



The missing link in the Effort Sharing

Why a Project-Based Mechanism is the best flexibility option?

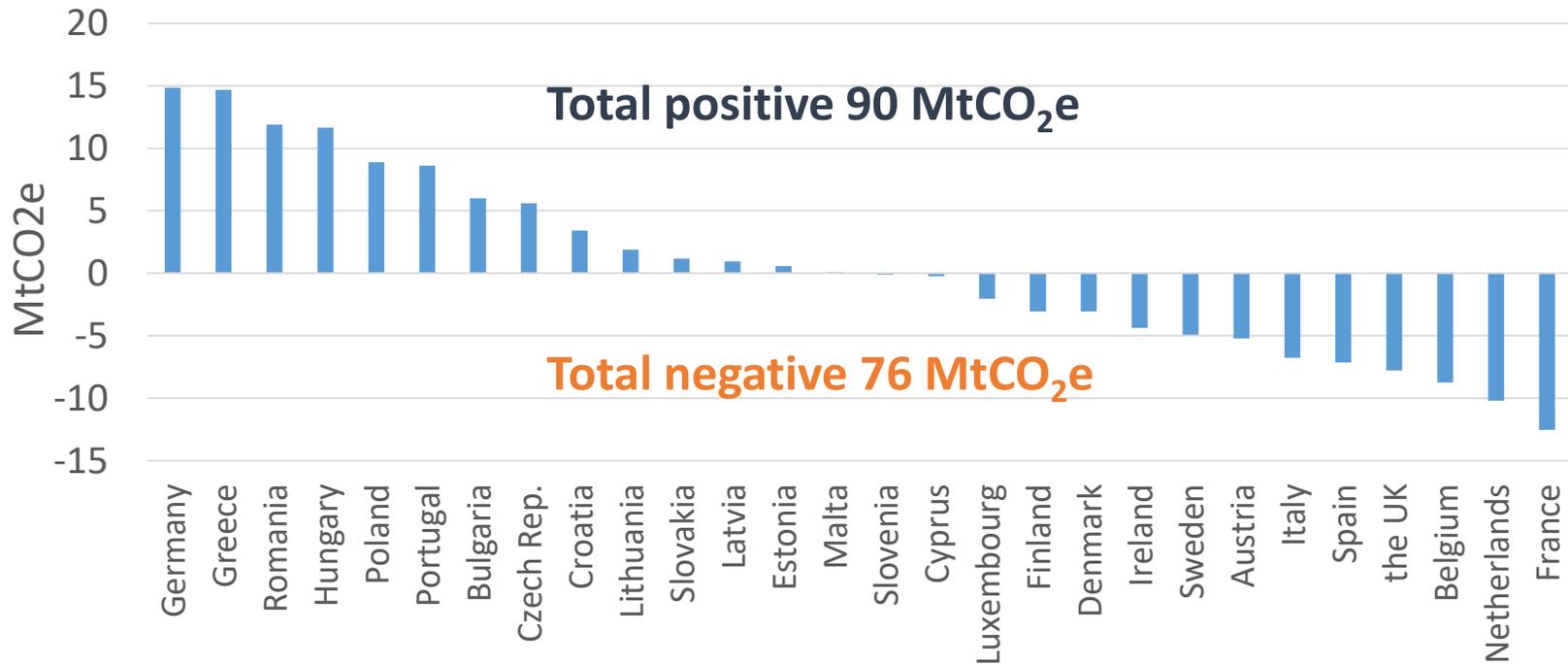
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A Project-Based Mechanism will balance the distribution of cost-effective reduction potential and demand for credits in 2030

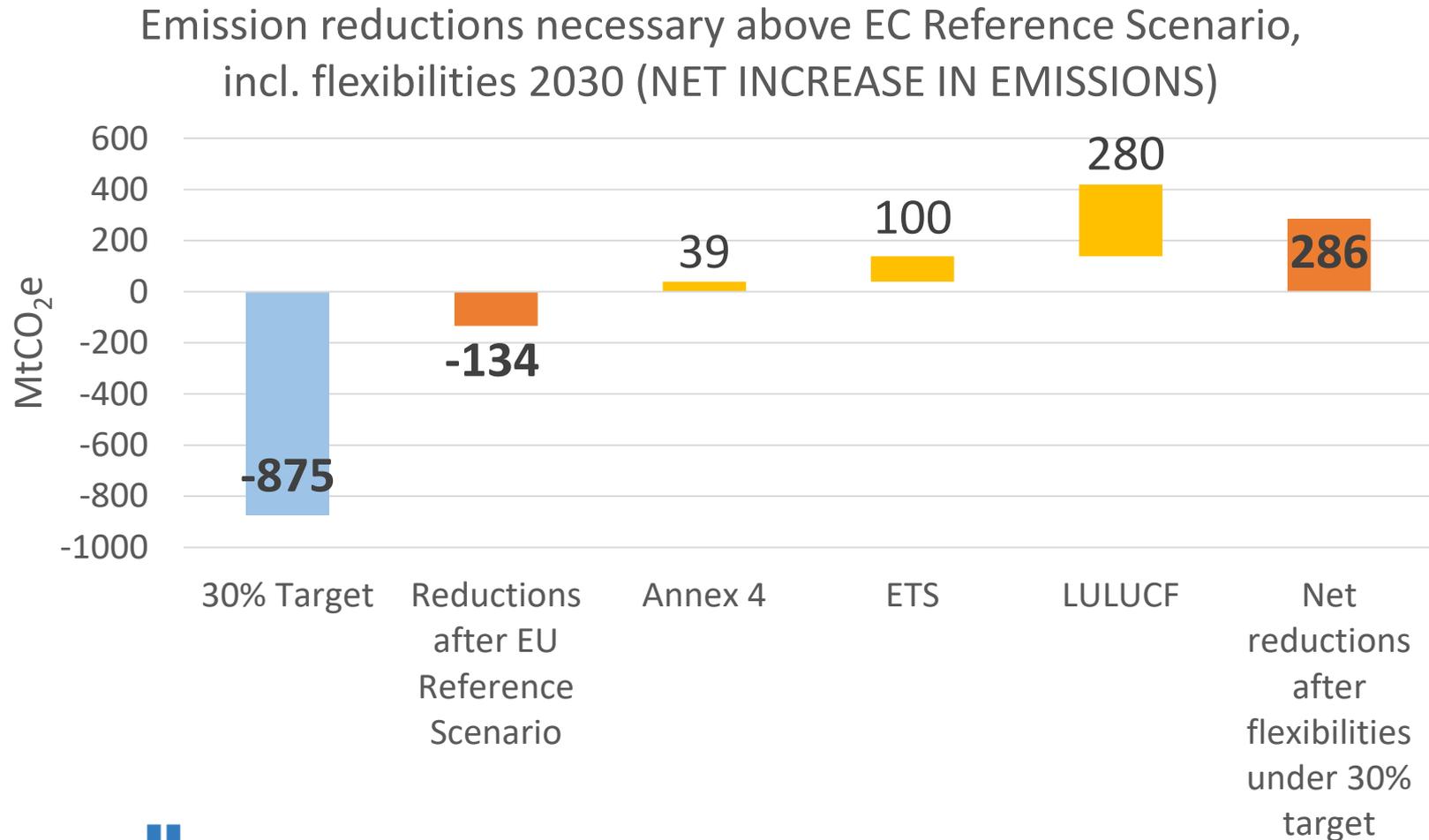
Difference between ESR national targets and Member State cost-efficient emission reduction potential in 2030



A Project-Based Mechanism will make the ESR system more effective for all actors involved

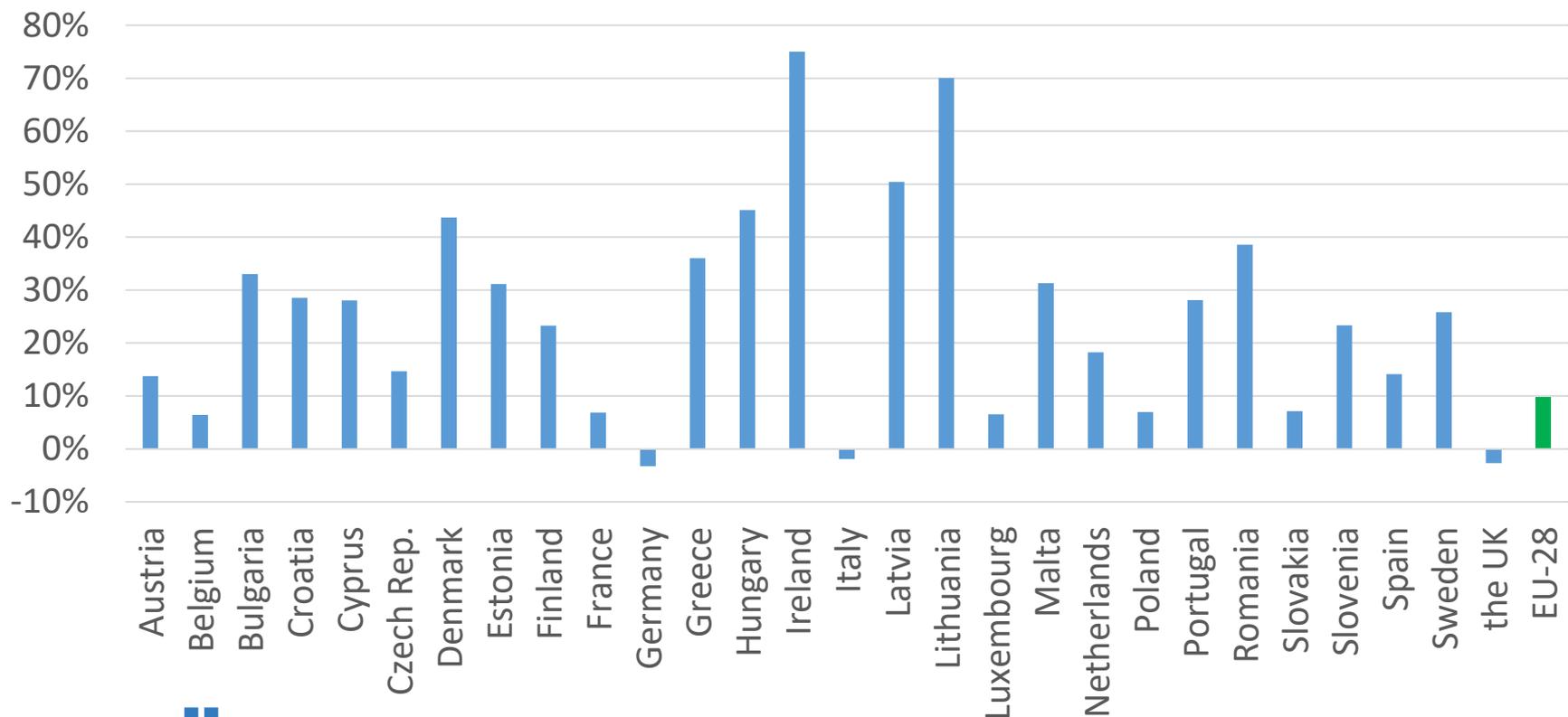
Private sector	Common price discovery for the ESR sectors; Greater private sector involvement and transfer of knowledge and technologies for emission reductions.
Member State	Economic boost and job creation in selling Member States, especially with lower than average GDP/capita; Savings incurred from cheaper compliance for wealthier Member States.
EU policy	Establishment of the actual share of cost-effective potential in ESR sectors compared to the ETS sectors; Potential for increasing the 2030 target in line with real cost-effective emission reduction potential.

Other flexibilities address AEA's demand with weak credits adding no benefit to the system



A Project-Based Mechanism will not provide expected benefits if other flexibilities stay

Member States reductions necessary above EC Reference Scenario, incl. flexibilities in 2030 (INCREASE IN EMISSIONS)



Thank you

Any questions? Feedback?

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Read more in our ESR publications

[Consultation response - The Effort Sharing Regulation](#)

[Bend it, don't break it: Introducing new flexibilities into the EU Effort Sharing Decision](#)

[The Effort Sharing Dinosaur](#)

Flexibilities in EC proposal by Member State

	Annex 4	ETS	LULUCF	TOTAL Flexibilities	
Austria			11.6	2.5	14.1
Belgium			15.9	3.8	19.7
Bulgaria		1.6		4.1	5.7
Croatia		1.1		0.9	2.0
Cyprus				0.6	0.6
Czech Republic		4.4		2.6	7.0
Denmark			7.6	14.6	22.2
Estonia		0.1		0.9	1.0
Finland			6.8	4.5	11.3
France				58.2	58.2
Germany				22.3	22.3
Greece				6.7	6.7
Hungary		6.7		2.1	8.8
Ireland			19.5	26.8	46.3
Italy				11.5	11.5
Latvia		0.5		3.1	3.6
Lithuania		2.2		6.5	8.7
Luxembourg			4.1	0.25	4.3
Malta			0.2	0.03	0.3
Netherlands			25.5	13.4	38.9
Poland		7.5		21.7	29.2
Portugal		1.7		5.2	6.9
Romania		10.9		13.2	24.1
Slovakia		2.2		1.2	3.4
Slovenia		0.2		1.3	1.5
Spain				29.1	29.1
Sweden			9.0	4.9	13.9
United Kingdom				17.8	17.8
EU 28	39.1	100.1	279.8		419.1