

THE THREE PILLARS TO GUIDE THE GOVERNANCE REGULATION REVISION

Position Paper - October 2026

EXECUTIVE SUMMARY

Streamlining and strengthening the Governance Regulation will require a revision of its planning architecture, a rethinking of National Energy and Climate plans, a better use of compliance mechanisms, and a greater clarity on investments.

ARCHITECTURE OF PLANNING

1. **The Energy Union should be re-defined around 3 strategic dimensions:** sustainability, security of supply, and cost and fairness. The mandatory template for climate planning should be based on these, on cross-cutting enablers, such as energy efficiency, renewables and electrification, and on sectoral pathways.
2. National Energy and Climate Plans and National Long-Term Strategies **should be merged.**

CONTENT OF PLANS

3. Member States should set national **climate neutrality targets**.
4. **National targets should remain legally binding**, including economy-wide targets on renewables and energy efficiency.
5. For each economic sector, Member States should provide **key quantified targets, all relevant policies and measures, their expected impacts, and the investments** required to implement them.
6. Current requirements regarding information provided in national energy and climate plans and progress reports **should not be diluted or scrapped.**

COMPLIANCE

7. **The Commission should make full use of the compliance, enforcement, and gap-filling mechanisms** already provided for under the Governance Regulation.
8. **Public participation should be strengthened** at the EU and Member State levels.
9. **Access to certain EU funding and support mechanisms should be conditional** on progress towards the targets in national climate plans.

CONSISTENCY AND INVESTMENTS

10. The next Governance Regulation should strengthen the **consistency between national climate planning and social and economic governance frameworks.** It should also establish explicit consistency requirements between **National Energy and Climate Plans and other plans such as the National Building Renovation Plans and the Common Agricultural Policy Strategic Plans.**
11. **Member States should follow a whole-of-government approach**, involving all relevant ministries, in the development of national climate plans.
12. Member States should provide more granular information on **medium- to long-term investment needs.**

INTRODUCTION

The Regulation on the Governance of the Energy Union and Climate Action was adopted in 2018. It establishes a governance mechanism for Member States to plan their transition and report on their progress towards reaching their climate and energy targets, and for the European Commission to monitor the implementation of climate action at national level. The main feature of the Governance Regulation is the National Energy and Climate Plans, which are 10-year plans that Member States submit to the Commission and that are designed to ensure that EU-wide climate and energy targets are met.

In 2026, the European Union adopted a new interim target of a 90% cut in net greenhouse gas emissions by 2040, paving the way for a revision of the whole post-2030 climate architecture. As part of this upcoming package, the Governance Regulation is expected to be revised from December 2026 onwards.

This paper sets out WWF's recommendations for the revision of the Governance Regulation. In WWF's view, the Governance Regulation should be streamlined to make it easier to implement and more workable, but also reinforced to ensure that EU climate and energy targets drive ambitious national climate action and rapid investment in phasing out fossil fuels.

ARCHITECTURE OF PLANNING

1. **The Governance Regulation should organise planning around the strategic objectives of sustainability, security of supply, and cost and fairness.**

The new template for national climate and energy planning should be structured around 3 layers: (i) the 3 dimensions of the Energy Union mentioned above, (ii) cross-cutting enablers, including energy efficiency, renewable energy, electrification, energy markets, circular economy, and research and innovation, and (iii) sectoral pathways covering power, industry, transport, buildings, agriculture, and land use, land use change and forestry (LULUCF). **A common core set of indicators should be used consistently for both planning and reporting.**

2. **National Energy and Climate Plans (NECPs) and National Long-Term Strategies (nLTSs) should be merged.**

This would ensure alignment between short-term policy decisions and long-term climate neutrality objectives. Other relevant planning instruments should be streamlined and better integrated to reduce duplication, lower administrative burden, and improve consistency across EU policies, including National Energy and Climate Progress Reports and Greenhouse Gas (GHG) Projections and inventories. The merger of short- and long-term plans should not delay action or weaken short- and medium-term accountability.

CONTENT OF THE PLANS

3. **Member States should set national climate neutrality targets**

Member States should each set an economy-wide national climate neutrality date consistent with the EU's 2050 climate-neutrality target, to provide long-term policy certainty and guide investment decisions. If this date is after 2050, it should nevertheless be consistent with overall achievement of the EU's 2050 climate-neutrality target, in a spirit of solidarity. Even if an economy-wide climate-neutrality target is set at national level, emissions under the EU Emissions Trading System (ETS1) should remain governed by the EU ETS framework.

4. **National targets should remain legally binding**

This includes targets on renewables and energy efficiency. The merged plan should include binding intermediate emission targets and trajectories, including for 2040, together with a credible pathway to EU climate neutrality by 2050. Plans that are clearly inconsistent with the EU climate-neutrality objective should not be accepted by the Commission. The introduction of key performance indicators (KPIs) such as the one used by the European Climate Neutrality Observatory should be considered for monitoring purposes, but they should not replace any binding targets under the current and future governance framework.

5. **For each economic sector, Member States should provide in their national energy and climate plans key quantified targets.**

In addition, to reach those key targets, Member States should provide all relevant policies and measures, their expected impacts, and the investments required to implement them. Member States should, as part of their climate plans, identify the social, economic and employment consequences of the energy and climate transition and propose how to meet these challenges within the national context. They should also ensure

resources are targeted to support most affected regions and industries, and most vulnerable communities and households. Where necessary, more granular information should be provided to support investment planning.

6. **Member States should include all relevant information in their national energy and climate plans and progress reports**

This includes (i) the use of public funds to leverage private finance for climate-related investments; (ii) fossil fuel phase-out plans and timelines for phasing out fossil fuel subsidies; (iii) demand-side mitigation measures, and (iv) projected biomass use, including compliance with the LULUCF Regulation and the sustainability and GHG criteria under Renewable Energy Directive.

COMPLIANCE

7. **The Commission should make full use of the compliance, enforcement, and gap-filling mechanisms already provided for under the Governance Regulation.**

It should also consider strengthening enforcement where necessary, in particular for Member States' obligations to reduce emissions in sectors outside of the EU ETS. **This could include infringement procedures, corrective action plans, and mandatory additional measures where gaps persist, in accordance with the Treaties.** In particular, any full or partial update of a national plan should be subject to Commission review and comply with the progression principle. Moreover, national plans adopted in breach of applicable environmental, participation or assessment requirements should be capable or being challenged before national courts.

8. **Public participation should be strengthened at the EU and Member State levels**

This includes more specific participation requirements in the Governance Regulation in line with the Aarhus Convention, the potential use of deliberative democracy tools such as climate assemblies, and the upgrading of EU-level consultation processes on climate and energy policy. Particular attention should be given to early and meaningful participation. Public participation processes and Strategic Environmental Assessments should start while genuine alternatives are still open and before the draft plan is submitted.

9. **The Governance Regulation should strengthen the link between (i) progress towards national objectives and (ii) access to EU-level support tools, thereby making the EU budget performance-based.**

A set of ex-ante conditionalities, reforms and indicators such as being on track towards and reaching the renewable energy or decarbonisation targets set out in the NECP should be utilised for the future implementation of shared management programmes. These ex-ante conditionalities and indicators should apply to all funding programmes which are relevant directly and indirectly to climate and energy.

CONSISTENCY AND INVESTMENTS

10. **The next Governance Regulation should strengthen the consistency between national climate planning and relevant frameworks**

This includes Medium-Term Fiscal and Structural Plans under the EU economic governance framework, Country Specific Recommendations under the European Semester, relevant EU funding under the next Multiannual Financial Framework (MFF), Social Climate Plans, and Nature Restoration Plans. The Governance Regulation should also establish explicit consistency requirements between NECPs and other plans such as the National Building Renovation Plans (NBRPs) introduced under the recast Energy Performance of Buildings Directive (EPBD). NECPs should systematically reflect NBRPs' renovation trajectories, targets and investment needs to translate high-level climate objectives into credible, investable national strategies for building decarbonisation. Similar consistency requirements should apply to CAP Strategic Plans, ensuring that agricultural spending, land-use measures and farm-level investments contribute to national climate objectives and are aligned with the transition to climate-neutral and resilient food systems.

11. **Member States should follow a whole-of-government approach**

By involving all relevant ministries in the development of national climate plans and related funding of climate and energy objectives, Member States would avoid inconsistencies across governance levels. Where available, Member States should also draw on aggregated data from private sector transition plans to ensure national planning instruments are informed by concrete corporate

insights and to better address market needs and bottlenecks. A robust multi-level governance approach should be demonstrated and a clear link established between transition processes contained within local and territorial plans (e.g. Territorial Just Transition Plans, Sustainable Energy and Climate Action Plans) and national plans.

12. Member States should provide more granular information on medium- to long-term investment needs and assumptions

This information should be provided by sector and decarbonisation approach, as well as related infrastructure requirements and sources of finance, both private and public. The Governance Regulation should ensure that NECPs include concrete measures to mobilise private investment, including early engagement with financial institutions and investors in the preparation of national plans.



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