Why do we need a European Climate Law?

The atmosphere is warming, with serious consequences already now for our environment and societies. The Intergovernmental Panel on Climate Change estimates that to keep global temperature rise to 1.5°C compared to pre-industrial times and limit the negative impacts of climate change, the world needs to rapidly cut its emissions of climate-warming greenhouse gases (GHG) to achieve net-zero emissions of CO2 by 2050 and all other greenhouse gases somewhat later in the century.

The EU has already put in place some of the toughest and most ambitious climate legislation in the world and started to modernise and transform its economy in line with its climate goals. Between 1990 and 2018, it reduced greenhouse gas emissions by 23%, while the economy grew by 61%. The EU’s comprehensive climate and energy framework for 2030 will bring about further emission reductions across the economy.

However, current policies are expected to only reduce greenhouse gas emissions by 60% by 2050 compared to 1990 levels, meaning that much more remains to be done. In light of the scientific evidence, the increasingly obvious and severe negative effects of climate change, and citizens’ demands for more action, additional measures need to be taken urgently. Against this background, the European Climate Law sets the ambitious target to reach net-zero greenhouse gas emissions in the EU by 2050 and a framework for achieving this climate-neutrality objective.

What are the key elements of the Commission's proposal?

The European Climate Law aims to complement the existing EU policy framework by setting the long-term direction of travel for EU climate policies, providing predictability for investors and businesses on the EU’s commitment, and ensuring transparency and accountability.

The Law sets in legislation the EU’s objective to become climate-neutral by 2050, by cutting emissions and increasing the removals of greenhouse gases from the atmosphere to reach net-zero emissions.

The Law also aims to enhance efforts on adaptation to climate change. In spite of action to reduce greenhouse gas emissions, Europe will continue to face the negative effects of climate change. The upcoming EU Adaptation Strategy and Member States’ adaptation strategies and plans will be essential to address these challenges.

What does the Climate Law mean for existing policies and the EU's greenhouse gas emission reduction target for 2030?

The proposal tasks the Commission to review existing policies and legislation in view of their consistency with the climate-neutrality objective and the trajectory identified.

As part of a two-step approach, the Commission will first assess and make proposals for increasing the EU's greenhouse gas emission reduction target for 2030 to ensure its consistency with the 2050 objective. By September 2020, the Commission will present an impact assessed plan to increase the 2030 target to at least 50% and towards 55% compared to 1990 levels in a responsible way, and will propose to amend the climate law accordingly.

To achieve the revised, more ambitious 2030 target, by June 2021 the Commission will then propose reviews of the:

- 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;

Several other initiatives in preparation under the European Green Deal will also help achieve the objectives of the Climate Law, including making a proposal for a "carbon border adjustment mechanism" for selected sectors, launching a new EU Adaptation Strategy and the European Climate Pact.

The Commission will support these policy goals with appropriate funding and financing tools:

- The **European Green Deal Investment Plan**, proposed at the start of 2020 will unlock at least €1 trillion of sustainable investments over the next decade to help finance the climate transition. The **InvestEU guarantee** will support this by de-risking private funds,

- a **Renewed Sustainable Finance Strategy** will aim at redirecting private capital flows to green investments, ensuring that sustainable investments are mainstreamed across our financial system,

- The **Just Transition Mechanism**, and its accompanying **Just Transition Fund**, proposed in early 2020 will support the most affected regions and sectors ensuring the transition is fair and leaves no one behind. It will help them to modernise and diversify their economies and alleviate the social and economic costs of the transition.

### 4. How will the greenhouse gas emission reduction trajectory from 2030 to 2050 be set?

The Commission's proposal outlines a process for setting out a trajectory from 2030 for net greenhouse gas emissions and removals at EU level to achieve over time the 2050 climate-neutrality objective. The trajectory will inter alia be based on latest scientific evidence and best available technologies. It will take into account cost-effectiveness and economic efficiency, fairness and solidarity across and within Member States and the necessity to ensure that the transition is just and socially fair.

Every five years, the Commission will consider the latest international and scientific developments as well as existing EU policies, legislation and progress made towards the 2050 objectives, to assess whether the trajectory is still adequate or needs to be updated. This process is aligned with the timelines of the 'global stocktake' under the Paris Agreement, under which Parties periodically take stock of the implementation of the agreement and collective progress towards its goals.

### 5. How can the EU achieve the objective of climate-neutrality by 2050?

The European Commission set out its vision for a climate-neutral EU by 2050 in its communication 'A Clean Planet for all' in November 2018. The in-depth analysis underlying the vision looked at all the key sectors and explored several pathways for the transition. It showed that it is possible for the EU to move to net-zero greenhouse gas emissions by 2050, using existing and emerging technological solutions, empowering citizens and aligning action in key areas such as industrial policy, finance or research, while ensuring social fairness for a just transition.

The transition to climate-neutrality will require action in all sectors, from changing how we generate energy and produce food to how we consume goods and services, to the jobs we hold and the way we travel. Ambitious action will help both protect our planet and improve our quality of life, through benefits such as cleaner air, water and soil; healthier food; more energy-efficient housing; better transport alternatives; and new opportunities for European businesses to take the lead in developing clean products and technologies.

This transition will require significant investments. To this end, the Commission put forward in January 2020 a European Green Deal Investment Plan to mobilise at least €1 trillion of sustainable investments over the next decade, as well as a Just Transition Mechanism to ensure that the transition towards a climate-neutral economy happens in a fair way, with targeted support for the most affected regions.

Modernising and decarbonising the EU's economy will stimulate significant additional investment. Today around 2% of GDP is invested in our energy system and related infrastructure. This would have to increase to 2.8% in order to achieve a net-zero greenhouse gas economy. This means considerable additional investments compared to the baseline, in the range of €175-290 billion a year.

This may seem substantial but it is achievable and much better value to society than the cost of inaction which will see climate related damage and health effects take a huge cost on our society. Moreover, inaction leaves us at a competitive disadvantage as neighbouring countries innovate and develop the sustainable technologies of the future.
6. How are citizens and stakeholders involved?

EU citizens are concerned about climate change and support national and EU action. In the latest Special Eurobarometer on climate change (September 2019), 93% of EU citizens considered climate change a serious problem and 92% agreed that we must make our economy climate-neutral by 2050.

As all parts of society have a part to play in the transition to climate-neutrality, an inclusive and accessible process to exchange best practice and identify actions that contribute to the 2050 objective is an important element of the Climate Law. We all have a duty to act and Europeans have shown their strong will to be part of the change. The European Climate Pact will bring together all of these efforts, involving regions, local communities, civil society, schools, industry and individuals. Today, the Commission has also launched a public consultation on this European Climate Pact, again giving citizens the opportunity to participate in shaping how the Pact will work in practice.

7. How will the Climate Pact be developed?

The involvement and commitment of stakeholders and the public at large will be crucial for the success of the European Green Deal. The Climate Pact intends to harness exemplary action on the ground and encourage change in the areas where it is so crucial, such as mobility, buildings' renovation, energy production and consumption, greening of public and private spaces, as well as in our individual and collective choices and behaviour. It aims at offering both the opportunities and the platforms for valuable initiatives to develop and thrive and will be a key part of the just transition for all. This is an unprecedented exercise and we will need everybody to rally behind and bring ideas to the Pact.

The Pact does not start from scratch. There are many existing examples of efforts from civil society to tackle climate change. The Climate Pact will build on this, and encourage an integrated, structured and more proactive approach to awareness raising and stakeholder action at the European level.

Alongside government policies and regulation, there is a role to play for citizens, communities and organisations in all sectors of our society and economy. The Commission has launched an open public consultation on the Pact to give citizens and stakeholders a role in designing new climate actions, sharing information, launching grassroots activities and showcasing solutions that others can follow. The inputs from this public consultation will be instrumental to shape the Climate Pact before its launch later in 2020.

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