EUROPEAN COMMISSION



Brussels, 8.4.2021 C(2021) 2552 final

M. Richard Ferrand President of the Assemblée nationale Palais Bourbon 126, rue de l'Université F – 75007 PARIS

Dear President.

The Commission would like to thank the Assemblée nationale for its Opinion on the 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) {COM(2020) 80 final} as amended on 17 September 2020 {COM(2020) 563 final}.

This proposal forms part of a broader package of ambitious actions announced in the Commission's European Green Deal Communication¹. The European Green Deal launches a new growth strategy for the EU. It aims to transform the EU into a fair and prosperous society, 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 environment-related risks and impacts. At the same time, this transition must be just and inclusive. The European Green Deal Communication reaffirms the Commission's ambition to make Europe the first climate-neutral continent by 2050.

With its proposal for a European Climate Law, the Commission proposes to enshrine the 2050 climate-neutrality objective in legislation, to set the long-term direction, to provide predictability for investors, and to ensure transparency and accountability. The Commission also proposes 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. In December 2020, the European Council endorsed this target and gave guidance on its implementation. The Commission is preparing detailed proposals on how to achieve this target. The Commission is reviewing, and will propose to revise where necessary, by June 2021, all relevant policy instruments to achieve the additional emission reductions. To this end, the Commission is carrying out impact assessments and public consultations so that the various options and policies are analysed, such as those presented in the Opinion of the Assemblée nationale.

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¹ COM(2019) 640 final.

The Commission notes your call for a rapid adoption of a carbon border adjustment mechanism. In the European Green Deal Communication, the Commission stated that, should differences in levels of ambition worldwide persist, as the EU increases its climate ambition, the Commission will propose a carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage. The measure will be designed to comply with World Trade Organization rules and other international obligations of the EU. The Commission is currently carrying out an impact assessment and intends to put forward a legislative proposal by June this year.

The Commission welcomes the support of the Assemblée nationale for the European Union's aim to be climate-neutral by 2050, increasing the 2030 greenhouse gas emission reduction target to at least 55%, more ambitious biodiversity objectives and greener transport. It takes note of the Assemblée nationale's views and concerns and would like to make the following comments in response to the issues raised.

The Commission notes that the proposal also aims to contribute to the implementation of the Sustainable Development Goals and that a fixed long-term objective is crucial in this regard. All EU actions and policies should pull together to help the EU achieve a successful and just transition towards climate neutrality and a sustainable future, as stated in the European Green Deal Communication. The proposal recognises that, while greenhouse gas emissions should be avoided at source as a priority, removals of greenhouse gases will be needed to compensate for remaining greenhouse gas emissions from sectors where decarbonisation is the most challenging. The objective set out in the proposal is to be achieved domestically within the European Union, without recourse to international credits. The objective would cover European Union-wide emissions and removals of greenhouse gases regulated in European Union law.

The Commission notes that the European Union updated and enhanced its nationally determined contribution to the Paris Agreement in December 2020, in good time for the COP26. The Commission fully shares the importance of encouraging international partners to increase their ambition. The Commission would like to clarify that, on the day it adopted its amended proposal for the European Climate Law, it also published an impact assessment² that demonstrated that an emissions reduction of 55% by 2030, compared to 1990 levels, is both economically feasible and beneficial for Europe, with proper policies in place.

The Commission notes that the Assemblée nationale calls on the Commission to define a 2040 target, and its concern on the use of delegated acts to specify the trajectory. As regards the empowerment to adopt delegated acts setting out a trajectory at European Union level to achieve over time the European Union 2050 climate-neutrality objective, we would like to clarify that this trajectory is to be used by the Commission as a tool to assess progress towards achieving the climate-neutrality objective and to assess the

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² Commission Staff Working Document, Impact Assessment, Accompanying Commission Communication Stepping up Europe's 2030 climate ambition, Investing in a climate-neutral future for the benefit of our people, SWD/2020/176 final.

effectiveness of existing policies. The proposal provides that the starting point and end point for the trajectory, as well as the criteria to be considered when setting the trajectory, are set by the co-legislators. Thus, the Commission considers that the delegation does not include any 'essential element' within the meaning of Article 290 of the Treaty on the Functioning of the European Union.

The Assemblée nationale raises several elements to enhance the assessment and monitoring of the trajectory, such as setting up a European panel on climate change, a European Union emissions budget, sector-based roadmaps, and environmental health indicators. The Commission proposal does not include these elements, but many of these elements have been raised in the ongoing legislative process on the proposal and will be discussed in that context.

As regards the competence of Member States to determine their choice of energy mix, the Commission would like to clarify that the proposal does not set a specific pathway to achieve the climate-neutrality objective, fully respecting Member States' rights to determine their energy mix. As regards the need to support businesses in the environmental transformation, the Commission committed to revise the Energy and Environmental Aid Guidelines by 2021, to reflect the European Green Deal policy objectives, supporting a cost-effective transition to climate neutrality by 2050. On the monitoring of the trajectory of each Member State, the Commission would like to clarify that the trajectory in its proposal is at European Union level. Assessment of national measures would take place under Article 6 of the proposal.

The Commission shares the Assemblée nationale's view of the importance of adaptation. In spite of mitigation efforts, climate change is already creating and will continue to create significant stress in Europe and strengthening the efforts to enhance adaptive capacity, strengthen resilience and reduce vulnerability is crucial. The development and implementation of adaptation strategies and plans is essential in this regard, and this is reflected in the Commission proposal. The new EU Adaptation Strategy³, adopted on 24 February 2021, outlines a long-term vision for the EU to become a climate-resilient society, fully adapted to the unavoidable impacts of climate change by 2050. Complementing the EU's ambitious goal to become climate neutral by mid-century, this strategy aims to reinforce the adaptive capacity of the EU and the world and minimise vulnerability to the impacts of climate change, in line with the Paris Agreement and the proposal for the European Climate Law.

The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change, COM(2021) 82 final.

The	Commission	hopes	that	these	clarifications	address	the	issues	raised	by	the
Asse	mblée nationa	le and	looks	forwai	rd to continuing	g the poli	tical	dialogu	e in the	futu	re.

Yours faithfully,

Frans Timmermans Executive Vice-President Maroš Šefčovič Vice-President