

Briefing

Delivering 2030 targets: gaps in national contributions and policies

An analysis of 11 final national energy and climate plans



Key insights: gaps in national climate and energy plans

This analysis of final national climate and energy plans (NECPs) from 11 EU Member States submitted to date reveals several gaps in the contributions by Member States to the EU's climate targets – according to the Effort Sharing Regulation (ESR) and the Land Use, Land Use Change, and Forestry (LULUCF) Regulation – and the goals for renewable energy and energy efficiency for 2030, as well as the phase-out of fossil fuel subsidies.

This report identifies gaps in the respective national targets as well as the corresponding policies to achieve them.

Member States' **contributions to the Union targets match the expected scope for the most part** for emissions reductions, natural sinks, and renewables and energy consumption, apart from primary energy consumption. Exceptions include France, which contributes less to the renewables target, and Luxembourg and Spain, which contribute less to the final energy consumption target than required. Eight out of the 11 countries fall short on their contributions to the primary energy consumption target. However, there are also positive examples: Luxembourg has indicated a higher ESR target than what is required by law. Similarly, Spain provides a higher contribution to the renewables target.

At the same time, **in all the 11 NECPs analysed, the policy mix put forward is largely insufficient to achieve all targets and contributions** - even with additional planned measures. Latvia comes closest with projections on the impact of their intended and actual policies that meet all but the energy consumption contributions. Across the four areas, five out of eleven countries have a policy mix effective enough to meet their renewables contributions. In all other areas, most countries' policy mixes fall short. For the ESR targets, eight countries lack sufficient measures, seven fall short on natural sinks, and all countries anticipate that their current policies will not meet energy consumption targets. The latter is worrisome and outlines that supporting energy efficiency seems difficult given that measures are spread across all demand sectors with each requiring their own approach.

Member States' planning to phase out fossil fuel subsidies is mixed. For **direct subsidies, Member States seem on track**, outlining in their NECPs that either none exist or that they will be phased out by 2025. An exception is Spain, which fails to address direct fossil fuel

subsidies overall. For **indirect subsidies, more than half of the NECPs analysed do not provide a clear phase-out plan**. Four Member States plan the phase-out for at least some of their indirect subsidies, but only Latvia plans to phase out all fossil fuel subsidies until 2030.

Based on this analysis, the following **insights for policy-making** can be drawn to address the gaps identified:

- **Contributions:** The gaps identified on renewables and energy consumption risk the achievement of the EU-level targets for 2030, adopted as legally binding for all Member States. National contributions – designed to ensure that all Member States deliver their fair share – that are not in line with EU targets cast doubt on the overall buy-in from Member States. NECPs with contribution gaps should be updated with enhanced figures.
- **Policy projections:** The fact that some Member States’ projections reveal a gap in meeting their required contributions poses a risk to achieving the EU-level objectives, strongly indicating the need for additional measures. Member States could make better use of NECPs as a tool to identify where these are needed to arrive at an effective policy mix to meet their climate and energy targets. This analysis shows a particular need to develop further energy efficiency measures. NECPs that show a policy gap should therefore be updated with projections including further additional measures.
- **Fossil fuel subsidies:** While there is progress in phasing out direct fossil fuel subsidies, the analysed NECPs fail to acknowledge various indirect subsidies, which should be addressed in the same fashion. The EU’s overall commitment cannot be achieved if a significant set of incentives for fossil fuel use are not tackled. A revision of the Energy Taxation Directive would provide a common ground for all countries to remove exemptions and reduced tax rates that support and encourage the use of fossil fuels.

In summary, the gaps in contributions and in policy could be addressed through improved practice, particularly by Member States providing updates to NECPs removing the clear deficiencies. Additionally, closer follow-up by the European Commission on inadequate or incomplete submissions, along with a request for updates again in 2025, could help resolve these issues. Finally, the gaps found could ultimately be addressed through targeted changes to the underlying legislation, especially the Governance Regulation, which provides the rules for NECPs, their content and respective adoption process.



Analysis of 11 final NECPs

National climate action is crucial to achieve the 2030 climate target of a net 55% greenhouse gas (GHG) emission reduction. To organise and facilitate Member State actions to help achieve the EU-wide target, four key laws have been adopted, that include national targets and actions:

- 1) the **Effort Sharing Regulation** (ESR) requiring Member States to reduce their GHG emissions covered by this Regulation;
- 2) the **Land Use, Land Use Change and Forestry** Regulation (LULUCF-Regulation) requiring Member States to enhance their natural sinks;
- 3) the **Renewable Energy Directive** (RED) requiring Member States to increase the share of renewables in the energy mix, and
- 4) the **Energy Efficiency Directive** (EED) requiring Member States to reduce their energy consumption.

In addition, Member States should **phase out their fossil fuel subsidies**, following the recommendation from the 8th Environment Action Programme (EAP) to shift public finance towards climate-friendly support.

To arrive at an integrated policy framework to deliver all the respective elements, Member States are obliged to draw up individual national energy and climate plans (NECPs). The plans must include **information on targets and contributions to the EU objectives as well as policy scenarios** that outline how the Member States will develop with the current policy mix and with additional measures until 2030 and beyond (for more information, see Annex 1).

On 30 June 2024, the final updated NECPs were due. However, as of 15 October 2024, only **11 final updated NECPs had been submitted to the EU Commission**. This means that formal compliance with the deadlines for submitting NECPs is lacking.

Objective and scope

This analysis aims at identifying gaps in national contributions towards the EU-level targets for reducing the emissions covered by the Effort Sharing Regulation (**ESR**), enhancing **natural sinks**, increasing the share of **renewables** and reducing **energy consumption**, as well as gaps in outlining the **phase-out of fossil fuel subsidies phase-out** in Member States' final NECPs. The NECPs are analysed for two different aspects: a) whether the Member States' contributions to the EU climate and energy targets are sufficient (**contribution gap**) and b) whether they include an adequate policy mix to be able to meet the targets (**policy gap**).

This analysis focuses on the information from the updated final NECPs. Final updated NECPs have so far been submitted by **Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Latvia, the Netherlands, Spain, and Sweden**. These countries' plans are the subject of this analysis. For more detail, see **Annex 2** presenting the approach, and underlying assumptions.



Gaps in national contributions and policies

Effort Sharing Regulation

Gap in the national contribution to the EU target: All Member States mention their respective ESR target in their NECP. A positive exemption is **Luxembourg**, setting a 55% emission reduction target, which is 5%-points higher than its legally binding ESR target of 50%.

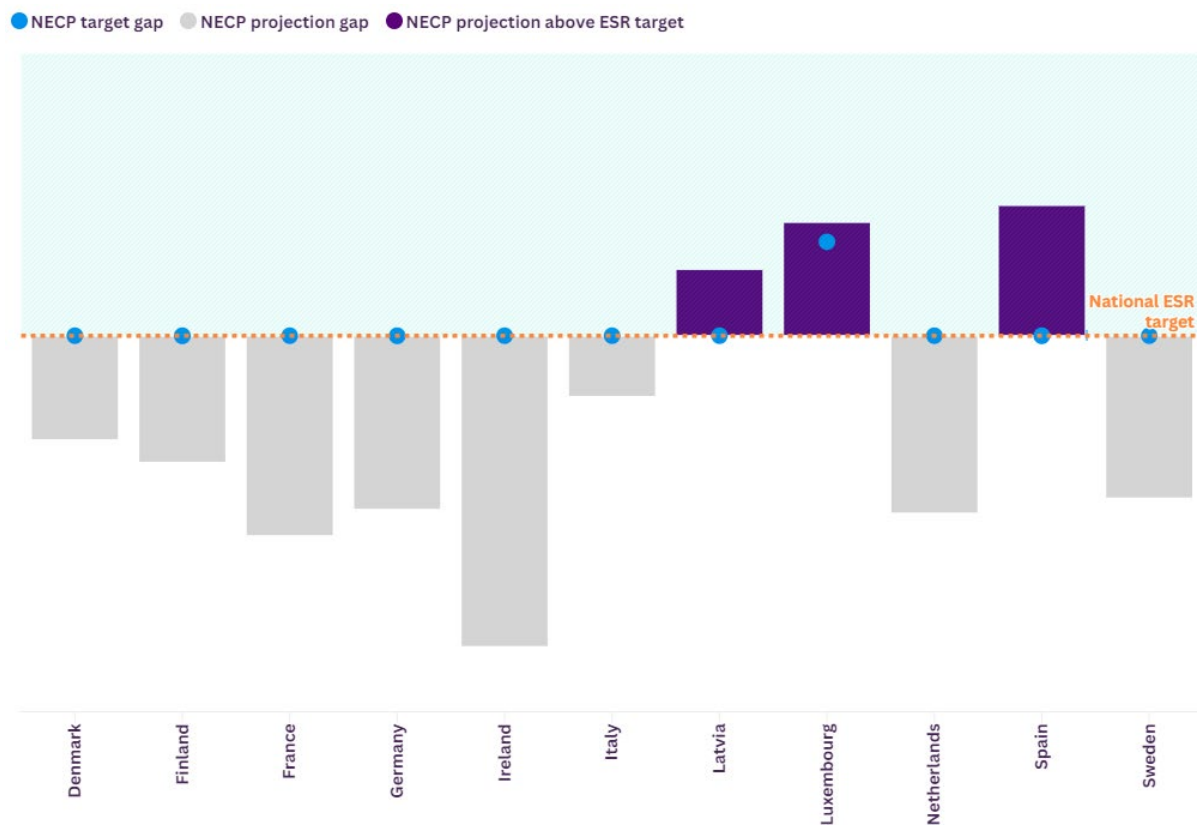
Gap in the policy mix to achieve the required contribution: Most of the Member States (eight out of the 11) do not reach their binding ESR target with the planned or existing policy mix. **Denmark, Finland, and Italy** expect a gap of around 5%-points; **Germany, Ireland, the Netherlands, and Sweden** one of around 10%-points. **Ireland** expects a gap of more than 15%-points. In sum, this means that emission reductions of around 130 Mt CO₂eq are not accounted for under the suggested policy mixes.

Only **Latvia, Luxembourg, and Spain** expect that their planned policy mix will be sufficient to meet their 2030 target. As the former two countries have a comparably low share in total EU emissions, their expected overachievement is about 1 Mt CO₂eq, the one of **Spain** about 17 Mt CO₂eq, which is far from the total gap of the eight other countries.



Figure 1: Caps in the national contributions and policy mix for ESR emissions

Comparing the national target with the target and projections as laid out in the NECP.



Source: ECNO based on ESR, EEA, final NECPs. Note: horizontal axis starts at 60%. No projection with additional measures available from Denmark, Finland and Spain. Sweden does not provide data from the projection with additional measures. See also **Annex 2** for definition and methodology.

Table 1: Data from NECPs for ESR CHG emissions

Member State	Base year emissions (Mt CO _{2e})	Reduction target (%-change)	Target in the NECP (%-change)	Projection: 2030 emissions (Mt CO _{2e})	Projection: reduction (%-change)	Note to the projections
Denmark	40.4	-50.0%	-50.0%	22.4	-44.5%	WEM
Finland	34.4	-50.0%	-50.0%	19.5	-43.3%	WEM
France	401.1	-47.5%	-47.5%	253.0	-36.9%	WAM
Germany	484.7	-50.0%	-50.0%	287.0	-40.8%	WAM
Ireland	47.7	-42.0%	-42.0%	35.6	-25.5%	WAM
Italy	343.1	-43.7%	-43.7%	204.0	-40.5%	WAM
Latvia	8.6	-17.0%	-17.0%	6.8	-20.5%	WAM
Luxembourg	10.1	-50.0%	-55.0%	4.5	-56.0%	WAM
Netherlands	128.1	-48.0%	-48.0%	78.6	-38.6%	WAM
Spain	242.0	-37.7%	-37.7%	134.1	-44.6%	WEM
Sweden	43.2	-50.0%	-50.0%	25.3	-41.4%	WEM
Sources	EEA	ESR	NECPs	NECPs	calculated	NECPs

Sources: ECNO based on ESR, EEA, final NECPs. Abbreviations: WEM = projection with existing measures; WAM = projections with additional measures. Notes: ESR emission reduction shown for 2030 compared to 2005 based on the base year emissions from EEA and absolute values in the NECPs (no consideration of stated relative reductions in the NECPs). No WAM projection available from Denmark, Finland and Spain. Sweden does not provide WAM data.



Natural sinks

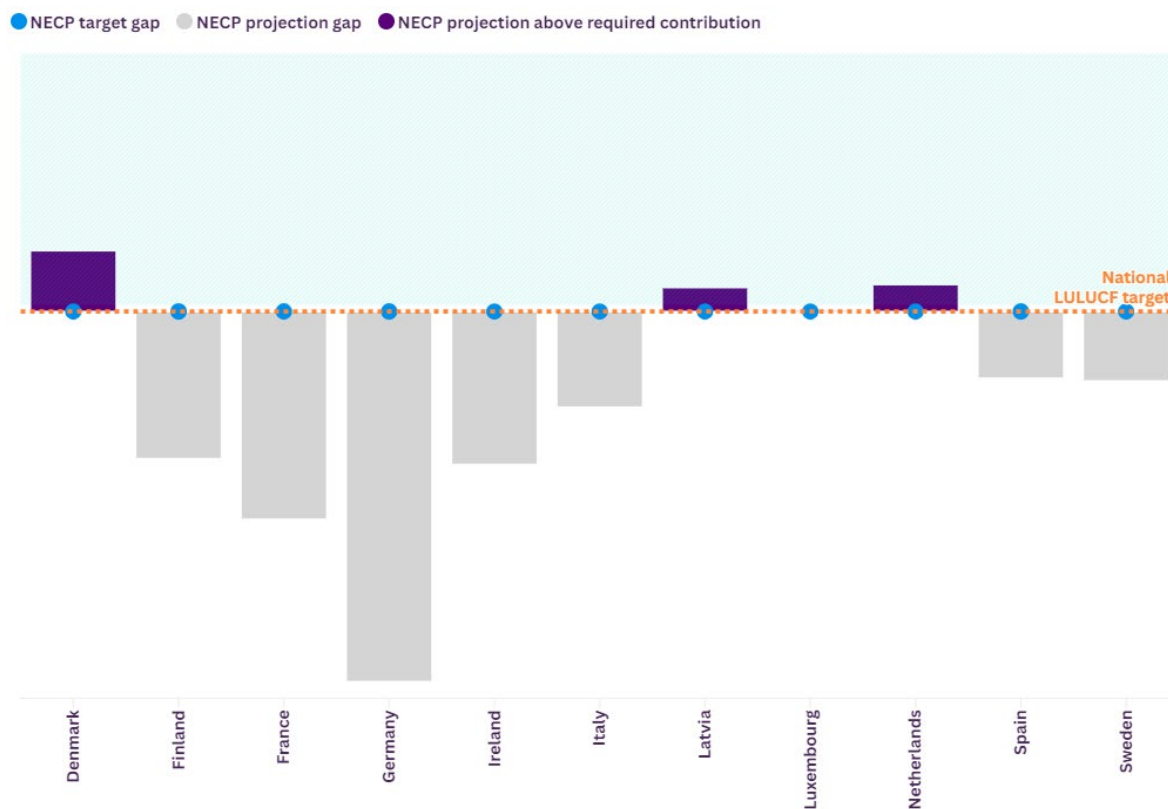
Cap in the national contribution to the EU target: All Member States mention their mandatory LULUCF target in their NECPs.

Cap in the policy mix to achieve the required contribution: Seven countries expect that their planned or existing policy mixes will not be sufficient to meet their national LULUCF targets. However, **Ireland** is close with just one million tonnes of CO₂ (Mt CO₂) removals short. **Sweden, Spain, and Italy** are also not far off with a gap of around 5 Mt CO₂. Compared to their target, **Sweden, Spain, and Italy** miss their target by 11%, 12%, and 21%; **Ireland**, in contrast, misses it by 24% due to a lower target. **Finland, France, and Germany** show the largest policy gap. They expect to miss their target by more than 10, 15, and close to 30 Mt CO₂ with their policy mixes, whereby **France and Germany** include planned additional measures. This means that **Finland and France** miss their target by 50% while **Germany** misses it by close to 90%. The gap across the six countries amounts to 70 Mt CO₂ or 12 Mt CO₂ on average.

Denmark, Latvia, Luxembourg, and the Netherlands assume that they can reach their target with their policy mixes. **Denmark**, which is legally allowed to emit greenhouse gases until 2030, significantly reduces its LULUCF emissions in its current policy projections, exceeding its target.

Figure 2: Gaps in the national contributions and policy mix for natural sinks

Analysis comparing the national target with the target and national projections outlined in the NECPs.



Sources: ECNO based on LULUCF-Regulation, final NECPs. Note: Target gap equals zero even where Member States outline rounded values. No projection with additional measures available from Denmark, Finland and Spain. Sweden does not provide data from the projection with additional measures. See also **Annex 2** for definition and methodology.

Table 2: Data from NECPs for natural sinks

Member State	Target net emissions 2030 (Mt CO ₂ e)	Reduction target (Mt CO ₂ e)	Reduction target in the NECP (Mt CO ₂ e)	Projection: 2030 net emissions (Mt CO ₂ e)	Note to the projections
Denmark	5.34	-0.44	-0.40	0.69	WEM
Finland	-17.75	-2.89	-2.90	-6.40	WEM
France	-34.05	-6.69	-7.00	-18.00	WAM
Germany	-30.84	-3.75	-3.80	-2.20	WAM
Ireland	3.73	-0.63	-0.63	4.91	WAM
Italy	-35.76	-3.16	-3.20	-28.40	WAM
Latvia	-0.64	-0.64	-0.64	-2.44	WAM
Luxembourg	-0.40	-0.03	-0.03	-0.43	WAM
Netherlands	4.52	-0.44	-0.44	2.50	WAM
Spain	-43.64	-5.31	-5.31	-38.52	WEM
Sweden	-47.32	-3.96	-3.96	-42.00	WEM
Sources	LULUCF-R	LULUCF-R	NECPs	NECPs	NECPs

Sources: ECNO based on LULUCF-R, final NECPs. Abbreviations: WEM = projection with existing measures; WAM = projections with additional measures. Notes: Target gap equals zero even where Member States outline rounded values. No WAM projection available from Denmark, Finland and Spain. Sweden does not provide WAM data.



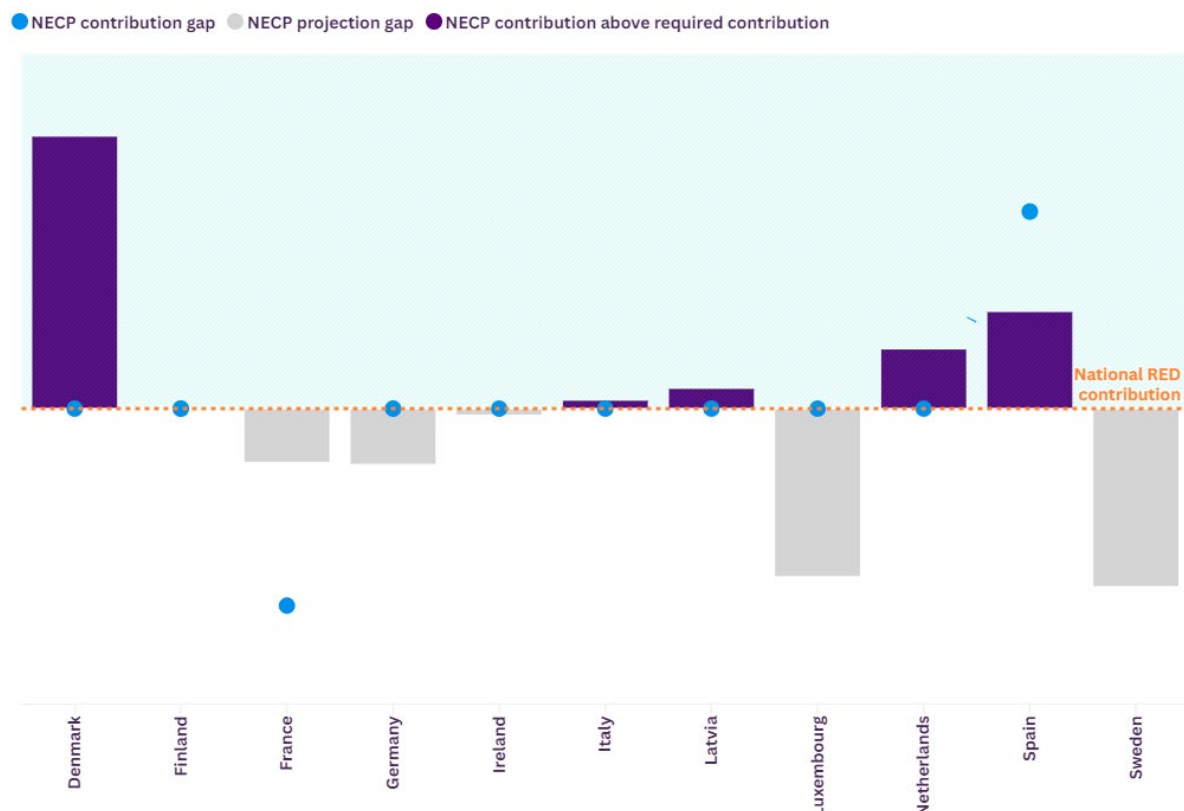
Renewable energies

Gap in the national contribution to the EU target: Eight Member States communicate a contribution in line with the Renewable Energy Directive. **France** includes a 10%-points lower, and **Spain** a 10%-points higher contribution, while **Sweden** does not provide a contribution in its NECP. The lower contribution reported by **France** outweighs the higher contribution by **Spain**.

Gap in the policy mix to achieve the required contribution: Five Member States are projected to overachieve their contributions by an average of 4.6%-points, with **Denmark** displaying the highest level of ambition. Another five Member States project that they will underachieve their contribution with their suggested policy mix by an average of 4.6%-points, with **Sweden** and **Luxembourg** being the clearest laggards at around 9%-points. Overall, **Denmark**, **Spain**, and to a limited degree the **Netherlands** do not outweigh the expected shortfalls observed from **France**, **Germany**, and **Sweden**.

Figure 3: Gaps in the national contributions and policy mix for renewables

Analysis comparing the national required contribution with the contribution and national projections outlined in the NECPs.



Sources: ECNO based on RED, final NECPs. Note: Sweden provides no contribution. No projection with additional measures available from Denmark, Finland and Spain. France does not provide data from the projection with additional measures. See also Annex 2 for definition and methodology.

Table 3: Data from NECPs for renewable energies

Member State	Target share (%-share)	Target in the NECP (%-share)	Projection: 2030 share (%)	Note to the projections
Denmark	60%	60%	74%	WEM
Finland	62%	62%	62%	WEM
France	44%	35%	41%	WEM
Germany	41%	43%	38%	WAM
Ireland	43%	43%	43%	WAM
Italy	39%	39%	39%	WAM
Latvia	61%	61%	62%	WAM
Luxembourg	37%	37%	29%	WAM
Netherlands	39%	39%	42%	WAM
Spain	43%	48%	48%	WEM
Sweden	76%	n/a	67%	WAM
<i>Sources</i>	<i>RED</i>	<i>NECPs</i>	<i>NECPs</i>	<i>NECPs</i>

Sources: ECNO based on RED, final NECPs. Abbreviations: WEM = projection with existing measures; WAM = projections with additional measures. Notes: Sweden provides no contribution. No WAM projection available from Denmark, Finland and Spain. France does not provide WAM data.

Energy consumption

Gap in the national contribution to the EU target: The contributions to reducing **final energy consumption** are in line with the EED, except for **Luxembourg** and **Spain**.

Thereby, **Luxembourg** states a 13% lower contribution, albeit with small overall impact.

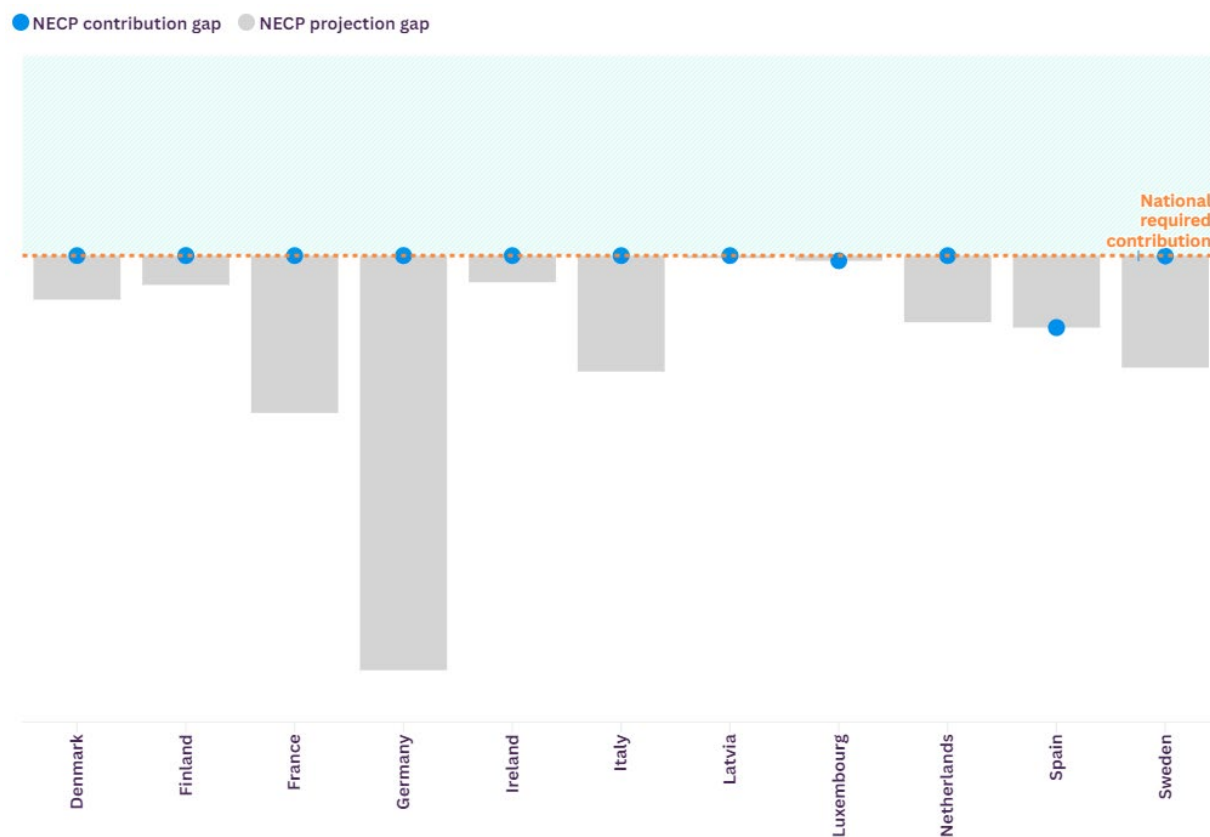
Spain outlines what the country can achieve with its policy mix, presenting the result as its contribution. It is 8% lower than what the contribution should be according to the EED.

Sweden reports a very small deviation of 0.2%, as the country bases the calculation on its own long-term scenarios instead of the EU reference scenario. The contributions to reducing **primary energy consumption** are significantly lower across most of the countries except for **Sweden** and **Ireland**. **Spain**, **Luxembourg**, and **Denmark** deviate from the required contribution most notably – all other countries deviate 3% or less. **Finland** mentions what its contribution would be according to the EED, without further clarifying and backing this commitment. Instead, it references an upcoming strategy to define the contribution.

Gap in the policy mix to achieve the required contribution: The policy gap is significant for all countries for final and primary energy consumption, as none of the countries' policy mixes are effective enough to meet the required contributions. For **final energy consumption**, countries project a gap of between 5% and 33% and most (nine out of 11) expect to miss it significantly, by more than 10%. **Germany** and **France** show the highest absolute policy gap of 31 Mtoe and 12 Mtoe, and **Sweden** and **Denmark** display the highest relative discrepancies to the required contribution of 33% and 24%, respectively. The policy projections for **primary energy consumption** show a similar result with all policy mixes being insufficient to meet the required contributions. For six countries the policy gap is even higher for primary than for final energy consumption; two have a smaller gap and one country outlines the same gap. **Luxembourg** and **Sweden** do not provide the projection outcome. **The Netherlands** provide a large range of projected energy levels in 2030, highlighting the high uncertainty that exists around energy consumption projections.

Figure 4: Caps in the national contributions and policy mix for final energy consumption

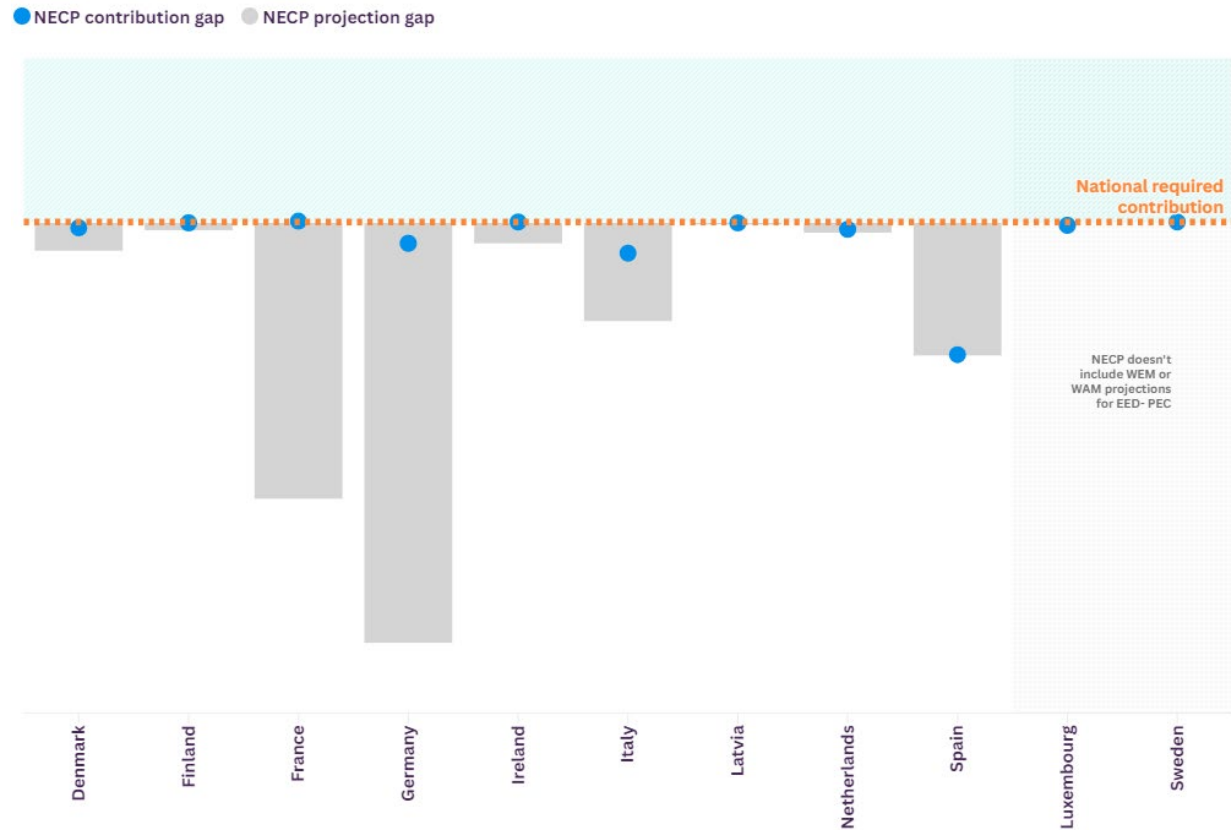
Analysis comparing the national required contribution with the contribution and national projections outlines in the NECPs.



Sources: ECNO based on EED, final NECPs. Note: No projection with additional measures (WAM) available from Denmark, Finland and Spain. See also **Annex 2** for definition and methodology.

Figure 5: Gaps in the national contributions and policy mix for primary energy consumption

Analysis comparing the national required contribution with the contribution and national projections outlines in the NECPs.



Sources: ECNO based on EED, final NECPs. Notes: No WAM projection available from Denmark, Finland and Spain. France does not provide data from the projection with additional measures (WAM) ; Luxembourg and Sweden do not provide data from the projection with additional nor from projections with existing measures. See also **Annex 2** for definition and methodology.

Table 4: Data from NECPs for final energy consumption

Member State	EED contribution: FEC in 2030 (Mtoe)	Contribution in the NECP (Mtoe)	Projection: FEC in 2030 (Mtoe)	Note to the projections
Denmark	13.7	13.7	17.0	WEM
Finland	20.6	20.6	22.8	WEM
France	106.9	106.9	118.7	WAM
Germany	155.5	155.5	186.7	WAM
Ireland	10.5	10.5	12.5	WAM
Italy	93.1	93.1	101.7	WAM
Latvia	3.5	3.5	3.6	WAM
Luxembourg	2.8	3.2	3.2	WAM
Netherlands	38.4	38.4	43.4	WAM
Spain	66.3	71.7	71.7	WEM
Sweden	25.4	25.5	33.8	WAM
Sources	EED	NECPs	NECPs	NECPs

Sources: ECNO based on EED, final NECPs. Abbreviations: WEM = projection with existing measures; WAM = projections with additional measures. Notes: The required contribution is based on Article 4(5) of the EED recast and its Annex I and was published by the EC, Table 19. No WAM projection available from Denmark, Finland and Spain.

Table 5: Data from NECPs for primary energy consumption

Member State	EED contribution: PEC in 2030 (Mtoe)	Contribution in the NECP (Mtoe)	Projection: PEC in 2030 (Mtoe)	Note to the projections
Denmark	14.7	15.4	18.2	WEM
Finland	29.7	29.8	30.7	WEM
France	158.7	158.6	192.5	WAM
Germany	191.1	193.6	242.5	WAM
Ireland	11.3	11.3	13.9	WAM
Italy	111.2	115.0	123.3	WAM
Latvia	3.8	3.8	4.0	WAM
Luxembourg	2.8	3.3	n/a	
Netherlands	45.3	46.2	46.6	WAM
Spain	82.2	98.4	98.4	WEM
Sweden	35.8	35.9	n/a	
Sources	EED	NECPs	NECPs	NECPs

Sources: ECNO based on EED, final NECPs. Abbreviations: WEM = projection with existing measures; WAM = projections with additional measures. Notes: The required contribution is based on Article 4(5) of the EED recast and its Annex I, using the *new* EU Reference Scenario Formula results after correction factor published by the EC, Table 13. No WAM projection available from Denmark, Finland and Spain; Luxembourg and Sweden do not provide WAM nor WEM data.

Phasing out fossil fuel subsidies

Gap in the national contribution towards phasing out direct fossil fuel subsidies:

Member States are well on track to phasing out direct subsidies to fossil fuels. All but **Ireland, Latvia, and Spain** state that they have no direct subsidies anymore. The former two countries want to phase out the remaining direct subsidies by 2030 the latest. There is no clear information on existing direct subsidies and related phase-out plans in the Spanish NECP. **Luxembourg** states that it still has temporary subsidies that run until 2024 to help households in the energy price crisis.

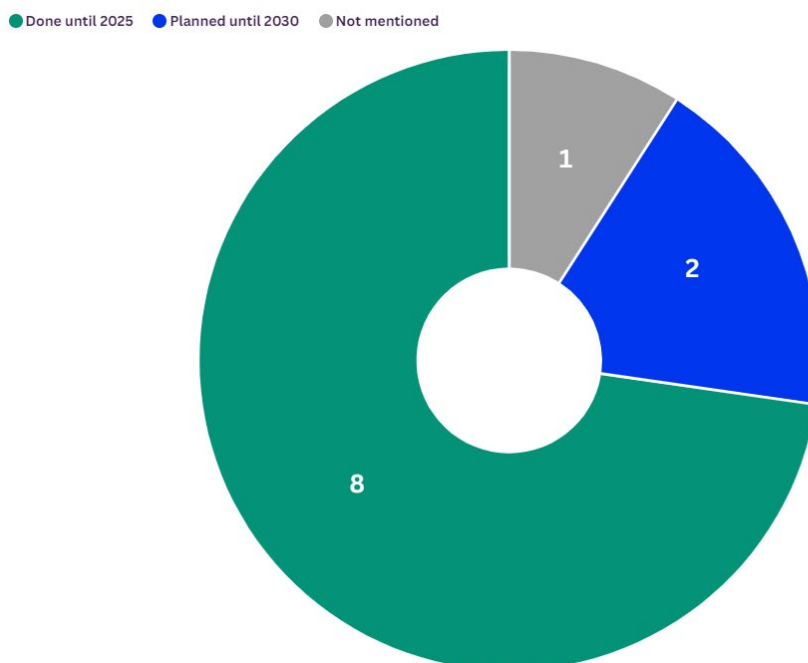
Gap in the national contribution towards phasing out indirect fossil fuel subsidies: The phase-out of indirect subsidies, including tax reliefs and benefits, has not happened yet in any of the countries. **Latvia** plans to phase out all remaining indirect subsidies by 2030 the latest, providing a good description and a table on their subsidies. Four countries, **Finland, France, Germany, and the Netherlands**, plan to phase out some of their indirect fossil fuel subsidies by 2030. Thereby, Germany and Finland provide no date for the other listed subsidies. France and the Netherlands provide only good examples.

The other countries do not clearly state either which indirect subsidies are in place nor do they mention a phase-out date. For example, **Denmark** provides no information but refers to an ongoing process, in which an overview of Denmark's possible indirect fossil subsidies is being prepared. **Ireland** provides a good description of their subsidies but mentions no phase-out date. **Italy** also provides a good description but refers to an ongoing process to eliminate harmful and inefficient subsidies. **Luxembourg, Spain, and Sweden** provide a limited description and mention no phase-out date. **Spain** recognises the need to align subsidies with climate mitigation goals and states that no new hydrocarbon exploitation concessions will be granted.



Figure 6: Caps in planning the phasing-out of direct fossil fuel subsidies

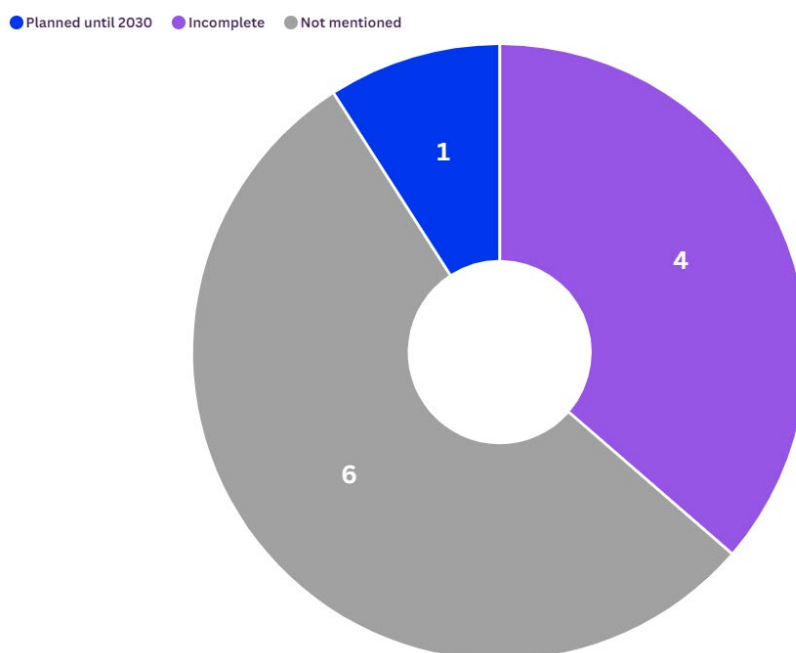
Member States' planning towards phasing-out of fossil fuel subsidies.



Source: ECNO based on final NECPs. Note: assessment based on information in the NECPs only and without check if such information is comprehensive and correct.

Figure 7: Caps in planning the phasing-out of indirect fossil fuel subsidies

Member States' planning towards phasing-out of fossil fuel subsidies.



Source: ECNO based on final NECPs. Note: assessment based on information in the NECPs only and without check if such information is comprehensive and correct.

Table 6: Data from NECPs for the phase-out of fossil fuel subsidies

Member State	Description in NECP	Direct subsidies	Indirect subsidies
Denmark	No description	None exist	Unclear but announced stock-take process
Finland	List of tax relieves incl. EUR-sums	None exist	Mixed but some to be phased-out until 2030
France	Some info; no comprehensive list of indirect subsidies; no EUR-values	None exist	Picks specific examples which to phase-out until 2030
Germany	Comprehensive list of subsidies (w/o differentiation of ffs and other subsidies); incl. EUR-values	None exist	For some phase-out until 2030; others ongoing
Ireland	Good description of direct and indirect subsidies; with EUR-values (table only on direct subsidies)	Phase-out ongoing (some social subsidies ongoing)	Exist but no phase-out mentioned
Italy	Good description with table; EUR values included	None exist	Exist but no phase-out date mentioned; but process announced
Latvia	Good description with table; only total EUR value included	Phase-out by 2028	Exist, phase-out announced by 2030
Luxembourg	Limited description; no table; no EUR value included	Phase-out by 2024	Unclear
Netherlands	Limited description; no table; no EUR value included	None exist	Exist; picks examples e.g., energy tax benefits will be phased out in the next few years
Spain	Limited description with table; no EUR value included	Unclear	Unclear but process announced
Sweden	Limited description; no table; no EUR value included	None exist	Unclear and no phase-out date mentioned
Sources	Based on NECPs	Based on NECPs	Based on NECPs

Source: ECNO based on the final NECPs.

Annex 1. Member State’s targets, contributions, and projections for climate action

The EU has underlying key climate and energy targets, which are designed to ensure that the EU can reach the 2030 target of reducing its net GHG emissions by 55% compared to 1990. This includes:

- (1) reducing the GHG emissions covered under the Effort Sharing Regulation (ESR, Regulation 2018/482) by 40% below 2005 levels,**
- (2) increasing natural sinks to 310Mt CO_{2e} by 2030 as outlined in the Land Use, Land Use Change and Forestry Regulation (LULUCF-R, Regulation 2018/841),**
- (3) increasing the share of renewable energies to at least 42.5%, aiming for 45% as outlined in the Renewable Energy Directive (RED, Directive 2018/2001),**
- (4) reducing final and primary energy consumption to at least 763 Mtoe and 992.5 Mtoe as outlined in the Energy Efficiency Directive (EED, Directive 2023/1791), and**
- (5) phasing out fossil fuel subsidies immediately in line with its international commitment under the Glasgow Climate Pact and recalled in the 8th Environmental Action Programme.**

EU Member States must contribute to reaching the targets and the objective to phase out fossil fuel subsidies (see Table 1).

Table 7: Overview on Member States climate and energy targets and contributions

Member States targets	
ESR GHG emissions	Mandatory target: ESR, Annex I
Natural sinks	Mandatory target: LULUCF Regulation, Annex IIa
Renewable energies	Contribution according to RED (Art. 3) and formula in GovReg (Annex II)
Primary energy consumption Final energy consumption	Contribution according to EED (Art. 4) and formula in EED (Annex I)
Fossil fuel subsidies	No mandatory target; recommendation from the 8th EAP

Abbreviations: ESR = Effort Sharing Regulation; GHG = greenhouse gas; LULUCF = land use, land use change and forestry; RES = Renewable Energy Sources; RED= Renewable Energy Directive; GovReg: Governance Regulation; EED: Energy Efficiency Directive

Accordingly, the EU laws ask Member States to present related information in their NECPs including:

- a) **their targets and contributions, in the form of stating the national ESR and LULUCF targets and setting own contributions for renewables and energy consumption;**
- b) **projections towards 2030, which outline the impacts of the policy mix with existing and additional policies on GHG emissions and removals, the fuel mix, and on energy consumption, amongst others; and**
- c) **existing fossil fuel subsidies and the respective phase-out dates.**

Table 2 shows which information must be in the NECP in which section.

Table 8: Information to be included in the NECPs

Topic	Chapter in the NECP
Targets and contributions <ul style="list-style-type: none"> • ESR emissions • Natural sinks • Renewables • Energy efficiency 	Chapter 2 <ul style="list-style-type: none"> • Chapter 2.1.1 • Chapter 2.1.1 • Chapter 2.1.2 • Chapter 2.2
Projections: with existing measures (WEM) <ul style="list-style-type: none"> • ESR emissions • Natural sinks • Renewables • Energy efficiency 	Chapter 4 <ul style="list-style-type: none"> • Chapter 4.2 • Chapter 4.2 • Chapter 4.2 • Chapter 4.3
Projections: with additional measures (WAM) <ul style="list-style-type: none"> • ESR emissions • Natural sinks • Renewables • Energy efficiency 	Chapter 5.1 <ul style="list-style-type: none"> • Chapter 5.1 • Chapter 5.1 • Chapter 5.1 • Chapter 5.1
Fossil fuel subsidies	Chapter 3.1.3. iv.

Abbreviations: ESR = Effort Sharing Regulation

Many other essential laws, such as the Emissions Trading System (ETS) or specific product standards for energy using products or vehicles, establish rules and procedures across the EU that do not require separate targets by Member States.



Annex 2. Approach

- a. Calculation of the gap for ESR emissions, natural sinks, renewables and energy consumption

The gap for the ESR and LULUCF targets, as well as for the RED and EED contributions is calculated for two different aspects. Thereby (a) the **gap in the national contribution to the EU target** shows if the contribution of the Member State is sufficient in the context of the EU law; (b) the **gap in the policy mix to achieve the required contribution** shows if the Member State has an adequate policy mix in the planning to reach their targets/contributions as laid out in EU law:

- a) a **contribution gap** is calculated as follows:

$$g_c = C_{necp} - C_{req}$$

with g_c = contribution gap; C_{req} = target or required contribution according to EU law; C_{necp} = reported target or contribution in NECP, and

- b) a **policy gap** is calculated as follows:

$$g_p = P_{necp} - C_{req}$$

with g_p = policy gap; C_{req} = target or required contribution according to EU law; P = reported outcome of policy projections in the NECP for additional measures (WAM). If no WAM projection is available or data is not displayed in the NECP, the projections with existing measures (WEM) are considered.

Where there are differences in the WAM projections, such as ‘average growth’ vs. ‘low growth’ (e.g., reported by France) or ‘with imported green hydrogen’ or ‘with imported fossil-based hydrogen’ (e.g., reported by Germany), the one that provides the more optimistic results is used.

- b. Definition of the contribution gap for the phase-out of fossil fuel subsidies

The assessment uses information from the NECPs only, which means it relies on the available data in the NECPs and does not include an analysis if the information on fossil fuel subsidies is comprehensive and correct.

The information is assessed separately for direct subsidies (e.g., direct public funds going to fossil fuels) and indirect subsidies (e.g., tax benefits and relieves going directly or

indirectly to fossil fuels). It is then used to classify the phase-out of fossil fuel subsidies into the following four categories (see Table 3).

Table 9: Categories for classifying the fossil fuel phase-out plans of Member States

Category	Description
Done	Already phased out and/or planned until 2025
Until 2030	Phase-out planned later than 2025 but until 2030
Incomplete	Phase-out planned for some subsidies until 2030 but not for all
Not mentioned	Phase-out not planned or not mentioned for any of the given subsidies, or no specific subsidies mentioned at all.

Source: own classification.

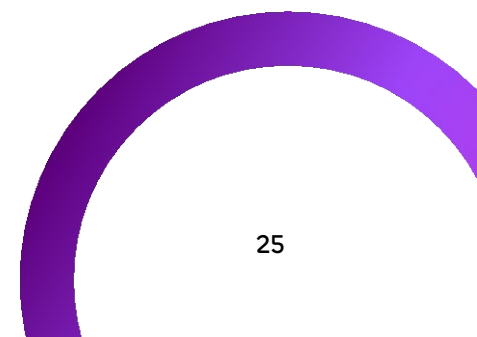


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