

This summary presents the designs of the national climate laws in the United Kingdom and eight EU Member States: Denmark, Finland France, Germany, Ireland, the Netherlands, Spain and Sweden. It is intended for policy-makers and interested stakeholders in the EU and beyond who are considering the implications of a net-zero economy and seek to understand and prepare themselves for the mammoth task of rewiring economic structures to become climate neutral. The insights can also inform the debate on the EU climate law, highlighting gaps in the existing European legislation that could be filled.

The original report, as well as the online version of this summary can be found at: www.europeanclimate.org/net-zero-2050

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### **DISCLAIMER**

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The Net Zero 2050 series of reports aims to start building a vision and evidence base for the transition to net zero emissions societies in Europe and beyond, by mid-century at the latest. The Paris Agreement commits us to making this transition, and long-term strategic planning shows that many of the decisions and actions needed to get us on track must be taken

imminently. While most of the reports look in detail at the actions and transformations needed in different sectors, the overarching governance framework is also key to making sure that these steps are identified and taken.

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# FRAMEWORK LAWS HELP GOVERNMENTS MANAGE THE CLIMATE CRISIS

Governments need new tools to manage the low-carbon transformation, and are turning to governance frameworks enshrined in national climate laws as an answer. These laws help governments organise their own actions, while sending a clear signal to all sectors of the economy: we are serious about our long-term climate goals. Nearly half of all EU Member States have already adopted such laws — with cross-party support — or are preparing one, while more are considering doing so. In addition, an EU climate law is currently under debate. While no two climate laws are the same, the frameworks tend to draw on a set of common elements, such as targets, planning, measures, monitoring, public participation and scientific advisory bodies. There are many examples of good practices to inform national climate laws and the debate on an EU climate law.

#### A LAW SPEAKS LOUDER THAN A THOUSAND PROMISES

The pace and the scope of the change needed to get to net-zero emissions present a formidable challenge to governments around the world. How can countries manage the achievement of an objective of such proportion—one that extends well beyond normal electoral cycles, yet requires bold action now to get on the right path? There is no blueprint for this transformation, which is why any determined approach needs to be both proactive and exploratory. Governments need an overarching framework that aligns governmental structures and actions with long-term goals and facilitates the involvement of a range of actors. Enshrining this framework in a dedicated law not only reflects a government's resolve to achieve its climate objectives but can also facilitate planning, improve investment security, increase buy-in and heighten transparency.

## CLIMATE LAWS NEED POLITICAL BACKING BUT CAN ALSO HELP CREATE IT

The adoption and effective implementation of such laws require broad political support and societal acceptance for the framework laws to become resistant to changes in government or other shocks. Cross-party backing has been secured, through a variety of processes, in most of the countries analysed. In fact, several existing laws are already being revised in order to reflect increased ambition (e.g. UK, Denmark, France and Ireland). They are not being torn down, but expanded and improved.

At the same time, climate framework laws can in principle increase the chances of societal buy-in and support for the sectoral measures needed to deliver the transition, if they set out comprehensive public participation and consultation processes to be followed.

## NATIONAL CLIMATE LAWS ARE THE DEFAULT CHOICE FOR GOVERNANCE FRAMEWORKS IN EUROPE

The adoption of the Paris Agreement refocused attention on the need for long-term structural change, prompting a growing number of EU Member States to establish governance frameworks with a long-term outlook. Neither the Paris Agreement nor existing EU legislation sufficiently provide the necessary functionality; on the contrary, meeting EU and UN obligations makes sound national systems imperative. Several of the existing laws have already been revised since their adoption, to make them stronger (France, UK) or are in the process of being revised (Denmark, Ireland) at the time of writing. Figure 1 presents a map of the climate law landscape in Europe as of January 2020.

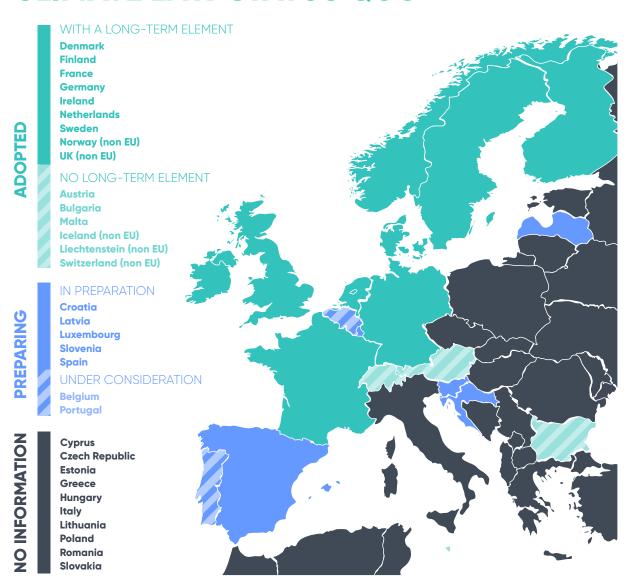
## A COMMON TOOLBOX: INSTRUMENTS TO ANSWER THE KEY GOVERNANCE QUESTIONS

The existing climate laws in Europe largely follow a set of common elements that are meant to answer key questions: WHAT is it that needs to be achieved (targets)? HOW will this be done (planning and specific measures to be implemented)? HOW WELL are we doing (progress monitoring)? WHO will do what (institutional arrangements)? WHO to involve (scientific advice and public participation) in the process? The overall framework that they create together is visualised in Figure 2, which highlights

the policy learning cycle that can be created by using monitoring data and other analyses to review existing plans and policies, to improve target achievement over time.

In addition to these elements, the authors assessed the extent to which the laws implement the longterm dimension and the structural change that it implies.

## **CLIMATE LAW STATUS QUO**



**FIGURE 1:** Geographic overview of the state of national framework climate laws in the EU

Source: Ecologic Institute research based on a range of sources (including legislative databases, direct legal texts, news reports and personal contacts)

## ESSENTIAL INSIGHTS FROM THE EXISTING NATIONAL CLIMATE LAWS

The analysis of the nine countries' climate laws has yielded the following overarching insights.

Targets: The vast majority enshrine clear quantitative long-term targets directly in the laws. Most countries include targets of net-zero emissions in some form – or emissions reductions that come close to it. Most laws implement interim targets and some even set successive carbon budgets to steer a clear path towards the long-term goal.

Planning & measures: Climate planning has become mandatory through EU legislation, but only some laws currently include it explicitly. However, all laws have policy identification included at regular intervals, with a view towards the long-term. This connection between long-term planning and near-term policies can be improved through mainstreaming requirements into other policy areas, such as finance, which some countries create as an obligation.

**Progress monitoring:** All laws include regular annual reporting and progress checks, even if they organise them differently. Importantly, most laws contain triggers for additional action if gaps are identified, thereby closing the policy learning cycle.

**Institutional arrangements:** Most laws assign responsibilities, but few provide detailed arrangements, or create a dedicated mechanism to compel sectoral ministries to contribute adequate policies to start on the path towards net-zero in their

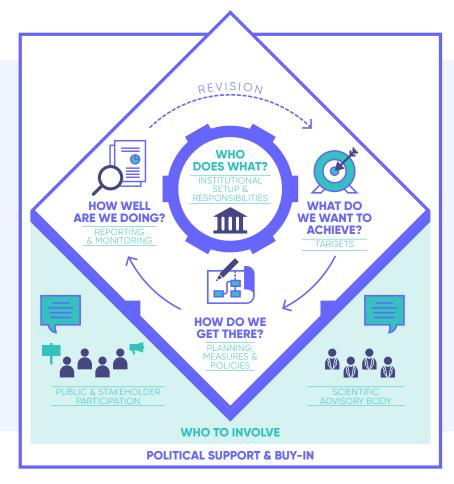
areas. This creates the risk that some ministries may not contribute adequately, endangering target achievement. A lack of coordination could also neglect approaches which require a coordination between sectors. National parliaments are involved explicitly in most national systems, creating opportunities for debate and enhancing transparency.

**Scientific advice:** All laws feature an independent scientific advisory body - almost all set up for the express purpose of advising government on policies or supporting progress monitoring. These bodies need dedicated resources to function effectively, enhancing the transparency of governmental action.

**Public participation:** Most laws refer to public consultation in some form, but it is unfortunately not a dedicated focus of most. However, some countries have existing stakeholder fora on climate policy, and others are experimenting with new ways to engage citizens.

Long-term element: Several laws have made the structural change implied by the long-term focus a clear priority that they communicate, either through their titles, through individual "feature policies", or through explicit provisions stating that all policies must be aligned with the long-term targets. However, this dimension needs strengthening further in many laws, based on good practice examples in other countries.

A detailed overview of good practice examples for each element is provided in Table the table at the end of this summary.



## CLIMATE LAW TOOLBOX

FIGURE 2: Core elements of framework climate laws and their main interaction - UNDER REVISION

Source: visualisation by Ecologic Institute

## FILLING GAPS IN EU GOVERNANCE THROUGH A EUROPEAN CLIMATE LAW

One of the flagship measures of European Commission President Ursula von der Leyen's European Green Deal is to deliver a European Climate Law proposal by March 2020. What do the insights from national climate laws mean for this promise? How can this law facilitate national climate governance?

Existing EU legislation provides some support for Member States through minimum common standards, for example for planning and monitoring. There are however several gaps in overall EU climate governance which reduce the ability of the EU itself to manage achievement of its targets effectively. An analysis of the existing legislation identifies several improvements to EU climate governance that could be made through an EU climate law, based largely on the examples in Member States.<sup>2</sup> These include:

- Enshrining in legislation the **long-term target** of climate neutrality by 2050 adopted by the European Council in December 2019.
- A dedicated mechanism for reviewing and setting future interim targets, in line with the Paris Agreement cycle for nationally determined contributions.
- A comprehensive carbon budget approach that provides transparency over the EU's remaining share of the global budget for staying below a warming of 1.5 degrees.
- Regular updates to the EU long-term strategy, currently mandatory only for Member States.
- Regular updates on policy development, an equivalent overview to the National Energy and Climate Plans that all Member States have to produce.

- Provisions for mainstreaming climate policy goals as benchmarks for other policy areas including the EU budget and related expenditure.
- Enhanced institutional arrangements at EU level to ensure that implementation of the strategy towards climate neutrality is happening in a coordinated and transparent manner.
- Creation of an independent advisory body to support all EU institutions, including the European Commission (which often plays that role), in providing relevant analysis and issuing recommendations.
- A dedicated stakeholder forum on climate policy to create ongoing opportunity for input, and a role for the European Parliament in the processes governing monitoring of progress.

## GOOD PRACTICE EXAMPLES TO INSPIRE OTHER NATIONAL CLIMATE LAWS

The following table presents a more detailed overview of the design choices of the current national laws as well as the good practice examples that were identified. The full report contains detailed descriptions of the various ways in which countries have implemented each element.



DESIGN ELEMENT	
TS	Long-term
WHAT? TARGETS	Interim
	Review
HOW? PLANNING	Long-term
	Regular
URES	Specific
? MEASURE	in-

targets

HOW WELL? PROGRESS MONITORING Steady annual

**INSTITUTIONAL ARRANGEMENTS** 

nvolvement

#### **STATUS QUO AND GOOD PRACTICE EXAMPLES**

Almost all laws build on quantitative targets and enshrine these in the laws (except Sweden, Ireland). The majority of the laws set net-zero emission targets in various forms.

The vast majority include interim targets, or a process for setting these. Innovative approach in the UK & France: rolling five-year carbon budgets, set 10-12 years in advance, with a view to 2050. Germany uses annual budgets for sectors up to

Several countries include the option to review targets on the basis of better information (**Spain, UK**) and/or stricter EU or UN targets (**Finland, Germany**). **Germany** and **Spain** include an explicit "no backsliding" clause.

Dedicated long-term strategy only fully included in half the laws (**Finland, France, Ireland, Spain** and referenced in Germany), reviewed every 5 years (10 in Finland). Ireland integrates long-term planning with policy identification in one document. Finland makes it the central document in its overall climate planning system, and lays out a clear overall structure. LTS development an **EU** obligation: all laws should reference this and update regularly.

All laws include some form of regular policy development process, updated every 4-5 years, for a time horizon of the next 10-15 years—similar to the **EU**-based NECPs (which **Spain** wants to use explicitly for this purpose).

Some countries include very specific instruments directly in the law – most prominently **France's** carbon tax – or the more recent CO2 standard for thermal power plants, which implies a coal phase-out by 2022 (with support offered to affected workers). Spain aims to only allow new vehicles with zero emissions as of 2040.

The Swedish climate act demands the alignment of climate policy and budgetary policy goals. The **French** and the draft **Spanish** law include reporting obligations for financial institutions on climate risk.

The French government is required to present an annual overview of available public and private climate finance alongside its draft budget proposal. Sweden and Germany also connect annual reporting to the draft budget. The draft Spanish law sets aside a dedicated share of its annual budget for climate purposes. Denmark and Spain are the only ones to also explicitly address the international climate policy dimension, including finance.

All countries establish annual reporting on progress, delivered in some cases by advisory bodies. These reports are made public in some form, most often via submission to parliament, which also creates an opportunity for public debate. In **Denmark, France, Spain** and the **UK**, the government is obliged to respond to these in public (via parliament). Finland includes several general monitoring provisions, including a check on how accurate the predictions on emission reduction effects of individual policies have turned out to be in reality.

Most laws foresee additional policy action in case of progress gaps (Denmark, Finland, Germany, the Netherlands and to some extent France), but others do not mention this specifically as mechanism. This is the essential step that concludes the policy learning cycle. In Denmark, the annual routine is particularly comprehensive, including historical data, forward projection and if need be additional policies, based also on independent advice.

Surprisingly, few laws include a clear internal coordination. Only a small group mention specifically how various ministries and agencies will be involved in the policy-proposal and policy-making process (Finland, Germany, Ireland—and France to a lesser extent). Some laws name single ministries as having overall responsibility for specific tasks, for example the preparation of policy plans (Netherlands, Spain and the UK). In the others, it is almost exclusively "the government" that is mentioned as the

Finland stands out as good practice example, with a dedicated article on internal organisation, specifying inputs from different ministries. Germany has the most elaborate mechanism for assigning responsibility to individual ministries, employing annual emission budgets for sectors. The laws in other Member States may need to be revised to ensure sectoral progress in the non-ETS sectors.

Some laws give the country's legislative body the role of approving plans submitted by either the government or responsible ministry (**Germany, the Netherlands** and the **UK**). Most countries explicitly involve the parliament in discussing progress via reports submitted to it.

Independent input

WHO TO INVOLVE? SCIENCE

Effective role

Little detail

Essentially all climate governance systems use an independent scientific advisory body in some form (deviations: Netherlands uses an existing one, Sweden established its Council outside of the main law). They differ in many important ways, such as mandate and capacity. The **UK's** Committee on Climate Change stands out in terms of overall size, but also reputation and general importance in the overall system. These independent bodies fulfil three main functions: monitoring and/ or an advisory function and public engagement.

In order to make the expert council functional, it is given access to a secretariat (**Denmark, Germany, Ireland, Sweden** and the **UK**), has its own budget (**UK**) or involves external expertise through stakeholder bodies (e.g. Denmark).

The advisory bodies have different mandates, but three cases stand out due to their strong position in the process. In the **UK** and **France**, the advisory bodies are charged with producing independent annual reports that the government is then obliged to respond to. In **Denmark**, the government must also specifically take a position on recommendations by the Climate Council in each annual report it presents. A notable innovation in Germany is the expert council's job to verify the underlying assumptions for policy impacts provided by sectoral ministries.

Finland, France, Germany, Ireland, and Spain mention explicit obligations and opportunities for public participation, Denmark and the UK make public engagement a task for their respective expert body, and several other laws do not mention public or stakeholder involvement explicitly (e.g. the Netherlands, Sweden), but these are part of their political culture nonetheless.

Several countries have established dedicated bodies or platforms to further institutionalise stakeholder engagement (e.g. Denmark, France, Germany, the Netherlands, Spain) although most of these laws do not mention them explicitly.

Several countries have tried to engage citizens in new ways, and outside of the mechanisms of the framework laws: **Germany** with the 2050 Climate Action Plan in 2015, Ireland through a Citizen Assembly in 2018 (which covered a range of topics, including climate) and France with its Citizens' Convention for Ecological Transition, started in 2019.

Long-term targets with deep emissions reductions feature prominently in all laws, and some countries bolster this with interim targets (or a dedicated process for continuously setting future ones (UK and France (using carbon budgets) and Denmark). Too few countries (Finland, France, Ireland, and to a lesser extent Germany), employ long-term strategies as central documents defining future actions, although these are mandated by **EU** law.

Most countries create at least an implicit connection to ensure that policies are informed by the long-term objective. This can be significantly strengthened by climate mainstreaming for governmental policy or financing (e.g. **Finland, Sweden, France**) and risk consideration for financial institutions (e.g. France, Spain).

Some laws signal structural change in their name (France, Ireland, Spain) and some even include transformational policies directly in the legislation itself: Spain seeks to phase out most combustion engine sales by 2040 and wants to implement a Just Transition Strategy. France is phasing out coal by 2022 and offers proactive support for the affected workforce.

WHO TO INVOLVE? PUBLIC PARTICIPATION

**IRANSFORMATION? LONG-TERM GUIDANCE** 

## **ENDNOTES**

- 1 For Denmark and Spain, the report draws on the drafts available at the time of writing, whereas for Ireland the existing law (adopted in 2015) is being analysed (a draft amendment was published in January 2020).
- 2 For an in-depth look at the existing legislation and its gaps and key elements for an EU climate law, see Meyer-Ohlendorf, N. (2019): "A European Climate Law – What Should It Look Like?" Berlin: Ecologic Institute.

## PREVIOUS REPORTS IN THE NET-ZERO 2050 SERIES INCLUDE:

"Net Zero By 2050: From Whether To How" (September 2018)

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