Since the adoption of the Regulation on the Governance of the Energy Union and Climate Action (‘the Governance Regulation’) in 2018, the EU has committed to climate neutrality, increased its 2030 target and faced health, energy security and cost of living crises. These developments, and the deficiencies identified by the European Scientific Advisory Board on Climate Change, mean the Regulation is both outdated and unfit for purpose. These are WWF’s three main asks for reform of the Governance Regulation under the next Commission.

Make adopting national climate neutrality targets mandatory in order to achieve the EU-wide climate-neutrality objective

Collective achievement of EU climate neutrality will require national ownership of this commitment in every Member State. Climate neutrality targets and independent oversight of their delivery should be part of national minimum governance standards in all countries.

Current situation:

- 22 EU Member States have some form of climate law in place, but only 15 of these have a post-2030-time horizon.
- 12 EU countries include a climate neutrality target in their law, but these targets require further clarity in many cases.
- As of January 2021, only 8 Member States have an independent scientific climate council.

Benefits of adopting national climate neutrality targets and advisory bodies:

- Allows assessment of whether the collective EU target will be met, and provides evidence-based recommendations for future policy formulation.
- Sends a strong signal to all sectors of the economy, including investors.
- Supports public engagement, and creative approaches to and societal support for the policies needed for climate neutrality.
- Helps build political consensus and transparency in support of long term policy making consistent with science.

Relevant reports:

- Brussels School of Governance, “Towards an EU Climate Governance Framework to Deliver on the European Green Deal”.
- Ecologic, “The landscape of national climate framework laws in Europe”.
- Ecologic, IDDRI, “Climate governance systems in Europe: the role of national advisory bodies”.
- EJNI: “Climate Laws: What are the experts saying?”.
- ESABCC, “Towards EU climate neutrality: progress, policy gaps and opportunities”.

Policy recommendations

The Regulation should set and make enforceable national minimum governance standards for Member States. For example:

- Chapter 3 of the Regulation should be amended to require Member States to set a national, economy-wide climate neutrality target. These targets should be reflected in their NECPs (Article 3) and in their national long-term strategies (Article 15) and subject to assessment by the European Commission;

- A new chapter should be added requiring all Member States to establish independent advisory boards meeting minimum standards.

Mandatory national climate neutrality targets should also be mentioned in the European Climate Law (Regulation 2021/1119) and the Effort Sharing Regulation (Regulation 2018/842).

Additionally, the Commission must assess whether the national climate neutrality targets as well as nLTSs are sufficient to collectively achieve the EU-wide climate-neutrality objective.
Put a higher focus on national long-term strategies to ensure the achievement of the EU-wide climate-neutrality goal

National long-term strategies (nLTSSs) are a means of increasing ambition over time and act as a driver of policy stability and an indicator of political commitment to the transition to carbon neutrality. But as the ESABCC has identified, significant improvements are required both on requirements and implementation.

**Current situation:**

- As of 1 February 2023, 3 Member States have not submitted their nLTSSs yet.
- nLTSSs as well as the process of their development are not given sufficient attention and are much less demanding than National Energy and Climate Plans (NECPs).
- The Commission doesn’t make country-specific recommendations on draft nLTSSs, nor are drafts produced for public consultation.
- The template for nLTSSs (Annex IV) is not binding and lacks detail.
- The update of nLTSSs every five years is not binding.
- Current nLTSSs are outdated with the increase of the 2030 target and the adoption of the EU-wide climate-neutrality goal.
- There are no provisions on how the consistency between NECPs and nLTSSs is assessed, and no sanctions in case of lack of consistency.

**Benefits of strengthening nLTSSs:**

- nLTSSs could guide the economy’s transformation towards climate neutrality, and be a critical reference for political decisions across all policy areas.
- They could become the guiding document for Member States and inform the private sector including investors on long-term opportunities, with additional certainty for investment decisions.
- They could enhance proper timescale planning, investment, coordination between different authorities, and public involvement.
- They could encompass different targets, policies, measures and investment plans from various climate, energy and economic plans.

**Relevant reports:**

- Ecologic and Oeko-Institut, “Can Current EU climate policy reliably achieve climate neutrality by 2050?”.
- Ecologic, “Charting a path to net zero: an assessment of national long-term strategies in the EU”.
- European Commission, “National long-term strategies”.
- ESABCC, “Towards EU climate neutrality: progress, policy gaps and opportunities”.
- LIFE UNIFY, “Getting the long-term planning right: The role of national long-term strategies in achieving climate neutrality in Europe”.

**Policy recommendations**

First of all, the Commission should update its EU long-term strategy adopted in 2018, which is outdated following the adoption of the EU Climate Law, both to comply with the Glasgow Pact and to provide guidance for Member States as they update their own national long term strategies.

**Regulation 2018/1999 – Climate Governance Regulation**

Article 15 should be amended:

- to ensure that nLTSSs include a national climate neutrality date;
- to make it mandatory for Member States to update those strategies every 5 years and align this updating process with the UNFCCC 5-year commin time frames;
- to make the template in Annex IV for nLTSSs more detailed and legally binding;
- to mention that NECPs and nLTSSs must be consistent with each other. Thus, nLTSSs should be developed and submitted earlier than NECPs because nLTSSs ideally set the strategies and the long-term goals against which the consistency of short term measures and policies of NECPs must be checked by the Commission;
- to align the elaboration process of nLTSSs with the NECPs (separate draft and final submissions, country-specific recommendations, early and effective public participation, reporting and monitoring processes);
- to enhance guidance on nLTSSs, including on public participation and consultation, and on socio-economic elements such as just transformation, energy poverty, and transport poverty.
National Energy & Climate Plans’ drafting and implementation processes must be effectively enforced

National Energy & Climate Plans and Progress Reports are important tools to strategically plan the achievement of interim climate targets, accelerate climate action across the EU, and keep track of progress towards the achievement of climate neutrality.

Current situation:

- The State of the Energy Union Report, and more specifically the Climate Action Progress Report, highlighted that most Member States were not on track to achieve the 2030 EU-wide climate target.
- Even with a relatively detailed and legally binding template, there is a weak compliance with governance rules regarding public participation, meeting deadlines, transparency, availability of information, and the substantive content of NECPs.
- In the Governance Regulation, the Commission has a too weak power when Member States fail in complying with the law, the template, and the deadlines.
- There is no procedure to ensure consistency between NECPs and nLTSs.
- The NECP planning, monitoring and reporting system is not aligned with other planning and reporting requirement such as the European Semester.

Benefits of amending the NECP process:

- NECPs could become the cornerstone for Member States to ensure that climate goals are achieved.
- NECPs could be a key opportunity to put people at the centre by involving them in the drafting process of these strategic plans.
- NECPs could be a detailed plan in the medium-term of national long-term strategies, and thus create greater certainty for businesses, investors, and citizens.
- NECPs could be a way of adopting and implementing in each Member States minimum governance standards, to make sure that these plans are fit for 1.5°C.

Relevant reports:

- Brussels School of Governance, “Towards an EU Climate Governance Framework to Deliver on the European Green Deal”.
- ESABCC, “Towards EU climate neutrality: progress, policy gaps and opportunities”.
- European Climate Neutrality Observatory, “State of EU progress to climate neutrality”.
- European court of Auditors, “EU climate and energy targets”.
- LIFE UNIFY, “Taking stock & planning ahead”.

Policy recommendations

Regulation 2018/1999 – Climate Governance Regulation

- Enhancing review of draft NECPs and means to ensure high-quality NECPs;
- Further enhancing guidance on content and process of NECPs;
- Increasing consistency between NECPs and nLTSs;
- Requesting more comprehensive information on just transition, financial flows, phase-out fossil fuel subsidies, biomass and public participation;
- Strengthening processes that allow for further action from the Commission if Member States fail to comply with the template, provide insufficient information or disregard Commission’s recommendations;
- Enhancing NECPs’ implementation monitoring process by requesting Member States to provide the Commission with clear and robust indicators and trajectories.

Additionally, Member States should be required to include in their NECPs an assessment of the consistency of all their other national policies with their climate goals. This would make easier for the Commission to then carry out every five years its assessment on whether national policies are consistent with the climate-neutrality objective.

Finally, this Regulation should streamline planning and reporting requirements across the acquis.

For more information

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