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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on the Environment
Subject:	European Climate Law amendment and the EU's next Nationally Determined Contribution (NDC) : WPE on 2 September 2025: Presidency steering note

With a view to the WPE on the abovementioned topics, delegations will find attached a steering note from the Presidency.

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WORKING PARTY ON THE ENVIRONMENT ON 2 SEPTEMBER 2025

Proposal for a Regulation amending European Climate Law (ECL amendment) and the EU's Nationally Determined Contribution (NDC)

Steering note by the Presidency

INTRODUCTION

This note accompanies the second Presidency compromise proposal on the ECL amendment set out in document 11685/1/25 REV1 which has been prepared following discussions at the WPE and written comments from delegations received so far, as well as the political guidance from Coreper on 16 July. **The second Presidency compromise text contains amendments to the Commission proposal and will be discussed at the WPE on 2 September**. The proposed changes are presented further below.

This note also accompanies the revised compromise text on the NDC (document WK 10360/25). The included changes address Member States' comments, as communicated during the informal written consultation with a deadline of 28 July. Moreover, the revised text includes Presidency's proposal of the political elements of the EU's next NDC in square brackets, derived from the ECL proposal, and only to be finalised after the agreement on the ECL amendment at the Environment Council on 18 September. **The Presidency will present the NDC including both the narrative part and the political elements at the WPE on 2 September**. The proposed changes to the NDC in this version are presented further below.

This will be the last WPE on the ECL amendment and the NDC before Coreper on 12 September in preparation for the Council on 18 September.

WORK ON THE ECL AMENDMENT

It is recalled that the Commission presented its proposal (ST 11184/25) to Coreper on 2 July. The Working Party on the Environment (WPE) has since examined the proposal at its meetings on 3, 7, 14 and 22 July. Following the presentation of the proposal and initial reactions at the WPE on 3 July, the WPE on 7 July examined the three proposed flexibilities for reaching the proposed 90% target for 2040 (i.e., Article 6 credits, domestic permanent removals in ETS and enhanced flexibilities between sectors). At the WPE on 14 July, the Commission presented the status of the Clean Industrial Deal as part of the enabling framework of the ECL and the WPE examined the 'other elements' of article 4 (4), points d) – r) to be reflected in upcoming legislative proposals on the post-2030 climate policy

framework. Further, the Commission answered the written questions submitted by delegations.

On 16 July, Coreper provided guidance for further work on the ECL amendment based on three guiding questions with regard to 1) the flexibilities for reaching the proposed 90% target in Article (4)(4), points (a)-(c), 2) the 'other elements' referred to in Article 4(4), point (d)–(r), and 3) the enabling framework for achieving the 2040 target.

Ministers also had a chance to provide overall political guidance on climate policies beyond 2030 at the Informal Meeting of the Environment Ministers in Aalborg, Denmark on 10 - 11 July.

At the WPE on 22 July the WPE examined the first Presidency compromise text. A call for comments on this compromise text was launched with a deadline on 28 July.

Based on this work, the Presidency prepared a new compromise text 11685/1/25 REV1, which was sent to delegations on 31 July.

WORK ON THE NDC

Work on the EU's NDC commenced in the Working Party on International Environment Issues (WPIEI) during the Polish Presidency. The WPIEI made substantial progress on the narrative part of the NDC while the political elements remained open subject to the ECL amendment.

At the WPE on 14 July the Presidency presented delegations with a revised text on the narrative part of the NDC. Based on the comments received at this WPE, the Presidency prepared a new text for informal written consultation with a deadline of 28 July (WK 10195/2025). After the consultation, the Presidency has introduced limited changes to accommodate Member States' comments. The Presidency considers that the current text on the NDC reflects the delicate balances expressed by delegations.

On 31 July a revised NDC text including placeholders on the political elements to be derived from the ECL, was distributed to delegations. The political elements are kept in square brackets, pending agreement on the ECL. The Presidency intends to update these parts of the NDC after the agreement on the amended ECL, foreseen during the Environment Council 18 September.

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PROPOSED CHANGES TO THE COMPROMISE TEXTS

The changes to the compromise texts on the ECL amendment and the NDC include the following:

ECL AMENDMENT
Article 4 (4) and related recitals

- Related to the first subparagraph on the review of legislation, in **recital 8** on impact assessments, references have been added to analysis of national energy and climate plans (NECPs) and to assessment of the impacts on energy costs and investment needs.
- As explained at the WPE on 22 July, the last part of the second subparagraph on the enabling framework has been adjusted to provide more precise legal drafting, a while the first part of this subparagraph has been included in the **new recital 7a).**
- References to the transport and industry sectors have been added to **recital 5** in the context of the strategic dialogue on the post-2030 framework.
- The **previous recital 5** has been split in two, with the new recital **5a)** referring to the need for investments to ensure access to technologies and decarbonisation. Further references to the Clean Industrial Deal, including the announced Industrial Decarbonisation Bank and CBAM review, as well as the new state aid rules and work towards a more integrated energy market with streamlined permitting, have been added.

Article 4 (5) and related recitals

- On the request of several delegations, text has been added in **Article 4(5), point a)** to clarify that in the proposals made in the context of the upcoming review, international credits under article 6 will not play a role for compliance in the EU ETS.
- In **point b) as well as in recital 7,** the text has been changed to clarify that the use of domestic permanent removals will be included in the EU ETS to address residual hard-to-abate emissions rather than emissions from hard-to-abate sectors.
- In the **new recital 8a)**, it has been clarified that the role of industrial carbon removal technologies in the EU ETS is not limited to BECCS and DACCS but they are rather cited as examples of mature and certifiable technologies.
- In **point c)** it has been clarified that future flexibilities should support Member States in achieving the targets in a simple as well as cost-effective manner. In addition, the new **recital 8a)** provides an example of how flexibilities between sectors could support a cost-effective approach
- In **point f),** text has been added to underline that the impacts on the objectives of decarbonisation and competitiveness will also be taken into account in the post 2030-framework.

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- Answering to delegations' calls for additional language on just transition, in **point h)** text has been added on support and on paying attention to regions, sectors and vulnerable households in the transition. Similar text has been added to **recital 5** for consistency.
- Following calls from several delegations, "energy security" has been added as a parameter to **point m)**, just as it has been added to the corresponding part in **recital 5a)**. The reference to the "energy efficiency principle" has been deleted from point **m) and from recital 4** to avoid duplication with the wording "energy efficiency" appearing already in both the recital and the operative part of the text.
- In **recital 4** it has been clarified that the energy aspects apply to "all Member States", and a reference to a technologically neutral approach has been added in **recital 5** to indicate that it covers all zero and low-carbon energy solutions**.**
- In response to requests from delegations, the text on the LULUCF sector has been streamlined between **point p) and recital 7**. The text on climate benefits of the LULUCF sector has been moved down to the end of **recital 7**, and the role of the bioeconomy in substituting fossil-based materials has been clarified.

Preliminary legal/linguistic and editorial suggestions throughout the text

- Finally, a number of smaller changes of an editorial or legal/linguistic nature have been added throughout the text e.g. in Art. 4(5) the reference to article 4 has been corrected to refer to paragraph 4, minor changes have been introduced in **recitals 2 and 3.** Moreover, it is suggested to add "policy" to "2030 framework" in **recital 5** for clarity**. In Recital 7**, the wording "in the context of" and "for the inclusion of" have also been added. The word "climate" has been added in relation to the 2040 target in **article 4(5)a) and recital 8a,** just as the dash "-" has been changed to a semicolon ";" for legal drafting reasons**.** Throughout the text, references to "future architecture" have been replaced with references to the "post- 2030 framework" for consistency. Finally in **subparagraph r)** the UNFCCC has been written out in full.
- As a purely editorial change, the full reference to the EU ETS has been changed to the well-known concept of the "EU Emissions Trading System" rather than referring to the title of the ETS Directive (which appears in footnote 7).

NDC

- Some delegations called for more specific language on the increase of renewables in the energy system. Therefore, the text **in paragraph 29** has been adjusted to reflect this increase.
- Based on the written consultation, some delegations expressed concerns on the text regarding the share of nuclear in **paragraph 41 and 45** while other Member States considered the reference insufficient. The Presidency therefore considers that the paragraph should remain unchanged as a compromise.

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- Based on the written consultation, the reference to gender in **paragraph 109** has been adjusted to align with agreed text from the Council conclusions on Advancing Gender Equality in the AI-Driven Digital Age: 6th horizontal review of the implementation of the Beijing Platform for Action by the Member States and the EU institutions of 19 June.
- References to the Commissions Communication on the 2040 climate target as well as the Commission proposal on the ECL amendment, have been added in **paragraphs 9 and 12** as well as in **ICTU part 4c.** The text will remain in square brackets until the agreement on the amended ECL.
- Political elements in the NDC in **paragraphs 13-17** and **ICTU parts 1d, 2a, 2b, 3a, 4a, 5g, 6a and 6b**, have been added according to the requirements of the NDC. The elements pending political decision on the ECL are kept in empty brackets, until a decision on the ECL.
- Editorial changes in **paragraph 41, 45 and 51** to reflect the most recent numbers have been included, but noting that an update of the numbers may be necessary at a later stage.

TOPICS FOR THE WPE ON 2 SEPTEMBER

For the WPE on 2 September the Presidency has invited the Commission to start with a presentation of **1)** climate elements in the proposal for the new MFF, including relevant elements in the proposed European Competitiveness Fund (ECF), **2)** the envisioned revision of CBAM (as announced in the Commission's communication on "Delivering on the Clean Industrial Deal I") and **3)** a short overview of the current reporting requirements of the Commission on issues related to aspects of clean industry, energy costs and competitiveness. The Presidency underlines that these points are for information for the WPE only, as the negotiations on these parts will take place in other formations (such as Ad Hoc Working Party on MFF, ad hoc subgroup on ECF and Ad Hoc Working Party on CBAM).

After this, the WPE will examine the revised Presidency compromise text on the ECL amendment. The Presidency intends to organise discussions on the new compromise text in one round, inviting the delegations to comment on the Presidency compromise proposal both in the operative part of the text (/articles) and the corresponding recitals.

Finally, the Presidency will present the NDC including both the narrative part and the political elements. Placeholders for the political elements to be decided on in the context of the ECL and at the Environment Council meeting on 18 September are kept in brackets, until decisions in the context of the ECL can be reflected in the NDC. These elements are still subject to change based on developments in the ECL amendment.

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Next steps:

- **Coreper on 3 September: agenda setting for Environment Council on 18 September.**
- **Coreper on 12 September: preparation for the Council on 18 September.**
- **Council of the Environment Ministers on 18 September: General Approach on the ECL amendment and agreement on the EU NDC.**