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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	15502/25
No. Cion doc.:	11184/25
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality - Preparation for the trilogue

I. INTRODUCTION

1. The EU has set its climate targets for 2030 and 2050 in Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality ("the European Climate Law").[1] Article 4(3) of the European Climate Law requires an intermediate 2040 climate target to be set with a view to achieving the climate-neutrality objective.

[1] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

2. On 2 July 2025, the Commission published a proposal[2] to amend the European Climate Law ("the ECL amendment") by including therein a 90% net greenhouse gas emission reduction compared to 1990 levels as the target for 2040.

3. The Economic and Social Committee adopted its opinion on 18 September 2025.[3] The Committee of the Regions decided not to issue an opinion.

4. On 5 November 2025, the Council reached a general approach on the Commission proposal.[4]

5. In the European Parliament, on 15 July 2025 Mr Ondřej KNOTEK (PfE, CZ) was appointed as rapporteur for the proposal on behalf of the Committee on the Environment, Climate and Food Safety (ENVI). The Parliament adopted its position at first reading on 13 November by 379 votes to 248, with 10 abstentions.

6. On 26 November 2025, the Working Party on the Environment (WPE) examined the Parliament's amendments based on the 4-column table containing the Commission proposal, the European Parliament's amendments and the Council's general approach [5].

7. A first meeting between the institutions at technical level was held on 27 November. All of the rows which contain provisions that are identical in the Parliament's and the Council's mandates (1-19, 21-32, 34-50a, 50c-50i and 50k-58) were provisionally agreed and marked as green (see the fourth column of the attached updated 4-column table). In addition, two technical corrections were provisionally agreed: In **recital 8 (row 20),** the part of the text referring to the postponement of ETS2 was brought into line with the text of the corresponding article (Art.1a in the Council and EP mandates), and in **Article 4(8) (row 50b),** the date of the first assessment by the Commission was corrected so that it refers to the adoption of the amending Regulation currently under discussions instead of the basic act (i.e., the Climate Law adopted in 2021).

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2 11184/25 + ADD 1.
3 13492/25.
4 14960/25 + COR 1.
5 15502/25.

II. PRESIDENCY COMPROMISE PROPOSALS WITH A VIEW TO THE TRILOGUE

8. The first trilogue is scheduled on 9 December 2025. The Council's and Parliament's mandates are largely identical. The remaining three rows where they differ would need to be addressed at political level. In view of reaching an agreement, the Presidency is looking for some flexibility that could be shown towards the Parliament. The Presidency suggests taking the following approach, while keeping in mind that any concessions towards the Parliament should only be considered in the light of an overall balanced agreement.

a) Recital 8a – row 20a of the 4-column table

In the Parliament's mandate, the sentence "International credits should not play a role for compliance in the EU ETS" is inserted in recital 8a. In view of the political sensitivity of the issue and the delicate balance achieved in the general approach, the Presidency proposes to stick as close to the Council's mandate as possible.

b) Article 4(5), point (a) – row 33

The Parliament's mandate introduces to the text several additional quality criteria and safeguards concerning the use of international credits and calls on the Commission to consider stricter criteria than those under Article 6.4 of the Paris Agreement. The Presidency considers that it would be necessary to show some openness towards the Parliament on this issue in view of the overall political compromise. The Presidency thus suggests accepting the Parliament's additions of further criteria or safeguards that are included in the Article 6.4, however reformulating the list as a non-exhaustive one. The Presidency proposes furthermore to accept the reference to safeguarding the strategic interests of the Union. However, when it comes to the requirement addressed to the Commission to consider further criteria, instead of referring to stricter criteria than those under Article 6.4, the principle could be introduced that those criteria could, if necessary, be complemented subject to the Commission's right of initiative.

The Presidency would like to stress that any flexibility towards the Parliament in this point would only be offered as part of a balanced overall package and provided the Parliament reciprocates by showing flexibility towards the Council on the other two issues.

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c) Article 11, first paragraph, point (g) – row 50j

The Parliament's mandate specifies that the flexibility referred to in this point applies to sectors that are not covered by the EU ETS. Discussions in the WPE, indicated that delegations consider that this addition lacks clarity and is too prescriptive pending further analysis to be carried out in the context of the future review. Therefore, the Presidency proposes to maintain the main elements of the Council's general approach, while showing openness towards the Parliament to further clarify that the proposed flexibility applies to Member States' targets and efforts, and not to the obligations under either ETS1 or ETS2, neither of which apply specifically to Member States.

III. CONCLUSION

9. The Permanent Representatives Committee is invited to examine the suggested Presidency compromise as set out in this note and the attached four-column table with a view to providing the Presidency with a mandate for the negotiations with the European Parliament at the upcoming trilogue, scheduled to take place on 9 December 2025.

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Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality

2025/0524(COD)

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		CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
	Formula					
G	1	2025/0524 (COD)	2025/0524 (COD)	2025/0524 (COD)	2025/0524 (COD)	G
	Document Stage					
G	2	Proposal for a	Proposal for a	Proposal for a	Proposal for a	G
	Document Type					
G	3	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	G
	Document Purpose					
G	4	amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality	amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality	amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality	amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality	G
	Formula					
G	5	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	G

		CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
Citation 1						
G	6	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	G
Citation 2						
G	7	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	G
Citation 3						
G	8	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	G
Citation 4						
G	9	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	G
Citation 5						
G	10	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	G
Citation 6						
G	11	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Formula				
12	Whereas:	Whereas:	Whereas:	Whereas:
Recital 1				
13	(1) The outcome of the first global stocktake[1] under the Paris Agreement[2], concluded at the United Nations Climate Change Conference at the end of 2023, found that parties are putting increasingly effective climate policies in place, but that urgent additional action is needed to put the world fully on track for achieving the goals of the Paris Agreement. 1. Decision 1/CMA.5. 2. OJ L 282, 19.10.2016, p. 4.	(1) The outcome of the first global stocktake[1] under the Paris Agreement[2], concluded at the United Nations Climate Change Conference at the end of 2023, found that parties are putting increasingly effective climate policies in place, but that urgent additional action is needed to put the world fully on track for achieving the goals of the Paris Agreement. 1. Decision 1/CMA.5. 2. OJ L 282, 19.10.2016, p. 4.	(1) The outcome of the first global stocktake[1] under the Paris Agreement[2], concluded at the United Nations Climate Change Conference at the end of 2023, found that parties are putting increasingly effective climate policies in place, but that urgent additional action is needed to put the world fully on track for achieving the goals of the Paris Agreement. 1. Decision 1/CMA.5. 2. OJ L 282, 19.10.2016, p. 4.	(1) The outcome of the first global stocktake[1] under the Paris Agreement[2], concluded at the United Nations Climate Change Conference at the end of 2023, found that parties are putting increasingly effective climate policies in place, but that urgent additional action is needed to put the world fully on track for achieving the goals of the Paris Agreement. 1. Decision 1/CMA.5. 2. OJ L 282, 19.10.2016, p. 4.
Recital 2				
14	(2) Through the adoption of Regulation (EU) 2021/1119 of the European Parliament and of the Council[1], the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing emissions to net zero by that date, and the aim of achieving negative emissions thereafter, established a binding Union 2030 intermediate climate target and provided for the	(2) Through the adoption of Regulation (EU) 2021/1119 of the European Parliament and of the Council[1], the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing ***greenhouse gas*** emissions to net zero by that date, and the aim of achieving negative emissions thereafter~~,~~. ***That Regulation also*** established a binding Union 2030	(2) Through the adoption of Regulation (EU) 2021/1119 of the European Parliament and of the Council[1], the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing **greenhouse gas** emissions to net zero by that date, and the aim of achieving negative emissions thereafter~~,~~**. That Regulation also** established a binding Union 2030	(2) Through the adoption of Regulation (EU) 2021/1119 of the European Parliament and of the Council[1], the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing ***greenhouse gas*** emissions to net zero by that date, and the aim of achieving negative emissions thereafter~~,~~. ***That Regulation also*** established a binding Union 2030

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	setting of a Union-wide intermediate climate target for 2040. 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj) .	intermediate climate target and ~~provided for~~***requires*** the setting of a Union-wide intermediate climate target for 2040. 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj) .	intermediate climate target and ~~provided for~~**requires** the setting of a Union-wide intermediate climate target for 2040. 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj) .	intermediate climate target and ~~provided for~~***requires*** the setting of a Union-wide intermediate climate target for 2040. 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj) .
Recital 3				
G 15	(3) Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change and based on a detailed Impact Assessment, the Commission presented a recommended target of a 90% net greenhouse gas emission reduction compared to 1990 levels for 2040 in its Communication of 6 February 2024 on Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society[1]. 1. COM(2024) 63 final.	(3) Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change ***('the Advisory Board')*** and based on a detailed Impact Assessment, the Commission presented a recommended target of a 90% net greenhouse gas emission reduction compared to 1990 levels for 2040 in its Communication of 6 February 2024 on Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society[1].	(3) Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change **('the Advisory Board')** and based on a detailed Impact Assessment, the Commission presented a recommended target of a 90% net greenhouse gas emission reduction compared to 1990 levels for 2040 in its Communication of 6 February 2024 on Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society[1].	(3) Taking into account the scientific advice by the European Scientific Advisory Board on Climate Change ***('the Advisory Board')*** and based on a detailed Impact Assessment, the Commission presented a recommended target of a 90% net greenhouse gas emission reduction compared to 1990 levels for 2040 in its Communication of 6 February 2024 on Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society[1]. G

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		1. COM(2024) 63 final.	1. COM(2024) 63 final.	1. COM(2024) 63 final.
Recital 4				
16	(4) In order to propose the Union 2040 climate target, the Commission considered the best available and most recent scientific evidence, including the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the Advisory Board; the social, economic and environmental impacts, including the costs of inaction; the need to ensure a just and socially fair transition for all; cost-effectiveness and economic efficiency; competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage; best available cost-effective, safe and scalable technologies; energy efficiency and the 'energy efficiency first' principle, energy affordability and security of supply; fairness and solidarity between and within Member States; the need to ensure environmental effectiveness and progression over time; the need to maintain, manage and enhance	(4) In order to propose the Union 2040 climate target, the Commission considered the best available and most recent scientific evidence, including the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the Advisory Board; the social, economic and environmental impacts, including the costs of inaction; the need to ensure a just and socially fair transition for all; cost-effectiveness and economic efficiency; competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage; best available cost-effective, safe and scalable technologies; energy efficiency ~~and~~*including* the 'energy efficiency first' principle, energy affordability and security of supply *for all Member States*; fairness and solidarity between and within Member States; the need to ensure environmental effectiveness and progression over time; the need to maintain, manage	(4) In order to propose the Union 2040 climate target, the Commission considered the best available and most recent scientific evidence, including the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the Advisory Board; the social, economic and environmental impacts, including the costs of inaction; the need to ensure a just and socially fair transition for all; cost-effectiveness and economic efficiency; competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage; best available cost-effective, safe and scalable technologies; energy efficiency ~~and~~**including** the 'energy efficiency first' principle, energy affordability and security of supply **for all Member States**; fairness and solidarity between and within Member States; the need to ensure environmental effectiveness and progression over time; the need to maintain, manage	(4) In order to propose the Union 2040 climate target, the Commission considered the best available and most recent scientific evidence, including the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the Advisory Board; the social, economic and environmental impacts, including the costs of inaction; the need to ensure a just and socially fair transition for all; cost-effectiveness and economic efficiency; competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage; best available cost-effective, safe and scalable technologies; energy efficiency ~~and~~*including* the 'energy efficiency first' principle, energy affordability and security of supply *for all Member States*; fairness and solidarity between and within Member States; the need to ensure environmental effectiveness and progression over time; the need to maintain, manage

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	natural sinks in the long term and protect and restore biodiversity, including in the marine environment; investment needs and opportunities; international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC); existing information on the projected indicative Union greenhouse gas budget for the 2030-2050 period.	and enhance natural sinks in the long term and protect and restore biodiversity, including in the marine environment; investment needs and opportunities; international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC); existing information on the projected indicative Union greenhouse gas budget for the 2030-2050 period.	and enhance natural sinks in the long term and protect and restore biodiversity, including in the marine environment; investment needs and opportunities; international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC); existing information on the projected indicative Union greenhouse gas budget for the 2030-2050 period.	and enhance natural sinks in the long term and protect and restore biodiversity, including in the marine environment; investment needs and opportunities; international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC); existing information on the projected indicative Union greenhouse gas budget for the 2030-2050 period.
Recital 5				
G 17	(5) In order to achieve the 2040 climate target it is essential to, inter alia, fully implement the agreed 2030 framework, ensure and provide support to the competitiveness and resilience of the European industry, ensure transition pathways based on best available cost-effective, safe and scalable technologies, set a greater focus on a just transition that leaves no one behind, ensure fair competition with international partners, decarbonise the energy	(5) In order to achieve the 2040 climate target it is essential to, inter alia, fully implement the agreed 2030 ***policy*** framework, ensure and provide support to ***enhance and bolster*** the competitiveness and resilience of the European industry***, ensure sustainable food systems as well as the resilience of rural communities and food security through a sustainable and robust European agricultural sector***, ensure transition pathways based	(5) In order to achieve the 2040 climate target it is essential to, inter alia, fully implement the agreed 2030 **policy** framework, ensure and provide support to **enhance and bolster** the competitiveness and resilience of the European industry**, ensure sustainable food systems as well as the resilience of rural communities and food security through a sustainable and robust European agricultural sector**, ensure transition pathways	(5) In order to achieve the 2040 climate target it is essential to, inter alia, fully implement the agreed 2030 ***policy*** framework, ensure and provide support to ***enhance and bolster*** the competitiveness and resilience of the European industry***, ensure sustainable food systems as well as the resilience of rural communities and food security through a sustainable and robust European agricultural sector***, ensure transition pathways based G

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	system with all zero and low carbon energy solutions (including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro-energy, and all other current and future net-zero energy technologies), and organise a strategic dialogue on the post-2030 framework with all relevant sectors. With the Clean Industrial Deal, the EU is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial renewal, including support mechanisms for European industry, better access to public and private finance, a global level playing field, and clear enabling conditions for the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the EU.	on best available cost-effective, safe and scalable technologies, ***and*** set a greater focus on a just transition ***for affected regions, sectors and vulnerable households*** that leaves no one behind, ***for example through support from the Social Climate Fund in the transition to climate neutrality. Further, it is essential to*** ensure fair competition with international partners, ***and to make effective use of all EU economic instruments to deter and counter unfair trade practices,*** decarbonise the energy system with ***a technologically neutral approach that includes*** all zero and low carbon energy solutions (including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro-energy, ***sustainable bioenergy*** and all other current and future net-zero energy technologies)***, reduce import dependencies and diversify the EU's sources of critical raw materials***, and organise a strategic dialogue on the post-2030 framework with all relevant sectors~~. With the Clean Industrial~~	based on best available cost-effective, safe and scalable technologies, **and** set a greater focus on a just transition **for affected regions, sectors and vulnerable households** that leaves no one behind, **for example through support from the Social Climate Fund in the transition to climate neutrality. Further, it is essential to** ensure fair competition with international partners, **and to make effective use of all EU economic instruments to deter and counter unfair trade practices,** decarbonise the energy system with **a technologically neutral approach that includes** all zero and low carbon energy solutions (including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro-energy, **sustainable bioenergy** and all other current and future net-zero energy technologies)**, reduce import dependencies and diversify the EU's sources of critical raw materials**, and organise a strategic dialogue on the post-2030 framework with all	on best available cost-effective, safe and scalable technologies, ***and*** set a greater focus on a just transition ***for affected regions, sectors and vulnerable households*** that leaves no one behind, ***for example through support from the Social Climate Fund in the transition to climate neutrality. Further, it is essential to*** ensure fair competition with international partners, ***and to make effective use of all EU economic instruments to deter and counter unfair trade practices,*** decarbonise the energy system with ***a technologically neutral approach that includes*** all zero and low carbon energy solutions (including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro-energy, ***sustainable bioenergy*** and all other current and future net-zero energy technologies)***, reduce import dependencies and diversify the EU's sources of critical raw materials***, and organise a strategic dialogue on the post-2030 framework with all relevant sectors~~. With the Clean Industrial~~

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		~~*Deal, the EU is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial renewal*~~, including ~~*support mechanisms for European*~~ industry~~*, better access to public and private finance, a global level playing field, and clear enabling conditions for the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the EU*~~ ***and transport***.	relevant sectors~~. With the Clean Industrial Deal, the EU is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial renewal~~, including ~~support mechanisms for European~~ industry~~, better access to public and private finance, a global level playing field, and clear enabling conditions for the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the EU.~~ **and transport.**	~~*Deal, the EU is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial renewal*~~, including ~~*support mechanisms for European*~~ industry~~*, better access to public and private finance, a global level playing field, and clear enabling conditions for the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the EU*~~ ***and transport***.
Recital 5a				
G 17a		***(5a) In its conclusions of 23 October 2025, the European Council stated that enhancing the Union's competitiveness, bolstering its resilience, and advancing the green transition are mutually reinforcing objectives that must be pursued together, and called for an urgent stepping up of efforts to secure the supply of affordable and clean energy and build a genuine Energy Union before 2030, including by leveraging the new Energy Union Task Force, as***	**(5a) In its conclusions of 23 October 2025, the European Council stated that enhancing the Union's competitiveness, bolstering its resilience, and advancing the green transition are mutually reinforcing objectives that must be pursued together, and called for an urgent stepping up of efforts to secure the supply of affordable and clean energy and build a genuine Energy Union before 2030, including by leveraging the new Energy Union Task**	***(5a) In its conclusions of 23 October 2025, the European Council stated that enhancing the Union's competitiveness, bolstering its resilience, and advancing the green transition are mutually reinforcing objectives that must be pursued together, and called for an urgent stepping up of efforts to secure the supply of affordable and clean energy and build a genuine Energy Union before 2030, including by leveraging the new Energy Union Task Force, as*** G

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		well as for accelerating work aimed at lowering energy prices and supporting sustainable energy production domestically in the Union. With a view to ensuring a cost-effective, fair and just, pragmatic and socially balanced transition towards climate neutrality, taking into account different national circumstances, both private and public sector investment, including through Union funding, will be a key enabler for the clean transition, for example by supporting and accelerating the deployment and commercialisation of innovative technologies across Member States, supporting access to industrial renewal and decarbonisation, clean tech manufacturing and the modernisation of energy systems as well as providing affordable solutions across the economy and for citizens throughout the Union. The Clean Industrial Deal is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial	**Force, as well as for accelerating work aimed at lowering energy prices and supporting sustainable energy production domestically in the Union. With a view to ensuring a cost-effective, fair and just, pragmatic and socially balanced transition towards climate neutrality, taking into account different national circumstances, both private and public sector investment, including through Union funding, will be a key enabler for the clean transition, for example by supporting and accelerating the deployment and commercialisation of innovative technologies across Member States, supporting access to industrial renewal and decarbonisation, clean tech manufacturing and the modernisation of energy systems as well as providing affordable solutions across the economy and for citizens throughout the Union. The Clean Industrial Deal is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial**	*well as for accelerating work aimed at lowering energy prices and supporting sustainable energy production domestically in the Union. With a view to ensuring a cost-effective, fair and just, pragmatic and socially balanced transition towards climate neutrality, taking into account different national circumstances, both private and public sector investment, including through Union funding, will be a key enabler for the clean transition, for example by supporting and accelerating the deployment and commercialisation of innovative technologies across Member States, supporting access to industrial renewal and decarbonisation, clean tech manufacturing and the modernisation of energy systems as well as providing affordable solutions across the economy and for citizens throughout the Union. The Clean Industrial Deal is putting in place the conditions for a successful transition, focussing on both decarbonisation and industrial*

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		renewal, which will contribute to boosting demand for 'made in Europe', and support mechanisms for European industry, including the Industrial Decarbonisation Bank and the new simplified state aid framework.	**renewal, which will contribute to boosting demand for 'made in Europe', and support mechanisms for European industry, including the Industrial Decarbonisation Bank and the new simplified state aid framework.**	*renewal, which will contribute to boosting demand for 'made in Europe', and support mechanisms for European industry, including the Industrial Decarbonisation Bank and the new simplified state aid framework.*
Recital 5aa				
G 17b		*(5aa) Furthermore, the European Council also recalled in its conclusions of 23 October 2025 the urgent need to intensify collective efforts to ensure Europe's industrial renewal, modernisation and decarbonisation in a technologically neutral manner. It underlined in this context that particular attention should be paid to traditional industries, notably the automotive, shipping, and aviation industries as well as energy-intensive industries, such as steel and metals, chemicals, cement, glass and ceramics, and pulp and paper, so that they remain resilient and competitive in a global market and a challenging geopolitical environment. In this regard, it*	**(5aa) Furthermore, the European Council also recalled in its conclusions of 23 October 2025 the urgent need to intensify collective efforts to ensure Europe's industrial renewal, modernisation and decarbonisation in a technologically neutral manner. It underlined in this context that particular attention should be paid to traditional industries, notably the automotive, shipping, and aviation industries as well as energy-intensive industries, such as steel and metals, chemicals, cement, glass and ceramics, and pulp and paper, so that they remain resilient and competitive in a global market and a challenging geopolitical environment. In this**	*(5aa) Furthermore, the European Council also recalled in its conclusions of 23 October 2025 the urgent need to intensify collective efforts to ensure Europe's industrial renewal, modernisation and decarbonisation in a technologically neutral manner. It underlined in this context that particular attention should be paid to traditional industries, notably the automotive, shipping, and aviation industries as well as energy-intensive industries, such as steel and metals, chemicals, cement, glass and ceramics, and pulp and paper, so that they remain resilient and competitive in a global market and a challenging geopolitical environment. In this regard, it* G

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		welcomed the recent Commission proposal to protect the European steel sector from unfair impacts of global overcapacity. It also welcomed the Commission's intention to take forward the review foreseen under the Regulation on CO2 emissions performance standards for cars and vans, and it called for the swift presentation of this proposal, taking into account technological neutrality and European content. In this context, the European Council also welcomed the recent letter from the President of the Commission on climate and competitiveness.	**regard, it welcomed the recent Commission proposal to protect the European steel sector from unfair impacts of global overcapacity. It also welcomed the Commission's intention to take forward the review foreseen under the Regulation on CO2 emissions performance standards for cars and vans, and it called for the swift presentation of this proposal, taking into account technological neutrality and European content. In this context, the European Council also welcomed the recent letter from the President of the Commission on climate and competitiveness.**	***welcomed the recent Commission proposal to protect the European steel sector from unfair impacts of global overcapacity. It also welcomed the Commission's intention to take forward the review foreseen under the Regulation on CO2 emissions performance standards for cars and vans, and it called for the swift presentation of this proposal, taking into account technological neutrality and European content. In this context, the European Council also welcomed the recent letter from the President of the Commission on climate and competitiveness.***
Recital 5b				
G	17c	***(5b) The Clean Industrial Deal also focuses on better access to public and private finance, an integrated and interconnected Union energy market ensuring energy security, promotion of circular economy, a global level playing field including through the effective implementation and extension of CBAM to***	**(5b) The Clean Industrial Deal also focuses on better access to public and private finance, an integrated and interconnected Union energy market ensuring energy security, promotion of circular economy, a global level playing field including through the effective implementation and**	***(5b) The Clean Industrial Deal also focuses on better access to public and private finance, an integrated and interconnected Union energy market ensuring energy security, promotion of circular economy, a global level playing field including through the effective implementation and extension of CBAM to***

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		downstream goods, introducing anti-circumvention measures and action to address export carbon leakage, and clear enabling conditions such as streamlined permitting and the uptake and scaling of clean technologies, in order to strengthen the Union's competitive edge and industrial competitiveness as well as innovation in the EU taking into account the challenging geopolitical environment.	**extension of CBAM to downstream goods, introducing anti-circumvention measures and action to address export carbon leakage, and clear enabling conditions such as streamlined permitting and the uptake and scaling of clean technologies, in order to strengthen the Union's competitive edge and industrial competitiveness as well as innovation in the EU taking into account the challenging geopolitical environment.**	***downstream goods, introducing anti-circumvention measures and action to address export carbon leakage, and clear enabling conditions such as streamlined permitting and the uptake and scaling of clean technologies, in order to strengthen the Union's competitive edge and industrial competitiveness as well as innovation in the EU taking into account the challenging geopolitical environment.***
Recital 6				
G 18	(6) In light of the 2050 climate-neutrality objective, by 2040 greenhouse gas emissions should be reduced and removals enhanced, to ensure that the net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide by 90 % by 2040 compared to 1990 levels.	(6) In light of the 2050 climate-neutrality objective, by 2040 greenhouse gas emissions should be reduced and removals enhanced, to ensure that the net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide by 90 % by 2040 compared to 1990 levels.	(6) In light of the 2050 climate-neutrality objective, by 2040 greenhouse gas emissions should be reduced and removals enhanced, to ensure that the net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide by 90 % by 2040 compared to 1990 levels.	(6) In light of the 2050 climate-neutrality objective, by 2040 greenhouse gas emissions should be reduced and removals enhanced, to ensure that the net greenhouse gas emissions, that is emissions after deduction of removals, are reduced economy-wide by 90 % by 2040 compared to 1990 levels. G
Recital 7				
G 19	(7) Priority should be given to domestic reductions in greenhouse gas emissions, complementing it by increased removals, including	(7) Priority should be given to domestic reductions in greenhouse gas emissions, complementing it by increased	(7) Priority should be given to domestic reductions in greenhouse gas emissions, complementing it by increased removals, including	(7) Priority should be given to domestic reductions in greenhouse gas emissions, complementing it by increased G

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	through both natural and technological solutions. In the development of the post-2030 policy package, due attention should be paid to the contribution of gross emission reductions versus natural and technological removals. Nature-based and industrial removals play an increasing role in the Union's economy in the next decades, in view of the need to balance greenhouse gas emissions and removals at the latest by 2050 and negative emissions thereafter. Incentives will be developed on the occasion of the review of Directive 2003/87/EC of the European Parliament and of the Council[1] in 2026, where the Commission envisages to provide for domestic permanent carbon removals in the system for greenhouse gas emission allowance trading within the Union ('EU ETS') to compensate for residual emissions from hard to abate sectors. 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance	removals, including through both natural and technological solutions. In the development of the post-2030 policy package, due attention should be paid to the contribution of gross emission reductions versus natural and technological removals. ~~*Nature-based*~~*Natural removals have characteristics that should be taken into account, such as forest age structure, proportion of organic soils, natural variability, and uncertainties related to the impacts of climate change, to natural disturbances and to changes in methodologies. Natural* and industrial removals play an increasing role in the Union's economy in the next decades, in view of the need to balance greenhouse gas emissions and removals at the latest by 2050 and negative emissions thereafter. Incentives will be developed ~~*on the occasion*~~*in the context* of the review of Directive 2003/87/EC of the European Parliament and of the Council[1] in 2026, where the Commission envisages to provide for *the inclusion of* domestic permanent carbon removals in the	through both natural and technological solutions. In the development of the post-2030 policy package, due attention should be paid to the contribution of gross emission reductions versus natural and technological removals. ~~Nature-based~~**Natural removals have characteristics that should be taken into account, such as forest age structure, proportion of organic soils, natural variability, and uncertainties related to the impacts of climate change, to natural disturbances and to changes in methodologies. Natural** and industrial removals play an increasing role in the Union's economy in the next decades, in view of the need to balance greenhouse gas emissions and removals at the latest by 2050 and negative emissions thereafter. Incentives will be developed ~~on the occasion~~**in the context** of the review of Directive 2003/87/EC of the European Parliament and of the Council[1] in 2026, where the Commission envisages to provide for **the inclusion of** domestic permanent carbon removals in the	removals, including through both natural and technological solutions. In the development of the post-2030 policy package, due attention should be paid to the contribution of gross emission reductions versus natural and technological removals. ~~*Nature-based*~~*Natural removals have characteristics that should be taken into account, such as forest age structure, proportion of organic soils, natural variability, and uncertainties related to the impacts of climate change, to natural disturbances and to changes in methodologies. Natural* and industrial removals play an increasing role in the Union's economy in the next decades, in view of the need to balance greenhouse gas emissions and removals at the latest by 2050 and negative emissions thereafter. Incentives will be developed ~~*on the occasion*~~*in the context* of the review of Directive 2003/87/EC of the European Parliament and of the Council[1] in 2026, where the Commission envisages to provide for *the inclusion of* domestic permanent carbon removals in the

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	trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).	~~system for greenhouse gas emission allowance~~EU emissions trading ~~within the Union~~system ('EU ETS') to compensate for residual ~~emissions from~~ hard to abate ~~sectors~~emissions. The land use, land use change and forestry sector has a central role in a sustainable and circular bioeconomy and has the potential to provide long-term climate and environmental benefits contributing to the clean transition of the EU economy and reducing dependencies by substituting fossil-based materials. _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).	~~system for greenhouse gas emission allowance~~**EU emissions** trading ~~within the Union~~**system** ('EU ETS') to compensate for residual ~~emissions from~~ hard to abate ~~sectors~~**emissions. The land use, land use change and forestry sector has a central role in a sustainable and circular bioeconomy and has the potential to provide long-term climate and environmental benefits contributing to the clean transition of the EU economy and reducing dependencies by substituting fossil-based materials.** _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).	~~system for greenhouse gas emission allowance~~EU emissions trading ~~within the Union~~system ('EU ETS') to compensate for residual ~~emissions from~~ hard to abate ~~sectors~~emissions. The land use, land use change and forestry sector has a central role in a sustainable and circular bioeconomy and has the potential to provide long-term climate and environmental benefits contributing to the clean transition of the EU economy and reducing dependencies by substituting fossil-based materials. _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).
Recital 7a				
G 19a		(7a) While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission should continue to strengthen the	**(7a) While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission should continue to strengthen**	(7a) While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission should continue to strengthen the G

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		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.	**the 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.**	***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.***
Recital 8				
20	(8) The Union has in place a regulatory framework to achieve the 2030 climate target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC, which establishes the EU ETS, Regulation (EU) 2018/842 of the European Parliament and of the Council[1], which introduced national targets for reduction of greenhouse gas emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council[2], which sets net carbon removal targets for the land use sector. The Commission should assess how the relevant Union legislation would need to be amended in order to achieve the 2040 climate target. When designing the future	(8) The Union has in place a regulatory framework to achieve the 2030 climate target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC, which establishes the EU ETS, Regulation (EU) 2018/842 of the European Parliament and of the Council[1], which introduced national targets for reduction of greenhouse gas emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council[2], which sets net carbon removal targets for the land use sector. ***In order to ensure a smooth transition to the EU ETS2, the application of Article 30(k)(2) letters (a) to (e) of Directive 2003/87/EC should be postponed***	(8) The Union has in place a regulatory framework to achieve the 2030 climate target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC, which establishes the EU ETS, Regulation (EU) 2018/842 of the European Parliament and of the Council[1], which introduced national targets for reduction of greenhouse gas emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council[2], which sets net carbon removal targets for the land use sector. **In order to ensure a smooth transition to the EU ETS2, the application of Article 30k(2) letters (a) to (e) of Directive 2003/87/EC should be postponed**	(8) The Union has in place a regulatory framework to achieve the 2030 climate target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC, which establishes the EU ETS, Regulation (EU) 2018/842 of the European Parliament and of the Council[1], which introduced national targets for reduction of greenhouse gas emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council[2], which sets net carbon removal targets for the land use sector. ***In order to ensure a smooth transition to the ETS2, the operation of emissions trading for buildings, road transport and additional sectors set out in***

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	architecture, the Commission should prepare detailed impact assessments, including the impacts on competitiveness and small and medium enterprises, and consider taking necessary measures, including legislative proposals as appropriate. A number of elements to facilitate the achievement of the 2040 target should be appropriately reflected, including a potential limited contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement, in the second part of the 2030-2040 decade, in line with accounting rules of the Paris Agreement; the role of domestic permanent removals (Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS; enhanced flexibility across sectors. In order to assess the social, economic and environmental impacts, the future architecture should be based on robust impact assessments. The future architecture should also foster convergence while taking into	***of one year.*** The Commission should assess how the relevant Union legislation would need to be amended in order to achieve the 2040 climate target***, also taking into account declining natural sink capacity***. When designing the ~~*future architecture*~~***post-2030 framework***, the Commission should prepare detailed impact assessments, ***taking into account its analysis of the integrated national energy and climate plans, the geopolitical environment,*** including ***the need to ensure the Union's and its Member States' capacity to rapidly increase and strengthen their defensive capacity by addressing possible burdens while maintaining incentives for industrial decarbonisation,*** the impacts on competitiveness***, on*** ~~*and*~~ small and ~~*medium*~~***medium-sized*** enterprises ***and energy intensive industries, and impacts on energy costs and investment needs across Member States***, and consider taking necessary measures, including legislative proposals as appropriate. ~~*A number of elements to facilitate*~~	**of one year.** The Commission should assess how the relevant Union legislation would need to be amended in order to achieve the 2040 climate target**, also taking into account declining natural sink capacity**. When designing the ~~future architecture~~**post-2030 framework**, the Commission should prepare detailed impact assessments, **taking into account its analysis of the integrated national energy and climate plans, the geopolitical environment,** including **the need to ensure the Union's and its Member States' capacity to rapidly increase and strengthen their defensive capacity by addressing possible burdens while maintaining incentives for industrial decarbonisation,** the impacts on competitiveness~~ and~~**, on** small and ~~medium~~**medium-sized** enterprises **and energy intensive industries, and impacts on energy costs and investment needs across Member States**, and consider taking necessary measures, including legislative proposals as appropriate. ~~A number of elements to facilitate~~	***Chapter IVa of Directive 2003/87 should be postponed by one year and the rules set out in Article 30k(2) letters (a) to (e) of Directive 2003/87/EC should apply.*** The Commission should assess how the relevant Union legislation would need to be amended in order to achieve the 2040 climate target***, also taking into account declining natural sink capacity***. When designing the ~~*future architecture*~~***post-2030 framework***, the Commission should prepare detailed impact assessments, ***taking into account its analysis of the integrated national energy and climate plans, the geopolitical environment,*** including ***the need to ensure the Union's and its Member States' capacity to rapidly increase and strengthen their defensive capacity by addressing possible burdens while maintaining incentives for industrial decarbonisation,*** the impacts on competitiveness~~ and~~***, on*** small and ~~*medium*~~***medium-sized*** enterprises ***and energy intensive industries, and impacts on energy costs and investment***

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	account fairness and Member States' specificities, including those of islands and outermost regions. _____ 1. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26, ELI: http://data.europa.eu/eli/reg/2018/842/oj). 2. Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/841/oj).	~~*the achievement of the 2040 target should be appropriately reflected, including a potential limited contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement, in the second part of the 2030-2040 decade, in line with accounting rules of the Paris Agreement; the role of domestic permanent removals (Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS; enhanced flexibility across sectors. In order to assess the social, economic and environmental impacts, the future architecture should be based on robust impact assessments. The future architecture should also foster convergence while taking into account fairness and Member States' specificities, including those of islands and outermost regions.*~~ _____ 1. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030	~~the achievement of the 2040 target should be appropriately reflected, including a potential limited contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement, in the second part of the 2030-2040 decade, in line with accounting rules of the Paris Agreement; the role of domestic permanent removals (Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS; enhanced flexibility across sectors. In order to assess the social, economic and environmental impacts, the future architecture should be based on robust impact assessments. The future architecture should also foster convergence while taking into account fairness and Member States' specificities, including those of islands and outermost regions.~~ _____ 1. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030	***needs across Member States***, and consider taking necessary measures, including legislative proposals as appropriate. ~~*A number of elements to facilitate the achievement of the 2040 target should be appropriately reflected, including a potential limited contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement, in the second part of the 2030-2040 decade, in line with accounting rules of the Paris Agreement; the role of domestic permanent removals (Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS; enhanced flexibility across sectors. In order to assess the social, economic and environmental impacts, the future architecture should be based on robust impact assessments. The future architecture should also foster convergence while taking into account fairness and Member States' specificities, including those of islands and outermost regions.*~~

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		contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26, ELI: http://data.europa.eu/eli/reg/2018/842/oj). 2. Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/841/oj).	contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26, ELI: http://data.europa.eu/eli/reg/2018/842/oj). 2. Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/841/oj).	1. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26, ELI: http://data.europa.eu/eli/reg/2018/842/oj). 2. Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/841/oj). Correction provisionally agreed at technical level
Recital 8a				
R	20a	***(8a) A number of elements to facilitate the achievement of the 2040 climate target should be appropriately reflected, including an adequate contribution towards the 2040 climate target of high-quality international credits under Article 6 of the Paris Agreement, in the second part of***	**(8a) A number of elements to facilitate the achievement of the 2040 climate target should be appropriately reflected, including an adequate contribution towards the 2040 climate target of high-quality international credits under Article 6 of the Paris Agreement**	Council: Maintain the Council text.

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		the 2031-2040 decade, in a way that is both ambitious and cost-efficient and in line with accounting rules of the Paris Agreement, including a pilot period to initiate a high-quality and high-integrity international credit market for the period 2031-2035; the role of domestic permanent removals (such as Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS while ensuring the environmental integrity of the EU ETS, including the possibility to store CO2 outside the Union, as appropriate, subject to the existence of international agreements and providing for conditions equivalent to those laid out in Union law; and enhanced and accessible flexibility across and within sectors and instruments to support a cost-effective approach whereby for example Member States' achievements in one sector can balance gaps in others in a cost-efficient way while ensuring that each sector	**in the second part of the 2031-2040 decade, in a way that is both ambitious and cost-efficient and in line with accounting rules of the Paris Agreement, including a pilot period to initiate a high-quality and high-integrity international credit market for the period 2031-2035; the role of domestic permanent removals (such as Biogenic emissions Capture with Carbon Storage (BioCCS) and Direct Air Capture with Carbon Storage (DACCS)) in the EU ETS while ensuring the environmental integrity of the EU ETS, including the possibility to store CO_2 outside the Union, as appropriate, subject to the existence of international agreements and providing for conditions equivalent to those laid out in Union law; and enhanced and accessible flexibility across and within sectors and instruments to support a cost-effective approach whereby for example Member States' achievements in one sector can balance gaps in others in a cost-efficient way**	

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		contributes to the efforts and ensuring that possible shortfalls in one sector would not be at the expense of other economic sectors, without prejudice to each Member State's possibility to make use of the flexibilities. In operationalising the use of international credits, the Commission should take into account the need to ensure a level playing field across Member States and the opportunity to support strategic EU partnerships. International credits should not play a role for compliance in the EU ETS. The current EU ETS trajectory should be revised in the upcoming review of the ETS Directive to take into account the agreed 2040 target in a manner that would allow for a limited amount of emissions after 2039. The Commission should timely consider a slower phase-out pathway for free allocation of allowances from 2028 onwards to support decarbonisation, investment and employment in Europe, including through the Industrial Decarbonisation Bank and a review of the Market	**while ensuring that each sector contributes to the efforts and ensuring that possible shortfalls in one sector would not be at the expense of other economic sectors, without prejudice to each Member State's possibility to make use of the flexibilities. In operationalising the use of international credits, the Commission should take into account the need to ensure a level playing field across Member States and the opportunity to support strategic EU partnerships. The current EU ETS trajectory should be revised in the upcoming review of the ETS Directive to take into account the agreed 2040 target in a manner that would allow for a limited amount of emissions after 2039. The Commission should timely consider a slower phase-out pathway for free allocation of allowances from 2028 onwards to support decarbonisation, investment and employment in Europe, including through the Industrial Decarbonisation Bank and a review of the Market Stability**	

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		Stability Reserve, while minimising the risk of carbon leakage. In order to assess the social, economic and environmental impacts, the post-2030 framework should be based on robust impact assessments. The post-2030 framework should also foster convergence while taking into account fairness and Member States' national circumstances and specificities, including those of islands, island Member States and outermost regions.	**Reserve, while minimising the risk of carbon leakage. In order to assess the social, economic and environmental impacts, the post-2030 framework should be based on robust impact assessments. The post-2030 framework should also foster convergence while taking into account fairness and Member States' national circumstances and specificities, including those of islands, island Member States and outermost regions.**	
Recital 9				
G	21	(9) Since the objective of this Regulation, namely to set a Union-wide climate target for 2040, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not	(9) Since the objective of this Regulation, namely to set a Union-wide climate target for 2040, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not	(9) Since the objective of this Regulation, namely to set a Union-wide climate target for 2040, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not	(9) Since the objective of this Regulation, namely to set a Union-wide climate target for 2040, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not	G

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	go beyond what is necessary in order to achieve that objective.	go beyond what is necessary in order to achieve that objective.	go beyond what is necessary in order to achieve that objective.	go beyond what is necessary in order to achieve that objective.
Recital 10				
22	(10) Regulation (EU) 2021/1119 should therefore be amended accordingly,	(10) Regulation (EU) 2021/1119 should therefore be amended accordingly,	(10) Regulation (EU) 2021/1119 should therefore be amended accordingly,	(10) Regulation (EU) 2021/1119 should therefore be amended accordingly,
Formula				
23	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:
Article 1				
24	Article 1 Amendments to Regulation (EU) 2021/1119	Article 1 Amendments to Regulation (EU) 2021/1119	Article 1 Amendments to Regulation (EU) 2021/1119	Article 1 Amendments to Regulation (EU) 2021/1119
Article 1, first paragraph				
25	Regulation (EU) 2021/1119 is amended as follows:	Regulation (EU) 2021/1119 is amended as follows:	Regulation (EU) 2021/1119 is amended as follows:	Regulation (EU) 2021/1119 is amended as follows:
Article 1, first paragraph, point (1)				
26	(1) in Article 1, second paragraph, the following sentence is added:	(1) in Article 1, second paragraph, the following sentence is added:	(1) in Article 1, second paragraph, the following sentence is added:	(1) in Article 1, second paragraph, the following sentence is added:
Article 1, first paragraph, point (1), amending provision, first paragraph				
27	‘This Regulation also sets out a binding Union target for 2040.;’	‘This Regulation also sets out a binding Union target for 2040.;’	‘This Regulation also sets out a binding Union target for 2040.;’	‘This Regulation also sets out a binding Union target for 2040.;’

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Article 1, first paragraph, point (2)						
G	28	(2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:	(2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:	(2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:	(2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:	G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (3)						
G	29	‘ 3. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2040 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by 90 % compared to 1990 levels by 2040.	‘ 3. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2040 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by 90 % compared to 1990 levels by 2040.	‘ 3. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2040 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by 90 % compared to 1990 levels by 2040.	‘ 3. In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2040 climate target shall be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by 90 % compared to 1990 levels by 2040.	G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), first subparagraph						
G	30	4. With a view to the period after 2030, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 3 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures as appropriate and based on detailed impact assessment, in accordance with the Treaties.	4. With a view to the period after 2030, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 3 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures as appropriate and based on detailed impact assessment, in accordance with the Treaties.	4. With a view to the period after 2030, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 3 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures as appropriate and based on detailed impact assessment, in accordance with the Treaties.	4. With a view to the period after 2030, the Commission shall review relevant Union legislation in order to enable the achievement of the target set out in paragraph 3 of this Article and the climate-neutrality objective set out in Article 2(1) and consider taking the necessary measures as appropriate and based on detailed impact assessment, in accordance with the Treaties.	G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), second subparagraph				
31	While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all. The Commission shall aim to accelerate and strengthen the enabling framework to ensure that conditions are in place to support European industry and citizens throughout the transition, in full respect of EU law.	~~*While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all.*~~ The Commission shall ~~*aim to accelerate and*~~***continue to*** strengthen ***the initiatives concerning*** the enabling framework ***and aim to accelerate their adoption and implementation*** to ensure that conditions are in place to support ***affected legal and natural persons, such as*** European industry and citizens throughout the transition, ***towards the targets set out in paragraphs 1 and 3 of this Article, the objective set out in Article 2(1) and a climate-neutral economy***~~*in full respect of EU law*~~.	~~While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all.~~ The Commission shall ~~aim to accelerate and~~**continue to** strengthen **the initiatives concerning** the enabling framework **and aim to accelerate their adoption and implementation** to ensure that conditions are in place to support **affected legal and natural persons, such as** European industry and citizens throughout the transition, **towards the targets set out in paragraphs 1 and 3 of this Article, the objective set out in Article 2(1) and a climate-neutral economy**~~in full respect of EU law~~.	~~*While some enabling policies have already been implemented and their impact is already visible, this is not yet the case for all.*~~ The Commission shall ~~*aim to accelerate and*~~***continue to*** strengthen ***the initiatives concerning*** the enabling framework ***and aim to accelerate their adoption and implementation*** to ensure that conditions are in place to support ***affected legal and natural persons, such as*** European industry and citizens throughout the transition, ***towards the targets set out in paragraphs 1 and 3 of this Article, the objective set out in Article 2(1) and a climate-neutral economy***~~*in full respect of EU law*~~.
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph				
32	Within the framework of the review referred to in the first subparagraph, in order to facilitate the achievement of the target set out in paragraph 3 of this Article, the Commission shall ensure that the following elements are	Within the framework of the review referred to in the first subparagraph ***of paragraph 4***, in order to facilitate the achievement of the target set out in paragraph 3 of this Article, the Commission shall ensure that the following elements are appropriately	**5.** Within the framework of the review referred to in the first subparagraph **of paragraph 4**, in order to facilitate the achievement of the target set out in paragraph 3 of this Article, the Commission shall ensure that the following elements are appropriately	Within the framework of the review referred to in the first subparagraph ***of paragraph 4***, in order to facilitate the achievement of the target set out in paragraph 3 of this Article, the Commission shall ensure that the following elements are appropriately

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	appropriately reflected in the legislative proposals:	reflected in the legislative proposals:	reflected in the legislative proposals:	reflected in the legislative proposals:
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (a)				
R	33	(a) Starting from 2036, a possible limited contribution towards the 2040 target of high-quality international credits under Article 6 of the Paris Agreement of 3% of 1990 EU net emissions supporting the EU and third countries in achieving net greenhouse gas reduction trajectories compatible with the Paris Agreement objective to hold the increase in the global average temperature to well below 2 °C and pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels - the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law;	(a) Starting from 2036, ~~a possible limited~~*an adequate* contribution towards the 2040 *climate* target of high-quality international credits under Article 6 of the Paris Agreement of ~~3%~~*up to 5%* of 1990 EU 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 EU and third countries in achieving net greenhouse gas reduction trajectories compatible with the Paris Agreement objective to hold the increase in the global average temperature to well below 2 °C and pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels *ensuring the environmental integrity of these credits, while promoting the EU's technological leadership; a pilot period to initiate a high-quality and high-integrity international credit*	(a) starting from 2036, ~~a possible limited~~**an adequate** contribution towards the 2040 **climate** target of high-quality international credits under Article 6 of the Paris Agreement of ~~3%~~**up to 5%** of 1990 EU 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 EU and third countries in achieving net greenhouse gas reduction trajectories compatible with the Paris Agreement objective to hold the increase in the global average temperature to well below 2 °C and pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels **ensuring the environmental integrity of these credits, while promoting the EU's technological leadership; a pilot period to initiate a high-quality and high-integrity international**	Council: Open to including the safeguards referred to in the EP amendment. The last sentence of the EP amendment is not acceptable as such but open to consider alternative wording.	R

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		market may be considered for the period 2031-2035; the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law ***to ensure that they are based on credible and transformative activities in partner countries whose climate targets and policies are compatible with the targets of the Paris Agreement and are subject to robust safeguards ensuring integrity, avoidance of double counting, additionality, permanence, transparent governance, strong monitoring, reporting and verification methodologies, as well as economic, social and environmental co-benefits and human rights safeguards, safeguards to prevent the funding of projects contrary to the strategic interests of the Union, and high ambition for the share of proceeds for adaptation, the share of mitigation benefits with concerned countries and overall mitigation of global emissions***; ***when establishing the criteria, the Commission shall consider***	**credit market may be considered for the period 2031-2035;** the origin, quality criteria and other conditions concerning the acquisition and use of any such credits shall be regulated in Union law;	

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		setting stricter criteria than those laid down under Article 6.4 of the Paris Agreement;		
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (b)				
G 34	(b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual emissions from hard to abate sectors;	(b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual ***hard-to-abate*** emissions ~~*from hard to abate sectors*~~;	(b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual **hard-to-abate** emissions ~~from hard to abate sectors~~;	(b) the role of domestic permanent removals under the greenhouse gas emission allowance trading system within the Union ('EU ETS') to compensate for residual ***hard-to-abate*** emissions ~~*from hard to abate sectors*~~; G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (c)				
G 35	(c) enhanced flexibility across sectors, to support the achievement of targets in a cost-effective way;	(c) enhanced flexibility ***within and*** across sectors ***and instruments***, to support the achievement of targets in a ***simple and*** cost-effective way;	(c) enhanced flexibility **within and** across sectors **and instruments**, to support the achievement of targets in a **simple and** cost-effective way;	(c) enhanced flexibility ***within and*** across sectors ***and instruments***, to support the achievement of targets in a ***simple and*** cost-effective way; G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (ca)				
G 35a		***(ca) 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, without prejudice to the possibility for Member States to use surplus natural removals to***	**(ca) 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, without prejudice to the possibility for Member States to use surplus natural removals to**	***(ca) 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, without prejudice to the possibility for Member States to use surplus natural removals to*** G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		compensate their emissions in other sectors;	**compensate their emissions in other sectors;**	***compensate their emissions in other sectors;***
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (cb)				
G 35b		***(cb) 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, as well as take into account the effects of differences in forest age structure, natural variability and uncertainties notably those linked to the impacts of climate change and natural disturbances in the land use, land use change and forestry sector;***	**(cb) 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, as well as take into account the effects of differences in forest age structure, natural variability and uncertainties notably those linked to the impacts of climate change and natural disturbances in the land use, land use change and forestry sector;**	***(cb) 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, as well as take into account the effects of differences in forest age structure, natural variability and uncertainties notably those linked to the impacts of climate change and natural disturbances in the land use, land use change and forestry sector;*** G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (d)				
G 36	(d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, in light of national circumstances;	(d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, ~~*in light of*~~***taking into account different*** national circumstances ***and specificities, including those of islands and outermost regions***;	(d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, ~~in light of~~**taking into account different** national circumstances **and specificities, including those of islands and outermost regions**;	(d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, ~~*in light of*~~***taking into account different*** national circumstances ***and specificities, including those of islands and outermost regions***; G
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (e)				
G 37	(e) the best available and most recent scientific evidence,	(e) the best available and most recent scientific evidence,	(e) the best available and most recent scientific evidence,	(e) the best available and most recent scientific evidence, G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	including the latest reports of the IPCC and the Advisory Board;	including the latest reports of the IPCC and the Advisory Board;	including the latest reports of the IPCC and the Advisory Board;	including the latest reports of the IPCC and the Advisory Board;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (f)				
G 38	(f) the social, economic and environmental impacts;	(f) the social, economic and environmental impacts ***across Member States including in relation to the objectives of decarbonisation and competitiveness for European industry***;	(f) the social, economic and environmental impacts **across Member States including in relation to the objectives of decarbonisation and competitiveness for European industry**;	(f) the social, economic and environmental impacts ***across Member States including in relation to the objectives of decarbonisation and competitiveness for European industry***;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (g)				
G 39	(g) the costs of inaction and the benefits of action over mid-term to long-term;	(g) the costs of inaction and the benefits of action over mid-term to long-term;	(g) the costs of inaction and the benefits of action over mid-term to long-term;	(g) the costs of inaction and the benefits of action over mid-term to long-term;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (h)				
G 40	(h) the need to ensure a just and socially fair transition for all;	(h) the need to ensure ***and support a fair and just, pragmatic, cost-effective*** ~~*a just*~~ and socially ~~*fair*~~***balanced*** transition for all***, taking into account different national circumstances and paying particular attention to impacts on consumer prices, energy and transport poverty and to regions and sectors, including their investment capacity, small and medium-sized enterprises, farmers and vulnerable households affected by the transition to climate neutrality***;	(h) the need to ensure **and support a fair and just, pragmatic, cost-effective** ~~a just~~ and socially ~~fair~~**balanced** transition for all**, taking into account different national circumstances and paying particular attention to impacts on consumer prices, energy and transport poverty and to regions and sectors, including their investment capacity, small and medium-sized enterprises, farmers and vulnerable**	(h) the need to ensure ***and support a fair and just, pragmatic, cost-effective*** ~~*a just*~~ and socially ~~*fair*~~***balanced*** transition for all***, taking into account different national circumstances and paying particular attention to impacts on consumer prices, energy and transport poverty and to regions and sectors, including their investment capacity, small and medium-sized enterprises, farmers and vulnerable households affected by the transition to climate neutrality***;

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			households affected by the transition to climate neutrality;	
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (i)				
G 41	(i) simplification, technology neutrality, cost-effectiveness, economic efficiency, and economic security;	(i) simplification ***and reduction of administrative burden***, technology neutrality, cost-effectiveness, economic efficiency, and economic security;	(i) simplification **and reduction of administrative burden**, technology neutrality, cost-effectiveness, economic efficiency, and economic security;	(i) simplification ***and reduction of administrative burden***, technology neutrality, cost-effectiveness, economic efficiency, and economic security;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (j)				
G 42	(j) climate action as a driver for investment and innovation;	(j) climate action as a driver for investment ~~and~~**,** innovation ***and increased competitiveness***;	(j) climate action as a driver for investment ~~and~~**,** innovation **and increased competitiveness**;	(j) climate action as a driver for investment ~~and~~**,** innovation ***and increased competitiveness***;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (k)				
G 43	(k) the need to strengthen the global competitiveness of the Union's economy, in particular small and medium-sized enterprises and industrial sectors most exposed to carbon leakage so as to ensure fair competition;	(k) the need to strengthen the ***resilience and*** global competitiveness of the Union's economy ***and reduce risk of carbon leakage***, in particular ***for*** small and medium-sized enterprises and industrial sectors ***that are*** most exposed to carbon leakage***, including in relation to exports,*** so as to ensure fair competition;	(k) the need to strengthen the **resilience and** global competitiveness of the Union's economy **and reduce risk of carbon leakage**, in particular **for** small and medium-sized enterprises and industrial sectors **that are** most exposed to carbon leakage**, including in relation to exports,** so as to ensure fair competition;	(k) the need to strengthen the ***resilience and*** global competitiveness of the Union's economy ***and reduce risk of carbon leakage***, in particular ***for*** small and medium-sized enterprises and industrial sectors ***that are*** most exposed to carbon leakage***, including in relation to exports,*** so as to ensure fair competition;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (l)				
G 44	(l) best available cost-effective, safe and scalable technologies;	(l) best available cost-effective, safe and scalable technologies;	(l) best available cost-effective, safe and scalable technologies;	(l) best available cost-effective, safe and scalable technologies;

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Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (m)				
45	(m) energy affordability, security of supply, energy efficiency and the 'energy efficiency first' principle;	(m) energy ***availability and*** affordability, security of supply, energy ***security, energy*** efficiency ~~and~~***including*** the 'energy efficiency first' principle***, as well as strengthening of electricity grids and interconnections with a view to building a genuine Energy Union and promoting domestically produced energy***;	(m) energy **availability and** affordability, security of supply, energy **security, energy** efficiency ~~and~~**including** the 'energy efficiency first' principle**, as well as strengthening of electricity grids and interconnections with a view to building a genuine Energy Union and promoting domestically produced energy**;	(m) energy ***availability and*** affordability, security of supply, energy ***security, energy*** efficiency ~~and~~***including*** the 'energy efficiency first' principle***, as well as strengthening of electricity grids and interconnections with a view to building a genuine Energy Union and promoting domestically produced energy***;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (ma)				
45a		***(ma) the role of zero-, low carbon and renewable fuels in the decarbonisation of transport, including road transport beyond 2030 and concrete measures to assist heavy duty vehicles manufacturers to reach their targets, taking into account European content;***	**(ma) the role of zero-, low carbon and renewable fuels in the decarbonisation of transport, including road transport beyond 2030 and concrete measures to assist heavy duty vehicles manufacturers to reach their targets, taking into account European content;**	***(ma) the role of zero-, low carbon and renewable fuels in the decarbonisation of transport, including road transport beyond 2030 and concrete measures to assist heavy duty vehicles manufacturers to reach their targets, taking into account European content;***
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (n)				
46	(n) fairness and solidarity between and within Member States;	(n) fairness and solidarity between and within Member States;	(n) fairness and solidarity between and within Member States;	(n) fairness and solidarity between and within Member States;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (o)				
47	(o) the need to ensure environmental effectiveness and progression over time;	(o) the need to ensure environmental effectiveness and progression over time***, while also***	(o) the need to ensure environmental effectiveness and progression over time**, while also**	(o) the need to ensure environmental effectiveness and progression over time***, while also***

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		safeguarding social cohesion as well as ensuring food security and a just transition;	**safeguarding social cohesion as well as ensuring food security and a just transition**;	***safeguarding social cohesion as well as ensuring food security and a just transition***;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (p)				
G 48	(p) the need to maintain, manage and enhance natural sinks in the long term and protect and restore biodiversity, as well as take into account uncertainties notably those linked to the impacts of climate change in the land use sector;	*deleted*	(p) ~~the need to maintain, manage and enhance natural sinks in the long term and protect and restore biodiversity, as well as take into account uncertainties notably those linked to the impacts of climate change in the land use sector;~~	*deleted*
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (q)				
G *49*	*(q)* investment needs and opportunities, including access to public and private finance;	(q) investment needs and opportunities, including access to public and private finance ***as well as support for innovation and access to innovative technologies across all Member States, taking into account geographical balance***;	(q) investment needs and opportunities, including access to public and private finance **as well as support for innovation and access to innovative technologies across all Member States, taking into account geographical balance**;	(q) investment needs and opportunities, including access to public and private finance ***as well as support for innovation and access to innovative technologies across all Member States, taking into account geographical balance***;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (4), third subparagraph, point (r)				
G 50	(r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the UNFCCC, as well as the support of the Union to its	(r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the ***United Nations Framework Convention on Climate Change (***UNFCCC***)***, as	(r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the **United Nations Framework Convention on Climate Change (**UNFCCC**)**, as	(r) international developments and efforts undertaken to achieve the long-term objectives of the Paris Agreement and the ultimate objective of the ***United Nations Framework Convention on Climate Change (***UNFCCC***)***, as

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	partners in addressing climate change and its impacts.. ’	well as the support of the Union to its partners in addressing climate change and its impacts..	well as the support of the Union to its partners in addressing climate change and its impacts.’.	well as the support of the Union to its partners in addressing climate change and its impacts..
Article 1, first paragraph, point (2a), introductory part				
50a		***(2a) in Article 4, the following paragraph is added:***	**(2a) In Article 4, the following paragraph is added:**	***(2a) in Article 4, the following paragraph is added:***
Article 1, first paragraph, point (2a), first subparagraph				
50b		***'8. Starting from one year after the adoption of this Regulation, the Commission shall biennially assess and report on the implementation of the intermediate targets and decarbonisation trajectories set out in this Regulation, taking into account the latest scientific evidence, technological advances and evolving challenges to and opportunities for the EU's global competitiveness. The assessment may be accompanied, where appropriate, by legislative proposals.';***	**‘8. Starting from one year after the adoption of this Regulation, the Commission shall biennially assess and report on the implementation of the intermediate targets and decarbonisation trajectories set out in this Regulation, taking into account the latest scientific evidence, technological advances and evolving challenges to and opportunities for the EU's global competitiveness. The assessment may be accompanied, where appropriate, by legislative proposals.’**	***'8. Starting from [one year after the adoption of the amending Regulation], the Commission shall biennially assess and report on the implementation of the intermediate targets and decarbonisation trajectories set out in this Regulation, taking into account the latest scientific evidence, technological advances and evolving challenges to and opportunities for the EU's global competitiveness. The assessment may be accompanied, where appropriate, by legislative proposals.';*** Technical correction provisionally agreed at technical level.

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
Article 1, first paragraph, point (3), introductory part					
G 50c		***(3) in Article 11, first paragraph, the following points are added:***	**(3) In Article 11, first paragraph, the following points are added:**	***(3) in Article 11, first paragraph, the following points are added:***	G
Article 1, first paragraph, point (3), first subparagraph					
G 50d		***'(c) the evolving challenges to and opportunities for global competitiveness of European industries across Member States, in particular of energy-intensive industries and of small and medium-sized enterprises;';***	**'(c) the evolving challenges to and opportunities for global competitiveness of European industries across Member States, in particular of energy-intensive industries and of small and medium-sized enterprises;**	***'(c) the evolving challenges to and opportunities for global competitiveness of European industries across Member States, in particular of energy-intensive industries and of small and medium-sized enterprises;';***	G
Article 1, first paragraph, point (3), second subparagraph					
G 50e		***(ca) the evolution of energy prices and its impact on European industries and households;***	**(ca) the evolution of energy prices and its impact on European industries and households;**	***(ca) the evolution of energy prices and its impact on European industries and households;***	G
Article 1, first paragraph, point (3), third subparagraph					
G 50f		***(cb) the socioeconomic impacts including the effects on employment;***	**(cb) the socioeconomic impacts including the effects on employment;**	***(cb) the socioeconomic impacts including the effects on employment;***	G
Article 1, first paragraph, point (3), fourth subparagraph					
G 50g		***(d) technological advances and deployment across Member States and sectors of innovative technologies;***	**(d) technological advances and deployment across Member States and sectors of innovative technologies;**	***(d) technological advances and deployment across Member States and sectors of innovative technologies;***	G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
Article 1, first paragraph, point (3), fifth subparagraph					
G 50h		***(e) the estimated level of net removals at Union level in relation to the targets of this Regulation. If the Commission finds that the estimated level of net natural removals for 2040 is significantly diverging from what would be required to achieve the 2040 intermediate target, including where due to natural disturbances, the Commission shall propose, where appropriate, measures at Union level, including if necessary an adjustment of the 2040 intermediate target corresponding to and within the limits of the possible shortfalls, and ensure that possible shortfalls will not be at the expense of other economic sectors;***	**(e) the estimated level of net removals at Union level in relation to the targets of this Regulation. If the Commission finds that the estimated level of net natural removals for 2040 is significantly diverging from what would be required to achieve the 2040 intermediate target, including where due to natural disturbances, the Commission shall propose, where appropriate, measures at Union level, including if necessary an adjustment of the 2040 intermediate target corresponding to and within the limits of the possible shortfalls, and ensure that possible shortfalls will not be at the expense of other economic sectors;**	***(e) the estimated level of net removals at Union level in relation to the targets of this Regulation. If the Commission finds that the estimated level of net natural removals for 2040 is significantly diverging from what would be required to achieve the 2040 intermediate target, including where due to natural disturbances, the Commission shall propose, where appropriate, measures at Union level, including if necessary an adjustment of the 2040 intermediate target corresponding to and within the limits of the possible shortfalls, and ensure that possible shortfalls will not be at the expense of other economic sectors;***	G
Article 1, first paragraph, point (3), sixth subparagraph					
G 50i		***(f) the progress towards the intermediate targets set out in this Regulation.***	**(f) the progress towards the intermediate targets set out in this Regulation;**	***(f) the progress towards the intermediate targets set out in this Regulation.***	G
Article 1, first paragraph, point (3), seventh subparagraph					
R 50j		***(g) the flexibility for Member States to use high-***	**(g) the flexibility for Member States to use high-**	Council: Keep the Council text.	R

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		quality international credits to fulfil up to 5% of their post-2030 targets and efforts in sectors that are not regulated in the EU ETS.	**quality international credits to fulfil up to 5% of their post-2030 targets and efforts.'**	
Article 1, first paragraph, point (4), introductory part				
G 50k		***(4) In Article 11, the second paragraph is replaced by the following:***	**(4) In Article 11, the second paragraph is replaced by the following:**	***(4) In Article 11, the second paragraph is replaced by the following:*** G
Article 1, first paragraph, point (4), first paragraph				
G 50l		***'The Commission's report shall be accompanied, where appropriate, by legislative proposals to revise this Regulation, including the intermediate 2040 target, and by additional measures to strengthen the initiatives concerning the enabling framework supporting the continued effective implementation of this Regulation, in line with Article 4(5), and securing EU competitiveness, prosperity and social cohesion.'*** ,	**'The Commission's report shall be accompanied, where appropriate, by legislative proposals to revise this Regulation, including the intermediate 2040 target, and by additional measures to strengthen the initiatives concerning the enabling framework supporting the continued effective implementation of this Regulation, in line with Article 4(5), and securing EU competitiveness, prosperity and social cohesion.'** ,	***'The Commission's report shall be accompanied, where appropriate, by legislative proposals to revise this Regulation, including the intermediate 2040 target, and by additional measures to strengthen the initiatives concerning the enabling framework supporting the continued effective implementation of this Regulation, in line with Article 4(5), and securing EU competitiveness, prosperity and social cohesion.'*** , G
Article 1a				
G 50m		***Article 1a***	**Article 1a**	***Article 1a*** G

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		Postponement of the operation of emissions trading for buildings, road transport and additional sectors	**Postponement of the operation of emissions trading for buildings, road transport and additional sectors**	***Postponement of the operation of emissions trading for buildings, road transport and additional sectors***
Article 1a, first paragraph				
50n		***The operation of emissions trading for buildings, road transport and additional sectors set out in Chapter IVa of Directive 2003/87 is postponed until 2028. The rules set out in Article 30(k)(2) letters (a) to (e) of Directive 2003/87 shall apply. The provisions of Article 10a(8b) of Directive 2003/87 shall apply also in 2026.***	**The operation of emissions trading for buildings, road transport and additional sectors set out in Chapter IVa of Directive 2003/87 is postponed until 2028. The rules set out in Article 30k(2) letters (a) to (e) of Directive 2003/87 shall apply. The provisions of Article 10a(8b) of Directive 2003/87 shall apply also in 2026.**	***The operation of emissions trading for buildings, road transport and additional sectors set out in Chapter IVa of Directive 2003/87 is postponed until 2028. The rules set out in Article 30(k)(2) letters (a) to (e) of Directive 2003/87 shall apply. The provisions of Article 10a(8b) of Directive 2003/87 shall apply also in 2026.***
Article 2				
51	Article 2 Entry into force	Article 2 Entry into force	Article 2 Entry into force	Article 2 Entry into force
Article 2, first paragraph				
52	This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
Article 2, second paragraph				
53	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.

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		CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
	Formula					
G	54	Done at Brussels,	Done at Brussels,	Done at Brussels,	Done at Brussels,	G
	Formula					
G	55	For the European Parliament	For the European Parliament	For the European Parliament	For the European Parliament	G
	Formula					
G	56	The President	The President	The President	The President	G
	Formula					
G	57	For the Council	For the Council	For the Council	For the Council	G
	Formula					
G	58	The President	The President	The President	The President	G

PUBLIC