



## Consultation feedback

30 April 2020



### EUROCHAMBRES' input to the public consultation on the European Climate Law: Achieving climate neutrality by 2050

**EUROCHAMBRES welcome the possibility to comment on the European Climate Law, however we must also underline the time and resource constraint our members currently face due to the Corona pandemic. The European Chambers of Commerce and Industry support ambitious climate protection measures, yet it is clear that they often represent significant challenges for the sectors and businesses concerned. In the current context of economic downturn, it is essential to provide the best possible support to achieve the necessary recovery and at the same time enable innovation and investment in climate and environmental protection. Regulations leading to increased cost should be reassessed against this background.**

In general, Chambers appreciate the European Commission's approach to combine climate protection and economic growth. A long-term climate goal can be an important signal, both for the economy and society as a whole, yet it is important to enable the technically and viable options for businesses. Additional restrictions, potentially putting at risk necessary long-term investments are therefore counterproductive. In this regard we would also like to underline the careful balance needed to align the economic recovery after the Corona pandemic with the objectives of the Green Deal and urge the institutions to take the resulting challenges for companies into due account in the Climate Law. Chambers stand ready to assist the European institutions and member states in the elaboration and implementation of the measures.

For the announced impact assessment, it is important to not only analyse the effect at EU-level but also at national and regional level. The starting point of member states, including the investment needs, vary greatly and have to be duly taken into consideration. It must clearly illustrate and justify why the trajectory resulting from the comprehensive impact analysis of the 2050 climate neutrality target prepared in support of the Commission's 'Clean Planet for All' Communication is insufficient. In addition, we would like to point out that the assessment was done for the EU28 and still included the United Kingdom's contribution.

It must also be noted that the Climate Law in its current form is based on dealings that will happen in the future, namely the reassessment of the 2030 targets and potential review of relevant legislation. It may prove very difficult to reach an agreement between all co-legislators under these circumstances. Furthermore, a strengthened climate target also calls for an enhanced and effective carbon leakage mechanism, also in the framework of the debate about reindustrialisation.

In addition to enshrining carbon neutrality in legislation, the European Climate Law proposal also grants the Commission the power to adjust the emissions trajectory (in the sense of legally binding emission reductions) by delegated acts. EUROCHAMBRES see this approach very critically, since from our point of view it may disregard national sovereignty and the principle of subsidiarity. This point was also assessed in an [opinion recently published by the European Parliament's Legal Service](#). In the case of delegated acts, member states and Parliament only have limited rights to object (2 months) and only by a qualified majority. The EP Legal Service came to the conclusion that this is not permissible. We share this conclusion. Therefore, member states must be very closely involved in target design and decisions.

Achieving consensus among Member States and turning this act into an inclusive law are fundamental to the ambitious goal of achieving climate neutrality by 2050. We emphasise the important role of cohesion policy funds, including the need for financial support to member states lagging behind.

We would also like to stress the importance of global climate action and that other regions will follow the EU's lead only if we manage to show that we are on track in an economically viable and socially acceptable way.

#### Specific comments:

Article	Comment
<b>Art 2 para 1</b> Union-wide emissions and removals of greenhouse gases regulated in Union law shall be balanced at the latest by 2050, thus reducing emissions to net zero by that date.	It must be clear that net-zero emissions will be achieved by taking into account the GHG (carbon) sinks. We have been signalled by the Czech Chamber of Commerce that this is not the case in the Czech translation and could complicate interpretation in other member states too.
<b>Art 2 para 3</b> By September 2020, the Commission shall review the Union's 2030 target for climate referred to in Article 2(11) of Regulation (EU) 2018/1999 in light of the climate-neutrality objective set out in Article 2(1), and explore options for a new 2030 target of 50 to 55% emission reductions compared to 1990. Where the Commission considers that it is necessary to amend that target, it shall make proposals to the European Parliament and to the Council as appropriate.	Also in case of the 2030 targets, net emissions should be mentioned explicitly, including the carbon sinks.
<b>Art 3 para 1</b> The Commission is empowered to adopt delegated acts in accordance with Article 9 to supplement this Regulation by setting out a trajectory at Union level to achieve the climate-neutrality objective set out in Article 2(1) until 2050.	EUROCHAMBRES reject empowering the European Commission to adopt delegated acts to define and adjust the emissions trajectory. The

<p>At the latest within six months after each global stocktake referred to in Article 14 of the Paris Agreement, the Commission shall review the trajectory.</p>	<p>member states and the European Parliament would only have a limited right to object and only by qualified majority vote. A delegated act should be only used to “supplement or amend non-essential parts of EU legislative acts”.</p>
<p><b>Art 3 para 3</b>  When setting a trajectory in accordance with paragraph 1, the Commission shall consider the following:  (a) cost-effectiveness and economic efficiency;  (b) competitiveness (sic) of the Union’s economy;  (c) best available technology;  (d) energy efficiency, energy affordability and security of supply;  (e) fairness and solidarity between and within Member States;  (f) the need to ensure environmental effectiveness and progression over time;  (g) investment needs and opportunities;  (h) the need to ensure a just and socially fair transition;  (i) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change;  (j) the best available and most recent scientific evidence, including the latest reports of the IPCC.</p>	<p>“Technology neutrality” and “Diverging starting points of member states” should be explicitly added to the list of points to consider.</p>
<p><b>Art 5 paras 1 &amp; 2</b>  By 30 September 2023, and every 5 years thereafter, the Commission shall assess, together with the assessment foreseen 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) as expressed by the trajectory referred to in Article 3(1); (b) the collective progress made by all Member States on adaptation as referred to in Article 4. 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.</p> <p>By 30 September 2023, and every 5 years thereafter, the Commission shall review: (a) the consistency of Union measures with the climate-neutrality objective set out in Article 2(1) as expressed by the trajectory referred to in Article 3(1); (b) the adequacy of Union measures to ensure progress on adaptation as referred to in Article 4.</p>	<p>For some sectors, a 5-year assessment cycle may be too short considering their investment cycles. Legal certainty is essential for business planning security. In addition, we question the rationale behind assessing in 2023 and in 2028 the progress towards a trajectory starting in 2030. The assessment towards the 2030 goal is to be stipulated in the relevant legislation.</p>
<p><b>Art 6 para 1 a)</b>  By 30 September 2023, and every 5 years, thereafter the Commission shall assess: (a) the consistency of national measures identified, on the basis of the National Energy and Climate Plans or 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) with that objective as expressed by the trajectory referred to in Article 3(1);</p>	<p>We question the rationale behind assessing in 2023 and in 2028 the progress towards a trajectory starting in 2030. The assessment towards the 2030 goal is to be stipulated in the relevant legislation.</p>

*EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 44 countries and a European network of 1700 regional and local Chambers.*

**Further information: Mr. Clemens Rosenmayr, Tel. +32 2 282 08 90, [rosenmayr@eurochambres.eu](mailto:rosenmayr@eurochambres.eu)  
Press contact: Mrs. Karen Albuquerque, Tel. +32 2 282 08 62, [albuquerque@eurochambres.eu](mailto:albuquerque@eurochambres.eu)**