## **EUROPEAN COMMISSION**



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## Dear Chairs,

The Commission would like to thank the Poslanecká sněmovna, the Senát, the Országgyűlés, the Sejm, the Senat and the Národná Rada for the Conclusions regarding the COVID-19 situation and the restoration after the pandemic, as well as the Fit for 55 package.

With regard to the first section of the Conclusions – the situation caused by COVID-19 and the recovery after pandemic – the Commission would like to comment as follow:

The Commission acknowledges the World Health Organization's (WHO) lead role in coordinating public health at global level. The EU-led World Health Assembly Resolution on COVID-19 Response of May 2020 requested the WHO to 'continue to work closely with the World Organisation for Animal Health (OIE), the Food and Agriculture Organization of the United Nations (FAO) and countries, as part of the One-Health Approach to identify the zoonotic source of the virus and the route of introduction to the human population, including the possible role of intermediate hosts, through efforts such as scientific and collaborative field missions'.

The Commission welcomes the publication of the "WHO-convened Global Study of the Origins of SARS-CoV-2: China Part"<sup>2</sup>, which forms part of the follow-up to this request.

The Commission furthermore calls for progress on a transparent, evidence-based and expert-led WHO-convened phase 2 study on the origins of COVID-19 that is free from interference, and commits to follow up this process closely and to work towards the development and use of a swift and independent means for investigating such outbreaks in the future. Further work will have to be pursued to fully understand the origin of the novel coronavirus and its introduction into the human population. A thorough investigation will help better prevent future pandemics potentially originating from animal reservoirs or other sources.

The Commission is also fully aware of the WHO's plans to further investigate the origin of the virus by establishing a Scientific Advisory Group for the Origins on Novel Pathogens and will closely follow any possible further developments in the investigations.

The Commission and its agencies, including the European Centre for Disease Prevention and Control, have consistently communicated on evidence-based information and emerging scientific advice.

Drawing on lessons learned from the pandemic and looking forward, the Commission has made proposals for a European Health Union, to boost EU capacity for preparedness and response to future cross border health threats. This, particularly, includes the need to improve joint preparedness for future health crises, to strengthen coordination at EU level, and to revise current processes and structures in place, including bolstering the mandates of the European Centre for Disease Prevention and Control and the European Medicines Agency.

The Commission is also committed to strengthening laboratory biosafety and biosecurity capacity through ongoing and future projects according to a One-Health approach.

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<sup>&</sup>lt;sup>1</sup> https://apps.who.int/gb/ebwha/pdf files/WHA73/A73 CONF1Rev1-en.pdf

https://www.who.int/docs/default-source/coronaviruse/who-convened-global-study-of-origins-of-sarscov-2-china-part-joint-report.pdf

The Updated Industrial Strategy adopted on 5 May<sup>3</sup> builds on the lessons learned through the experience of the pandemic that should drive the EU's efforts in the area of industrial policy. The first lesson is about the need to strengthen the resilience of the EU's single market to better address possible shortages of critical products following supply chain disruptions and to ensure the free movement of people and goods, and the provision of services in times of crisis. The Single Market Emergency Instrument announced in the Updated Industrial Strategy will provide a structural solution to improve the crisis response and to speed up the availability of critical products. Another major lesson concerns the need to better understand in which areas the EU is critically dependant on imports from third countries and take further steps to address strategic dependencies. To address these strategic dependencies, the Commission works together with the EU's international partners towards diversifying and strengthening supply chains. A tangible result of cooperation with industry is the European leadership in the production and export of Covid-19 vaccines. Examples of ongoing efforts to build EU value chains are the recently launched new industrial alliances in the areas of semiconductors, cloud and edge technologies and the 'Chips Act' announced in the State of the EU speech.

The Recovery and Resilience Facility will provide decisive support to the digital transition. In practice, the Facility supports measures such as the digitalisation of public services and education, the roll-out of high speed broadband and 5G networks, smart energy grids, the support to local digital entrepreneurs, and efforts to help the digital transformation of existing organisations. With their plans having been formally adopted by the Council, Slovakia will for instance invest in the digitalisation of its justice system and the Czech Republic will create a system of e-health services.

Investments in the digital transition and associated reforms will not only modernise the technological and legislative infrastructure of the region's digital sphere, but the expected spill-over effect should also complement the broader aspirations of Visegrad countries for economic convergence.

With regard to the second section of the Conclusions – the "Fit for 55 Package" – the Commission would like to comment on the following issues.

Since the European Climate Law<sup>4</sup> came into force, the EU's new and significantly more ambitious 2030 climate target – of a net domestic reduction of at least 55% in greenhouse gas emissions compared to 1990 levels – is now a legal obligation. This target must be implemented through binding legislation applicable across all Member States and sectors of the economy.

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<sup>&</sup>lt;sup>3</sup> COM(2021) 350 final.

Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law').

On 14 July 2021, the European Commission therefore proposed a legislative package to deliver this target, that will require a transformational change and a fair contribution across the whole economy and society, matched by a commitment to a socially fair transition. The Commission has taken into consideration in its impact assessments the specificities of Member States. The proposed package comprises a set of interconnected legislative proposals to deliver the new ambition, covering a range of policy areas and sectors of the economy that will all contribute to achieving the ambitious target.

The package follows the guidance from the European Council in its December 2020<sup>5</sup> and May 2021<sup>6</sup> conclusions of achieving a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement.

This set of legislative proposals seeks to benefit all Member States by putting in place instruments, incentives, support and investments to ensure a cost-efficient, just, as well as socially balanced and fair transition, taking into account different national circumstances of the Visegrad countries. It will indeed promote fairness and solidarity between and within Member States while mitigating the risk of energy and mobility poverty during the transition. It will build on and complement existing solidarity mechanisms.

This package also aims at spurring innovation and creating investment and jobs across Member States in the process. It will require a transformational change across the EU's economy and society. Fairness is therefore a principle inherent across all parts of this package, among Member States, with industry and all sectors of the economy contributing, with measures to ensure fairness towards citizens and consumers and between the EU and its international partners.

This legislative package is based on a comprehensive set of impact assessments which — together with the Commission's Communication of September 2020 on Stepping up Europe's 2030 climate ambition — Investing in a climate-neutral future for the benefit of our people<sup>7</sup> ('2030 Climate Target Plan') — demonstrate that, with the right policy mix, the new target is ambitious yet achievable. Detailed national data used for the analysis have been shared by the Commission with all Member States

The proposals contained in the Fit for 55 package represent a balance between strengthened and expanded carbon pricing, targets, standards and support measures. With a view to ensuring a fair contribution to emissions reductions, the Commission is proposing to establish a new separate emissions trading system for road transport and buildings. This new upstream system intends to regulate fuel suppliers, which would likely pass on some of their carbon costs to consumers buying road transport and heating fuels. The system is accompanied by a proposal for a Social Climate Fund<sup>8</sup> to address the social impacts arising from the introduction of carbon pricing in these sectors. This

<sup>6</sup> EUCO 5/21.

<sup>&</sup>lt;sup>5</sup> EUCO 22/20.

<sup>&</sup>lt;sup>7</sup> COM(2020) 562 final.

<sup>&</sup>lt;sup>8</sup> COM(2021) 568 final.

Fund would provide EUR 72.2 billion in funds to Member States for the period 2025-2032 to support measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling, and granting improved access to finance for zero- and low-emission mobility and transport. Resources of the Fund would in principle correspond to 25% of the expected auction revenues from the new emissions trading system, and would be able to mobilise, with a proposal to draw on matching Member State funding, up to EUR 144.4 billion for a socially fair transition.

With the strengthening and introduction of emissions trading to road transport and buildings, the Commission proposes that the entirety of auction revenues is used to advance climate action and energy transformation, contributing to secure an affordable supply of energy to the most vulnerable households.

Finally, climate change is a global threat that requires a robust and sustained response from all countries and, particularly, from the major greenhouse gas emitters. In addition to playing its part domestically, the EU is committed to promote a more ambitious international action. An important part of this international action is the mobilisation of resources to support climate action in developing countries. In 2020, the EU and its Member States mobilised about EUR 23.4 billion of public funds (grants and loans), which makes the EU the largest provider of climate finance in the world.

Another part is the EU engagement on the multilateral scene and, particularly, the annual United Nations climate change conferences and the Paris Agreement. The EU diplomatic network and technical assistance operators have been deployed to encourage and assist international partners to make new emission reduction commitments along the highest possible ambition. COP26 embraced the highest level of ambition of the Paris Agreement as our common target. We now have a global consensus on the need to limit climate change to 1.5 degrees. Together with increased climate finance, focus on adaptation and completion of the rulebook this is serious progress. Since the EU committed to climate neutrality by 2050, other countries have joined the movement towards net-zero emissions, including the United States, Canada, Colombia, Brazil, Argentina, Chile, Japan, South Korea, Singapore, South Africa, the United Kingdom and Switzerland by 2050, as well as China, Indonesia, Kazakhstan and Ukraine by 2060 and India by 2070.

The EU is also engaging bilaterally with key partners, including through policy dialogues and peer-to-peer collaborations to share its experience. The EU is already ahead of most international partners in terms of decoupling greenhouse gas emissions from economic growth. The EU's world-leading standards, such as on the energy efficiency of electric appliances or CO<sub>2</sub> emissions of motor vehicles, are already influencing businesses and consumers well beyond the EU's borders.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Poslanecká sněmovna, the Senát, the Országgyűlés, the Sejm, the Senat and the Národná Rada and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Frans Timmermans

Maroš Šefčovič

Executive Vice-President

Vice-President

CERTIFIED COPY For the Secretary-General

Martine DEPREZ
Director
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