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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality
	- Progress report
	- Policy debate

Delegations will find in the <u>Annex</u>:

 A progress report on the proposal mentioned above, to be presented at the meeting of the <u>Council</u> (Environment) on 18 September 2025.

The report has been drawn up under the responsibility of the <u>Presidency</u> and is without prejudice to particular points of interest or further contributions from individual delegations. It sets out the work done so far by the Council's preparatory bodies and gives an account of the state of play as regards the examination of the abovementioned proposal.

 Based on this progress report, questions prepared by the Presidency to guide a policy debate between Ministers, to be held at the Environment Council.

12790/25 TREE.1.A **LIMITE EN**

The <u>Permanent Representatives Committee</u> is invited to take note of the progress report and the questions prepared by the Presidency and forward them to the Council (Environment) with a view to its meeting on 18 September.

12790/25 2 TREE.1.A **LIMITE EN**

Information from the Presidency on the progress achieved in the examination of the proposal amending the European Climate Law

I. <u>BACKGROUND</u>

The EU has set its climate targets for 2030 and 2050 in Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality ("the European Climate Law")¹. Article 4(3) of the European Climate Law requires an intermediate 2040 climate target to be set with a view to achieving the climate-neutrality objective.

On 6 February 2024, the <u>Commission</u> published a Communication titled 'Securing our future - Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society². Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change and based on a detailed impact assessment and report on the carbon budget, the Communication recommended a 90% net greenhouse gas emission reduction compared to 1990 levels as the target for 2040.

On 2 July 2025, the Commission published a proposal³ to amend the European Climate Law ("the ECL amendment") by including therein the 90% target referred to above, as well as amendments to the list of elements in Article 4 of the existing Regulation, including three flexibilities to help in achieving the EU target. The Commission shall ensure that these elements are appropriately reflected in the future legislative proposals on the post-2030 climate policy framework. Moreover, according to the proposal, the Commission shall aim to accelerate and strengthen the enabling framework to ensure that conditions are in place to support European industry and citizens throughout the transition.

Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1)

² 6291/24

 $^{^{3}}$ 11184/25 + ADD 1

The Commission presented its proposal to the <u>Permanent Representatives Committee</u> (Coreper) on 2 July 2025.

In the <u>European Parliament</u>, Mr Ondřej KNOTEK (PfE, CZ) has been appointed as rapporteur for the proposal on behalf of the Committee on the Environment, Climate and Food Safety (ENVI). The ENVI Committee vote is scheduled on 23 September and the vote in plenary on 6-9 October.

The <u>Economic and Social Committee</u> and the <u>Committee of the Regions</u> have been consulted for opinion.

II. STATE OF PLAY

The Working Party on the Environment (WPE) examined the proposal at its meetings on 3, 7, 14 and 22 July as well as on 2 September 2025. Significant progress was made in the discussions on the basis of two successive Presidency compromise texts, which were discussed at the WPE meetings on 22 July and 2 September, respectively.⁴

On 16 July, Coreper, provided guidance for further work based on three guiding questions⁵. On 12 September 2025, Coreper examined a Presidency compromise text with a view to discussion and agreement on a general approach at the Council (Environment) on 18 September.

The discussion at Coreper on 12 September showed that delegations recognised the progress made so far and that the latest compromise suggestions were generally well received. A number of delegations supported the Presidency's aim to achieve a general approach on the Commission proposal at the Environment Council on 18 September. However, several other delegations indicated that more discussion was needed before they would be able to take a position on the proposal, including possible guidance from the European Council. On this basis, the Presidency concluded that it would not be realistic to aim for a general approach at the Environment Council on 18 September. The Presidency's aim for the Environment Council is instead to present a progress report and invite ministers to a policy debate with a view to providing further guidance for the continued work ahead, including continuing discussions on the text of the Regulation.

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⁴ 11685/25 and 11685/1/25 REV 1.

^{5 11325/25}

III. PROGRESS MADE IN THE DISCUSSIONS

Progress has been made on many parts of the proposal, including by gaining a better understanding and clarification of the proposed flexibilities as well as by amending the text to strengthen many of the other elements listed under Article 4(5). The Presidency considers that on these issues the latest Presidency compromise text strikes a fair balance between Member States' positions.

The Presidency has observed that in principle the <u>three flexibilities</u> proposed by the Commission (Article 4(5), points (a)-(c)) have broad support from the Member States although delegations still have differing views on certain issues. The flexibilities consist of the limited use of international credits under Article 6 of the Paris Agreement, enhanced flexibilities between and within sectors in the post-2030 framework, as well as the inclusion of domestic permanent removals in the EU ETS. The Presidency has introduced changes to the text in these areas to provide more clarity on the intended use of such flexibilities, including examples thereof in the recitals and making it clear that international credits should not be used for compliance under the EU ETS.

During the negotiations, the Presidency has introduced text to strengthen the parts of the Commission's proposal concerning for example the recognition of the Member States' <u>national circumstances and specificities (including outermost regions and islands)</u>, of the need for <u>a just transition</u>, of the upcoming <u>revision of the EU ETS trajectory towards</u> the 2040 target, as well as of the specificities of the <u>land use</u>, <u>land use change and forestry</u> (LULUCF) and <u>agriculture</u> sectors. The changes made to the Commission proposal also strengthen the text on the need to consider <u>social</u>, <u>economic and environmental impacts</u> across Member States, the need to ensure the <u>competitiveness of European industries</u> and to address the risk of <u>carbon leakage</u>, as well as to ensure <u>support for innovation</u> and <u>access to innovative technologies</u> across Member States.

Regarding the future <u>impact assessments for the post 2030-framework</u>, delegations have suggested to add a list of items for the Commission to analyse, amongst others the geopolitical situation, the impacts on energy intensive industries and on energy costs and investment needs across Member States.

The Presidency has also proposed to include new provisions to strengthen the existing review clause (Article 11) of the European Climate Law by adding, as new elements to be taken into account in the Commission's regular reports, the competitiveness of European industries, technological progress and deployment of innovative technologies across Member States and sectors. It has been made clear in Article 11 that the report referred to in this Article may be accompanied by proposals for additional measures to strengthen the initiatives concerning the enabling framework, in addition to the existing possibility of amending the Climate Law itself.

For many Member States, the <u>enabling framework</u> for the achievement of the proposed 2040 target is of vital importance. In addition to the key enabler in the form of implementation of the 2030 legislative framework, the enabling framework will inter alia support the competitiveness of the European industry, just transition and a level playing field with international partners, as well as provide funding for the clean transition. Many of these initiatives are outside of the scope of the European Climate Law and are being or will be discussed by other Council formations. Delegations have nonetheless been provided with comprehensive information about the ongoing and future initiatives, and in recognition of their importance, the Presidency has included factual references to several relevant initiatives in the recitals, including the Clean Industrial Deal, the Industrial Decarbonisation Bank and the Carbon Border Adjustment Mechanism (CBAM).

The Presidency considers that the compromise text on the European Climate Law submitted to Coreper on 12 September was well balanced while acknowledging that there are still open issues. Delegations have diverging views on the issue of how <u>international credits</u> would contribute to the achievement of the target. Concerning other sensitive issues such as diverging views on <u>cost-effectiveness and solidarity</u>, on the <u>role of different energy sources in the transition</u>, and the need for <u>further acknowledgement of uncertainties of natural sinks</u>, the Presidency considers that the adjustments to the Commission proposal strike a fine balance between the different positions of Member States while acknowledging that further work could be needed.

The attached text reflects the most recent Presidency compromise proposals that were discussed in Coreper on 12 September 2025, with the addition of a small number of further Presidency suggestions following the discussion and written suggestions received from delegations at Coreper. These relate to the estimated level of net removals at Union level in relation to the targets in the review clause (Art.11) and that the Commission should analyse the interrelations with defence and security policies in the upcoming impact assessments (recital 8). The new proposals are marked as **bold underlined**. Previous changes to the Commission proposal are <u>underlined</u> and deletions marked with strikethrough.

The attached text does not purport to represent an agreed outcome, but is provided for information on the state of play and as a basis for further discussions in the Council's preparatory bodies.

IV. QUESTIONS FOR THE DEBATE

It is anticipated that the Environment Council will have to return to the proposal to amend the European Climate Law for a decision following the European Council. With this in mind, the ministers are invited to assess progress and give guidance for the way forward, including on the following subjects:

- The role of international credits with a view to achievement of the 2040 target
- The future role of natural sinks
- Other elements in the post-2030 framework, where you would like to provide additional guidance

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

² OJ C, , p. .

¹ OJ C, , p. .

Whereas:

- (1) The outcome of the first global stocktake³ under the Paris Agreement⁴, concluded at the United Nations Climate Change Conference at the end of 2023, found that parties are putting increasingly effective climate policies in place, but that urgent additional action is needed to put the world fully on track for achieving the goals of the Paris Agreement.
- (2) Through the adoption of Regulation (EU) 2021/1119 of the European Parliament and of the Council⁵, the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing greenhouse gas emissions to net zero by that date, and the aim of achieving negative emissions thereafter. That Regulation also established a binding Union 2030 intermediate climate target and provided for requires the setting of a Union-wide intermediate climate target for 2040.
- (3) Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change ('the Advisory Board') and based on a detailed Impact Assessment, the Commission presented a recommended target of a 90% net greenhouse gas emission reduction compared to 1990 levels for 2040 in its Communication of 6 February 2024 on Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society⁶.

6 COM(2024) 63 final.

Decision 1/CMA.5.

⁴ OJ L 282, 19.10.2016, p. 4.

Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).

- **(4)** In order to propose the Union 2040 climate target, the Commission considered the best available and most recent scientific evidence, including the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the Advisory Board; the social, economic and environmental impacts, including the costs of inaction; the need to ensure a just and socially fair transition for all; cost-effectiveness and economic efficiency; competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage; best available cost-effective, safe and scalable technologies; energy efficiency including the 'energy efficiency first' principle and the 'energy efficiency first' principle, energy affordability and security of supply for all Member States; fairness and solidarity between and within Member States; the need to ensure environmental effectiveness and progression over time; the need to maintain, manage and enhance natural sinks in the long term and protect and restore biodiversity, including in the marine environment; investment needs and opportunities; international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC); existing information on the projected indicative Union greenhouse gas budget for the 2030-2050 period.
- (5) In order to achieve the 2040 climate target it is essential to, inter alia, fully implement the agreed 2030 policy framework, ensure and provide support to strengthen and protect the competitiveness and resilience of the European industry, ensure sustainable food systems, the resilience of rural communities and food security through a sustainable and robust European agricultural sector, ensure transition pathways based on best available costeffective, safe and scalable technologies, set a greater focus on a just transition for affected regions, and sectors and vulnerable households that leaves no one behind, for example through support from the Social Climate Fund in the transition to climate neutrality. Further, it is essential to ensure fair competition with international partners, decarbonise the energy system with a technologically neutral approach that includes all zero and low carbon energy solutions (including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro-energy, sustainable bioenergy and all other current and future net-zero energy technologies), reduce import dependencies and organise a strategic dialogue on the post-2030 framework with all relevant sectors, including industry and transport.

- With a view to ensuring a cost-effective, just, and socially balanced transition towards climate neutrality, both private and public sector investment, including through Union funding, will also be a key enabler for the clean transition, for example by accelerating the deployment and commercialisation of innovative technologies, supporting access to industrial decarbonisation, clean tech manufacturing and the modernisation of energy systems. With tThe Clean Industrial Deal, the EU is putting in place the conditions for a successful transition, focusing on both decarbonisation and industrial renewal, including and support mechanisms for European industry, including the Industrial Decarbonisation Bank and the new simplified state aid framework through circular economy.
- integrated and interconnected Union energy market ensuring energy security, promotion of circular economy, a global level playing field including through the effective implementation and extension of CBAM to downstream goods, introducing anticircumvention measures and action to address export carbon leakage, and clear enabling conditions for such as streamlined permitting and the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the EU taking into account the changing geopolitical situation.
- (6) In light of the 2050 climate-neutrality objective, by 2040 greenhouse gas emissions should be reduced and removals enhanced, to ensure that the net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide by 90 % by 2040 compared to 1990 levels.

Priority should be given to domestic reductions in greenhouse gas emissions, complementing it by increased removals, including through both natural and technological solutions. The land use, land use change and forestry sector has a central role in a sustainable and circular bioeconomy and has the potential to provide long-term climate benefits. In the development of the post-2030 policy package, due attention should be paid to the contribution of gross emission reductions versus natural and technological removals. Natural removals are have characteristics that should be taken into account, such as forest age structure, proportion of organic soils, natural variability, and uncertainties related to the impacts of climate change, and to natural disturbances and to changes in methodologies that should be taken into account. Naturale-based and industrial removals play an increasing role in the Union's economy in the next decades, in view of the need to balance greenhouse gas emissions and removals at the latest by 2050 and negative emissions thereafter. Incentives will be developed on the occasion in the context of the review of Directive 2003/87/EC of the European Parliament and of the Council⁷ in 2026, where the Commission envisages to provide for the inclusion of domestic permanent carbon removals in the EU emissions trading system for greenhouse gas emission allowance trading within the Union ('EU ETS') to compensate for residual hard-to-abate emissions from hard to abate sectors. The land use, land use change and forestry sector has a central role in a sustainable and circular bioeconomy and has the potential to provide long-term climate and environmental benefits contributing to the clean transition of the EU economy and reducing dependencies by substituting fossil-based materials.

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12790/25
Annex to ANNEX
TREE.1.A
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Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).

- While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission should continue aim to accelerate and strengthen the initiatives concerning implementation of the enabling framework and aim to ensure accelerate their adoption to ensure that conditions are in place to support European industry and citizens throughout the transition, in full respect of Union law.
 - The Union has in place a regulatory framework to achieve the 2030 climate target. The (8) legislation implementing that target consists, inter alia, of Directive 2003/87/EC, which establishes the EU ETS, Regulation (EU) 2018/842 of the European Parliament and of the Council⁸, which introduced national targets for reduction of greenhouse gas emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council⁹, which sets net carbon removal targets for the land use sector. The Commission should assess how the relevant Union legislation would need to be amended in order to achieve the 2040 climate target. When designing the future architecture post-2030 framework, the Commission should prepare detailed impact assessments, taking into account its analysis of the integrated national energy and climate plans, the geopolitical situation, including in relation to the interrelations between climate policy and security and defence policies, the impacts on competitiveness, and on small and medium-sized enterprises and energy intensive industries, and impacts on energy costs and investment needs across Member States, and consider taking necessary measures, including legislative proposals as appropriate.

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Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26, ELI: http://data.europa.eu/eli/reg/2018/842/oj).

Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/841/oj).

- (8a) A number of elements to facilitate the achievement of the 2040 climate target should be appropriately reflected, including a potential possible limited contribution towards the 2040 climate target of high-quality international credits under Article 6 of the Paris Agreement, in the [second part of the] 2030-2040 decade, in line with accounting rules of the Paris Agreement; the role of domestic permanent removals (such as Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS while ensuring the environmental integrity of the EU ETS, including the possibility to store CO₂ outside the Union, as appropriate, subject to the existence of international agreements and providing for conditions equivalent to those laid out in Union law; and enhanced and accessible flexibility across and within sectors to support a costeffective approach whereby for example by balancing efforts between sectors Member States' achievements in one sector can balance gaps in others in a cost-efficient way while ensuring that each sector contributes to the efforts. In operationalising the use of international credits, the Commission should take into account the need to ensure a level playing field across Member States and the opportunity to support strategic EU partnerships. International credits should not play a role for compliance in the EU ETS. The current EU ETS trajectory should be revised in the upcoming review of the ETS Directive to take into account the agreed 2040 target. In order to assess the social, economic and environmental impacts, the future architecture post-2030 framework should be based on robust impact assessments. The future architecture post-2030 framework should also foster convergence while taking into account fairness and Member States' national circumstances and specificities, including those of islands and outermost regions.
- (9) Since the objective of this Regulation, namely to set a Union-wide climate target for 2040, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (10) Regulation (EU) 2021/1119 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) 2021/1119

Regulation (EU) 2021/1119 is amended as follows:

- (1) in Article 1, second paragraph, the following sentence is added:
 - 'This Regulation also sets out a binding Union target for 2040.';
- (2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:
 - '3. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2040 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by 90 % compared to 1990 levels by 2040.
 - 4. With a view to the period after 2030, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 3 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures as appropriate and based on detailed impact assessment, in accordance with the Treaties.

While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission shall aim to continue to strengthen accelerate and strengthen the initiatives concerning the enabling framework and aim to accelerate their adoption and implementation of the enabling framework to ensure that conditions are in place to support affected legal and natural persons, such as European industry and citizens throughout the transition, towards the targets set out in paragraphs 1 and 3 of this Article, the objective set out in Article 2(1) and a climateneutral economy in full respect of EU law.

- 5. Within the framework of the review referred to in the first subparagraph of Article paragraph 4, in order to facilitate the achievement of the target set out in paragraph 3 of this Article, the Commission shall ensure that the following elements are appropriately reflected in the legislative proposals:
 - (a) starting from [2036], a possible limited contribution towards the 2040 climate target of high-quality international credits under Article 6 of the Paris Agreement of [3]% of 1990 EU net emissions supporting the EU and third countries in achieving net greenhouse gas reduction trajectories compatible with the Paris Agreement objective to hold the increase in the global average temperature to well below 2 °C and pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels [subject to ensuring the environmetal integrity and costeffectiveness of these credits, while promoting the EU's technological leadership]; the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law, and such credits shall not play a role for compliance in the EU ETS;
 - (b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual hard-to-abate emissions from hard to abate sectors;
 - (c) enhanced flexibility <u>within and</u> across sectors, to support the achievement of targets in a <u>simple and</u> cost-effective way;
 - (d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, in light of national circumstances <u>and specificities</u>, <u>including those of</u> islands and outermost regions;
 - (e) the best available and most recent scientific evidence, including the latest reports of the IPCC and the Advisory Board;

- (f) the social, economic and environmental impacts <u>across Member States including</u> in relation to the objectives of decarbonisation and competitiveness for European <u>industry</u>;
- (g) the costs of inaction and the benefits of action over mid-term to long-term;
- (h) the need to ensure <u>and support</u> a just and socially fair transition for all <u>paying</u> <u>particular attention to regions, sectors, small and medium-sized enterprises and vulnerable households affected by the transition to climate neutrality;</u>
- (i) simplification, technology neutrality, cost-effectiveness, economic efficiency, and economic security;
- (j) climate action as a driver for investment, and innovation and increased competitiveness;
- (k) the need to strengthen the global competitiveness of the Union's economy and reduce risk of carbon leakage, in particular for small and medium-sized enterprises and industrial sectors that are most exposed, to carbon leakageso as to ensure fair competition;
- (l) best available cost-effective, safe and scalable technologies;
- (m) energy affordability, security of supply, energy security, and energy efficiency including the 'energy efficiency first' principle, and the 'energy efficiency first' principle, as well as strengthening of electricity grids and interconnections;
- (n) fairness and solidarity between and within Member States;
- (o) the need to ensure environmental effectiveness and progression over time, while also safeguarding social cohesion and ensuring a just transition;

- (p) the need to maintain, manage and enhance, as appropriate, natural sinks in the long term and protect and restore biodiversity, to promote sustainable and circular bioeconomy, as well as take into account the effects of differences in forest age structure, natural variability and uncertainties notably those linked to the impacts of climate change and natural disturbances in the land use, land use change and forestry sector;
- (q) investment needs and opportunities, including access to public and private finance
 as well as support for innovation and access to innovative technologies across
 Member States;
- (r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the <u>United Nations</u> <u>Framework Convention on Climate Change (UNFCCC)</u>, as well as the support of the Union to its partners in addressing climate change and its impacts.'.

(3) In Article 11, first paragraph, the following points are added:

- '(c) the competitiveness of European industries, in particular of energy-intensive industries and of small and medium-sized enterprises;
- (d) technological progress and deployment across Member States and sectors of innovative technologies';
- (e) the estimated level of net removals at Union level in relation to the targets of this Regulation.

(4) In Article 11, the second paragraph is replaced by the following:

The Commission's report may be accompanied, where appropriate, by legislative proposals to amend this Regulation and by additional measures to strengthen the initiatives concerning the enabling framework supporting the continued effective implementation of this Regulation.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council

The President