting this data should be expanded and the methodological standards in their procedures and measures (e.g. in the planning process) improved. This will ensure compliance with the key principles of the IPCC procedure, such as consistency, comparability, completeness, accuracy and transparency.

Amendment 12

New recital 21

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>In order to improve data collection and analysis of the LULUCF sector, the Commission shall make sure that consistent methodologies and sets of indicators are in place for the relevant funds..</i>

Reason

Insertion of a new recital stating the need for EU support for land use analysis to ensure compliance with the regulation and to provide background analysis. It should be made clear which kind of measures relating to the LULUCF sector could receive additional funding under the EU structural funds.

Amendment 13

Article 5(2)

<i>Commission proposal</i>	<i>CoR amendment</i>
Member States shall prevent any double counting of emissions or removals, <i>in particular by accounting for emissions or removals resulting from more than one land accounting category</i>	Member States shall prevent any double counting of emissions or removals <i>in different land accounting categories</i> .

<i>under one category only.</i>	
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<i>Reason</i>
Simplification and clarification of text by insertion of a generally clear reference to double counting. It is important that the principle is clearly worded: double counting must be prevented.

Amendment 14

Article 5(5)

<i>Commission proposal</i>	<i>CoR amendment</i>
Member States shall maintain a complete and accurate record of all data used in preparing their accounts.	Member States shall maintain a complete, <i>continuous</i> and accurate record of all data used in preparing their accounts.

<i>Reason</i>
Addition of continuity as important aspect of quality. Errors and problems can occur in time series, particularly if continuity is interrupted or the method is changed.

Amendment 15

Article 8(3)

<i>Commission proposal</i>	<i>CoR amendment</i>
The national forestry accounting plan shall be <i>made public</i> and shall be subject to public consultation.	The national forestry accounting plan shall be <i>published annually</i> and shall be subject to public consultation <i>with regional and local authorities and stakeholders.</i>

<i>Reason</i>
Further specifying the conditions of publication and consultation.

Amendment 16

Article 10(1)

<i>Commission proposal</i>	<i>CoR amendment</i>
[...] resulting from natural disturbances exceeding the average emissions caused by natural disturbances in the period 2001-2020, [...]	[...] resulting from natural disturbances exceeding the average emissions caused by natural disturbances in the period 2001-2019, [...]

<i>Reason</i>
A longer accounting period should be considered. A situation should be avoided where large natural disturbances or cumulative forest damage are not taken into account or are given too much weight at the end of an accounting period. There should be a certain delay in reporting average emissions.

Amendment 17

Article 12(2)

<i>Commission proposal</i>	<i>CoR amendment</i>
The Commission shall <i>carry out a comprehensive review of the compliance reports for the purpose of assessing</i> compliance with Article 4.	The Commission shall <i>assess</i> compliance with Article 4 (<i>net removals of greenhouse gases and flexibility conditions</i>) <i>in the compliance reports and confirm it.</i>

<i>Reason</i>
The review conditions must be further specified: not just assessment but also confirmation is needed. A brief reference to the content of Article 4 could be inserted here.

Amendment 18

Article 16(1)(a), and Annex IIIa, final paragraph

<i>Commission proposal</i>	<i>CoR amendment</i>
[...] From 2023 [...] Annex IIIa, final paragraph: Member States <i>are encouraged to</i> apply Tier 3 methodology using non-parametric modelling calibrated to national circumstances, describing the physical interaction of the bio-physical system, in accordance with the 2006 IPCC guidelines for National Greenhouse Gas Inventories.	[...] From 2021 [...] Annex IIIa, final paragraph: Member States <i>shall</i> apply Tier 3 methodology using non-parametric modelling calibrated to national circumstances, describing the physical interaction of the bio-physical system, in accordance with the 2006 IPCC guidelines for National Greenhouse Gas Inventories.

<i>Reason</i>
Accounting should begin immediately in 2021. The aim should be to use more precise methods - more binding wording should therefore be used: they shall apply the methodology, rather than they are encouraged to apply the methodology.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. takes the view that the local and regional authorities undoubtedly have a decisive role in the sectors covered by the Effort Sharing Regulation on reducing greenhouse gas emissions and the LULUCF Regulation, as these regulations require the inclusion of the territorial dimension. At the same time, these are areas where local and regional authorities could be active, in view of their legal responsibilities and powers. A broad range of appropriate instruments also exist for policy implementation, for example in the areas of spatial planning, promotion of SMEs, policy

measures to attract and promote green investments, buildings, urban transport and mobility and urban development plans;

2. stresses that the proposed measures help to reduce emissions in those sectors not covered by the EU Emissions Trading System (ETS) and thus offer social, economic and environmental added value. This means that cities and regions have an even more crucial role to play, since they are leaders in their territories and driving forces for the decarbonisation initiatives, and because they take account of the economic and social aspects of each local measure;
3. stresses that modern sustainable forestry contributes to increased use of renewable resources and bioenergy, which replaces the use of fossil fuels as well as functioning as an effective carbon sink. Furthermore the Committee stresses the importance of also promoting emissions reduction within the LULUCF sector through the EU's common agricultural policy;
4. sees an important role for local and regional authorities in providing direct information to the public and in running campaigns on energy issues. The Commission's proposals support the implementation of regional climate and energy strategies and promote the decarbonisation of sectors and the planned use of land in the context of regional and urban development and spatial planning. Regional and local processes are placed in a framework of specific examples and reduction targets from the Covenant of Mayors;
5. considers that the proposed regulations do not raise any issue regarding their compliance with the principle of subsidiarity, because tackling climate change and its effects is clearly a trans-boundary issue and therefore the objectives of these Regulations can only be achieved by action at the EU level. The proposed Regulations also do not go beyond what is necessary in form or content in order to achieve the objective of implementing the EU's greenhouse gas emission reduction target for 2030 in a cost-effective manner and thus comply with the principle of proportionality;

Importance and interconnectedness of sectoral policy

6. considers that it is essential for the transition to a low-carbon economy and clean energy sources that broadly based climate measures continue to be adopted, even in sectors not covered by the ETS. A general set of rules for the non-ETS sectors is proposed in the context of the proposed effort-sharing;
7. points out that the Commission has not set out any precise and legally binding targets for these sectors, but rather deals with their contribution in a general way, leaving Member States comparatively broad latitude to decide what specific measures they wish to apply in order to meet their greenhouse gas emission reduction targets. The prospects for greenhouse gas reductions vary from sector to sector and at national level they may even result in increases, as, for example, in the case of forecast emissions from rural transport, independently of the implementation of fuel efficiency measures;

8. calls for flexible implementation of the general targets in aggregate across all sectors, with regional and local capacity being estimated and taken into account; breaking down the target by individual sector is, however, not practicable;

How flexible or rigid are the flexibility mechanisms?

9. stresses that all Member States and sectors of the economy contribute to achieving the CO₂ emission reductions, and that all of them should strive to meet the aforementioned target, balancing considerations of fairness and solidarity, and adapting national targets within the group of Member States with a GDP per capita above the Union average proportionately in order to reflect cost-effectiveness in a fair and balanced manner;
10. notes that meeting these greenhouse gas emission targets should boost efficiency and innovation in the European economy and in particular should catalyse improvements, notably in buildings, agriculture, waste management and transport, in so far as they fall under the scope of this Regulation;
11. points out that the Effort Sharing Regulation provides for many opportunities for flexibility and trade, aimed at helping the Member States to meet their 2030 emission reduction targets. Measures of this kind reduce the costs of cutting emissions, although caution and realism are needed and care must be taken to ensure that flexibility does not lead to more emissions in some Member States or to the setting of lower targets through manipulation, either before the provisions enter into force or when the flexibility mechanism is applied, as different flexibility mechanisms could ultimately result in failure to achieve the emission reduction targets. The challenge is not only to keep track of the temporary economic and structural problems of Member States and their standard of living but also to do justice to regional differences within States, so that the ambitious targets can be met;
12. calls urgently on the Commission to propose concrete solutions to the problem of those regions which may experience particular difficulties or decline in the context of the necessary transition to a low-carbon economy; stresses the need to develop realistic solutions for regions which are highly dependent on fossil-fuel use or energy intensive industries, or may be otherwise disproportionately affected by the application of the proposed Regulations; underlines the importance of involving local and regional authorities in developing sustainable development trajectories which could stimulate the economy of these regions;
13. notes that, taking into account the oversupply of ETS certificates and the low price of CO₂, the maximum limit of 100 million units set for emissions will not enable a sharp reduction in emissions, but could run counter to the climate protection objectives and mean that emissions in sectors not covered by the ETS actually rise as a result of the reduction of imbalances;
14. calls on the Commission to show a degree of flexibility in the settlement of penalties by applying lower exchange and assessment rates when reallocating emission quotas between sectors;

LULUCF accounting rules and flexibility arrangements

15. welcomes the proposal to allow Member States to use a total of 280 million LULUCF units for acknowledging that this sector, especially forests, has the potential to contribute positively to the EU's climate framework. Notes that there are problems with the accuracy of monitoring greenhouse gas emissions in the framework of LULUCF, and with support for local authorities with data collection;
16. points out that CO₂ sequestration in the framework of LULUCF should be limited to those areas of the Effort Sharing Regulation in which the accounting rules are academically sound and valid and have been tested in pilot projects. In this way speculation and a reduction of the general principles to pure cost considerations are to be prevented. When monitoring LULUCF measures and drawing up the relevant reports, every effort should be made, using the best available methods, to avoid double counting; this applies in particular to changes in land-use categories, as well as to accounting for wood products and natural disturbances;
17. suggests that deductions should be possible at five-year intervals, so that the potential contribution from deforested land, afforested land, managed cropland and managed grassland can be considered. In this way allowance can be made for the variability of nature and the impact of chance events and cyclical processes;
18. calls on the Commission to work with Member States in laying down clearer rules for the role of local and regional authorities in data management and monitoring LULUCF accounting;

Accounting and checks

19. considers it important that the robust reporting and compliance cycle as defined under the Effort Sharing Decision has been maintained under the proposal. The requirement that Member States comply with annual emission limits and a linear trajectory in the period 2021-2030 remains in place, although the actual compliance check will only be carried out every 5 years;
20. stresses that, in order to ensure that the compliance checks are carried out on the basis of accurate data, the Commission must continually and systematically check and assess, where appropriate with the help of independent experts, the greenhouse gas inventories submitted by the Member States;
21. considers that the European Environment Agency will have to continue to coordinate checks on the transparency, accuracy, consistency, comparability and completeness of the information submitted. The important thing is to strengthen the local and regional authorities in their accounting and reporting activities, in order to ensure that specific local and territorial features are taken into account more effectively than hitherto;
22. considers it important that national, regional and local administrations as well as businesses, SMEs and micro-enterprises are not saddled with direct reporting obligations or administrative burdens as a result of this proposal;

The quality of LULUCF data

23. points out that the variety and variability of land use in Europe inherently lead to different and inconsistent treatment, requiring determined and coordinated harmonisation and standardisation of the Member States' data quality; in this context account should be taken not only of national, but also regional and local conditions and trends; suggests, in this context, to make use of the experience gathered through tools such as the methodology for emissions inventories under the Covenant of Mayors initiative, and to link it to the ongoing efforts to establish flexible, easy-to-use and reliable indicators for local and regional emissions' measurement in the context of the Global Covenant of Mayors;
24. is concerned that the Kyoto Protocol will expire at the end of 2020. Consequently, governance for the LULUCF sector needs to be further developed within the EU. At present this is provided by the LULUCF Decision (529/2013/EU). The implementation of this decision is under way and will deliver improved accounting systems by 2020. Without a legal framework consolidating this implementation and defining the applicable rules for the period post-2020, the way in which LULUCF would be included in the overall framework could be heterogeneous across the EU. Differences in reporting and accounting rules from one Member State to the other would negatively affect the optimal functioning of the single market;

The importance of local and regional authorities for the LULUCF inventories

25. acknowledges that the accounting rules for the LULUCF inventory, which are based on the 2006 IPCC procedure, do not reflect the most up-to-date methods. The EU should substantially develop the inventory procedure, in order to enhance its accuracy and speed, while maintaining the simplicity and transparency of the system. In this respect an important if not decisive role falls to the cities and regions in providing the information needed for the LULUCF inventories both for ex-post evaluation and the preparation of forecasts;
26. stresses that, in the context of this procedure, the use of support structures with the aim of promoting gradual improvement appears to be a promising development. The CoR could contribute to the creation of a favourable environment for the further development of the capacity of cities and regions to collect, analyse and collate LULUCF data, in line with the IPCC procedure core principles of consistency, comparability, completeness, accuracy and transparency;
27. is of the opinion that the European Commission, together with the CoR, should develop guidelines in order to provide local and regional authorities with procedural assistance in collecting data, as well with common methodological standards for the inclusion and consideration of local information, taking into account the need for trade-offs between accuracy and cost-effectiveness, as well as for limitation of the administrative burden. A higher degree of accuracy can undoubtedly only be achieved through the involvement of local and regional experts;

Involvement of a broad range of stakeholders

28. notes that a multi-stakeholder approach is not only appropriate with a view to reaching agreement on the issues of climate change and the design of LULUCF, but also helps to increase transparency and reporting obligations, to improve the assessment of the economic and social impact at local and regional level, to facilitate the identification of optimum solutions and to get to grips with the growing complexity of these issues using a cross-cutting approach;
29. takes the view that, with regard to the inclusion of LULUCF in the climate policy framework, account needs to be taken primarily of agriculture and forestry, but also of the contribution of housing, waste management and small-scale industry, both when introducing best practices with a view to the transparency requirements and in ensuring the effectiveness of the control mechanisms. Rapid and specific feedback from the various areas, both during the discussion of the Regulation and during the course of implementation, is critical and essential;

Financing

30. stresses that the funding opportunities must be extended steadily, more decisively than hitherto and in a more decentralised way to the local and regional level, acting as an attractive complement to private finance and for credit institutions. In addition to the provision of national and European funding in the form of grants and co-financing, consideration could be given – with a view to the implementation of environmental initiatives – to improving the creditworthiness of local and regional authorities and their capacity to grant loans. This could be achieved by means of changes to the legislation or by forming associations of cities, which on their own would not be big enough to buy bonds, for example.

Brussels, 23 March 2017

The President
of the European Committee of the Regions

Markku Markkula

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

III. PROCEDURE

Title	Legislative proposals for an Effort Sharing Regulation and a LULUCF Regulation
Reference documents	<p>Proposal for a Regulation of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change COM(2016) 479 final</p> <p>Proposal for a Regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change COM(2016) 482 final</p>
Legal basis	Mandatory referrals
Procedural basis	Legislative opinion
Date of Commission letter	20 July 2016
President's decision	27 July 2016
Commission responsible	Commission for the Environment, Climate Change and Energy
Rapporteur	Juri Gotmans (EE/PES)
Analysis	18 December 2016
Discussed in commission	1 December 2016
Adoption by commission	1 February 2017
Result of the vote in commission (majority, unanimity)	Unanimity
Date adopted in plenary	23 March 2017
Previous Committee opinions	CDR 1412/2016; CDR 1411/2016; CDR 5368/2015; CDR 1535/2015; CDR 2691/2014; CDR 5810/2013; CDR 87/2012
Date of subsidiarity monitoring consultation	-