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REGULATORY SCRUTINY BOARD OPINION

**Communication from the Commission to the European Parliament, the
Council, the European Economic and Social Committee and the Committee
of the Regions**

**Stepping up Europe's 2030 climate ambition- Investing in a climate-neutral
future for the benefit of our people**

{COM(2020) 562 final}
{SWD(2020) 176 final}
{SWD(2020) 177 final}
{SWD(2020) 178 final}



Brussels,
RSB

Opinion

Title: Impact assessment / 2030 Climate Target Plan

Overall opinion: NEGATIVE

(A) Policy context

The 2030 Climate Target Plan will propose to raise the EU's greenhouse gas emission reduction target for 2030 within the range of 50 to 55 percent, compared to the 1990 level. This is a headline ambition of the European Green Deal. The Plan should contribute to reach the carbon neutrality objective for 2050.

The Plan will set a broad framework for various legislative proposals to be tabled by June 2021. These include proposals on climate, energy and taxation. It will set the stage for upcoming strategies, such as the Sustainable and Smart Mobility Strategy and the Forestry Strategy.

The impact assessment looks at the consequences of options for higher reduction targets for 2030, as well as the broad sectoral policy architecture to reach them. It covers all relevant sectors of the economy, and looks at a large variety of different policy dimensions and choices. These options are bundled into scenarios on how to distribute the adjustment burden across sectors. This impact assessment will be the starting point for later dedicated sectoral impact assessments.

The 2030 Climate Target Plan aims to initiate a societal and political debate on the merits of stricter targets overall and the impact on sectors. An amendment of the Climate Law will accompany a 2030 Climate Target Plan Communication, and incorporate the final proposal of the Commission.

(B) Summary of findings

The Board notes the useful additional information provided in advance of the meeting and commitments to make changes to the report. The Board appreciates the effort invested in the impact assessment, in particular the very extensive assessment of various impacts and outfall of COVID-19. However, the Board gives a negative opinion, because the report contains the following significant shortcomings:

- (1) The impact assessment is incomplete. Parts of the analysis are still missing. The results of the consultation are not integrated. There are no conclusions.**
- (2) The report is not sufficiently clear about what is to be decided on the basis of this impact assessment and what will be the scope for the follow-up sectoral impact assessments.**
- (3) The report lacks a narrative to explain the detailed technical scenario analysis**

leading to clarity on the pros and cons of each option.

(C) What to improve

(1) The impact assessment should develop a stronger and more easily accessible narrative that can support a broad public debate. It should be clearer on which (major) decisions it supports and which not. It should explain what margin of manoeuvre and scope will be left for the follow-up sectoral impact assessments, and set out how a coherent approach will be ensured. The link between the impact assessment and the proposed chapeau communication should be explained.

(2) The report should further develop the problem analysis. It should acknowledge the role of EU action for global climate policies. It should describe how local environmental and other public policy problems link to a greater short-term climate policy ambition. It should elaborate on why a higher ambition for 2030 is needed (e.g. earlier availability of cheaper low-carbon technologies and co-benefits, greater costs of reaching carbon neutrality in 2050, reducing the post-2030 mitigation burden, etc.).

(3) The objectives section should go beyond the more ambitious target for the next decade and show how it connects to higher-level objectives of climate policy. The intervention logic should show clearly the logical chain between the identified problems, what the initiative aims to achieve and the solutions considered.

(4) The impact analysis should include the missing scenarios (NECP, 50% MIX, COVID-19). It should include a summary of the main characteristics of the modelling (e.g. how the partial-equilibrium sectorial modules are combined) and report on headline results. Large parts of the (quantitative) assessment could be moved into dedicated annexes.

(5) The analysis of the extensive public consultation should be completed and integrated into the report. This should include an assessment of which groups support which option, giving due attention to minority views.

(6) The rich assessment should lead to conclusions. These should include a clear overview of the different impacts of the options and their advantages and disadvantages. They should highlight trade-offs and distributional effects. They should also reflect stakeholder views.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DGs must revise the report in accordance with the Board's findings and resubmit it for a final RSB opinion.

Full title	Commission Communication outlining a comprehensive plan to increase the EU 2030 climate target
Reference number	PLAN/2020/6960
Submitted to RSB on	July 9, 2020
Date of RSB meeting	July 22, 2020



Brussels,
Ares(2020)

Opinion

Title: Impact assessment / 2030 Climate Target Plan

Overall 2nd opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The 2030 Climate Target Plan will propose to raise the EU's greenhouse gas emission reduction target for 2030 within the range of 50 to 55 percent, compared to the 1990 level. This is a headline ambition of the European Green Deal. The Plan should contribute to reach the carbon neutrality objective for 2050. The Plan will set a broad framework for various legislative proposals to be tabled by June 2021. These include proposals on climate, energy and taxation. It will set the stage for upcoming strategies, such as the Sustainable and Smart Mobility Strategy and the Forestry Strategy. The impact assessment looks at the consequences of options for higher reduction targets for 2030, as well as the broad sectoral policy architecture to reach them. It covers all relevant sectors of the economy, and looks at a large variety of different policy dimensions and choices. These options are bundled into scenarios on how to distribute the adjustment burden across sectors. This impact assessment will be the starting point for later dedicated sectoral impact assessments. The 2030 Climate Target Plan aims to initiate a societal and political debate on the merits of stricter targets overall and the impact on sectors. An amendment of the Climate Law will accompany a 2030 Climate Target Plan Communication, and incorporate the final proposal of the Commission.

(B) Summary of findings

The Board appreciates the depth of the analysis in this impact assessment. The Board notes the improvements to the revised report responding to the Board's previous opinion. It includes an improved rationale and intervention logic, a better demarcation between this initiative and what will be decided in the forthcoming legislative initiatives, and integrates the public consultation results.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DGs to rectify the following aspects:

- (1) The report is not clear enough on the differences in costs and benefits, related distributional effects and sectoral trade-offs of the various scenarios.**
- (2) The assessment does not sufficiently disaggregate stakeholder opinions.**

This opinion concerns a draft impact assessment which may differ from the final version.

(3) The report does not explain clearly why it does not identify a preferred option.

(C) What to improve

(1) The problem description should show more convincingly that the current pathway towards climate neutrality by 2050 would not be 'balanced'. It should present evidence why a more uniform CO₂ reduction rate over time is preferable, also in terms of cost-efficiency for different stakeholder groups. It should be more explicit on its assumptions on the evolution of the cost of CO₂ reduction.

(2) The main text should present a more disaggregated view of stakeholder opinions across the different groups of respondents (e.g. businesses, NGOs, Member State authorities, extra EU bodies and citizens). The report should distinguish between views of individuals and those of organised interest groups. The stakeholder consultation annex should clarify how the analysis has taken account of campaign replies. The graphs and tables in the stakeholder annex would also benefit from a more granular representation of stakeholder groups.

(3) The conclusions and executive summary should be more explicit on costs and benefits and on the distributional effects of the various scenarios across sectors and groups of the population. They should better explain how the different ambition levels would impact on the various sectors and what the main related policy choices are (to be addressed now or in subsequent steps).

(4) The report should be clearer on how far the expected revenues from new carbon revenues will compensate the distributional effects and support sectoral restructuring.

(5) The report should explain why there is no preferred option. It should be clearer that the purpose of this impact assessment is to stimulate public discussion on the 2030 emission reduction level and on the choices that will need to be made across different sectors in order to achieve the selected target.

(6) The report does not include the standard quantification table with estimated costs and benefits. The summary table in the conclusions represents a useful alternative. The report should briefly explain the differences in scenario outcomes reported in that table.

(7) The report needs further editing and consistent formatting. It needs to complete the integration of changes to the first submission throughout the report. The annex section on procedural information should explain how it incorporated the Board's recommendations.

(D) Conclusion

The DGs may proceed with the initiative.

The DGs must revise the report and its executive summary in accordance with the Board's findings before launching the interservice consultation.

Full title	Commission Communication outlining a comprehensive plan to increase the EU 2030 climate target
Reference number	PLAN/2020/6960

Submitted to RSB on	18 August 2020
Date of RSB meeting	Written procedure