



EU's Climate Law presents a new way to get to 2040

Brussels, 2 July 2025

The European Commission today proposed an amendment to the EU Climate Law, setting a **2040 EU climate target** of **90% reduction in net greenhouse gas (GHG) emissions**, compared to 1990 levels, as requested by the Commission Political Guidelines for 2024-2029. It will give certainty to investors, innovation, strengthen industrial leadership of our businesses, and increase Europe's energy security. Just this week, the [latest Eurobarometer](#) showed **strong citizens support for EU climate action**, providing a solid mandate to stay the course of the EU's clean transition agenda. The EU is [well on track](#) to meet our 2030 target of 55%. Today's proposal builds on the **EU's existing legally binding goal** of reducing net GHG emissions by **at least 55% by 2030**, and sets out a more **pragmatic and flexible** way to reach the target, with a view towards a **decarbonised European economy by 2050**.

Aligned with the [EU Competitiveness Compass](#), [Clean Industrial Deal](#) and [Affordable Energy Action Plan](#), the proposed 2040 climate target takes fully into account the current economic, security and geopolitical landscape and gives investors and businesses the predictability and stability they need in the EU's clean energy transition. By staying the course on decarbonisation, the EU will drive investment in innovation, create more jobs, growth, increase our resilience to impacts of climate change and become more energy independent.

Commission President, Ursula **von der Leyen**, said: "*As European citizens increasingly feel the impact of climate change, they expect Europe to act. Industry and investors look to us to set a predictable direction of travel. Today we show that we stand firmly by our commitment to decarbonise European economy by 2050. The goal is clear, the journey is pragmatic and realistic.*"

Today's proposal is based on an **in-depth impact assessment and advice** from the Intergovernmental Panel on Climate Change and the European Scientific Advisory Board on Climate Change. The adoption follows substantial **engagement with Member States, the European Parliament, stakeholders, civil society and citizens**, launched with the [Commission's recommendation on the target](#) in February 2024.

Based on these consultations, the proposal sets out a way to reach the 2040 goal in a different way that has been done in the past. One central element is **flexibilities** that the Commission will consider in designing the future legislative instruments to achieve this 2040 climate target. These include a **limited role for high-quality international credits** starting from 2036, the **use of domestic permanent removals** in the [EU Emissions Trading System](#) (EU ETS), and **greater flexibilities** across sectors to help achieve targets in a cost-effective and socially fair way. Concretely, this could give a Member State the possibility to compensate for the struggling land use sector with an overachievement on reducing emissions on waste and transport.

The Commission proposal emphasises the importance of accelerating and strengthening the right **enabling conditions** to support this 90% target. These include a competitive European industry, a fair transition that leaves no one behind, and a level playing field with our international partners.

In addition, the proposal sets a clear frame for our post-2030 climate and energy legislation. National specificities will be taken into account. Cost-effectiveness, simplicity and efficiency will be guiding principles, together with ensuring technological neutrality and a transition that is fair and just for everybody.

Delivering the Clean Industrial Deal for the 2040 climate target

The Commission published today a [Communication on delivering the first proposals on the Clean Industrial Deal](#), only a few months after it was presented. As the EU's Compass for ensuring

competitiveness and decarbonisation go hand in hand, its **implementation is crucial towards the 2040 climate target**. Today's Communication provides an **overview of the first wave of actions delivered**, progress made and remaining measures to come.

One of the key deliveries is the [Clean Industrial Deal State Aid Framework](#), adopted last week, to further support investment in the clean energy transition. The **simplification of the Carbon Border Adjustment Mechanism (CBAM)** was also [agreed](#), exempting 90% of importers, thus reducing red tape and ensuring smooth implementation. This simplification is the first step before a more general CBAM review at the end of the year, accompanied by legislative proposals to strengthen the mechanism. Today's Communication outlines the results of the [Commission analysis](#) on how to provide a solution to the export carbon leakage.

Complementing the State aid framework and today's Communication, the Commission also issued the [Recommendation on Tax Incentives](#) to encourage investments in clean technologies and industrial decarbonisation, through measures like accelerated depreciation and tax credits. It also presented a [recommendation and guidance documents for optimising the use of new EU renewables rules](#) aiming at expanding renewables and cutting energy costs.

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 and the sectorial dialogues with stakeholders are among the actions that will help deliver the Clean Industrial Deal. Expected later this month, the proposals for the next Multiannual Financial Framework will also set out how the future EU budget will support the clean transition.

Setting 2040 EU climate target to deliver international climate commitments

With the proposed 90% target, the EU is also sending a signal to the global community: it will stay the course on climate change, deliver the Paris Agreement and continue engaging with partner countries to reduce global emissions.

Ahead of the UN Climate Change Conference (COP30) in Belém (Brazil) in November, the Commission will now work with the Council Presidency to **finalise the communication of the EU's Nationally Determined Contribution (NDC)**.

Next Steps

The Commission's proposal setting a 2040 climate target will now be submitted to the European Parliament and the Council for discussion and adoption under the ordinary legislative procedure.

A future agreed EU climate target will also serve as a **benchmark for the post-2030 EU policy framework** that will be developed thereafter.

Background

The [European Climate Law](#), which entered into force in July 2021, enshrines in legislation the EU's commitment to reach climate neutrality by 2050 and the intermediate target of at least 55% net GHG emissions reduction by 2030, compared to 1990 levels. To meet its agreed decarbonisation objectives, the EU has since adopted a 2030 legislative package known as '[Fit for 55](#)' and its implementation by EU Member States – essential for delivering on 2040 – is ongoing. The [Commission's assessment](#) of the National Energy and Climate Plans (NECPs), presented on 28 May, showed that the EU is closing in collectively on the 2030 climate target of 55% GHG emissions reduction.

The Climate Law legally requires an intermediate 2040 climate target to set the pace towards climate neutrality – a proposal that is needed within six months of the first Global Stocktake of the Paris Agreement, achieved in [December 2023](#).

For More Information

[Questions & Answers](#)

[Factsheet](#)

[Proposal for a 2040 EU climate target](#)

[Staff working document](#)

[European Climate Law – policy page](#)

[Commission recommendation on the 2040 EU climate target](#)

[Public Consultation on the 2040 climate target](#)

[Impact Assessment on the 2040 climate target](#)

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Quote(s):

"As European citizens increasingly feel the impact of climate change, they expect Europe to act. Industry and investors look to us to set a predictable direction of travel. Today we show that we stand firmly by our commitment to decarbonise European economy by 2050. The goal is clear, the journey is pragmatic and realistic."

Ursula von der Leyen, President of the European Commission - 02/07/2025

"Agreeing on the 90% climate target provides us with a clear lighthouse to guide our future actions. We are responding to Europeans who remain strongly in favour of climate action. That is why today we decided to continue with our climate policies as they are pivotal to achieving other social and economic policy goals, such as security and prosperity of our people and companies. We are not choosing between the economy and the green agenda, we are choosing both. Europe reaffirms its commitment to a fair, ambitious, and competitive green transition."

Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition - 02/07/2025

"With our 2040 target, we are staying the course on the clean transition. We know why we're doing it – for economic, security and geopolitical reasons. And we have a plan for how to make it work – a strong enabling environment, the Clean Industrial Deal and three impactful flexibilities. It gives industry and Member States a clear direction and supports their investment plans, while ensuring that Europe stays firmly on track to reach climate neutrality by 2050. It will be good for EU citizens, businesses and our global competitiveness. It's also an important tool in the EU's international diplomacy work to cut emissions and develop carbon markets under the Paris Agreement."

Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth - 02/07/2025

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 [EU Climate target for 2040](#)