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.

10 September 2025

CAN Europe letter calls on Member States to finally agree an ambitious EU 2040 climate target

To: Environment and Climate Ministers of the EU Member States

Ahead of the 18th September Environment Council, we urge you to finally agree on an ambitious domestic EU 2040 climate target and Nationally Determined Contribution (NDC) in line with 1.5°C science and equity. As shown by this summer's record heatwaves and devastating wildfires, the effects of increasing global warming are dramatically felt in both the EU and the rest of the world. While delaying climate action will imply dramatic costs for society and the economy, 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. Meanwhile, the latest EU barometer confirmed that European citizens regard climate action as a key priority. With COP30 fast approaching, it is critical that the EU demonstrates its commitment to the Paris Agreement by showcasing an ambitious, science and equity-aligned 2040 target and NDC at the UN Secretary General's High-Level Special Event on Climate Action on September 24th.

The 90% net 2040 target proposed by the European Commission's amendment proposal to the European Climate Law already lags behind a science-aligned and fair EU contribution. Both the Commission's own Impact Assessment and the European Scientific Advisory Board on Climate Change (ESABCC) in fact recommend a 90-95% net domestic target, and 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 target[1]. Thousands of European citizens are currently calling for the EU to uphold ambitious climate targets without loopholes. CAN Europe reiterates 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.

Ahead of COP30, it is critical that the EU demonstrates leadership by delivering an ambitious NDC under the Paris Agreement that lives up to the Union's responsibility as a historic emitter and affluent region that can drive ambitious climate action by other large emitters. In its recent Advisory Opinion, the International Court of Justice also made it clear that to comply with the obligations under the Paris Agreement, the content of the NDC must be an "adequate contribution" to the achievement of the 1.5°C objective following clear criteria, to be assessed in light of the principle of common but differentiated responsibilities and respective capabilities. To this end, **the domestic 2035 NDC target must be derived from an ambitious 2040 target**. CAN Europe calls for a **domestic 2035 climate target of at least 94% net emission reductions by 2035**, including at least 82% gross emission reductions (based on the proposed climate neutrality by 2040 at the latest).

The inclusion of international carbon credits (Article 6 of the Paris Agreement), **even if only from 2036 onwards, will severely undermine the ambition and environmental integrity of the EU contribution, while only delaying and increasing the cost of the transition.** The ESABCC has reiterated that the recommended 90-95% target for 2040 should not include international credits. In July, more than 150 civil

[1] https://www.corporateleadersgroup.com/news/business-and-investors-call-eu-set-greenhouse-gas-emissions-reduction-target-least-90-2040 and https://caneurope.org/hac-2040-letter/;

society organisations, academia and businesses demanded not to include international credits in the 2040 target and NDC. The Article 6 Rulebook does not ensure robust carbon trading and quality control measures, opening the door to credits of questionable environmental quality and/or causing negative impacts locally, which could include human rights abuses.[2] Each year, to buy international credits the EU would need to transfer outside of its borders up to tens of billions of euros that would have otherwise been invested in domestic decarbonisation, accompanying social measures and genuine international climate finance, raising important questions regarding the acceptability of this operation to the general public. These financial risks would even be exacerbated if Article 6 credits were to be integrated into the **EU Emissions Trading System (ETS)**, which could lead to EU industries paying their competitors for credits and to reduced ETS auctioning revenues for Member States. So while CAN Europe resists the inclusion of credits in the EU target, **we stress the importance of not considering them for carbon market compliance, as now is also proposed in the EUCL amendment proposal put forward by the Danish Presidency.**

Moreover, we are concerned about further discussed flexibilities and elements of the European Climate Law amendment. Ambitious EU climate targets should be underpinned by a robust policy framework:

- **Allowing more flexibility for Member States to meet sectoral targets risks weakening incentives for progress in key sectors** like transport, buildings, or agriculture, undermining the core logic of economy-wide decarbonisation. National-level binding targets must continue to play a key role.
- As also recommended by the 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 sustainable scale-up, taking into account risks, benefits and trade-offs.
- We urge that **current harvesting levels and practices as the main drivers of declining sinks** in the land sector, over which national governments have control, should be explicitly mentioned.
- Regarding the possible **integration of permanent carbon dioxide removals (CDR) within the ETS, we call for a proper impact assessment**. Including CDR in the ETS risks turning it into an offsetting mechanism rather than a tool for real emission cuts. It is unlikely to incentivise high-quality removals, and with the CRCF's weak standards, it risks becoming yet another policy tool fuelling biomass use at the expense of the already declining LULUCF sink.
- The **Energy Efficiency First (EE1st) principle** is a guiding principle for energy-related decisions and underpins the Energy Union; it should be **maintained within the European Climate Law**.

Exactly ten years after the historical adoption of the Paris Agreement, all eyes are on the EU to deliver an ambitious EU 2040 target and NDC. Member States reaching this agreement at the 18th September ENVI Council ahead of the UN September deadline will be the concrete signal of the EU's commitment to the Paris Agreement that EU citizens, businesses and the international community are waiting for.

Yours sincerely,

Chiara Martinelli

Chiara Martinelli, Director, Climate Action Network Europe

[2] The earliest Article 6 deals already testify to problems: Switzerland-Thailand, Switzerland-Ghana, and Guyana, for example. An assessment of the first batch of credits that will be issued under Article 6.4 also uncovered that they likely account for 26x more carbon credits than what would reflect reality. First wave of Article 6 carbon credits misfire spectacularly - Carbon Market Watch