

## Fit To 55 Package

The **European Commission adopted the Fit To 55 Package** of proposals to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030.

It was **released on July 14, 2021**, and the **package is aligned with the European Union policy** with the ambitious **political mandates of the Green Deal and EU Climate Law**.

### Fit To 55 Package - Major Proposals

With this package, the Commission presents the legislative tools to deliver on the targets agreed in the European Climate Law and fundamentally transform the economy for a green and prosperous future. Discussed below are the key proposals mentioned by the EU.

- **EU Emissions Trading System (ETS)**
  - The **EU Emissions Trading System (ETS) puts a price on carbon and lowers the cap on emissions from certain economic sectors** every year
  - ETS has proven to be one of the most powerful tools in the drive to decarbonisation
  - It proposes to phase out free emission allowances for aviation and align with the global Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and include shipping emissions for the first time in the EU ETS
  - In the past, ETS has brought down emissions from power generation and energy-intensive industries by 42.8%
- **Substantial Spending on Climate**
  - It suggests that EU member states must spend the entirety of their emissions trading revenues on climate and energy-related projects
- **Effort Sharing Regulation (ESR)**
  - ESR sets differentiated binding national level targets for emission reductions based on the gross domestic product (GDP) per capita
- **Regulation on Land Use, Forestry and Agriculture**
  - The proposal sets an **overall EU target for carbon removals by natural sinks, equivalent to 310 million tonnes of CO<sub>2</sub> emissions by 2030**
  - The EU Forest Strategy aims to improve the quality, quantity and resilience of EU forests and sets out a plan to plant three billion trees across Europe by 2030
- **Renewable Sources**
  - It proposes to **increase the binding target of renewable sources in the EU's energy mix to 40%** (from 32% earlier) and **improve energy efficiency by 36%** (from 32.5% earlier) by 2030
- **Energy Effective Directive (EED)**

- After the introduction of the Fit for 55 Package proposal, the revised 2030 target has been set to 36-39% for improvement in overall energy efficiency as well as reducing total energy demand by 9% relative to a baseline
- The previous targets under the EED were for a 32.5% improvement in overall energy efficiency by 2030, as well as the renovation of 3% of all publicly owned and privately occupied buildings
- **Vehicular Carbon Emissions**
  - **It must be cut by 55% by 2030 and by 100% by 2035**
  - Removal of petrol and diesel vehicles by 2035, and setting up of charging stations every 60 kilometres, on major highways
- **Carbon Border Adjustment Mechanism**
  - A new Carbon Border Adjustment Mechanism will put a carbon price on imports to ensure that ambitious climate action in Europe does not lead to 'carbon leakage'
  - This will ensure that European emission reductions contribute to a global emissions decline
- **Carbon Border Adjustment Mechanism (CBAM)**
  - The idea behind this initiative is to **protect EU industry from 'carbon leakage'**
  - The EU is proposing a carbon-border adjustment mechanism, which will put a price on imports from places that have carbon-intensive production processes

## A Brief Background of Fit for 55 Legislative Package

- The European Commission had presented the **European Green Deal** in December 2019, setting the goal of making Europe the first climate-neutral continent by 2050
- The **European Climate Law** enshrines in binding legislation the EU's commitment to climate neutrality and the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels
- The Fit to 55 Package is the EU's contribution to meeting the goals of the Paris Agreement
- The EU's commitment to reduce its net greenhouse gas emissions by at least 55% by 2030 was communicated to the United Nations Framework Convention on Climate Change (UNFCCC) in December 2020

### What is the European Green Deal?

Climate change and environmental degradation are an existential threat to Europe and the world. European Green Deal will transform the EU into a modern, resource-efficient and competitive economy, ensuring:

- No net emissions of greenhouse gases by 2050
- Economic growth decoupled from resource use
- No person and no place left behind

### What is the European Climate Law?

On March 4, 2020, the European Commission adopted its proposal for a European climate law, as an important part of the European Green Deal. The law binds a target of 55% GHG reduction by 2030, compared to 1990.

## The Way Forward

Various countries have taken up the initiative to control their greenhouse gas emission for the overall improvement of climatic conditions across the world. While the EU has set its target as 55% by 2030, Britain has pledged a reduction of 68%. Similarly, the United States has set its target as 40%.

If the countries continue this transition of moving to GHG emission-control missions, the overall climatic conditions can be brought under control. Also, improving the quality of air not just domestically, but also, internationally.

This Fit to 55 Legislative Package will also set Europe as one of the most technologically advanced continents.