

# Framework for achieving climate neutrality

2025/0524(COD) - 02/07/2025 - Legislative proposal

**PURPOSE:** to set an interim Union-wide climate target for 2040 with a view to achieving the objective of climate neutrality by 2050.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament acts in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** by adopting Regulation (EU) 2021/1119 of the European Parliament and of the Council (the European Climate Law), the Union enshrined in law a binding economy-wide climate neutrality target by 2050, with net emissions being reduced to zero by that date. It also set a binding interim climate target for 2030 and provided for the establishment of an interim Union-wide climate target for 2040.

On 6 February 2024, the Commission published a Communication on the Union's climate target for 2040, setting a path from the already-agreed intermediate 2030 target to climate neutrality by 2050. The Communication proposes a recommended target of reducing net greenhouse gas emissions by 90% by 2040 compared to 1990 levels.

The EU is on track to meet its 2030 target of 55%. This proposal builds on the EU's existing, legally binding target of reducing net greenhouse gas emissions by at least 55% by 2030 and sets out a more pragmatic and flexible way to achieve this target with a view to achieving a decarbonised European economy by 2050.

The proposal is based on a thorough impact assessment and advice from the Intergovernmental Panel on Climate Change and the European Scientific Advisory Board on Climate Change. It follows a substantial dialogue with Member States, the European Parliament, stakeholders, civil society, and citizens.

**CONTENT:** the European Commission is proposing an amendment to the European Climate Law, setting a binding EU climate target for 2040 of **reducing net greenhouse gas (GHG) emissions by 90%** compared to 1990 levels.

Looking ahead to the post-2030 period, the Commission **will review relevant Union legislation** to enable the achievement of the 2040 target and the climate neutrality objective, and will consider taking the necessary measures based on a detailed impact assessment.

In the context of the review provided for in the proposal, the Commission will ensure that the following elements are duly taken into account in the legislative proposals, and in particular:

- from 2036, a possible limited contribution of **high-quality international credits**, referred to in the Paris Agreement, to the achievement of the 2040 objective, corresponding to 3% of the Union's net emissions in 1990, with a view to helping the Union and third countries to achieve trajectories for reducing net greenhouse gas emissions consistent with the objective of the Paris Agreement;

- the role of **domestic permanent removals** under the Union Emissions Trading System (EU ETS) in offsetting residual emissions from hard to abate sectors;

- **greater flexibility** between sectors to contribute to the achievement of objectives in an economically advantageous and socially equitable manner;
- the best available and most recent scientific data, including the latest IPCC and Advisory Council reports;
- social, economic and environmental impacts;
- simplification, technological neutrality, cost-effectiveness, economic efficiency and economic security;
- the need to strengthen the global competitiveness of the Union's economy, in particular that of small and medium-sized enterprises and industrial sectors most exposed to carbon leakage, so as to ensure fair competition;
- affordable energy costs, security of supply, energy efficiency and the energy efficiency principle;
- fairness and solidarity between and within Member States;
- investment needs and opportunities, including access to public and private finance.