October 31, 2024

EU Achieves Record Emissions Drop in 2023, Strengthening Climate Goals

Key policies: *European Green Deal, Emissions Trading System (ETS), Renewable Energy Directive, Effort Sharing Regulation (ESR)*

The European Union has achieved a significant milestone in its climate action efforts, recording an 8% reduction in greenhouse gas (GHG) emissions in 2023 compared to the previous year. This marks the largest annual drop in decades, excluding the exceptional decline during the COVID-19 pandemic in 2020. The EU's emissions are now 37% below 1990 levels, while its GDP has grown by an impressive 68% during the same period, showcasing that economic growth and climate action can go hand in hand.

The **Climate Action Progress Report for 2023**, published by the European Commission, highlights the progress made in reducing emissions, transitioning to renewable energy, and addressing the impacts of the climate crisis. However, the report emphasizes the need for sustained action to meet the EU's ambitious targets for 2030 and beyond.

Greenhouse Gas Reductions and Key Achievements

The 2023 emissions reduction underscores the EU's potential to meet its 2030 climate target of at least a 55% reduction compared to 1990 levels. Renewable energy growth has been a major driver, with emissions from electricity production and heating dropping by 24% due to increased wind and solar energy use and a shift away from coal.

The report also details emissions reductions in sectors such as buildings, agriculture, transport, and waste. The buildings sector achieved the largest decrease, cutting emissions by 5.5% compared to 2022, while agricultural emissions fell by 2%. Transport emissions, accounting for over one-third of emissions in these sectors, saw a more modest decline of less than 1%.

Progress on Resilience and Adaptation

In 2023, the EU published its first **European Climate Risk Assessment**, identifying major risks that require urgent action to ensure climate resilience by 2050. The report calls for integrating climate risk exposure into governance and policy decisions across key sectors such as energy, health, water, and food systems. While Member States' adaptive capacity is improving, the report stresses the need for a coordinated, whole-of-government approach and collaboration with private sectors and citizens.

Focus on Carbon Sinks and Climate Finance

Carbon removals from the Land Use, Land Use Change, and Forestry (LULUCF) sector increased in 2023, reversing a downward trend since 2014. Despite this progress, the EU faces a gap of 45-60 $MtCO_2$-eq to meet its 2030 target for land-based net removals.

Climate finance also remains a cornerstone of the EU's climate action. Between 2021 and 2027, the EU has allocated €658 billion for green investments, accounting for over 34% of its total budget. Internationally, the EU continues to lead as the largest contributor of public climate finance for developing countries.

This project is supported by the Interreg Danube Region Programme co-funded by the European Union.

The Road Ahead

The EU's achievements in 2023 provide a solid foundation for its climate goals, but the report emphasizes the need for sustained investments and action. To achieve its proposed 2040 target of a 90% reduction in net GHG emissions, public and private finance flows for energy systems must rise to around 3.2% of GDP annually from 2031-2050.

With continued innovation, collaboration, and financial commitment, the EU is well-positioned to maintain its leadership in global climate action and ensure a sustainable, net-zero future.

Source: https://climate.ec.europa.eu/news-your-voice/news/climate-action-progress-report-2023-shows-largest-annual-drop-emissions-decades-2024-10-31_en

This project is supported by the Interreg Danube Region Programme co-funded by the European Union.