



OPINION

European Economic and Social Committee

EU climate target for 2040

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

Securing our future

Europe's 2040 climate target and the path to climate neutrality by 2050 building a sustainable, just and prosperous society

(COM(2024) 63 final)

NAT/931

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1. **Conclusions and recommendations**

- 1.1 An EU 2040 climate target will provide visibility on the path to climate neutrality by 2050 and feed into global climate ambition. The EESC supports the recommended target of 90% by 2040, as it aligns with the science on Europe's fair share of the 1.5 degree goal. The EESC emphasises that the target is demanding and can only be achieved if enabling policies are in place to ensure the competitiveness of European industries and a just transition and through utilising all zero and low carbon technologies cost-effectively.
- 1.2 The EESC emphasises actual emissions reductions through phasing out fossil fuels. While carbon removals play an increasing role in achieving EU climate targets, over-reliance on land-based and industrial sinks entails uncertainties and risks of lock-in to fossil dependency or loss of sinks due to forest fires, pests and other hazards. Carbon removals need incentives for them to play their limited but significant part. The EESC calls for the Commission to make a scientific and economic assessment on the balance between reductions and removals.
- 1.3 An ambitious 2040 target builds on the successful achievement of at least 55% net emissions reduction by 2030. The EESC underlines focusing on the implementation of the Fit for 55 legislation and supporting European businesses and households in adapting to the new regulatory environment.
- 1.4 The EESC notes that the climate targets require an unprecedented level of investment into decarbonisation. This builds on, inter alia, predictability and consistency of the regulatory environment, effective research, development and innovation, faster permitting, access to finance and the availability of skilled work force and the overall performance of the European economy. The 2040 target should be coupled with the aim to build a strong economy through the transition, increase European energy security and provide high-quality jobs. To expand the global impact of European clean transition and leverage the benefits of climate leadership, the EESC calls for the Commission to track and set goals for the growth of exports of European cleantech products and services.
- 1.5 Faster decarbonisation in sectors where abatement costs are relatively low and scalable solutions exist is necessary in order to accommodate more gradual progress in hard-to-abate sectors. The EESC calls for power generation in the EU to become carbon free by 2040, closely followed by heating and cooling. Availability of clean and affordable energy and a fit for future energy infrastructure is the foundation for decarbonisation of other sectors, such as industry, buildings and transport. The EESC proposes an indicative emissions reduction target to be established for the agri-food sector through close dialogue with farmers and other stakeholders, based on science, ensuring European food security and taking into account different natural conditions in the EU.
- 1.6 To maintain public support for European climate policy and to engage all levels of society, the EESC underlines the importance of broad stakeholder dialogue, including with social partners and civil society, and citizen engagement in establishing the 2040 target and developing the accompanying policies. This structured dialogue and permanent advisory bodies should also be utilised in national climate policies. The EESC highlights the possibility of increased emissions

reductions and lower material and energy demand through empowering consumers for sustainable lifestyle choices.

- 1.7 In preparing the legislative proposal for the 2040 target, the EESC calls for the Commission to expand the competitiveness check in relation to other major economies, including their climate, energy and industrial policies and economic indicators, to provide proposals on how to strengthen Europe's global competitiveness and industrial base and safeguard our model of open market economy with high environmental and social standards.

2. Introduction

- 2.1 The European Union has set legally binding goals of emissions reduction of at least 55% by 2030 and climate neutrality by 2050. As a midway point, the Commission is required by the European Climate Law to propose a target for 2040.
- 2.2 The Commission communication¹ suggests an emissions reduction target of 90%. The communication and the attached impact assessment cover three possible options: Option 1, a linear reduction trajectory of up to 80%; Option 2, a reduction of 85-90%; and Option 3, a reduction of 90-95%. The communication also suggests an EU indicative projected greenhouse gas budget of 16 GtCO₂e for the period 2030-2050.
- 2.3 The European Scientific Advisory Board for Climate Change (ESABCC) recommended a 90-95% reduction target for 2040 in its report in June 2023, including a greenhouse gas budget of 11-14 GtCO₂e for the period 2030-2050². The 2040 target suggested by the Commission aligns with the target range proposed by the ESABCC which also received the broadest support in the public consultation held by the Commission in 2023.
- 2.4 The communication is a starting point for dialogue on the 2040 target and the pathway to reach it. This EESC opinion aims to contribute to this discussion. A legislative proposal on the 2040 target will be prepared by the Commission in the next mandate, as will the post-2030 policy framework required to reach the target.

3. Global context for EU 2040 target

- 3.1 The UN Climate Change Conference COP28 held in 2023 calls for parties to transition away from all fossil fuels, contribute towards tripling renewable energy and doubling energy efficiency measures by 2030 and accelerate the deployment of clean technologies. Additionally, COP28 calls for parties to align their next Nationally Determined Contributions (NDC) with the 1.5 degree pathway in accordance with the science.

1 [Securing our future - Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society, COM\(2024\) 63 final.](#)

2 <https://climate-advisory-board.europa.eu/news/eu-climate-advisory-board-recommends-ambitious-2040-climate-target-and-urgent-transitions-for-the-european-union>.

- 3.2 As the Communication states, the 2040 target will form the basis for the EU's new NDC under the Paris Agreement, which requires the EU to submit a target reflecting its highest possible ambition for 2035 to the UNFCCC by early 2025. The EESC emphasises that the 2040 climate target and the corresponding target for 2035 must therefore respect the commitments made by all parties in COP28 and is to be adopted without delay.
- 3.3 The EESC notes that Europe currently contributes a 7% share of global emissions, which is declining further as the EU progresses towards climate neutrality in 2050, while bearing responsibility for being among the highest historical emitters. The EU has been able to reduce its territorial emissions by 32% since 1990 and to decouple economic growth from greenhouse gas emissions as a frontrunning major economy. This background underlines both the responsibility and opportunity for Europe to lead global climate action and the necessity to engage with other major economies in order to achieve the goals of the Paris Agreement. The EESC recalls its proposal to raise climate diplomacy to flagship status in EU external relations³.
- 3.4 European global leadership in climate change mitigation must be complemented by policies ensuring the competitiveness of European industries, prevention of carbon leakage and promotion of a level playing field, while contributing to global cooperation to combat climate change through climate finance, technology transfer, technical assistance and capacity building. The EESC welcomes the initiative by the Commission to set up a task force on carbon markets. By supporting the establishment of carbon pricing systems in third countries, coupled with the Carbon Border Adjustment Mechanism (CBAM), the EU can promote the extension of carbon pricing which currently covers less than a quarter of global CO₂ emissions⁴.
- 3.5 Rising geopolitical tensions highlight the need to transition away from fossil fuels while avoiding new dependencies on technologies and critical raw materials. Phasing out dependency on imported fossil fuels supports the open strategic autonomy and competitiveness of Europe. An ambitious 2040 target could contribute to a significant increase in EU energy security, potentially halving energy import dependency from over 55% in 2021⁵ to 26% in 2040. In 2023, net fossil fuel import costs covered 2.4% of EU GDP. Recent crises such as the COVID-19 pandemic and the energy crisis caused by Russia's war of aggression underline the need to maintain the security of supply in energy and materials during all stages of the transition. In the immediate future, halting the remaining Russian energy imports to the EU is vital to cut revenue flows that fund the Russian invasion of Ukraine.
- 3.6 The global economic context has become more challenging with the US Inflation Reduction Act and the growing dominance of China in clean technology supply chains. The EESC re-emphasises the need for Europe to maintain a strong industrial base, improve European research, development and innovation and production capacity in net zero technologies and critical raw materials and diversify sustainable supply sources in order to decarbonise our economy and compete with the

3 <http://data.europa.eu/eli/C/2024/1575/oj>.

4 <https://www.worldbank.org/en/news/press-release/2023/05/23/record-high-revenues-from-global-carbon-pricing-near-100-billion>.

5 https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_statistics_-_an_overview.

United States and China on an equal footing⁶. The European response to a global subsidy race should build on our strengths, such as safeguarding and developing the single market. As underlined in the Antwerp Declaration⁷, a strong industrial fabric and strengthened social dialogue are necessary for the successful delivery of the EU Green Deal.

- 3.7 The EESC notes with concern that according to the World Meteorological Organization (WMO), 2023 was the warmest year on record and Europe is warming twice as fast as the global average. The first ever European Climate Risk Assessment (EUCRA, 2024)⁸ states that some regions in Europe are hotspots for multiple climate risks, such as wild fires, impacts of heat and water scarcity, flooding, erosion and saltwater intrusion. Decisive global action to combat climate change would prevent significant loss of life, health impacts and economic losses. The cost of climate inaction far surpasses the cost of action. As such, the EESC stresses the socio-economic benefits of well-designed, urgent climate action, including higher quality of life, decreased health care costs and avoiding economic impacts.
- 3.8 The EESC recalls the EU's commitment to the Kunming-Montreal Global Biodiversity Framework and notes the dependencies between climate and biodiversity, as climate change accelerates risks to nature, and nature-based solutions provided by vibrant ecosystems are highly effective tools in mitigation and adaptation. For example, restoration of wetlands will help manage floods and storm sewage, while conservation of old-growth forests can safeguard vast carbon stores.

4. **The 2040 climate target**

- 4.1 An EU 2040 climate target will provide visibility on the path to climate neutrality by 2050 and feed into global climate ambition. The EESC supports the recommended target of 90% net emission reduction by 2040, as it aligns with the science on Europe's fair share of the 1.5 degree goal⁹. At the same time, the EESC emphasises that the target is demanding and can only be achieved through enabling policies ensuring the competitiveness of European industries and a just transition and utilising all zero and low carbon technologies cost-effectively.
- 4.2 The 90% target is a net target summing up emissions reductions and carbon removals through biological and technological sinks. The EESC emphasises that the priority must be on actual emissions reductions and the role of carbon removals should be complementary. The EESC calls for the Commission to evaluate carefully, based on scientific evidence and economic analysis, the balance between emissions reductions and carbon removals so as not to over-rely on land-based or industrial sinks that entail uncertainties and risks. At the same time, carbon removals must be incentivised for them to play their limited but significant part, building on the newly adopted Carbon Removals Certification Framework (CRCF).

⁶ [OJ C 349, 29.9.2023, p. 179.](#)

⁷ <https://antwerp-declaration.eu/pdf/declaration.pdf>.

⁸ <https://www.eea.europa.eu/en/newsroom/news/europe-is-not-prepared-for>.

⁹ EU climate Advisory Board recommends ambitious 2040 climate target and urgent transitions for the European Union, <https://climate-advisory-board.europa.eu/news/eu-climate-advisory-board-recommends-ambitious-2040-climate-target-and-urgent-transitions-for-the-european-union>.

- 4.3 Industrial scale carbon capture from industrial processes is a necessary part of an ambitious 2040 target and the net zero pathway, as recognised by the IPCC, ESABCC and the International Energy Agency (IEA). The EESC stresses that carbon capture must be targeted to residual emissions in hard-to-abate sectors to avoid lock-in to continued use of fossil fuels where feasible alternatives for decarbonisation already exist. Carbon capture requires significant investments into capture, logistics and storage and increases energy demand. Therefore, carbon capture should not be the preferred option for decarbonisation in sectors where phasing out fossil fuels would already be feasible and cost-effective. Capture of biogenic carbon dioxide can generate permanent removals and provide sustainable sources of CO₂ for industrial use.
- 4.4 Practices such as afforestation, agroforestry, halting deforestation, sustainable forest management, appropriate management and restoration of peatlands and carbon farming are needed to reverse the decline of EU carbon sink. European forests and fields also contribute to climate action by providing bio-based materials that can substitute fossil resources and store carbon in wood construction and other long-term products. The EESC underlines the uncertainties in counting on large biological sinks due to inexactitudes of reporting on natural processes and, more alarmingly, increasing risks such as forest fires, pests and diseases and weather events which are exacerbated by ongoing climate change. Therefore, increasing focus should go into adaptation and the LULUCF share of the net target should be cautious. Sound monitoring systems are necessary to provide regular and timely information on the state of the carbon stocks.
- 4.5 The 2040 target builds on the successful achievement of at least 55% net emissions reduction by 2030. The EESC notes with concern that the current National Energy and Climate Plans (NECP) do not add up to reach the 2030 target¹⁰ and calls for Member States to address the gaps in the updated NECPs and for the Commission to focus on the implementation of the 2030 policy framework. Many elements of the Fit for 55 legislation, such as the ETS2 or the CBAM are only entering into force. European businesses, particularly SMEs and households will need space and support in adapting to the new regulatory environment, including investment certainty for industries.
- 4.6 The 2040 target will set the trajectory to climate neutrality by 2050. A non-linear pathway will entail opportunities and challenges that impact Europe's position in relation to other major economies, including the need to frontload investments and technology deployment and the possibility of decreased reliance on energy imports and leadership in clean technologies. In preparing the legislative proposal for the 2040 target, the EESC calls for the Commission to expand the competitiveness check in relation to other major economies, including their climate, energy and industrial policies and economic indicators and to provide proposals on how to design the pathway to faster decarbonisation in a way that strengthens Europe's global competitiveness and industrial base and safeguards our model of open market economy with high environmental and social standards¹¹.

¹⁰ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6622.

¹¹ Competitiveness and its relation to environmental and social standards has been further discussed in EESC opinion [NAT/843, OJ C 275, 18.7.2022, p. 101](#), 'Ensuring competitiveness should not be misinterpreted as an excuse for operating at the lowest common denominator in terms of green standards, in a global market'.

4.7 To maintain public support for European climate policy and to engage all levels of society, the EESC underlines the importance of broad stakeholder dialogue and citizen engagement in establishing the 2040 target and accompanying policies. The EESC encourages the continuation of the Clean Transition Dialogues and supports the Communication's recognition of the need for a structured and systematic dialogue with social partners and civil society, and the involvement of regional actors. The EESC also calls for all Member States to set up energy and climate dialogues and establish national climate advisory bodies.

5. **Pathway to the 2040 target**

5.1 The climate target for 2040 must be accompanied with enabling policies, such as a focus on just transition and the industrial competitiveness of Europe. The EESC encourages the Commission to launch dialogue on the post-2030 climate and energy policy framework as soon as possible.

5.2 The EESC welcomes the inclusion of all zero and low carbon technologies in the Communication. According to the IEA, the majority of the technologies needed for accelerated climate action by 2030 are already commercially available, while achieving climate neutrality by 2050 will require the deployment of technologies which are still in development¹². An ambitious 2040 target will therefore depend on both massive deployment of existing cost-effective, tested and tried technologies such as renewable energy, heat pumps and electric vehicles, and the development and scaling up of emerging technologies such as advanced biofuels, renewable and low carbon hydrogen, batteries, synthetic fuels and materials, small and modular nuclear reactors and carbon capture, utilisation and storage particularly targeted to hard-to-abate sectors.

5.3 To leverage the benefits of climate leadership, the EU should aim to be an attractive regulatory and operating environment for developing, testing, scaling up and producing clean technologies and materials. Whereas the Net Zero Industry Act sets targets for European self-sufficiency in net zero technologies, the EU should also track and pursue the growth of the export of cleantech products and services. Digitalisation and advanced manufacturing are needed to drive European reindustrialisation. This in turn should provide quality jobs with fair working conditions and good pay. The post-2030 policies should aim for a simplification and streamlining of European green regulation particularly to accommodate the administrative burden on SMEs.

5.4 Faster decarbonisation in sectors where abatement costs are relatively low and scalable solutions exist is necessary in order to accommodate more gradual progress in hard-to-abate sectors. The energy sector will spearhead Europe's path to climate neutrality. Power generation in the EU must become carbon free by 2040, closely followed by heating and cooling. Electrification is one of the most important strategies for decarbonisation. Increasing the share of electricity use from 23% in 2021¹³ to over 50% by 2040 will require almost doubling of power generation, while total energy consumption decreases through increased energy efficiency.

¹² <https://www.iea.org/reports/net-zero-by-2050>.

¹³ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_statistics_-_an_overview.

- 5.5 Renewable energy, especially solar and wind, will provide the bulk of the growth in power generation with nuclear energy providing an important baseload in Member States choosing to utilise it. The availability of affordable and stable clean energy is the foundation for the decarbonisation of other sectors, such as industry, buildings and transport. The EESC recalls the importance of investment into energy systems such as grids, flexibility and storage and increasing the interconnectivity of the European energy market through cross-border energy infrastructure from grids to hydrogen pipelines¹⁴, also highlighted by the Letta report on the single market. To channel financial flows into clean energy production and infrastructure, the EESC calls for the phase-out of harmful fossil fuel subsidies.
- 5.6 The EESC notes that the EU climate targets require an unprecedented level of investment in decarbonisation of existing industrial processes and transport, investment in manufacturing of net zero technologies and materials and investment in clean power and heat supply to enable the former. This builds on, inter alia, predictability and consistency of the regulatory environment, faster permitting, access to finance with particular focus on SMEs and the availability of skilled work force. An ambitious 2040 target will require frontloading of annual investments into decarbonisation, estimated to be up to EUR 710 billion annually from 2030 to 2040. This will need to be financed mainly by mobilising private finance and by the Member States. The role of EU funding instruments to meet the demand should be addressed in the preparation for the next Multiannual Financial Framework (MFF).
- 5.7 The Emissions Trading System (ETS) has been the EU's most successful driver of emissions reductions and will be the most important tool in achieving the 2030 and 2040 climate targets. According to the linear trajectory, allowances in the ETS will run out by the late 2030s, when some hard-to-abate sectors including the chemical industry and marine transport will still depend on fossil fuels even according to most ambitious scenarios. The ETS will be reviewed in 2026. The EESC underlines the importance of providing visibility and predictability on the endgame of the ETS while safeguarding the integrity of the system. One option to generate limited allowances for residual emissions without compromising the emissions cap is to link robust carbon removals with the ETS system.
- 5.8 Emissions from agriculture have largely remained stable during the 2000s. Agricultural processes, such as soil tilling and livestock digestion, cause unavoidable emissions while agriculture itself is heavily impacted by climate change. Appropriate practices can, however, mitigate these emissions, while farmers can also generate carbon removals through carbon farming. The EESC proposes an indicative emissions reduction target to be established for the agri-food sector in close dialogue with farmers and other stakeholders, building on the Strategic Dialogue on the Future of Agriculture and based on science and research. The target should ensure sustainable food systems, food security and the competitiveness of European food production¹⁵ and take into account different natural conditions in the EU. The EESC notes the role of farmers and foresters in circular bioeconomy. The EESC urges the Commission to prioritise research and development that can support European agriculture in the green transition to more sustainable production with less

¹⁴ [OJ C 323, 26.8.2022, p. 123.](#)

¹⁵ Competitiveness of the agri-food sector has been further defined in EESC opinion [NAT/844, OJ C 194, 12.5.2022, p. 72.](#)

emissions of greenhouse gases. The EESC also urges the Commission to prioritise funds to support the green transition on European farms.

- 5.9 The EESC notes that more sustainable consumption patterns, such as shifts to healthy diets, reducing energy and material consumption and prioritising public transport, cycling and walking where possible contribute significantly to emissions reductions both within the EU and in third countries, and also reduce the material footprint and investments needed to reach the climate targets. The EESC believes that empowering consumers and households, for example through availability of fact-based information by ensuring high-integrity green claims and utilising digital product passes, implementation of the right-to-repair and Ecodesign principles, and incentives for affordable sustainable choices, is an important part of the transition. A shift towards sustainable lifestyles should also be supported through education and awareness raising.
- 5.10 The transition to a green economy on the path to the 2040 climate target will require a workforce skilled in new technologies and sustainable practices. This shift presents an opportunity for young people to engage in new educational programmes and training in green skills, aligning their career paths with the needs of a decarbonised economy. The need for re- and upskilling of the existing workforce should also be recognised. The strategy's emphasis on innovation and research should enhance educational opportunities in STEM fields related to climate science and green technology.
- 5.11 Finally, the EESC reiterates the need for a strong Just Transition Policy Framework that is people-centred, responsive to local conditions, protects nature and the environment and seizes opportunities¹⁶.

Brussels, 30 May 2024.

The president of the European Economic and Social Committee
Oliver RÖPKE

¹⁶ <http://data.europa.eu/eli/C/2024/1576/oj>.