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PROPOSAL

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 17 September 2020

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.: COM(2020) 563 final

Subject: Amended proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)

Delegations will find attached document COM(2020) 563 final.

Encl.: COM(2020) 563 final



Brussels, 17.9.2020
COM(2020) 563 final

2020/0036 (COD)

Amended proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on establishing the framework for achieving climate neutrality and amending
Regulation (EU) 2018/1999 (European Climate Law)**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

On 4 March 2020, the Commission adopted its 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)¹.

The proposal for a European Climate Law Regulation forms part of a broader package of ambitious actions announced in the Commission's European Green Deal Communication². The European Green Deal launches a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, improving the quality of life of current and future generations, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from climate- and environment-related risks and impacts. The European Green Deal reaffirms the Commission's ambition to make Europe the first climate-neutral continent by 2050.

The proposal aims at providing a direction by enshrining the EU 2050 climate-neutrality objective in legislation, enhancing certainty and confidence on the EU's commitment as well as transparency and accountability.

The original proposal stated that the Commission would present by September 2020 an impact assessed plan to increase the EU's greenhouse gas emission reduction target for 2030 to at least 50% and towards 55% compared with 1990 levels in a responsible way, and that the Commission would propose to amend the proposal accordingly. This was reflected in Article 2(3) and recital 17 of the initial Commission proposal. The 2030 Climate Target Plan demonstrates that increasing the EU's emission reduction target for 2030 to at least 55% is both feasible and beneficial.

With a view to achieving climate neutrality in the Union by 2050, it is therefore proposed that the EU's greenhouse gas emission reduction target for 2030 is increased to at least 55% compared with 1990 levels, including emissions and removals. This proposal modifies the initial Commission proposal (COM(2020) 80 final) to include the revised target in the European Climate Law.

- **Consistency with existing policy provisions in the policy area**

The explanatory memorandum of the initial Commission proposal sets out in detail the consistency with existing policy provisions. The 2030 Climate Target Plan shows that an increase of the target implies greenhouse gas emission reduction efforts by all sectors, and enhancement of removals, which need to be enabled by various policies. By June 2021, the Commission will therefore review all relevant related policy instruments, as set out in Article 2a(2) of the proposal.

¹ COM(2020) 80 final.

² COM(2019) 640 final.

- **Consistency with other Union policies**

The initiative is linked to many other policy areas, as all EU actions and policies should foster a just transition towards climate neutrality and a sustainable future, as described in the explanatory memorandum of the initial Commission proposal.

Furthermore, after adoption of the initial Commission proposal, the Coronavirus disease outbreak led to a public health crisis and socio-economic shock of unprecedented scale. The unprecedented European policy response to COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy and a sustainable future while mitigating the severe impacts of the crisis. The proposal is consistent with the Communications on Next Generation EU³ and a revamped long-term EU budget⁴, in which the Commission set out an ambitious recovery plan, guiding and building a more sustainable, resilient and fairer Europe for the next generation. They show the commitment to ‘do no harm’ with regard to our climate and environmental ambitions, ensure that the money is spent in line with the objectives of the European Green Deal, and accelerate the twin green and digital transitions in a socially fair manner.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal is Article 192(1) TFEU, the same as for the initial Commission proposal.

- **Subsidiarity (for non-exclusive competence)**

The explanatory memorandum of the initial Commission proposal details the subsidiarity and proportionality considerations. These explanations remain valid also for the proposed amendments, as an EU-wide, economy-wide target can only be set at EU level.

- **Choice of the instrument**

This proposal amends Commission proposal COM(2020)80 final. The instrument chosen is a Regulation, in line with the instrument chosen for the initial Commission proposal. This choice is explained in the explanatory memorandum of the initial Commission proposal.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Stakeholder consultations**

The explanatory memorandum of the initial Commission proposal details the stakeholder consultations, such as the public consultation carried out, the stakeholder event organised by

³ COM(2020) 456 final.

⁴ COM(2020) 442 final.

the Commission when preparing the ‘Clean Planet for All’ Communication⁵ and the January 2020 public event on implementing the European Green Deal - the European Climate Law.

In addition, when preparing the 2030 Climate Target Plan, the Commission carried out a public consultation from 31 March to 23 June 2020, receiving more than 4000 replies from a wide range of stakeholders. A synopsis report⁶ summarises the consultation activities on the plan.

- **Impact assessment**

In support of the ‘Clean Planet for All’ Communication, the Commission services carried out an in-depth analysis⁷. It explores how climate neutrality can be achieved by 2050 by looking at all the key economic sectors, including energy, transport, industry and agriculture. That assessment and the evaluation of the EU adaptation strategy (2018) support the initial Commission proposal, as detailed in the explanatory memorandum of that proposal.

The proposed modifications to the proposal relate to the EU’s 2030 net greenhouse gas emission reduction target. As regards the increase of that target, the Commission carried out an impact assessment⁸ which accompanies the 2030 Climate Target Plan.

- **Fundamental rights**

The explanatory memorandum of the initial Commission proposal details the considerations regarding fundamental rights.

4. BUDGETARY IMPLICATIONS

The budgetary implications are presented in the legislative statement to the initial Commission proposal and are not affected by this amendment.

5. OTHER ELEMENTS

- **Detailed explanation of the specific provisions of the proposal**

The proposed modifications to the provisions in the initial proposal for a European Climate Law relate to the inclusion of a new EU greenhouse gas emission reduction target for 2030 in Article 2a(1) of the proposal. This amended provision replaces Article 2(3) of the initial proposal, which set out the process leading up to this amendment.

Article 2a(2) of the revised proposal announces a process for the review of Union legislation implementing the 2030 target in line with Article 2(4) of the initial proposal, which is moved to the new Article 2a, and where a reference to the new 2030 target has been inserted.

⁵ COM(2018) 773 final.

⁶ SWD(2020) 178

⁷ In-depth analysis in support of the Commission Communication COM(2018)773, https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_analysis_in_support_en_0.pdf

⁸ SWD(2020) 176

Article 1 of the initial proposal is also amended to include a reference to the new 2030 target in relation to the scope of the European Climate Law Regulation, and the corresponding recitals have been adapted.

Amended proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)

Commission proposal COM(2020) 80 is amended as follows:

- (1) Recital 17 is replaced by the following:

‘As announced in its Communication ‘The European Green Deal’, the Commission assessed the Union’s 2030 target for greenhouse gas emission reduction, in its Communication “Stepping up Europe’s 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people”⁹, on the basis of a comprehensive impact assessment and taking into account its analysis of the integrated national energy and climate plans submitted to the Commission in accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council¹⁰. In light of the 2050 climate-neutrality objective, by 2030 greenhouse gas emissions should be reduced and removals enhanced, so that net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide and domestically by at least 55% by 2030 compared to 1990 levels. This new 2030 Union climate target is a subsequent target for the purposes of point (11) of Article 2 of Regulation (EU) 2018/1999, and therefore replaces the 2030 Union-wide target for greenhouse gas emissions set out in that point. In addition, the Commission should, by 30 June 2021, assess how the relevant Union legislation implementing the 2030 climate target would need to be amended in order to achieve such net emission reductions.’;

- (2) in Article 1, second paragraph, the following sentence is added:

‘It also sets out a binding Union net greenhouse gas emission reduction target for 2030.’;

- (3) in Article 2, paragraphs 3 and 4 are deleted;

- (4) the following Article 2a is inserted:

‘Article 2a

⁹ COM (2020) 562

¹⁰ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

2030 climate target

1. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2030 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55% compared to 1990 levels by 2030.

2. By 30 June 2021, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 1 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures, including the adoption of legislative proposals, in accordance with the Treaties.”;

(5) Article 3(2) is replaced by the following:

‘2. The trajectory shall start from the Union’s 2030 climate target set out in Article 2a(1).’

Done at Brussels,

For the European Parliament
The President

For the Council
The President