

Dear Minister of Environment/Climate.

Ahead of the 17 December Environment Council discussion on the EU 2040 climate target, we call on you to align EU and national level climate ambition to the Paris Agreement 1.5°C temperature goal and equity. While delaying climate action will imply dramatic costs for society and the economy, as highlighted by the European Climate Risk Assessment (EUCRA) and by the devastating climate impacts registered across Europe, acting timely and decisively will bring a wide range of benefits: following an ambitious decarbonisation pathway aligned with the 1.5°C temperature goal, the EU could gain at least €1 trillion already by 2030¹.

Continuing and accelerating the implementation of the European Green Deal is essential for modernising Europe's economy, ramping up competitiveness, shaping a clean industrial transformation, and building energy and socio-economic security - including by expediting the move away from fossil fuels, ramping up renewables and energy savings measures. At COP29, first major countries have put their new NDCs on the table; it is now crucial that the EU demonstrates real commitment to the Paris Agreement and global leadership by swiftly agreeing on 2035 and 2040 climate targets aligned with 1.5°C science and equity.

## 2040 target: time to adopt an ambitious headline target

The 90% net 2040 target proposed by the Commission in its Communication lags behind the ambition level recommended by both the Commission's own Impact Assessment and the European Scientific Advisory Board on Climate Change (ESABCC) (90-95%), which indicate that higher ambition levels are most beneficial and better reflect equity principles. Earlier this year, coalitions of businesses, investor groups, local and regional authorities, trade unions and civil society groups called for an "at least 90%" net target². CAN Europe reiterates that, to align with the 1.5°C temperature limit and equity, the EU should achieve domestic net zero greenhouse gas emissions by 2040 at the latest, based on at least 92% gross emission reductions compared to 1990 levels³. In the context of the urgency to timely deliver an ambitious EU NDC, we therefore call for a Member State decision in December on 1.5°C science and equity aligned climate targets for 2040 and 2035.

## 2040 target: prioritise gross reductions within a 3-target approach

Further, ENVI should decide to build the 2040 target from three separate and distinct targets and policies 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 sustainable scale-up, taking into account risks, benefits and trade-offs. The gross domestic emission reductions should remain the absolute priority, alongside much greater efforts to sustainably manage, protect and restore the EU's forests, including through the implementation of the Nature Restoration Law, which would allow, despite adverse climate impacts, to achieve much stronger LULUCF targets than the EU currently foresees.

<sup>&</sup>lt;sup>1</sup> CAN Europe & The Together For 1.5 project (2024). Paris Pact Payoff: Speeding up the green transition for socio-economic co-benefits.

<sup>&</sup>lt;sup>2</sup> Coalition for Higher Ambition Rallies Broad Support for a Science-Based 2040 Climate Target and Business and Investors call on the EU to Set a Greenhouse Gas Emissions Reduction Target of at least 90% by 2040.

<sup>&</sup>lt;sup>3</sup> CAN Europe's position on EU climate targets and an equitable greenhouse gas emission budget for the EU.

## Deliver an ambitious NDC with 2035 targets

To align with the UNFCCC NDC provisions and Art 4.7 of the European Climate Law, the EU should also adopt an ambitious 2035 target to include in the NDC and in the European Climate Law alongside 2040 aspects. CAN Europe calls for an EU 2035 climate target and NDC of at least 94% net emission reductions by 2035, including at least 82% gross emission reductions, compared to 1990 levels (based on the proposed climate neutrality by 2040 at the latest). On that basis, an initial 2nd NDC could be submitted to UNFCCC shortly thereafter, which can be further updated after finalisation of the legislative process underpinning the 2035 and 2040 targets.

## Key enabling conditions

Member States need to step up their national action towards 2030 in their NECPs. The emission reduction and energy transition pathways in the final or latest available draft NECPs are currently neither in line with the Paris Agreement nor - in several cases - enough to meet the EU's 2030 climate and energy targets<sup>4</sup>. Targets must be backed up by adequate additional measures and financing plans, also clearly outlined in the new NECPs which represent strategic planning tools to guide the decarbonisation path and provide investment clarity.

Greater climate ambition by 2030 is one key enabling condition for an ambitious 2040 target. To this end, the EU should adopt immediate urgent actions additional to the Fit for 55 agreements and move substantially beyond the inadequate 55-57% net EU emission reductions target for 2030, to achieve at least 76% net emission reductions by 2030, based on 65% gross emission reductions, compared to 1990 levels. This should also be reflected in the NDC.

In the pursuit of achieving net zero by 2040 at the latest, the EU needs to accelerate the deployment of existing solutions, instead of relying on costly and unproven technologies. The EU needs to develop plans to phase-out coal by 2030, fossil gas by 2035 and oil by 2040; integrate such targets into the upcoming EU NDC for responding to the COP28 Global Stocktake decision (para 28) regarding the transition away from fossil fuels, and simultaneously accelerate the deployment of renewable energy, focusing on wind and solar, to reach a fully renewables based energy system by 2040<sup>5</sup>. Efforts to curtail energy and material demand should be expanded and greater focus should be put on restoring nature, recognising its crucial role in removing carbon.

**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 States<sup>6</sup>; and a better targeting of public finance by channelling funds for the socially just transformation of European societies<sup>7</sup>.

The Annex to this letter provides further details on the enabling conditions to achieve these goals though an inclusive and sustainable transition in Europe. Being confident that you will take these urgent calls into due account, we count on you to secure the protection of our planet and the well-being of people in Europe and the rest of the world, and we remain at your disposal for further discussion.

Yours sincerely,

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<sup>&</sup>lt;sup>4</sup> CAN Europe & The Together For 1.5 project (2024). Mind the NECP Gap.

<sup>&</sup>lt;sup>5</sup> CAN Europe (2024). Energy Compass for the Policy Cycle 2024-2029. and

CAN Europe (2024). Paris Agreement Compatible Scenarios (PAC) 2.0. Executive Summary.

<sup>&</sup>lt;sup>6</sup> CAN Europe, T&E, WWF, EEB, Birdlife International (2024). A social and green investment plan for a prosperous Europe.

<sup>&</sup>lt;sup>7</sup> CAN Europe & Cambridge Institute for Sustainability Leadership (2022). How to maximise the social benefits of climate action.