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*Dear Chairs,*

*The Commission would like to thank the Eerste Kamer for its letter requesting an updated overview of adjustments to the ‘Fit for 55’ legislative package<sup>1</sup> and the sustainable finance package<sup>2</sup> under the political dialogue. While we cannot provide such overview of adjustments, the Commission would nevertheless like to provide the Eerste Kamer with a detailed general update on the state of play of these proposals.*

*The ‘Fit for 55’ legislative package, presented on 14 July 2021 by the Commission, consists of a series of closely interconnected proposals either amending existing pieces of legislation or establishing new initiatives across a range of policy areas including climate, energy, transport, buildings, land use and forestry and taxation. In proposing these measures, the Commission is making good on the announcement in its 2021 Work Programme to overhaul relevant EU climate and energy legislation to align with the EU’s new ambitious target for 2030 of reducing net greenhouse gas emissions by at least 55% compared to 1990 in view of achieving climate neutrality by 2050.*

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<sup>1</sup> COM(2021) 550, and the interconnected proposals in the ‘Fit for 55’ package: COM(2021) 551, COM(2021) 571, COM(2021) 552, COM(2021) 555, COM(2021) 554, COM(2021) 556, COM(2021) 568, COM(2021)557, COM(2021) 558, COM(2021) 561, COM(2021) 562, COM(2021) 559, COM(2021) 563 and COM(2021) 564.

<sup>2</sup> COM(2021) 188, COM(2021) 189, COM(2021) 390, and COM(2021) 391.

*The 'Fit for 55' proposals aim to enable the EU and its Member States to reach the more ambitious EU energy and climate targets in a fair, cost-efficient and competitive way, and contribute to a green and just transition of the EU economy and to innovation in line with the objectives of the European Green Deal. The revision of its climate and energy legislative framework should also enable the EU to deliver on its international commitments under the Paris Agreement, in particular its updated Nationally Determined Contribution in line with the increased ambition for 2030. Moreover, the Commission's proposals aim to contribute to the post-COVID-19 recovery of the European economy and the long-term resilience of the European Union.*

*Within the Council, the 'Fit for 55' proposals are dealt with in four Council formations: Environment, Energy, Transport, and Economic and Financial Affairs. The Slovenian Presidency of the Council issued an overview report of progress as well as progress reports on all 'Fit for 55' proposals<sup>3</sup>.*

*During the Energy Council of 2 December 2021, ministers welcomed the progress achieved on the 'Fit for 55' proposals and took stock of main outstanding issues, in particular on the two energy-related files. Ministers discussed the balance between the need to support the potential of renewables as a cost-efficient source of energy and to recognise national circumstances and different starting points. Ministers also discussed the balance between the increased energy efficiency efforts and the national circumstances to achieve the higher EU energy efficiency target as proposed under the revised Energy Efficiency Directive.*

*At the Economic and Financial Affairs Council of 7 December 2021, ministers took note without discussions of the Slovenian Presidency report<sup>4</sup> on the progress reached with the 'Fit for 55' proposals, with particular attention to the proposals for a Carbon Border Adjustment Mechanism and a review of the Energy Taxation Directive.*

*The Transport Council of 9 December 2021 held a policy debate on each of the three 'Fit for 55' transport proposals — ReFuelEU Aviation, FuelEU Maritime and the Alternative Fuels Infrastructure (AFIR). Ministers largely supported the objectives of the ReFuelEU Aviation proposal. They presented their views on how such objectives would be achieved by using different types of fuels and by using different levels of uptake of fuels in the coming years. Ministers also largely agreed on most of the objectives of the FuelEU Maritime proposal, insofar as it promotes the use of renewable and low-carbon fuels in a*

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<sup>3</sup> 13977/21 Overview of progress of the Fit for 55 package of legislative proposals;

14585/21 Progress report on the proposals under responsibility of the Environment Council: COM(2021) 551, COM(2021) 571, COM(2021) 552, COM(2021) 555, COM(2021) 554, COM(2021) 556, COM(2021) 568,

13670/21 Progress report on Renewable Energy Directive COM(2021) 557,

13725/21 Progress report on Energy Efficiency Directive COM(2021) 558,

13896/21 Progress report on Alternative Fuel Infrastructure Regulation COM(2021) 559,

13853/21 Progress report on RefuelEU Aviation COM(2021) 561,

13897/21 Progress report on FuelEU Maritime COM(2021) 562.

<sup>4</sup> 13850/21 Progress report on Carbon Border Adjustment Mechanism COM(2021) 564, Energy Taxation Directive COM(2021) 563 and Social Climate Fund COM(2021) 568.

*sector that still relies almost entirely on fossil fuels. A number of ministers stressed the importance of the global dimension, both for the ambitions to be pursued, especially with regard to the International Maritime Organisation (IMO), but also to address concerns related to carbon leakage or re-routing which could be caused by the obligations to reduce ships' greenhouse gas intensity or purchase ETS allowances. Several ministers asked to ensure the active role of the national authorities in the monitoring and verification system and provide clarifications on the penalties' system. Furthermore, ministers expressed broad support for the objectives and approach of the Alternative Fuels Infrastructure proposal. However, many ministers emphasised that flexibility would be needed to take account of national specificities, such as surface area, population and traffic density and geography.*

*The Environment Council of 20 December 2021 held a policy debate on the climate proposals included in the 'Fit for 55' package, covering the proposals to revise the EU Emissions Trading System, the Effort Sharing Regulation, the Regulation on Land use, land-use change and forestry (LULUCF), and the Regulation on CO2 standards for cars and vans, as well as the proposal to establish a new Social Climate Fund. Ministers exchanged views on the level of ambition needed for further progress on the five climate-related files in the coming months, taking into account the various interlinkages between the proposals of the 'Fit for 55' package. Ministers also expressed their views on what they consider as the most sensitive issues in the five files.*

*Many ministers emphasised that an agreement on the 'Fit for 55' package should be reached as soon as possible, while maintaining the coherence of the package and overall level of ambition. Many ministers welcomed overall the strengthening of the existing Emissions Trading System, while delegations expressed diverging views on the new emissions trading for buildings and road transport, as well as the Social Climate Fund. On the Effort Sharing Regulation, some delegations continue to call for more convergence of national greenhouse gas emission reduction targets, while others welcome that GDP per capita remains as a basis for target setting. On LULUCF, many ministers supported the overall objective and ambition while expressing concerns that national removal targets were too ambitious and did not reflect national circumstances or removal potential. On CO2 standards for cars and vans, the debate confirmed a split between those Member States, that consider the Commission proposal too ambitious, and those who call for more stringent standards.*

*The French Presidency is taking forward the proposals and aims for general approaches within its term before the end of June.*

*Within the European Parliament, the proposals under the 'Fit for 55' package are being dealt with mainly by five Committees<sup>5</sup>, namely the Committee on Environment, Public Health and Food Safety (ENVI), the Committee on Industry, Research and Energy (ITRE), the Committee on, Transport and Tourism (TRAN), the Committee on Employment and Social Affairs (EMPL) and the Committee on Economics and Monetary*

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<sup>5</sup> ENVI and EMPL jointly responsible for the Social Climate Fund. ECON is responsible for the Energy Taxation Directive proposal. However, the Parliament is only being consulted on that proposal (Special legislative procedure).

*Affairs (ECON). A series of other Committees are also associated or consulted under various procedural rules. The rapporteurs and shadow rapporteurs for all the proposals have been appointed. The Commission has presented all 'Fit for 55' proposals to the European Parliament and the responsible Committees. While the first draft opinions on some proposals are available<sup>6</sup>, the work on the 'Fit for 55' proposals is at an early stage. Some committees have published preliminary timelines with committee votes scheduled throughout the upcoming months before the summer break.*

*The proposals on financing the transition to a sustainable economy will help to improve the flow of money towards sustainable activities across the European Union. By enabling investors to re-orient investments towards more sustainable technologies and businesses, these measures will be instrumental in making Europe climate neutral by 2050. In April 2021, the Commission adopted a Sustainable Finance Package. It comprises an EU Taxonomy Climate Delegated Act, aimed at supporting sustainable investment by making clearer which economic activities most contribute to meeting the EU climate objectives; and a proposal for a Corporate Sustainability Reporting Directive, aimed at creating a set of rules that will over time bring sustainability reporting on a par with financial reporting. Moreover, in July 2021, the Commission adopted the Renewed Sustainable Finance Strategy, with the objective to outline a roadmap for the next steps in the Union in the field of sustainable finance, as well as a proposal for a voluntary EU Green Bond Standard that can help scale up the green bond market.*

*The (first) EU Taxonomy Climate Delegated Act applies from January 2022<sup>7</sup> as the European Parliament and the Council raised no objections to the Commission proposal. On 2 February 2022, the Commission presented an EU Taxonomy Complementary Climate Delegated Act covering certain gas and nuclear activities.<sup>8</sup> The College of Commissioners reached a political agreement on the text, which will be formally adopted once all translations are available in all EU languages. The Delegated Act will then be formally transmitted to the European Parliament and the Council for their scrutiny.*

*At the Economic and Financial Affairs Council of 6 July 2021, Member States held a policy debate on the Renewed Sustainable Finance Package and the proposal for an EU Green Bond Standard. In the Council, technical working parties are ongoing concerning the EU Green Bond Standard and the Corporate Sustainability Reporting Directive.*

*As regards the European Parliament, these proposals are being dealt with by the Economic and Monetary Affairs Committee (ECON), and the Legal Affairs Committee (JURI), respectively. The rapporteurs and shadow rapporteurs for all the proposals have been appointed and the Commission has presented the proposals to the Committees. Both proposals are awaiting the decisions by the respective Committees.*

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<sup>6</sup> [Draft opinion](#) on Market Stability Reserve COM(2021)571 and [draft opinion](#) CO2 standards for cars and vans COM(2021)556

<sup>7</sup> Commission Delegated Regulation (EU) 2021/2139 of 4.6.2021, OJ L 442, 9.12.2021 (p. 1).

<sup>8</sup> [https://ec.europa.eu/info/publications/220202-sustainable-finance-taxonomy-complementary-climate-delegated-act\\_en](https://ec.europa.eu/info/publications/220202-sustainable-finance-taxonomy-complementary-climate-delegated-act_en)

*To date, the Commission has not made any adjustments to its proposals belonging to either the 'Fit for 55' package or the sustainable finance package.*

*The Commission looks forward to continuing the political dialogue with the Eerste Kamer in the future.*

*Yours faithfully,*

*Frans Timmermans  
Executive Vice-President*

*Maroš Šefčovič  
Vice-President*