



Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With 200 member organisations active in 40 European countries, representing over 1,700 NGOs and more than 40 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

11 March 2026

CAN Europe letter calls on Member States to support an ambitious, robust and socially-just post-2030 climate policy architecture

To: Environment and Climate Ministers of the EU Member States

Dear Environment and Climate Ministers,

In view of the 17th March Environment Council exchange of views on “decarbonisation efforts in the area of climate post-2030”, we call on you to support an ambitious, robust and socially-just post-2030 climate policy architecture.

This is the moment for Europe to pave the way for transforming its economy to secure future resilience and well-being. As the fastest-warming continent in the world, Europe is already experiencing rising costs from extreme heat, floods, droughts and ecosystem loss, affecting public health, infrastructure, food systems and economic stability today. The European Environment Agency (EEA) indicates that between 1980 and 2023 weather- and climate-related extreme events caused over 240,000 fatalities and cost EUR2023 738 billion in the EU-27, with over EUR2023 162 billion from 2021 to 2023 alone. **Delaying or weakening climate action now will not reduce costs for society or the economy; instead it will dramatically increase them**, while further exposing Europe to fossil fuel price volatility and climate-related shocks. On the contrary, as highlighted by the European Climate Risk Assessment, **acting timely and decisively will bring a wide range of benefits: [following a more ambitious pathway, the EU could gain at least €1 trillion by 2030](#)**. In this context, European citizens regard climate action as a key priority, as confirmed by the latest [EU barometer](#).

The deregulation agenda promoted around the Antwerp Industry Summit and the February informal European Council risks repeating the mistakes of the past – delaying investment, deepening fossil dependence and leaving Europe behind in the global race for clean industrial leadership. This debate cannot be further detached from reality; rolling back climate and environmental policy will punish the early movers, undermine the investment certainty Europe needs to modernise its industrial base – precisely the transformation called for in the report *The future of European competitiveness* by Professor Draghi and promised through the Clean Industrial Deal.

CAN Europe has consistently argued that, to align with the 1.5°C temperature limit and equity, **the EU should achieve domestic net zero emissions by 2040 at the latest**, based on at least 92% gross reductions compared to 1990 levels. **On top of this domestic ambition level, the EU should also significantly increase support to Global South countries for mitigation, adaptation and loss and damage** including through international climate finance (which should not be confused with and replaced by international carbon credits transactions under Article 6 of the Paris Agreement) to fulfil the New Collective Quantified Goal (NCQG) \$300 billion target. Unfortunately, the lack of ambition in Europe did not allow for an adequate 2040 target. **This makes it even more important that the policy architecture for achieving that goal post-2030 provides predictability, credibility and environmental integrity.**

To establish an ambitious, environmentally robust and socially just post-2030 policy architecture, the following elements must be reflected:

- As recommended by the European Scientific Advisory Board on Climate Change (ESABCC), **three separate and distinct targets and policies need to be established for a) gross emissions**

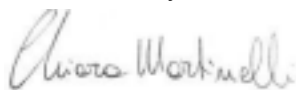
reduction, b) net carbon dioxide sequestration in the land use (LULUCF) sector and c) permanent industrial carbon dioxide removals based on a thorough assessment of their feasibility and sustainable scale-up, taking into account risks, benefits and trade-offs. Ensuring that there is no flexibility or fungibility between these targets is essential to prioritise rapid and deep emission reductions, ensure appropriate action on all three fronts, and safeguard environmental integrity and human rights. Allowing temporary or permanent removals to offset ongoing emissions would risk mitigation deterrence, delay necessary structural transformation, and undermine the credibility of the EU's climate framework.

- **Binding national climate targets need to be maintained**, as they are key to ensure Member States' responsibility and accountability to deliver collectively on the EU climate targets, while accounting for equity and solidarity in effort sharing and promoting national investment and planning. Such targets should differentiate between and clearly separate emission reductions, biogenic sequestration and permanent industrial removals. Allowing more flexibility across targets risks weakening incentives for progress in key sectors like transport, buildings, or agriculture, undermining the core logic of economy-wide decarbonisation.
- **Safeguard a strong and predictable EU ETS 1** by preserving its agreed cap trajectory, the integrity of the Market Stability Reserve, and the complete phase-out of free allocations. CBAM must be fully maintained without broad or loosely defined exemptions. Together, this would ensure a robust and credible carbon price aligned with Paris-compatible clean industry investment. Delays or stretched timelines would not ease the transition but instead shift a heavier burden onto other sectors like agriculture and households, undermine investment decisions already taken by industrial frontrunners and risk the EU losing its window of opportunity to lead in green industrialisation. During the last revision of the EU ETS Directive, co-legislators agreed that all auction revenues should now be used for climate-related purposes that benefit citizens. ETS auctioning revenues should be effectively and fairly distributed to deliver first on climate mitigation. They could drive genuine industrial transformation through competitive, conditional support for deep decarbonisation and renewable energy roll-out - rather than prolonging fossil-based business-as-usual - provided that it goes hand in hand with the phase out of free ETS allowances. Furthermore, ETS revenues should also be used for EU's international climate finance which is critical for supporting Paris Agreement implementation and climate diplomacy.
- **Safeguard a strong and predictable EU ETS 2** by operationalising the system on time without any further delay or weakening, to ensure it drives deep decarbonisation across the buildings and transport sectors. The ETS 2 must deliver on its targeted emission reductions while supporting a just transition for all segments of society, especially the most vulnerable, ensuring that existing inequalities are not exacerbated but rather decreased through a well-targeted and transparent use of ETS 2 revenues. The integrity and adequate resourcing of the Social Climate Fund must be strengthened and extended beyond 2032 to address potential social impacts of the mechanism, with Social Climate Plans that provide long-term solutions to energy and transport poverty, and support vulnerable members of society throughout the transition.
- **No removals should be brought into the ETS**. Integrating permanent industrial removals in the ETS will undermine its core function and objective: driving emission reductions. It is unlikely to incentivise high-quality and permanent industrial removals, and, perversely, risks fuelling further biomass use at the expense of the already declining EU LULUCF sink - and LULUCF sinks elsewhere in the world. It would transform the ETS into an offsetting scheme, while significant amounts of very abatable emissions remain (such as those of coal fired power plants).

- **CAN Europe continues to reject the inclusion of international carbon credits** (Article 6 of the Paris Agreement) within the EU climate policy framework, as it will severely undermine the ambition and environmental integrity of the EU contribution - with assessments¹ showing that credits in most cases do not reflect real emission reductions or removals - while it will delay and increase the cost of the transition. **The policy package to implement the EU's 2040 target should be designed based on a domestic 90% net emissions reduction ambition; if any international credits are to enter the EU climate framework, that inclusion should be appropriately justified and utilised only as a potential last resort, and come as late and in as limited a way as possible. Their use should not be mandatory for Member States and strongly disincentivised.** The EU would need to establish and guarantee strict safeguards and quality criteria for the credits, building on but going beyond those established under the Paris Agreement Crediting Mechanism (Article 6.4) through strengthening the dimensions of permanence and human rights. **We stress the importance of not using international credits for compliance within the EU ETS**, as this would severely risk undermining its correct functioning.
- **The Governance Regulation must be improved** in order to remain a driver for implementing national climate and energy policies. First, a stronger governance framework should be put in place to include **binding energy targets for 2040** (also on the national level, for renewable energies and energy savings, as well as for methane emissions), ambitious gap filling mechanisms, stronger fair transition measures and overall better compliance and enforcement mechanisms. Second, common mandatory rules for Member States' climate and energy planning (NECPs, LTS) and reporting (NECPRs) should be safeguarded and strengthened. While CAN Europe favors streamlining certain processes and mechanisms, these should not pave the way to deregulation—which would threaten predictability, investment certainty and the very achievement of the EU's climate and energy targets.
- **Public and private financial flows need to fully align with the transition**, notably through: a full phase out of fossil fuel subsidies both in the EU and national budgets; ensuring an ambitious mobilisation of both EU funds and national budgets as well as a fit-for-purpose post-NGEU EU budget to fill the “climate investment gap” in respective Member States²; and a better targeting of public finance by channelling funds for the socially just transformation of European societies³.

Counting on you to take the above calls into due account to secure a resilient, future-proof economy and society on a protected planet, we remain at your disposal to further discuss how to deliver an inclusive and sustainable transition in Europe and the rest of the world.

Yours sincerely,



Chiara Martinelli, Director, Climate Action Network Europe

¹ [Carbon Market Watch \(2025\). First wave of Article 6 carbon credits misfire spectacularly.](#)

[Probst et al. \(2024\). Systematic assessment of the achieved emission reductions of carbon crediting projects.](#)

² [CAN Europe, T&E, WWF, FFB, Birdlife International \(2024\). A social and green investment plan for a prosperous Europe.](#)

³ [CAN Europe & Cambridge Institute for Sustainability Leadership \(2022\). How to maximise the social benefits of climate action](#)