



# Climate Targets for EU Member States after 2030: Functions and Options



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## **Executive summary**

**Climate targets for Member States play an indispensable role in EU climate policies.** They enable voters to hold national governments accountable for the implementation of their climate policies and the achievement of their emission reduction targets. They also play a critical role in tracking Member States' progress and accelerating the adoption of climate measures. They allow Member States to implement the climate policies that they consider best for their specific circumstances – while ensuring collective commitment to the EU's climate goals. They are an important tool to safeguard the principle of subsidiarity.

Unlike any other instrument of EU climate policies, national targets put a legal obligation on Member States to reduce emissions. This is essential because Member States are a central player in EU policies that must be obliged by law to contribute to achieving the EU's climate targets. It is not possible to achieve EU climate targets and implement commitments under the Paris Agreements without Member States. If EU legislation would cease to set climate targets for Member States after 2030, a central pillar of EU climate action would be dismantled. Moreover, a system without national targets and based solely on EU targets creates collective responsibility, which can easily devolve into collective irresponsibility, with no clear responsibility for neither Member States nor the EU.

No other instrument in EU climate policy can perform the essential functions that national climate targets have. National targets cannot be substituted by other instruments. In particular, an expanded Emission Trading Scheme (ETS) cannot substitute targets for Member States. The ETS "only" commits companies, not Member States. A system largely based on the ETS would be considerably weaker than the current system because it would leave Member States – a critical player – unaccountable. Moreover, if only the ETS were to deliver emission cuts of around 90% by 2040 (compared to 1990), carbon prices of several hundreds of Euros would be required, which would increase prices for heating and gasoline drastically. Such increases in energy prices could be unbearable for most consumers and businesses. They can only be avoided through the implementation of additional policies and measures by Member States for which national targets are an important driver. For these reasons, it is critical that EU legislation continues to put legally binding climate targets on Member States after 2030.

As such, a key question for the design of EU climate policies after 2030 is not whether or not to continue climate targets for Member States, but how to best design them. There are several options of designing climate targets for Member States. These options include:

- The European Climate Law (ECL) sets economy-wide national targets for emission reductions and removals for each Member State and quantifies these in an annex.
- The ECL obliges Member States to incorporate economy-wide targets for emission reductions and removals into national law but does not quantify them. Member States put forward targets and the Commission reviews whether or not the national targets contribute sufficiently to meeting the EU's overall climate targets.
- The Climate Action Regulation for Europe (CARE, aka Effort Sharing Regulation) and LULUCF Regulation continue to set targets for Member States after 2030 and continue to quantify targets in annexes. The scope of the CARE and LULUCF Regulation remains unchanged.

- CARE and LULUCF Regulation continue to set targets after 2030 but with different scopes. They would cover only emissions that are not regulated by the ETS 1 and 2.
- The Governance Regulation (GR) obliges Member States to put national targets in the national long-term strategies (nLTS).
- Conclusions of the Council of Ministers set targets for Member States.

Each of these options has distinct advantages and disadvantages – no option is without trade-offs. However, some options provide greater legal certainty and accountability than others and are more likely to contribute to the success of EU climate policy.

An ECL containing an annex with quantified targets for Member States is a particularly robust option. It establishes legally binding and enforceable targets for Member States in EU legislation, ensuring high levels of legal certainty, transparency and accountability. While such an annex is unlikely to be part of the expected amendments to the ECL establishing the EU climate target for 2040, it could be adopted at a later stage – possibly as a part of the package implementing the EU's 2040 climate target.

Another robust option is to **continue national targets under the existing scope of the CARE and LULUCF Regulation**. This approach ensures that Member States remain obliged to reducing significant parts of their emissions in a transparent and politically meaningful way.

All other options are less robust and feature specific disadvantages. Options that do not include quantified targets in EU legislation are weaker, as they fail to guarantee that Member States will adopt targets aligned with the EU's overall climate targets. The option featuring a CARE that would cover only a small fraction of emissions is practically irrelevant. Similarly, relying on national targets set in Council conclusions would undermine the current system based on legally binding targets.

The following table outlines the key strengths and weaknesses of each option.

### Table 1: Strengths and weaknesses of design options

Transparency	Transparency	Accountability	Effective in reducing emis- sions	Support adoption of measures
Option 1: No target	Low	Low	Low	Low
Option 2: ECL sets targets in an Annex	High	High	High	High
Option 3: ECL obliges Member States to enshrine targets in national law	High	Medium	Medium	Medium
Option 4: CARE and LULUCF Regulation continue after 2030	High	High	Medium/High	High
Option 5: CARE continues but only for emissions not covered by ETS 1 and 2	High	Low	Low	Low
Option 6: Governance Regulation obliges Member States to put national targets in the nLTS and / or NECPs	Medium	Low	Low	Low
Option 7: Council conclusions set targets	Medium	Low	Low	Low

Source: Ecologic Institute (2025)

# **1** Introduction

The European Climate Law (ECL) requires the EU to adopt a **climate target for 2040**. The 2040 climate target is a critical milestone on the EU's path towards climate neutrality by 2050 and net negative emissions thereafter.

In this context, the Commission is expected to publish its **proposal to amend the ECL in the second quarter of 2025**. This proposal will build on the Commission's communication **on the EU's climate target for 2040, which was published on 6 February 2024**. In this communication, the Commission recommends a 90% reduction in *net* greenhouse gas (GHG) emissions by 2040 and an emission budget of up to 16 Gt for the period from 2030 until 2050 (European Commission, 2024a). This target has been reaffirmed in the recent Communication on a Clean Industrial Deal published on 26 February 2025 (European Commission, 2025).

With the legislative proposal of the Commission, the discussions of the 2040 climate target will enter the decisive phase of the legislative process. The European Parliament and the Council of Ministers will start negotiating the new climate target for 2040. The level of ambition of the 2040 target – net reductions of 90% as recommended by the Commission or other levels of ambition – will most likely be the most contentious issue. The design of climate targets – such as whether they are net or gross targets and their specific scope – will also be a crucial consideration.

In addition to these issues, the role of Member States in achieving reductions will eventually become another central theme of the discussion. Under current EU legislation, Member States are legally obliged to meet quantified reduction and removal targets. However, the Climate Action Regulation for Europe (CARE, aka Effort Sharing Regulation) and the LULUCF Regulation – the pertinent pieces of EU legislation – only set targets until the year 2030. They establish no obligations for the years thereafter. As a result, Member States will no longer be bound by legally binding and quantified climate targets after 2030, unless these regulations are extended, or other EU rules are introduced to set post-2030 climate targets.

Against this backdrop, this **paper discusses** whether and how national climate targets should continue beyond 2030. Chapter 2 explores the role of national climate targets in EU climate governance, while Chapter 3 analyses different design options for these targets. The paper is **part of a research project funded** by the German Federal Ministry for Economic Affairs and Climate Action.<sup>1</sup> This paper builds on previous research conducted within this project.

<sup>&</sup>lt;sup>1</sup> EU 2040 climate target: level of ambition and implications, https://www.ecologic.eu/19177

# 2 Functions of national targets in EU climate policies

**Two pieces of EU legislation set climate targets for Member States: the CARE and the LULUCF Regulation.** The CARE establishes emission reduction targets for sectors not covered by the EU Emissions Trading Scheme Annex I (ETS 1), i.e. transport, buildings, agriculture, small industries, F-gases, and waste. The LULUCF Regulation establishes climate targets for the land sector. For 2021–2025, it sets a no debit target, and for 2030, it mandates an EUwide net removal target of 310 Mt. These targets are distributed among Member States under the CARE and LULUCF Regulations. They establish quantified and legally binding targets for each Member States in an annex. These annexes are *the* central element of the CARE and LULUCF Regulation.

**National climate targets serve various functions in EU climate policies.** These functions interconnect and overlap. Functions of national targets include

- helping measure progress in emission reductions and ensuring transparency,
- ensuring Member State responsibilities and accountability, facilitating a democratic path to climate neutrality,
- maintaining national ownership of climate policies and safeguarding the principle of subsidiarity,
- helping meet EU climate targets fairly via distribution of fair shares to Member States,
- facilitating the adoption of measures in Member States,
- accommodating different circumstances in Member States.

# 2.1 Measuring progress in emission reductions and ensuring transparency

Measuring and benchmarking progress in emission reductions and removals are key functions of national targets. In fulfilling these functions, targets – in conjunction with robust monitoring and reporting – provide transparency. **They enable society to assess whether emission reductions and removals are on track to meet targets.** Additionally, national targets serve as one important benchmark for the EU's reporting under the UNFCCC, as well as for the EU's own assessments in the EEA's trends and projections reports and the Climate Action Progress Report.

### 2.2 Ensuring Member State responsibilities and accountability

National climate targets play a crucial role in ensuring responsibility and accountability for Member States' overall climate policies, alongside rigorous monitoring and reporting. While many EU rules on energy and climate policies impose legal obligations on Member States, only national targets require them to reduce significant portions of their emissions in a quantified manner. This is essential for holding Member States accountable for their overall climate policies in a politically meaningful way.

As co-legislators and implementers of EU law, Member States are the central actors in EU climate policy. Their accountability is essential for the success of climate policies and for ensuring a democratic path to decarbonisation. Citizens are more engaged in national politics

than in EU affairs, making national accountability critical for public trust and participation in climate action.

**National targets have effectively fulfilled these functions.** They have helped hold Member States accountable and responsible for their climate policies. They act as a central reference point in national climate strategies (including NECPs), with discussions consistently focusing on them. Stakeholders and public discourse frequently refer to these targets (Foster, 2016). Media coverage often highlights progress – or lack thereof – towards meeting national targets, reinforcing their role in maintaining transparency and accountability.

# 2.3 Maintaining national ownership of climate policies and subsidiarity

The implementation of EU policies by Member States is a cornerstone of the EU and its constitutional framework. This is a well-established and effective approach. It takes account of the different circumstances in each Member State, ensuring their ownership of implementation. It is also an important tool to safeguard the principle of subsidiarity, as enshrined in Article 5 of the TEU.

This principle, however, does not mean that Member States have unlimited discretion. Member States operate and implement policies within the framework of EU law. National reduction targets help strike a balance between national ownership and appropriate contributions from all Member States. In other words, legally binding national reduction targets and national ownership are two sides of the same coin.

### 2.4 Supporting the achievement of EU climate targets

Supporting the EU in achieving its climate targets is another key function of national targets. Currently, EU legislation only sets targets for the EU for the years 2030 and 2050. It does not set targets for individual Member States for the time after 2030.

This is insufficient because the EU alone lacks the means to implement its own targets. The implementation of the EU's target relies on Member States and their contribution to meeting this target.<sup>2</sup> Action by Member States is indispensable for meeting the EU climate targets. In addition, the EU has no mechanisms to enforce EU targets or other legal obligations on the EU. Instead, the EU "only" has enforcement mechanisms towards its Member States and private entities<sup>3</sup>. As a result, an EU target alone lacks substance. A system based solely on EU targets creates collective responsibility, which can easily devolve into collective irresponsibility, with no clear responsibility for neither Member States nor the EU.

It should be noted that **this system has been successful**. All Member States have achieved their national targets under the Effort Sharing Decision (ECD). As a result, emissions covered by the ESD were 16.3% lower than in 2005, surpassing its 2020 target by more than six percentage points.

<sup>&</sup>lt;sup>2</sup> Article 1 of the CARE stipulates that the Regulation "lays down obligations on Member States with respect to their minimum contributions for the period from 2021 to 2030 to fulfilling the Union's target of reducing its greenhouse gas emissions by 40% below 2005 levels in 2030 in the sectors covered by Article 2 of this Regulation".

<sup>&</sup>lt;sup>3</sup> Examples of EU climate legislation obliging private entities include the ETS or CO2 standards for cars, vans or trucks.

Figure 1: Annual emission allocations compared to annual Effort Sharing emissions and in relation to the AEA budget 2013-2020



Source: EEA, 2022

# 2.5 Help ensure implement commitments under the Paris Agreement (National Determined Contribution)

Given the importance of national climate targets for the implementation of EU climate targets, Member State targets also play an **important role in fulfilling Nationally Determined Contributions (NDCs) under the Paris Agreement**. While not an important issue in UN negotiations, aligning the EU's NDC with national targets can enhance the EU's credibility in international climate negotiations.

### 2.6 Facilitating the adoption of measures in Member States

Another key function of targets is to drive the adoption of measures that implement them. **National targets have been particularly effective in this role**. The number of adopted policies and measures (PaMs) has increased since the ESD entered into force.

The **2016 evaluation of the ESD concluded** that "without the ESD, actions to mitigate emissions in the ESD sectors at the Member State level may not have been taken, or may have been implemented at a slower pace. Annual emission limits, coupled with strict reporting and monitoring rules, have contributed to Member States' efforts to reduce emissions in ESD sectors, though quantifying the effects is challenging." Additionally, the evaluation noted an "apparent acceleration in the implementation of national policies in the ESD sectors in most years starting from 2007, when the European Council agreed on the overall EU climate targets for 2020." (Foster, 2016).

The 2024 evaluation of the GR confirmed this conclusion. This evaluation found that "most reported national PaMs are implemented in response to one or more EU policies", including the ESD and CARE. Figure 2 lists the most frequently mentioned measures.





European Commission: Assessment of progress towards the objectives of the Energy Union and Climate Action, SWD (2023) 646 final. Note: New policies and measures are those put in place since the original NECPs.

### 2.7 Accommodating different circumstances in Member States

National targets in EU law also serve to **account for the varying circumstances and capacities** of Member States in reducing emissions. They are intended to ensure a fair and balanced approach, allowing each country to contribute according to its specific capabilities. To serve this function, EU legislation differentiates targets based on Gross Domestic Product (GDP) per capita across Member States or based on countries' share of total EU managed land area. Accordingly, higher-income Member States are assigned more ambitious emission reduction targets than lower-income Member States. Targets for shares of renewable energy and energy efficiency are also partly distributed according to the same principle. In addition, CARE and LULUCF contain various flexibilities and provisions designed to take account of different circumstances in Member States.

# 3 Options: How to design national climate targets after 2030

### 3.1 Option 1: No national targets set by EU legislation after 2030

### 3.1.1 Content option 1

In this option, **EU legislation would stop setting climate targets for Member States**. The CARE and LULUCF Regulation would cease to set targets after 2030. No other piece of EU legislation would establish climate targets. Member States would remain free to set targets in national legislation but they would not be bound by EU law. Sectoral legislation – such as the ETS, the Energy Performance of Buildings Directive (EPBD), the regulation on emission performance standards for cars or other sectoral rules – would continue to oblige Member States.

### 3.1.2 Assessment option 1

This **option would fail to provide the various functions of national targets** – as discussed above – but this would not be a problem if other measures could perform similar functions.

In this context, **it is argued that the expanded ETS could substitute national targets**. As the ETS 1 and 2 will cover about 80% of EU emissions from 2027 onwards, national targets would become redundant. Mainly emissions from agriculture, some F-Gases, fugitive emissions from fuel production, non-CO<sub>2</sub> emissions from fuel combustion, non-road transport and waste would not be subject to quantified reduction obligations. In turn, national targets would mainly duplicate reduction obligations for about 80% of the emissions in the EU, introducing an additional and redundant layer of regulation.

However, **even an expanded ETS cannot substitute national targets**. A system built on the ETS alone and without national targets would be considerably weaker than the current system – for the following reasons:

- Weaker compliance entities: National targets and the ETS commit different entities. National targets put obligations on Member States, while the ETS obliges companies. Given the central importance of Member States in EU climate policies, a system that would commit only companies but not Member States would be considerably weaker than one that builds on national targets.
- Only very high carbon prices can achieve required emission reductions: Given the inertias in the transport and building sectors to reduce emissions, it is projected that only very high carbon prices are capable to support achieving significantly higher emission reduction targets in the future. According to a study conducted in Germany, even a carbon price of 200 EUR/t CO<sub>2</sub> in 2023, escalating to 350 EUR/t CO<sub>2</sub> in 2030, would result in emissions reductions in the transport sector of only approximately 17% (compared to a carbon price of 23 EUR/t CO<sub>2</sub>). Similarly, the emissions reduction in the building sector would fall by around 14% in the years in question compared to the base case with a carbon price of 125 EUR/t CO<sub>2</sub> for those respective years (Harthan et al., 2020). Another recent study also on Germany estimates that only carbon prices of 524 €/t CO<sub>2</sub> would have the same mitigation effects as Germany's heating law (Bei den Wieden et.al., 2025).

These findings show that rising carbon prices alone have a limited impact on reducing emissions. They underscore the need for additional measures to achieve necessary reductions, as seen with ETS 1 and emission standards for cars, which have played

a crucial role in driving progress. Without strong renewable energy policies, the ETS 1 would not have achieved the reductions that have occurred in the ETS 1 sectors. Strong renewables policies helped the ETS 1 price to rise slowly over quite some time. Without an EU-wide emission standards for cars, Member States will not be able to achieve the reductions in the transport sector – although they still have a crucial role to play by developing e-mobility infrastructure, providing financial support for electric vehicles in the early stages, and assisting lower-income households in the transition.

Moreover, national policies help prevent very high carbon prices in the ETS, in particular in the ETS 2, and associated potential social hardships. They also play a critical role in avoiding very high carbon prices and in ensuring the political acceptance of the ETS and EU climate policies.

- **ETS and national targets are not a duplication:** Because the ETS and national targets have different compliance entities, they are not duplicative. They complement one another. Additionally, the availability of allowances within ETS 2 is derived from the amount allocated under CARE, ensuring the consistency between the two instruments.
- **Safety net:** National reduction targets can act as a safety net in case the ETS 2 does not perform its function. It is conceivable, for example, that the ETS 2 is *de facto* discontinued or weakened considerably if carbon prices exceed specific cost thresholds. Different capacities of Member States to handle energy and carbon prices increase the likelihood of this scenario. In this case, national targets can help avoid that Member States policies designed to reduce emissions from transport and buildings remain insufficient.

# 3.2 Option 2: Economy-wide national targets for emission reductions and removals in the ECL via an annex

#### 3.2.1 Content option 2

In this option, the **ECL would include an annex that quantifies economy-wide climate targets for each Member State**. This annex would feature national reduction targets for every Member State. In this respect, this option resembles the annexes of the CARE or the Kyoto Protocol (KP). To distribute targets among Member States, it could use the CARE's current distribution formula.

In addition to this general structure, there are **various sub-options for designing details**. As one sub-option, this annex could differentiate between GHG emission reductions and carbon removals. As another sub-option, the annex could also differentiate between temporary and permanent removal, whereby a certain share of removal targets can only be met by permanent removals. The ESABCC recommended separate targets, differentiating between targets for gross reductions, temporary removals, and permanent removals (ESABCC, 2023).

### 3.2.2 Assessment option 2

At this point in time, **this option has limited political support**. However, this does not mean that an annex cannot become an amendment to the ECL at a later stage, possibly when the EU agrees on measures implementing the new 2040 target.

Regardless of these political considerations, there are **several arguments in support** of this option:

- A comprehensive, simple and transparent system: The option allows for full, comprehensive and unequivocal coverage of all emissions from Member States. Abandoning the split between ETS, non-ETS and LULUCF, the new system would be simpler and more transparent.
- **Resilient system:** In this option, the targets for Member States are established by EU law. This system is more resilient because it is harder to change than targets enshrined in national law alone.<sup>4</sup>
- **Robust system:** The EU is a community of law. Accordingly, compliance with legal obligations is the norm, and it typically exceeds compliance with political commitments. Moreover, only legal obligations under EU law can be enforced by infringement procedures, the EU's strongest compliance mechanisms towards Member States. Confirming the effectiveness of legal obligations, the evaluation of the GR found that its reliance on legally non-binding recommendations has undermined its effectiveness (European Commission, 2024a).
- No system changes for most Member States: This option would not entail major changes in the climate governance system of most Member States. As of 2024, 22 Member States already have some form of climate law in place, with 16 of them having a legally binding climate neutrality target. However, to avoid inconsistencies, this option only works if national targets are at least as high as the corresponding target under EU law. Moreover, this option could entail that targets in national climate laws are clarified. Most of Member States' targets are ambiguous because they do not quantify reductions and removals (except Portugal). Depending on its design, an ECL containing an annex could solve this ambiguity.
- Ensuring the integration of the complete scope of emissions: Currently, international transport emissions are included in the EU target but not in national targets. Option 2 would allow a consistent integration of these emissions into national targets, enabling national targets to really add up to an EU target. This issue is likely to become more relevant after 2030, as the share of these emissions increases as emissions from other sources decrease.

While there are strong arguments in favour of this option, this option also requires that **several issues are addressed**:

- **Combined targets:** National targets could be designed as combined targets, where carbon removals and emission reductions are interchangeable for compliance. However, this approach has significant drawbacks (Duwe, Graichen, 2023). Treating removals and reductions the same ignores their fundamental differences. No carbon removal option is as safe as leaving fossil gas, coal, and oil in the ground the world's best carbon "sinks". Combined targets also increase the risk of delayed emission reductions as they turn removals into an equally valid compliance unit for mitigation.
- Separate targets for emission reductions and removals: National targets could also be designed as separate targets. In contrast to combined targets, separate targets distinguish between reductions and removals. Removals cannot be used to meet reduction obligations. Separate targets provide less flexibility for target achievement, but they do address the significant shortcomings of combined targets. They do not risk deterring emission reductions and do not conflate reductions and removals.

<sup>&</sup>lt;sup>4</sup> This general consideration applies to all options based on legally binding targets enshrined in EU legislation, see below.

• Separate targets for permanent and temporary removals: To address the inherent differences between removals with permanent and temporary storage, option 2 should include specific targets for removals with permanent storage and those with temporary storage.

## 3.3 Option 3: Economy-wide national targets for emission reductions and removals in the ECL via an obligation on Member States to adopt national targets in national law

### 3.3.1 Content option 3

Under this option, the ECL would oblige Member States to enshrine economy-wide national climate targets in national law. Unlike option 2, the ECL would not quantify the national targets in an annex but would set requirements for Member States to enact their targets into law.

This option could be **complemented by a pledge and review system** similar to the one under the GR or the Renewable Energy Directive. It would set criteria that Member States have to consider when establishing these targets in national law. Criteria could include a requirement that pledged national targets make a sufficient contribution to meeting the EU's overall targets for 2040 and 2050. Similar to the GR, the Commission would review these and issue recommendations to Member States.

### 3.3.2 Assessment option 3

This option would lead to **legally binding targets under national law**. This is a strong commitment. It is stronger than reduction targets enshrined in political documents, such the NECPs and nLTS.

Although this system would lead to some robust outcomes, it has the following problems:

- Requirements for measuring fair contribution is difficult: The crux of this option is that it will be difficult to ensure that Member States adopt sufficiently ambitious targets and make a fair and adequate contribution to meeting the EU's climate targets. The option could be built on benchmarks to assess Member State contributions such as GDP, cost-efficiency or potentials to deploy renewable energies –, but none of these benchmarks would be as reliable as an annex quantifying reduction targets for Member States.
- Pledge and review system is often slow: Experience with the pledge and review system under the GR has shown that this system is often slow and delayed. As one of its central elements, the GR requires Member States to prepare and adopt National Energy and Climate Plans (NECPs) but these are often delayed. Only 5 NECPs have been submitted on time, 14 NECPs were delivered by the end of 2024, and four in January 2025. Five are still outstanding (as of 25 January 2025). Such delays harm the effectiveness of the EU's climate governance framework. Moreover, experiences with the adoption of NDC confirm how slow processes of adopting national climate commitments are.
- Low levels of accountability and weak compliance: As NECPs are rarely subject to
  public debate, political accountability of the pledge and review system is low. Moreover,
  this pledge and review system does have strong compliance provisions. It does not
  include meaningful consequences in cases of non-compliance.

## 3.4 Option 4: Continuation of the current CARE and LULUCF Regulation

### 3.4.1 Content option 4

In this option, the **CARE and LULUCF Regulations would be simply extended** beyond 2030 with no changes to their scope. Accordingly, the revised CARE and LULUCF Regulation would include targets for the EU and Member States for 2040. The main parameters for distributing the climate targets amongst Member States would be retained. This option could include quantified targets in the CARE for technical sinks and permanent removals (Meyer-Ohlendorf, 2023).

#### 3.4.2 Assessment option 4

This option has the **advantage of building on a tested and established system**. Politically, the system is widely accepted. Given the political sensitivities of national targets, these are considerable advantages. This makes it more likely that it can gain sufficient support, despite the expected opposition to new national targets. On the other hand, however, this option is more complex and less transparent than option 2. In contrast to option 2, it does not cover all national emissions but only parts of it, leading to more complexity.

# 3.5 Option 5: A reduced CARE scope, only emissions not covered by ETS 1 and 2

#### 3.5.1 Content option 5

In this option, **CARE would set post-2030 targets but would exclude emissions covered by ETS 1 and 2**. As a result, EU law would impose quantified reduction obligations on Member States only for emissions from agriculture and waste. These emissions only constitute a small fraction of the EU's total emissions in 2024.

#### 3.5.2 Assessment option 5

Given the very small amounts of emissions covered, national targets as designed in option 5 would become *de facto* meaningless. The main function of national targets – to hold Member States accountable and measure their progress in reducing emissions – becomes futile.

### 3.6 Option 6: National targets in national long-term strategies

#### 3.6.1 Content option 6

In this option, the GR would oblige Member States to include national climate targets in their national long-term strategies (nLTS), rather than in national climate laws. The current Article 15 of the GR does not require Member States to include national targets in their nLTS. Article 15 is only a "should" provision. Moreover, annex IV specifying the content of nLTS only stipulates that nLTS include "national target for 2030 and beyond, <u>if available</u>, and indicative milestones for 2040 and 2050". These targets should be "subject to assessment by the European Commission to check their consistency with the EU-wide climate-neutrality

objective".<sup>5</sup> This option could cover all emissions or – as a sub-option – only emissions covered by the CARE.

### 3.6.2 Assessment of option 6

This option only entails **relatively small adjustments** to the GR. Article 15 and the template of the nLTS would be amended, requiring Member States to include national targets into these documents. The political feasibility of this option appears relatively high, in particular if it would only cover emissions under the CARE (see above).

However, this option has **significant shortcomings** and should not be pursued:

- Only a political commitment, no legal obligation: Option 6 would amount to political commitments rather than legally binding obligations, marking a shift away from the current law-based system. Unlike enforceable national targets, political commitments carry less weight and cannot be upheld in court, weakening accountability and compliance.
- It is not possible to have legally and politically binding targets: Having national targets in both political documents (such as nLTS) and legally binding frameworks simultaneously would not make political sense. Consequently, option 6 would weaken the case for legally binding targets. If the EU adopts this approach, it is highly unlikely that both legally binding and politically binding targets could coexist, effectively paving the way for a system based only on political commitments.

In addition, option 6 would have the same disadvantages of the pledge and review system as included in option 3.

## 3.7 Option 7: Targets for Member States in conclusions of the Council of Ministers

#### 3.7.1 Content of option 7

In this option, **conclusions of the Council of Ministers would specify climate targets for Member States**. There are various ways in which conclusions could specify these targets. The conclusions could build on the content of the options discussed above. They could provide guidance on how to distribute national targets, e.g. by setting a distribution formula or by establishing a process for the distribution of targets. As a more far-reaching option, Council conclusions could quantify targets for Member States.

### 3.7.2 Assessment of option 7

In principle, this option could lead to a **quicker agreement** on national targets, as negotiations in the Council – though complex – would not require discussions with the European Parliament. However, this is also its major drawback. By excluding the European Parliament from a politically significant decision, this option sidelines the EU's only directly elected institution, reducing democratic legitimacy. Moreover, this option would not put a legally binding reduction obligation on Member States. As a result, option 7 lacks both legitimacy and effectiveness, making it a comparatively ineffective choice.

<sup>&</sup>lt;sup>5</sup> https://www.wwf.eu/?12721916/briefing-governance-regulation

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