

Statement on the Climate Law Trilogue Negotiations: Sectoral Pathways and Independent Scientific Body

February 1, 2021

As the EU institutions seek to reach a final agreement on the proposed European Climate Law in the trilogue negotiations, CLG Europe wishes to underline the following and hopes that it will be taken into account when reaching decisions on sectoral pathways and the independent scientific body in particular, both of which will help provide the confidence for the necessary private sector investment at the pace and scale necessary.

As the leading voice of progressive business in Europe on climate issues, we support the ambition of the climate law as achieving climate neutrality by 2050 at the latest as necessary in order to achieve the Paris Agreement's goals. The transition towards a climate neutral economy is also a business opportunity that will bring economic benefits and job creation and should increase the EU's competitiveness. Enshrining the 2050 objective into EU legislation is essential to provide long-term guidance and predictability to businesses to invest in the transition to climate neutrality. The Climate Law should maximise certainty for business, investors and society as a whole, and ensure that the transition is irreversible. Business would value added transparency and accountability created by a strong legal framework.

We welcome the recent agreement to increase the level of ambition in 2030, although we note that CLG Europe supports an emissions reduction target of at least 55% by 2030 and that the inclusion of carbon removals in the EU's target currently allows for a level of ambiguity that needs to be ironed out. We believe that all EU policies including funding, industry, agriculture, innovation, energy and trade should ensure that this level of ambition is matched by concrete and impactful political action in a way that successfully delivers a transition towards a climate neutral, prosperous and socially just European economy. To provide the confidence necessary to close the investment gap by 2030 estimated by Agora Energiewende to be €2.44tn, the roles of the independent scientific body and sectoral decarbonisation roadmaps are of particular importance.

Independent Scientific Body: Regular review moments should be incorporated, in line with the Paris Agreement cycle, to ensure that the law remains up to date, reflects the latest economic, scientific and technological developments, and remains on track to achieve the agreed goals. We are therefore supportive of proposals to set up an independent scientific body, given that experience of national climate laws [has demonstrated the critical role of independent expertise](#) in enhancing the legitimacy and accountability of the policy making process, as well as allowing for realistic policy and evidence-based decisions.

Roadmaps for sectoral decarbonisation: To rapidly agree on and mobilise the necessary investment in relevant industrial ecosystems, the proposed roadmaps envisaged as part of the European Climate Law offer an effective means of engaging the relevant range of business interests and other relevant stakeholders. Flexibility should be built into the roadmaps in order to allow for both potential developments in climate science and technological advances. They should be overseen and co-ordinated at EU level by the European Commission to ensure alignment with the other initiatives including industrial strategy, and to ensure an integrated, economy-wide approach such that all EU industrial processes and business models innovate to meet new, rapidly growing climate neutral market demands. Just as for the Climate Law overall, they should be developed and implemented in an open and transparent way, with government working in partnership with all stakeholders including businesses, civil society, employers, investors, trade unions, sub-national, regional and local authorities.