



Council of the
European Union

Brussels, 18 May 2016
(OR. en)

8975/16

**Interinstitutional File:
2013/0443 (COD)**

LIMITE

**ENV 284
ENER 150
IND 98
TRANS 170
ENT 89
SAN 188
PARLNAT 153
CODEC 670**

NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	10232/14 ENV 476 ENER 198 IND 171 TRANS 287 ENT 129 SAN 213 PARLNAT 148 CODEC 1363
No. Cion doc.:	18167/13 ENV 1235 ENER 600 IND 388 TRANS 693 ENT 356 SAN 555 PARLNAT 325 CODEC 3086 - COM(2013) 920 final
Subject:	Proposal for a Directive of the European Parliament and of the Council on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC - Commission non-paper on methane

With reference to the EP amendments on methane, aimed at excluding enteric methane from the scope of the above-mentioned proposal (NECD), delegations will find in the Annex, for information, a non-paper prepared by the Commission services with revised reduction commitments for this pollutant.

Enteric methane
- Commission non-paper-

1. Why control methane under the NECD

The rationale for controlling methane **emissions** under the NECD was already explained in detail in a non-paper provided to the Council in May 2014¹ The calculation methodology and results are set out in detail in the Impact Assessment section 6.5.5 and Annex 10, and in the TSAP 11 report section 4.4.6. The reduction commitments were deliberately conservative, being based on the expected zero- or negative-cost abatement potential, with implementation expected to generate substantial net savings.² A detailed breakdown of measures and costs per Member State was provided.³

The primary aim of having a methane reduction commitment is to provide a basis for similar (if not more significant) reductions internationally, including through air pollution control programmes adopted by some of the biggest emitters. Background ozone concentrations are largely driven by methane emissions, because of methane's long atmospheric lifetime, and the background concentrations in the northern hemisphere have increased three-fold in the last 50 years. Emissions from the USA and Canada, Russia, China and India contribute substantially to the problem.⁴ Effective control of the ozone background therefore requires coordinated action across the northern hemisphere.

¹ Doc. 10232/14. Also available on the review website:

<http://ec.europa.eu/environment/air/pdf/methane.pdf>.

² The methodology and results are set out in detail in the Impact Assessment section 6.5.5 and Annex 10, and in the IIASA report TSAP 11.

³ Also available on the review website:

http://ec.europa.eu/environment/air/pdf/GAINS_CH4zerocost_targets_2014.pdf

⁴ See for example UNEP reports (Integrated assessment of Black Carbon and Tropospheric Ozone, http://www.unep.org/dewa/Portals/67/pdf/BlackCarbon_report.pdf), Global Methane Initiative (http://www.globalmethane.org/documents/analysis_fs_en.pdf) and JRC studies. i.a. EDGAR database http://edgar.jrc.ec.europa.eu/part_CH4.php and the AMITO project, as well as reports of the UNECE Task Force on Hemispheric Transport of Air Pollution (www.htap.org).

At the recent Global Methane Forum held in the USA on 28-30 March 2016, the Global Methane Initiative (GMI) was "re-chartered" to extend its mandate for another five years and initiate a greater focus on promoting policy reforms rather than investing in specific projects. The GMI also decided to join the Climate and Clean Air Coalition (CCAC), as an umbrella coalition focused reducing emissions of short lived climate pollutants (SLCPs). The EU is a member of both the GMI and CCAC and will continue to have an interest in addressing the SLCPs in both organisations.

The USA and Canada issued a joint Presidential statement in which both countries agreed to reduce methane emissions by 40-45 percent below 2012 levels by 2025 from the oil and gas sector, and explore new opportunities for additional methane reductions.⁵ The adoption of similar targets by other states is currently being promoted through the G7 and the G20. In this context, a broader scope and different base and target years would be more appropriate for the EU, where methane emissions were successfully reduced across all sectors by 38% from 1990 levels and growth in oil and gas production is not comparable to that recently experienced in North America. Our international counterparts signalled flexibility on the nature of the commitment the EU or individual MS might make, and we were asked to reengage in the context of the G20 discussions.

Against this background, a specific methane reduction commitment under the NECD could play an important role and sustain momentum at the international level.

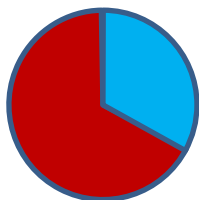
2. Approach to enteric methane in the original COM impact assessment

According to the latest data for the historical year 2005 provided in the Member States' 2016 inventory submissions, 35% of total methane emissions in 2005 were from enteric methane.

In the preparation for the original impact assessment, only reduction options below and up to zero cost were taken into account in the waste, energy and non-enteric agriculture sectors, while the potential for reduction of enteric emissions (essentially through feeding and breeding strategies) was recognised but not taken into account.

⁵ U.S.-Canada Joint Statement on Climate, Energy, and Arctic Leadership, March 10 2016.

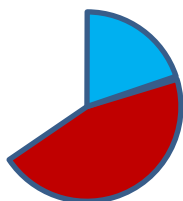
However, when it comes to achieving the overall methane reductions in practice, Member States are in a better position if they have the widest flexibility to determine the cost-effective reduction measures at national level. It is in the interest of a Member State to keep the possibility to reduce enteric emissions for those cases where that can be done at relatively low cost. For this reason enteric methane was retained within the scope of the original proposal.



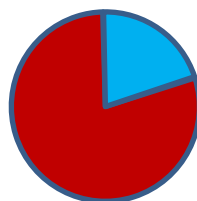
Reduction as proportion of full scope

3. Implications of the EP amendment

The EP excludes enteric methane from the scope while maintaining the 2030 reduction percentage of 33%, which would be applied to the new reduced scope. As can be seen again from the figures below, 33% of the non-enteric emissions is equivalent to just over 20% of the total emissions.



33% reduction of non-enteric emissions



Is equivalent to around 20% reduction of full scope

4. COM compromise suggestion

The Commission suggests that the EP's concerns be addressed by maintaining the original scope, but adjusting the EU reduction by 2030 to in the region of 20%, from the original 33%.

As shown, this delivers a reduction broadly equivalent to that of the EP amendment while retaining maximum flexibility for Member States.

The enclosed **Annex** sets out the national methane reductions which would make up the proposed 20% EU reduction. These have been developed taking into account the proportionate reduction at EU level, the share of enteric emissions in individual Member States, and remaining concerns from some Member States, including different assumptions on cost-effective and/or zero-cost options.

Annex: Revised national reduction commitments for 2030 corresponding to a 20% EU reduction

Methane		
MS	Original COM proposal	Proposed compromise
Austria	-20%	-8%
Belgium	-26%	-10%
Bulgaria	-53%	-25%
Croatia	-31%	-23%
Cyprus	-18%	-12%
Czech Republic	-31%	-24%
Denmark	-24%	-3%
Estonia	-23%	-4%
Finland	-15%	-10%
France	-25%	-12%
Germany	-39%	-23%
Greece	-40%	-25%
Hungary	-55%	-25%
Ireland	-7%	-2%
Italy	-40%	-25%
Latvia	-37%	-1%
Lithuania	-42%	-23%
Luxembourg	-27%	-9%
Malta	-32%	-23%
Netherlands	-33%	-21%
Poland	-34%	-23%
Portugal	-29%	-22%
Romania	-26%	-15%
Slovakia	-41%	-25%
Slovenia	-28%	-12%
Spain	-34%	-22%
Sweden	-18%	-10%
United Kingdom	-41%	-25%
EU-28	-33%	-20%