


Climate Policy Update

LIFE Platform Meeting on Climate Strategic Integrated Projects



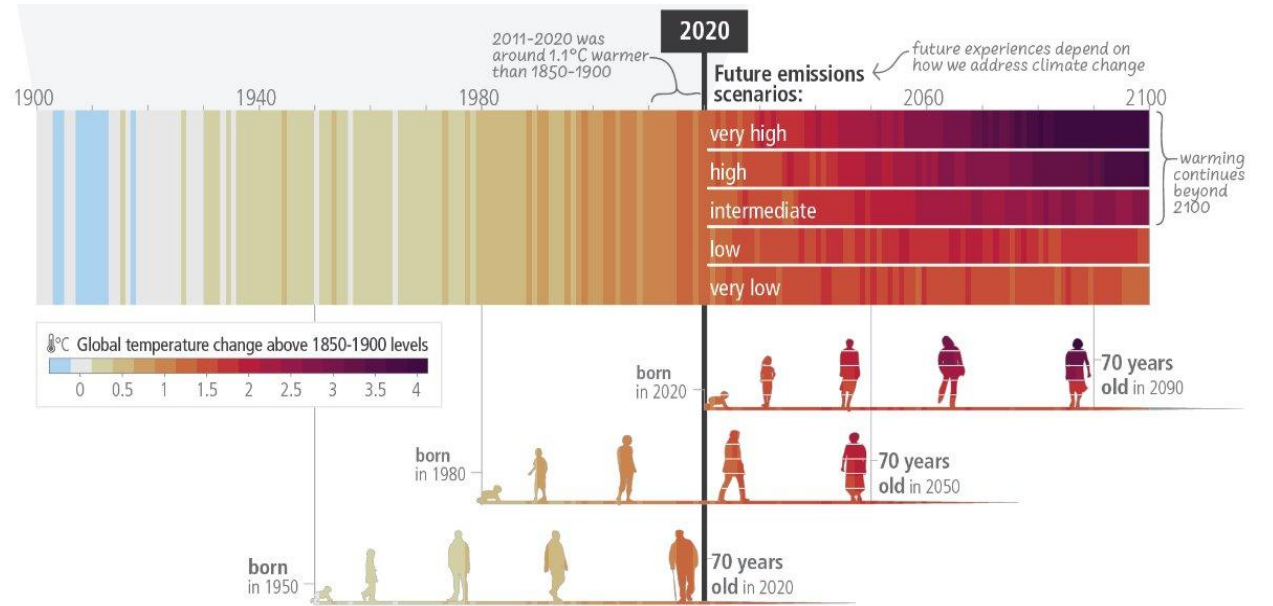
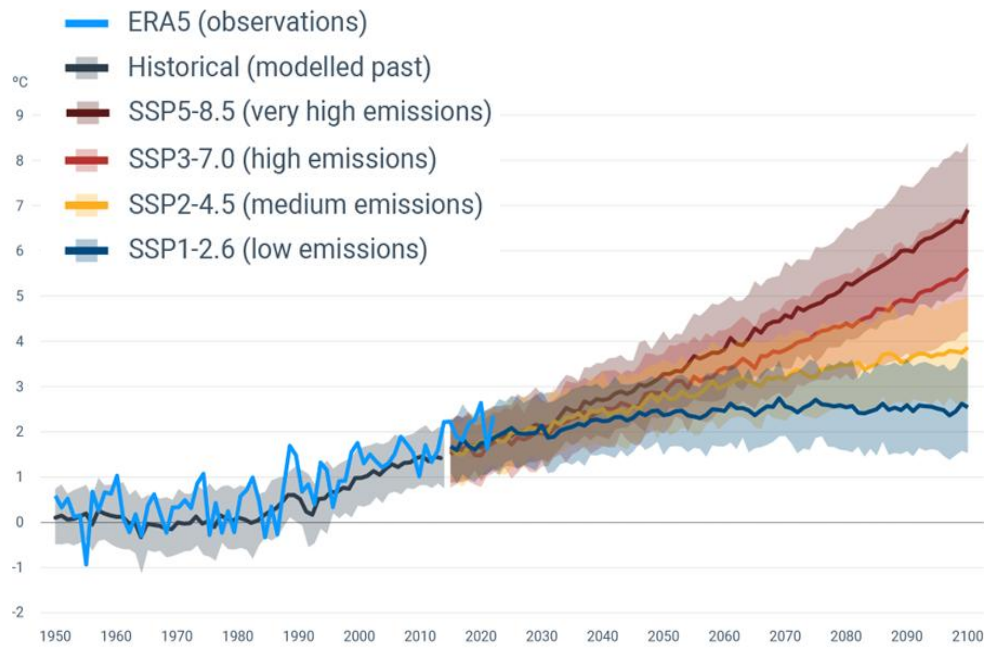
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What do we do in DG CLIMA?

- Climate change mitigation
- Climate change adaptation

Policies need to get ahead of climate impacts



Impact across generations of observed & projected changes in global surface temperature

Source: IPCC AR6 Synthesis Report



Implementation of the existing legislation

Member States now need to integrate Fit for 55 policies into their national policy and law, such as:

- A 42.5% share in renewables and an 11.7% improvement in energy efficiency by 2030
- ETS will expand to buildings, road transport (ETS2) and the revenues will be used to support vulnerable households (SCF)
- 90% tailpipe emission reduction targets for all new cars and vans by 2035
- MS have presented updated NECPs, aligning them with new targets for reductions, energy efficiency, and renewable energy



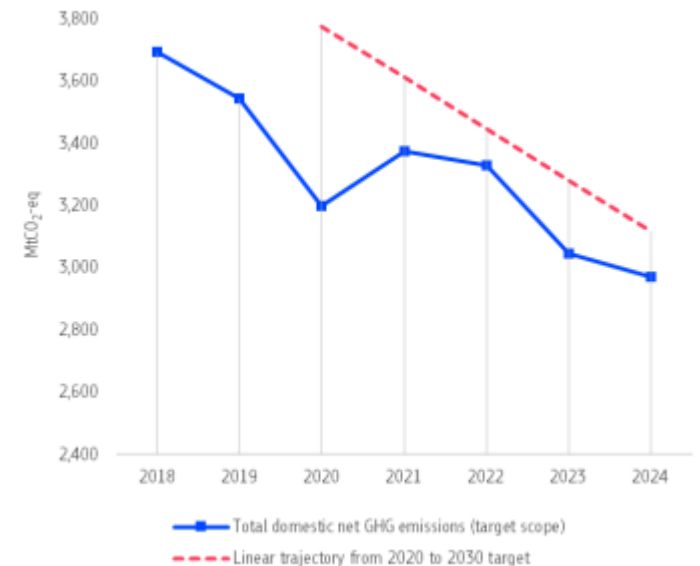
Continuous delivery & predictability: Aligning climate policy with shifting global priorities

Total greenhouse gas emissions in the EU decreased by 2.5% in 2024 compared to 2023.

- Emissions in 2024 were 37.2% below 1990 levels.
- Emissions in the energy sector decreased by 8.6% last year (compared to 2023)

In 2024, **emissions under the EU ETS** were reduced by 5% compared to 2023.

- ETS emissions are now around 50% below 2005 levels and on track to achieve the 2030 target of -62%.
- The power sector was the most important driver of the decarbonisation progress.



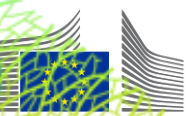
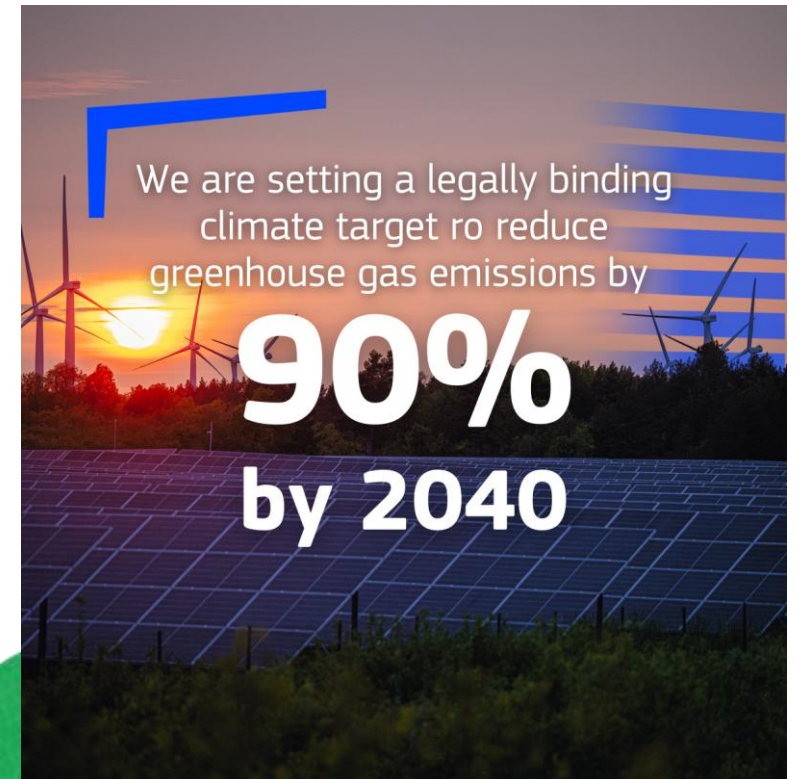
Source: Climate Action Progress Report 2025



2040 Climate Target

The Fit for 55 package will reduce emissions in the EU by at least 55% by 2030, but what about between 2030 and 2050?

- The EU is setting a legally binding climate target of 90% reduction in net greenhouse gas (GHG) emissions for 2040 in the European Climate Law.
- The deal includes the possibility to use up to 5% of high-quality international credits to reach the target
- The agreed target provides certainty to investors and businesses to drive forward the EU's clean transition, industrial competitiveness, energy security and independence
- The EU is also showing its firm commitment to achieving the Paris Agreement



The Competitiveness Compass

- A path for Europe to lead in future technologies, services, and clean products
- Joint roadmap linking competitiveness and decarbonisation through
 - Clean, affordable energy
 - Clean Industrial Deal & Accelerator Act
 - Support for energy-intensive sectors
- Climate risk management and 'resilience by design' are key to competitiveness



The Clean Industrial Deal

For competitiveness and decarbonisation



Key objectives:

- Stay the course on Green Deal goals: decarbonisation and the 2040 target
- Bring down energy prices
- Support industrial competitiveness and resilience
- Secure the future of European manufacturing
- Create quality jobs

European Climate risk assessment



Published by the EEA in March 2024

First European assessment:
cross-border, cascading & compound climate risks

Climate risks by cluster

Ecosystems

- Coastal ecosystems
- Marine ecosystems
- Biodiversity/carbon sinks due to wildfires*
- Biodiversity/carbon sinks due to wildfires
- Species distribution shifts
- Ecosystems/society due to invasive species
- Soil health
- Aquatic and wetland ecosystems
- Biodiversity/carbon sinks due to droughts and pests
- Cascading impacts from forest disturbances

Infrastructure

- Pluvial and fluvial flooding
- Coastal flooding
- Damage to infrastructure and buildings
- Energy disruption due to heat and drought*
- Energy disruption due to heat and drought
- Energy disruption due to flooding
- Marine transport
- Land-based transport

Food

- Crop production*
- Crop production
- Fisheries and aquaculture
- Food security due to higher food prices
- Food security due to climate impacts outside Europe
- Livestock production

Economy and finance

- European solidarity mechanisms
- Public finances
- Property and insurance markets
- Population/economy due to water scarcity*
- Population/economy due to water scarcity
- Pharmaceutical supply chains
- Supply chains for raw materials and components
- Financial markets
- Winter tourism

Health

- Heat stress – general population
- Population/built environment due to wildfires*
- Population/built environment due to wildfires
- Wellbeing due to non-adapted buildings
- Heat stress – outdoor workers*
- Pathogens in coastal waters
- Health systems and infrastructure
- Infectious diseases
- Heat stress – outdoor workers

Note: *Hotspot region: southern Europe



European Integrated framework for Climate Resilience

- European Climate Law (2021)
- EU Adaptation Strategy (2021)
- IFCR
 - Communication & legislative proposal
 - Aims to:
 - Protect people and prosperity from climate hazards
 - Improve climate risk management and preparedness at EU and Member State level
 - Identify risk owners across policy spheres to ensure robust action and preparedness
- Planned for Q4 2026



EU funding for climate & environment

- **Innovation Fund** 100% funded by the EU ETS
- **Modernisation Fund** 100% funded by the EU ETS
- **EU Emissions Trading System (ETS) revenues**
- **Social Climate Fund (SCF)**
- **Multiannual Financial Framework (MFF) mainstreaming**
- **Recovery and Resilience Facility (RRF)**
- **LIFE programme**



INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



€40 billion* available between 2020-2030



grants awarded through regular calls and auctions



avoid GHG emissions, boost competitiveness

supporting innovation in:



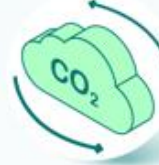
Energy-intensive industries



Renewable energy



Energy storage



Carbon capture, use and storage



Net-zero mobility and buildings

*based on a carbon price of €75/tonne

One of the world's largest funding programmes for the deployment of net-zero and innovative technologies.



Thank you

[Delivering the European Green Deal | European Commission \(europa.eu\)](#)



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The Omnibus Packages

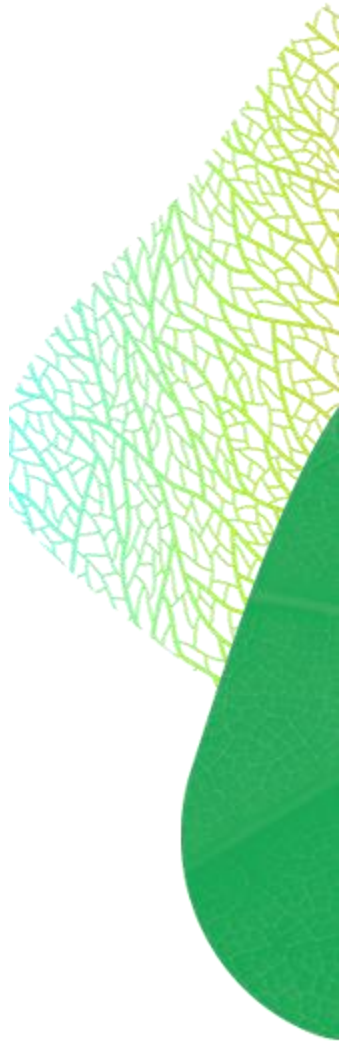
The goal: reduce complexity and administrative burden by 25% (35% for SMEs) to make sustainability and climate-related regulations more manageable and compatible with competitiveness and investment.

This first package covers steps to:

- Make sustainability reporting more accessible and efficient
- Simplify due diligence
- Strengthen the carbon border adjustment mechanism
- Unlock opportunities in European investment programmes

EU Preparedness Union Strategy

- Addresses growing threats: geopolitical tensions, cyber risks, disinformation, climate change, and natural hazards
- Strengthens the EU's ability to anticipate, prevent, and respond to emerging crises
- Enhances civilian and military preparedness for faster, more effective crisis response
- Promotes a culture of resilience by engaging all levels of society



Vision for Agriculture and Food

- Agriculture and climate change are closely linked: farming both feels the impacts of climate change and plays a key role in addressing it
- Farmers face growing pressure from heat, droughts, and extreme weather, so Europe needs strong plans to adapt and build resilience
- At the same time, Europe's agricultural sector plays an important role in the transition to a low-carbon economy and helping the EU meet its climate targets



The European Democracy Shield

- Combatting the spread of climate disinformation that undermines science-based policies.
- Strengthening safeguards against foreign and domestic interference in climate discussions, elections, and policymaking.
- Addressing disinformation campaigns that distort climate science, delay action, or erode public trust in climate policies.



Modernisation fund

MODERNISATION FUND

supporting investments in:



RENEWABLE
ENERGY



ENERGY
EFFICIENCY



ENERGY
STORAGE



ENERGY
NETWORKS



JUST TRANSITION IN
CARBON DEPENDENT
REGIONS

in 13 lower-income Member States



Bulgaria



Czechia



Estonia



Greece



Croatia



Latvia



Slovakia



Lithuania



Hungary



Poland



Portugal



Romania



Slovenia

Funded by the EU Emissions Trading System



Climate mainstreaming in the EU Multiannual Financial Framework

A climate spending target:

- For the 2021-2027 period, the EU budget, including NextGenerationEU, is projected to allocate about 34.3% of the budget envelope to climate action, surpassing the spending target of 30%
- Preparation of the upcoming MFF are ongoing – the Commission proposed a new MFF on July 16 (spending target 35%)

