

# EUROPE'S BUDGET

Delivering on the clean transition

JULY 2025

The clean transition is Europe's strategy towards a cleaner and more competitive continent, to the benefit of its citizens and businesses. This new budget will help Europe reach its proposed 2040 climate target and achieve climate neutrality by 2050.

People and businesses are at the heart of the clean transition investments. The modernised scope of the budget will boost investments to support innovative companies and maintain Europe's leading role in cleantech sectors and circularity, while ensuring that the transition is socially just and fair. Moreover, the budget will better equip regions and communities respond to extreme weather events, which increasingly affect the European society and economy.

## What is the Commission proposing?

- A 35% climate and environment spending target for the overall budget mobilising over EUR 700 billion
  - to support climate and environmental objectives, climate mitigation, adaptation and resilience; sustainable growth, innovation and strategic independence.
  - to make sure that climate resilience and environmental measures are better aligned.
- The 'Do No Significant Harm' principle:
  - to be applied through a single, simple and proportionate approach, ensuring that EU funded activities do not cause significant harm to climate and environmental objectives.
- The "Climate resilience by design" principle:
  - to be applied to protect people and investments from the increasingly devastating impact of climate change.
  - to prepare for and better manage climate risks, limit economic and social costs, and promote innovative technologies.
- An enhanced system to monitor EU spending and results on green objectives:
  - Simple and robust system to better track actions supported related to the budget for environment and climate mitigation, adaptation and resilience.

## What does it mean in financial terms?

PROGRAMMES	TARGETS
National and Regional Partnership Plans	43%
European Competitiveness Fund	43%
Framework programme for research and innovation	40%
Connecting Europe Facility	70%
Global Europe Instrument	30%

## How will the budget make a difference in this area?

- **National and regional partnership plans** will link reforms with clean investments, supporting the EU 2040 climate and energy targets and supporting local communities and businesses in the clean transition. These plans will help take better account of the needs of each territory, as regions are at the core of the transition.
- **The European Competitiveness Fund** will strengthen the EU's economy through investments aiming to decarbonise the European economy, both small and big. This will strengthen the development of clean technologies and the circular economy, drive forward sustainable transport and the energy transition while protecting the climate and the natural environment.
  - The **Innovation Fund** will reinforce the European Competitiveness Fund, boosting support to industrial decarbonisation and innovation of clean technologies.
  - The **Industrial Decarbonisation Bank**, announced in the Clean Industrial Deal, will be placed within the governance of the Competitiveness Fund.
- **Horizon**, together with the **10th Framework Programme for Research and Innovation**, will work with the **European Competitiveness Fund and Innovation Fund** to provide research applications and innovation supporting the decarbonisation efforts.
- The **Connecting Europe Facility** will boost investments in key cross-border infrastructure projects in the energy and transport sectors, that are crucial to complete the Energy Union and complete trans-European network for transport.
- The **Global Europe Instrument** will empower partner countries fostering partnerships and alliances to increase financial support for enhanced climate, energy, environmental and sustainability action.
- **Several other funds**, such as ERASMUS+, Creative Europe, and the Union Civil Protection Mechanism, will also contribute to climate action through their investments.