

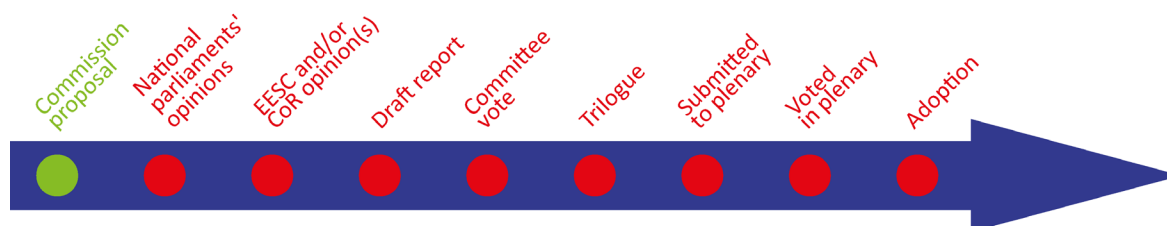
European climate law

OVERVIEW

On 4 March 2020, the European Commission adopted a legislative proposal for a European climate law, setting the objective for the EU to become climate-neutral by 2050 and establishing a framework for achieving that objective. This would involve the Commission reviewing the EU's 2030 target for reducing greenhouse gas emissions in light of the mid-century climate neutrality objective, exploring options for 50 to 55 % emissions reduction, and proposing a new 2030 target, if necessary. The Commission would be empowered to set out an emissions trajectory for the period between 2030 and 2050. The proposed regulation would also require EU institutions and Member States to build on their climate change measures. The Commission would have to carry out five-yearly assessments – aligned with the review cycle of the Paris Agreement – of progress made towards the objectives and of the consistency of national and EU measures with the objectives. It would be required to take corrective action and could issue recommendations to Member States whose measures were inconsistent with the emissions trajectory. Moreover, the Commission would have to ensure broad public participation.

The December 2019 European Council meeting endorsed the 2050 climate-neutrality objective. In the European Parliament, the proposal has been referred to the Committee on Environment, Public Health and Food Safety.

Proposal for a regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)		
<i>Committee responsible:</i>	Environment, Public Health and Food Safety (ENVI)	COM(2020) 80 final 4.3.2020
<i>Rapporteur:</i>	Jytte Guteland (S&D, Sweden)	2020/0036 (COD)
<i>Shadow rapporteurs:</i>	Mairead McGuinness (EPP, Ireland) Nils Torvalds, (Renew, Finland) Sylvia Limmer (ID, Germany) Michael Bloss (Greens/EFA, Germany) Anna Zalewska (ECR, Poland) Silvia Modig (GUE/NGL, Finland)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Publication of draft report	



Introduction

On 4 March 2020, the European Commission adopted a legislative [proposal](#) for a European climate law that sets the objective for the EU to achieve net-zero greenhouse gas (GHG) emissions by 2050. This proposal is part of the [European Green Deal](#), a programme first outlined in the [political guidelines](#) of the Commission President, Ursula von der Leyen. It aims to make Europe the first climate-neutral continent by 2050, while boosting the competitiveness of European industry and ensuring a just transition for the regions and workers affected.

The proposed European climate law aims to complement the existing EU policy framework by setting the long-term direction for EU climate action, provide predictability for investors and businesses, and ensure transparency and accountability. It raises the ambition relative to the existing measures, which are expected to reduce GHG emissions by only 60 % by 2050, compared to 1990 levels. The Commission would therefore present an impact-assessed climate target plan by September 2020, to increase the 2030 target to from 40 % to at least 50 % and towards 55 % compared with 1990 levels in a responsible way, and intends to propose to amend the climate law accordingly. By June 2021, the Commission would propose revisions of key EU climate and energy legislation in line with the revised 2030 target.¹ On 18 March 2020, the Commission launched a [public consultation on the climate target plan](#), open until 23 June 2020.

As part of the European Green Deal, the Commission has launched initiatives that are complementary to the proposed climate law: the [European Green Deal investment plan](#) and a legislative proposal for a [just transition fund](#), both of which were published on 14 January 2020. A public consultation on the future [European climate pact](#) was launched on 4 March 2020.

Context

The United Nations Framework Convention on Climate Change (UNFCCC) was set up in 1992 in order to prevent dangerous climate change. Despite decades of climate negotiations in the UNFCCC framework, [global CO₂ emissions](#) from fossil fuels grew by 67 % from 1990 to 2018, and show little sign of falling. [Global average temperature](#) has risen by 1.1°C since the pre-industrial era, and contributes to impacts including rising sea levels, heat waves and wildfires. The carbon budget (the amount of GHGs that may still be emitted) for a 66 % chance of staying below [1.5 degrees](#) is roughly equivalent to about 10 years of current emissions, and likely to be exceeded during this decade under the current national commitments and policies, according to the [UN emissions gap report](#).

The [Paris Agreement](#) on climate change sets a target to limit temperature rise to well below 2°C, while making efforts to stay below 1.5°C, and to reach net-zero emissions in the second half of this century. The Paris Agreement requires the parties to submit voluntary [nationally determined contributions](#) (NDCs), and to develop [long-term strategies](#) by 2020. It establishes a five-year cycle for stocktaking and raising ambition. The rulebook for implementing the Paris Agreement was completed by the [COP24](#) climate conference in 2018, with the exception of rules for cooperative approaches (including international emissions trading), on which also the [COP25](#) conference in 2019 failed to reach an agreement. This issue as well as the raising of ambition will be on the agenda of the [COP26](#) conference in Glasgow, originally scheduled for November 2020, but now postponed until 2021.

Net-zero and negative emissions

Net-zero emissions means that emissions and removals of GHGs are balanced. Removals of GHGs ([negative emissions](#)) can be achieved by enhancing natural sinks (forests, soil, wetlands) or through negative emission technologies which consist of a process for capturing greenhouse gases, notably CO₂, from the atmosphere and storing them permanently. Common schemes for negative emission technologies include bioenergy with carbon capture and storage and direct air capture. Scenarios to achieve the temperature targets of the Paris Agreement rely heavily on negative emissions.

Public opinion in the EU is in favour of stronger climate action. The majority (52 %) of respondents to the Eurobarometer survey [Parlemeter 2019](#) consider climate change to be the most important environmental issue today, followed by air pollution, marine pollution, deforestation and the growing amount of waste. Nearly six out of ten EU citizens believe that the youth-led climate protests have had a direct policy impact both at EU level (59 %) and in Member States politics (58 %). According to the March 2020 [special Eurobarometer](#) survey, 76 % of EU citizens consider climate change a very serious problem in their country. The [second European Investment Bank climate survey](#) shows that a majority of EU citizens are prepared to adopt more climate-friendly behaviours, such as using public transport, flying less or switching to a green energy provider, and support measures such as a ban on short-haul flights, a carbon tax on flights and a ban on high-emission vehicles in city centres.

Existing situation

The EU is committed to taking action to limit global warming to well below 2°C above pre-industrial levels, in line with the 2015 Paris Agreement on climate change. [Article 191](#) of the Treaty on the Functioning of the European Union (TFEU) meanwhile establishes climate action as one of the objectives of EU environment policy.

The EU has a target of reducing GHG emissions by 20 % by 2020, compared with 1990 levels, and is on track to exceed the target; in 2018, the GHG emissions in the EU were 23 % below 1990 levels. The EU target for GHG emission reductions by 2030 is 40 %. This target was endorsed by the October 2014 European Council, along with targets for a market share for renewable energy of least a 27 %; and an improvement in energy efficiency of not less than 27 %. The GHG emission reduction target for 2030 is also the EU's [nationally determined contribution](#) (NDC) to the Paris Agreement.

The EU [regulatory framework](#) for achieving the targets up to 2030 was set during the 8th parliamentary term. Council and Parliament have adopted new rules and 2030 emission targets for specific sectors, strengthening and extending previous targets.

- Energy and industry: the EU [emissions trading system](#) (ETS), which covers around 45 % of the EU's greenhouse gas emissions, has been reformed. Emissions covered under the ETS must be reduced by 43 % by 2030 compared with 2005 levels.
- Transport, buildings and agriculture: the [Effort Sharing Regulation](#) requires emissions in these sectors to be cut by 30 % by 2030 compared with 2005 levels. Specifically on transport, revised CO₂ standards for [cars and vans](#) and the first-ever CO₂ standards for [trucks and buses](#) require that the CO₂ emissions of new vehicles do not exceed 30 % of today's levels by 2030.
- Land use and forestry: the [regulation on the land-use sector](#) requires greenhouse gas emissions from land use and forestry to be offset by the removal from the atmosphere of at least an equivalent volume of CO₂ in the period from 2021 to 2030.
- Energy efficiency: a directive adopted in December 2018 sets a binding [energy efficiency](#) target of 32.5 % for 2030.
- Renewable energy: a directive adopted in December 2018 sets a new [renewable energy](#) target of 32 % for 2030.

To simplify and strengthen the process of monitoring progress and to address weaknesses in implementing the energy union goals, the European Union adopted a regulation establishing a [governance framework for the energy union](#) in December 2018. The regulation mentions explicitly the 'Union-wide binding target of at least 40 % domestic reduction in economy-wide greenhouse gas emissions as compared to 1990 to be achieved by 2030'.

The Commission's October 2019 [progress report](#) on climate action estimates that the EU legislation adopted in 2018 would result in a 45 % emission reduction by 2030.

So far, the EU does not have a legally binding long-term emissions target. The [October 2009 European Council](#) endorsed a target of a 80 to 95 % reduction of the EU's GHG emissions by 2050, based on the GHG concentrations and expected global emission cuts at the time. This long-term target has guided EU climate policy for a long time, although continually rising GHG concentrations in the atmosphere mean that much steeper emission cuts are now necessary.

In November 2018, the Commission adopted the '[clean planet for all](#)' strategy, aiming for a prosperous, modern, competitive and climate-neutral economy by 2050, and analysing scenarios to achieve net-zero GHG emission by 2050.

The December 2019 [European Council](#) endorsed the objective of achieving a climate-neutral EU by 2050, although one Member State (Poland) cannot yet commit to this objective. On 5 March 2020, the Environment Council adopted the EU's [long-term low greenhouse gas emission development strategy](#) for submission to the UNFCCC. The document simply refers to the December 2019 European Council conclusions and their endorsement of the climate-neutrality objective.

Comparative elements

A growing number of countries have adopted [climate laws](#) with a long-term perspective, or are in the process of preparing such laws. The United Kingdom's Climate Change Act, adopted in 2008, was the first climate law with a long-term target. More national climate laws were adopted shortly before or after the conclusion of the Paris Agreement. A climate law can help countries manage the long-term transition towards a low-carbon economy and meet the obligations of the Paris Agreement on planning, monitoring, reporting and periodic updating of NDCs.

The 2008 UK [Climate Change Act](#) originally set a long-term target of reducing the United Kingdom's GHG emissions by 80 % by 2050, but was [amended](#) in 2019 to raise that target to 100 %, thus requiring net-zero emissions. The law establishes an independent advisory body, the [Committee on Climate Change](#), to provide evidence-based advice on emissions targets and adaptation. The Climate Change Act requires the government to set legally-binding 'carbon budgets' that limit the amount of GHGs emitted in the United Kingdom over five-year periods. The carbon budgets are based on the advice of the Committee on Climate Change and must be set at least 12 years in advance to give policy-makers, businesses and individuals time to prepare.

Ten EU Member States have adopted climate laws, seven of these have a long-term target. Seven other Member States are preparing or considering the adoption of a climate law.² Outside the EU, five European countries and a number of non-European countries have adopted climate laws since 2015, the year of the Paris Agreement.

A [study](#) (2020) on climate laws has identified a number of design elements to ensure the effectiveness of the governance system:

- clear quantitative and long-term targets;
- mandatory climate planning to align near-term policies with long-term planning;
- regular (annual) reporting and progress checks to trigger corrective action if needed;
- assignment of responsibilities to the relevant institutions (ministries and parliaments);
- an independent scientific advisory body;
- public participation, for example citizen assemblies.

Parliament's starting position

The European Parliament has long advocated an ambitious climate change policy and has played an important role in raising the ambition of EU climate legislation for the period up to 2030.

The Parliament's October 2017 [resolution on the COP23 Climate Change Conference](#) urged the European Commission to prepare a mid-century zero emissions strategy for the EU.³ In October 2018, Parliament adopted a [resolution on COP24](#), advocating a 1.5°C global warming

target and calling for a 55 % reduction in emissions in the EU by 2030. In March 2019, Parliament adopted a [resolution on climate change](#), welcoming the Commission's [clean planet strategy](#) and calling for an overarching approach towards achieving net zero emissions by 2050.

In the [resolution of 28 November 2019](#) on COP25, Parliament stressed that the Union, as a global leader and together with other major global economies, needed to strive towards reaching net-zero greenhouse gas emissions as early as possible and by 2050 at the latest, and [declared](#) a climate and environment emergency.

Parliament's [resolution of 15 January 2020 on the European Green Deal](#) called on the Commission to present a proposal for a European climate law with a legally binding domestic and economy-wide target to reach net-zero GHG emissions no later than 2050, as well as intermediate targets for 2030 and 2040. It called for the latter to be based on impact assessments and to be finalised before the adoption of the climate law by the co-legislators. The resolution called for an increase in the EU's domestic GHG emission reduction target for 2030 to 55 % compared with 1990 levels.

European Council starting position

The European Council has made building a climate-neutral, green, fair and social Europe one of the main four priorities in its [strategic agenda for 2019 to 2024](#). In its [conclusions of 12 December 2019](#), the European Council, in the light of the latest available science and of the need to step up global climate action, endorsed the objective of achieving a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement. However, the conclusions note that one Member State [Poland] cannot yet commit to implementing this objective.

Preparation of the proposal

In November 2018, in response to calls from the European Parliament and the European Council, the European Commission adopted the '[clean planet for all](#)' strategy, aiming for a prosperous, modern, competitive and climate-neutral economy by 2050. To prepare it, the Commission analysed scenarios for long-term decarbonisation and carried out a stakeholder consultation. This was followed by an EU-wide debate on the vision. A high-level public conference on implementation of the European Green Deal on 28 January 2020 provided a forum for a stakeholder debate on the European climate law. Almost 1 000 individuals and organisations provided [feedback](#) on the roadmap for the legislative proposal.

The changes the proposal would bring

The [proposed regulation](#) sets a legally binding EU-wide common target of net-zero greenhouse gas emissions by 2050. Net-zero means that GHG emissions must not exceed removals of GHGs. The proposed regulation would require EU institutions and Member States to take the measures necessary to achieve the collective climate-neutrality objective, taking into account fairness and solidarity among Member States.

By September 2020, the Commission would be required to review the EU's target for GHG emission reductions by 2030 in light of the mid-century climate neutrality objective, explore options for a 50 to 55 % emission reduction by 2030, and make proposals to amend the 2030 target, if appropriate.⁴ In addition, by 30 June 2021, the Commission would have to assess how existing EU legislation implementing the 2030 target would have to be amended, and consider taking appropriate measures, including legislative proposals.

The Commission would be empowered to adopt delegated acts setting out a trajectory to reach carbon-neutrality by 2050, starting from the 2030 target. When setting the trajectory, the Commission would have to consider a broad range of factors including cost-effectiveness, competitiveness of the EU economy, fairness and solidarity, a just and socially fair transition, and technological, scientific and international developments. The power of delegation would be

conferred on the Commission for an indeterminate period of time, but could be revoked at any time by the European Parliament or by the Council. A delegated act would enter into force if neither Parliament nor Council objected within a two-month period.

The proposed regulation would also require EU institutions and Member States to improve their climate change mitigation measures by enhancing adaptive capacity, strengthening resilience and reducing vulnerability. Member States would have to develop and implement adaptation strategies and plans to include comprehensive risk management frameworks.

By 30 September 2023, and every five years thereafter, the Commission would have to assess collective progress towards climate neutrality and on adaptation, the consistency of relevant EU and Member State measures with the climate neutrality objective, and the adequacy of relevant EU and national measures for progressing on climate adaptation.⁵ The Commission would have to base its assessments at least on information submitted and reported under the [Energy Union Governance Regulation](#), reports by the European Environment Agency (EEA), European statistics and data, scientific evidence and supplementary information on environmentally sustainable investment. The EEA would have to assist the Commission in the preparation of the assessment.

The Commission would have to take corrective action if it found EU measures to be inconsistent with the climate-neutrality objective or inadequate with respect to adaptation, or if collective progress proved insufficient. It would also have to assess any draft measure or legislative proposal in the light of the climate neutrality objective, and include this analysis in all impact assessments.

The conclusion of the assessment of national measures would be included in the annual State of the Energy Union Report. If the Commission found a Member State's measures to be inconsistent with the trajectory towards climate neutrality or inadequate with respect to adaptation, it could issue recommendations to that country. Such recommendations would be public and complementary to the latest country-specific recommendations issued in the context of the European Semester. A Member State concerned by a recommendation would have to take due account of it and report how it had done so in its first progress report under the Energy Union Governance Regulation in the year following the recommendation. If a Member State decided not to address a recommendation or a substantial part of it, it would have to communicate its reasons to the Commission.

The Commission would have to engage with all sections of society to facilitate an inclusive and accessible process at all levels in order to share best practice and identify action to contribute to the achievement of climate neutrality and strong adaptation. In addition, the Commission could draw on the multilevel climate and energy dialogues set up by Member States in accordance with the Energy Union Governance Regulation.

The Energy Union Governance Regulation would be amended to make reference to the new climate law and the net-zero emission target.

Advisory committees

The European Economic and Social Committee (EESC) and the European Committee of the Regions (CoR) have been consulted on the proposal on a mandatory basis.

The EESC (rapporteur Jan Dirx, Diversity Europe - Group III / the Netherlands) is preparing an [opinion](#) on the legislative proposal, for adoption during the September 2020 plenary session. The EESC [opinion](#) on the strategy for long-term EU greenhouse gas emissions reduction, adopted in June 2019, supported the objective of making the EU a climate neutral economy by 2050 in a socially fair and efficient manner. Among other points, the EESC highlighted the need for a social pact for low-carbon transition and proposed setting up a permanent citizens' dialogue to prepare major political decisions and legislative initiatives.

The European Committee of the Regions appointed Juan Manuel Moreno Bonilla (EPP, Spain), President of the region of Andalusia, as rapporteur for its opinion on the proposal, to be adopted during the October 2020 plenary session. The CoR [resolution on the Green Deal in partnership with](#)

[local and regional authorities](#), adopted in December 2019, called on the Commission to review the EU 2030 targets included in the clean energy package to ensure a climate neutral, competitive and socially just Europe by 2050 at the latest, and to enshrine them in a European Climate Law. It called for the GHG emissions reduction target to be raised to at least 55 %, the energy efficiency target to 40 % and renewable energy target to 40 %. Moreover, it demanded that the European climate law cover both mitigation and adaptation to climate change and be coupled with concrete financing plans. Moreover, it argued that the law should be based on a thorough analysis of its impacts and benefits, and form the basis for a comprehensive and ambitious climate neutrality package.

National parliaments

As of 17 April 2020, nine [national parliamentary assemblies](#) had begun scrutinising the proposal. The deadline for raising subsidiarity concerns is 5 May 2020.

Stakeholders' views⁶

[BEUC](#), the European consumer organisation, welcomes the proposal, but warns that stronger climate measures may harm consumer interests if designed the wrong way. It calls for a systemic and predictable transition, a fair distribution of costs; and standards for sustainable products. European trade unions ([ETUC](#)) are calling for provisions in the climate law to ensure their formal and effective involvement in decision-making, implementation and evaluation of Green Deal policies.

[Business Europe](#) supports the climate neutrality ambition, urges politicians to focus on how to get there, and notes that Europe already has an investment gap of €260-270 billion per year to reach the existing 2030 climate targets. The chemical industry ([CEFIC](#)) is calling for an enabling framework to help the sector become carbon-negative by 2050. [Copa-Cogeca](#), representing European farmers argues farmers and forest owners should be remunerated for contributions to natural carbon sinks in agriculture and forestry, but notes that emissions from farming cannot be avoided completely.

[Greenpeace and WWF](#) have called for an independent scientific advisory body and stronger targets: climate neutrality by 2040 and negative emissions thereafter. [Bellona](#) warns of over-reliance on negative emissions technologies, and recommends precise rules as to what counts as permanent removal of GHGs. European [youth climate activists](#) addressed an open letter to the EU institutions and Member States, claiming that the proposal was not science-based, lacked enforcement ('a law that no one has to follow'), and fell short on equity and global climate justice.

Legislative process

In the European Parliament, the proposal has been referred to the Committee on Environment, Public Health and Food Safety (ENVI), which appointed Jytte Guteland (S&D, Sweden) as rapporteur. On 4 March 2020, the Committee held a [debate](#) on the legislative proposal. In her opening speech, youth climate activist Greta Thunberg criticised the proposal as 'surrender', giving up on the Paris Agreement and failing to ensure a safe future for today's children.

On 5 March 2020, the Commission presented the legislative proposal to the [Environment Council](#). The Council Working Party on the Environment discussed it for the first time on 13 March 2020.

Member State positions

On 2 March, 12 EU Member States⁷ addressed a [joint letter](#) to Commission Vice-President Frans Timmermans asking the Commission to present the 2030 climate target plan as soon as possible and by June 2020 at the latest. This would have enabled an update of the EU NDC in good time before COP26 and support EU leadership in international climate talks. The letter noted that the European climate law could include a 2030 target. Six Member States meanwhile [asked](#) the Commission to work on a scenario towards 2050 based on 100 % renewable energy.⁸ On the other hand, the Czech Prime Minister [Andrej Babiš](#) said on 16 March 2020 that Europe should abandon the Green Deal and focus on coronavirus instead. This view is shared by [Janusz Kowalski](#), Poland's Deputy Minister of State Assets, who suggested that the EU should abolish the emissions trading system or exempt Poland.

EP SUPPORTING ANALYSIS

Amanatidis G., [European policies on climate and energy towards 2020, 2030 and 2050](#), Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, January 2019.

OTHER SOURCES

[Framework for achieving climate neutrality](#), European Parliament, Legislative Observatory (OEL).

[Climate laws in Europe: good practices in net-zero management](#), Ecologic, February 2020.

Averchenkova A., [Legislating for a low carbon and climate resilient transition: learning from international experiences](#), Real Instituto Elanco, 2019.

[Climate Change Laws of the World](#), LSE Grantham Institute on Climate Change and the Environment.

ENDNOTES

- ¹ European Emissions Trading System (EU-ETS) Directive, Effort Sharing Regulation, Land Use, Land Use Change and Forestry (LULUCF) Regulation, Energy Efficiency Directive, Renewable Energy Directive, CO₂ emissions performance standards for cars and vans.
- ² European countries with climate laws with a long-term element: Denmark, Finland, France, Germany, Ireland, Netherlands, Sweden, Norway and the UK. European countries with climate laws without a long-term element: Austria, Bulgaria, Malta, Iceland, Liechtenstein and Switzerland. Source: [Climate Laws in Europe](#), Ecologic, 2020.
- ³ The [March 2018 European Council](#) also asked the Commission to present a strategy for long-term EU greenhouse gas emissions reduction. Consequently, the Commission adopted the clean planet strategy in November 2018 (for details, see the 'Preparation of the proposal' section).
- ⁴ The explanatory memorandum within the legislative proposal states that 'by September 2020, the Commission will present an impact assessed plan to increase the EU's greenhouse gas emission reduction target for 2030 to at least 50 % and towards 55 % compared with 1990 levels in a responsible way' and 'propose to amend this Regulation accordingly and, by June 2021, review and propose to revise where necessary, all relevant related policy instruments'.
- ⁵ This process is aligned with the timelines of the 'global stocktake' under the Paris Agreement, under which Parties periodically assess the implementation of the agreement and collective progress towards its goals.
- ⁶ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.
- ⁷ Denmark, Spain, France, Italy, Latvia, Luxembourg, the Netherlands, Austria, Portugal, Slovenia, Finland and Sweden.
- ⁸ Denmark, Spain, Ireland, Lithuania, Luxembourg and Austria.

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eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

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