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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on the Environment
Subject:	European Climate Law amendment: Comments from delegations

Following the call for comments on the above set out in WK 9289/2025, delegations will find attached comments from BG, NL, PL and SI.

BULGARIA

COMMENTS AND DRAFTING SUGGESTIONS **Revision of the European Climate Law**

Given the obvious sensitivity, horizontal impact and importance of this legislative proposal, we maintain our concerns regarding the need of an informed decision-making process. Having sufficient clarity on the distribution of the target, the architecture of the implementing and enabling framework is fundamental, given the complexity and interlinkages of the whole system. Without this clarity, it is not really possible to look at the proposal as something different than a blank check. We stress the need of an ambitious, but pragmatic and realistic approach, which strengthens the European economy, accelerates the socio-economic and technological cohesion, while ensuring fair distribution of efforts and benefits, and most importantly, secures a just transition for all.

We are positive in principle towards the proposed flexibilities, however, their scope and practical implementation remains unclear. On the possibility for *use of international credits*, we also expect further clarifications from the Commission, including scenarios with different percentages, for example optional use of up to 5% after 2030, as well as further clarity on their attribution to the legislative architecture, and not above it. The *inter-sectoral flexibility* is also important for our country and we support maintaining it, given the challenges in the ESR and LULUCF sectors. We support in principle the *integration of emission reductions in the ETS*, however, we stress again the need of fair access to financing for the practical deployment. In our view, the flexible mechanisms will be able to fulfil their purpose as balancing instruments, only in addition to the required ambitious enabling framework. In this sense, we maintain our view regarding the need of strengthened, geographically-balanced and tailored to the specific needs of the lower-GDP Member-States funding and support mechanisms.

Even though we acknowledge that most of the elements outlined in Article 4(4) are relevant and cover key aspects, the current wording is too general to serve as a real basis for decision-making. We see the need of a stronger commitment to specific operational mechanisms reflecting the different capacities and needs of Member States. The principle of a just transition and solidarity should be established more clearly, including through strengthened texts referring to:

- *targeted support for the vulnerable households, industries and regions;*
- *financial and technical instruments for balancing the efforts between countries;*
- *a phased approach based on realistic and economically sound impact assessments, including on competitiveness, energy affordability and employment;*

The wording should be clear and flexible enough to reflect the socio-economic diversity of the Union, while providing the required strategic guidance, tools and resources, which will make the achievement of the 2040 target possible. The act should also include regular and effective review clause to ensure a clear picture and regular assessment of the progress made, the effectiveness of the implementing and facilitating framework and the reflection of the dynamic conditions. In this sense we consider necessary also to supplement the text in Articles 6, 7 and 11 of the current Regulation in order to establish a regular assessment of the sufficiency of the current enabling framework, and if necessary to introduce additional support mechanisms to ensure that the required just and inclusive transition is actually achieved in all MS.

Building a realistic, fair and effective implementation framework is key for the successful achievement of the 2040 and 2050 targets, considering the differing national specificities and capacities. In short term, the Commission should specify how the existing legislative and financial instruments will be aligned with the new target. Also, a roadmap and timeframe for the development of the key initiatives and support mechanisms should be provided as well as socio-economic assessments of the impact of the 2040 target, in particular regarding the coal-dependent regions and sectors in transition, as a basis for the future support instruments. In long term, priority should be put on the establishment of a framework, which guarantees the required just transition for everyone, with a particular focus on the vulnerable households, the heavily dependent on coal regions, the vulnerable sectors as well as the SMEs. In addition, a comprehensive financing strategy should be established, covering public and private sources, the role of the national and EU budgets. The existing European financing mechanisms should be strengthened, the access to them should be facilitated, technological neutrality and geographical balance should be ensured, while focusing on MS with lower GDP and limited capacity; The Commission should present an assessment of the overall investment needs and potential sources of financing for the achievement of the target; Equal access to new technologies and innovations should be ensured, also through targeted support for countries with limited capacity. All in all, the strategic role of the implementing framework should be preserved as a supportive, not a punitive instrument, which should be developed in parallel with the ambitious targets.

Bulgaria also reiterates its concerns about the excessively short timeframe which does not allow for proper coordination between the various competent authorities contradicts the necessary conditions for a well-informed discussion on such a strategically important issue. We join the calls for a smoother and more inclusive process that guarantees the quality and legitimacy of the results. Reaching a general approach in September this year we consider as premature, over-ambitious and undermining the foundations of the negotiation process, as laid down in the letter and spirit of the Treaties.

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.

In light of the recommendations of the First Global Stocktake and in order to ensure the achievement of the Union’s 2040 climate target, the Commission shall develop the design of an integrated financial framework. This framework shall encompass both public and private sources of finance and contribute to mobilising the necessary investments in a timely, predictable and effective manner. It shall aim to ensure coherence with the

Union's budgetary and investment planning, promote cost-effectiveness and economic efficiency, and support a just and socially fair transition across all Member States and sectors.

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. In the detailed impact assessment, the Commission shall take into account the socio-economic impacts across each Member States and sectors, and, where necessary, the Commission shall present proposals for adjustments to the enabling policies, flexibilities and enhanced financial framework for the achievement of the target set out in paragraph 3 of this Article. The detailed impact assessment will be focused especially on Member States with lower initial levels of economic development, high carbon intensity and limited administrative and investment capacity.

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 accelerate and strengthen the enabling framework to ensure that conditions are in place to support European industry and citizens throughout the transition, in full respect of EU law.

Within the framework of the review referred to in the first subparagraph, 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 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 preindustrial levels - the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law;
- (b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual emissions from hard to abate sectors;
- (c) enhanced flexibility across sectors, to support the achievement of targets in a cost-effective way;
- (d) Member States post-2030 targets and efforts should reflect cost-efficiency greenhouse gas emission reduction potential and solidarity, in light of national circumstances;
- (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, including, where applicable, impact assessments accompanying future legislative proposals under this Regulation, covering effects on industry, energy prices and investment needs;

- (g) the costs of inaction and the benefits of action over mid-term to long-term;
- (h) the need to ensure a just and socially fair transition for all, as well as a fair distribution of efforts and benefits;
- (i) simplification, technology neutrality, cost-effectiveness, economic efficiency, and economic security;
- (j) climate action as a driver for investment and innovation;
- (k) the need to strengthen the global competitiveness of the Union's economy, in particular small and medium-sized enterprises and industrial sectors most exposed to carbon leakage including through transitional support such as access to free allowances or a review of the Carbon Border Adjustment Mechanism (CBAM), so as to ensure fair competition;
- (l) best available cost-effective, safe and scalable technologies, accompanied by targeted and geographically-balanced support measures to facilitate their deployment, especially in sectors and regions with limited investment capacity;
- (m) energy affordability, security of supply, energy efficiency and the 'energy efficiency first' principle, supported by a mechanism for regular assessment of impacts on energy affordability and predefined corrective measures where negative effects are identified;
- (n) fairness and solidarity between and within Member States, including clearly defined solidarity mechanisms and transparent criteria for their activation based on differentiated capacities and needs;
- (o) the need to ensure environmental effectiveness and progression over time;
- (p) the need to maintain, manage and enhance natural sinks in the long term and protect and restore biodiversity, as well as take into account uncertainties notably those linked to the impacts of climate change in the land use sector;
- (q) investment needs and geographically balanced funding opportunities, including access to public and private finance, with a clear link to the achievement of long-term targets and the mobilisation of capital through EU and national budgets, as well as innovative financing instruments;
- (r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the UNFCCC, as well as the support of the Union to its partners in addressing climate change and its impacts; this shall include a post-2030 review clause to assess the adequacy of Union measures in light of evolving geopolitical, economic and trade developments, with a view to ensuring continued EU leadership.

Additional suggestions in relation to the assessment and review clauses – we are not strongly attached to the concrete wording, as long as additional guarantees are incorporated into Articles 6, 7 and 11, aiming at ensuring that the enabling framework will be reviewed and possibly strengthened in order to reflect the very dynamic conditions, so the just and fair transition will be ensured for all, especially in the lower-GDP and lower capacity MS. We reiterate our view, that the framework should reflect the vast and major differences between MS in terms of actual capacity, it should incentivise the socio-economic and technological cohesion in the EU and it

should limit the negative effects on the households, given the fundamental role of the enabling framework and the public support.

Article 6

Assessment of Union progress and measures

1. By 30 September 2023, and every five years thereafter, the Commission shall assess, together with the assessment provided for under Article 29(5) of Regulation (EU) 2018/1999:

(a) the collective progress made by all Member States towards the achievement of the climate-neutrality objective set out in Article 2(1) of this Regulation;

(b) the collective progress made by all Member States on adaptation as referred to in Article 5 of this Regulation.

The Commission shall submit the conclusions of that assessment, together with the State of the Energy Union report prepared in the respective calendar year in accordance with Article 35 of Regulation (EU) 2018/1999, to the European Parliament and to the Council.

2. By 30 September 2023, and every five years thereafter, the Commission shall review:

(a) the consistency of Union measures with the climate-neutrality objective set out in Article 2(1);

(b) the consistency of Union measures with ensuring progress on adaptation as referred to in Article 5.

(c) the consistency of the enabling framework with the objectives set in Article 2(1) and Article 4(3) in terms of the need for strengthening the existing or establishment of additional support mechanisms on Union level for ensuring the required just and fair socio-economic transition in all Member-States, for limiting the negative effects on the vulnerable households, communities, energy- and emission-intensive regions, and for strengthening of the socio-economic and technological cohesion.

3. Where, based on the assessments referred to in paragraphs 1 and 2 of this Article, the Commission finds that Union measures are inconsistent with the climate-neutrality objective set out in Article 2(1) or inconsistent with ensuring progress on adaptation as referred to in Article 5, or that the progress towards that climate-neutrality objective or on adaptation as referred to in Article 5 is insufficient, it shall take the necessary measures in accordance with the Treaties.

4. The Commission shall assess the consistency of any draft measure or legislative proposal, including budgetary proposals, with the climate-neutrality objective set out in Article 2(1) and the Union 2030 and 2040 climate targets before adoption, and include that assessment in any impact assessment accompanying these measures or proposals, and make the result of that assessment publicly available at the time of adoption. The Commission shall also assess whether those draft measures or legislative proposals, including budgetary proposals, are consistent with ensuring progress on adaptation as referred to in Article 5. When making its draft measures and legislative proposals, the Commission shall endeavour to align them with the objectives of this Regulation. In any case of non-alignment, the Commission shall provide the reasons as part of the consistency assessment referred to in this paragraph.

Article 7

Assessment of national measures

1. By 30 September 2023, and every five years thereafter, the Commission shall assess:

(a) the consistency of national measures identified, on the basis of the integrated national energy and climate plans, national long-term strategies and the biennial progress reports submitted in accordance with Regulation (EU) 2018/1999, as relevant for the achievement of the climate-neutrality objective set out in Article 2(1) of this Regulation with that objective;

(b) the consistency of relevant national measures with ensuring progress on adaptation as referred to in Article 5, taking into account the national adaptation strategies referred to in Article 5(4).

(c) in its assessments, Commission shall duly take into account the specific national circumstances and starting points, the effects of the enabling and/or limiting conditions, as well as the actual capacity of individual Member States to deliver on the targets.

The Commission shall submit the conclusions of that assessment, together with the State of the Energy Union report prepared in the respective calendar year in accordance with Article 35 of Regulation (EU) 2018/1999, to the European Parliament and to the Council.

2. Where the Commission finds, after due consideration of the collective progress assessed in accordance with Article 6(1), that a Member State's measures are inconsistent with the climate-neutrality objective set out in Article 2(1) or inconsistent with ensuring progress on adaptation as referred to in Article 5, it may issue recommendations to that Member State. The Commission shall make such recommendations publicly available.

3. Where recommendations are issued in accordance with paragraph 2, the following principles shall apply:

(a) the Member State concerned shall, within six months of receipt of the recommendations, notify the Commission on how it intends to take due account of the recommendations in a spirit of solidarity between Member States and the Union and between Member States;

(b) after the submission of the notification referred to in point (a) of this paragraph, the Member State concerned shall set out, in its following integrated national energy and climate progress report submitted in accordance with Article 17 of Regulation (EU) 2018/1999, in the year following the year in which the recommendations were issued, how it has taken due account of the recommendations; if the Member State concerned decides not to address the recommendations or a substantial part thereof, that Member State shall provide the Commission its reasoning;

(c) the recommendations shall be complementary to the latest country-specific recommendations issued in the context of the European Semester.

Article 11

Review

Within six months of each global stocktake referred to in Article 14 of the Paris Agreement, the Commission shall submit a report to the European Parliament and to the Council, together with the conclusions of the assessments referred to in Articles 6 and 7 of this Regulation, on the operation of this Regulation, taking into account:

(a) the best available and most recent scientific evidence, including the latest reports of the IPCC and the Advisory Board;

(b) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement, as well the impact of the latest geopolitical and trade developments, given their direct effect on the European, national and sectoral efforts for reaching the objectives as set in Article 2(1) and Article 4(3).

The Commission's report may be accompanied, where appropriate, by legislative proposals to amend this Regulation and the enabling framework in order to ensure the successful achievement of the required inclusive, just and fair economic transition across the Union.

THE NETHERLANDS

Working Party on Environment (WPE) on 2040

Comments by NL on Amendments 1 (2) D t/m R

14 July 2025

- In general, the Netherlands places a scrutiny reserve on the overall proposal. At the same time, we strongly support the Presidency's work to take forward the work on the ECL and the NDC simultaneously.
- We emphasize the importance of a strong enabling agenda to ensure the delivery of our collective targets, which requires appropriate EU policies to address key bottlenecks. This includes an implementation package that addresses grid congestion, reinforces cross-border infrastructure interconnections, streamlines permitting procedures, and harmonizes grid tariff methodologies to establish a level playing field across the Union. We also support the explicit connection between the CID and the 2040 target, competition and decarbonization, including circular business models.

[What can be improved in current proposal]: We wish to emphasize the need for a strong enabling framework to support the (energy) transition and achieve the 2040 target while safeguarding competitiveness, including:

- Access to well-integrated infrastructure,
- Future proof energy infrastructure,
- Expedite licensing processes;

Moreover, we have the following questions/comments to improve the legislative proposal:

- *Regarding the CID (recital 5) adding:* the CID / EU wishes to maintain a European and world-wide level playing field. The CID *also* focusses on the conversion of our future-proof energy intensive industries, for decarbonization and industrial renewal.
- *Input CO2-removals adding in a recital:* The distinct roles of emission reduction, permanent carbon removals and temporary carbon removals in addressing climate change. The need to stimulate carbon removal technologies with lower technological readiness levels.

Text suggestions on the Regulation amending European Climate Law (ECL amendment)

As a follow up to our comments on the flexibilities submitted on the 8th of July, we would like to share the following text suggestions in bold related to Amendment 1 (2) D to R, of the European Climate Law. We are still studying the EU Climate Law in full, whereas some points of interest can already be included, these suggestions should not be considered as definitive nor complete:

Suggestion	Rationale
d. Member States post-2030 targets and efforts should specifically reflect cost-efficiency, while	We support the principles listed in the Commission's proposal with specific

also taking-solidarity and national circumstances into account.	focus on cost efficiency, as we think that EU MS should converge more towards 2040. Solidarity is also mentioned in (n.).
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;	
g. the costs of inaction and the benefits of action over mid-term to long-term;	
h. the need to ensure a just and socially fair transition for all;	
i. simplification, technology neutrality, cost-effectiveness, economic efficiency, and economic security;	
j. climate action as a driver for investment, ~~and~~ innovation and commercialization ;	Add: " and commercialization" [read: scaling up of green technology] Scaling up of green tech could also be part of other paragraph.
k. the need to strengthen the global competitiveness of the Union's economy and the internal Union's level playing field , in particular small and medium-sized enterprises and industrial sectors most exposed to carbon leakage so as to ensure fair competition;	Add: economy, " and the internal Union's level playing field", in particular.. [read: the level playing field within the EU should also be considered]
l. best available cost-effective, safe and scalable technologies;	
m. energy affordability, security of supply, future proof energy infrastructure, streamlining of permitting , energy efficiency and the 'energy efficiency first' principle.	Add: "future proof energy infrastructure and streamlining of permitting"
n. fairness and solidarity between and within Member States;	
o. the need to ensure environmental effectiveness and progression over time;	
p. the need to maintain, manage and enhance natural sinks in the long term and protect and restore biodiversity, as well as take into	

account uncertainties notably those linked to the impacts of climate change in the land use sector;	
q. investment needs and opportunities, including access to public and private finance;	
r. international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the UNFCCC, as well as the support of the Union to its partners in addressing climate change and its impacts.’.	

POLAND

Proposed amendments to ECL

Article	Proposed amendments	Justification
Additional sentence in Article 2 of Regulation 2021/1119	1. Union-wide greenhouse gas emissions and removals regulated in Union law shall be balanced within the Union at the latest by 2050, thus reducing emissions to net zero by that date, and the Union shall aim to achieve negative emissions thereafter. Greenhouse gas emissions in the Union may be balanced by means of international credits obtained outside the EU, under the terms of this Regulation.	The amendment allows for taking into account reduction efforts outside of the EU. The current wording of the article specifies the obligation to achieve the climate neutrality goal only through efforts within the EU (domestic). This needs to be changed since contribution of high-quality international credits under Article 6 of the Paris Agreement is to be allowed.
Article 4 paragraph 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 [xx %] compared to 1990 levels by 2040.	We should not prejudice the final target as we are still negotiating the file. At this stage COM proposal is very unclear and does not guarantee achievement of such ambitious target. The current proposal lacks sufficient precision, and therefore does not provide the level of confidence that Member States need to plan credible, economically grounded, and socially acceptable transformation pathways. the current framing is not yet sufficient to reflect the economic and structural diversity of Member States or the evolving geopolitical and industrial landscape.
Article 4 paragraph 4 New subparagraph added	Relevant Union legislation in order to enable the achievement of Union's climate target for 2040 is without prejudice to the role of the European Council, as set out in the Treaties, in defining the Union's general political direction and priorities for the development of the Union's climate policy.	
Article 4 paragraph 4 point (a)	Starting from 2031, a ~~possible limited~~ contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement of 10% 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 - the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law; these units shall be used, under certain conditions, by Member States and operators within the ESR sectors and EU ETS to offset residual emissions;	PL considers the proposed 3% insufficient. The EU ETS is undergoing profound changes and in this evolving landscape, with new measures being put in place, it is expected that market liquidity and stability will be deeply affected already by the end of current decade, potentially causing price fluctuations and volatility as supply and demand adjust. Use of international credits already early on in the next decade in the EU ETS should play a key supporting role, to ensure back-up measures are in place. For the market to function properly, it is crucial that larger amount of EU emissions are offset. Only then will it be possible to build stable demand, which will initiate the development of the offset market and trigger the necessary investments in third countries.

		While the supplemental role of permanent carbon removals should increase over time, given the uncertainty of pace of diffusion of necessary technologies, the use of international credits should be enhanced.
Article 4 paragraph 4 point (b)	the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual emissions from, inter alia , hard to abate sectors; these units shall be used, under certain conditions, by Member States and operators within the ESR sectors and EU ETS to offset residual emissions.	We propose expanding the use of domestic removals to offset emissions in both EU ETS and ESR sectors. We believe that such solution will help in developing the market and will fasten deployment of new technologies.
Article 4 paragraph 4 point (c)	New wording maximum flexibility across sectors and targets; allowing higher achievements in one sector to compensate for gaps in others in a cost effective way. Enhanced flexibility should apply to ETS, ESR and LULUCF but should also extend to other areas like RES and Energy Efficiency. No additional targets for the LULUCF sector shall be set. MSs shall be able to use all of the removals generated in the LULUCF sector for other targets compliance purposes.	In order to reach ambitious target Members States should be allowed to use their advantages and strengths to balance their needs in weaker areas.
Article 4 paragraph 4 point (d)	Member States post-2030 targets and efforts should reflect solidarity and cost-efficiency , in light of national circumstances; they shall be set in a way that ensures a fair and balanced distribution of efforts, taking into account the different capabilities and capacities of Member States and cost-effectiveness, based on the same methodology as used in Regulation (EU) 2018/842	PL proposes different approach. We believe Member States post-2030 targets should be determined based on the same methodology that was applied under Regulation (EU) 2018/842 and Regulation (EU) 2023/857. This approach ensured that national contributions reflected the diversity of Member States' capacities and cost-efficiency potentials, thereby enabling a fair and balanced distribution of the overall effort in line with the principles of solidarity and cost-effectiveness. Maintaining this methodology for the post-2030 period guarantees policy continuity, transparency, and credibility in the EU's climate governance. It also best captures the real national circumstances — including economic structure, level of development, and access to clean technologies — which are essential to designing realistic and socially acceptable pathways toward climate neutrality
Article 4 paragraph 4 point (f)	the social, environmental, geopolitical and economic impacts with particular reference to preserve EU industrial sectors competitiveness, ensuring affordable energy prices, energy security, investment needs and financing gaps, defence and military capacity building as a strategic priority; each legal proposal implementing the ECL should be based on such impact assessment .	We believe including the geopolitical context and external security as well as energy security as strategic priorities is essential. Global industrial and environmental policies are increasingly shaped by shifting power dynamics, supply chain vulnerabilities, and energy dependencies. In the face of growing international tensions, ensuring the security and resilience of EU industries is not only a matter of competitiveness but also of strategic autonomy and defence and military capacity building . A comprehensive policy must therefore address not only social, economic, and environmental goals, but also the ability of the EU to withstand external shocks, reduce reliance on critical resources from non-EU

		countries, and protect its technological and industrial sovereignty. Whole implementing framework should be based on such in depth analysis.
Article 4 paragraph 4 point (g)	the costs of inaction and the benefits of action over mid-term to long-term on sectoral and Member States level,	It is important to conduct such comparison on sectoral and Member States level due to the fact that inaction costs may be spread unevenly and over different timeframes.
Article 4 paragraph 4 point (h)	the need to ensure a just and socially fair transition for all; all relevant European funds such as Just Transition Fund or Climate Social Fund shall be strengthened;	<i>The transition will impact all citizens in a relevant way. All the funding tools aimed to promote a fair, just and socially transition should be strengthened</i>
Article 4 paragraph 4 point (i)	Simplification, technology neutrality, availability of mature and affordable technologies , cost effectiveness, economic efficiency and economic security	It is crucial to design the future architecture for implementing ambitious climate policy goals, taking into account not only the technological neutrality criteria, but also the availability of mature technologies, in the spirit of technological realism. The Commission must consider the achievability of the technology, its availability to European industry, and the costs of implementation. A climate policy architecture cannot be based on experimental technologies or technologies that exist only as a concept. A TRL (Technology Readiness Level) assessment can be used to evaluate the technological readiness of solutions, with projects in the final stages of technological readiness (TRL 7–9) being considered available technologies.
Article 4 paragraph 4 point (ii) (new)	review of the existing targets and legislation in order to apply technology neutrality principle to all elements of climate policy,	All technologies aimed to emissions reduction should be considered. It is necessary to introduce technology neutrality principle as soon as possible in all elements of climate policy to provide equal level playing field for all technologies.
Article 4 paragraph 4 point (j)	climate action as a driver for investment and innovation – it shall include an estimate of total investment needs to meet the 2040 target, and a proposal for financing mechanisms (EU-level, national, private);	
Article 4 paragraph 4 point (k)	the need to strengthen the global competitiveness of the Union's economy, in particular small and medium-sized enterprises and industrial sectors most exposed to carbon leakage so as to ensure fair competition also by revising all existing legislation, including CBAM Regulation and state aid rules and, introducing changes that will	<i>For the Union economy to be competitive globally, it's necessary to revise both the CBAM Regulation and the assesment procedure under the state aids legislation</i>

	support European industry especially hard-to-abate sectors such as continued access to free allocation ;	
Article 4 paragraph 4 point (l)	best available cost-effective, safe and scalable technologies; new instruments on EU level, including financial instruments, shall be established in order to accelerate the uptake of the best cost-effective technologies;	We believe it is essential that we establish a European framework of financial instruments that is consistent with the ambitious goal, adequate to deal with the substantial investments that will be required, in particular, for the development and upgrading of energy infrastructure, for accelerating the deployment of renewable energy and energy efficiency, and for the development of new technologies.
Article 4 paragraph 4 point (m)	security of supply, energy efficiency and the 'energy efficiency first' principle, energy affordability, to ensure that direct and indirect costs of the decarbonization process do not automatically become an excessive burden for consumers and households;	It is crucial to address the issue of affordability and the rising costs and prices for consumers and citizens. In this regard, it is necessary to ensure that direct and indirect costs of the decarbonization process are not automatically transferred into energy prices and products for consumers and households.
Article 4 paragraph 4 point (q)	investment needs and opportunities, including access to public and private finance; all relevant European financial instruments such as Innovation Fund, Modernisation Fund, CEF and the funds related to cohesion policy, shall be strengthened as well as providing for new additional financial instruments;	It will be necessary to strengthen existing financial and legislative instruments (such as the Innovation Fund, Modernisation Fund, CEF, and cohesion policy-related funds, among others) and to provide for new mixed public-private financing instruments. It will be a necessary enabling condition to support the development and strengthening of the grids and storage facilities so as to allow the integration of an increasing share of energy from renewable sources.
Article 4 paragraph 4 point (r)	international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the UNFCCC, as well as the support of the Union to its partners in addressing climate change and its impacts; COM should assess yearly the adequacy of EU climate measures in light of global developments, including geopolitical security shifts and trade tensions;	
Article 4 paragraph 4 point (s) (new)	the EU budget shall be reviewed to be consistent with the Union 2040 climate target set out in the article 4, paragraph 3	The next multi-year financial framework (MFF) will need to take into account decarbonisation goals and provide necessary resources and instruments to achieve them.
Article 4 paragraph 4 point (t) (new)	State aid rules shall be reviewed to be consistent with the Union 2040 climate target set out in the article 4, paragraph 3 and must not undermine the state's legitimate need to develop sectors of strategic importance for state security.	The conditions for granting state aid should not focus solely on environmental objectives, but should also consider other important factors, such as state security and defence against external threats.

Article 4 paragraph 4 point (u) (new)	Stability and Growth Pact (SGP) shall be reviewed to be consistent with the Union 2040 climate target set out in the article 4, paragraph 3 with the inclusion of a “green deal climate and energy clause” to allow for much greater investment, both public and private, and to allow a longer time adjustment for Member States	Stability Pact framework imposes strict limits on the growth of public spending. This risks limiting the MS capacity to invest in green technologies, reducing countries' competitiveness in global markets and hindering the achievement of the EU's climate and energy security goals
Article 4 paragraph 4 point (v) (new)	necessity to assess yearly impact of all elements of implementation package on competitiveness of European industry, energy prices, energy demand, energy poverty indicators and employment changes; in case of negative impact COM should introduce automatically, agreed beforehand, mitigating measures	It is necessary to react very quick in case of high increase of energy prices and in case of any drop in competitiveness of european industry or negative changes of other indicators. Appropriate measures should be agreed and triggered automatically in such situation.
Article 4 paragraph 4 point (w) (new)	specific situation in some sectors (like agriculture or transport) with limited reduction potential and important role in the economy; actions implemented in such sectors should not increase costs for citizens	Some sectors are very sepcific and should be treated with special care taking into account their role for citizens.
Article 4 paragraph 4 point (x) (new)	Need to establish independent body responsible for quality control, monitoring, and marketing of international credits and removals; such body shall act for ensuring the stability and transparency of the EU ETS market by inter alia: monitoring of the allowances supply and demand, purchasing and managing international credits and carbon removal units and their exchanging for the allowances in the EU ETS, stabilizing price of EU ETS allowances by sale and purchase of the allowances.	Independent body is necessary to control the market for emission allowances and to maintain high environmental standards and the integrity of the emissions reduction system. It is necessary to supervise the use (particularly in the EU ETS) of international credits and removals units and ensure that these credits and units meet appropriate standards. Such body aims to strengthen the stability, efficiency and liquidity of the EU ETS system through the appropriate management of the supply of emission allowances (EUAs), carbon removal units, and international offset units. The Agency would intervene in the event of significant price fluctuations – by purchasing removal units and offsets and appropriately managing a specially created balancing reserve.
Article 4 paragraph 4 point (y) (new)	Need to establish additional, effective price control mechanism in the EU ETS; price cap mechanism should be established, ensuring that EUAs prices do not exceed the marginal abatement cost identified in the Impact Assessment.	The EU ETS market becomes a highly sensitive market when extended to sectors that directly affect households (ETS2). This market must be equipped with effective solutions. These solutions will help it to respond to large price increases. They will also provide a stronger protection for the most vulnerable groups. Therefore, we propose to set a maximum price cap, which, if reached or exceeded, will trigger the intervention release of an unlimited volume of allowances (increasing the supply of allowances will lower the price).
Additional point	(3) Article (11) is replaced by following: Within six months of each global stocktake referred to in Article 14 of the Paris Agreement and in 2035, the Commission shall submit a report to the European Parliament and to the Council, together with the conclusions of the assessments referred to in Articles 6 and 7 of this Regulation, on the level of ambition set out in Article 4,	Given the numerous uncertainties and difficult-to-predict changes in economic and political conditions during the period of achieving the reduction target, the provisions on monitoring and reporting progress should specify that the assessment of progress towards the 2040 reduction target should be expanded to include additional elements, such as monitoring and assessing various factors and variables that may influence the reduction effort implemented by the Member State. Such assessment should take into account, among other things:

	paragraph 3, and on the operation of this Regulation, taking into account: a) effectiveness of existing policies and measures; b) the best available and most recent scientific evidence, including the latest reports of the IPCC and the Advisory Board; c) the level of development and deployment of new technologies, such as DACCS and BECCS; d) the volume of permanent carbon removals available for use together with the assessment on whether this volume is sufficient to ensure the achievement of the 2040 target in a cost-efficient and timely manner, e) the functioning and the contribution of the flexibilities related to Article 4 f) the international developments to achieve the long-term objectives of the Paris Agreement; g) the efforts undertaken to achieve the 2030 target; h) an assessment of the diversity of member states in terms of economic capacity, energy mix, availability of modern technologies including reduction technologies, external security and energy security needs, i) the amount of marginal abatement costs of emission reduction, j) evaluation the maturity and readiness for deployment of the technologies that are critical to achieving ambitious reduction targets in the European economy, k) the impacts on employment, energy prices, industrial energy demand, hard-to-abate- sector employment changes, costs for citizens and on the competitiveness of EU industry, particularly small and medium-sized enterprises , l) the impact of the evolution of national and international circumstances, in the implementation of 2040 target. m) The Commission's report should be accompanied, where appropriate, by legislative proposals to amend this Regulation.	• The varying needs of Member States, for example, in developing the potential of sectors related to defence and external security. • Different national circumstances related to ensuring energy security. • The evolution of marginal abatement costs (MAC). • Monitoring the availability (including cost) of reduction and sink technologies. • The maturity and readiness for implementation of technologies that are key to the European economy's ability to achieve ambitious reduction targets. • The impact of the transition on energy poverty and employment indicators. • The pace of implementation of removal units and offsets both in the architecture of climate policy and in terms of actual feasibility.
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SLOVENIA

Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality

Comments

Slovenia welcomes the Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality (ECL) and as is still scrutinizing the Commission's proposal, would like to make the following preliminary remarks:

General reflections

Slovenia recognizes that the ECL constitutes a framework regulation establishing the foundation for the governance of the Union's climate policy until 2040. Within this framework, Slovenia advocates for a credible and science-based target that aligns with the pathway to climate neutrality within the Union by 2050 at the latest and is fully consistent with the objectives enshrined in the Paris Agreement.

Slovenia supports the proposed binding net greenhouse gas emissions reduction target of 90% by 2040 compared to 1990 levels, while expecting an enabling framework encompassing regulatory, financial - distribution of ETS and BRT funds and linkage with the Multiannual Financial Framework (MFF) - social, and solidarity components, will be established to ensure the just and effective implementation of this target.

Slovenia regards the decarbonisation of the Union as a strategic imperative to enhance energy security by reducing external energy dependency, to bolster strategic autonomy, to foster industrial competitiveness and innovation within the Union, to stimulate high-quality employment opportunities, and to consolidate EU's leadership role in global clean technology markets.

While recognizing the value of partnerships and cooperation with third countries in climate action, Slovenia maintains that priority must be given to domestic greenhouse gas emissions reductions and domestic investments. External climate initiatives should complement and not substitute these fundamental priorities.

Slovenia emphasizes the intrinsic linkage between the EU Nationally Determined Contribution (NDC) and the ECL, notably, the NDC must derive from an ambitious 2040 target, and therefore, timely adoption of the ECL is essential to enable the submission of an updated NDC in a timely manner, which is critical for international climate governance and the preparatory processes for COP30.

On proposed flexibilities in Article 4(4), points (a)-(c)

The overall approach can be welcomed. However, as regards the use of **international carbon credits** towards the EU's 2040 climate target Slovenia warns against repeating past mistakes from the Kyoto era and calls on the European Commission to ensure that such credits do not undermine the EU ETS or weaken domestic decarbonisation incentives. Only high-quality credits that go beyond the Paris Agreement minimum should be accepted.

Regarding **negative emissions**, Slovenia emphasises that only permanent removals should count, and only to offset residual emissions in hard-to-abate sectors. These removals must complement, not replace, direct emissions reductions. The Commission should set realistic goals and assess how removals affect the ETS.

Slovenia has concerns regarding the maturity and large-scale viability of certain carbon capture and storage (CCS) technologies. While such technologies may play a role in addressing residual emissions, the pace and scale of their deployment must not distract from the primary goal of sustained and deep emissions reductions across all sectors.

Slovenia supports **greater flexibility between sectors** and Member States in achieving targets but stresses the need for clarity on which sectors this would apply to.

Slovenia proposes introducing a **transit traffic flexibility mechanism** to recognise the structural challenges faced by Member States with a disproportionately high share of road transit-related transport emissions. The mechanism would enable limited accounting flexibility, determined individually, based on the share of road transit flows in total transport activity. As these emissions are difficult to reduce due to limited national control, the proposed flexibility would support fairer burden-sharing among Member States, while maintaining the integrity of EU climate targets.

On other new elements in Article 4(4), enabling framework

Slovenia welcomes preserving and updating of existing and including additional elements that provide important guidance for the development of the post-2030 climate framework. We support the principles of following the best available science, cost-effectiveness of measures, solidarity among Member States, technological neutrality, and a sustainable transition.

We would particularly like to highlight the importance of referencing the best available **science** and the latest reports of the IPCC and ESABCC, as this is essential for the credibility and effectiveness of European climate policy. We support this element in Article 4(e) as well as in the relevant recitals.

Regarding **competitiveness**, we believe that point (j) should place additional emphasis on the role of climate action not only as a driver of innovation and investment, but also as a key factor for the long-term competitiveness of European industry. In this context, we welcome the planned initiatives under the Clean Industry Deal.

Moreover, Slovenia particularly welcomes the Commission's recognition of the specific challenges encountered by Member States in the **LULUCF sector** in point (p), and that the Commission will, in the post 2040 framework, in particular take into account the impacts of climate change in this sector. Slovenia recognizes the importance of inherent uncertainties of the LULUCF sector that are closely connected to variability and negative impacts of environmental factors on this sector. Therefore, we propose the inclusion of those in the text as well. Slovenia also suggests that the contribution of the LULUCF sector to sustainable and circular economy and reduction of dependence on fossil fuels is pointed out. Furthermore, Slovenia believes that an increase of natural removals in every Member State is not possible.

Slovenia also underlines the importance of taking into account the **emissions intensity of national industries when reviewing the functioning of solidarity-based burden sharing mechanisms**. Acknowledging structural differences between Member States, including the economic composition and the level of industrial emissions intensity, is essential to ensure that solidarity tools remain fair, effective, and reflective of real-world challenges. These considerations should be integrated into the future design and implementation of climate policy instruments to ensure both ambition and cohesion.

Achieving the 2040 climate target will require the rapid deployment of existing technologies as well as the development and scaling up of new ones. The Commission's Impact Assessment recognises this as a critical element of the transition. However, Member States differ in their economic and technical capacity to adopt and deploy these technologies at the necessary scale and speed. To ensure social cohesion and a fair transition across the EU, it is essential to consider mechanisms that support **a more even uptake of climate technologies**. Some Member States and regions will require more support than others. Targeted financial and technical assistance will help ensure that all Member States can contribute effectively to the Union's climate objectives. This is not only a matter of fairness, but also of effectiveness: the accelerated deployment of mature technologies in all parts of the Union is a precondition for timely progress towards the 2040 target. Slovenia therefore suggests that the Commission, in

future work and legislative proposals, further elaborates on how to ensure fair access to climate technologies and considers additional instruments to support this goal.

Proposed new recital – to be inserted after recital (5):

(5a) In order to ensure an effective and fair transition towards the 2040 climate target, the Union should promote the equitable uptake of existing and emerging climate technologies across all Member States. Given the differences in economic and technical capacities, additional targeted financial and technical support may be necessary to enable all Member States to contribute effectively and at the required pace. This will help safeguard social cohesion within the Union and accelerate the deployment of solutions critical to meeting the climate objectives.

Proposed text changes in Article 4 (additions in bold):

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 accelerate and strengthen the enabling framework to ensure that conditions are in place to **evenly** support European industry and citizens throughout the transition, in full respect of EU law.

f) the social, economic and environmental impact, **with due consideration for national economic and social circumstances**

o) the need to ensure environmental effectiveness and progression over time, **while also safeguarding social cohesion and enabling a just transition**
