

Framework for achieving climate neutrality

2025/0524(COD) - 10/02/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 413 votes to 226, with 12 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality.

Parliament adopted its position at first reading by amending the Commission's proposal.

Intermediate EU climate targets

Parliament supports the proposal to amend the European Climate Law which sets a **binding EU climate target for 2040 of reducing net greenhouse gas (GHG) emissions by 90%** compared to 1990 levels.

The Commission will continue to strengthen initiatives concerning the enabling framework and aim to accelerate their adoption to ensure that conditions are in place to support European industry and citizens throughout the transition, in full respect of Union law.

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. As part of this review, the Commission will need to ensure that the following elements are duly reflected in legislative proposals:

- **from 2036, an adequate contribution towards the 2040 climate target of high-quality international credits** of up to **5 % of 1990 Union net emissions**, corresponding to a domestic reduction of net greenhouse gas emissions by 85 % compared to 1990 levels by 2040, in a way that is both ambitious and cost-efficient, supporting the Union and third countries in achieving net greenhouse gas reduction trajectories compatible with the Paris Agreement objective. A pilot period from 2031 to 2035 to initiate a high-quality and high-integrity international credit market may be considered. Safeguards are also planned to prevent the financing of projects contrary to the EU's strategic interests;
- the role of domestic **permanent removals** under the EU ETS to compensate for residual hard-to-abate emissions;
- **enhanced flexibility** within and across sectors and instruments, to support the achievement of targets in a simple and cost-effective way;
- the realistic contribution of carbon removals to the overall emission reduction effort, while taking into account the uncertainties of natural removals and ensuring that possible shortfalls would not be at the expense of other economic sectors;
- the need to maintain, manage and enhance, as appropriate, **natural sinks in the long term** and protect and restore **biodiversity**, to promote **sustainable and circular bioeconomy**, and to take into account the effects of differences in forest age structure, natural variability and uncertainties, especially those linked to the impacts of climate change and natural disturbances in the land use, land-use change and forestry sector;
- the **social, economic and environmental impacts** across Member States, including in relation to the objectives of decarbonisation and competitiveness for European industry;
- the need to ensure and support a **fair and just, pragmatic, cost-effective and socially balanced transition** for all, taking into account different national circumstances and paying particular attention to

impacts on consumer prices, energy poverty and transport poverty and to regions and sectors, including their investment capacity, small and medium-sized enterprises (SMEs), farmers and vulnerable households;

- **simplification and reduction of administrative burden**, technology neutrality, cost-effectiveness, economic efficiency and economic security;

- the need to strengthen the resilience and global competitiveness of the Union's economy and reduce the risk of carbon leakage;

- **energy availability and affordability**, security of supply, energy security and energy efficiency, including the 'energy efficiency first' principle, as well as the strengthening of electricity grids and interconnections;

- the role of **zero-, low carbon and renewable fuels** in the decarbonisation of transport, including road transport beyond 2030;

- support for **innovation** and access to innovative technologies across all Member States, taking into account geographical balance.

Evaluation and review

Starting one year after the adoption of the amending regulation, and **every two years** thereafter, the Commission will assess and report on the implementation of the intermediate targets and decarbonisation trajectories set out in the regulation, taking into account the latest scientific data, technological progress, and the Union's global competitiveness. This assessment may, where appropriate, be accompanied by legislative proposals.

The review should take into account, *inter alia*: (i) the evolving challenges to, and opportunities for, global competitiveness of European industries across Member States; (ii) the evolution of energy prices and its impact on European industries and households; (iii) the socioeconomic impacts, including the effects on employment; (iv) technological advances and deployment across Member States and sectors of innovative technologies; (v) the estimated level of net removals at Union level in relation to the targets set out in this Regulation; (vi) the progress towards the intermediate targets.

Following this review, the Commission may propose **an amendment to European climate legislation**, which could involve changing the 2040 target or taking additional measures to strengthen the support framework, for example to preserve European competitiveness, prosperity and social cohesion.

Postponement of the EU Emissions Trading System (EU ETS2)

Lastly, Parliament supports the proposal to postpone by one year (**from 2027 to 2028**) the launch of ETS2, which covers CO2 emissions from the combustion of fuels in the building and road transport sectors.