From: SG) on behalf of WATSON John (SG)

To: (SG)
Subject: FW: RO Non Paper on climate
Date: mardi 11 mai 2021 10:17:54

Attachments: RO Non-paper climate -EUCO preparation.docx

Importance: High

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Sent: Monday, November 23, 2020 10:45 AM						
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Subject: RO Non Paper on climate						

Importance: High

Dear colleagues,

In view of the discussions that Leaders will have on climate at the meeting of the December European Council, please find attached a Non-Paper from Romania, with ideas for a way forward for an ambitious EU 2030 target.

Best regards,

## Non-paper ROMANIA

## The way forward for a more ambitious EU 2030 target

Romania remains strongly committed to the implementation of the objectives set through the EU Strategic Agenda for 2019-2024, including with respect to "building a climate-neutral, green, fair and social Europe", as one of the main pillars of our common actions in the upcoming years.

Romania will thus have a constructive approach as regards the decision on a new EU **55% 2030 net reduction target**. While acknowledging our common responsibility to tackle climate challenges and subsequently to undertake the transformation of our economies and societies, achieving such an ambitious target will require significant efforts. In addition, substantial additional investments will be necessary.

With a view to reaching an agreement in December on the increase of the 2030 target, we need to consider the guiding principles and the enabling framework for the future legislative initiatives on climate and energy.

Therefore, the **right flexibilities** and **conditions** have to be formulated and put in place to ensure that the transition to a climate neutral EU is achieved in a just, socially balanced and equitable manner.

The revision of the relevant European policies and other measures **must guarantee** affordable energy prices and safeguard economic competitiveness, the security of energy supply and the right of Member States to choose their energy mix. The distribution of efforts has to properly reflect **GDP** and emissions per capita of individual Member States. The efforts previously undertook by Member States have to be adequately taken into consideration. Romania already reduced its CO<sub>2</sub> emissions by 58% in 2019 compared to 1990<sup>1</sup>.

The output of the December meeting should represent a clear picture, as detailed as possible, of the future European policy options, which need to:

- provide <u>flexibility</u> to Member States so that their contribution to achieving the target is tailored to national circumstances, starting points and past efforts;
- promote <u>fairness and solidarity</u> to ensure upward convergence, narrow the development gaps and consider the different financial capacities to respond to the challenges of the transition to climate neutrality;
- ensure <u>security of energy supply</u> at affordable prices, especially for low-income households. In this respect, the principle of <u>leaving no-one behind</u> becomes especially relevant;
- safeguard the principle of <u>technological neutrality</u> as a key enabler of emissions' reduction; Member States should retain the flexibility to opt for policies that allow for country-specific solutions, for example when choosing among energy low-carbon technologies and sources (including the use of nuclear energy) or when taking energy efficiency measures and increasing shares of renewables in the energy mix;
- put in place an <u>appropriate enabling framework to support low-income Member States'</u> efforts and foster actions targeted to their specific needs and circumstances. In this context, Romania considers necessary a significant increase of the volume of the Modernization Fund to facilitate transition in Member States facing high transformational costs.

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<sup>&</sup>lt;sup>1</sup> JRC Fossil CO2 emissions of all world countries - 2020 Report

The general principles and criteria agreed for the existing 2030 climate and energy framework have to be maintained and strengthened to reflect the additional efforts needed to reach more ambitious targets and to ensure that the transition is affordable for all the European citizens.

**EU-ETS** should remain the main driver of the EU policy in terms of delivering emissions' reduction and addressing the risk of carbon leakage. In this respect, Romania appreciates the intention to develop effective and complementary instruments, such as a <u>carbon border adjustment mechanism</u> to further address the risk of carbon leakage. The new instruments will have to be complementary to the free allocation under the EU–ETS.

However, the possible extension of the scope of the EU-ETS to road transport and the building sector raises significant concerns especially in terms of negative impacts on the lower-income households. Nevertheless, Romania is in favour of the inclusion of the maritime sector in the EU-ETS.

Bearing in mind the strong national component/specificity of some sectors, the **efforts of the non-ETS sectors** must rightly reflect the different possibilities for decarbonisation in the Member States. Considering the GDP per capita and the emissions per capita criteria and maintaining the existing flexibility mechanisms play an important role in ensuring this differentiated approach.

In this context, we underline that, for Romania, the further development of its transport infrastructure (especially road transport) is a primary necessity and an essential pillar of support for all economic sectors.

We thus emphasize the potential of investments in infrastructure for supporting the transition. By aligning the characteristics of future projects with the updated requirements for climate sustainability, such investments will generate the reduction of the emissions' level.

All upcoming legislative proposals have to be accompanied by a <u>thorough analysis</u> of the social and economic <u>implications for individual Member States</u>, taking into account their particularities, specific limitations and needs.

At the same time, we consider necessary that the new reduction target and the required investments for attaining the new objective be taken into consideration in the revision process of the **state aid European rules**.

Last but not least, a **coherent legislative framework backed by the necessary funding with clear methodologies** is paramount to achieve 2030 climate targets. In this respect, the lack of methodology on reaching the <u>climate expenditure targets</u> is a matter of concern. In this context, **ensuring the predictability of the investments will also need to be taken into account,** when embedding climate and environmental objectives in public financing, also in connection to taxonomy rules.

Romania is fully engaged in the collective endeavour for climate neutrality and the deep transformations of our societies and economies. These transformations are expected to position the EU at the forefront of global efforts to curb climate change and make European economies stronger and more resilient.