



## Questions and answers on the 2040 EU climate target proposal

Brussels, 2 July 2025

### 1. Why is the Commission proposing a new 2040 EU climate target now?

Under the [European Climate Law](#), the EU and its Member States have committed to making the EU the first climate-neutral continent by 2050. The Climate Law has established a first intermediate target to reduce net greenhouse gas (GHG) emissions by at least 55% by 2030 and **requires the Commission to propose a next intermediate target for 2040** to continue the agreed path to climate neutrality. This proposal is required following the first Global Stocktake of the Paris Agreement, which took place in [December 2023](#).

Today the Commission has proposed an amendment to the European Climate Law, setting an **2040 EU climate target of 90% net GHG emissions reduction**, compared to 1990 levels. The proposal includes the possibility to use a number of **flexibilities** and supports the creation of the right **enabling environment**. This **pragmatic and flexible** pathway towards a decarbonised economy will provide the necessary **predictability and stability for investments in the EU's clean energy transition and driving industrial competitiveness**.

At the international level, the EU is **required to submit** an updated **Nationally Determined Contribution (NDC)** under the Paris Agreement, ahead of the UN Climate Change Conference (COP 30) taking place in November 2025 in Brazil. The Commission will now work with the Council Presidency to finalise the communication of the EU's NDC.

The amendment of the European Climate Law also responds to the strong **popular support for climate action in Europe**. The [2025 Climate Eurobarometer](#), released on 30 June, shows that 85% of EU citizens consider climate change a serious problem and 81% support EU's objective of becoming climate-neutral by 2050.

In addition, the Commission has thoroughly prepared this legal proposal before formally presenting it to the EU Member States and the European Parliament. It is based on a **detailed impact assessment** and **advice** such as the Intergovernmental Panel on Climate Change and the European Scientific Advisory Board on Climate Change. This legal proposal follows a substantial **period of consultation and engagement** with EU countries, European Parliament, stakeholders, civil society and citizens, initiated with the Commission Communication and recommendation on the 2040 climate target in February 2024.

### 2. What are the main elements and benefits of setting this climate target now?

Today's proposal for an EU climate target for 2040 gives a **strong signal of stability and predictability to European industry and investors** to drive business decisions and investments. It shows the EU is staying the course with a clear transition pathway and aims to build a path to **prosperity and competitiveness in Europe supporting a fair transition for all**.

Defining the 2040 climate target now will **enable the EU to put in place the necessary policies and investments** to ensure that the transition to climate neutrality goes hand in hand with a **strong and stable economy, competitive industry and future-proof jobs** in Europe. An economy that will be more resilient against future crises, price shocks and the impacts of climate change, with sustainable and affordable energy, food and materials; and whereby Europe's strategic independence is strengthened, away from imported fossil fuels.

Today's proposal provides the required **pragmatism and flexibility**. It recognises that there are further measures to support EU Member States and industry in meeting the 2040 climate target.

It introduces **new flexibilities** in how the targets can be met. These include a possible **limited role for high-quality international carbon credits** in the second part of the 2030-2040 decade, the **use of domestic permanent removals in the [EU Emissions Trading System \(EU ETS\)](#)** and **enhanced flexibilities across sectors**. The Commission will ensure that these flexibilities are reflected in designing the sectoral post-2030 legislation needed to achieve the 2040 climate target in a cost-effective way and ensuring a just and socially fair transition for all.

The Commission has put in place a wide range of **enabling conditions**, notably ensuring EU's industrial competitiveness, a fair transition for all EU citizens, and a level playing field with international partners. The 90% climate target tabled today goes hand in hand with the [Clean Industrial Deal](#) as well as with the [Competitiveness Compass](#) and [Affordable Energy Action Plan](#).

In February 2025, the Commission presented the **Clean Industrial Deal** with comprehensive measures to further drive the decarbonisation and competitiveness of European industry. It will secure the EU as an attractive location for manufacturing, including for energy intensive industries, and promoting clean tech and new circular business models. **Implementing it in full is paramount** to reach these objectives. Today, the Commission has published a [Communication on delivering the Clean Industrial Deal](#) with an **overview of the first wave of actions delivered**, work ongoing and stressing the determination to decisively advance on the remaining measures.

Internationally, the 90% climate target proposal shows that the EU remains committed to the Paris Agreement and the multilateral system, bringing broader geopolitical benefits. Driving global ambition also creates new opportunities for European companies and investors around the world. Moreover, by considering a limited use of high-quality international carbon credits, we also give a boost to sustainable investments globally aligned with the goals of Paris Agreement.

### **3. Is the EU able to reach a 90% emissions reduction target by 2040 and what is the role of the Clean Industrial Deal?**

The EU is already closing in on meeting its 2030 climate and energy targets and collectively on the binding 55% GHG emissions reduction. This is a strong foundation to achieve the proposed 90% net GHG emissions reduction target by 2040 while advancing industrial competitiveness through the Clean Industrial Deal.

According to the [Commission assessment of Member States' National Energy and Climate Plans \(NECPs\)](#), full implementation of these final national plans, together with existing national measures and EU legislation already in place would reduce net GHG emissions by around 54% by 2030, compared to 1990 levels, and significantly expand renewables and energy efficiency measures. The updated plans also show improved alignment with the [Fit for 55 package](#) and enhanced coordination across sectors. However, ambition gaps remain—particularly in energy efficiency, carbon removals in the land sector, and adaptation — highlighting the need for continued policy strengthening and investment.

As part of the enabling environment for the 90% target, the **delivery of the Clean Industrial Deal** becomes crucial as an engine for growth and decarbonisation. It offers targeted support to clean tech manufacturing and energy-intensive industries, including through carbon management infrastructure, simplification of permitting, and dedicated financial instruments. The clean transition has to be accompanied by those appropriate funding opportunities, that will combine existing supporting mechanisms with new and innovative sources of funding.

In a dedicated [Communication](#), the Commission has provided today the state of play and work ongoing in the delivery of the Clean Industrial Deal, and the commitment to deliver on the rest of actions through future measures. The Clean Industrial Deal State Aid Framework, the Carbon Border Adjustment Mechanism simplification, measures on affordable energy to scale up manufacturing of grid components and support Power Purchase Agreements, the pilot for the upcoming Industrial Decarbonisation Bank, the forthcoming Chemicals Industry Action Plan or continuing the sectorial dialogues with stakeholders are among the actions that will help deliver this EU's strategy.

Among the main deliverables, the Commission adopted the new [Clean Industrial Deal State Aid Framework](#) on 25 June to further support investment in the clean energy transition, simplifying the process for Member States to grant aid to energy-intensive industries and clean-tech sectors, reducing investment risks for decarbonisation projects and crowd in private finance.

To complement this framework, the Commission issued the [Recommendation on Tax Incentives](#) to encourage investments in clean technologies and industrial decarbonisation, through measures like accelerated depreciation and tax credits. The Commission Communication also presented a [recommendation and guidance documents](#) to accelerate the use of innovative technologies and forms of renewable energy deployment, and the expansion and reinforcement of the electricity grids combined with the deployment of storage solutions, and a more flexible and efficient use of the grid.

Simplification is another key pillar of the Clean Industrial Deal. The [simplification of the Carbon Border Adjustment Mechanism](#) was agreed on 18 June, exempting 90% of importers to reduce red tape and ensure smooth implementation. This simplification is the first step before a more general CBAM review at the end of the year, accompanied with legislative proposals extending CBAM to downstream products, introducing anti-circumvention measures and a new scheme to avoid the risk of carbon leakage at export. Today's Communication outlines the results of the [Commission analysis](#) on how to provide a solution to the export carbon leakage. This solution will be proposed at the end of the year and will provide support to the productions which are exposed to such a risk.

Furthermore, the detailed of the 2040 climate target confirms that a **90% GHG emissions cut is both necessary and achievable**, provided policies are fully implemented and investments scale up. At the same time, the transition would bring significant **long-term savings on fossil fuel imports and reduce climate-related damages**.

With the NECPs providing a roadmap, the Clean Industrial Deal unlocking industrial transformation, and the economic and resilience benefits outweighing the costs, the **EU is well-positioned to reach a 90% net GHG emissions reduction by 2040** and thus boost its global industrial edge.

#### **4. What role will international carbon credits and carbon removals play in achieving the 2040 climate target?**

Real and timely **domestic GHG emission reductions** within the EU must remain the **cornerstone** of EU climate action, **complemented by the enhancement of carbon removals**, including through natural and technological solutions. Prioritising domestic action ensures investments flow into the European clean energy transition, drive innovation, skills and strengthen the EU's competitiveness and resilience.

The Commission's proposal for the 2040 climate target includes the **possibility of a limited use of high-quality international carbon credits** from partner countries with targets and climate action that aligns with the objectives of the Paris Agreement. This can provide a safety-net to ensure a 90% target is achievable as we are closing on climate neutrality. Article 6 of the Paris Agreement specifically governs voluntary international cooperation on mitigation. The Commission proposes that starting from 2036 a limited contribution of 3% of 1990 EU net emissions can be used towards EU target 2040 in line with accounting rules of the Paris Agreement. With this addition, the **EU aims to strike the right balance between domestic action and international cooperation**.

Any potential use of international carbon credits will be **subject to a detailed and thorough impact assessment** and the development of EU rules setting when and how they might be integrated into existing or future EU climate legislation. These rules would include robust and high integrity criteria and standards, and conditions on origin, timing and use of such credits. These international credits must therefore come from credible and transformative activities, such as direct air carbon capture and storage (DACCS) and Bioenergy with carbon capture and storage (BioCCS) in partner countries whose climate targets and action align with the Paris Agreement temperature goal.

Regarding **carbon removals** — both nature-based and industrial, these will also play an increasingly important role in reaching net GHG emissions targets including domestic permanent carbon removals in the EU ETS to compensate for residual emissions from hard-to-abate sectors. They are essential to achieving climate neutrality by 2050 and will need to scale up significantly by 2040. EU legislation already includes dedicated frameworks to enhance removals, such as the [Land use, land use change, and forestry](#) (LULUCF) Regulation and the [EU Carbon Removal Certification Framework](#).

#### **5. How will the 2040 EU climate target contribute to the EU's Nationally Determined Contribution for 2035?**

The first Global Stocktake under the Paris Agreement in [December 2023](#) concluded that while countries are increasingly putting in place effective climate policies, they need to significantly **enhance their ambition** to align with a pathway that **puts the world on track for achieving the Paris Agreement goal** of limiting temperature increase to 1.5 Celsius.

The EU as all other Parties to the Paris Agreement are required to submit to the United Nations Framework Convention on Climate Change (UNFCCC) an updated **Nationally Determined Contribution (NDC) under the Paris Agreement, ahead of COP 30** held in November 2025 in Belém (Brazil).

The EU's NDC will include an **indicative 2035 figure**. The Commission will now work with the Danish Presidency of the Council of the EU and all EU Member States to finalise the **communication of the NDC and the submission to the UNFCCC**.

## **6. What are the next steps towards a 2040 legislative policy framework?**

The Commission's proposal **will now be submitted to both EU co-legislators** - the European Parliament and the Council - for negotiations and adoption under the ordinary legislative procedure.

Once the 2040 climate target is set and drawing on this experience and elements, the Commission would explore ways to make the new 2040 policy framework **simpler, more flexible** while ensuring compliance, and promoting **convergence** among Member States, taking into account their specificities. The future architecture should also reflect the necessary investment needs and opportunities to address social, economic and environmental impacts of the transition.

The proposed 2040 target would set the key benchmark for devising the climate policy framework beyond 2030. This will be designed based on **proposal-specific consultations with stakeholders and citizens, dedicated impact assessments, and lessons learned** from implementing the 2030 framework.

The Commission will **prepare proposals for the post-2030 climate and energy policy framework** to deliver the 2040 target taking into account fairness, technological neutrality and cost-efficiency. It will aim at strengthening EU competitiveness, ensuring a just transition and enhancing environmental sustainability. Existing pieces of climate legislation include review provisions for 2026. Therefore, the Commission will give further information on the timing of the proposals in the **Commission Work Programme 2026**.

## **For More Information**

[Press release](#) - EU's Climate Law presents a new way to get to 2040

[Factsheet](#) on the 2040 EU climate target proposal

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