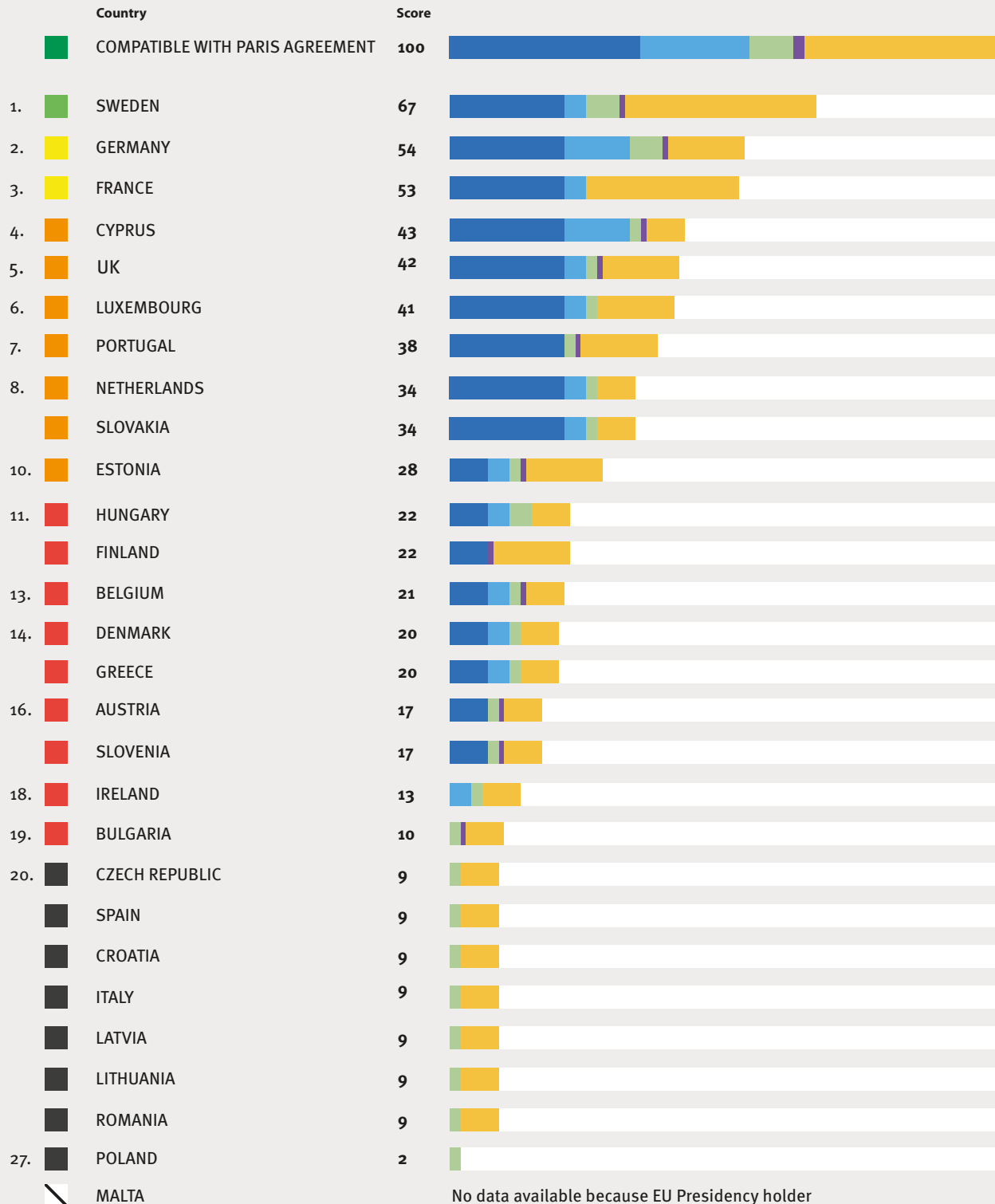


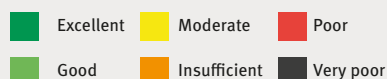
EU CLIMATE LEADER BOARD

WHERE COUNTRIES STAND ON THE EFFORT SHARING REGULATION - EUROPE'S LARGEST CLIMATE TOOL

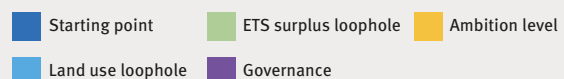
Policy Briefing, March 2017



RATING:



INDEX CATEGORIES



Introduction

EU Member States are currently negotiating Europe's key legislation for climate action, known as the Effort Sharing Regulation. Covering 60% of the EU's greenhouse gas emissions, the law will set binding national emission reduction targets for the 2021-2030 period for sectors such as transport, buildings, agriculture and waste. In July 2016, the European Commission published the proposal for an Effort Sharing Regulation setting the basis for negotiations between EU ministers and Members of the European Parliament.

In the run up to the Environment Council in June when ministers discuss the EU's largest climate tool, Carbon Market Watch and Transport & Environment analysed country positions in the negotiation process on the Effort Sharing Regulation and ranked them in the "EU Climate Leader Board". This climate leaderboard allows citizens to hold their governments accountable for the positions they take on the EU's largest climate tool to implement the Paris Agreement.

Methodology

Five important elements of the European Commission proposal were selected as a basis for the ranking. They are key to the integrity of the Effort Sharing Regulation: (1) the starting point from which the emission reduction targets are applied (2) how carbon sinks in the land use and forestry sector are addressed (3) whether surplus permits from the EU Emission Trading System (ETS) can be used (4) the governance system to ensure countries comply with their targets and (5) whether the ambition level of the 2030 and long-term targets is compatible with the Paris Agreement objectives. For each category, points are awarded based on country positions in relation to the Commission proposal, as explained in the box below.

The countries' positions come from a number of sources, notably papers submitted to the Working Party on Environment and declarations by ministers in Environment Council meetings. Countries were given the opportunity to comment on an early draft. Malta is excluded as it currently holds the Presidency of the Council and is acting in a neutral capacity.

Key elements in the Commission proposal for the Effort Sharing Regulation (ESR)

| Index Category | Explanation | Commission Proposal |
|----------------------|---|--|
| Starting point | A lower starting point from which the targets are applied means less pollution in the 2021-2030 period and a lower concentration of greenhouse gases in the atmosphere. | The starting point is set on the basis of the average 2016-2018 emissions which is higher than the actual emissions as emissions are set to decline between 2016 and 2020. Countries that will not meet their 2020 targets are awarded for underachieving. |
| Land use loophole | Relying on credits from planting trees is troublesome as the carbon removals can be reversed at any time when trees are cleared and burned. Emissions from fossil fuels, on the other hand, stay in the atmosphere for centuries. | Countries can use a total of 280 million credits from the land use and forestry sector in order to increase emissions in the ESR sectors. Under the Commission proposal, countries cannot use credits from existing forests (forest management). |
| ETS surplus loophole | Using ETS allowances to meet climate targets for the non-traded sectors does not help reduce ETS emissions, increases non-ETS emissions and leaves countries with lower auctioning revenues. | Currently nine countries are allowed to use a total of 100 million surplus ETS allowances to meet their climate targets, which could lead to higher overall emissions up to 2030 given the high ETS surplus. |
| Governance | Annual compliance checks are effective in ensuring that governments don't postpone action and meet their annual climate targets. | The Commission proposes to have 5-yearly compliance checks - the first formal check would take place only in 2027. |
| Ambition level | The ESR must set Europe on a path to meet the goals of the Paris Agreement and hence contain a trajectory to reach at least 95% emission cuts by 2050 supported by, at a minimum, a 45% reduction in non-ETS sectors by 2030. | The Commission sets annual climate targets for the different Member States for the 2021-2030 period, mostly based on their wealth, so that the EU as a whole meets the 30% reduction target by 2030. |

Methodology used to rank the position of Member States¹:

| Index category | Ranking points |
|----------------------------|--|
| Starting point | <p>0 points: supports weakening the Commission proposal</p> <p>7 points: supports keeping the Commission proposal</p> <p>21 points: supports slightly strengthening the Commission proposal (capping and/or banking)</p> <p>35 points: supports significantly strengthening the Commission proposal (earlier trajectory)</p> |
| Land use loophole | <p>0 points: supports increasing the land use loophole or the inclusion of forest management offsets</p> <p>4 points: supports keeping the Commission proposal</p> <p>12 points: supports reducing the size of the land use loophole</p> <p>20 points: supports removing the land use loophole</p> |
| ETS surplus loophole | <p>0 points: supports increasing the ETS loophole or increasing the number of eligible countries</p> <p>2 points: supports keeping the Commission proposal</p> <p>6 points: supports decreasing the size of the ETS surplus loophole</p> <p>8 points: supports removing the ETS surplus loophole</p> |
| Governance | <p>0 points: supports keeping the Commission proposal</p> <p>1 point: supports compliance checks more often than 5-yearly or financial penalties non-compliance</p> <p>2 points: supports yearly compliance checks and financial penalties for non-compliance</p> |
| Ambition level | <p>0 points: wants to reduce its 2030 climate target</p> <p>7 points: supports its 2030 target in the Commission proposal</p> <p>14 points: supports a higher domestic 2030 target</p> <p>14 points: supports long-term climate targets</p> <p>35 points: supports a higher domestic 2030 target and an ambitious long-term climate target</p> |
| Maximum points: 100 | |

Key findings

The ranking shows that only three countries in Europe push in the right direction to deliver on the Paris climate agreement. Sweden tops the list, followed by Germany and France. Sweden scores the highest among all EU countries because it advocates for closing certain loopholes in the law and is planning to achieve much higher domestic emission reductions than its 40% target proposed by the Commission.

At the other end, Poland, Italy, Spain and the Czech Republic push to weaken the Commission proposal, countering Europe's efforts to comply with the Paris Agreement. In addition, relatively wealthy countries such as Austria and Finland that have recently ratified the Paris Agreement perform poorly on ensuring that this landmark global climate deal is properly implemented in Europe. They are lobbying for the use of additional forestry credits to compensate for higher greenhouse gas emissions in other sectors, even though limiting global warming will require action in the forestry sector in addition to, not replacing, efforts to reduce fossil fuel emissions.

Ireland also performs poorly. Ireland only has to reduce its emissions by 1% by 2030 compared to its 2005 levels, when taking the different flexibilities into account. Nevertheless, the country is still trying to stall reduction efforts for another decade by pushing to further weaken the Commission proposal. The country can achieve a better score by advocating for a better starting point -from which the emission reductions targets are applied- to avoid that countries are rewarded for underachieving up to 2020. Slovakia, Germany, the Netherlands, Cyprus and others advocate for improving the Commission proposal in this regard.

1. The points are based on the relative importance of each index category for the overall environmental integrity of the Effort Sharing Regulation.

Conclusion

The Effort Sharing Regulation can unlock the significant low-carbon potential in the sectors it covers. If designed correctly, the EU's climate law can bring significant co-benefits to citizens in the form of cleaner cities, more comfortable homes and better waste management systems.

European policymakers are still negotiating on the design of the ESR, so the coming months are key to make the EU's largest climate law an effective instrument to implement the Paris Agreement. The current Commission proposal performs poorly in the ranking (20 points out of 100) and does not deliver on the goal of limiting global warming to safe levels. The leadership of European governments is therefore crucial to turn the Effort Sharing Regulation into a tool that fully unlocks the low-carbon opportunities in the different countries and sectors.

Unfortunately, many countries propose introducing more loopholes in the climate law, by starting from a misleading baseline, further abusing forestry credits or exploiting the large surplus in the EU ETS. The climate leaderboard aims to change this dynamic by allowing citizens to hold their governments accountable for the positions they take on this key climate instrument, and push them to becoming climate leaders instead.

How to become the EU's climate leader – key recommendations:

- Support a higher 2030 climate target and an ambitious 2050 objective to reach the goals of the Paris Agreement.
- Advocate for a starting point that reflects actual emissions and does not reward countries for underachieving.
- Call for the removal of the land use loophole that allows countries to use non-permanent forestry credits to be able to increase greenhouse gas emissions elsewhere.
- Call for the removal of the ETS (Emissions Trading System) surplus loophole that undermines climate action in the non-traded sectors.
- Promote a better governance system including yearly, rather than 5-yearly, compliance checks and financial penalties in case of non-compliance.



To learn more about the national emission reduction targets in the ESR and how they are negatively affected by loopholes visit www.effortsharing.org to use the Effort Sharing Emissions Calculator, designed by Carbon Market Watch and Transport & Environment.



1. Sweden (67 points)

Sweden tops the climate leaderboard as it does not want to make use of the ETS surplus loophole and wants to avoid that countries are rewarded for underachieving. Sweden moreover is planning to go beyond its domestic 2030 target of 40% emission cuts and has an ambitious long-term target. It loses points for not advocating for a starting point that better reflects actual emissions nor for limiting the land use loophole.

| Index category | Points | Explanation |
|----------------------|--------------------------|--|
| Starting point | 21 points (out of 35) | Sweden supports slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. → <i>Sweden could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years will lead to further emission cuts.</i> |
| Land use loophole | 4 points (out of 20) | Sweden has not been vocal on this loophole but seems to support keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Sweden could improve its position by advocating for fully removing the land use loophole.</i> |
| ETS surplus loophole | 6 points (out of 8) | Sweden is one of the nine countries in the Commission proposal that are allowed to use surplus ETS to meet their ESR targets. The country has announced it would only use this loophole to cancel ETS surplus. In this way, it does not undermine its ESR targets. → <i>Sweden could improve its position by advocating for fully removing the ETS surplus loophole also for other countries.</i> |
| Governance | 1 point (out of 2) | Sweden wants more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Sweden could improve its position by advocating for financial penalties.</i> |
| Ambition level | 35 points (out of 35) | Sweden's domestic 2030 climate target is considerably higher than the -40% target as set out in the ESR. Moreover, Sweden has set a 2040 target of 73% emission cuts in its domestic law. |



2. Germany (54 points)

Germany ranks second, because it wants to reduce the land use and ETS surplus loopholes and to avoid that countries are rewarded for underachieving. It loses points for not yet pushing for an ambitious long-term climate target and not advocating for a starting point that better reflects actual emissions.

| Index category | Points | Explanation |
|----------------------|--------------------------|--|
| Starting point | 21 points (out of 35) | Germany supports slightly strengthening the starting point by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. Germany is also open to limiting the amount of surplus that can be banked for use in future years. → <i>Germany could improve its position by advocating for a starting point that better reflects actual emissions.</i> |
| Land use loophole | 12 points (out of 20) | Germany supports improving the Commission proposal by restricting the use of forestry offsets to meet the ESR targets. → <i>Germany could improve its position by advocating for fully removing the land use loophole</i> |
| ETS surplus loophole | 6 points (out of 8) | Germany supports the Commission proposal but is open to reducing the quantity of ETS surplus that nine countries are allowed to use to meet their ESR targets. → <i>Germany could improve its position by advocating for fully removing the ETS surplus loophole.</i> |
| Governance | 1 point (out of 2) | Germany wants more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Germany could improve its position by advocating for financial penalties.</i> |
| Ambition level | 14 points (out of 35) | Germany's domestic 2030 climate target is likely to be higher than the -38% target as set out in the ESR. However, Germany is not pushing to establish a long-term climate target for the EU as a whole. → <i>Germany could improve its position by advocating for an ambitious long-term target.</i> |

3. France (53 points)

France ranks third as it is planning to go beyond its domestic 2030 target of 37% emission reductions and has a long-term target. France moreover wants to avoid that countries are rewarded for underachieving. It loses points for wanting to make use of the ETS surplus loophole and for not yet advocating for a starting point that better reflects actual emissions.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 21 points (out of 35) | France supports slightly strengthening the starting point by setting it at the 2020 targets for countries that are expected to miss these targets. This avoids the situation in which countries are rewarded for underachieving. → <i>France could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years would maximize the low-carbon potential of the ESR.</i> |
| Land use loophole | 4 points (out of 20) | France supports the use of forestry offsets to meet the ESR targets. → <i>France could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 0 points (out of 8) | France wants to weaken the Commission proposal as it wants to be included in the list of nine countries that is allowed to use surplus ETS allowances to meet their ESR targets. → <i>France could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | France has not called for more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>France could improve its position by advocating for yearly compliance checks and financial penalties for non-compliance.</i> |
| Ambition level | 28 points (out of 35) | France has accepted its target of 37% emission reductions, and its national low-carbon strategy implies a higher domestic 2030 target. France has also set a 2050 climate target of 75% reductions compared to 1990 levels, and has put forward an amendment to include a 2050 target in the ESR of 70% reductions compared to 2005 levels. → <i>France could improve its position by advocating for a more ambitious long-term target.</i> |



4. Cyprus (43 points)

Cyprus ranks fourth as it wants to reduce the ETS surplus loophole and to avoid that countries are rewarded for underachieving. It loses points for not yet having set a long-term climate target nor planning to go beyond its domestic 2030 target of 24% emission cuts.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 21 points (out of 35) | Cyprus is open to slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This would avoid the situation in which countries are rewarded for underachieving. → <i>Cyprus could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years would maximize the low-carbon potential of the ESR.</i> |
| Land use loophole | 12 points (out of 20) | Cyprus supports improving the Commission proposal by restricting the use of forestry offsets to meet the ESR targets. → <i>Cyprus could improve its position by advocating for fully removing the land use loophole</i> |
| ETS surplus loophole | 2 points (out of 8) | Cyprus seems to support the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → <i>Cyprus could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | Cyprus seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Cyprus could improve its position by advocating for financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | Cyprus has accepted its 2030 climate target but it is not planning to go beyond it, nor does it have a long-term climate target. → <i>Cyprus could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

5. United Kingdom (42 points)

The United Kingdom ranks fifth as it wants to avoid rewarding underachievers and is planning to go beyond its domestic 2030 target of 37% emission cuts. It loses points for not yet advocating for limiting the land use and ETS surplus loopholes.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 21 points (out of 35) | The UK supports slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. → <i>The UK could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts.</i> |
| Land use loophole | 4 points (out of 20) | The UK broadly supports the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>The UK could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | The UK is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets but seems to support the Commission proposal. → <i>The UK could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | The UK wants more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>The UK could improve its position by advocating for financial penalties.</i> |
| Ambition level | 14 points (out of 35) | The UK's domestic carbon budgets are expected to be more stringent than its -37% target as set out in the ESR. However, UK has not to date advocated for long-term targets. → <i>The UK could improve its position by supporting an ambitious long-term target.</i> |

The impact of Brexit on the Effort Sharing Regulation

It is still unclear what the impact of the UK leaving the European Union will be on the Effort Sharing Regulation. A key question is whether the UK would still want to be part of this climate law after leaving.

If the UK would not be part of the Effort Sharing Regulation, the country's 2030 target would need to be removed from the legislation. This would mean that others will need to reduce more emissions than currently is the case. This is because the EU's commitment under the Paris Agreement is an at least 40% domestic greenhouse gas emission reduction in the year 2030 and because the UK has a 2030 climate target that is above the EU average. It has been estimated that in this case other countries would need to collectively cut an extra around 100 Mt CO₂ emissions under the Effort Sharing Regulation



6. Luxembourg (41 points)

Luxembourg ranks sixth as it supports limiting the amount of surplus that can be banked for future use. It loses points for not yet advocating for a starting point that better reflects actual emissions and not wanting to limit the land use and ETS surplus loopholes. The country is currently not planning to go beyond its domestic 2030 target of 33% emission reductions nor has it set a long-term target.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 21 points (out of 35) | Luxembourg supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. It does, however, support limiting the amount of surplus that can be banked for use in future use that can lead to further emission cuts. → <i>Luxembourg could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving.</i> |
| Land use loophole | 4 points (out of 20) | Luxembourg supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Luxembourg could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Luxembourg supports the Commission proposal that allows nine countries (including Luxembourg) to use surplus ETS allowances to meet their ESR targets. → <i>Luxembourg could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Luxembourg supports the Commission proposal for 5-yearly compliance checks. → <i>Luxembourg could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 14 points (out of 35) | Luxembourg has accepted its 2030 climate target of 40% emissions reductions, but is not planning to go beyond it. The country is also in favor of introducing a long-term horizon into the ESR. → <i>Luxembourg could improve its position by supporting a higher domestic 2030 target.</i> |



7. Portugal (38 points)

Portugal ranks seventh as it wants to avoid rewarding underachievers. The country is moreover planning to go beyond its 2030 target of 17% emission reductions. It loses points for not wanting to limit to the land use and ETS surplus loopholes. As Portugal is expected to generate a large surplus of carbon permits, it can benefit from a stronger ESR that allows it to make more revenues from selling this surplus to other countries.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 21 points (out of 35) | Portugal supports slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. → <i>Portugal could improve its position by advocating for a starting point that better reflects actual emissions.</i> |
| Land use loophole | 0 points (out of 20) | Portugal wants to be able to expand further the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets). → <i>Portugal could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Portugal is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets and has not taken a position on the issue. → <i>Portugal could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | Portugal seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Portugal could improve its position by advocating for financial penalties.</i> |
| Ambition level | 14 points (out of 35) | Portugal accepts its 2030 climate target of 17% emissions reductions and is planning to go beyond it. However, the country does not yet set a long-term climate target. → <i>Portugal could improve its position by supporting an ambitious long-term target.</i> |



8. The Netherlands (34 points)

The Netherlands is 8th on the list as it is in favor of strengthening the starting point to avoid that countries are rewarded for underachieving. The country loses points or not yet wanting to limit the land use and ETS surplus loopholes. Additionally, it is currently not planning to go beyond its domestic 2030 target of 36% emission reductions nor has it set a long-term target.

| Index category | Points | Explanation |
|----------------------|--------------------------|---|
| Starting point | 21 points (out of 35) | The Netherlands supports slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. → <i>The Netherlands could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 4 points (out of 20) | The Netherlands agrees that forestry offset reduces the amount of additional emission cuts in the ESR sectors, but it does not actively call for a lower limit. → <i>The Netherlands could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | The Netherlands is one of the nine countries in the Commission proposal that are allowed to use surplus ETS allowances to meet their ESR targets. The country does not yet know if it will make use of the loophole, but it does not actively support reducing its size. → <i>The Netherlands could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | The Netherlands supports the Commission proposal for 5-yearly compliance checks. → <i>The Netherlands could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | The Netherlands accepts its 2030 climate target of 36% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>The Netherlands could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |



8. Slovakia (34 points)

Slovakia is in 8th place as it is in favor of strengthening the starting point to avoid that countries are rewarded for underachieving. The country loses points for not yet wanting to limit the land use and ETS surplus loopholes. Additionally, the country is currently not planning to go beyond its domestic 2030 target of 12% emission reductions nor has it set a long-term target.

| Index category | Points | Explanation |
|----------------------|--------------------------|---|
| Starting point | 21 points (out of 35) | Slovakia is open to slightly strengthening the starting point put forward by the Commission by setting it at the 2020 targets for countries that are expected to miss their 2020 targets. This avoids the situation in which countries are rewarded for underachieving. → <i>Slovakia could improve its position by advocating for a starting point that better reflects actual emissions. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 4 points (out of 20) | Slovakia seems to support keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Slovakia could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Slovakia is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets but seems to support the Commission proposal. → <i>Slovakia could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Slovakia supports the Commission proposal for 5-yearly compliance checks. → <i>Slovakia could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | Slovakia accepts its 2030 target of 12% emissions reductions, but it is not planning to go beyond it, nor does it have a long-term climate target. → <i>Slovakia could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

10. Estonia (28 points)

Estonia ranks tenth as it has a long-term target and wants more frequent compliance checks. The country loses points for not yet wanting to limit the land use and ETS surplus loopholes.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 7 points (out of 35) | Estonia seems to support the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → Estonia could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would further increase the low-carbon potential of the ESR. |
| Land use loophole | 4 points (out of 20) | Estonia supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets, which would lead to more greenhouse gas emissions in the ESR sectors. → Estonia could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Estonia supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. This undermines climate action in the non-ETS sectors and results in higher EU overall emissions. → Estonia could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 1 point (out of 2) | Estonia wants more frequent compliance checks than the 5-yearly checks proposed by the Commission. → Estonia could improve its position by advocating for financial penalties in case of non-compliance. |
| Ambition level | 14 points (out of 35) | Estonia has accepted its 2030 climate target of -13% emissions, but is not planning to go beyond it. It does support long-term targets however and is in the process of finalizing a domestic 2050 target of 80% emission cuts. → Estonia could improve its position by supporting a higher domestic 2030 target. |

11. Hungary (22 points)

Hungary is in 11th place, getting points for being open to discuss options to reduce the ETS surplus loophole. It loses points for not yet wanting to limit the land use loophole and not advocating for a starting point that reflects actual emissions. As Hungary is expected to generate a large surplus, it can benefit from a stronger ESR that allows it to make more revenues from its surplus.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 7 points (out of 35) | Hungary seems to support the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → Hungary could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. |
| Land use loophole | 4 points (out of 20) | Hungary supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → Hungary could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 4 points (out of 8) | Hungary does not want to increase the amount of surplus ETS allowances that certain countries can use to meet their ESR targets. The country is furthermore open to discuss options on reducing the amount of ETS surplus that can be used. → Hungary could improve its position by actively advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Hungary has not called for more frequent compliance checks than the 5-yearly checks proposed by the Commission. → Hungary could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 7 points (out of 35) | Hungary accepts its 2030 climate target of 7% of emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → Hungary could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |



11. Finland (22 points)

Finland is 11th on the list as it has a long-term climate target. It loses points for wanting to increase the land use and ETS surplus loopholes and not advocating for a starting point that better reflects actual emissions. The country is currently not planning to go beyond its domestic 2030 target of 39% emission reductions.

| Index category | Points | Explanation |
|----------------------|-----------------------|---|
| Starting point | 7 points (out of 35) | Finland supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Finland could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 0 points (out of 20) | Finland wants to expand further the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets). → <i>Finland could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 0 points (out of 8) | Finland wants to weaken the Commission proposal as it wants to allow the nine countries (including Finland) to use even more surplus ETS allowances to meet their ESR targets. → <i>Finland could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | Finland wants more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Finland could improve its position by advocating for financial penalties in case of non-compliance.</i> |
| Ambition level | 14 points (out of 35) | Finland accepts its 2030 climate target of -39% emissions, but it is not planning to go beyond it. It has, however, passed a climate law to reduce emissions by 80% by 2050. → <i>Finland could improve its position by supporting a higher domestic 2030 target.</i> |



13. Belgium (21 points)

Belgium ranks 13th as it is open to having more frequent compliance checks. It loses points for not yet wanting to limit the land use and ETS surplus loopholes and for advocating for a starting point that rewards countries for underachieving. The country is currently not planning to go beyond its domestic 2030 target of 35% emission reductions nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 7 points (out of 35) | Belgium supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Belgium could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would further increase the low-carbon potential of the ESR.</i> |
| Land use loophole | 4 points (out of 20) | Belgium supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Belgium could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Belgium supports the Commission proposal that allows nine countries (including Belgium) to use surplus ETS allowances to meet their ESR targets, although it sees this loophole as a last resort option. → <i>Belgium could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | Belgium seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Belgium could improve its position by advocating for financial penalties.</i> |
| Ambition level | 7 points (out of 35) | Belgium has accepted its 2030 climate target, but is not planning to go beyond its -35% 2030 target as set out in the ESR. Belgium also has not set a long-term climate target, although it is currently working on a vision for 2050. → <i>Belgium could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

14. Denmark (20 points)

Denmark is in 14th place as it does not advocate for any improvements to the Commission proposal, such as limiting the land use and ETS surplus loopholes. It furthermore supports a starting point that rewards countries for underachieving. Denmark is not planning to go beyond its 2030 target of 39% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 7 points (out of 35) | Denmark supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Denmark could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years will maximize the low-carbon potential of the ESR.</i> |
| Land use loophole | 4 points (out of 20) | Denmark supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Denmark could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Denmark supports the Commission proposal that allows nine countries (including Denmark) to use surplus ETS allowances to meet their ESR targets. → <i>Denmark could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Denmark has not called for more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Denmark could improve its position by advocating for yearly compliance checks and financial penalties.</i> |
| Ambition level | 7 points (out of 35) | Denmark accepts its 2030 climate target of -39% emissions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Denmark could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

14. Greece (20 points)

Greece is in 14th place as it does not advocate for any improvements to the Commission proposal, such as limiting the land use and ETS surplus loopholes. It furthermore supports a starting point that rewards countries for underachieving and is not planning to go beyond its 2030 target of 16% emission reductions, nor has it set an adequate long-term target. As Greece is expected to generate a large surplus of carbon permits, it can benefit from a stronger ESR that allows it to make more revenues from selling its surplus to other countries.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 7 points (out of 35) | Greece supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Greece could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would maximize the low-carbon potential of the ESR and incentivize trading between countries.</i> |
| Land use loophole | 4 points (out of 20) | Greece supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → <i>Greece could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Greece supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → <i>Greece could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Greece supports the Commission proposal for 5-yearly compliance checks. → <i>Greece could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | Greece has accepted its 2030 climate target of 16% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Greece could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

16. Austria (17 points)

Austria is in 16th place as it wants to increase the land use loophole and it does not advocate for a starting point that better reflects actual emissions. The country is currently not planning to go beyond its domestic 2030 target of 36% emission reductions nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 7 points (out of 35) | Austria supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Austria could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would further increase the low-carbon potential of the ESR.</i> |
| Land use loophole | 0 points (out of 20) | Austria wants to be able to use forestry management offsets to meet its ESR targets, which would lead to more greenhouse gas emissions. → <i>Austria could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Austria supports the Commission proposal that allows nine countries (including Austria) to use surplus ETS allowances to meet their ESR targets. → <i>Austria could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 1 point (out of 2) | Austria seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Austria could improve its position by advocating for yearly compliance checks and financial penalties.</i> |
| Ambition level | 7 points (out of 35) | Austria accepts its 2030 climate target of 36% emissions reductions, but is not planning to go beyond it. However, Austria is going through a national process to establish a domestic 2030 target and potentially a 2050 one. → <i>Austria could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

16. Slovenia (17 points)

Slovenia is in 16th place as it wants to increase the land use loophole and it supports a starting point that rewards countries for underachieving. The country is currently not planning to go beyond its domestic 2030 target of 15% emission reductions nor has it set an adequate long-term target. Slovenia could improve its position by following its own Parliament's recommendation, which calls for considerably strengthening the proposal.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 7 points (out of 35) | Slovenia supports the Commission proposal to use the average emissions between 2016-2018 as the basis for the starting point. This means that the starting level in 2021 will be above actual emissions in that year. → <i>Slovenia could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 0 points (out of 20) | Slovenia wants to expand further the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would allow for more greenhouse gas emissions. → <i>Slovenia could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets, as its own Parliament recommends.</i> |
| ETS surplus loophole | 2 points (out of 8) | Slovenia is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets but seems to support the Commission proposal. → <i>Slovenia could improve its position by advocating for reducing or removing the option to use surplus ETS allowances, as its own Parliament recommends.</i> |
| Governance | 1 point (out of 2) | Slovenia seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>Slovenia could improve its position by advocating for financial penalties.</i> |
| Ambition level | 7 points (out of 35) | Slovenia accepts its 2030 target of 15% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Slovenia could improve its position by supporting a higher domestic 2030 target (as its own Parliament recommends) and an ambitious long-term target.</i> |

18. Ireland (13 points)

Ireland ranks 18th as it advocates for weakening the starting point by setting it significantly above actual emissions and above its 2020 target. The country is furthermore not planning to go beyond its domestic 2030 target of 30% emission reductions nor has it set an adequate long-term target. The Commission proposal would already allow Ireland to stall its efforts to cut emissions, but the country is trying to weaken this proposal even further.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 0 points (out of 35) | Ireland wants to weaken the Commission proposal for the starting point by moving the start of the trajectory from 2020 to 2021. This would allow the release of an additional 249 Mt CO ₂ over the period compared to the Commission proposal. → Ireland could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 4 points (out of 20) | Ireland supports keeping the Commission proposal that allows the use of forestry offsets to meet the ESR targets. → Ireland could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Ireland supports the Commission proposal that allows nine countries (including Ireland) to use surplus ETS allowances to meet their ESR targets. → Ireland could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Ireland supports the Commission proposal for 5-yearly compliance checks. → Ireland could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 7 points (out of 35) | Ireland has accepted its 2030 climate target of 30% emissions reductions, but it is not planning to go beyond it, nor does it have a long-term climate target. → Ireland could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |

19. Bulgaria (10 points)

Bulgaria ranks 19th as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is currently not planning to go beyond its domestic 2030 target of 0% emission reductions nor has it set an adequate long-term target. As Bulgaria is expected to generate a large surplus of carbon permits, it can benefit from a stronger ESR that allows it to make more revenues from selling this surplus to other countries.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 0 points (out of 35) | Bulgaria wants to weaken the Commission proposal on the starting point. This would allow the release of significant amount of additional CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → Bulgaria could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 0 points (out of 20) | Bulgaria wants to expand the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would allow more greenhouse gas emissions. → Bulgaria could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Bulgaria seems to support the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → Bulgaria could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 1 point (out of 2) | Bulgaria seems open to more frequent compliance checks than the 5-yearly checks proposed by the Commission. → Bulgaria could improve its position by advocating for financial penalties. |
| Ambition level | 7 points (out of 35) | Bulgaria has accepted its 2030 climate target but it is not planning to go beyond its 0% 2030 target as set out in the ESR, nor does it have a long-term climate target. → Bulgaria could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |



20. Czech Republic (9 points)

The Czech Republic is in 20th place as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is currently not planning to go beyond its domestic 2030 target of 14% emission reductions nor has it set an adequate long-term target. As the Czech Republic is expected to generate a large surplus of carbon permits, it can benefit from a stronger ESR that allows it to make more revenues from selling this surplus to other countries.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | The Czech Republic wants to weaken the Commission proposal on the starting point by moving the start of the trajectory from 2020 to 2021. This would allow the release of an additional 249 Mt CO ₂ over the period compared to the Commission proposal. → <i>The Czech Republic could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. Limiting the allowed amount of surplus to be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 0 points (out of 20) | The Czech Republic wants to expand the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would lead to more greenhouse gas emissions. → <i>The Czech Republic could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | The Czech Republic supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → <i>The Czech Republic could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 point (out of 2) | The Czech Republic has not called for more frequent compliance checks than the 5-yearly checks proposed by the Commission. → <i>The Czech Republic could improve its position by advocating for yearly compliance checks and financial penalties.</i> |
| Ambition level | 7 points (out of 35) | The Czech Republic has accepted its 2030 climate target of -14% but is not planning to go beyond it, nor does it have a long-term climate target. → <i>The Czech Republic could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |



20. Spain (9 points)

Spain is 20th on the list as it wants to increase the land use loophole and advocates for weakening the starting point by setting it even more above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 26% emission reductions, nor has it set a long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | Spain wants to weaken the Commission proposal on the starting point by moving the start of the trajectory from 2020 to 2021. This would allow the release of an additional 249 Mt CO ₂ over the period in the EU as a whole compared to the Commission proposal. → <i>Spain could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts.</i> |
| Land use loophole | 0 points (out of 20) | Spain has so far pushed for a bigger role for forests in the ESR, above all to help with the difficult task to maintain and enhance the Mediterranean forest sinks. Spain wants to do so by further expanding the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would allow more greenhouse gas emissions → <i>Spain could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Spain is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets but seems to support the Commission proposal. → <i>Spain could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Spain seems to support the Commission proposal for 5-yearly compliance checks. → <i>Spain could improve its position by advocating for yearly compliance checks and financial penalties.</i> |
| Ambition level | 7 points (out of 35) | Spain accepts its 2030 climate target of 26% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Spain could improve its position by supporting a higher domestic 2030 target (as its own Parliament recommends) and an ambitious long-term target.</i> |



20. Croatia (9 points)

Croatia is in 20th place as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 7% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | Croatia wants to weaken the Commission proposal for the starting point. This would mean significantly more CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → Croatia could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 0 points (out of 20) | Croatia wants to expand further the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would allow more greenhouse gas emissions. → Croatia could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Croatia supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → Croatia could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Croatia supports the Commission proposal for 5-yearly compliance checks. → Croatia could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 7 points (out of 35) | Croatia has accepted its 2030 climate target, but is not planning to go beyond its 7% 2030 target as set out in the ESR, nor does it have a long-term climate target. → Croatia could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |



20. Italy (9 points)

Italy is in 20th place as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 33% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | Italy wants to weaken the Commission proposal for the starting point which would lead to significantly more CO ₂ emissions compared to the Commission proposal. → Italy could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 0 points (out of 20) | Italy wants to be able to use even more forestry offsets to meet the ESR targets than what the Commission has proposed. → Italy could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Italy supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → Italy could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Italy supports the Commission proposal for 5-yearly compliance checks. → Italy could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 7 points (out of 35) | Italy seems to accept its 2030 climate target of 33% emission reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → Italy could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |

20. Latvia (9 points)

Latvia is 20th on the list as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 6% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | Latvia wants to weaken the Commission proposal on the starting point. This would allow a significant increase in CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → <i>Latvia could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 0 points (out of 20) | Latvia wants to expand the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets) and use more forestry offsets, which would allow more greenhouse gas emissions. → <i>Latvia could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Latvia supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → <i>Latvia could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Latvia supports the Commission proposal for 5-yearly compliance checks. → <i>Latvia could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | Latvia has accepted its 2030 climate target of 6% emission cuts, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Latvia could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |

20. Lithuania (9 points)

Lithuania is in 20th place as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 9% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|--|
| Starting point | 0 points (out of 35) | Lithuania wants to weaken the Commission proposal on the starting point. This would allow a significant increase in CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → <i>Lithuania could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries.</i> |
| Land use loophole | 0 points (out of 20) | Lithuania wants to expand the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would lead to more greenhouse gas emissions. → <i>Lithuania could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets.</i> |
| ETS surplus loophole | 2 points (out of 8) | Lithuania supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → <i>Lithuania could improve its position by advocating for reducing or removing the option to use surplus ETS allowances.</i> |
| Governance | 0 points (out of 2) | Lithuania supports the Commission proposal for 5-yearly compliance checks. → <i>Lithuania could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance.</i> |
| Ambition level | 7 points (out of 35) | Lithuania has accepted its 2030 climate target of 9% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → <i>Lithuania could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target.</i> |



20. Romania (9 points)

Romania is in 20th place as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country is furthermore not planning to go beyond its domestic 2030 target of 2% emission reductions, nor has it set an adequate long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 0 points (out of 35) | Romania wants to weaken the Commission proposal on the starting point. This would allow a significant increase in CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → Romania could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 0 points (out of 20) | Romania wants to expand the categories of forestry offsets that can be used to meet the ESR targets (by including forest management offsets), which would allow more greenhouse gas emissions. → Romania could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Romania supports the Commission proposal that allows nine countries to use surplus ETS allowances to meet their ESR targets. → Romania could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Romania supports the Commission proposal for 5-yearly compliance checks. → Romania could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 7 points (out of 35) | Romania accepts its 2030 target of 2% emissions reductions, but is not planning to go beyond it, nor does it have a long-term climate target. → Romania could improve its position by supporting a higher domestic 2030 target and an ambitious long-term target. |



27. Poland (2 points)

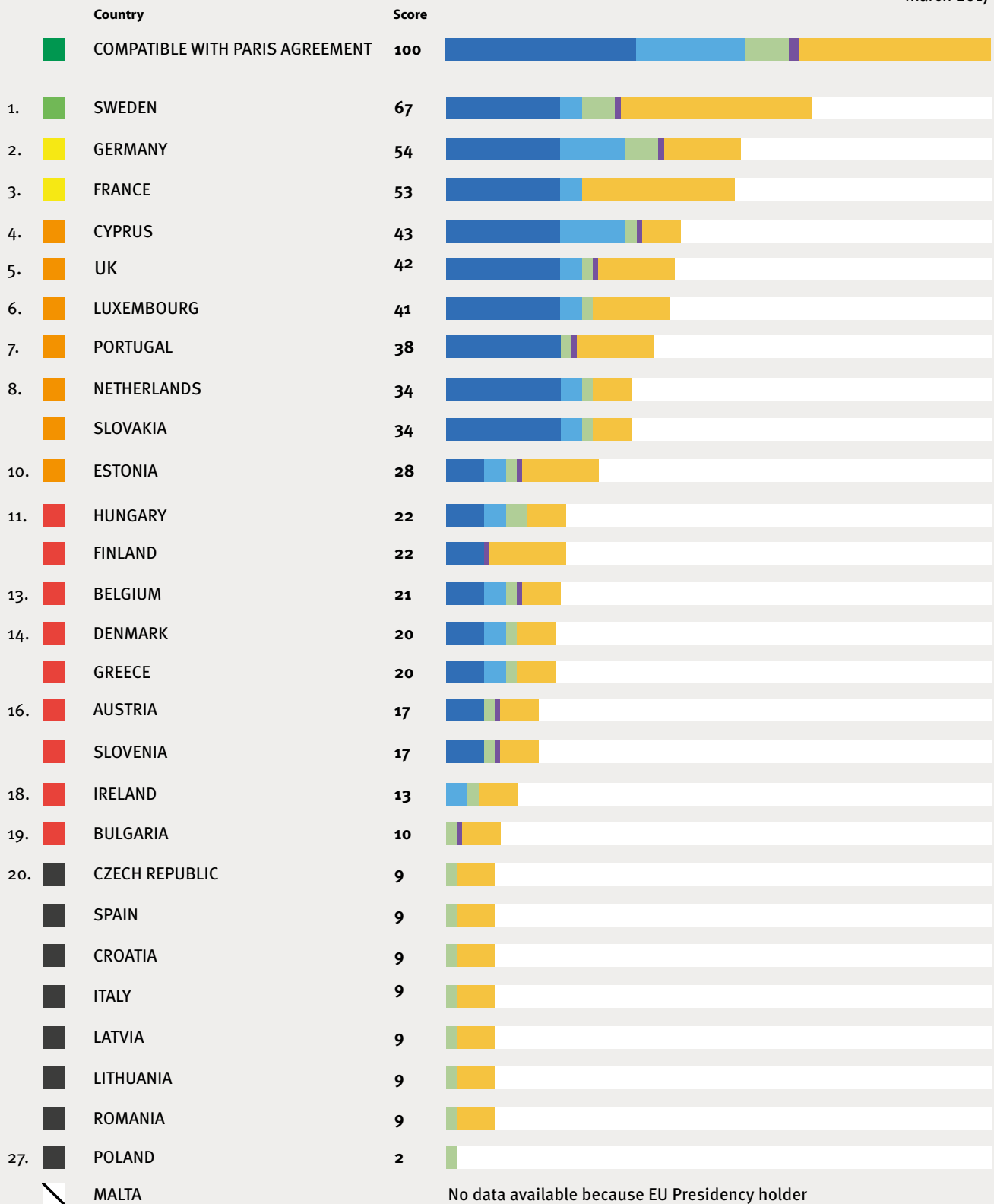
Poland ranks last as it wants to increase the land use loophole and advocates for weakening the starting point by setting it significantly above actual emissions. The country moreover wants to reduce its domestic 2030 target of 7% emission reductions and has not set a long-term target.

| Index category | Points | Explanation |
|----------------------|----------------------|---|
| Starting point | 0 points (out of 35) | Poland wants to weaken the Commission proposal on the starting point. This would allow a significant increase in CO ₂ emissions over the period compared to the Commission proposal and make the ESR ineffective as a climate instrument. → Poland could improve its position by advocating for a starting point that better reflects actual emissions, and by ensuring that countries that do not meet their 2020 targets are not rewarded for underachieving. A limitation on how much surplus can be banked for use in future years would lead to further emission cuts and incentivize trading between countries. |
| Land use loophole | 0 points (out of 20) | Poland wants to be able to use even more forestry offsets to meet the ESR targets than what the Commission has proposed. → Poland could improve its position by advocating for reducing or removing the option to use forestry offsets to meet the ESR targets. |
| ETS surplus loophole | 2 points (out of 8) | Poland is not among the nine countries that in the Commission proposal are allowed to use surplus ETS allowances to meet their ESR targets, and has not taken a position on the issue. → Poland could improve its position by advocating for reducing or removing the option to use surplus ETS allowances. |
| Governance | 0 points (out of 2) | Poland supports the Commission proposal for 5-yearly compliance checks. The country also wants to weaken other governance elements of the proposal (for example the frequency of correction plans). → Poland could improve its position by advocating for yearly compliance checks and financial penalties in case of non-compliance. |
| Ambition level | 0 points (out of 35) | Poland wants to reduce its 2030 target of 7% emissions reductions. The country also does not have a long-term climate target. → Poland could improve its position by accepting its ESR target, and by supporting a higher domestic 2030 target and an ambitious long-term target. |

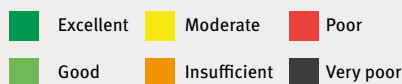
EU Climate Leader Board

Where countries stand on the Effort Sharing Regulation - Europe's largest climate tool

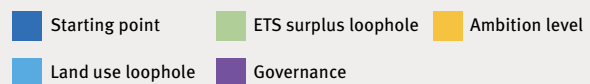
March 2017



RATING:



INDEX CATEGORIES



*The ranking is based on a system of points for the different elements of the proposal which are weighted against their importance. The countries' positions come from public documents, declarations by ministries and papers submitted to the Working Party on Environment. No country is doing enough to make the Effort Sharing Regulation compatible with the Paris Agreement.



Contact information:

Femke de Jong,
femke.dejong@carbonmarketwatch.org

Carlos Calvo Ambel,
carlos.calvoambel@transportenvironment.org



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