Sabine Schlacke, Fabian Pause, Michèle Knodt, Eva-Maria Thierjung, Miriam Köster (2022): <u>Governance-Mechanismus stärken: 2030er-Klimaziele erreichen und Lücke des EU Green Deal schließen</u>. Kopernikus-Projekt Ariadne, Potsdam.

Strengthening the Governance Mechanism: achieving the 2030 climate targets and closing the gap of the EU Green Deal

As a main result of the "Clean Energy-package" in 2018, the Regulation on the Governance of the Energy Union and Climate Action (Regulation (EU) 2018/1999), the so-called Governance-Regulation, has been introduced. This legal act establishes a central governance mechanism for the European climate and energy policy. It is based upon an iterative process of goal-setting and reporting by the Member States corresponding with assessments and recommendations issued by the Commission. By this design, the Governance-Regulation provides only a soft governance: First, Member States still have a wide scope for implementation. Second, the judicial enforceability and in consequence sanctionability of its obligations are rather limited. The results are enormous gaps in the Member States' ambitions and measures.

So far, these design flaws have not been addressed. Neither by the European Climate Law, nor by the "Fit for 55-Package" nor its update, the "REPowerEU"-Plan. It seems that there is a vast blind spot in terms of the Governance-Regulation: Its reform has not yet been the subject of matter of the EU Green Deal, the Commission's new growth strategy aiming to reach climate neutrality by 2050. The current legislative style in this field is rather characterized by two repeating patterns: On one hand, the Member States' obligations under the Governance-Regulation should expand without strengthening its governance system. On the other hand, governance-related provisions are proposed to be inserted in sectoral acts. This "sectoral" approach is in blatant contradiction to the original approach envisaged in the "Clean Energy-package" and the Green Deal based on the former. They both intend the Governance-Mechanism to be an integrating, cross-sectoral instrument. This mechanism has been weak since its very implementation due to its lack of an effective sanctioning mechanism and now, it is further being vastly undermined by the current trend of legislation.

Thus, in order to ensure the achievement of the Union's 2030 climate targets this situation must be remedied as soon as possible. In respect thereof, the following options for actions can be identified. They should all be implemented, even if they have an alternative relationship to each other:

- 1) The current legislative trend to scatter provisions concerning governance in various sectoral acts, but not in the Governance Regulation, should be stopped.
- 2) The reform of the Governance-Regulation should be put on the agenda as soon as possible.
- 3) In context of this reform, the Governance-Mechanism should be strengthened by removing its critical deficits, taking into account the following options:
 - Option 1: Addressing the structural deficits of the Governance-Regulation
 - Increasing the degree of Member State's obligation regarding the Commission's recommendations ("utmost account" instead of "due account")
 - Clarifying and introducing sanctions in the case of ambition and delivery gaps
 - Option 2: Strengthening the Governance-Mechanism through coherence
 - Providing more standardisation and sharpening the governance requirements for the achievement of the overall sectoral targets
 - Establishing a mechanism for different sector-specific (sub-)target and measure types in the various sectors of energy and climate policies