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EU Proposes 2040 Emissions Reduction Target to Achieve Climate Neutrality

Key policies: *European Climate Law, Paris Agreement, Fit for 55 Package, Social Climate Fund, Just Transition Fund, Nationally Determined Contributions (NDCs), Industrial Alliance on Small Modular Reactors, European Green Deal, Carbon Pricing Frameworks*

On February 6, 2024, the European Commission announced a recommended **90% reduction in net greenhouse gas (GHG) emissions by 2040**, compared to 1990 levels. This proposal aims to ensure the EU stays on track to achieve **climate neutrality by 2050**, as mandated by the **European Climate Law**.

Key Components of the 2040 Target

The recommendation is based on a detailed impact assessment and aligns with the EU's commitments under the **Paris Agreement** and advice from the **European Scientific Advisory Board on Climate Change (ESABCC)**. The Commission highlighted several enabling policies to achieve the target:

- **Full Implementation of 2030 Framework:** Completing the measures outlined in the **Fit for 55 package**, which targets a 55% emissions reduction by 2030.
- **Industrial Decarbonization:** Leveraging Europe's strengths in clean technologies like wind, hydropower, electrolyzers, and carbon capture and storage (CCS).
- **Support for Green Manufacturing:** Scaling up production in sectors such as batteries, electric vehicles, solar panels, and heat pumps.
- **Social Equity:** Ensuring fairness with instruments like the **Social Climate Fund** and **Just Transition Fund** to protect vulnerable groups and regions.

Economic and Social Benefits

Achieving the 2040 target is expected to bring significant socio-economic benefits:

- **Reduced Fossil Fuel Dependency:** An 80% reduction in fossil fuel use for energy by 2040 will enhance Europe's energy independence.
- **Economic Resilience:** Forward-planning will mitigate the risks of stranded assets, attract investment, and create future-proof jobs.
- **Cost of Inaction:** The Commission's impact assessment warns that failing to act could lower the EU's GDP by 7% by the end of the century due to climate-related damages.

Decarbonization Across Sectors

1. **Energy:** The energy sector is expected to achieve near-total decarbonization shortly after 2040, driven by renewables, nuclear power, energy efficiency, and CCS technologies.
2. **Transport:** A mix of carbon pricing and technological solutions will drive emissions reductions, alongside a shift to sustainable fuels.

3. **Agriculture:** Policies will balance emissions reductions with maintaining food production and enhancing soil and forest carbon storage.

Building the Future Framework

To secure the 2040 target, the Commission will strengthen:

- **Carbon Pricing:** A global approach to carbon markets, supported by a dedicated task force, will incentivize clean technologies.
- **Public and Private Investment:** A strategic mix of grants, loans, and equity will drive green transitions.
- **Dialogue with Stakeholders:** Structured engagement with industry, agriculture, and social partners will ensure a fair transition.

Long-Term Climate Strategy

The proposed target will inform the EU's new **Nationally Determined Contribution (NDC)** under the Paris Agreement, to be submitted in 2025. It also aligns with recent initiatives, such as the **Industrial Alliance on Small Modular Reactors**, to strengthen industrial competitiveness while decarbonizing the economy.

A Call to Action

EU leaders emphasized the importance of global climate leadership. Commissioner Wopke Hoekstra stated, *"The case for climate action is beyond doubt. Tackling the climate crisis is a marathon, not a sprint. We must ensure everyone crosses the finish line."*

The proposal will now be discussed with the European Parliament and Member States. Once adopted, it will pave the way for legislative proposals by the next Commission, ensuring Europe's transition to a sustainable and competitive future.

For more information, visit the [European Green Deal page](#).

Source:

- https://ec.europa.eu/commission/presscorner/detail/en/ip_24_588
- https://commission.europa.eu/news/recommendation-2040-target-reach-climate-neutrality-2050-2024-02-06_en