Overview of the Legal Framework for the Regulation of Greenhouse Gases in the Russian Federation

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Abstract. The need for global action to counter climate change is one of today's most urgent challenges, the solution for which is the transition of the world economy and energy to development with low greenhouse gas emissions. For most countries, this is a new reality in which competitiveness can be secured only by taking into account the climate agenda. The main task for the Russian legislation is to formulate the main criteria and terms in the sphere of countering climate change. These regulatory legal acts must meet all the requirements of high-quality implementation.

Keywords: greenhouse gases, carbon, climate change prevention

Climate change is one of the main problems for the humanity in the 21st century. The National Security Strategy of the Russian Federation lists threats to state and public security that are associated with global climate change, such as natural disasters, accidents, and catastrophes [1]. Climate change can affect the humanity and have dangerous consequences, such as the displacement of traditional areas of agriculture and fishing, flooding of coastal territories and settlements, aggravation of fresh water supply issues, and so on. The threat of climate change will cause profound economic, social, cultural, and political changes around the world.

To withstand the threat of climate change, some international agreements have been made: the UN Framework Convention on Climate Change (UNFCCC), the Paris Agreement, to which Russia is a party. In order to fulfill its obligations under the Paris Agreement, Decree of the President of the Russian Federation No. 666 dated 04.11.2020 “On reducing greenhouse gas emissions” sets the target of reducing greenhouse gas emissions by 2030 to 70% of the 1990 level taking into account the maximum possible carbon absorption capacity of forests and other ecosystems and subject to a sustainable and balanced socio-economic development of the Russian Federation [2].
In 2021, the President of the Russian Federation declared the tasks of countering climate change, creating a sector for managing carbon emissions, achieving a reduction in their volumes and introducing control and supervision, ensuring that over the next 30 years the cumulate volume of net greenhouse gas emissions in Russia is smaller than in Europe.

In order to prevent climate change, various aspects of Russian legislation need to be analyzed in the context of the global energy transition and the climate policy of some countries, decarbonization in the energy sector. At the same time, it is important to take into account international economic ties in Russia. Importantly, Russian legislation contains no key concept in the field of climate change close in meaning to the concepts of “climate protection” or “combating climate change”, and there is also no defined purpose and objectives of legal regulation in this area. Therefore, since the problems associated with climate change are fundamental in the development of the modern world and have global implications, there is a need to legislate the concept of e.g., “climate change prevention” in Russian legislation.

The standard scheme of legal regulation in the field of climate change prevention includes such elements as normative regulation, strategic planning, inventory of greenhouse gas emissions, setting standards for emission indicators, development and implementation of projects that will reduce greenhouse gas emissions or increase the absorbing capacity of forests and other ecosystems, verification of their results, maintaining cadastral records and a register of greenhouse gas emissions. The scheme also includes mandatory economic incentives to reduce greenhouse gas emissions.

It should be noted that the legal regulation in the field of climate change prevention in international legislation is not uniform, but depends on many conditions and factors. In the Russian Federation, when creating a domestic scheme of legal regulation in the field of climate change prevention, it is necessary to take into account the economic, social and natural conditions of the country. Thus, economic instruments that are aimed at stimulating economic entities to reduce greenhouse gas emissions should not be introduced too early.

In the Russian legislation, the prevention of climate change is not the goal of legal regulation, and this, in turn, does not correspond to the principle of legal certainty. When building the scheme of legal regulation in the field of climate change prevention this goal should be specified in the laws and by-laws for limiting greenhouse gas emissions.

Climate change prevention means taking legal and technical actions to stabilize greenhouse gas concentrations in the atmosphere at a level that precludes dangerous
anthropogenic impact on the climate system, which should be achieved within the time sufficient for natural adaptation of ecosystems to climate change [3].

In order to achieve the goal of preventing climate change, it is necessary to include in the environmental legislation of the Russian Federation the requirements for Russian regions to set up the inventory of emissions and absorption of greenhouse gases, to form regional inventories of emissions and absorption of greenhouse gases and to carry out, within their competence, the necessary actions to ensure the reduction of greenhouse gas emissions.

Furthermore, the legislative consolidation of the requirements for the development of strategic planning documents across Russian regions and municipalities is essential for the climate change policy-making. These requirements at the regional and municipal levels are necessary in order to be able to implement a differentiated approach that will take into account the specific natural, economic, and social factors of regions and municipalities.

A legislative novelty in the field of greenhouse gas emissions in the Russian Federation in 2021 was the new federal Law No. 296-FZ dated 02.07.2021 "On limiting greenhouse gas emissions" [4].

The purpose of the new law is to create conditions for a sustainable and balanced development of the Russian economy while reducing greenhouse gas emissions. The measures stipulated by the law to limit greenhouse gas emissions include:

1) state-maintained accounting of greenhouse gas emissions
2) setting targets for their reduction
3) support activities to reduce emissions and increase the absorption of greenhouse gases.

The Russian Government will carry out public administration in this area directly or through an authorized federal executive authority. The mechanism of action under this law is that by July 1st of the year following the reporting year, the organizations subject to regulation shall annually submit reports on greenhouse gas emissions to the authorized body. Based on the criteria established by the RF Government, legal entities and solo proprietors will be classified as organizations subject to regulation. Also, the target for reducing greenhouse gas emissions for the Russian economy will be set by the RF Government in accordance with Presidential decrees and strategic planning documents. The state-maintained accounting of greenhouse gas emissions will have the form of keeping a register of such emissions.
This law, for the first time in Russia, creates a system for managing greenhouse gas emissions, describes the carbon footprint as an important indicator of the country’s economic development. The terms and definitions will also be legislated, including the concepts of greenhouse gases, carbon footprint, climate projects, carbon units, etc.

According to this law, starting January 1, 2023, the largest emitters of greenhouse gases will be required to report their emissions. These reports will be collected in the register of greenhouse gas emissions and will form the basis for monitoring the fulfillment of greenhouse gas emission targets. The law has formed a legal basis for the implementation of climate projects and the circulation of climate units.

Another noteworthy document is the national standard of the Russian Federation on greenhouse gases [5]. This standard was approved and enacted by the Order of the Federal Agency for Technical Regulation and Metrology No. 1853-art of November 26, 2014. According to the provisions of this standard, organizations are obliged to determine the amount of their greenhouse gas emissions and submit the appropriate reporting.

In 2020, the Decree of the President of the Russian Federation No. 666 dated 04.11.2020 "On reducing greenhouse gas emissions" was issued [6]. This decree was adopted in implementation of Russia's commitments under the Paris Agreement of December 12, 2015. According to its provisions, the Government of the Russian Federation shall, firstly, ensure by 2030 a reduction in greenhouse gas emissions to 70% of the 1990 level, secondly, develop a Strategy for the socio-economic development of the Russian Federation with a low level of greenhouse gas emissions until 2050, taking into account the specifics of the sectoral economy, thirdly, ensure that conditions are created for the implementation of measures to reduce and prevent greenhouse gas emissions, as well as to increase their absorption.

Two more important regulatory legal acts in the field of reducing greenhouse gas emissions are:

1) Order of the Ministry of Economic Development of the Russian Federation No. 707 dated 10/26/2020 "On approval of accreditation criteria and the list of documents confirming compliance of the applicant, accredited person with the accreditation criteria". This Order sets the criteria for accreditation of bodies for validation and verification of greenhouse gases [7].

2) The findings of the Ministry of Economic Development of the Russian Federation on the assessment of the regulatory impact on the draft Federal Law "On conducting an experiment to establish special regulation of emissions and absorption of greenhouse gases" No. 466 dated 11.06.2021 [8].
Considering that regions of the Russian Federation are obliged to control the amount of their greenhouse gas emissions, the Republic of Karelia implements a significant number of legal acts in creating the conditions for reducing and preventing greenhouse gas emissions, as well as increasing their absorption. To list a few:

1) Decree of the Ministry of Natural Resources and Environment of the Russian Federation No. 20-r dated 30.06.2017 "On methodological guidelines for quantifying the volume of greenhouse gas absorption" [9].

2) Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 41-r dated December 27, 2018 "On amendments to the Methodological guidelines for quantifying the volume of greenhouse gas absorption" [10.

3) Decree of the Government of the Republic of Karelia No. 72-r dated 28.02.2007 "On approval of the regional ad hoc program "Active involvement of local fuel and energy resources in the fuel and energy complex of the Republic of Karelia". Greater use of local fuel and energy resources in the fuel and energy sector of the Republic of Karelia will significantly reduce the anthropogenic burden on the environment in terms of greenhouse gas emissions (especially wood fuel), which conforms to the obligations assumed by the Russian Federation under the Kyoto Protocol.

Having analyzed the legislation of the Russian Federation in the field of climate change prevention, we have arrived at the following conclusions:

In Russia, climate regulation is mainly carried out at the level of bylaws (with the exception of Federal Law No. 128-FZ of 04.11.2004 "On Ratification of the Kyoto Protocol to the United Nations Framework Convention on Climate Change"). To date, the appropriate legislative framework for preventing climate change has not yet been developed in the form of specific federal laws. In Russian legislation, the prevention of climate change as a goal of legal regulation requires legal consolidation. Further development of Russian legislation in the field of climate change prevention is connected with the Paris Agreement and with the implementation of the principles of international law on climate change prevention. Currently, the Russian Federation is working on the draft law "On limiting greenhouse gas emissions" and the draft "Strategy for the socio-economic development of Russia with a low level of greenhouse gas emissions until 2050", which are designed to ensure that Russia fulfills its obligations under the Paris Agreement.

The draft law includes the concepts of "greenhouse gases", "carbon units" and other concepts necessary for carbon regulation.

It is noted that the key approach to the implementation of national obligations under the Paris Agreement is the implementation of climate projects with the crediting of
carbon units to the account of the contractor of the climate project, the turnover of carbon units within such projects.

References

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[4] Federal Law No. 296-FZ dated 2021 Feb 7 on limiting greenhouse gas emissions.

[5] National Standard of the Russian Federation on greenhouse gases of 2016 Jan 1.

[6] Decree of the President of the Russian Federation no. 666 dated 2020 Nov 4 on reducing greenhouse gas emissions.

[7] Order of the Ministry of Economic Development of the Russian Federation no. 707 dated 2020 Oct 26 on approval of accreditation criteria and the list of documents confirming compliance of the applicant, accredited person to the accreditation criteria.

[8] Findings of the Ministry of Economic Development of the Russian Federation on the assessment of the regulatory impact on the draft Federal Law on conducting an experiment to establish special regulation of emissions and absorption of greenhouse gases dated 2021 Nov 6 no. 466.

[9] Order of the Ministry of Natural Resources and Ecology of the Russian Federation no. 20-r dated 2017 Jun 30 on methodological guidelines for quantifying the volume of greenhouse gas uptake.

[10] Order of the Ministry of Natural Resources and Ecology of the Russian Federation no. 41-r dated 2018 Dec 27 on amendments to the guidelines for the quantitative determination of the volume of greenhouse gas uptake.

[11] Decree of the Government of the Republic of Karelia no. 72-r dated 2007 Feb 28 on approval of the regional ad hoc program active involvement of local fuel and energy resources in the fuel and energy complex of the Republic of Karelia.