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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 14 July 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 14 JULY 2025

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

Steering note by the Presidency

INTRODUCTION

On 2 July 2025 the Commission adopted its proposal for an amendment of the **European Climate Law (ECL)**, including an intermediate climate target for 2040[1] (ST 11184/25). The Danish Presidency intends to **take work forward on the NDC and the ECL amendment simultaneously** to allow for a swift submission of the NDC once the Council has agreed on a general approach on the ECL amendment.

In order to enable the submission of the NDC by the September deadline for the UNFCCC NDC Synthesis Report, the Presidency aims to complete work at the technical level by early September and prepare the approval of the Council's general approach on the ECL and the Council decision on the EU's next NDC at **the meeting of the Environment Council on 18 September**.

WORK ON THE ECL AMENDMENT

The Commission presented its proposal to Coreper on 2 July. The Working Party on the Environment (WPE) has since examined the proposal at its meetings on 3 and 7 July. During the WPE on 3 July, delegations were invited to provide initial reactions and questions for the Commission. A call for comments was launched on 3 July with a deadline on 8 July. On 7 July, the WPE dived deeper into the three proposed flexibilities for reaching the proposed 90% target for 2040 (e.g. Article 6 credits, domestic permanent removals in ETS and enhanced flexibilities between sectors).

[1] 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.

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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 has made substantial progress on the narrative part of the NDC while the political elements, are pending subject to decision on the ECL amendment. The political elements of the NDC will only be included at a later stage.

Following the call for written comments published under the Polish Presidency (deadline 11 June 2025), nine Member States submitted written comments to the NDC. As regards the narrative part of the NDC, the Presidency and the Commission sent a revised text based on these comments to delegations on 9 July (WK 9623/2025).

While some comments from delegations were mostly editorial in nature other comments related to the substance of the text. The substantial changes to the narrative parts of the NDC include, but are not limited to, the following:

Several delegations requested inclusion of text on the European Scientific Advisory Board on Climate Change (ESABCC). The Presidency and the Commission have therefore included a factual addition in paragraph 7 to reflect these comments.

A factual reference to Commissions communication on the 2040-target and the role of the European Scientific Advisory Board on Climate Change (ESABCC) has been added in paragraph 9.

As regards the comments on the question of technological neutrality, several delegations suggested to remove reference to nuclear under headline i) as this section is in relation to the targets for renewable energy. Therefore, the concrete wording of the Council Conclusions from 2024 has instead been added in paragraph 45 at the end of the sub-heading related to nuclear energy.

Regarding comments related to "unabated" in paragraph 35 and 36 the wording has been aligned with the 2024 Council Conclusions (ST 14459/24). This same approach has been taken for carbon capture and storage (CCS) in paragraphs 40 and 41. On the question of "fossil fuel subsidies" in paragraphs 56, the language has also been streamlined with the language from the Council Conclusions from 2024.

TOPICS FOR THE WPE ON 14 JULY

For the third WPE under the Danish Presidency the Presidency intends to organise discussions on the two topics set out in the agenda. The first part of the meeting will focus on the ECL amendment, while the second part will be dedicated to the revised proposal for the EU NDC (WK 9623/2025). The Presidency intends to commence the meeting providing a short recap of recent developments from the informal meeting of Environment Ministers held in Aalborg, Denmark on 10-11 July.

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PART 1: ECL AMENDMENT

The discussions will take place in three rounds: First round on the enabling framework, second round on the other elements in the ECL and the third round providing answers to the delegations' written comments.

In the explanatory memorandum of the proposal ('Consistency with other Union Policies'), the Commission has identified a number of initiatives forming part of the enabling framework for achieving the 2040 target. In addition to the key enabler of implementation of the 2030 legislative framework, these aim to ensure the competitiveness of the European industry, including through simplification; a greater focus on a just transition that leaves no one behind; and a level playing field with international partners. The upcoming proposal on the Multiannual Financial Framework will provide further clarity on the public financing available for the transition, as well as necessary synergies with private investments and innovative financial tools. The Clean Industrial Deal sets out a workplan to support competitiveness, with concrete measures such as the new Clean Industrial Deal State Aid Framework, the announced Industrial Decarbonisation Bank, a revised public procurement framework, the roll out of the Affordable Energy Action Plan, and upcoming proposals on the Industrial Decarbonisation Accelerator Act and on the expansion of CBAM to downstream goods and providing support for export sectors through CBAM revenues. Many of these are referred in the communication "Delivering on the Clean Industrial Deal I" of 2 July (11246/25) and are dealt with in various different formations in the Council.

To inform delegations about ongoing work on the implementation of the Clean Industrial Deal in other Council formations, the Commission will provide delegations with an overview of the communication 'Delivering on the Clean Industrial Deal I'. Delegations are thereafter invited to ask questions on this communication, while bearing in mind that negotiations on the measures contained in the communication will take place in other council formations.

Thereafter, the WPE will discuss the other elements to be reflected in upcoming legislative proposals on the post-2030 climate policy framework (Article 4(4), points (d)-(r)). Following a presentation by the Commission of those points, as well as the relevant recitals, the Commission will reply to a round of follow up questions from delegations. Finally, while taking into account that the post-2030-climate legislation will be part of a future policy package, delegations will be invited to express their views and suggest any improvements or amendments to the text that they consider necessary.

Finally, the Presidency will invite the Commission to answer written questions on the ECL amendment received from delegations by 8 July, followed by a short round of follow-up questions from delegations.

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PART 2: EU'S NDC

On the NDC, the Presidency intends to finalise the work on the narrative part of the NDC during this WPE, leaving the political parts for later discussion.

The Presidency and the Commission will first present the amendments to the NDC. After the presentation, delegations are invited to comment on the revised text for the NDC. The discussion will be held in one table round. During this table round the WPE will go through the text based on the headings in the text (heading by heading). The Presidency kindly asks delegation to focus **on red lines only** under each heading with a view of closing all remaining paragraphs.

Next steps:

- **Guidance for further work on the ECL at Coreper 16 July (background note to be issued 11 July)**
- **Next WPE on the ECL amendment on 22 July.**