European Commission - Press release





European Green Deal: new rules agreed on applying the EU emissions trading system in the aviation sector

Brussels, 9 December 2022

The Commission welcomes the deal reached this week between the European Parliament and the Council to help make the aviation sector 'Fit for 55', setting in law its contribution to our target of reducing net greenhouse gas emissions by at least 55% by 2030. The political agreement was reached late on 6 December on the revision of the **EU Emissions Trading System (EU ETS) rules on aviation**.

The updated rules on emissions trading will **accelerate the implementation of the polluter pays principle** by phasing out free allowances for the aviation sector by 2026. This agreement increases the stringency of the existing system, which has covered aviation since 2012. This means the industry will have a greater responsibility to pay for its carbon footprint, and that there will be **more economic incentives to reduce emissions** due to a robust price signal.

Until the start of 2027, EU carbon pricing will apply to flights within the EU/EEA and departing flights to Switzerland and the United Kingdom, maintaining the current 'stop the clock' mechanism on the international application of the rules. In 2026, the Commission will **carry out an assessment of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)** set up by the International Civil Aviation Organisation (ICAO), to see if it is sufficiently delivering on the goals of the Paris Agreement. Subject to the outcome of this assessment, the Commission will make a legislative proposal, which could extend the scope of EU emissions trading to departing flights if CORSIA is not sufficiently aligned with the Paris Agreement.

The deal also provides for a new support scheme to speed up the use of **sustainable aviation fuels**, financed with EU ETS revenues which are estimated at €1.6 billion. It will also create a new system for airlines to monitor, report and verify **non-CO₂ emissions** and climate effects of aviation, which make up two thirds of aviation's total climate impact. In a significant step forward on transparency, more data on international aviation emissions will be published in a user friendly manner, while protecting commercially sensitive data.

Next steps

The political agreement must now be formally adopted. Once this process is completed by the European Parliament and the Council, the new rules will be published in the Official Journal of the European Union and enter into force with immediate effect.

Background

The <u>European Green Deal</u> is the EU's long-term growth strategy to make Europe climate-neutral by 2050. To reach this target Europe must reduce its emissions by at least 55% by 2030, compared to 1990 levels. This week's agreement is another important step in the adoption of the Commission's <u>'Fit for 55' legislative package</u> to deliver the European Green Deal. It follows three other recent deals to <u>end the sale of new CO2 emitting cars in Europe by 2035</u>, to increase <u>national emission reduction targets in the transport, buildings, waste and agriculture sectors</u>, and to <u>increase carbon removals through land use</u>, <u>forestry and agriculture</u>.

Aviation emissions in Europe increased an average of 5% year-on-year between 2013 and 2019. While dropping dramatically during the pandemic, aviation emissions are still projected to grow further. To achieve climate neutrality, the EU needs to reduce transport emissions, including aviation, by 90% by 2050 (compared to 1990 levels). The increased climate ambition of the aviation sector will be crucial for the EU to reach its climate objectives under the Paris Agreement and make the European Green Deal a reality.

For More Information

Fit for 55 Proposals

Proposal for a revision of the ETS aviation rules

<u>Proposal for a decision on the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union (CORSIA)</u>

Reducing emissions from aviation

IP/22/7609

Quotes:

The EU is fully committed to its 2030 and 2050 climate targets, and we are determined to set all sectors on a pathway to climate neutrality. With this agreement, we will make the ETS system more rigorous to create a stronger economic incentive to reduce emissions and in parallel, we will help fuel suppliers and flight operators make the move towards sustainable aviation fuels. Ensuring that emissions in the aviation sector are significantly reduced is a crucial part of the 'Fit for 55' equation. Frans Timmermans, Executive Vice-President for the European Green Deal - 09/12/2022

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