

EU Climate Law - Regulation (EU) 2021/1119 is amended as follows:

(1) in Article 1, second paragraph, the following sentence is added:

This Regulation also sets out a **binding Union target for 2040**;

(2) in Article 4, paragraphs 3, 4 and 5 are replaced by the following:

*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.

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.

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 appropriately reflected in the legislative proposals:

- (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 no more than 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;**
- (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;**
- (c) **enhanced flexibility across sectors**, to support the achievement of targets in a cost-effective way;
- (d) Member States post-2030 targets and efforts should reflect cost-efficiency and solidarity, in light of national circumstances;
- (e) the best available and most recent scientific evidence, including the latest reports of the IPCC and the Advisory Board;
- (f) the social, economic and environmental impacts;
- (g) the costs of inaction and the benefits of action over mid-term to long-term;
- (h) the need to ensure a just and socially fair transition for all;
- (i) cost-effectiveness and economic efficiency;
- (j) climate action as a driver for investment and innovation;
- (k) global competitiveness of the Union's economy, in particular small and medium-sized enterprises and sectors most exposed to carbon leakage;
- (l) best available cost-effective, safe and scalable technologies;
- (m) energy affordability, security of supply, energy efficiency and the energy efficiency first' principle;
- (n) fairness and solidarity between and within Member States;
- (o) the need to ensure environmental effectiveness and progression over time;
- (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 the impacts of climate change in the land use sector;
- (q) investment needs and opportunities;
- (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 partners in addressing climate change and its impacts.