Policy consistency: What it means, how to measure it, and links with other processes

Considerations on the implementation of the EU Climate Law

Policy paper

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Key insights and recommendations

- **New power tools for climate mainstreaming!** The European Climate Law (EUCL) requires the European Commission to assess the consistency of existing EU and national policies with the 2050 climate neutrality goal. The first assessment is due by the end of September 2023.
- **A comprehensive look at the European Green Deal:** The spirit of the legislators implies that the consistency assessment should take a 'whole economy' perspective, identifying gaps and contradictions in EU policymaking—even if the law is not specific on this.
- **Bring forward the 2050 modelling update**: Information on the pathway to net zero is crucial input to assessing policy consistency, but the latest update from 2020 is outdated. The next iteration must be brought forward so that the assessments can be based on the most up-to-date information.
- **Develop a framework of net zero indicators:** The Commission should put in place an integrated methodology across EU climate monitoring processes to anticipate and measure structural changes needed for the transition. This could also be used for the EUCL consistency assessments.
- **Open the process for input:** The Commission should enhance transparency, communicate on the suggested methodology for the assessments, and provide opportunities for consultation and input.
- **Assessments every two years:** There are many connections with other relevant processes, but the sequencing needs to be improved. The next set of updates to national planning (NECPs) and the next EU policy package would benefit from fresh insights from the consistency assessments—a second assessment in 2028 is too late for this.

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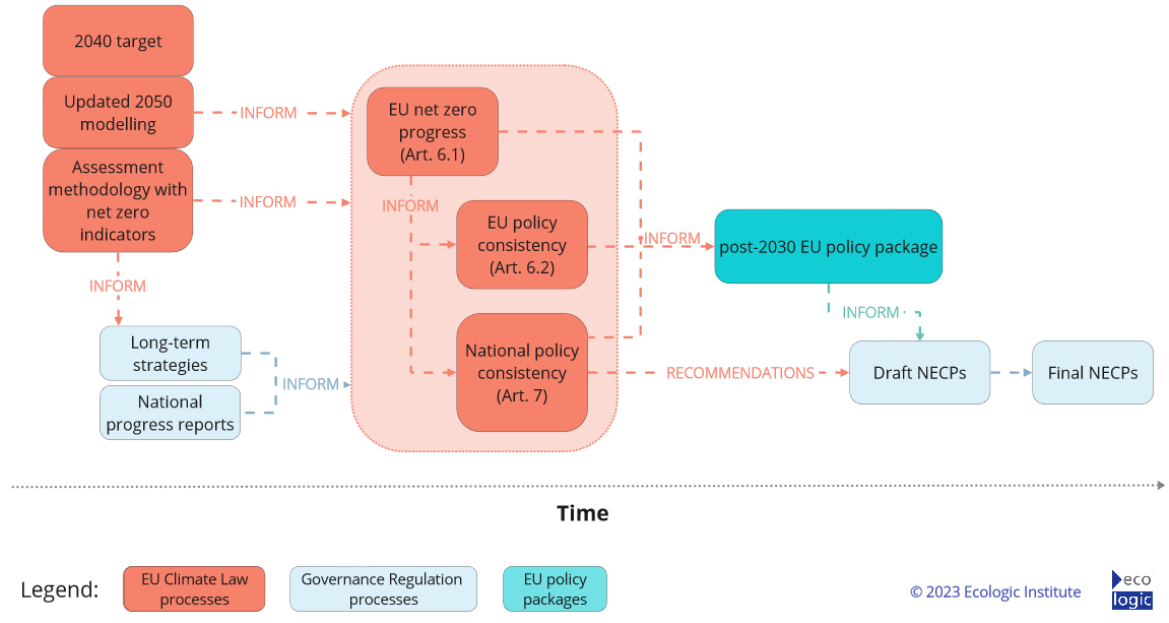
VISUAL: proposed future sequencing for policy consistency assessments and related processes



1. Introduction

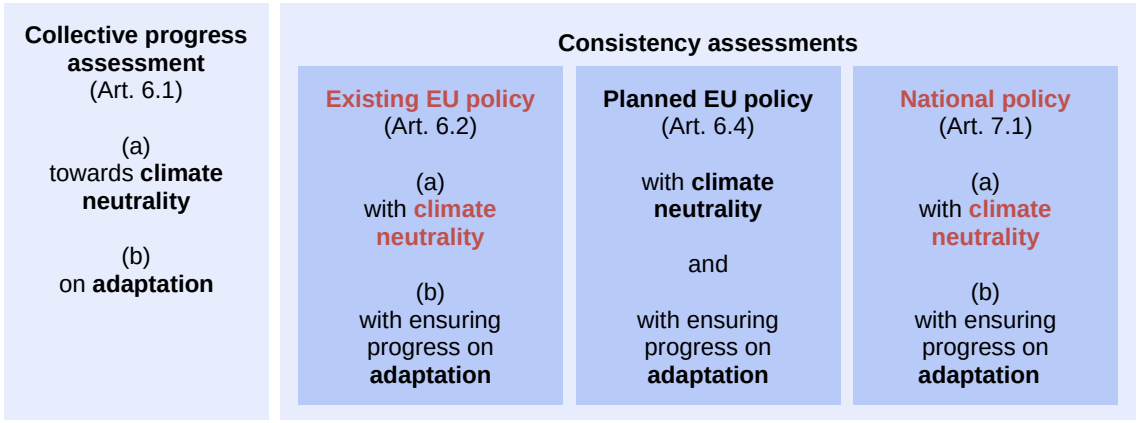
1.1. Policy consistency and the EU Climate Law

A new mechanism to assess the net zero fitness of EU and national policies

The EU Climate Law (EUCL)[1], adopted in the summer of 2021, represents a major step in EU climate governance. It makes the long-term goal of climate neutrality by 2050 at the latest (and net negative emissions thereafter) legally binding, lays down interim targets for 2030, and establishes a process for setting a 2040 target. With the adoption of the EUCL, EU climate policy has been given an overarching roof that spans the whole economy and provides guidance to future policymaking in all relevant areas. It complements and integrates with procedures for planning, reporting, and monitoring national actions in the Governance Regulation (GovReg) of 2018.[2]

The EUCL introduces an array of new mechanisms intended to help ensure the achievement of its headline target. Arguably the **most prominent innovation** is the **European Scientific Advisory Board on Climate Change** (Art. 3), a new expert body to inform and monitor EU policymaking. However, there are other less well-known additions to the climate policy toolbox in the law. These include notably several **regular assessments** that the EU Commission has to carry out every five years: a collective progress check, analysis of the consistency of EU and Member State policies with the climate neutrality goal (Art. 6.2 and 7.1, respectively) as well as incorporating the net zero emissions as a benchmark into the impact assessments of planned EU policies (Art. 6.4) — see Figure 1 below for illustration. The three types of consistency checks are also required for climate adaptation. The first set of these assessments are due by the end of September 2023. If 'inconsistencies' are found the Commission is obliged to 'take the necessary measures' (Art. 6.3).

Figure 1: Monitoring assessments established by the EUCL



Source: Ecologic Institute, own illustration; note: red denotes the primary focus of this paper

[1] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law'). *OJ L 243, 9.7.2021, p. 1-17*

[2] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council. ('Governance Regulation'). *OJ L 328, 21.12.2018, p. 1-77*

In this paper, we focus primarily on the assessments of *net-zero emissions consistency relating to existing EU and national policies*—i.e., Articles 6.2 (a) and 7.1 (a) of the EUCL, respectively, and marked in red in Figure 1.

The strength of the new consistency assessments remains to be seen

The assessments hold significant potential to ensure that EU and national policies put Europe on a path towards a net zero economy. At best, the new consistency mechanism could provide a robust, systematic check for the alignment of EU policies with climate neutrality, identifying counter-productive policies and gaps — and offering solutions. Depending on its scope, it thus **could serve as a litmus test for the climate fitness of EU policy** at large.

Still, it remains to be seen how it will function in practice. The EUCL contains no definition of consistency and little detail on the methodology that the Commission should apply. While the European Advisory Board on Climate Change, has announced its intention to provide an input,[3] deciding how to implement the provisions in the EUCL is left up to the Commission, which has not published details on its thinking as per the beginning of 2023.

1.2. Objective and structure of this paper

This policy paper aims to inform discussions about the Commission's new consistency assessments by providing an overview of what policy consistency means and how to assess it. We begin by diving into the specifics of how consistency is elaborated in the European Climate Law and discuss the details (and lack thereof) of the scope and methodology of the Commission's new assessments (section 2). Next, we reflect on how policy consistency is understood in academic and policy circles and place this in the context of the provisions in the EUCL (section 3). Finally, in an effort to spark further discussion on effective implementation, we include general remarks on how the Commission's policy consistency checks could be operationalised and how they interact with other relevant processes (section 4), before concluding with key insights and recommendations (section 5).

2. Policy consistency in the EUCL – what exactly does the law say?

The language of the EUCL provides only limited detail on how the consistency assessment should be implemented in practice. In this section, we detail what the law says about the

- *scope*, i.e., what is covered in the consistency assessment, such as sectors and policies fields;
- *methodology*, i.e., the approach the Commission must take to evaluate any given policy, including but not limited to how the net zero benchmark is operationalised and the form of analysis, and
- *process*, i.e., how the consistency check is implemented, who is involved and within what timeframe.

[3] Work Programme for 2023 of the EU Scientific Advisory Board on Climate Change, available at https://www.eea.europa.eu/about-us/climate-advisory-board/2023-work-programme-of-the/view – last accessed on 03 February 2023.

In the initial Commission proposal for a climate law published in March of 2020, policy consistency appears to serve a foundational role.[4] It is mentioned at length in the introduction, which states that one important reason for the law is to complement the existing monitoring framework with a regular assessment of the fitness of EU policies for the net zero goal.

The rationale in the proposal references the conclusions by EU heads of state or government at the December 2019 European Council, which are interpreted as a mandate that underpins the assessments in the EUCL.

> *'All relevant EU legislation and policies need to be consistent with, and contribute to, the fulfilment of the climate neutrality objective while respecting a level playing field. The European Council invites the Commission to examine whether this requires an adjustment of the existing rules (…).'* [5]

The EUCL proposal also refers to the Commission's communication on the European Green Deal, which highlights the need for all EU actions and policies to 'pull together' to help achieve climate neutrality.

Against this background, the preamble of the law in its adopted form underscores the importance of assessing consistency on three separate occasions:

- Recital 25 references said Council conclusions of 12 December 2019, and their mandate
- Recital 36 points out that when 'Union measures' are found to be '*inconsistent* with the climate-neutrality objective' the Commission should take the 'necessary measures in accordance with the Treaties'. Similarly, for Member State measures the Commission should 'issue recommendations'.
- Recital 39 states that the assessments for consistency should 'build upon and be consistent' with the GovReg and consider 'all five dimensions of the Energy Union'.

These serve to highlight the novelty of the new mechanism and position policy consistency as a guiding principle of the EUCL.

2.1. Scope

The scope of the consistency assessments is outlined in Articles 6 and 7 of the EUCL. For existing EU policies (here called measures) Article 6.2 (a) states:

> *'the Commission shall review: (a) the consistency of **Union measures** with the climate-neutrality objective set out in Article 2(1)'* [6]

For existing national policies, the relevant text is found in Article 7.1 (a):

> *'the Commission shall assess: (a) the consistency of **national measures identified […] as relevant** for the achievement of the climate-neutrality objective set out in Article 2(1)'*

An initial observation is that the scope of the consistency check for 'Union measures' could be interpreted as broader than the assessment of 'relevant' Member State policies. Relevant

[4] 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'), COM(2020) 80 final (2020).

[5] European Council Conclusions – 12 December 2019, EUCO 29/19, available online at https://www.consilium.europa.eu/media/41768/12-euco-final-conclusions-en.pdf – last accessed 03 February 2023.

[6] The text of the law refers to first mechanism for Union measures as a 'review' but later in the same article references the resulting 'assessment'. This leads us to conclude that the EUCL is using the two terms interchangeably.

national policies are to be identified 'on the basis of' submissions required under the GovReg, which includes national energy and climate plans (NECPs), national long-term strategies (nLTSs), and national biennial reporting (Art. 7.1(a)). Consequently, the consistency check at the Member State level may be limited to climate and energy policy (and related sectoral policies) as well as their expected socio-economic impacts and links to other national planning. In other words, much depends on the contents and level of detail of the underlying national submissions.

For existing EU policies, the term 'Union measures' is not defined and importantly is not limited to provisions designed solely for the attainment of climate objectives. The broad scope covered by **'Union measures' means** that **any policy with a non-negligible direct or indirect impact on emissions or removals**, such as the Common Agricultural Policy (CAP) or fossil fuel subsidies and other public finance flows are fair game. The wording alone also leaves the door open for the Commission to assess the consistency of not only sectoral but also cross-cutting and horizontal policies, such as policies targeting behavioural change, technology deployment, and infrastructure.[7]

It is important to note that the third check for consistency of future EU policies (not of principal focus for this paper) is the clearest in terms of what it covers. Article 6.4 states:

> *'the Commission shall assess the consistency of **any draft measure or legislative proposal, including budgetary proposals**, with the climate-neutrality objective set out in Article 2(1) and the Union 2030 and 2040 climate targets before adoption'*

Aside from the wording in the body of the law, Recital 39 provides some further clarification on the scope of the policy consistency in the EUCL, stating that these should account for 'all five dimensions of the Energy Union', which are energy security, the internal energy market, energy efficiency, decarbonisation of the economy and research, innovation, and competitiveness.

Nevertheless, key decision points for the Commission are: *what counts under 'Union measures'* and *how wide a net will be cast to identify 'relevant' Member State policies?* For example, will the assessment distinguish by sector, by Directorate-General (DG) or will it use another approach altogether? Will cross-cutting issues, such as policies addressing finance or Just Transition, be assessed? And will policies that require implementation at the national level count as 'Union measures'?

2.2. Methodology

The EUCL does not provide much detail regarding an assessment methodology. Nonetheless, the law does provide some guidance on key questions, such as the benchmark against which the consistency of policies is compared and what information should be drawn on to measure this. Most of this is contained in Article 8, which applies to all the law's monitoring mechanisms equally (see Figure 1).

Benchmark

In terms of what consistency would be measured against, the law clearly establishes the headline 2050 climate neutrality objective as a guidepost. This goal is defined in Article 2.1 as

[7] An amendment introduced by the European Parliament in its first reading attempted to provide more clarity on the scope: 'Union measures *and policies, including sectoral legislation, the Union's external action and the Union's budget'* (italics signify added wording). However, this did not make it into the final law.

a balance of Union-wide greenhouse gas (GHG) emissions by 2050 and GHG removal and is expanded by the aim to achieve 'negative emissions thereafter'. More explicitly, both the progress check and the consistency assessments are to be based on:

> *'**an indicative, linear trajectory** which sets out the pathway for the reduction of net emissions at Union level and **which links the Union 2030 climate target referred to in Article 4(1), the Union 2040 climate target, when adopted, and the climate-neutrality objective** set out in Article 2(1)*' (Art. 8.1)

The use of an indicative, linear trajectory with clear milestone years can be viewed as both a strength and weakness of the methodology. On the one hand, using a trajectory as a benchmark means that policies must be consistent with a direct *pathway* to climate neutrality not only with a net zero future in 2050. This approach could reveal insights about the consistency of a given policy (mix) over time.

On the other hand, a *linear* trajectory does not fully account for the underlying dynamics or shape of the curve under the trendline nor does it consider the accumulated total emissions or budget for a given timeframe. Even more importantly, an EU level trajectory by itself is insufficient as a means of measuring the consistency of individual policies. On its own, the reference to the trajectory only provides very general guidance and needs further specification and breaking down to at least sectoral level if not further (see section 4 for more detail on operationalisation and methodology).

Sources of information

With regard to underlying data and information, the law lists a number of possible inputs in Article 8.3, including information submitted and reported under the GovReg; reports and general support by the EEA, the European Scientific Advisory Board on Climate Change and the Commission's Joint Research Centre; European and global statistics and data, such as from the European Earth Observation Programme, Copernicus, and finally data on impacts and estimates on the costs of inaction or delayed action, where available.

Article 8.3 further stipulates that the assessments should be based on the best available and most recent scientific evidence, including the latest reports of the International Panel on Climate Change (IPCC), of the International Panel on Biodiversity and Endangered Species (IPBES) and other international scientific bodies; as well as supplementary information on environmentally sustainable investment by the Union or by Member States, including those in the EU's Sustainable Investment Taxonomy.

The overview of methodology and sources reveals the absence of an existing analytical framework and respective indicator set that could inform the climate neutrality progress and consistency assessments. Notably, the law does not include the formal obligation to develop one. It remains to be determined, especially for the Member State level, whether these sources of information contain sufficient detail to allow for robust assessment. Past analysis suggests that the first round of national mid- and long-term planning processes has a number of weaknesses (Duwe et al., 2019; Velten et al., 2022).

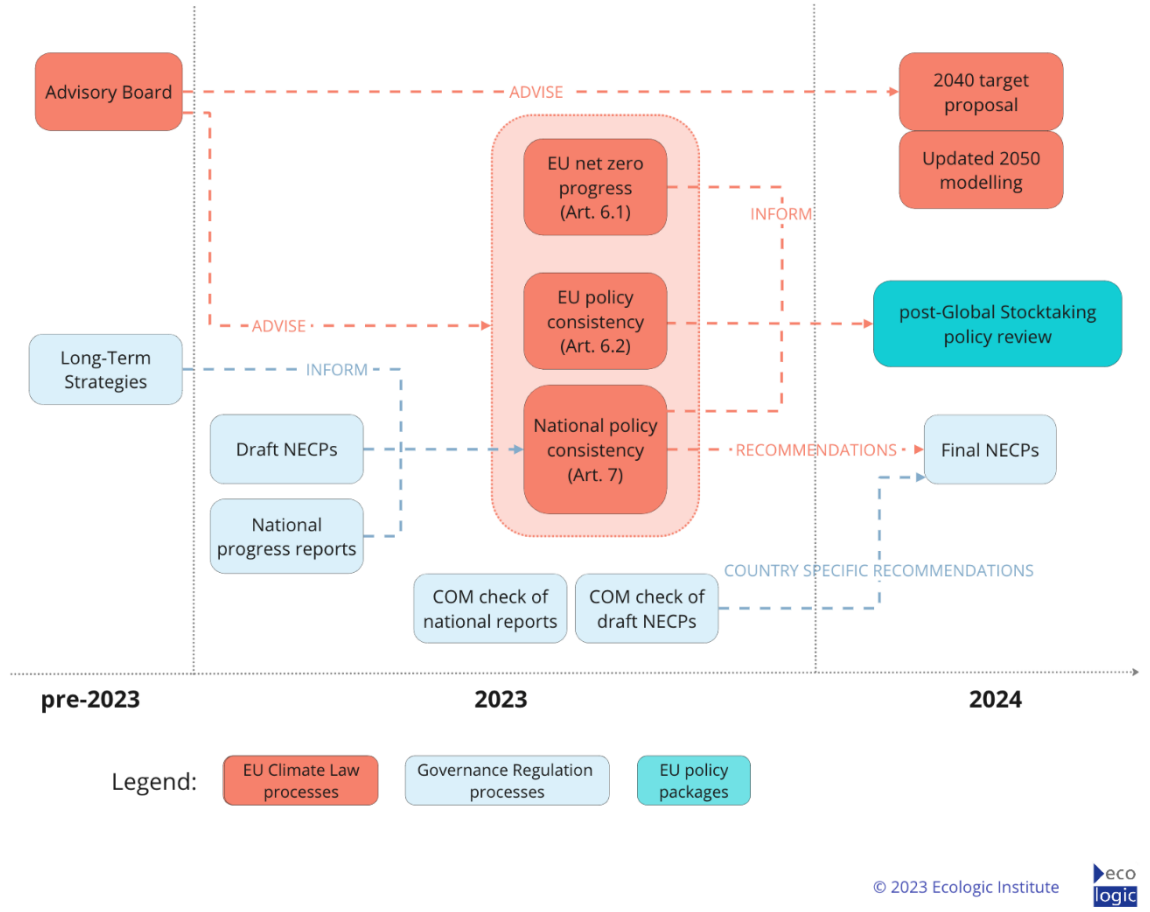
2.3. Process

The consistency assessment and other monitoring mechanisms under the EUCL as well as their foreseen inputs and outputs are summarised visually in Figure 2. The first key point on process is that all new assessments and associated reporting (including for collective progress) operate on a regular five-year cycle:

'*by 30 September 2023, and **every five years** thereafter*' (Art. 6.1, 6.2, and 7.1)

The Commission is required to submit the resulting reporting together with the State of the Energy Union report of that calendar year (in accordance with the GovReg) to the European Parliament and Council. In the case that 'inconsistent' policies are found, the Commission is required to 'take the necessary measures in accordance with the Treaties' (Art. 6.3).

Figure 2: Connections of EUCL assessments and related processes



Source: Ecologic Institute, own illustration

The process for the consistency assessment of existing Member State policies is described in somewhat more detail (this assessment is spelled out in a separate article). First, as for the EU policy consistency assessment, the Commission must submit the results with the State of the Energy Union report (Art. 7.1). Next, Articles 7.2 and 7.3 detail a procedure for issuing country-specific recommendations:

> *'Where the Commission finds, after due consideration of the collective progress assessed in accordance with Article 6(1), that a Member State's measures are inconsistent with the climate-neutrality objective set out in Article 2(1) […] **it may issue recommendations to that Member State**. The Commission shall make such recommendations publicly available'*

In a process similar to how the Commission issues recommendations on draft NECPs (in the GovReg), within six months after receiving feedback, Member States are supposed to notify the Commission if and how recommendations will be considered in revised national legislation (Art. 7.3(a)). Finally, countries are then required to explain how exactly they have

incorporated the Commission's recommendations in the next NECP submission after the recommendations were issued (Art. 7.3(b)). When a Member State decides not to address the Commission's recommendations, or any substantial part of them, it must outline its reasoning (Art. 7.3(b)).

Two observations are worth mentioning on process as they relate to the implementation of the consistency assessments in practice:

First, the cycle is structured such that the **Commission will undertake multiple reporting and evaluations simultaneously**. This has implications not only in terms of capacities but also for how the results will be communicated. There exist clear synergies between the different assessment mechanisms, and indeed, the Commission is supposed to consider the progress check *before* issuing country recommendations.

Second, the Commission *may* issue recommendations when it finds inconsistent national policies but does not *have to*, according to Article 7. Regarding Union measures, however, there is a **clear obligation on the Commission to act** ('it shall take the necessary measures in accordance with the Treaties') if inconsistencies are found or a lack of progress is identified (Art. 6.3).

It is interesting to note that the European Parliament in its position on the EUCL before adoption did not attempt to change the overall structure of the consistency assessments but tried to clarify the scope and methodology with numerous amendments.[8] Few of these were taken on board in the final agreement between the legislators. Perhaps most notably it attempted to change the schedule for the consistency assessments from five to every *two* years (Amendment 81). It also tried to introduce a dedicated check of consistency by the new advisory body (then 'European Climate Change Council', Amendment 76) as well as a separate article on the consistency of finance flows (Amendment 79), but these were also left out of the final law. The Parliament did, however, successfully introduce the concept of a new scientific advisory body into the law — and this Advisory Board is indeed planning to provide an input on the consistency assessments, according to its 2023 work programme (Figure 2).[9]

As explained in this section, the EUCL has little concrete guidance on the scope and methodology of the Commission's new task to assess the consistency of EU and national policies with climate neutrality. For this reason, it is not immediately clear what the term consistency actually means in the context of the EUCL, or at least there is much room left for interpretation. Bearing this in mind, in the following section, we explore the idea of policy consistency further with a brief review of existing literature on related concepts and relate this to how the term is framed in the EUCL and elsewhere in EU climate policy.

3. Conceptualising policy consistency

There are numerous different ways to think about policy consistency but no single, agreed-upon definition in the relevant literature (see e.g., Lenschow et al., 2018) or in EU policy documents. Moreover, there exists a large body of existing empirical research on similar topics, such as policy interaction, interplay, mix and integration, which all deal with the compatibility or conflicts between different policies and their respective objectives. In this

[8] Report on the 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) (COM(2020)0080 - C9-0077/2020 - 2020/0036(COD)) Committee on the Environment, Public Health and Food Safety Rapporteur: Jytte Guteland. A/2020/0162.

[9] See footnote 3.

section, we look at two of these interlinked concepts, specifically (1) policy *coherence* and (2) policy *integration* as well as the multi-dimensional nature of each. Understanding these related concepts will help us to further operationalise the EUCL's use of policy consistency subsequently in section 4.

3.1. Consistency vs. coherence

The term 'policy consistency' is often used interchangeably with 'policy coherence'—indeed, this is somewhat the case in the EUCL itself. Recital 36 notes: 'In line with the Commission's commitment to the principles on Better Law-Making, *coherence* of the Union instruments as regards greenhouse gas emission reductions should be sought'. This is then operationalised later in Article 6.2 as an assessment of *consistency* of European Union policies with the climate neutrality goal (refer to Figure 1).

However, the terms consistency and coherence can be distinguished, especially when it comes to assessing them in practice. **Policy coherence** is commonly understood as the existence or promotion of mutually reinforcing policies or objectives and the related governance synergies this produces (see e.g., Nilsson et al., 2012). In other words, **coherence not only means the absence of incompatible policies but also the existence of synergies and creation of positive interactions**.

On the other hand, policy consistency can be conceptualised as the absence of contradictions in a policy mix or neutral co-existence, in essence a sort of 'weak coherence' compared to 'strong coherence', which implies the existence of synergies between two policies (see e.g., Rogge & Reichardt, 2016). Another way to think about policy consistency is against a pre-set policy objective or target. In this way, consistency focuses explicitly on synergies and conflicts *with respect to a policy objective*. This seems also the case in the EUCL where policy consistency is more unidirectional. The EUCL frames consistency around whether a policy is aligned or misaligned with the objective of climate neutrality. In sum, **the EUCL consistency assessment may be best understood as a means to further policy coherence**, intentionally positioning the net zero objective as the overarching guiding principle or benchmark for EU policies and related governance processes in general.

This framing is also reflected by the 'coherent approach' to policy making found in the Commission's 'Better Regulation Guidelines', which were updated in November 2021 to account for the EUCL's consistency mechanism for future policies (Art. 6.4)—albeit not the focus of this paper.[10] While the Commission Guidelines do not offer explicit definitions, they describe coherence as an overarching principle that is ensured by 'checking consistency with high-level and long-term policy objectives', such as applying the 'do no significant harm' principle (p. 5).[11]

[10] Commission Staff Working Document SWD(2021)305 final, available online at https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en – last accessed 03 February 2023. Tool #36 on environmental impact includes questions that operationalise the 'do no significant harm' principle, mentioning climate neutrality: 'Does the policy have impact on any of the objectives of the European Green Deal?' and 'Are the options consistent with the objectives of the European Green Deal, including climate neutrality?'.

[11] In response to the Commission's guidelines the European Parliament adopted its own report (accessed 17 April 2023) on Better Regulation in July 2022, which called on the Commission to fully operationalise the EUCL ex ante consistency assessment for future impact assessments and provide a clear definition of the 'do no significant harm' principle.

3.2. Consistency and climate policy integration

Another way to think about consistency is through the lens of climate policy integration, or the incorporation of climate concerns into decision making in other policy fields (Kettner & Kletzan-Slamanig, 2020). The assessment of policy consistency in the EUCL, while novel in many respects, could be seen as a further step in a broader and long-standing trend of environmental (and more recently, climate) mainstreaming across different EU policy areas that began in the mid-1990s, e.g., the 'Cardiff Process' (see Figure 3 below) (EC, 2022).

Environmental policy integration was further realised procedurally within the Commission by the introduction of regulatory impact assessments (e.g., within the context of the EU Sustainable Development strategy), not to mention the growing proliferation of strategic plans and 'roadmaps' at EU level that sought to take a holistic, economy-wide approach to climate action (Jordan & Lenschow, 2008). *Climate* policy integration made initial gains in the late 2010s with the decarbonisation dimension of the Energy Union as well as in the EU's 'Better Regulation' agenda and the integration of climate and environmental indicators into the European Semester processes (Lenschow et al., 2018). The concrete pairing of climate and energy planning in the GovReg via the NECP and nLTS processes can be considered another instance of climate policy integration, to the extent that it has enhanced inter-ministerial coordination (Kettner & Kletzan-Slamanig, 2020).

Figure 3: Milestones for climate policy integration in the EU

Early promotion of environmental policy integration (EPI)	2013	2015	2018	2020
Integrated approach in the 4th Environmental Action Programme (1987-1992) *Article 6 of the EC Treaty (1997)* *'Cardiff Process' (1998)* *EU Sustainable Development Strategy and impact assessment framework (2001)*	**Multiannual Financial Framework 2014-2020** *'Climate mainstreaming' approach, via 20% set aside for climate-related expenditure*	**Energy Union** *Decarbonisation pillar places climate mitigation at top of economic agenda, implicit link of climate and energy*	**Governance Regulation** *Implementation of Energy Union via integrated energy and climate planning and reporting* *LTS development spurs government-wide coordination on climate*	**European Green Deal** *Climate neutrality as overarching framework (codified in the EUCL)* *Executive Vice-President appointed to implement*

Source: Ecologic Institute, own illustration

Arguably, the European Green Deal tabled by the Commission in late 2019, with the 2050 climate neutrality target at its centre, represents a consolidation of climate policy integration processes. EU climate governance has essentially expanded to encompass all other policy realms. In this sense, **the EUCL's policy consistency assessments could be viewed as a tool to assess the validity of the European Green Deal**, or, in other words, the degree and success of climate policy integration as an overarching project for EU policy.

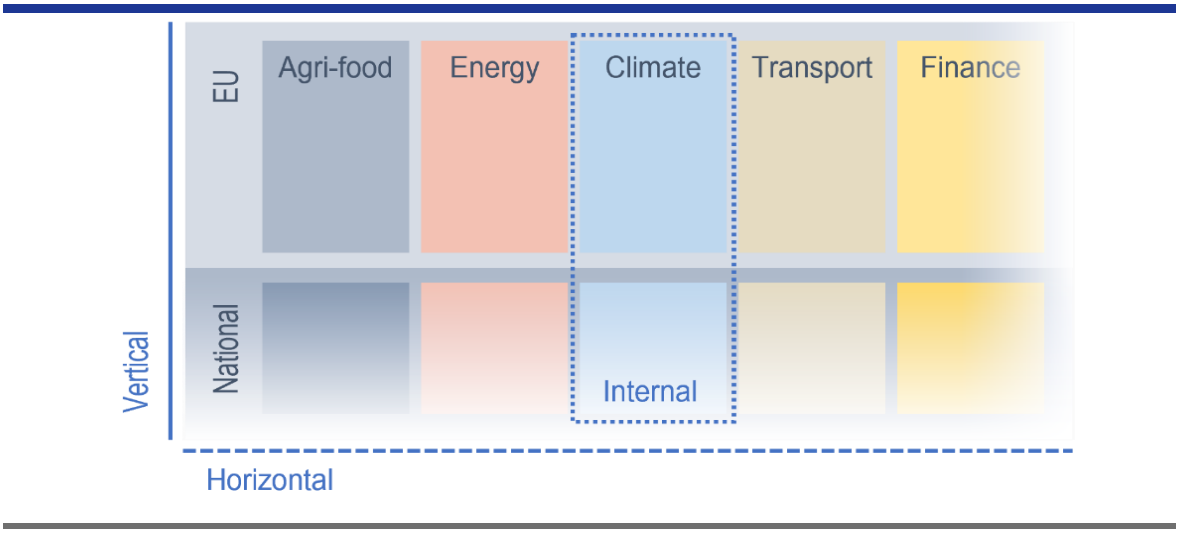
3.3. Horizontal, vertical, and internal dimensions

Research further distinguishes between horizontal and vertical policy coherence (Nilsson et al., 2012) and integration (Kivimaa & Mickwitz, 2009; Kurze & Lenschow, 2018) — a framework that could extend to discussions of consistency as well. The horizontal dimension refers to the alignment of policy objectives and outcomes across policy domains as well as

their interactions, such as economic sectors and cross-cutting domains like finance or innovation and technology. Vertical policy coherence considers questions of alignment between levels of governance, e.g., Member State and EU policy.

Next to the horizontal and vertical dimensions, a third 'internal' dimension of coherence has been described. Internal policy coherence takes one policy field and looks at whether the policies and objectives within it are mutually compatible, taking into account possible positive or negative interactions between policies (Eberl et al., 2021; EEA, 2016). Figure 4 below provides a simple illustration of these three dimensions for the EU. The policy fields and levels of governance extend well beyond those depicted for illustrative purposes in the figure.

Figure 4: Horizontal, vertical, and internal dimensions of policy coherence (and consistency)



Source: Ecologic Institute, own illustration

The **EUCL's assessment of consistency**, with its broad focus on 'Union measures' and both EU and national policy, at least on paper, **has elements of each dimension**. This is further explored in section 4.1.

3.4. Towards a working definition for policy consistency

In sum, the regular checks for policy consistency are best understood as a *means* to achieve both policy integration (as intended by the European Green Deal) and policy coherence (as per the Better Regulation Guidelines).

Table 1 below presents the relationship between the three concepts — coherence, integration, and consistency — across each of the dimensions in which they can be applied. The last row presents a working definition of policy consistency for each dimension.

Based on the related concepts of coherence and integration as well as on reflections on how the term is used in the EUCL, we now understand **policy consistency in the context of the EUCL as the degree to which a policy is compatible with or counter-productive to achieving the net zero emissions objective.** This means asking the same basic question for each policy: is the implementation of this policy bringing the EU economy closer to a credible path towards climate neutrality or farther away? Answering this question requires an in-depth understanding of what it takes to become climate neutral, and the underlying changes needed in and across economic sectors.

Table 1: A comparison of concepts – Policy coherence, integration, and consistency

	Horizontal	Vertical	Internal
Policy **coherence**	Are policy mixes and objectives compatible across policy domains (e.g., EU transport, energy, trade and foreign policy)?	Are policy mixes and objectives compatible across levels of governance (e.g., MS and EU)?	Are the policies compatible within a single policy domain? (e.g., interactions between the EU Emissions Trading System and other climate policies)
Policy **integration**	Is one policy domain incorporated in another (or broadly across all policy domains)? (e.g., combination of energy and climate planning in the NECPs)	Are the policies, policy priorities and objectives of one level of governance incorporated in another? (e.g., EU climate regulation translated at national level, such as minimal standards required by the Governance Regulation)	NA
Working definition for policy **consistency**	Is an EU-level policy compatible with the objective of a different policy domain? (e.g., is EU CAP in its current form aligned with the net-zero goal by 2050).	Are the policies, policy priorities and objectives of one level of governance compatible with the objectives set in another? (e.g., is each country's energy efficiency contribution aligned with the EU objective needed)	The degree of alignment between a policy and its objective or an overarching objective = *sufficiency*. (e.g., is the EU ETS cap set in line with the corresponding EU wide GHG emission reduction objective?)

4. Operationalising the consistency of 'Union measures' in Article 6.2 (a)

In this section, we provide some initial thoughts on how to operationalise the scope, methodology, and process of the EUCL's policy consistency assessment based on the definitions outlined in the literature and the language in the law itself. We narrow our focus in here to the assessment of 'Union measures' (i.e., Art. 6.2 (a)), but similar thinking could be applied to the assessment of national policies. Moreover, because EU policy is implemented at a Member State level, a check of Union measures will necessarily include some consideration of the multi-level dynamic.

4.1. Scope: What counts under 'Union measures'?

Because of the low level of specification in the EUCL, different approaches for the scope of the EU policy consistency check are conceivable. First, (1) at a minimum, the internal consistency of EU *climate* policy with the net zero objective would have to be assessed, i.e., the sufficiency of the existing EU climate policies (and for some, their implementation at national level) to reach the target.

However, the text of the law clearly suggests a broader approach, which could be at the least (2) to identify and evaluate inconsistent policies within and outside of the main EU climate policy mix. A more comprehensive (3) third approach would be to carry out a holistic assessment of the European Green Deal as an integrated, full-economy climate governance system, which would arguable be most in line with the spirit expressed by Member States. All three approaches and their implications are elaborated in the following segments and depicted in Figure 5 (separate page, below).

Narrow and limited: Assessing the 'sufficiency' of EU *climate* policies only

A limited approach to the consistency assessment would focus on the consistency of EU policies specifically aimed at reducing emissions or increasing GHG removal. Using our working definition of policy consistency defined above, this constitutes **an assessment of the**

internal consistency — or the sufficiency — **of EU *climate* policies**. Depending on the extent to which the assessment considers the implementation of EU policies at national level there may be a vertical component as well. Figure 5a shows a stylised and highly simplified illustration of this first approach, with the red solid and dotted lines indicating the limits of the assessment.

Checking for internal consistency would be a *very* narrow interpretation of the law and is arguably not in line with Article 6.2 on 'Union measures', which seems to address a wider scope. Such a limited scope could lead to a simple verdict. As it only considers whether the current system of EU climate policy is set up to achieve net zero, it could be argued that the assessment result is a clear yes, assuming effective implementation. In the same way, the system of increasingly more ambitious pledges under the Paris Agreement is in principle set up to achieve its long-term objectives but may fail if countries do not follow its spirit.

The simple conclusion that EU climate policy is set up to reach climate neutrality is flawed and would add no value. While the current system covers the path to 2030 quite explicitly, it is far less specific about what happens post-2030. At present, there is no differentiation between sectors, no clear delineation of reduction requirements between Member States, and no interim targets until the 2040 target is set. In short, there is little to measure consistency against. These are further reasons for a broader definition of the scope of 'Union measures'.

Slightly broader: Searching out inconsistent EU policies

Going a step further, policy consistency as outlined in the EUCL could be operationalised as a weak form of coherence—i.e., previously defined as the simple absence of contradictions between policy domains and levels of governance. In other words, this approach would check the **horizontal and internal consistency of EU policies with the net zero goal, but limit itself to a hunt for inconsistent policies.** Figure 5, Element B) depicts this approach and shows how the scope widens to include additional policy fields that fall outside what might be considered 'traditionally' climate-related—while still not employing a full economy perspective.

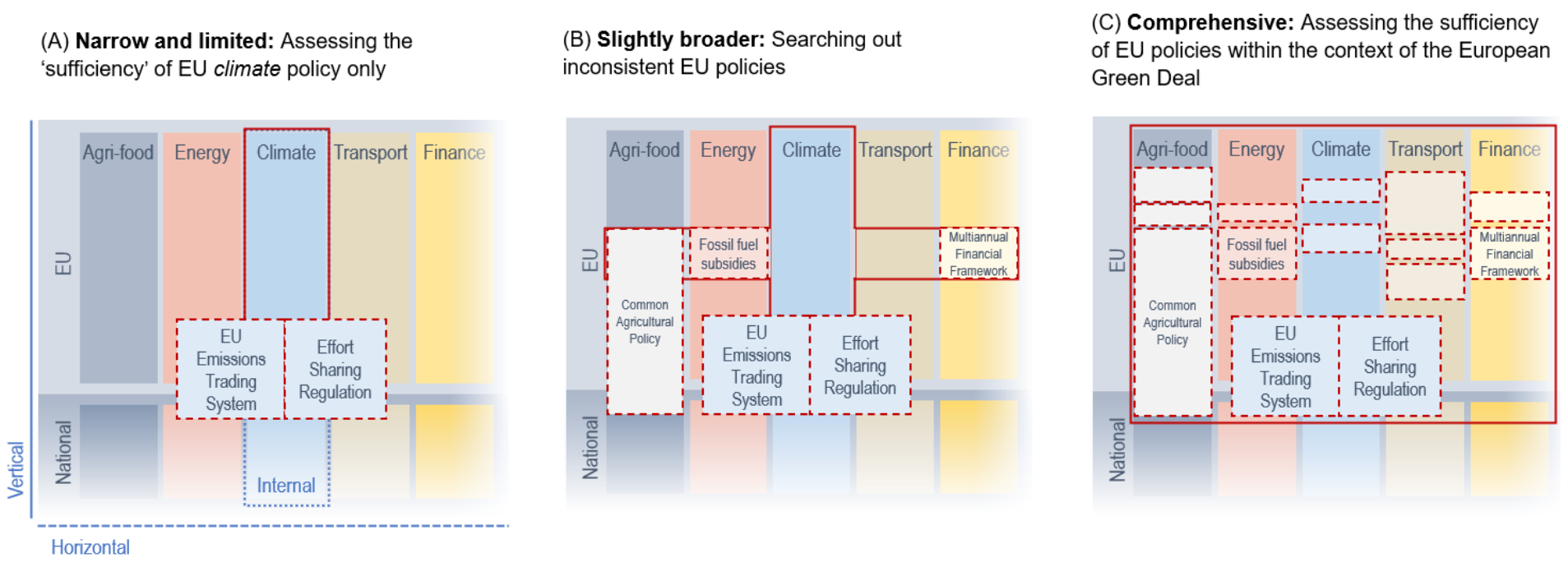
Taking this approach, the EUCL consistency check would probe for misaligned policies at EU level—essentially hunting down 'inconsistent' or conflicting policies, i.e., policies that either directly or indirectly increase emissions or hamper emission reductions or the GHG removal. It might focus on specific horizontal or sectoral issues where conflicts have arisen historically or where possible future challenges are foreseen in a targeted manner, thereby leaving the definition of 'Union measures' flexible.

Identifying counter-productive policies seems to be a core objective of the EUCL's consistency check. To function effectively the review should lead to the recognition that several sectoral or cross-cutting policies are incompatible with net zero, which are then in turn accompanied by legislative proposals or *at least* serve as priorities for reform. However, there is a risk that this approach would focus only on the 'usual suspects' or areas where the Commission is already aware of problems, and it would thus fail to cast a wide enough net.

Comprehensive: Assessing the sufficiency of EU policy within the context of the European Green Deal

A more comprehensive approach can provide a holistic assessment of whether the entire EU policy mix is sufficient to achieve net zero by 2050 at the latest. This entails a wide-reaching check for the **horizontal and internal consistency of all EU policies with the net zero goal**. Importantly, this includes not only policies meant to deliver the European Green Deal (i.e., the Fit For 55 package) but essentially all policies with a likely impact on emissions (see Figure 5c). This would require a full unpacking of sectoral contributions (or barriers) to the

Figure 5: Different approaches to the scope of the EUCL policy consistency assessment



Source: Ecologic Institute, own illustration

Note: Red solid and dotted lines indicate the limits of the scope of the assessment. Agriculture, energy, climate, transport, and finance were chosen for illustrative purposes and represent only a selection of possible relevant policy areas.

climate neutrality goal across all of EU policy. Furthermore, a broad approach would underpin the importance of looking beyond main sectors to consider cross-cutting issues, such as sustainable finance, innovation and technologies, and lifestyle changes.

As stated, the European Green Deal framework is an attempt to realise the complete integration of climate policy, effectively placing climate neutrality at the heart of all EU decision-making. If climate neutrality (and 'negative emissions thereafter', as per the EUCL) is to be taken seriously as the new guiding paradigm for EU policymaking, then the law's consistency assessment should be viewed as a mechanism to monitor the internal policy consistency of *all* EU measures. Here the consistency check has the widest scope possible and is essentially a test for the climate fitness of EU policy overall. This may furthermore be closest in line with the European Council Conclusions from 12 December 2019 calling for 'all relevant EU legislation and policies […] to be consistent with, and contribute to, the fulfilment of the climate neutrality objective'.

4.2. Methodology: How to check against the 'linear trajectory'?

There are many ways to check the consistency of EU policies with the path towards climate neutrality, and as mentioned, it is not yet fully clear what the Commission exercise will look like. In this section we offer some early thoughts on what approaches the Commission has at its disposal to implement the assessment, but we stop short of suggesting a full analytical framework.

To produce a comprehensive assessment two different approaches could be pursued in sequence or in parallel to inform each other:

1. A **top-down quantitative assessment** of the impact of the full or sectoral EU policy mix (depending on the scope, see section 4.1) measured against the linear trajectory or a sectoral contribution of it. This would provide a reading of the ability of the policy mix to deliver the target.
2. A **bottom-up assessment of individual policies** measured against the linear trajectory that shows quantitative GHG emission impacts (possibly supplemented by a qualitative assessment).

In the bottom-up assessment, policies need to be consistent on their own, requiring also a specific individual assessment, while the top-down full economy and/or sectoral approach includes balancing effects between policies. Both approaches are elaborated in more detail in the following.

Top-down: Assessment of the full (or sectoral) existing policy mix

This approach entails a calculation of the expected impact of the existing policy mix on GHG emission reductions and removals compared against a target-conforming trajectory over time. In practice this would mean a check of whether EU policies collectively 'add up' to climate neutrality in 2050 at the latest or another point on the trajectory, such as the -55% net GHG emission target in 2030. In this case, the consistency check is a modelling exercise for a scenario 'with existing measures' (WEM). Such a scenario, which assumes that the current set of policies are kept in place, but no new ones are added, is a common feature in EU climate progress monitoring. Member States need to provide WEM scenarios on a regular basis, alongside scenarios 'with additional measures' (WAM), which amount to projections of future emissions up at least 25 years into the future. At the EU level, similar efforts to model the future based on current policy are the so-called Reference Scenarios.

This approach on its own provides little insight into the impacts of single policies and does not help to identify specific inconsistent policies. However, it can help identify areas where the policy mix is not facilitating or pushing for the necessary changes. This could constitute an entire sector or policy area for further investigation. As such, this already brings up the need for a more bottom-up perspective that selects individual policies or policy areas to check for consistency.

Alternatively, or in combination, a **decomposition analysis** could be used to uncover the drivers of emission reductions by or between sectors, which could in turn inform the policies most relevant for further investigation (refer to recent analyses by Chen et al., 2021; Matthes et al., 2019). Past work has identified key enablers of emission reductions (or removals) by sector, which could also be used as a basis to structure analysis (Velten et al., 2021). To do this effectively a new framework of structural change indicators would need to be developed as a foundation for the assessment of the policy mix. Such an analytical framework could serve as a basis for all EU progress and other monitoring for climate neutrality to ensure a coherent methodology.

Bottom-up: Assessment of the GHG emission impact of individual policies

An assessment of individual policies requires 1) a definition of scope and 2) a robust method to determine the impact.

A policy consistency assessment of individual EU policies needs to define which ones should be included in the exercise, and thus requires a process for identifying relevant policies to assess. One limitation could be to **focus on policies that are already in place** and not under revision or being brought forward within the context of the European Green Deal. As per the EUCL, all new and revised policies are supposed to be in line with climate neutrality.

Further inspiration to define a focus for the assessment can also be sought in the existing governance framework. The GovReg, for example, requires Member States to specify attributable GHG emission reductions and removals of single policies as part of the policy and measures (PaM) reporting, where such data is available (GovReg, Article 18.1(a)). The GovReg reporting obligation relates only to policies that have a positive impact (PaMs 'that limit or reduce GHG emissions by sources or enhance removals by sinks', GovReg, Annex VI). This seems to narrow for a policy consistency assessment. The EU consistency check **should include policies with a positive *and* negative impact**. Still, the methodology for assessing the GHG impact of individual policies could follow what is used by Member States.

One way to reduce the number of policies to analyse could also be to **take information from a top-down assessment** and focus on sectors with a seemingly inconsistent policy mix. This is possible because the WEM modelling includes a sectoral split, showing which areas are contributing most/least. A **prioritisation process focusing on key enablers** for a necessary transition (see above under top-down) could also be used to identify a policy area or (sub-)sector in which inconsistencies are potentially at work. As such a framework could be employed for the overall progress check under Article 6.1 of the EUCL, this also points out a synergetic connection between the EUCL assessments and a potential sequence, which is further elaborated on in the following section 4.3.

A robust methodology for checking consistency of individual policies should arguably include both the direct and indirect impact of policies on GHG emissions and removal as well as consider past and/or projected impacts. This could be implemented by adopting the **impact**

chain method as described in the Commission's own Better Regulation Guidelines.[12] In the context of emission reductions, this approach identifies how a policy leads to changes in emissions over time as well as its knock-off effects and interactions with other policies, and subsequent indirect impacts on emissions.

To illustrate, the Commission could first set up a simple impact chain for each policy it wants to assess (i.e., identified under the predefined scope of the consistency assessment) using quantitative information where available. Where data is missing or incomplete additional modelling or a qualitative analysis would need to be used to augment existing information. If a policy appears to have a significant impact on emissions over time it would then be investigated further to determine the mechanisms — e.g., is it hampering the mitigating impact of another policy, stopping an important enabler, incentivising climate-damaging technologies, etc. The analysis should also consider the effect over time: does the policy lead to immediate emission increases or will it likely lead to increases in the future by locking-in infrastructure or hardening path dependencies?

A quantitative assessment focussing on the GHG impact only would provide a good basis; however, it could risk not seeing the full picture. There are policies where it is difficult to calculate the policy's GHG impact as they lead to emission cuts or increases indirectly, e.g., by influencing behaviours, promoting technologies, or infrastructure. Such policies are important and should also be considered, especially as the indicative trajectory approaches 2050. Furthermore, policies may have side effects on other societal goals that will not be captured in a purely quantitative assessment that only considers direct GHG impact.

A methodology, like the impact chain method, that accounts for more than only direct GHG impacts could account for **how policies act as obstacles** today**,** preventing the necessary changes by, e.g., diverting investments or creating incentives for unsustainable practices. Checking this against the linear trajectory benchmark and official scenarios, such as the EU LTS or forthcoming 2040 target impact assessment, provides a picture of a policy's consistency over time, i.e., whether current policies allow for crucial **structural changes** or, at worst, 'lock-in' current and possibly also future emissions. In short, a policy might be consistent *at the moment* but become inconsistent over time.

The assessment would reveal the GHG emission reduction or removal of single policies and would also identify policies that increase emissions or reduce the sink function of natural sinks. A focus on individual policies cannot not provide insights into overall target achievement because single impacts cannot be summed up to produce an EU total. Such an exercise would need a modelling approach to reflect on policy interaction and impacts of other internal and external drivers.

Conclusion

The two approaches produce very different insights. Performing only a bottom-up *or* a top-down assessment does not provide a full picture of consistency or where improvements can be made, especially considering the complex nature and integrated nature of policies with direct and indirect impacts on emissions (for research on evaluating developed policy mixes see, e.g., Howlett & Rayner, 2013; Kern et al., 2017; Rogge & Reichardt, 2016). The former misses out on potential policy interactions, while the latter fails to highlight specific cases of inconsistent policies. As such, **a combined approach looking at the mix *and* individual policies separately would form the basis for a comprehensive assessment**. Moreover, a

[12] Commission Staff Working Document SWD(2021)305, available online at https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en – last accessed 03 February 2023.

combination could help focus the analysis of individual policies, e.g., by identifying policy areas or sectors in which the top-down view shows a conflict with the pathway or the goal.

A combined approach could be operationalised using a multi-methodological approach as described—an *ex post* und *ex ante* impact chain assessment for individual policies supplemented with a WEM evaluation for the entire EU policy mix. This combination of methods would lend both breadth and depth to the assessment. In the long run, the two dimensions could be integrated through a common framework that defines enablers for the transition to climate neutrality and indicators to measure these.

Still, regardless of the approach taken, an up-to-date underlying scenario that operationalises a linear trajectory towards climate neutrality in 2050 will be a crucial input. At the time of writing, this critical piece seems to be missing. Existing scenarios pre-date the pandemic not to mention the energy crisis, and the latest Reference Scenario does not fully account for the more recent policy changes under Fit for 55 and REPowerEU. Here, the updated modelling required for the 2040 target proposal could serve as an essential input, but as we describe in the next section, this may arrive too late.

4.3. Process: Timeline and links to other areas of EU climate governance

The two consistency assessments of existing policies in the EUCL (Art. 6.1 and 7) are important new mechanisms, due to their potential to identify problems and propose remedies, adjusting existing policies or proposing new ones to fill gaps. They gain even further importance when considering their connections and interactions with a range of other related processes, particularly in the period 2023-2024. This section focuses chiefly on processes established through the GovReg and the EUCL, analyses the interactions between them and derives a logical sequence on that basis. The most direct connections have already been presented in section 2 above (see Figure 2). The respective timing and thus order for these inter-related governance processes have been predetermined by the respective legislation.

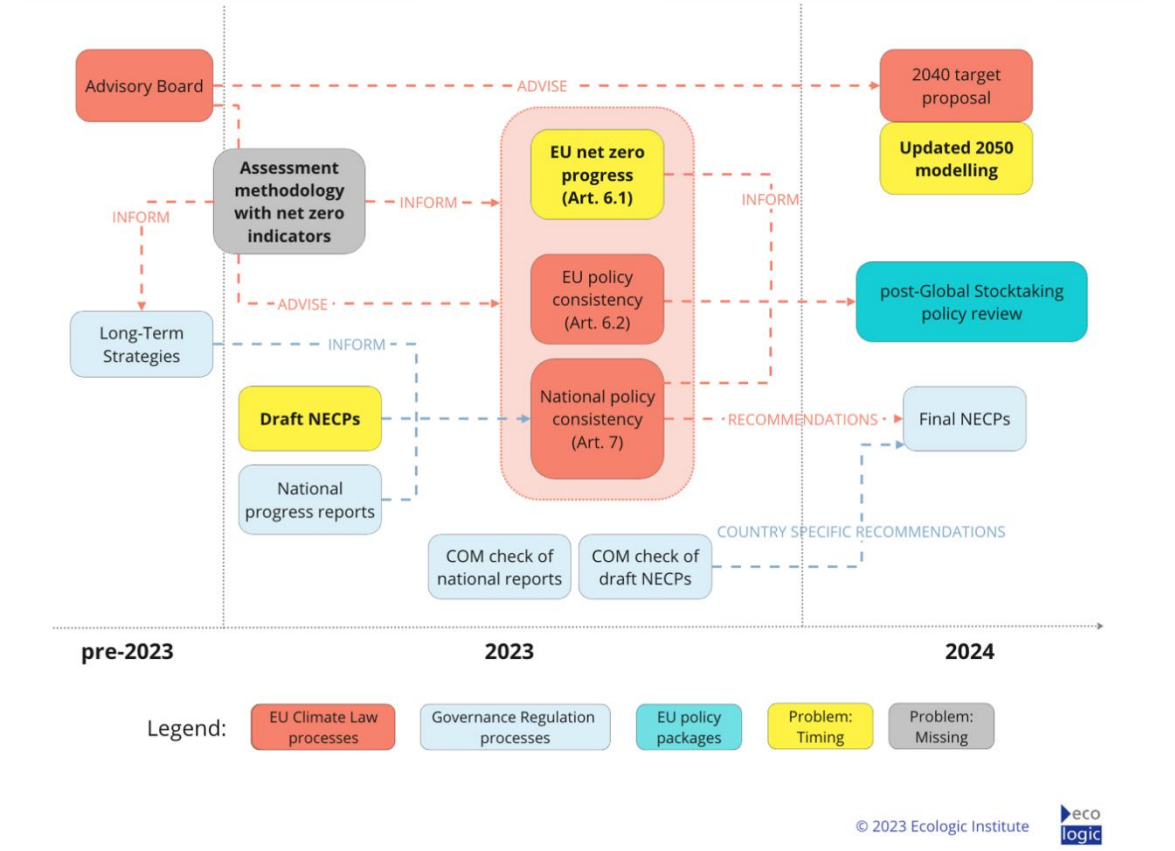
Some of these processes will serve as sources of information to the consistency assessments, while others will benefit from the insights generated by the consistency assessments. Our analysis looks at these two types of processes in turn and considers the way they could best inform one another. This yields information on how **their interactions could be optimised in implementation or through future changes in the respective legislation**. Figure 6 on the next page presents insights in visual form, expanding on the illustration in Figure 2. It highlights **conflicts in timing** for some of the existing elements and indicates **a missing component**.

Relevant SOURCES of information for the assessments

An important input to the process of assessing policy consistency at national level—and indirectly at EU level—are the **integrated national progress reports** that Member States need to deliver for the first time in this form by the end of March 2023 (GovReg, Art. 17). These must include information on the contribution to the EU objective of climate neutrality.

Moreover, Member States need to include **projections of the expected impact of their policies** (existing and planned) every two years (GovReg, Art. 18)—and include this information both in their progress reports as well as NECPs. Following adoption of the EUCL, this provision from the GovReg was amended to extend the projections to include six five-year intervals into the future, which for 2023 submissions implies up to 2050.

Figure 6: Timeline of the policy consistency assessments and other relevant EU governance processes 2023-2024 with missing and misaligned pieces



Source: Ecologic Institute, own illustration

As noted in the previous section, operationalisation of the assessment against a trajectory towards the net zero objective needs **information on the pathway**. Formally, the latest publication specifically aimed at presenting ways to get to climate neutrality are contained in the **EU LTS**, published by the European Commission in November 2018 in the 'Clean Planet for All' communication.[13] This strategy outlined a vision of a climate neutral EU and two different pathways for realising it and provided significant detail on their characteristics in an underlying in-depth assessment. Much of the underlying analysis was updated for the justification of an increase in the EU's 2030 climate target, published as the Climate Target Plan 2030 in September 2020 and its impact assessment.[14] Since then, several additional changes have again rendered this analysis out of date, including the effects of the pandemic and the current energy policy review following the Russian invasion of Ukraine. An update to the modelling on net zero emissions pathways is expected for the proposal for a new climate target for 2040, which is due in the first half of 2024, according to Article 4 of the EUCL. This would clearly come too late to inform the EUCL policy consistency and progress assessments, which are meant to be finalised by end of September 2023. To the extent that the 2040 target proposal changes the course of the linear trajectory underpinning the assessments, this information also would emerge right after the assessments are done,

[13] European Commission. (2018). Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: A Clean Planet for All – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy (COM(2018) 773 final).

[14] Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people (COM/2020/562 final)

rendering them somewhat out of date soon after publication. This **timing mismatch** represents a conundrum **that the European Commission must resolve** in its implementation of the various EUCL processes.

Even the EUCL assessments themselves may well benefit from being spaced out or at least being clearly integrated with one another. As pointed out under the previous section 4.2, the progress assessment, for example, could yield insights on problematic policy areas, which the consistency assessment could then be focused. Currently, as envisioned in the EUCL these assessments will be pursued and published simultaneously, thereby missing the potential opportunity for one to inform the other. Especially, if the Commission develops a methodology for tracking collective progress towards climate neutrality that uses indicators across numerous policy areas this could be used as a basis to inform and frame the consistency assessments.

Processes that should be informed by the INSIGHTS of the policy consistency assessments

Ultimately, the purpose of the policy consistency assessments is to improve policymaking. As such, **insights should inform the revision of existing policies or the adoption of new ones**—at both the EU and national level. These changes should reduce inconsistencies identified or compensate for them, facilitating the transition to a net zero economy. In this spirit, the following processes are most relevant, differentiated between EU and national level.

In terms of EU level policies, legislators completed negotiations on the climate portion of the 'Fit For 55' package at the end of 2022 after an intense 16 months of deliberation. This review of the main elements of EU climate policy was originally foreseen for the first half of 2024, and that date is still in the respective laws. It was brought forward following the agreement on increasing the 2030 climate target, which had been inspired by the adoption of the Paris Agreement, the faster progress in reductions and the need to speed it up further to be on an efficient path to net zero by 2050. Considering that most relevant laws were just revised (at the time of writing in early 2023), **a large new review package in one year's time is unlikely,** but individual complementary actions could well be proposed, based also on information of the policy consistency assessments. A review of the EUCL itself is due at that same time (first half of 2024), as well as for the GovReg, which was not included in 'Fit For 55' package. The next larger review of the main policies would have to **focus on adjustments needed for the period after 2030** and could thus take place **in the period 2026-2028 under the next Commission**.

In the interim, the **insights from the consistency assessments could also inform** other relevant review and evaluation processes, such as those under **the Common Agricultural Policy** (CAP) and its country specific CAP Strategic Plans.[15]

Regarding national policymaking, the key common process for all Member States is the **updating of the NECPs**, which is ongoing at the time of writing. Member States need to submit draft updates of their plans by the end of June 2023 and final updates a year later. While the NECPs do not necessarily align with national-level policy cycles, they represent a vehicle for communicating updates in a uniform format about their respective national policy mix and its likely impact. Moreover, all Member States will need to review their national policies to account for the changes in EU laws under 'Fit For 55'. For both the formal NECP update and any policy changes beyond it, the assessment insights should provide relevant information. The European Commission will be assessing each NECP anyway—and must

[15] See European Commission webpage on the 'new CAP' 2023-2027 at https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/new-cap-2023-27_en - last accessed 23 February 2023

formulate **dedicated recommendations** based on the Article 7 EUCL assessment of national policies. These processes should thus work in a synergetic fashion to inform national policies. In future, the insights from the next consistency assessment should be available before NECP updates are being drafted and not in the middle of the process.

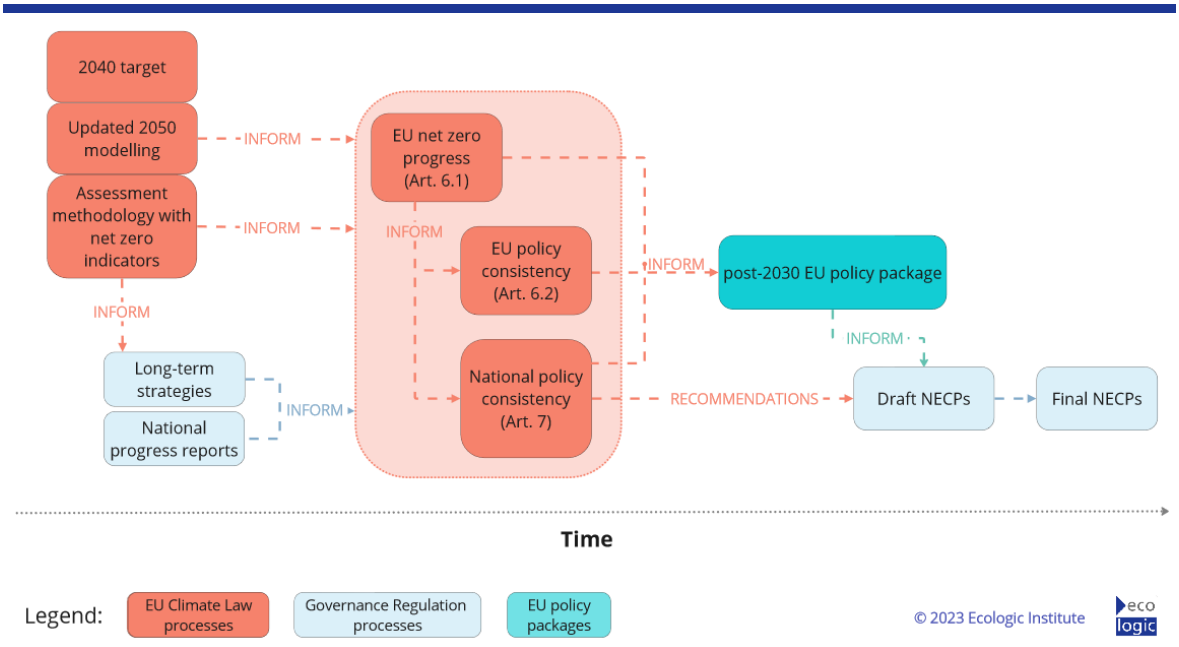
Ideal sequence of the key governance processes

Considering the density created by several parallel work strands, and thus the data and effort required, an integrated approach is essential to arriving at robust outcomes for all of them and could avoid wasting precious administrative capacity inside the Commission and in national governments. The analysis has identified several conflicts in the sequencing of connected processes, both those acting as input sources to the assessments as well as those receiving the insights. Figure 7 illustrates a proposed **ideal (chrono)logical order and interactions** between the processes.

A key component that the assessments should have had is **early update to the information on pathways to climate neutrality**, first spelled out in the EU LTS of 2018. The modelling for the 2040 target may be coming too late to inform them, which would be a major stumbling block. Future repeats of the exercise should remedy this.

Better sequencing might, for example, be achieved simply through **more regular intervals** of some processes, so that their insights are available at the right moment. The EUCL does not oblige the Commission to carry out another set of assessments before 2028, after this first instalment. However, a post-2030 policy package (if developed in 2025-2028) would benefit from an earlier repeat. Also, the next NECP update (drafts by mid-2028) would benefit from having a repeat assessment of national policy consistency take place right before, not after or in-between.

Figure 7: Proposed future sequencing for policy consistency assessments and other relevant EU governance processes



Source: Ecologic Institute, own illustration

Central to an integration between the process is the mentioned **development of a common assessment methodology using net zero indicators** that could be applied across several processes. Beyond the EUCL assessments, this could be used to guide the drafting of

NECPs and LTSs as well as the regular reporting by Member States. It could also serve as inputs to other EU assessment frameworks, such as under the 8th Environmental Action Programme (see Duwe and Spasova, 2021).

In sum, there is **significant optimisation potential in the sequencing** of the many interlinked processes established through the EUCL and the GovReg. Some can be addressed through implementation in practice, but **some will require changes in the laws** to be remedied properly.

5. Conclusions and recommendations

The notion of **enhancing the consistency of policies** at EU and national level with the long-term objective of climate neutrality has strong potential to **improve the chances of reaching the goal** significantly. The Council had provided a clear mandate to improve consistency when it adopted the net zero emissions objective in late 2019. Accordingly, the Commission proposal for the EUCL gave a foundational role to policy consistency and included three different assessments in the legislation. Their basic function is to improve EU policymaking so that it is aligned with the goal of a net zero emissions economy.

The law, however, contains little detail on the implementation of these new governance mechanisms, and the Commission has been given both the obligation to carry them out but also full freedom in how to do so. The main parameters mentioned in the law are the scope of the exercise (with some room for interpretation) and a clear but simple overall benchmark (a linear trajectory towards climate neutrality).

As this paper has shown, in the spirit of the Council mandate and the proposal by the COM, the scope should be **an assessment at EU level that looks at the whole economy** and checks essentially all policies for their impact on working towards climate neutrality. The considerations presented on how to operationalize this show the need to combine a top-down element using the linear trajectory for the full policy mix with bottom-up policy specific assessments to pinpoint consistency concerns and allow for tangible recommendations to change and improve policies where needed.

Interlinkages with other processes show the crucial role the new assessments—including the progress check—should play in informing future policies at EU and national level, and the close **interconnections with other parallel processes**, such as the NECP updates. However, there are **problems with the sequencing** in places, also in the long run, which should be resolved. Some of these can be addressed in the implementation, others will require changes in the law.

One specific and immediate timing conflict exists with regard to updating the analysis on the 2050 trajectory, which should be done for the 2040 target proposal regardless. This **2050 pathway update should be brought forward** to provide the best available data. The EUCL assessments should be done using the latest information and not be out of date from the start. Regular updates to the EU Long-Term Strategy would address this issue for good and would have other benefits (see Duwe, 2022).

A longer-term sequencing concern arising from the analysis of the connections between processes is the low frequency. The year 2028 is too late for a second set of assessments, as the post-2030 policy package and the next NECP update should have this information already. The **assessments should take place every two years**, along the same rhythm as the biennial reporting by Member States.

Another issue is the **lack of information** thus far on how the assessment will be done. The assessments deserve a transparent and inclusive process. The European Commission should communicate publicly on its methodology for the assessments and **open the process up for inputs from stakeholders**. At the very least, a call for evidence could lead to additional information that could be integrated in the assessments. Beyond that, transparency and participation options could enhance support for the results of the assessments and subsequent policy proposals.

The interconnections between the process and the lack of any kind of methodology specified in the law underlines a point made and reiterated in previous work (see, e.g., Duwe, 2022; Duwe & Spasova, 2021). A **coherent framework for how we measure if the EU is on track** towards climate neutrality could serve to integrate and coordinate many processes—i.e., planning at EU and national level, policy formulation, monitoring, and reporting as well as the assessments on progress and consistency. This could enhance the quality of the outcomes and reduce effort in all instances. The European **Commission should start to develop a framework based on 'net zero indicators'** that can be applied as a consistent structured approach across the various processes, reducing overall effort and enhancing transparency.

If these issues are addressed adequately, improvements to EU and national climate policy based on the assessments are possible, and specific proposals would be made in a transparent fashion. They could also be done in an efficient manner, avoiding waste in administrative procedures through bad timing and inadequate tracking systems. The Commission should exercise the necessary flexibility to make adequate corrections to the timing in this spirit - and propose **appropriate corrections to the GovReg and the EUCL in 2024**.

Lastly, the potential of these new mechanisms is limited by the capacity of the services carrying them out. Even integrated monitoring systems still require an **investment in people and time to implement** them. And high-quality outputs are important to base decision-making on the best available information. To this end, the Commission should also evaluate the respective requirements for robust implementation internally and in Member States and **recommend respective allocation of staff and resources** for capacity-building.

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