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## Climate Action Regulation 2.0

### EU Framework for Making Non-ETS Sectors Climate Neutral

#### Publication

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The Climate Action Regulation (CAR aka Effort Sharing Regulation) regulates 57 % of the EU's greenhouse gas emissions. Consequently, the EU cannot achieve its new climate targets without major contributions from the sectors regulated by the CAR. This makes reforming the CAR one of the EU's most important legislative processes in 2021. For achieving EU climate targets, it is a dealmaker or deal breaker. There are various ideas about how to turn the CAR into a strong driver for achieving the EU's climate targets. Ideas range from strengthening the current system to almost completely replacing it by an extended emission trading scheme.

This Ecologic Institute paper discusses these ideas, and makes proposals for reform.

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#### Authorship

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