

# EU climate target plan

## Raising the level of ambition for 2030

### SUMMARY

The EU's current greenhouse gas emissions reduction target for 2030, of 40 % compared with 1990 levels, was agreed by the European Council in 2014, along with targets for renewable energy and energy efficiency. Since 2017, the European Parliament has been urging the European Commission to develop a zero-emission long-term 2050 vision for the European Union. Following Parliament's reiteration of this demand and a similar call from the European Council, in November 2018 the Commission adopted a strategic long-term vision, aiming for climate neutrality by 2050.

Commission President Ursula von der Leyen has committed to this goal with the European Green Deal, proposing to set the EU 2050 climate-neutrality target in legislation by means of a European climate law. As part of the climate-neutrality commitment, the Commission is proposing to review and revise the 2030 greenhouse gas emissions target, to ensure a realistic and feasible trajectory towards 2050. On 17 September 2020, on the basis of a public consultation and an in-depth impact assessment, the Commission adopted a communication on the climate target plan. The climate target plan proposes to increase the 2030 target from a 40 % emissions reduction to a 55 % net emissions reduction, compared with 1990 levels. The communication outlines sectoral targets and approaches, as well as the regulatory revisions and new initiatives needed in the climate and energy policy framework. In the 2021 Commission work programme, the numerous revisions required are presented under the package 'Fit for 55'.

The 2030 target, embedded in the future climate law, will be subject to interinstitutional negotiations, with Parliament having adopted its position of a higher 60 % emissions reduction target at its October 2020 plenary session. The European Council discussed the climate target plan at its October 2020 meeting, and will revisit it in December with a view to agreeing the 2030 target.



#### In this Briefing

- The climate target in relation to the European Green Deal
- The European Commission's 2030 climate target plan
- The road to achieving a revised 2030 climate target
- European Parliament and Council positions
- Expert and stakeholder views

## The climate target in relation to the European Green Deal

The European Green Deal is a strategic priority that was first outlined in the political guidelines of European Commission President, Ursula von der Leyen. On 11 December 2019, the Commission presented a communication on the [European Green Deal](#) that sets out a detailed vision to make Europe the first climate-neutral continent by 2050, and to safeguard biodiversity, establish a circular economy and eliminate pollution, while boosting the competitiveness of European industry and ensuring a just transition for the regions and workers affected.

The original March 2020 legislative [proposal](#) for a European climate law, encompassing the climate neutrality by 2050 target, asks the Commission to review the 2030 greenhouse gas (GHG) emissions reduction target, and propose its revision if necessary. The climate target plan constitutes this revision and the provision was removed with the September 2020 [amendment](#) of the European climate law proposal (see below).

Between 31 March and 23 June 2020, the Commission held a [public consultation](#) on the planned update of the 2030 climate target. An [impact assessment](#)<sup>1</sup> (IA) was also prepared, to accompany a revised 2030 target and to ensure a responsible pathway to the 2050 climate-neutrality target, as laid out in the Green Deal communication and the original climate law proposal.

On 17 September 2020, the Commission adopted the communication '[Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people](#)', commonly referred to as the 2030 EU climate target plan. The communication lays the foundation for a wide range of actions under the European Green Deal political objective and suggests a GHG net emissions reduction target for 2030 of 55 % compared with 1990 levels.

The European climate law proposal was [amended](#) on 17 September 2020 to reflect the new target.

### Climate and energy targets in the EU

The EU has a target of reducing GHG emissions by 20 % by 2020 compared with 1990 levels, and is on track to exceed it. In 2019, EU [GHG emissions](#) 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](#). The EU's 2030 target for the market share of renewable energy is 32 % and the target for improvement in energy efficiency is 32.5 %.

The European Council also called for the development of a reliable and transparent governance system, ensuring integration and streamlining of planning, reporting and monitoring efforts while reducing the administrative burden. As part of its [Clean energy for all Europeans package](#), issued on 30 November 2016, the Commission proposed the [Regulation on the Governance of the Energy Union and Climate Action](#), which entered into force on 11 December 2018.

The European Parliament adopted a [resolution](#) on 4 October 2017, calling upon the Commission to prepare a mid-century zero-emissions strategy for the EU before the 24th United Nations climate conference (COP24) in 2018. Subsequently the European Council, in March 2018, called upon Commission to develop a strategy on long-term EU GHG emissions reduction in line with the Paris Agreement by the first quarter of 2019. Parliament reiterated its call in its [resolution on COP24](#) of October 2018.

On 28 November 2018, the Commission adopted a strategic long-term vision entitled '[a clean planet for all](#)', proposing climate neutrality by 2050. In a [resolution](#) on 14 March 2019, Parliament welcomed the Commission's strategy and advocated a 55 % reduction of EU emissions by 2030.

Referring to the content of specific energy and climate action legislation<sup>2</sup> the 2018 Governance Regulation sets out reporting and monitoring requirements for Member States and the Commission. The regulation introduced an e-platform to receive the integrated national energy and climate plans (NECPs), to secure comparable data to verify progress and inform Union climate action planning.

The GHG emissions reduction target for 2030 is also the EU's [nationally determined contribution](#) (NDC) to the Paris Agreement.

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

The climate target plan communication proposes to raise the 2030 target from the current 40 % reduction target to a net 55 % reduction target. The European Council had an initial discussion on the proposed target during its meeting of 15 October 2020. The [meeting conclusions](#) stated that the European Council would continue discussions with a view to agreeing on a new emissions reduction target for 2030 at its December 2020 meeting. This would also allow for an update of the EU's NDC to the United Nations Framework Convention on Climate Change before the end of 2020. The European Committee of the Regions (CoR), in its [opinion](#) on the climate law proposal, and the European Economic and Social Committee (EESC), in its [opinion](#) of July 2020, both support an emissions reduction target of at least 55 % by 2030.

## The European Commission's 2030 climate target plan

The European Commission is proposing to raise the 2030 emissions reduction target from the current 40 % to at least 55 %, compared with 1990 levels. This would be a 'net' target<sup>3</sup> including GHG removals through land use and forests, in contrast with the existing 40 % target, which concerns emissions only.

The proposed target is based on three key considerations:

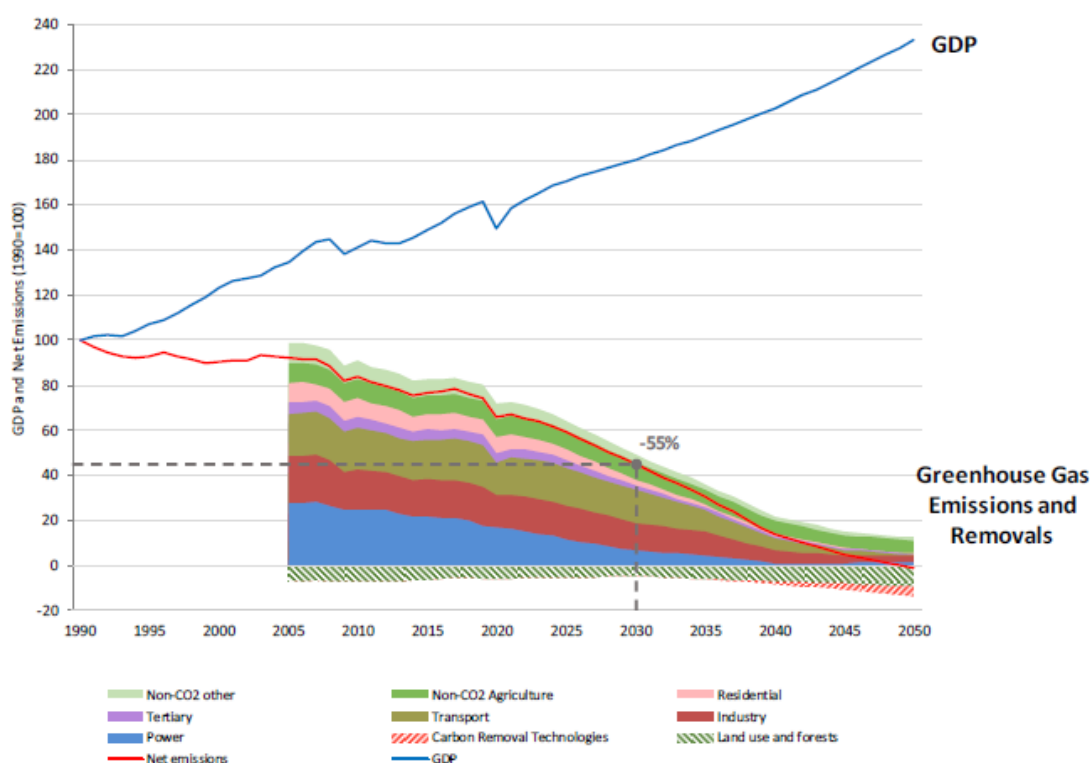
- interlinked issues of long lead times in various sectors to implement transitions;
- the risk of carbon lock-in from investments in the coming decade;
- the seriousness of the current climate crisis and need to act in a timely manner.

The Commission argues that delivering on the revised target with a coherent policy framework to support implementation across all sectors would make European industry and businesses trail-blazers. The plan is expected to modernise the economy, delivering innovation and a competitive edge while ensuring security and resilience of energy supply and health benefits. The proposed new multiannual financial framework ([MFF](#)) and Next Generation EU ([NGEU](#)) provide an opportunity to transition and grow the economy simultaneously. In July 2020, the [European Council](#) concluded that 30 % of the combined MFF and NGEU budgets should be targeted towards climate action and, more specifically, to helping achieve the 2030 target, expected to be updated by the European Council at the end of 2020. Further to the 30 % climate-spending target, the European Council reiterated that all EU expenditure should be in line with the objectives of the Paris Agreement. The communication considers climate action mainstreaming across other funds and programmes and ensuring a just transition through the [just transition mechanism](#) to be key.

The communication also provides more detail on the major reform of the EU ETS as communicated in the Green Deal, the aim being to encompass all emissions related to fossil fuel combustion. The EU ETS would be expanded and reinforced to ensure a robust carbon price. The Commission's impact assessment (IA) considers carbon pricing to be one of the most efficient tools for driving change. Further carbon pricing is also envisaged through revision of the [Energy Taxation Directive](#).

The Commission's envisaged pathway<sup>4</sup> to climate neutrality and economic growth is illustrated in Figure 1.

Figure 1 – Historic and projected GDP, greenhouse gas emissions and removals (EU-27)



Source: Communication '[Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people](#)', European Commission, 2020.

The energy system and buildings are expected to deliver at least 60 % emissions reductions compared with 2015. More and decentralised renewable energy investments would drive citizens' engagement, local development and employment opportunities, while greening heating and cooling in buildings and industry through renewable electricity. The [Renovation Wave initiative](#) adopted by the Commission in October 2020 would be a key economic recovery tool while also delivering significant energy efficiency gains in a sector currently accounting for 40 % of final energy consumption.

For industry and the energy mix, the [new industrial strategy](#) adopted in March 2020 and the [hydrogen strategy](#) along with the [energy systems integration strategy](#) adopted in July 2020, already mark out the major pathways envisaged. Action to strengthen the climate and energy policy framework would also drive transformation, while the EU certification systems, mentioned in the [circular economy action plan](#) should support decarbonisation by facilitating supply and demand of low-carbon products and technologies.

The communication sets out its goal of a jump in the renewable energy share of the transport sector from 6 % in 2015 to 24 % in 2030. The Commission states that not only road and rail, but also aviation and maritime transport must contribute to the 55 % by 2030 target. To achieve this, the Commission puts forward the possibility of including the maritime transport sector under the EU ETS and reducing the free allocation of emission allowances to airlines, in combination with policy drivers on CO<sub>2</sub> performance standards and innovative technologies, on which specific details will be set out in the [strategy for sustainable and smart mobility](#), [ReFuelEU Aviation](#) and [FuelEU Maritime](#) initiatives.

The land use, land use change and forestry (LULUCF) sectors play an important role in balancing the remaining emissions to achieve climate neutrality by 2050. A number of carbon sink and biodiversity initiatives have already been announced through the Green Deal. In the climate target plan the Commission reflects on the potential of a new sector covering non-CO<sub>2</sub> emissions from agriculture, forestry and land use. Further non-CO<sub>2</sub> emissions are to be addressed by means of revision of the

LULUCF Regulation as well as the [methane strategy](#) and existing policies in the areas of waste management and circular economy initiatives. Under the [European Climate Pact](#) later this year, an initiative on EU carbon farming will be included.

Owing to the expansion of the ETS, the revision of numerous regulations and the introduction of new initiatives, as presented above, the climate target plan communication states that the Effort-sharing Regulation might be repealed, if all sectors and objectives are covered by ETS and LULUCF or other legislation.

## The road to achieving a revised 2030 climate target

With the climate target plan the European Commission announced revisions and adjustments of the entire existing policy framework, along with new initiatives. In the [Commission's work programme for 2021](#), the majority of the legislative revisions mentioned in the climate target plan are grouped together in a 'Fit for 55' package (see Table 1).

Table 1 – Initiatives under the 'Fit for 55' package

Initiatives under the Fit for 55 package and the timeline			
Revision of the EU emissions trading system (ETS), including a proposal for ETS as an own resource	Q2, 2021	Carbon border adjustment mechanism (CBAM) and proposal for own resource	Q2, 2021
Effort Sharing Regulation (ESR)	Q2, 2021	Revision of the Energy Tax Directive	Q2, 2021
Amendment to the Renewable Energy Directive	Q2, 2021	Amendment of the Energy Efficiency Directive	Q2, 2021
Reducing methane emissions in the energy sector	Q2, 2021	Revision of the LULUCF Regulation	Q2, 2021
Revision of CO <sub>2</sub> emission performance standards for new passenger cars and vans	Q2, 2021	Revision of the Directive on deployment of alternative fuels infrastructure	Q2, 2021
Revision of the third energy package for gas and competitive decarbonised gas markets	Q4, 2021	Revision of the Energy Performance of Buildings Directive	Q4, 2021

Data source: [Communication on 2021 Commission work programme](#) - annexes, European Commission, October 2020.

For many of the above initiatives the Commission is either currently undertaking [public consultations](#) on the initial roadmaps to inform impact assessments (ESR, LULUCF, CO<sub>2</sub> emissions standards and ETS) or has already completed them (Energy Tax Directive and CBAM).

A paper by the [German Federal Environment Office](#) outlines the need for an ambitious 2030 climate target and the urgent need to revise the EU ETS and ESR to help reach a new target. It discusses options for reaching targets of between 50 and 65 % in emission reductions by 2030. The paper presents options on how to share the target between the ETS and ESR sectors. Although the authors acknowledge the limitations of changing some areas of the EU ETS before the second allocation period from 2026, they argue that the surplus of allowances, exacerbated by the economic crisis due to the pandemic, will have to be addressed with effect from 2021 to ensure a functioning system. They present options and degrees for raising the linear reduction factor<sup>5</sup> (LRF), rebasing the cap,<sup>6</sup> and lifting the percentage ceiling<sup>7</sup> of allowances moved to the market stability reserve (MSR). ESR options are also presented; these include adjusting the annual ESR emission allocations of Member States, implementing EU-level measures, especially for transport and buildings,<sup>8</sup> and raising the level of ambition by means of a gap-filling mechanism, rewarding Member States with EU funding if they go beyond ESR obligations.

The 2030 climate target plan communication builds on the impact assessment (IA) and a public consultation carried out in spring 2020. The Commission's analysis concludes that the current policy framework is insufficient, as it would result in only a 60 % reduction in emissions by 2050.

The IA analyses policy options to address the problem that the EU's GHG reduction target and current policies are inadequate when it comes to ensuring a gradual transition to a climate neutral EU economy by 2050. It includes baseline scenarios based on the current EU climate and energy policy and on the national energy and climate plans of the Member States. It analyses a range of policy options and delivers 10 policy scenarios, two of which take account of the coronavirus crisis.

The analysis focuses on the general objective of increasing the EU's GHG emissions reduction target to within the range of 50 % to 55 % by 2030, as well as determining the scope of the target. It outlines the cost-effective potential of all sectors of the EU economy to contribute to achieving the target.

The IA also prepares the ground for a targeted revision of the climate and energy policy framework. According to the IA, a broad mix of policy instruments are required to deliver the greater level of ambition, including the extension of carbon pricing and emissions trading, along with regulatory measures in the energy and transport fields.

The impacts assessed include: economic growth and prosperity; social justice; security, affordability and sustainability of the energy system; carbon leakage; technological progress and leadership in green technologies; and environmental sustainability, resource use and food security.

The assessment finds that net GHG emissions reductions within a range of 50 to 55 %, are possible in a responsible manner and would deliver sustainable economic growth. The results are provided at EU level only, and not broken down by region or Member State.

The EPRS [initial appraisal](#) of the impact assessment highlights issues with the formulation of the objectives, the selection and assessment of scenarios, and conformity with the [Better Regulation Guidelines](#) and the recommendations of the Commission's [Regulatory Scrutiny Board](#), where available.

## European Parliament and Council positions

The new emissions reduction target is to be agreed as part of the legislative proposal for the European climate law, [amended](#) by the European Commission on 17 September 2020 to reflect the revised target.

In the European Parliament, the [climate law proposal](#) has been referred to the Committee on Environment, Public Health and Food Safety (ENVI). During committee debates, the rapporteur in charge, Jytte Guteland (S&D), [argued for a 65 % target](#), referencing the United Nations Environment Programme (UNEP) emissions gap report on remaining within the 1.5°C global warming target. The [climate target plan](#) was referred to the ENVI committee too, though as a non-legislative communication and with the target included under the legislation for the climate law, no specific action is required or expected from Parliament on the target plan itself. In relation to the climate law proposal, [Parliament](#) adopted its position on 8 October 2020, calling for a 60 % emission reduction by 2030, in line with the [final ENVI committee report](#). In contrast, the opinion of the Committee on Industry, Research and Energy (ITRE), associated under Rule 57 of the Rules of Procedure of the European Parliament, proposed sticking to the 55 % target as earlier called for by Parliament, most recently in its [resolution](#) of 15 January 2020 on the European Green Deal.

On 23 October 2020, the Environment Council reached agreement on a [partial general approach](#) on the climate law proposal. The partial approach agreement does not include the 2030 GHG emissions reduction target. With the mandate given by the adoption in Parliament and the partial agreement in Council, interinstitutional negotiations can proceed on the climate law proposal, except for on the 2030 target.<sup>9</sup>

## Expert and stakeholder views

In response to the consultation on the inception impact assessment (IIA), [ECRA](#), the European Climate Research Alliance, an association of 23 leading European climate research institutions,

called upon the Commission to include evaluation of targets higher than 55 % in the IA. ECRA referenced the [UNEP](#) emissions gap report, implying the need for a 65 % 2030 target for the EU, in order to reach the 1.5°C global warming target of the Paris Agreement. Similarly, the European Roundtable on Climate Change and Sustainable Transition ([ERCST](#)) highlighted the issue of the pre-determined target scope, rather than letting the IA conclude the appropriate target.

In early March 2020, the secretary-general of [Eurelectric](#), the EU power sector association, warned the Commission of the danger of making the climate law proposal too complex, suggesting abstaining from adding a 2030 target in the legislative proposal itself. He argued that revision of the 2030 target had been announced separately already and would complicate efforts to achieve a Climate Law agreement.

On 15 October 2020, in a [joint open letter](#), referred to by Commission President Ursula von der Leyen in her [State of the Union](#) address of 16 October 2020, a coalition of over 170 businesses, investors and business and investor networks urged policymakers to adopt an ambitious emissions reduction target for 2030 of at least 55 %. [Business Europe](#), calling 2050 climate-neutrality 'our common ambition', has called for clarity regarding the *how* rather than the targets, but has also in a [recent paper](#) directed strong criticism towards the IA underpinning the proposed target, on account of its failure to consider in full the economic impacts of the coronavirus crisis.

From the forest sector, [EUSTAFOR](#), representing state forests, supports the European Union's climate ambition, but criticises the climate target plan for simplistically reducing forests to carbon sinks offsetting other sectors' emissions. EUSTAFOR calls for increased attention to the multi-purpose role of forests in providing sustainable biomass and wood for construction as well as carbon sinks. On 12 October 2020, six forest sector associations launched the [#ForestBiodiversity Platform](#), to showcase how forestry can support Green Deal priorities.

The [European Trade Union Confederation](#) (ETUC) supports the 55 % GHG emission reduction target, but points to a lack of funding guarantees, criticising the [reduction of the Just Transition Fund](#), saying the plan falls short when it comes to jobs, working conditions and governance.

Several NGOs (among them [WWF](#), [Greenpeace](#) and [Bellona](#)), beyond making demands for a higher target, have criticised the change to the net target for 2030, with Greenpeace claiming the Commission was trying to 'fudge' with the numbers. The [Coalition for Higher Ambition](#), representing a wide range of organisations, authorities and investment groups, also supports a higher target. Following the vote in Parliament, FERN, Bellona and CarbonMarketWatch, in an [open letter](#) to top EU decision-makers in Commission and Council, urged them to [follow the European Parliament's lead](#) and protect the integrity of the EU 2030 target, to avoid blurring the target and creating confusion and inaction with a net target. The organisations called for clear emissions reductions targets with separate targets for removals. They also called for the development of definitions and verification methods for removals.

Beyond criticism of the net target for 2030, the intention to include road transport under the ETS has also received attention. [Transport&Environment](#), the European federation of green transport NGOs, called this specific measure a 'problematic' idea that, in combination with a repeal of the Effort Sharing Regulation, would [undermine](#) national incentives to promote modal shifts, tax reforms and other green transport policies. With regard to targets for CO<sub>2</sub> emissions from new cars and vans, ACEA, the [European Automobile Manufacturers' Association](#), has asked the Commission to first ensure enabling factors, calling for supportive policies for the industry.

In its feedback during the consultation period, [EuroMines](#), representing the European mineral raw materials industry, also called for support, urging policy-makers to pay attention to the time requirements for adaptation and to ensure financial support for innovative decarbonisation and energy efficiency technologies. Furthermore, to ensure continued competitiveness of the industry, it called for concrete support for a competitively priced fossil-free electrification process.

## MAIN REFERENCES

Communication '[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.

Erbach G., [European climate law](#), EPRS, European Parliament, November 2020.

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

[Stepping up Europe's 2030 climate ambition](#), Legislative train schedule, European Parliament.

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

Wilson A., [Governance of the Energy Union](#), EPRS, European Parliament, January 2019.

## ENDNOTES

- <sup>1</sup> For an extensive presentation and analysis of the impact assessment, please see the [initial appraisal](#) carried out by EPRS.
- <sup>2</sup> Including the EU emissions trading system ([ETS](#)), the Renewable Energy Directive ([RED](#)), the Energy Efficiency Directive ([EED](#)), Energy Performance in Buildings Directive ([EPBD](#)), the Effort Sharing Regulation ([ESR](#)) and the Land Use, Land-Use Change and Forestry regulation ([LULUCF](#)).
- <sup>3</sup> According to the impact assessment of the climate target plan, if emission removals through land use, land use change and forestry (LULUCF) are not included, the emission reduction by 2030 would amount to 52.8 % as opposed to 55%.
- <sup>4</sup> The projection is based on a combined approach of regulatory measures and carbon pricing, which achieves around 55 % GHG reductions (MIX scenario of the impact assessment). It expands carbon pricing and moderately increases the ambition of transport and energy policies.
- <sup>5</sup> As an example from the current 2.2 % annually to 4.2 % or 4.6 % annually for a 55 % or 60 % target respectively, formally in effect from 2026, but reducing the nominal cap in 2026 retroactively as if the LRF was adjusted from 2021.
- <sup>6</sup> By adjusting auction amounts and keeping free allocation and budgets for innovation and modernisation funds untouched up to 2025.
- <sup>7</sup> From the current temporary maximum 24 % of total allowances on the market to 36 %, as a quick fix before a 2030 target adjusted LRF could come in effect from 2026.
- <sup>8</sup> All of the suggested regulations and directives for making stricter measures are included in the 'fit for 55' package.
- <sup>9</sup> For more up to date information on the climate law legislative process, please refer to the [legislative briefing](#) on the European climate law.

## DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2020.

Photo credits: © Olivier Le Moal / Adobe Stock.

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu) (contact)

[www.eprs.ep.parl.union.eu](http://www.eprs.ep.parl.union.eu) (intranet)

[www.europarl.europa.eu/thinktank](http://www.europarl.europa.eu/thinktank) (internet)

<http://epthinktank.eu> (blog)





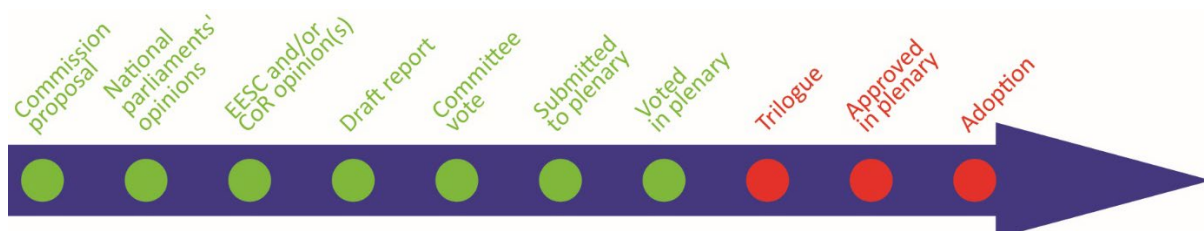
# European climate law

## 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. The Commission would be empowered to set out an emissions trajectory for the period between 2030 and 2050. The proposed regulation would also require EU institutions and Member States to build on their climate change measures. The Commission would have to carry out five-yearly assessments – aligned with the review cycle of the Paris Agreement – of progress made towards the objectives and of the consistency of national and EU measures with the objectives. It would be required to take corrective action and could issue recommendations to Member States whose measures were inconsistent with the emissions trajectory. Moreover, the Commission would have to ensure broad public participation. On 17 September 2020, following an impact assessment presented in the 2030 climate target plan, 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 has been 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.

<b>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)</b>		
<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) Sylvia Limmer (ID, Germany) Michael Bloss (Greens/EFA, Germany) Anna Zalewska (ECR, Poland) Silvia Modig (GUE/NGL, Finland)	2020/0036 (COD)  Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Trilogue negotiations	



EPRS | European Parliamentary Research Service

Author: Gregor Erbach  
Climate Action Research and Tracking Service,  
Members' Research Service  
PE 649.385 – December 2020

## 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.

By June 2021, the Commission will propose revisions of key EU climate and energy legislation in line with the revised 2030 target.<sup>1</sup>

## 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>2</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 now postponed until 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.

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.

Ten EU Member States have 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>3</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>4</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>5</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>6</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>7</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, President of the region of Andalusia) 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

As of 29 October 2020, nine [parliamentary assemblies](#) of Member States had completed the scrutiny of the proposal, and ten others have commenced scrutiny. 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>8</sup>). The deadline for raising subsidiarity concerns was 13 November 2020.

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>9</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>10</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

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>11</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.

On 15 October 2020, the European Council discussed the climate target plan and decided to return to the issue in December with a view to agreeing a new emissions reduction target for 2030 and an update of the EU's NDC for submission to the UNFCCC before the end of the year.

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>12</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.

## 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.

Amanatidis G., [European policies on climate and energy towards 2020, 2030 and 2050](#), Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, January 2019.

## 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.

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

## ENDNOTES

- <sup>1</sup> European Emissions Trading System (EU-ETS) Directive, Effort-sharing Regulation, Land Use, Land Use Change and Forestry (LULUCF) Regulation, Energy Efficiency Directive, Renewable Energy Directive, CO<sub>2</sub> emissions performance standards for cars and vans.
- <sup>2</sup> Gt = 1 billion metric tonnes. There are significant uncertainties due to the climate response to CO<sub>2</sub> and non-CO<sub>2</sub> emissions ( $\pm 400$  GtCO<sub>2</sub>), the level of historic warming ( $\pm 250$  GtCO<sub>2</sub>), potential additional carbon release from future permafrost thawing and methane release from wetlands (-100 GtCO<sub>2</sub> over the course of this century and more thereafter) and the level of non-CO<sub>2</sub> mitigation in the future ( $\pm 250$  GtCO<sub>2</sub>).
- <sup>3</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>4</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>5</sup> For an extensive presentation and analysis of the impact assessment, consult the [initial appraisal](#) carried out by EPRS.
- <sup>6</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>7</sup> The original proposal contained an article requiring the Commission to review the EU's target for GHG emissions reductions by 2030, explore options for a 50 to 55 % emissions reduction by 2030, and make proposals to amend the 2030 target by September 2020. Since this has now been done, the proposed amendment deletes the article with this requirement.
- <sup>8</sup> Article 194(2) and Article 192(2)(c) TFEU.
- <sup>9</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>10</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>11</sup> The article which sets the GHG emissions reduction target for 2030 to 55 % is bracketed and does not form part of the partial general approach. The December 2020 European Council meeting will return to this issue.
- <sup>12</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](#).

## DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2020.

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu) (contact)

[www.eprs.ep.parl.union.eu](http://www.eprs.ep.parl.union.eu) (intranet)

[www.europarl.europa.eu/thinktank](http://www.europarl.europa.eu/thinktank) (internet)

<http://epthinktank.eu> (blog)



Second edition. The 'EU Legislation in Progress' briefings are updated at key stages throughout the legislative procedure.