

# European climate law

## OVERVIEW

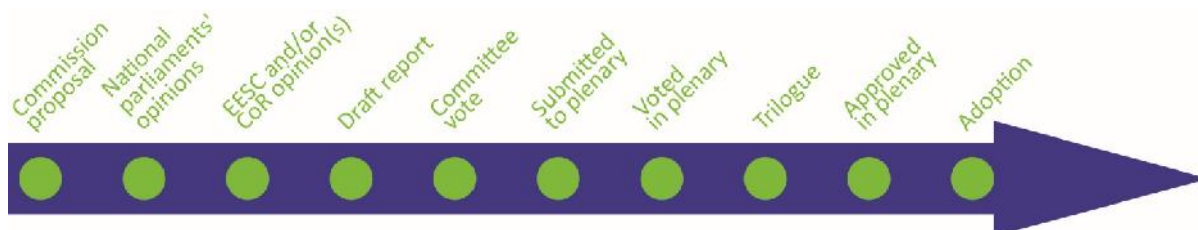
On 4 March 2020, the European Commission adopted a legislative proposal for a European climate law, setting the objective for the EU to become climate-neutral by 2050 and establishing a framework for achieving that objective. On 17 September 2020, the Commission amended the proposal to introduce the updated 2030 climate target of a net reduction of at least 55 % of the EU's greenhouse gas (GHG) emissions compared to 1990 levels.

In the European Parliament, the proposal was referred to the Committee on Environment, Public Health and Food Safety. The Parliament adopted its position on 6 October 2020, calling for a 60 % emissions reduction by 2030 and for an independent, inter-disciplinary scientific advisory panel.

Council and Parliament reached a provisional agreement on the proposal on 21 April 2021. The agreement sets a 55 % net GHG emission target for 2030 (to be complemented by additional removals from the upcoming review of the LULUCF Regulation), an EU-wide climate neutrality target for 2050, and the aim to achieve negative emissions thereafter. It envisages the use of a GHG budget for setting the 2040 target and establishes a European Scientific Advisory Board on Climate Change. Parliament approved the agreed text on 24 June 2021. The regulation was published in the Official Journal on 9 July 2021 and entered into force on 29 July 2021.

### Proposal for a regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)

<i>Committee responsible:</i>	Environment, Public Health and Food Safety (ENVI)	COM(2020) 80 final 4.3.2020
<i>Rapporteur:</i>	Jytte Guteland (S&D, Sweden)	COM(2020) 563 final 17.9.2020
<i>Shadow rapporteurs:</i>	Peter Liese (EPP, Germany) Nils Torvalds, (Renew, Finland) Michael Bloss (Greens/EFA, Germany) Sylvia Limmer (ID, Germany) Anna Zalewska (ECR, Poland) Silvia Modig (The Left, Finland)	2020/0036 (COD)  Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Procedure completed.</i>	Regulation (EU) 2021/1119 <a href="#">OJ L 243, 9.7.2021, pp. 1–17.</a>	



## EPRS | European Parliamentary Research Service

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## Introduction

On 4 March 2020, the European Commission adopted a legislative [proposal](#) for a European climate law that sets the objective of the EU achieving net-zero greenhouse gas (GHG) emissions by 2050. This proposal is part of the [European Green Deal](#), a programme first outlined in the [political guidelines](#) of the Commission President, Ursula von der Leyen. It aims to make Europe the first climate-neutral continent by 2050, while boosting the competitiveness of European industry and ensuring a just transition for the regions and workers affected.

The proposed European climate law aims to complement the existing EU policy framework by setting the long-term direction for EU climate action, provide predictability for investors and businesses, and ensure transparency and accountability. It raises the ambition relative to the existing measures, which are expected to reduce GHG emissions by only 60 % by 2050, compared to 1990 levels.

On 17 September 2020, the Commission [amended](#) the proposal to update the 2030 climate target to a reduction of the EU's net GHG emissions of at least 55 % compared to 1990 levels by 2030, and adopted the [communication](#) 'Stepping up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people', commonly known as the 2030 EU [climate target plan](#). As von der Leyen explained in her [State of the Union speech](#) on 16 September 2020, this would set the EU on a feasible path to climate neutrality and benefit the EU economy.

In July 2021, the Commission adopted the '[Fit for 55](#)' package with proposals to revise key EU climate and energy legislation in line with the new 2030 target.

## Context

The United Nations Framework Convention on Climate Change (UNFCCC) was set up in 1992 in order to prevent dangerous climate change. Despite decades of climate negotiations in the UNFCCC framework, [global CO<sub>2</sub> emissions](#) from fossil fuels grew by 67 % from 1990 to 2018, and show little sign of falling. [Global average temperature](#) has risen by 1.1°C since the pre-industrial era, which increases the likelihood of events such as rising sea levels, heat waves and wildfires. The carbon budget (see text box below) for a 66 % chance of staying below [1.5 degrees](#) is roughly equivalent to about 10 years of current emissions, and likely to be exceeded during this decade under the current national commitments and policies, according to the [UN emissions gap report](#).

### Carbon budgets

The concept of 'carbon budget' is used in two different senses:

1. **Global carbon budget:** The amount of GHGs that can be emitted worldwide without exceeding a given level of global warming with a certain probability. The IPCC defines the carbon budget as emissions of CO<sub>2</sub>, the principal long-lived GHG, while taking into account other anthropogenic GHG emissions. The IPCC special report on global warming of 1.5°C estimates the remaining carbon budget, for a 66 % chance of staying below 1.5°C, to be 420 Gt CO<sub>2</sub> from the beginning of 2018.<sup>1</sup> With current global CO<sub>2</sub> emissions estimated at 42 Gt per year, the remaining budget for achieving the 1.5°C target would be used up in 8 years (counting from 2020) if emissions are not reduced. For a 50 % chance of staying below 1.5°C, the carbon budget would be 580 Gt CO<sub>2</sub>, around 12 years of current emissions.

2. **National/regional carbon budget:** GHG emission limits established in climate policy and legislation, at national or regional level. For example, the United Kingdom sets 5-year carbon budgets. Although the EU does not have a formal carbon budget, the following emission limits in EU climate legislation have a similar effect: emissions cap in the EU emission trading system (ETS), annual emission allocations in the Effort-sharing Regulation and the 'no-debit rule' of the LULUCF Regulation.

To achieve the targets of the Paris Agreement, national or regional carbon budgets should represent a fair and equitable share of the global carbon budget.

The [Paris Agreement](#) on climate change sets a target to limit temperature rise to well below 2°C, while making efforts to stay below 1.5°C, and to reach net-zero emissions in the second half of this century. The Paris Agreement requires the parties to submit voluntary [nationally determined contributions](#) (NDCs), and to develop [long-term strategies](#) by 2020. It establishes a five-year cycle for stocktaking and raising ambition. The rulebook for implementing the Paris Agreement was completed by the [COP24](#) climate conference in 2018, with the exception of rules for cooperative approaches (including international emissions trading), on which also the [COP25](#) conference in 2019 failed to reach an agreement. This issue as well as the raising of ambition will be on the agenda of the [COP26](#) conference in Glasgow, originally scheduled for November 2020, but postponed to November 2021.

### Net-zero and negative emissions

Net-zero emissions means that emissions and removals of GHGs are balanced. Removals of GHGs ([negative emissions](#)) can be achieved by enhancing natural sinks (forests, soil, wetlands) or through negative emission technologies which consist of a process for capturing greenhouse gases, notably CO<sub>2</sub>, from the atmosphere and storing them permanently. Common schemes for negative emission technologies include bioenergy with carbon capture and storage and direct air capture. Scenarios to achieve the temperature targets of the Paris Agreement rely heavily on negative emissions.

Public opinion in the EU is in favour of stronger climate action. The majority (52 %) of respondents to the [Parlemeter 2019](#) Eurobarometer survey consider climate change to be the most important environmental issue today, followed by air pollution, marine pollution, deforestation and the growing amount of waste. Nearly six in ten EU citizens believe that the youth-led climate protests have had a direct policy impact both at EU level (59 %) and in Member States' politics (58 %). According to the March 2020 [special Eurobarometer](#) survey, 76 % of EU citizens consider climate change a very serious problem in their country. The [second European Investment Bank climate survey](#) shows that a majority of EU citizens are prepared to adopt more climate-friendly behaviours, such as using public transport, flying less or switching to a green energy provider, and support measures such as a ban on short-haul flights, a carbon tax on flights and a ban on high-emission vehicles in city centres.

## Existing situation

The EU is committed to taking action to limit global warming to well below 2°C above pre-industrial levels, in line with the 2015 Paris Agreement on climate change. [Article 191](#) of the Treaty on the Functioning of the European Union (TFEU) meanwhile establishes climate action as one of the objectives of EU environment policy.

The EU has a target of reducing GHG emissions by 20 % by 2020, compared with 1990 levels, and is on track to exceed the target; in 2019, the [GHG emissions](#) in the EU were approximately 24 % below 1990 levels. The current EU target for GHG emission reductions by 2030 is 40 %. This target was endorsed by the [October 2014 European Council](#), along with targets for a market share for renewable energy of at least 27 %; and an improvement in energy efficiency of not less than 27 %. The GHG emission reduction target for 2030 is also the EU's [nationally determined contribution](#) (NDC) to the Paris Agreement.<sup>1</sup>

The EU [regulatory framework](#) for achieving the targets up to 2030 was set during the 8th parliamentary term. Council and Parliament have adopted new rules and 2030 emission targets for specific sectors, strengthening and extending previous targets.

- Energy and industry: the EU [emissions trading system](#) (ETS), which covers around 45 % of the EU's greenhouse gas emissions, has been reformed. Emissions covered under the ETS must be reduced by 43 % by 2030 compared with 2005 levels;
- Transport, buildings and agriculture: the [Effort-sharing Regulation](#) requires emissions in these sectors to be cut by 30 % by 2030 compared with 2005 levels. Specifically on transport, revised CO<sub>2</sub> standards for [cars and vans](#) and the first-ever CO<sub>2</sub> standards for

- [trucks and buses](#) require that the CO<sub>2</sub> emissions of new vehicles do not exceed 30 % of today's levels by 2030;
- Land use and forestry: the [regulation on the land-use sector](#) requires greenhouse gas emissions from land use and forestry to be offset by the removal from the atmosphere of at least an equivalent volume of CO<sub>2</sub> in the period from 2021 to 2030;
  - Energy efficiency: a directive adopted in December 2018 sets a binding [energy efficiency](#) target of 32.5 % for 2030;
  - Renewable energy: a directive adopted in December 2018 sets a new [renewable energy](#) target of 32 % for 2030.

To simplify and strengthen the process of monitoring progress and to address weaknesses in implementing the energy union goals, the European Union adopted a regulation establishing a [governance framework for the energy union and climate action](#) (Governance Regulation) in December 2018. The regulation mentions explicitly the 'Union-wide binding target of at least 40 % domestic reduction in economy-wide greenhouse gas emissions as compared to 1990 to be achieved by 2030'.

The Commission's October 2019 [progress report](#) on climate action estimates that the EU legislation adopted in 2018 would result in a 45 % emission reduction by 2030.

So far, the EU does not have a legally binding long-term emissions target. The [October 2009 European Council](#) endorsed a target of a 80 to 95 % reduction of the EU's GHG emissions by 2050, based on the GHG concentrations and expected global emission cuts at the time. This long-term target has guided EU climate policy for a long time, although continually rising [GHG concentrations](#) in the atmosphere mean that much steeper emission cuts are now necessary.

In November 2018, the Commission adopted the '[clean planet for all](#)' strategy, aiming for a prosperous, modern, competitive and climate-neutral economy by 2050, and analysing scenarios to achieve net-zero GHG emission by 2050.

The December 2019 [European Council](#) endorsed the objective of achieving a climate-neutral EU by 2050. On 5 March 2020, the Environment Council adopted the EU's [long-term low greenhouse gas emission development strategy](#) for submission to the UNFCCC. The document simply refers to the December 2019 European Council conclusions and their endorsement of the climate-neutrality objective.

## Comparative elements

A growing number of countries have adopted [climate laws](#) with a long-term perspective, or are in the process of preparing such laws. The United Kingdom's Climate Change Act, adopted in 2008, was the first climate law with a long-term target. More national climate laws were adopted shortly before or after the conclusion of the Paris Agreement. A climate law can help countries manage the long-term transition towards a low-carbon economy and meet the obligations of the Paris Agreement on planning, monitoring, reporting and periodic updating of NDCs.

The 2008 UK [Climate Change Act](#) originally set a long-term target of reducing the United Kingdom's GHG emissions by 80 % by 2050, but was [amended](#) in 2019 to raise that target to 100 %, thus requiring net-zero emissions. The law establishes an independent advisory body, the [Committee on Climate Change](#), to provide evidence-based advice on emissions targets and adaptation. The Climate Change Act requires the government to set legally-binding 'carbon budgets' that limit the amount of GHGs emitted in the United Kingdom over five-year periods. The carbon budgets are based on the advice of the Committee on Climate Change and must be set at least 12 years in advance to give policy-makers, businesses and individuals time to prepare.

By February 2020, ten EU Member States had adopted climate laws, seven of these have a long-term target. Seven other Member States are preparing or considering the adoption of a climate law.<sup>2</sup> Outside the EU, five European countries and a number of non-European countries have adopted climate laws since 2015, the year of the Paris Agreement.

A [study](#) (2020) on climate laws has identified a number of design elements to ensure the effectiveness of the governance system:

- clear quantitative and long-term targets;
- mandatory climate planning to align near-term policies with long-term planning;
- regular (annual) reporting and progress checks to trigger corrective action if needed;
- assignment of responsibilities to the relevant institutions (ministries and parliaments);
- an independent scientific advisory body;
- public participation, for example citizen assemblies.

## Parliament's starting position

The European Parliament has long advocated an ambitious climate change policy and has played an important role in raising the ambition of EU climate legislation for the period up to 2030.

The Parliament's October 2017 [resolution on the COP23 Climate Change Conference](#) urged the European Commission to prepare a mid-century zero emissions strategy for the EU.<sup>3</sup> In October 2018, Parliament adopted a [resolution on COP24](#), advocating a 1.5°C global warming target and calling for a 55 % reduction in emissions in the EU by 2030. In March 2019, Parliament adopted a [resolution on climate change](#), welcoming the Commission's [clean planet strategy](#) and calling for an overarching approach towards achieving net zero emissions by 2050.

In the [resolution of 28 November 2019](#) on COP25, Parliament stressed that the Union, as a global leader and together with other major global economies, needed to strive towards reaching net-zero greenhouse gas emissions as early as possible and by 2050 at the latest, and [declared](#) a climate and environment emergency.

Parliament's [resolution of 15 January 2020 on the European Green Deal](#) called on the Commission to present a proposal for a European climate law with a legally binding domestic and economy-wide target to reach net-zero GHG emissions no later than 2050, as well as intermediate targets for 2030 and 2040. It called for the latter to be based on impact assessments and to be finalised before the adoption of the climate law by the co-legislators. The resolution called for an increase in the EU's domestic GHG emission reduction target for 2030 to 55 % compared with 1990 levels.

## European Council starting position

The European Council has made building a climate-neutral, green, fair and social Europe one of the main four priorities in its [strategic agenda for 2019 to 2024](#). In its [conclusions of 12 December 2019](#), the European Council, in the light of the latest available science and of the need to step up global climate action, endorsed the objective of achieving a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement.

## Preparation of the proposal

In November 2018, in response to calls from the European Parliament and the European Council, the European Commission adopted the '[clean planet for all](#)' strategy, aiming for a prosperous, modern, competitive and climate-neutral economy by 2050. To prepare it, the Commission analysed scenarios for long-term decarbonisation and carried out a stakeholder consultation. This was followed by an EU-wide debate on the vision. A high-level public conference on implementation of the European Green Deal on 28 January 2020 provided a forum for a stakeholder debate on the European climate law. Almost 1 000 individuals and organisations provided [feedback](#) on the roadmap for the legislative proposal.

Between 18 March and 23 June 2020, the Commission held a [public consultation](#) on the climate target plan and the update of the EU 2030 target. An [impact assessment](#)<sup>4</sup> was then carried out in the first half of 2020, in order to accompany the revised 2030 target set forward in the climate target plan and to ensure a responsible pathway to the 2050 climate-neutrality target, as laid out in the

Green Deal announcement and original Climate Law proposal. EPRS has carried out an [initial appraisal](#) of the impact assessment.

## The changes the proposal would bring

The [proposed regulation](#) sets a legally binding EU-wide common target of net-zero GHG emissions by 2050. The proposed regulation would require EU institutions and Member States to take the measures necessary to achieve the collective climate-neutrality objective, taking into account fairness and solidarity among Member States.

The Commission would be empowered to adopt delegated acts setting out a trajectory to reach carbon-neutrality by 2050, starting from the 2030 target. When setting the trajectory, the Commission would have to consider a broad range of factors including cost-effectiveness, competitiveness of the EU economy, fairness and solidarity, a just and socially fair transition, and technological, scientific and international developments. The power of delegation would be conferred on the Commission for an indeterminate period of time, but could be revoked at any time by the European Parliament or by the Council. A delegated act would enter into force if neither Parliament nor Council were to object within a two-month period.

The proposed regulation would also require EU institutions and Member States to improve their climate change mitigation measures by enhancing adaptive capacity, strengthening resilience and reducing vulnerability. Member States would have to develop and implement adaptation strategies and plans to include comprehensive risk management frameworks.

By 30 September 2023, and every five years thereafter, the Commission would have to assess collective progress towards climate neutrality and on adaptation, the consistency of relevant EU and Member State measures with the climate-neutrality objective, and the adequacy of relevant EU and national measures for progressing on climate adaptation.<sup>5</sup> The Commission would have to base its assessments at least on information submitted and reported under the [Governance Regulation](#), reports by the European Environment Agency (EEA), European statistics and data, scientific evidence and supplementary information on environmentally sustainable investment. The EEA would have to assist the Commission in the preparation of the assessment.

The Commission would have to take corrective action if it found EU measures to be inconsistent with the climate-neutrality objective or inadequate with respect to adaptation, or if collective progress proved insufficient. It would also have to assess any draft measure or legislative proposal in the light of the climate neutrality objective, and include this analysis in all impact assessments.

The conclusion of the assessment of national measures would be included in the annual State of the Energy Union Report. If the Commission found a Member State's measures to be inconsistent with the trajectory towards climate neutrality or inadequate with respect to adaptation, it could issue recommendations to that country. Such recommendations would be public and complementary to the latest country-specific recommendations issued in the context of the European Semester. A Member State concerned by a recommendation would have to take due account of it and report how it had done so in its first progress report under the Governance Regulation in the year following the recommendation. If a Member State decided not to address a recommendation or a substantial part of it, it would have to communicate its reasons to the Commission.

The Commission would have to engage with all sections of society to facilitate an inclusive and accessible process at all levels in order to share best practices and identify actions to contribute to the achievement of climate neutrality and strong adaptation. In addition, the Commission could draw on the multi-level climate and energy dialogues set up by Member States in accordance with the Governance Regulation.

The Governance Regulation would be amended to make reference to the new climate law and the net-zero emission target.

### Amendment of the proposal to introduce a 2030 emission reduction target

On 17 September, the Commission [amended the proposal](#)<sup>1</sup> to include a target of reducing the EU's GHG emissions by 55 % by 2030, which would serve as the basis for setting the emissions trajectory for the years between 2030 and 2050. By 30 June 2021, the Commission would have to review the relevant EU legislation for achieving this target. In accordance with this timeline the [Commission Work Programme for 2021](#), adopted on 19 October 2020, announced the relevant legislative acts under Green Deal with the heading 'Fit for 55 package'.

## Advisory Committees

The European Economic and Social Committee (EESC) and the European Committee of the Regions (CoR) have been consulted on the proposal on a mandatory basis.

The EESC (rapporteur: Jan Dirx, Diversity Europe - Group III / the Netherlands) adopted its [opinion](#) on the legislative proposal on 15 July 2020. The EESC stresses that climate action and the economic recovery from the coronavirus crisis must go hand in hand, and calls for an effective and fully sustainable package of public and private investments. It supports a climate neutrality target at EU level instead of individual targets for every Member State. It supports an emissions reduction of at least 55 % by 2030, and urges the Commission to take full account of the impact of the coronavirus crisis. The EU should engage all major players worldwide in working towards climate neutrality. The EESC reiterates its proposal to set up a European Climate Pact Stakeholder Platform to foster the active participation of all parts of society, as set out in its [exploratory opinion on the European Climate Pact](#).

The European Committee of the Regions (rapporteur: Juan Manuel Moreno Bonilla, EPP, Spain) adopted its opinion on the proposal on 2 July 2020. The CoR [opinion](#) supports the climate-neutrality objective, while emphasising that the European Climate Law should also reinforce other environmental objectives, such as biodiversity protection and the management of protected areas. It insists on the involvement of all relevant subnational governments in the drafting of the national energy and climate plans (NECPs) and national long-term policies; highlights the potential benefits on the economy and on community involvement of tailor-made direct allocation of funds for locally and regionally adapted measures; highlights its [declaration](#) on local and regional authorities as actors of the European response to the Covid-19 crisis, adopted in May 2020, and the need for the European Green Deal to form a key element of the EU recovery plan, in order to tackle climate change and strengthen the EU's economic, social and territorial cohesion; reiterates its call for a European climate-neutrality observatory; suggests integrating the European Climate Pact into the European Climate Law, since citizen involvement, bottom-up feedback and education at grassroots level are key to effective climate action and the success of the European Green Deal.

## National parliaments

By 13 November 2020, the deadline for raising subsidiarity concerns, 15 [parliamentary assemblies](#) of Member States had completed the scrutiny of the proposal. Three parliamentary assemblies (Austrian Federal Council, French Senate and Dutch Senate) have raised subsidiarity concerns, particularly in relation to the use of delegated acts to set the post-2030 emissions trajectory. The French Senate in its reasoned opinion calls for caution and procedural clarifications on the planned assessment of national measures by the European Commission, to avoid undue interference with Member States' powers as regards their energy mix<sup>6</sup>).

The Polish Senate opinion within the framework of political dialogue calls for using [Article 192\(2\)](#) TFEU as the legal basis for the climate law proposal. This article provides for a special legislative procedure (unanimity in the Council) for the adoption of 'measures significantly affecting a Member State's choice between different energy sources and the general structure of its energy supply'. The proposed empowerment of the Commission to adopt delegated acts, setting out a trajectory towards 2050 from the 2030 target, is met with strong criticism from six parliamentary assemblies

spread across Europe, mainly with the argument that the trajectory-setting is an essential and key element of the legislation which therefore cannot be delegated.<sup>7</sup> This criticism is not linked to the countries' general stance on the 2050 ambition of the proposal, with some among them having more ambitious national targets.

The [National Council of the Slovak Republic](#) calls for an approach of indicative trajectories, giving the competence to Member States on how to reach the 2050 target of net climate-neutrality.

While Austria and Denmark support the climate law proposal's intent to commit, in a legislative act, to a 2050 climate-neutrality target, with reference to higher own national ambitions, only the Romanian Senate clearly states support for the 55 % target. This position however calls for the target to be unanimously agreed at European Council level. In view of the economic impact of the Covid-19 pandemic, the Senate raised the need for further in-depth analysis concerning the overall impacts of the proposal.

## Stakeholder views<sup>8</sup>

### Positions on the original proposal

[BEUC](#), the European consumer organisation, welcomes the proposal, but warns that stronger climate measures may harm consumer interests if designed the wrong way. It calls for a systemic and predictable transition, a fair distribution of costs; and standards for sustainable products. European trade unions ([ETUC](#)) are calling for provisions in the climate law to ensure their formal and effective involvement in decision-making, implementation and evaluation of Green Deal policies.

[Business Europe](#) supports the climate neutrality ambition, urges politicians to focus on how to get there, and notes that Europe already has an investment gap of €260-270 billion per year to reach the existing 2030 climate targets. The chemical industry ([CEFIC](#)) is calling for an enabling framework to help the sector become carbon-negative by 2050. [Copa-Cogeca](#), representing European farmers argues farmers and forest owners should be remunerated for contributions to natural carbon sinks in agriculture and forestry, but notes that emissions from farming cannot be avoided completely.

[Greenpeace and WWF](#) have called for an independent scientific advisory body and stronger targets: climate neutrality by 2040 and negative emissions thereafter. [Bellona](#) warns of over-reliance on negative emissions technologies, and recommends precise rules as to what counts as permanent removal of GHGs. European [youth climate activists](#) addressed an open letter to the EU institutions and Member States, claiming that the proposal was not science-based, lacked enforcement ('a law that no one has to follow'), and fell short on equity and global climate justice.

## Legislative process

### Council

On 5 March 2020, the Commission presented the legislative proposal to the Environment Council. On 23 October 2020, the Environment Council reached agreement on a [partial general approach](#). It would include mandatory emissions reduction targets for 2030<sup>9</sup> and for 2040 (to be proposed by the Commission after the first global stocktake under the Paris Agreement). An indicative linear emissions trajectory linking the intermediate targets and the 2050 climate-neutrality objective would be used for assessing the progress (instead of a trajectory set through delegated acts). National and EU measures to achieve the climate neutrality target would have to be socially fair and cost-effective. The Commission would be required to assess the availability of adequate EU instruments and incentives for mobilising the investments needed, and propose measures as necessary. The EU and the Member States would have to ensure that policies on adaptation are mutually supportive, provide co-benefits for sectoral policies, and contribute to climate mainstreaming. The Commission would have to regularly review/assess the consistency of EU measures, draft measures and legislative proposals with ensuring progress on adaptation, in



addition to climate neutrality. Within six months after each global stocktake under the Paris Agreement, the Commission would have to submit a report on the operation of the climate law, with the possibility to make proposals for amending it where appropriate.

The December 2020 European Council [endorsed](#) the Commission's proposal to raise the 2030 target to a 55 % reduction of the EU's net emissions, and updated the EU's [NDC](#) accordingly.

## European Parliament

In the European Parliament, the proposal has been referred to the Committee on Environment, Public Health and Food Safety (ENVI), while the Committee on Industry, Research and Energy (ITRE) is associated under Rule 57. The rapporteur, Jytte Guteland (S&D, Sweden), presented her [draft report](#) on 4 May 2020, calling for a 65 % emissions reduction by 2030.<sup>10</sup> The ENVI committee [report](#), adopted on 11 September 2020, favours a Union-wide 60 % emissions reduction target by 2030, while the opinion of the associated Committee on Industry, Research and Energy (ITRE) calls for a 55 % target.

The Parliament adopted its [position](#) in plenary vote on 6 October 2020, calling for a Union-wide 60 % emissions-reduction target by 2030, for net-zero emissions by 2050 at the latest in the EU and in each Member State and for negative emissions after 2050. By 31 December 2021, the Commission would have to publish a report setting out the Union GHG budget and explaining its methodology. By 31 May 2023, it should assess the options for introducing an emissions reduction target for 2040 and present legislative proposals, where appropriate.

The Commission would set an indicative trajectory for post-2030 emissions reductions, and make, if appropriate, a legislative proposal to this effect (instead of delegated acts), taking into account the 2040 intermediate target and the EU GHG budget. The Parliament introduces additional criteria to be taken into account when setting the trajectory, including, among others, the cost of inaction or insufficient action, a just and socially fair transition, environmental sustainability and biodiversity, the need to phase out fossil fuel subsidies and the carbon footprint of end products and consumption in the Union. Within six months after each global stocktake, starting in 2028, the Commission would have to conduct a review of all elements of the climate law, including the trajectory, and submit a report accompanied, if appropriate, by legislative proposals.

The European Climate Change Council (ECCC), would be established by 30 June 2022 as a permanent, independent, inter-disciplinary scientific advisory panel on climate change. It would be set up in cooperation with the Member States' national climate advisory bodies. All Member States would have to notify the Commission of their national independent climate advisory body and be encouraged to establish such a body if it does not exist. The ECCC would be composed of a scientific committee of a maximum of 15 senior experts ensuring a full range of expertise and a management board with one member from each national independent climate advisory body. The members of the scientific committee would serve for a five-year term, renewable once. The members of the scientific committee would be identified through an open evaluation process and designated on a personal basis by the management board. The ECCC would publish an annual report, and where necessary make recommendations to the Commission to ensure the achievement of the climate law's objectives. The Commission would have to consider the reports and recommendations and issue a formal response to the ECCC within three months. The European Environment Agency would serve as the ECCC's secretariat.

The Commission would have to adopt an updated EU strategy on adaptation to climate change by 31 January 2021 and every five years thereafter, aiming to mainstream adaptation across EU policies, international commitments, trade agreements and international partnerships. Member States would have to adopt and implement adaptation strategies and plans at national and regional level by 31 December 2021 and every five years thereafter. Beneficiaries of Union instruments, including projects supported by the European Investment Bank, would have to carry out climate adaptation stress tests for projects deemed particularly vulnerable to climate change impacts, according to detailed criteria to be set out by the Commission in delegated acts.

EU institutions and Member States would have to ensure continuous progress on making public and private finance flows consistent with a pathway towards a climate-neutral and resilient society. By 1 June 2021 and at regular intervals thereafter, the Commission would have to present a report assessing how EU legislation, including the multiannual financial framework and specific regulations relating to funds and instruments under the EU budget, would need to be amended, to ensure the consistency of public and private finance flows with the EU's climate objectives. The Commission would have to disclose annually which part of the Union's expenditure complies with the taxonomy categories set out in the [Taxonomy Regulation](#). Member States would have to phase out all direct and indirect fossil fuel subsidies without compromising efforts to tackle energy poverty, and mobilise sustainable investment accordingly.

The provisions on the assessment of progress would be strengthened compared to the Commission proposal. The Commission would have to assess the progress made by each Member State on achievement of the EU climate objectives and on adaptation, in addition to assessing the collective progress, every two years (instead of every five years) aligning the assessment with the two-year cycle in the Governance Regulation. Likewise, the Commission would have to review the consistency of EU measures with the EU climate objectives every two years (instead of every five years). The Parliament's amendments broaden the scope of the review and take account of the emissions reduction trajectory. The Commission would have to assess national measures every two years (instead of every five years). If the Commission finds that a Member State's measures are inconsistent with the EU climate objectives and trajectory, or inadequate to ensure progress on adaptation, it would be obliged to issue recommendations. Within six months after receiving a recommendation, the Member State concerned would have to notify the Commission of the measures it intends to adopt, and within 18 months report on how it has taken due account of the recommendation and what measures it has adopted, as part of the progress report required under the [Governance Regulation](#). Within three months of submission of the progress report, the Commission would have to assess whether the measures adopted adequately address the issues raised in the recommendation.

By December 2020, the Commission would have to prepare a plan with Union-level measures to ensure appropriate investments to achieve a climate-neutral economy. Within one year after the entry into force of the climate law, the Commission would have to issue a sectoral decarbonisation roadmap towards climate neutrality by 2050 at the latest for each relevant sector, following sectoral in-depth stakeholder dialogues. The Commission would have to establish a European Climate Pact.

The Parliament's amendments introduce detailed provisions on access to justice. The [Effort-sharing Regulation](#) would be amended to set a minimum price of €100 per tonne of CO<sub>2</sub> equivalent for transfers of excess parts of unused annual emission allocations between Member States. In the context of the modernisation of the [Energy Charter Treaty](#), the EU would have to terminate the protection of fossil fuel investments.

## Trilogue agreement

Council and Parliament reached a [provisional agreement](#) on the proposal on 21 April 2021. The agreement sets a target of reducing the EU's net GHG emissions by 2030 by at least 55 % below 1990 levels and requires relevant EU institutions and Member States to prioritise swift and predictable emission reductions and enhance removals by natural sinks at the same time. In order to ensure sufficient mitigation efforts in the period up to 2030, the contribution of net removals to the 2030 target is limited to 225 Mt CO<sub>2</sub>e. However, the agreed text states that the EU shall aim to achieve a higher volume of removals in 2030 in line with the objective of achieving climate neutrality by 2050, which may raise the *de facto* net emission reduction target towards 57 %.<sup>11</sup>

The Commission will have to make a legislative proposal to set the emission reduction target for 2040 within six months after the first [global stocktake](#) under the Paris Agreement. The proposal shall be based on the best available scientific evidence, impact assessment and the indicative EU GHG budget for the period 2030-2050, which the Commission shall publish in a separate report. The

Commission may propose to revise the 2040 target within six months after the second stocktake under the Paris Agreement. The EU-wide climate neutrality target for 2050 is complemented by the EU-wide aim to achieve negative emissions thereafter.

Within six months after each global stocktake under the Paris Agreement, the Commission shall submit a report on the operation of the Climate Law to the European Parliament and to the Council, and, if appropriate, accompanied by legislative proposals to amend the Climate Law.

The agreement establishes a European Scientific Advisory Board on Climate Change,<sup>12</sup> composed of 15 independent senior scientific experts covering a broad range of relevant disciplines. The members of the advisory board will be appointed for a term of four years and selected on criteria of scientific excellence and relevant experience, while aiming for gender and geographical balance. The tasks of the advisory board, as set out in the climate law, include considering the latest scientific findings; providing scientific advice and issuing reports on existing and proposed Union measures, climate targets and indicative greenhouse gas budgets; contributing to the exchange of independent scientific knowledge; identifying actions and opportunities to achieve the European climate targets; and raising awareness on climate change and its impacts. Each Member State is invited to establish a national climate advisory body to provide national authorities with scientific advice on climate policy.

For sectors of the EU economy that choose to prepare voluntary roadmaps towards achieving the climate neutrality objective, the Commission shall engage by facilitating dialogue at EU level and sharing of best practice, and monitor the development such roadmaps.

The agreement strengthens provisions on adaptation to ensure the mainstreaming and coherence of policies on adaptation in the EU and the Member States, with a focus on the most vulnerable and impacted populations and sectors. Within one year of the entry into force of the climate law, the Commission shall adopt guidelines for the identification, classification and prudential management of material physical climate risks affecting projects and programmes.

[Regulation \(EU\) 2018/1999](#) on the Governance of the Energy Union and Climate Action is amended in line with the provisions of the Climate Law, notably the climate neutrality objective.

Coreper approved the provisional agreement on 5 May 2021, and the ENVI committee endorsed it on 10 May 2021. Parliament approved the agreed text on 24 June 2021. The final act was signed on 30 June 2021 and published in the [Official Journal](#) on 9 July 2021. The European climate law entered into force on 29 July 2021.

## EP SUPPORTING ANALYSIS

Jensen L., [Climate target plan: Raising the level of ambition for 2030](#), EPRS, European Parliament, November 2020.

Vikolainen V., [Setting the 2030 greenhouse gas emission reduction target](#), Initial Appraisal of a European Commission Impact Assessment, EPRS, European Parliament, November 2020.

Erbach G., [EU climate action policy: Responding to the global emergency](#), EPRS, European Parliament, March 2021.

## OTHER SOURCES

[Framework for achieving climate neutrality](#), European Parliament, Legislative Observatory (OEIL).

Communication on stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people, [COM\(2020\) 562 final](#), European Commission, September 2020.

[Climate laws in Europe: Good practices in net-zero management](#), Ecologic, February 2020.

Averchenkova A., [Legislating for a low carbon and climate resilient transition: Learning from international experiences](#), Real Instituto Elanco, 2019.

[World Bank Reference Guide to Climate Change Framework Legislation](#), World Bank, 2020.

[Climate Change Laws of the World](#), LSE Grantham Institute on Climate Change and the Environment.

## ENDNOTES

- <sup>1</sup> In December 2020, the EU submitted an [updated NDC](#) that commits to a binding target of a net domestic reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990.
- <sup>2</sup> European countries with climate laws with a long-term element: Denmark, Finland, France, Germany, Ireland, Netherlands, Sweden, Norway and the UK. European countries with climate laws without a long-term element: Austria, Bulgaria, Malta, Iceland, Liechtenstein and Switzerland. Source: [Climate Laws in Europe](#), Ecologic, 2020.
- <sup>3</sup> The [March 2018 European Council](#) also asked the Commission to present a strategy for long-term EU greenhouse gas emissions reduction. Consequently, the Commission adopted the clean planet strategy in November 2018 (for details, see the 'Preparation of the proposal' section).
- <sup>4</sup> For an extensive presentation and analysis of the impact assessment, consult the [initial appraisal](#) carried out by EPRS.
- <sup>5</sup> This process is aligned with the timelines of the 'global stocktake' under the Paris Agreement, under which parties periodically assess the implementation of the agreement and collective progress towards its goals.
- <sup>6</sup> Article 194(2) and Article 192(2)(c) TFEU.
- <sup>7</sup> Article 290 TFEU states that 'a legislative act may delegate to the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act'.
- <sup>8</sup> This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.
- <sup>9</sup> The article which sets the GHG net emissions reduction target for 2030 to 55 % is bracketed and does not form part of the partial general approach. The December 2020 European Council subsequently endorsed the 55 % target.
- <sup>10</sup> A 65 % emissions reduction target for 2030 corresponds to an annual emissions reduction of 7.6 %, which is the rate of emissions reduction that is needed on a global level to limit global temperature rise to 1.5°C, according to the UNEP [Emissions Gap Report](#).
- <sup>11</sup> In July 2021, the Commission adopted a [legislative proposal](#) to revise the [LULUCF Regulation](#), part of the 'Fit for 55' package, with the objective of increasing the land carbon sink to 310 Mt CO<sub>2</sub>e by 2030 in line with the [climate target plan](#) adopted in September 2020. These additional removals would de facto raise the [net emission reduction target](#) towards 57 %.
- <sup>12</sup> The European Scientific Advisory Board on Climate Change is established by amending [Regulation \(EC\) No 401/2009](#) on the European Environment Agency and the European Environment Information and Observation Network.

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