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#### 'I/A' ITEM NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council  
Subject: Draft REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE  
COUNCIL amending Regulation (EU) 2021/1119 as regards the setting of  
a Union intermediate climate target for 2040 **(first reading)**  
- Adoption of the legislative act  
= Statements

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#### **La France a demandé que la déclaration ci-après soit inscrite au procès-verbal du Conseil**

La France soutient l'accord provisoire obtenu en trilogue le 10 décembre 2025 sur la révision de la loi européenne sur le climat, qui reflète les priorités françaises en matière d'ambition climatique et de compétitivité européenne et reste pleinement en phase avec l'accord obtenu au Conseil par les ministres de l'Environnement le 5 novembre 2025.

Elle salue une avancée majeure pour la politique climatique européenne.

La France signale néanmoins un point d'attention concernant le système d'échange de quotas d'émissions (ETS). A ce titre, elle rappelle l'importance, déjà soulignée ces derniers mois au cours des négociations, de protéger l'intégrité et l'efficacité de l'ETS en excluant le recours aux crédits internationaux dans le cadre de la conformité au sein du système d'échange. Toute clarification en ce sens sera donc la bienvenue.

**Hungary has requested that the following statement be entered in the Council minutes**

Hungary cannot support the 90% net emission reduction target, therefore we cannot support the adoption of the legislation. Such a level of ambition is not compatible with the objective to strengthen Europe's competitiveness and economic resilience. Without realistic and effective enabling conditions, there is a serious risk that European companies will relocate their production and emissions outside the Union, leading to deindustrialisation, job losses and increased dependence on external actors, while at the same time undermining emission reduction efforts.

The proposal is not underpinned by an updated impact assessment that would reflect recent major geopolitical and economic developments. No Member State-level analysis has been presented, which means the differentiated impacts on Member States remain unknown. The situation is therefore similar to the adoption of the Fit for 55 package, the European economy needs to adapt to climate measures, and not vice versa.

Although we support climate ambition, we call for a realistic, down-to-earth approach and we believe the wise choice would be to start from a lower target level, reflecting our economic realities. Our commitment to ambition is also demonstrated by our achievements, Hungary has already achieved 48% net emission reduction compared to 1990, well above the EU average. At the same time, a number of Member States have not made comparable progress, raising the question how the collective target can be met in a fair and balanced way. We all bear responsibility for our citizens. In that sense we urge that Member States who with their votes drew the attention of the Council to the unfeasibility of the 90% target should not be held liable for an eventual failure of the 2040 EU target. Early achievements should be duly recognised in the upcoming framework.

Furthermore, given the significant uncertainties in the LULUCF sector and the rate of uptake of technological carbon removals, it is not appropriate to base binding net emission reduction target on assumptions about sinks.

Although we note some improvements in the compromise text, particularly on the revision/review clause, these changes remain insufficient. There are still many open questions regarding the methodology, implementation and robustness of the framework.

Furthermore, measures such as ETS2 are expected to aggravate the situation by raising costs for households and small businesses, risking social backlash and diminishing public support for climate policy, while it does not lead to significant emission reductions. Although we appreciate the postponement of the introduction of ETS2 by one year, it does not diminish the significant negative impacts it poses on our households and small businesses. Further adjustments would be needed within the upcoming ETS review.

Finally, we regret that the negotiations of such a fundamental file were conducted under considerable time pressure, which is not appropriate for a decision of such long-term strategic importance. A balanced, evidence-based and credible approach is necessary to ensure that the 2040 framework remains realistic, socially acceptable and consistent with Europe's competitiveness objectives.

**Malta has requested that the following statement be entered in the Council minutes**

Malta remains steadfast in its support for the Union's collective climate goals. However, the implementation of the European Climate Law must reflect a fundamental reality: our unique geographical context and our already low-emissions starting point.

Malta maintains that the Climate Law should distinguish the specific realities of Island Member States to ensure that future climate targets remain fair, proportionate, and consistent with the EU's commitment to a Just Transition.

As a small island nation, our status is not a temporary hurdle but a permanent structural reality that dictates our capacity to decarbonize, often at a different pace than mainland Europe.

To ensure success, any post-2030 framework must be grounded in robust, localized Member state-level impact assessments that recognize these differentiated starting points. Without a calibrated approach that respects national specificities, particularly Malta's reliance on aviation and shipping, where emissions are predominantly international but the resulting costs and compliance pressures are felt domestically, effort allocation risks becoming detached from genuine abatement potential. Such a disconnect would create a burden that is neither cost-effective nor equitable.

Malta welcomes the Climate Law's emphasis on flexibility, this must serve as the operational backbone of the 2040 framework rather than a mere theoretical concept. For small island states, flexibility is the essential bridge between high ambition and practical feasibility. We require a credible pathway that effectively manages overlaps between regulatory instruments to prevent a cumulative burden on the same core sectors.

Finally, a fair contribution requires equitable access to funding. Because current EU financial instruments often favour large-scale infrastructure, small markets and smaller-scale projects are left at a structural disadvantage. Malta calls for tailored finance mechanisms that are truly accessible to small island economies, ensuring our transition is supported by investment that fits our scale.

**Poland has requested that the following statement be entered in the Council minutes**

Poland welcomes the elements introduced into the European Climate Law during negotiations at our request. Many Polish proposals were included in the final text of the ECL, allowing for a design of the 2040 target that is less burdensome for the economy. In particular, we positively assess:

- **the postponement of the launch of ETS2**, which we consider an unnecessary instrument for Member States such as Poland, which are already effectively decarbonizing the buildings and transport sectors through national policies tailored to the local challenges and realities. The additional time, complemented by the earlier release of the funds from the Social Climate Fund, is aligned with Poland's proven approach, which promotes emissions reductions in a socially acceptable way, based on incentives rather than penalties at the national level.
- **the introduction of strong review clauses**, creating a clear link between the level of climate ambition and the situation of the European industry, energy security, and the rapidly changing geopolitical environment.

- **the possibility to use up to 10% of international offsets** in meeting the EU's 2040 target, which constitutes an important cost-flexibility instrument, particularly for traditional industrial sectors facing high ETS costs. Poland welcomes the European Commission's initiative to enable the use of such offsets within the EU ETS.
- **the announcement to reduce climate burdens for the strategic defense industry**, aimed at maintaining its production capacities in a cost-effective manner under the current high geopolitical uncertainty and direct threat from Russia.

At the same time, Poland underscores that our key demand: adjusting the overall level of ambition to the real capabilities of the EU economies, has not been met. A 90% emissions reduction target by 2040 in the European Union is, in our view, impossible to achieve without seriously undermining the competitiveness of the EU strategic industrial sectors, or even leading to their complete elimination. This entails consequences for security, economic growth, and the labour market. Poland cannot support a level of ambition that harms both the Polish and the EU economies and undermines our competitiveness on the global stage.

Poland will continue to engage actively and constructively in the next stages of the decision-making process on the EU's post-2030 climate policy framework, working closely with the Member States that share our priorities. Our goal remains to ensure that the transition is socially acceptable and fair, while genuinely strengthening the competitiveness, security, and resilience of the European economy.

**Finland has requested that the following statement be entered in the Council minutes**

Finland supports the final compromise on the amendment of the European climate law. Finland also strongly supports the intermediate EU-level 2040 climate target of 90 % net emission reductions, which provides long-term investment certainty for our businesses. Clean transition towards 2050 climate neutrality is an opportunity for innovation and economic growth.

The 90 % net emission reduction target needs to be implemented by clear, effective and cost-efficient post-2030 legislative framework.

To this end, Finland is of the view that international credits under Article 6 of the Paris agreement should not be used for ETS compliance. EU ETS needs to steer emission reductions and the up-take of technical solutions driving further emission reductions, such as technical sinks, within the EU. Possibility to use Article 6 credits for compliance in the EU ETS might hinder the achievement of these goals.

**Commission has requested that the following statement be entered in the Council minutes**

The Commission recalls that the right of initiative accorded to it under the Treaties includes the right to decide whether or not to submit a legislative proposal and, as the case may be, to determine the subject-matter, objective, content and timeline of such proposal and/or related action. The provisions of the Regulation which request the Commission to prepare proposals must thus be understood as being without prejudice to the Commission's right of initiative under the Treaties.

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