ADVOCACY BRIEF

CAN Europe's top-6 priorities on the revision of the Governance Regulation

September 2026

1. Keep binding targets for climate and energy in the post-2030 architecture

In the post-2030 framework, **binding EU-wide targets** for 2040 should be set for GHG emissions reduction – separating gross reductions from LULUCF sequestration and permanent industrial removals – as well as for energy – for both renewable energy and energy efficiency.

Any revision of the EU climate and energy governance framework, including the revision of the Governance Regulation, should work towards this target architecture. This is especially relevant for the energy efficiency target: a target based on energy consumption should remain as a cornerstone of the post-2030 framework. At the same time, the framework should be strengthened to drive renewables-based electrification across sectors. An electrification target could be a useful addition, but should not be considered in isolation. A stronger framework for renewables-based electrification must complement, and be underpinned by, ambitious regulatory frameworks for renewables and energy efficiency.

The post-2030 architecture should also foresee post-2030 binding targets **at the national level,** in the Governance Regulation or in other EU legislation. Member States should also set their national climate neutrality target, and the Governance Regulation should require them to develop sectoral pathways for each economic sector. Existing national contributions for renewables and energy efficiency should turn into binding targets.

2. Improve the governance framework: include fossil phase-out, their subsidies, and just transition

To improve the existing climate and energy governance, the revised Governance Regulation should introduce credible frameworks for fossil fuels phase-out and just transition.

The revised Governance Regulation should foresee clear, credible **commitments to phase out fossil fuels** both at the EU and national levels. Specifically, it should:

- ➔ (i) commit Member States to clear fossil fuel phase-out pathways across sectors, and notably for fossil gas (in line with a comprehensive Fossil Gas Exit Strategy);
- ➔ (ii) foresee a more stringent fossil fuel subsidy framework — with a harmonised EU-wide definition (covering implicit subsidies), mandatory reporting, and clear phase-out deadlines and enforcement;
- ➔ (iii) ensure that commitments on methane (from the Methane Strategy and the EU Methane Emissions Regulation) are duly embedded in the framework.

The same applies to **just transition**, which should be further embedded into climate and energy governance. If the current Energy Union dimensions are revised, just transition could feature as a standalone objective or as a cross-cutting priority.

In addition, the Regulation should require NECPs to include:

- ➔ (i) clear just transition objectives (e.g. KPIs) with dedicated just transition policies and measures, and adequate funding;
- ➔ (ii) distributional and socio-economic impact assessments of other climate and energy measures (with gender-disaggregated data).

3. Improve NECPs – but keep targets, PAMs and scenarios at their core

While the **structure of NECPs** will likely be updated, it must preserve three core features:

- ➔ Binding national targets for climate and energy, to provide long-term direction and investment certainty;
- ➔ Detailed policies and measures (PAMs) with clear implementation timelines, quantified climate and socio-economic impacts and funding needs;
- ➔ Scenarios with-existing measures and with-additional-measures (WEM/WAM), which show whether and how the national policy mix actually reaches the targets, providing visibility on potential delivery gaps.

That said, the NECP template needs substantial **improvements**.

- ➔ For PAMs, more quantitative estimates should be provided, covering implementation timeline and status, financing needs and sources, and expected quantitative impact.
- ➔ WEM and WAM scenarios, currently with varied quality and comparability, should be based on EU-wide, standardised methodologies (with technical support from the Commission where needed).
- ➔ Finally, while NECPs should not be turned from a compliance tool into an investment plan only, the template should be adjusted to reinforce investability: providing quantitative information on investment needs and financing sources should be binding, both at a plan-level (substituting the current narrative sections) and at a PAMs-level.

Also, NECP chapters should be **reorganised per sector**, to reduce fragmentation within the template (i.e. merging sectoral objectives, projections and related measures under sectoral chapters), and improve integration with other strategies or planning tools.

4. Streamline NECP planning and reporting with KPIs, but do not fall into deregulation

Overall, streamlining of burdensome and partially duplicating planning and reporting cycles is welcome. The introduction of a single set of **key performance indicators (KPIs)** framework can bring genuine simplification benefits, cutting duplication across planning, monitoring and reporting, improving standardisation and comparability between Member States, allowing earlier identification of bottlenecks and course-correction, and reinforcing the integration with EU economic governance.

However, **streamlining should not become an excuse for deregulation**.

- ➔ KPIs should not replace any binding targets under the current and future governance framework.
- ➔ The scope of KPIs reporting should be limited to NECP policies and measures, and should remain procedurally distinct from annual greenhouse gas inventory reporting (Article 26). The latter must remain annual and untouched, as the primary data source for monitoring compliance with national climate targets and UNFCCC commitments.

Also, a KPI-based approach would pave the way for a more dynamic/modular planning and reporting system. This system must:

➔ Remain consistent with the **progression principle** (currently under Article 14(3)): any update that would weaken the overall ambition of the plan must be automatically inadmissible. And finally, it must

➔ Retain the **two-step planning cycle** (i.e. draft and final plans) rather than moving to a single submission: this approach demonstrably raises ambition and is the main window of opportunity for public participation.

5. Improve public participation processes

In past NECP cycles, public participation processes were deemed largely inadequate across EU Member States. Public participation provisions should be significantly strengthened (rather than weakened) in the revision of the Regulation.

Specifically, **Article 10 should be reinforced** to offer additional procedural guarantees. Public participation must take place before the WEM and WAM scenarios are elaborated (to ensure "all options are still open", as required by the Aarhus Convention), and the NECP template should carry detailed reporting requirements on how Aarhus Convention safeguards are upheld. As an additional safety-net measure, the Commission should develop a guidance document for whatever the legislation leaves unaddressed, setting out what Aarhus requires when preparing or revising a plan and sharing best practices.

Multilevel Climate and Energy Dialogues (MCEDs, Article 11) must remain legally distinct from public consultation processes, as they serve a different purpose: rather than taking place occasionally and being open to everyone, MCEDs are a more stable structure gathering stakeholders involved in preparing and implementing the plans. Article 11 should be strengthened to establish the MCEDs as a permanent, recurring structure whose role extends beyond drafting the NECP to its implementation. Targeted guidance and capacity building would help establish and sustain them.

6. Strengthen compliance and enforcement

The absence of **binding consequences for non-compliance** is a structural weakness of the current Regulation. During the 2023–24 NECP cycle, Commission recommendations were largely ignored, plans were submitted after the legal deadline with little consequences, and the gap-filling mechanism under Article 32 was left unused. The revision of the Governance Regulation should address this to avoid reproducing the same weaknesses in the next cycle. Specifically:

Delivery gap: where a Member State is off-track to meet a national target or contribution, the delivery gap-filling mechanism (Article 32 of the Governance Regulation) and the ESR corrective-action plans (Article 8 of the Effort-Sharing Regulation) should be kept and reinforced, backed by financial consequences (e.g. increasing the share of climate spending earmarked in national spending plans) and the possibility for the Commission to initiate infringement proceedings for breaching EU law. On the other hand, in case of KPIs underperformance, the consequences should run through the EU Economic Governance and related spending plans — e.g. by directing a greater share of those plans towards climate action. It should remain distinct from compliance towards binding targets.

Ambition gap: the Regulation should introduce stricter corrective measures for NECPs lacking ambition, on top of existing ones operating at Union level (Article 31 of the Governance Regulation). To begin with, it should introduce a formal Commission Decision evaluating each NECP. Where a Member State delivers poor NECPs (i.e. ambition gap), the Regulation should foresee infringement proceedings (which have so far only been adopted for flagrant procedural misconducts) as well as the possibility for NECPs to be challenged before national courts – in accordance with the requirements of Articles 9(2) and 9(3) of the Aarhus Convention.

This advocacy briefing has been developed on the basis of CAN Europe's position papers and briefings related to the post-2030 climate and energy framework and the revision of the Governance Regulation. You can find more detailed information below:

- *Position paper, January 2026: General principles that should be followed when revising the Governance Regulation*
- *Position paper, March 2026: The revision of the Governance Regulation: support for an ambitious and solid post-2030 energy framework*
- *Position paper, June 2026: Post-2030 Climate Policy Framework*
- *Policy briefing, June 2026: Policy options for future-proof NECPs – Recommendations from the national level ahead of the revision of the Governance Regulation*

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