



Brussels, 17.9.2020  
COM(2020) 563 final

2020/0036 (COD)

Amended proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on establishing the framework for achieving climate neutrality and amending  
Regulation (EU) 2018/1999 (European Climate Law)**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

On 4 March 2020, the Commission adopted its 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)<sup>1</sup>.

The proposal for a European Climate Law Regulation forms part of a broader package of ambitious actions announced in the Commission's European Green Deal Communication<sup>2</sup>. The European Green Deal launches a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, improving the quality of life of current and future generations, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from climate- and environment-related risks and impacts. The European Green Deal reaffirms the Commission's ambition to make Europe the first climate-neutral continent by 2050.

The proposal aims at providing a direction by enshrining the EU 2050 climate-neutrality objective in legislation, enhancing certainty and confidence on the EU's commitment as well as transparency and accountability.

The original proposal stated that the Commission would present by September 2020 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 that the Commission would propose to amend the proposal accordingly. This was reflected in Article 2(3) and recital 17 of the initial Commission proposal. The 2030 Climate Target Plan demonstrates that increasing the EU's emission reduction target for 2030 to at least 55% is both feasible and beneficial.

With a view to achieving climate neutrality in the Union by 2050, it is therefore proposed that the EU's greenhouse gas emission reduction target for 2030 is increased to at least 55% compared with 1990 levels, including emissions and removals. This proposal modifies the initial Commission proposal (COM(2020) 80 final) to include the revised target in the European Climate Law.

- **Consistency with existing policy provisions in the policy area**

The explanatory memorandum of the initial Commission proposal sets out in detail the consistency with existing policy provisions. The 2030 Climate Target Plan shows that an increase of the target implies greenhouse gas emission reduction efforts by all sectors, and enhancement of removals, which need to be enabled by various policies. By June 2021, the Commission will therefore review all relevant related policy instruments, as set out in Article 2a(2) of the proposal.

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<sup>1</sup> COM(2020) 80 final.

<sup>2</sup> COM(2019) 640 final.

- **Consistency with other Union policies**

The initiative is linked to many other policy areas, as all EU actions and policies should foster a just transition towards climate neutrality and a sustainable future, as described in the explanatory memorandum of the initial Commission proposal.

Furthermore, after adoption of the initial Commission proposal, the Coronavirus disease outbreak led to a public health crisis and socio-economic shock of unprecedented scale. The unprecedented European policy response to COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy and a sustainable future while mitigating the severe impacts of the crisis. The proposal is consistent with the Communications on Next Generation EU<sup>3</sup> and a revamped long-term EU budget<sup>4</sup>, in which the Commission set out an ambitious recovery plan, guiding and building a more sustainable, resilient and fairer Europe for the next generation. They show the commitment to ‘do no harm’ with regard to our climate and environmental ambitions, ensure that the money is spent in line with the objectives of the European Green Deal, and accelerate the twin green and digital transitions in a socially fair manner.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The legal basis for the proposal is Article 192(1) TFEU, the same as for the initial Commission proposal.

- **Subsidiarity (for non-exclusive competence)**

The explanatory memorandum of the initial Commission proposal details the subsidiarity and proportionality considerations. These explanations remain valid also for the proposed amendments, as an EU-wide, economy-wide target can only be set at EU level.

- **Choice of the instrument**

This proposal amends Commission proposal COM(2020)80 final. The instrument chosen is a Regulation, in line with the instrument chosen for the initial Commission proposal. This choice is explained in the explanatory memorandum of the initial Commission proposal.

## **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

The explanatory memorandum of the initial Commission proposal details the stakeholder consultations, such as the public consultation carried out, the stakeholder event organised by the Commission when preparing the ‘Clean Planet for All’ Communication<sup>5</sup> and the January 2020 public event on implementing the European Green Deal - the European Climate Law.

In addition, when preparing the 2030 Climate Target Plan, the Commission carried out a public consultation from 31 March to 23 June 2020, receiving more than 4000 replies from a

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<sup>3</sup> COM(2020) 456 final.

<sup>4</sup> COM(2020) 442 final.

<sup>5</sup> COM(2018) 773 final.

wide range of stakeholders. A synopsis report<sup>6</sup> summarises the consultation activities on the plan.

- **Impact assessment**

In support of the ‘Clean Planet for All’ Communication, the Commission services carried out an in-depth analysis<sup>7</sup>. It explores how climate neutrality can be achieved by 2050 by looking at all the key economic sectors, including energy, transport, industry and agriculture. That assessment and the evaluation of the EU adaptation strategy (2018) support the initial Commission proposal, as detailed in the explanatory memorandum of that proposal.

The proposed modifications to the proposal relate to the EU’s 2030 net greenhouse gas emission reduction target. As regards the increase of that target, the Commission carried out an impact assessment<sup>8</sup> which accompanies the 2030 Climate Target Plan.

- **Fundamental rights**

The explanatory memorandum of the initial Commission proposal details the considerations regarding fundamental rights.

#### **4. BUDGETARY IMPLICATIONS**

The budgetary implications are presented in the legislative statement to the initial Commission proposal and are not affected by this amendment.

#### **5. OTHER ELEMENTS**

- **Detailed explanation of the specific provisions of the proposal**

The proposed modifications to the provisions in the initial proposal for a European Climate Law relate to the inclusion of a new EU greenhouse gas emission reduction target for 2030 in Article 2a(1) of the proposal. This amended provision replaces Article 2(3) of the initial proposal, which set out the process leading up to this amendment.

Article 2a(2) of the revised proposal announces a process for the review of Union legislation implementing the 2030 target in line with Article 2(4) of the initial proposal, which is moved to the new Article 2a, and where a reference to the new 2030 target has been inserted.

Article 1 of the initial proposal is also amended to include a reference to the new 2030 target in relation to the scope of the European Climate Law Regulation, and the corresponding recitals have been adapted.

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<sup>6</sup> SWD(2020) 178

<sup>7</sup> In-depth analysis in support of the Commission Communication COM(2018)773, [https://ec.europa.eu/clima/sites/clima/files/docs/pages/com\\_2018\\_733\\_analysis\\_in\\_support\\_en\\_0.pdf](https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_analysis_in_support_en_0.pdf)

<sup>8</sup> SWD(2020) 176

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Commission proposal COM(2020) 80 is amended as follows:

- (1) Recital 17 is replaced by the following:

‘As announced in its Communication ‘The European Green Deal’, the Commission assessed the Union’s 2030 target for greenhouse gas emission reduction, in its Communication “Stepping up Europe’s 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people”<sup>9</sup>, on the basis of a comprehensive impact assessment and taking into account its analysis of the integrated national energy and climate plans submitted to the Commission in accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>10</sup>. In light of the 2050 climate-neutrality objective, by 2030 greenhouse gas emissions should be reduced and removals enhanced, so that net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide and domestically by at least 55% by 2030 compared to 1990 levels. This new 2030 Union climate target is a subsequent target for the purposes of point (11) of Article 2 of Regulation (EU) 2018/1999, and therefore replaces the 2030 Union-wide target for greenhouse gas emissions set out in that point. In addition, the Commission should, by 30 June 2021, assess how the relevant Union legislation implementing the 2030 climate target would need to be amended in order to achieve such net emission reductions.’;

- (2) in Article 1, second paragraph, the following sentence is added:

‘It also sets out a binding Union net greenhouse gas emission reduction target for 2030.’;

- (3) in Article 2, paragraphs 3 and 4 are deleted;

- (4) the following Article 2a is inserted:

*‘Article 2a*

**2030 climate target**

1. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2030 climate target shall be a reduction of net greenhouse gas

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<sup>9</sup> COM (2020) 562

<sup>10</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

emissions (emissions after deduction of removals) by at least 55% compared to 1990 levels by 2030.

2. By 30 June 2021, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 1 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures, including the adoption of legislative proposals, in accordance with the Treaties.”;

(5) Article 3(2) is replaced by the following:

‘2. The trajectory shall start from the Union’s 2030 climate target set out in Article 2a(1).’

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## **Information Note**

### **1. Proposal**

COM (2020) 563, Amended 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).

### **2. Date of Commission document**

17/9/2020

### **3. Number of Commission document**

COM(2020) 563

### **4. Number of Council document:**

2020/0036 (COD)

### **5. Dealt with in Brussels by**

Environment Council

### **6. Department with primary responsibility**

Department of the Environment, Climate and Communications

### **7. Other Departments involved**

Department of Agriculture, Food and the Marine

Department of Enterprise, Trade and Employment

Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

Department of Education and Skills

Department of Finance

Department of Foreign Affairs

Department of Health

Department of Housing, Local Government and Heritage

Department of Public Expenditure and Reform

Department of the Taoiseach

Department of Transport

## **8. Background to, Short summary and aim of the proposal**

### Background

On 4 March 2020, the Commission adopted a legislative proposal (COM (2020) 080 final) 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).

The proposal for a European Climate Law Regulation forms part of a broader package of ambitious actions announced in the Commission's European Green Deal Communication. The European Green Deal launches a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, improving the quality of life of current and future generations, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from climate- and environment-related risks and impacts.

The proposal for a European Climate Law Regulation aims to make Europe the first climate-neutral continent by 2050 and 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.

The initial proposal (COM (2020) 080 final) stated that the Commission would present by September 2020 an impact assessed plan to increase the EU's greenhouse gas emission reduction target for 2030 from at least 40% to at least 50% and towards 55% compared with 1990 levels in a responsible way, and that the Commission would propose to amend the proposal accordingly. This was reflected in Article 2(3) and recital 17 of the initial Commission proposal. This new proposal (COM (2020) 563) now modifies that initial Commission proposal, as detailed in the summary below.

### Summary and aim of proposal

The proposed modifications to the provisions in the initial proposal for a European Climate Law relate to the inclusion of a new EU greenhouse gas emission reduction target for 2030.

As announced in its Communication 'The European Green Deal', the Commission assessed the Union's 2030 target for greenhouse gas emission reduction, in its Communication "Stepping up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people" (COM (2020) 562), on the basis of a comprehensive impact assessment and taking into account the Commission's analysis of the integrated national energy and climate plans submitted in accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council.

With a view to achieving climate neutrality in the Union by 2050, it is proposed that the EU's greenhouse gas emissions should be reduced and removals enhanced, so that net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide and domestically by at least 55% by 2030 compared to 1990 levels. The impact assessment demonstrates that increasing the EU's emission reduction target for 2030 to at least 55% is both feasible and beneficial. COM (2020) 562 shows that an increase of the target implies greenhouse gas emission reduction efforts by all sectors, and enhancement of removals, which need to be enabled by various policies.

This amended provision adds a new Article – Article 2a.

Article 2a(1) includes the new EU greenhouse gas emission reduction target for 2030 of at least 55%. This replaces Article 2(3) of the initial proposal, which set out the process leading up to this amendment.

Article 2a(2) announces a process for the review of Union legislation implementing the 2030 target. This is in line with Article 2(4) of the initial proposal, which is moved to this new Article 2a(2), and where a reference to the new 2030 target has been inserted.

Article 1 of the initial proposal is also amended to include a reference to the new 2030 target. Article 3(2) is amended to reference the new Article 2a(1). Corresponding recital 17 has been adapted.

## **9. Legal basis of the proposal**

The legal basis of the proposal is Article 192 (1) of the Treaty on the Functioning of the European Union (TFEU), which gives the Union competence in the area of climate change.

## **10. Voting Method**

Qualified Majority Voting

## **11. Role of the EP**

The proposed Regulation is being legislated for via the Union's Ordinary Legislative Procedure (formerly known as co-decision).

## **12. Category of proposal**

Major significance

### **13. Implications for Ireland & Ireland's Initial View'**

Ireland welcomes the publication of the European Climate Law proposal and is supportive of the development of a European Climate Law that sets the objective of the EU to achieve net-zero greenhouse gas emissions by 2050. It is consistent with the national approach as Ireland prepares to enact a Climate Action (Amendment) Bill, which commits to transition to a 'climate resilient and climate neutral economy' by the end of 2050. The Bill includes new policy instruments which are designed to support increased decarbonisation in the intervening period, including to 2030.

In terms of the 2030 target, Ireland fully supports the enhanced ambition at EU level to increase the EU 2030 target to at least 55% emissions reduction relative to 1990 levels, as set out in the Commission's EU 2030 Climate Target Plan, and for this target to be submitted as the EU's updated nationally determined contribution to the UNFCCC before the end of the year.

Ireland is of the view that the updated target should be delivered collectively by the EU in the most cost-effective manner possible, balancing considerations of fairness, cost effectiveness and solidarity and ensuring that no one is left behind. To this end, the governance framework needs to be underpinned by principles and flexibilities that support this approach.

The Programme for Government sets out significant increased climate ambition for Ireland, committing to an average 7% per annum reduction in overall greenhouse gas emissions from 2021 to 2030 and to achieving net zero to emissions by 2050, the latter being consistent with the EU 2050 ambition. The next iteration of our national Climate Action Plan will set out an economy-wide basis how the 2030 ambition in the Programme for Government might be achieved. A subset of that plan will ultimately deal with Ireland's contribution to the EU 2030 target.

At this stage, the impacts have been assessed at the EU level only. The macro-economic impacts at Member State level will vary somewhat as Member States face different starting points, as well as differing sectoral compositions in their emissions profiles. It will be important for Ireland to ensure that policies and specificities are well reflected in the Member State level Impact Assessment and the legislative proposals that will follow in June 2021.

### **14. Impact on the public**

The challenge to meet the increased EU climate ambition for 2030 and the transition to a low-carbon future will require significant changes in society, and while presenting challenges, will also bring a range of opportunities. The Programme for Government commits to finding a Just Transition pathway which delivers alternative job opportunities to sectors and regions most affected and ensure that vulnerable groups are helped as transformative policies are implemented. Alongside government policies and regulation, there is a role to play for citizens, communities and organisations in all sectors of our society and economy to alter

their behaviours and business models. This will involve profound changes in the systems and practices which support our lifestyle. Every home, every community, every workplace and every farm, will be impacted by the necessary transformation. All key infrastructures – energy, transport, telecommunication, public service, waste management – will be required to decarbonise, as well as adapt to the locked-in consequences of climate change. This requires a high level of societal engagement and action. In this context, it will be particularly important to identify the pathways that will create the least burden, while also offering the most long-term opportunities and benefits. Substantial public and private sector investment will be required to meet 2030 and 2050 decarbonisation ambitions, which will support a more sustainable healthy environment.

**15. Have any consultations with Stakeholders taken place or are there any plans to do so?**

In January 2020, the EU Commission organised a High-level Public Conference to provide an opportunity for open, public stakeholder debate on the European Climate Law. This event brought together many stakeholders and provided useful feedback on the content of the Law, including on the 2030 emissions reduction target.

A ‘roadmap’ on the European Climate Law was made available for public consultation from between 9 January 2020 and 6 February 2020. While not specifically on a 2030 target of at least 55%, it did reference a greenhouse gas emission reductions target for 2030 of at least 50% and towards 55% compared with 1990 levels. There were 931 contributions received.

In addition, when preparing the 2030 Climate Target Plan, the Commission carried out a public consultation from 31 March to 23 June 2020, receiving more than 4000 replies from a range of stakeholders. The consultation collected opinions on the desired ambition level of climate and energy policies, necessary actions in different sectors and specific policy design to increase climate ambition by 2030.

The Commission, in Quarter 2 2020, carried out a public consultation on a European Climate Pact to give citizens and stakeholders from all parts of society a voice and role in designing new climate actions, sharing information, launching grassroots activities and showcasing solutions that others can follow. While the consultation did not explicitly mention the proposed increase in ambition for 2030, the Commission did request information on how to encourage greater societal cooperation as Europe transitions to a low carbon society. The inputs from this public consultation will be used to shape the Pact ahead of its launch.

**16. Are there any subsidiarity issues for Ireland?**

None – climate change is by its nature a trans-boundary challenge that cannot be solved by national or local action alone. Coordination of climate action is necessary at European level and, where possible, at global level, and EU action is justified on grounds of subsidiarity.

## **17. Anticipated negotiating period**

The negotiating period on proposal COM(2020) 563, published on the 17 September 2020, is currently underway. Member States are working towards reaching an agreement on the 2030 target in order to submit an updated EU nationally determined contribution, reflecting this increased ambition, to the UNFCCC before the end of the year and ahead of COP 26 (which has now been postponed to 2021). Notwithstanding this, the European Climate Law proposal, which this proposal seeks to amend would be negotiated into 2021. These timelines may change as a result of the disruption caused by Covid-19.

## **18. Proposed implementation date**

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. Subject to the progression of negotiations, this was envisaged to be in 2021. Timelines may now change as a result of the disruption caused by Covid-19.

## **19. Consequences for national legislation**

The proposal tasks the Commission to review relevant Union legislation in order to enable the achievement of the new 2030 target and the climate-neutrality objective.

By June 2021, the Commission will propose reviews of the:

- Energy Taxation Directive
- 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

This may result in Member States having to conduct a parallel review of both national legislation and policy strategies to inform the Commission's review.

## **20. Method of Transposition into Irish law**

As the proposal is an EU Regulation it will have immediate direct effect in Irish law when it comes into force – no specific transposition measures are required.

## **21. Anticipated Transposition date**

The proposal will have effect in Irish law on the twentieth day after the Regulation is

published in the Official Journal of the European Union.

## **22. Consequences for the EU budget in Euros annually**

The budgetary implications are presented in the Oireachtas Information Note to the initial Commission proposal (COM (2020) 080 final) and are not affected by this amendment.

The indirect impacts on Member States' budgets will depend on their choice of national policies and measures for greenhouse gas emission reductions and other mitigation or adaptation action, and will follow mostly from the possible complementary proposals to revise related instruments or propose new ones to deliver the additional greenhouse gas emission reductions necessary, as presented in the impact assessed plan to increase the EU's greenhouse gas emission reductions target for 2030 to at least 55%.

## **23. Contact name, telephone number and e-mail address of official in Department with primary responsibility**

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Mobile: +353 (87) 145 7029

## **Date**

14 October 2020