

Brussels, 23 October 2020 (OR. en)

12261/20 ADD 1

Interinstitutional File: 2020/0036(COD)

> **CLIMA 278 ENV 657 ENER 391 CODEC 1055**

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council On: 23 October 2020 To: Delegations No. prev. doc.: 12083/20; 12261/20 6547/20; 10868/20 No. Cion doc.: Subject: Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) - Partial general approach Statements

Delegations will find attached a statement by Hungary as well as a statement by Sweden, Luxembourg, Denmark, Spain and Austria regarding the partial general approach agreed by the Council on 23 October 2020.

The statements will be entered into the minutes of the Council meeting.

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HUNGARY

"Hungary is fully committed to achieving climate neutrality by 2050 both at EU and at national level, in line with Hungary's national law on climate protection adopted by the Parliament on 3 June 2020. Hungary has significantly contributed to the EU's climate efforts by way of reducing its greenhouse gas emissions by 33% in 2018 compared to 1990, well above the EU average of 25%.

Hungary supports the adoption of the partial general approach on the European Climate Law. At the same time, Hungary underlines that the final agreement (general approach) on the file will be subject to the conditions listed below.

1. The role of European Council

The December 2020 European Council should not only decide on the value of the 2030 target, but should also provide guidance on how this target will be reached (enabling framework) in a similar fashion as in October 2014. The conclusions of the December European Council should transform the below principles into detailed guidance. For Hungary, the adoption of such guidance is a solid condition (*sine qua non*) of the agreement on the higher ambition level. The European Council should regularly revert to the issue and assess the implementation of its guidance.

2. Principles of the enabling framework

The main principles of the enabling framework of the 2014 March and October European Council and the December 2019, reinforced by the 2020 October conclusions¹, must remain in place as follows:

- *convergence*: all Member States must participate in the climate efforts of the Union. To that end Hungary considers that each Member State should achieve at least 40% gross emission reduction till 2030 on a 1990 level,

¹ E.g. October 2014 EUCO Conclusions, paras 2.2., 2.10, December 2019, para 6.

- recognition of early achievements: early and high achievements by Member States in the field of emission reductions must be recognised when setting further reduction targets,
- *solidarity and fairness:* the mechanisms under the Emission Trading Scheme (ETS) to assist Member States with lower GDP per capita in particular the Modernisation Fund must remain in place and, as appropriate, expanded. Setting the national reduction targets for the non-ETS sectors must be based on relative GDP per capita,
- *technological neutrality:* in view of Member States' rights to choose their national energy mix all low carbon technologies including nuclear must be considered on equal footing,
- *secure and affordable supply of energy:* the enabling framework must ensure the secure and affordable supply of energy. To avoid energy poverty no uniform carbon price can be introduced in the residential sector beyond the existing framework of the ETS,
- carbon leakage and competitiveness: a sufficient level of protection against carbon leakage is essential so as to ensure that climate policy does not harm the industrial competitiveness of the EU."

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SWEDEN, LUXEMBOURG, DENMARK, SPAIN AND AUSTRIA

"Sweden, Luxembourg, Denmark, Spain and Austria support the Council's partial general approach for the EU Climate Law but underline the importance of each Member State reaching climate neutrality at the national level by 2050 in order to achieve a climate-neutral EU by that date.

In our view, such an obligation yields a more robust framework to deliver the objective of climate neutrality by 2050, as endorsed by the European Council in its conclusions from December 2019."

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