



Commission presents recommendation for 2040 emissions reduction target to set the path to climate neutrality in 2050

Strasbourg, 6 February 2024

The Commission has today published a detailed impact assessment on possible pathways to reach the agreed goal of making the European Union climate neutral by 2050. Based on this impact assessment, the Commission **recommends a 90% net greenhouse gas emissions reduction by 2040** compared to 1990 levels, launching a discussion with all stakeholders; **a legislative proposal will be made by the next Commission, after the European elections**, and agreed with the European Parliament and Member States as required under the [EU Climate Law](#). This recommendation is in line with the advice of the European Scientific Advisory Board on Climate Change (ESABCC) and the EU's commitments under the Paris Agreement.

Today's communication also sets out **a number of enabling policy conditions which are necessary to achieve the 90% target**. They include the full implementation of the agreed 2030 framework, ensuring the competitiveness of the European industry, a greater focus on a just transition that leaves no one behind, a level playing field with international partners, and a strategic dialogue on the post-2030 framework, including with industry and the agricultural sector. The outcome of COP28 in Dubai shows that the rest of the world is moving in the same direction. The EU has been leading the way on international climate action, and should stay the course, creating opportunities for European industry to thrive in new global markets for clean technology.

Predictability and sustainability for our economy and society

Setting a 2040 climate target will **help European industry, investors, citizens and governments** to make decisions in this decade that will keep the EU on track to meet its climate neutrality objective in 2050. It will **send important signals on how to invest and plan effectively for the longer term**, minimising the risks of stranded assets. With this forward-planning, it is possible to shape a prosperous, competitive and fair society, to decarbonise EU industry and energy systems, and to ensure that Europe is a prime destination for investment, with stable future-proof jobs.

It will also **boost Europe's resilience against future crises**, and notably strengthen the EU's energy independence from fossil fuel imports, which accounted for over 4% of GDP in 2022 as we faced the consequences of Russia's war of aggression against Ukraine. The **costs and human impacts of climate change are increasingly large, and visible**. In the last five years alone, climate-related economic damage in Europe is estimated at €170 billion euros. The Commission's impact assessment finds that, even by conservative estimates, higher global warming as a result of inaction could lower the EU's GDP by about 7% by the end of the century.

Establishing the conditions for achieving the recommended target

Achieving a 90% emissions reduction by 2040 will require a number of enabling conditions to be met. The **starting point is the full implementation of the existing legislation to reduce emissions by at least 55% by 2030**. The ongoing [update of the draft National Energy and Climate Plans \(NECPs\)](#) is a key element in monitoring progress and the Commission is engaging with Member States, industry and social partners to facilitate the necessary action.

The Green Deal now needs to become an industrial decarbonisation deal that builds on existing industrial strengths, like wind power, hydropower, and electrolysers, and continues to increase domestic manufacturing capacity in growth sectors like batteries, electric vehicles, heat pumps, solar PV, CCU/CCS, biogas and biomethane, and the circular economy. Carbon pricing and access to finance are also critical for the delivery of emission reduction targets by European industry. The Commission will set up a dedicated taskforce to develop a global approach to carbon pricing and carbon markets. Europe will also need to mobilise the right mix of private and public sector investment to make our economy both sustainable and competitive. A European approach on finance will be needed in the coming years, in close cooperation with Member States.

Fairness, solidarity and social policies need to remain at the core of the transition. Climate action has to bring benefits to everybody in our societies, and climate policies need to take into account

those who are most vulnerable, or face the greatest challenges to adapt. The [Social Climate Fund](#) and [Just Transition Fund](#) are examples of such policies which will already help citizens, regions, businesses and workers in this decade.

Finally, **open dialogue with all stakeholders** is a crucial precondition to delivering the clean transition. The Commission has already established formal dialogues with industry and agricultural stakeholders, and the coming months of political debate in Europe are an important opportunity to secure public engagement on the next steps and policy choices. Structured dialogue with social partners should be strengthened to ensure their contribution, focusing on employment, mobility, job quality, investments in reskilling and upskilling. This ongoing outreach **will help the next Commission to table legislative proposals** for the post-2030 policy framework which will deliver the 2040 target in a fair and cost-efficient manner. The pace of decarbonisation will depend on the availability of technologies that deliver carbon-free solutions, and also on an efficient use of resources in a circular economy.

The energy sector is projected to achieve full decarbonisation shortly after 2040, based on all zero and low carbon energy solutions, including renewables, nuclear, energy efficiency, storage, CCS, CCU, carbon removals, geothermal and hydro. The Industrial Alliance on [Small Modular Reactors](#), launched today, is the latest initiative to enhance industrial competitiveness and ensure a strong EU supply chain and a skilled workforce. An important benefit of these efforts is a **lower dependence on fossil fuels** thanks to an 80% fall in their consumption for energy from 2021 to 2040. The post-2030 policy framework will be an opportunity to develop these policies further and complement them with social and industrial policies to ensure a smooth transition away from fossil fuels.

The transport sector is expected to decarbonise through a combination of technological solutions and carbon pricing. With the right policies and support, the **agriculture sector can also play a role in the transition, while ensuring sufficient food production in Europe, securing fair incomes** and providing other vital services such as enhancing the capacity of soils and forests to store more carbon. A holistic dialogue with the broader food industry, also beyond the farm gate, is crucial to success in this area and to the development of sustainable practices and business models.

The EU will **continue to develop the right framework conditions to attract investment and production.** A successful climate transition should go hand-in-hand with **strengthened industrial competitiveness, especially in clean tech sectors.** A future enabling framework for industry decarbonisation should build on the existing [European Green Deal Industrial Plan](#). **Public investment** should be well targeted with the right mix of grants, loans, equity, guarantees, advisory services and other public support. **Carbon pricing** should continue to play an important role in incentivising investments in clean technologies and generating revenues to spend on climate action and social support for the transition.

Achieving the 90% recommended target will require both emissions reductions and carbon removals. It will **require deployment of carbon capture** and storage technologies, as well as the use of captured carbon in industry. The [EU's Industrial Carbon Management strategy](#) will support the development of CO₂ supply chains and the required CO₂ transport infrastructure. Carbon capture should be targeted to hard-to-abate sectors where alternatives are less economically viable. Carbon removals will also be needed to generate negative emissions after 2050.

Background

A historically high acceleration in climate disruption in 2023, saw global warming reaching 1.48°C above pre-industrial levels, and ocean temperatures and Antarctic Ocean ice loss breaking records by a wide margin. Surface air temperature has risen even more sharply in Europe, with the latest five-year average at 2.2°C above the pre-industrial era. Wildfires, flooding, droughts and heatwaves are all projected to increase, and reducing emissions and enhancing adaptation action is the only way to avoid the worst outcomes of climate change and protect lives, health, the economy and ecosystems.

The [European Climate Law](#), which entered into force in July 2021, enshrines in legislation the EU's commitment to reach climate neutrality by 2050 and the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. The EU has since adopted a legislative package known as '[Fit for 55](#)' which will enable the 2030 targets to be delivered. The Climate Law also requires the European Commission to propose a climate target for 2040 within six months of the first Global Stocktake of the Paris Agreement, which took place in [December 2023](#). Once the 2040 climate target is adopted, under the next Commission, that target will form the basis for the EU's new Nationally Determined Contribution under the Paris Agreement, which needs to be communicated to the UNFCCC in 2025.

Setting a 2040 climate target will not only bring clear economic benefits from lower risks of extreme

weather events and their related losses, it also comes with several co-benefits including improved air quality and associated health benefits, a reduced dependence on imported fossil fuels, and benefits to biodiversity. Climate change is causing more frequent and severe extreme weather events, that lead to significant and growing social impacts and economic damages. These economic losses far outweigh the cost of climate action.

For more information

[Communication on a recommended 2040 emissions reduction target](#)

[Impact assessment](#)

[Questions and Answers](#)

[Factsheet](#)

[Webpage – 2040 Climate target](#)

[European Green Deal](#)

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Quotes:

"Europe has already made a strategic decision to invest in an innovative, sustainable and globally competitive economy, centred around agile clean industries. Today, we are taking the next step to achieve just that, with an overarching aim to bring long-term prosperity, stable jobs, and the EU's greater economic security. We see industrial leadership and just transition as two sides of the same coin. As a strong global player in net-zero technologies, the EU will continue to keep fairness and solidarity front and centre of the European Green Deal."

Maroš Šefčovič, Executive Vice-President for European Green Deal, Interinstitutional Relations and Foresight - 06/02/2024

"The energy sector is leading the way in Europe's decarbonisation and emissions reduction, and we must continue on this path towards 2040. In the 2030s we should see major progress in the transition away from fossil fuels, and an increasing share of renewables in our energy mix. We are sending a clear signal to investors that Europe is staying the course and offers them long-term predictability and stability. For our citizens, we are giving a clear sign that cleaner solutions are on the way, and that we are accompanying them in the transition."

Kadri Simson, Commissioner for Energy - 06/02/2024

"We have just lived through the hottest year on record. The case for climate action is beyond doubt and requires planning now. Going forward, we will have to stand more firmly on two legs: a safe and healthy climate for all to live in, and a strong, resilient economy, with a bright future for business and a just transition for all. This communication we are presenting today is also a message to our partners around the world that Europe continues to lead the way in global climate ambition. Tackling the climate crisis is a marathon, not a sprint. We need to make sure everyone crosses the finish line, and nobody is left behind."

Wopke Hoekstra, Commissioner for Climate Action - 06/02/2024

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Related media

 [Visit of Kadri Simson, European Commissioner, to the Netherlands](#)