Council of the European Union
General Secretariat

PUBLIC

Interinstitutional files:
2025/0524 (COD)

Brussels, 17 July 2025

WK 9978/2025 INIT

LIMITE

CLIMA
ENV
ENER
COMPET
IND
MI
CODEC

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on the Environment
N° Cion doc.:	ST 11184/25
Subject:	European Climate Law amendment: WPE on 22 July 2025 - Presidency steering note

With a view to the above WPE meeting on 22 July 2025, delegations will find attached a steering note prepared by the Presidency.

PUBLIC

WORKING PARTY ON THE ENVIRONMENT ON 22 JULY 2025

Proposal for a Regulation amending European Climate Law (ECL amendment)

Steering note by the Presidency

INTRODUCTION

This note accompanies the first Presidency compromise proposal set out in document 11685/25 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 first Presidency compromise text contains initial amendments to the Commission proposal and will be discussed at the WPE on 22 July**. The proposed changes are presented further below.

Following the WPE on 22 July, the Presidency will prepare a revised Presidency compromise text (REV1) taking into consideration delegations' comments made during the WPE and subsequent written comments, with a view to the WPE planned on 2 September.

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 and 14 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 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.

PUBLIC

PROPOSED CHANGES TO THE COMMISSION PROPOSAL

The changes to the Commission proposal suggested by the Presidency include the following:

Article 4

- As a purely technical modification, paragraph 4 has been divided in two (paragraphs 4 and 5) to follow the current structure of the ECL and ease cross-referencing throughout the Regulation.
- As regards the flexibility between sectors, many delegations called to strengthen the wording. To accommodate this, it has been made clear that flexibilities should apply both within and across sectors in the coming post-2030 climate policies (**point (c)** of renumbered paragraph 5).
- Many delegations called for taking into account national specificities in the setting of the post 2030 target. This has been included in **point (d)** and reflected in the recitals (see below).
- It has been specified in **point (j)** that climate action is also a driver for increased competitiveness.
- Some delegations stressed the importance of including a reference to grids and interconnections. This has been included in **point (m)**.
- Some delegations asked for the particularities of the LULUCF sector to be clarified. To this end, wording on the effects of natural disturbances as well as difference in forest age structures has been added in **point (p)** and reflected in the recitals (see below). Further, a reference to sustainable and circular bioeconomy has been added in this point.

Recitals

- In **recital 5**, the text on industrial competitiveness and Just Transition has been strengthened. New text has been added on circular economy and on taking into account the geopolitical situation.
- In **recital 7**, a reference has been included to clarify the specificities of natural removals and the need to take them into account. A reference to the role of the LULUCF sector in the circular bioeconomy has also been included.
- In **recital 8**, it has been clarified that the use of international credits must take account of the need to ensure a level playing field across Member States. In the same recital, it has been underlined that when including permanent domestic removals in the ETS, the environmental integrity of the ETS should be ensured. Additionally, it now follows from recital 8 that national circumstances must be taken into account in the future architecture, as also reflected in the operational part of the proposal.

The discussion will be held in two table rounds. First, the presidency will explain the proposed amendments to article 4 followed by comments, requests, and questions from delegations. For the second round, the Presidency will go through the changes to the recitals, followed by comments, requests and questions from delegations.

PUBLIC

Next steps:

- **Call for written comments on the first Presidency compromise text on the ECL amendment with a deadline on 28 July 12 noon.**
- **Informal written consultation on a revised text on the narrative part of the NDC with a deadline 28 July 12 noon**
- **Revised Presidency compromise text (ECL REV1) and steering note for next WPE to be issued by the end of July**
- **Next WPE on the ECL amendment to discuss REV 1 on 2 September**