

2040 EU climate target

A path to competitiveness & climate neutrality by 2050

July 2025

The EU 2040 target aims to **reduce net greenhouse gas emissions by 90%**, compared to 1990 levels. It is a critical milestone towards achieving a climate neutral economy by 2050. It also proposes a different way for the EU to achieve the target, building on the EU's commitment to cut GHG emissions by at least 55% by 2030.

New way to reach 2040 emissions reduction target

To ensure 2040 EU climate target can be achieved in a fair and cost-effective way, we propose:

Flexibilities:

- possibility for a limited use of high quality international carbon credits starting from 2036
- use of domestic permanent carbon removals in the EU ETS
- greater flexibilities across policy sectors

Guiding principles, such as:

- technological neutrality
- national specificities
- a fair and just transition
- a level playing field with international partners

Accelerating and strengthening enabling framework:

- Ensuring full delivery of the Clean Industrial Deal and the EU's Competitiveness compass
- Enabling Member States to better balance their specific challenges in reducing sectorial emissions
- Strong competitiveness focus in the next Multiannual Financial Framework

The 2040 climate target provides **predictability and stability for investments in the clean energy transition** in Europe. It will drive competitiveness and innovation, create more jobs and growth and strengthen the EU's economic and energy security.

The EU is also **required to submit** an updated **Nationally Determined Contribution (NDC)** under the Paris Agreement, ahead of the UN Climate Change Conference (COP 30) in Brazil. NDCs are international **climate action plans that countries develop, outlining their commitments to reduce GHG emissions** and adapt to climate change impacts. These plans, to be updated every five years, are crucial for achieving the global goal of limiting temperature rise to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.