Statement from the Coalition for Higher Ambition in support of an ambitious EU 2040 domestic emissions reduction target and NDC

To:

President of the European Commission, Ursula von der Leyen

President of the European Council, António Costa

Prime Minister Donald Tusk, Polish Presidency of the Council of the European Union

President of the European Parliament, Roberta Metsola

Executive Vice-President of the European Commission, Teresa Ribera

European Commissioner, Wopke Hoekstra

Heads of State and Government of the EU Member States

Environment and Climate Ministers of the EU Member States

Ahead of the March EUCO and ENVI Council, we, as members of the **Coalition for Higher Ambition**, ask you to act and support a 2040 net domestic emission reduction target of at least 90% and an ambitious Nationally Determined Contribution (NDC).

Since the first release of the European Commission's communication on a 2040 climate target in February 2024, the climate crisis has continued to unfold, with record temperatures in Europe and globally, devastating extreme events such as storms, heavy rains and wildfires, causing human suffering and massive damage to societies, economies, and nature, both in Europe and the rest of the world.

The recently released Competitiveness Compass and the Clean Industrial Deal have reaffirmed the EU's commitment to continue implementing the European Green Deal for a just transition and decarbonisation, recognising that climate ambition is essential to ensure the competitiveness and resilience of the EU's economy and society. As an alliance of European business organisations, major city networks and regional governments and civil society organisations, who are key actors in driving ambitious climate action and implementing policies on the ground, we welcome these efforts, and we call on the EU and Member States to ensure the full implementation of the Fit for 55 package and to deliver ambitious post-2030 climate targets and policy package building on this framework. We stress that no efforts under a simplification agenda should lower social and environmental protection.

Business and economic actors recognise that the decarbonisation of the economy is essential for competitiveness and economic benefits. Simultaneously, cities and regions' decarbonisation and resilience investments and material demand in the sectors such as transport, buildings and energy give a clear market signal to clean industries while fostering a mutually beneficial dynamic that advances economic, social and environmental goals together. Swiftly phasing out all fossil fuels and investing in the transformation of the ways we produce and consume will spur innovation towards a clean, circular and competitive economy that can provide safe and decent

work, economic and social gains¹, and drive an increase in ambition of global standards. To this end, a robust vision for the 2040 climate policy milestone in the EU decarbonisation pathway will provide the necessary guidance to develop a stable policy framework including enabling policies and measures to derisk investing in clean products and services. This will be critical to give clarity to businesses and financial markets to mobilise the needed investments² to transform the EU economy to align it to the 1.5°C temperature limit.

At the same time, the EU needs to demonstrate leadership ahead of COP30 by presenting an ambitious NDC in line with the Union's responsibility at the global level, in view of its role as a historic emitter and an affluent region. As echoed by expressions of concern from partners across the globe, in the current geopolitical context and given the US withdrawal from the Paris Agreement a further delay and an insufficient level of ambition in the EU's NDC, after having missed the UNFCCC agreed deadline of 10 February, would undermine ambitious global climate action, and the block's reputation. Advancing the EU's bilateral collaboration on climate action with other countries, particularly through an ambitious NDC and equitable financing, is essential for global progress. Driving the international just transition agenda alongside Brazil's COP30 Presidency will bolster the EU's credibility as a fair and reliable partner.

Therefore, ahead of the March EUCO and ENVI Council, we, as members of the **Coalition for Higher Ambition**, ask you to act against this background. We urge you to swiftly agree on amendments to the European Climate Law in a way that reflects a science-based EU 2040 climate target that is aligned with the recommendations of the European Scientific Advisory Board on Climate Change of <u>at least 90% net domestic</u> emission reductions by 2040 (relative to 1990 levels), and, in line with that, of a 2035 target no lower than <u>at least 72.5%</u> net domestic emission reductions as a critical component of the EU's next Nationally Determined Contribution (NDC) under the Paris Agreement. Some members of the Coalition, in line with what was highlighted by the latest IPCC synthesis report and the UN Secretary General António Guterres, support efforts for the EU achieving domestic net zero emissions by 2040 at the latest and a higher 2035 target of at least 94% net domestic emission reductions⁴. Full implementation of the European Green Deal, preferably leading to overachievement of the EU 2030 climate target, will be critical to this pathway.

Ambitious EU climate targets should be underpinned by a robust policy framework:

- In the pathway to climate neutrality, absolute priority should be given to actual gross emission reductions, while strengthening efforts to enhance net carbon dioxide sequestration in the land use (LULUCF) sector, and permanent industrial carbon dioxide removals based on a thorough assessment of their sustainable scale-up, taking into account risks, benefits and trade-offs. These three elements should be reflected in separate and distinct targets and trajectories.
- Ambitious and binding post-2030 EU energy efficiency and renewable energy targets, which are key to provide policy predictability for local and regional governments, businesses and investors, are also key to reach climate neutrality while enhancing

³ This value is derived from a straight decarbonisation pathway linking the EU 2030 55% net emission reductions target and a 2040 90% net emission reduction target.

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

 $https://caneurope.org/content/uploads/2024/01/CAN-Europe-co-benefits-of-climate-action_REPORT.pdf$

² https://ec.europa.eu/commission/presscorner/detail/en/qanda_23_3194

⁴https://caneurope.org/content/uploads/2024/02/2024.09.24-Updated-Position-Paper-on-EU-climate-targe ts-and-equitable-GHG-budget.docx.pdf

energy security. These targets are essential to bringing down energy bills, through saving energy, increasing domestic renewable energy production and accelerating the decarbonisation of the energy system, ending fossil fuels imports which bolsters energy independence. For example, accelerating the decarbonisation of heating and cooling will be essential to achieving these goals, as it accounts for a significant share of Europe's final energy consumption.

- The EU should use the European Climate Law amendment process as an opportunity to further strengthen the governance of the climate adaptation framework, as the European Climate Law contains provisions for national implementation of climate adaptation plans and mainstreaming.
- The transition should be enabled by a bold 2028-34 Multiannual Financial Framework stepping up and channelling EU public and private finance to address the investment gap in Europe's decarbonization and resilience, including towards demonstrated sustainable products and services and key infrastructure, which are among the EU's biggest competitiveness assets and essential to its cohesion objectives.

We are confident that you will take this urgent call into due account and 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. We remain at your disposal to further discuss ways on how to deliver together an inclusive and sustainable climate transition in Europe.

SIGNATORIES

C40 Cities European Council for an Energy Efficient Economy

Climate Action Network (CAN) Europe European Environmental Bureau

Climate Group European Heat Pump Association (EHPA)

Climate KIC European Industrial Insulation Foundation (EiiF)

Climate Leadership Coalition Haga Initiative

Corporate Leaders Group Europe ICLEI Europe

Climate Leadership Coalition Naturefriends International

EKOenergy ecolabel RECS Energy Certificate Association

Eurocities SOLIDAR

Euroheat & Power Solar Heat Europe

European Alliance to Save Energy (EUASE) Spanish Green Growth Group (SGGG)

European Anti-Poverty Network (EAPN) Transport & Environment

We Mean Business coalition













































