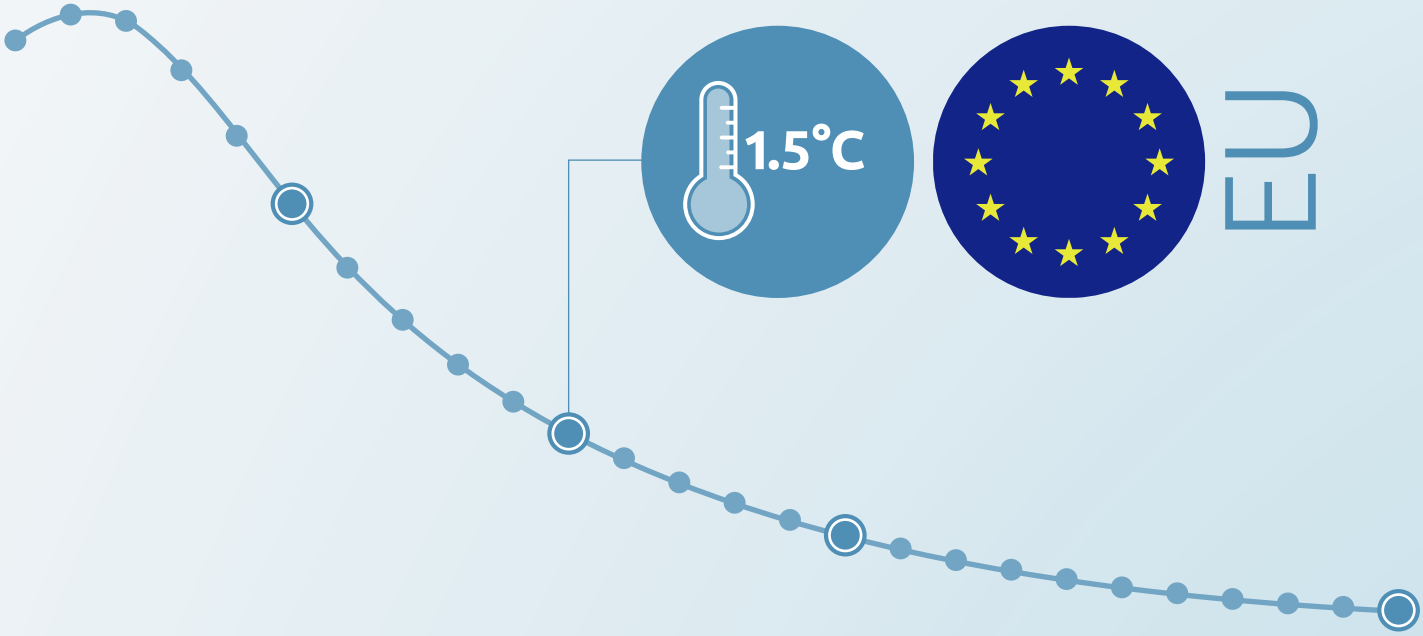
Climate Action Tracker



Climate Action Tracker

1.5°C-compatible climate action and targets: European Union

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CLIMATE ANALYTICS

NEW CLIMATE INSTITUTE

IESR Institute for Essential Services Reform

EUROPEAN UNION

The EU would be risking its climate leadership with a weak 2035 target. It has made significant progress adopting the measures of the European Green Deal over the last four years, bringing it closer to achieving its 2030 target. Responsible for 6% of global emissions in 2023, the EU's greenhouse gas emissions have been decreasing significantly, faster than in other developed countries. But without credible 1.5°C compatible near-term targets for 2035 and 2040, or strong commitments on climate finance, that leadership is in jeopardy.

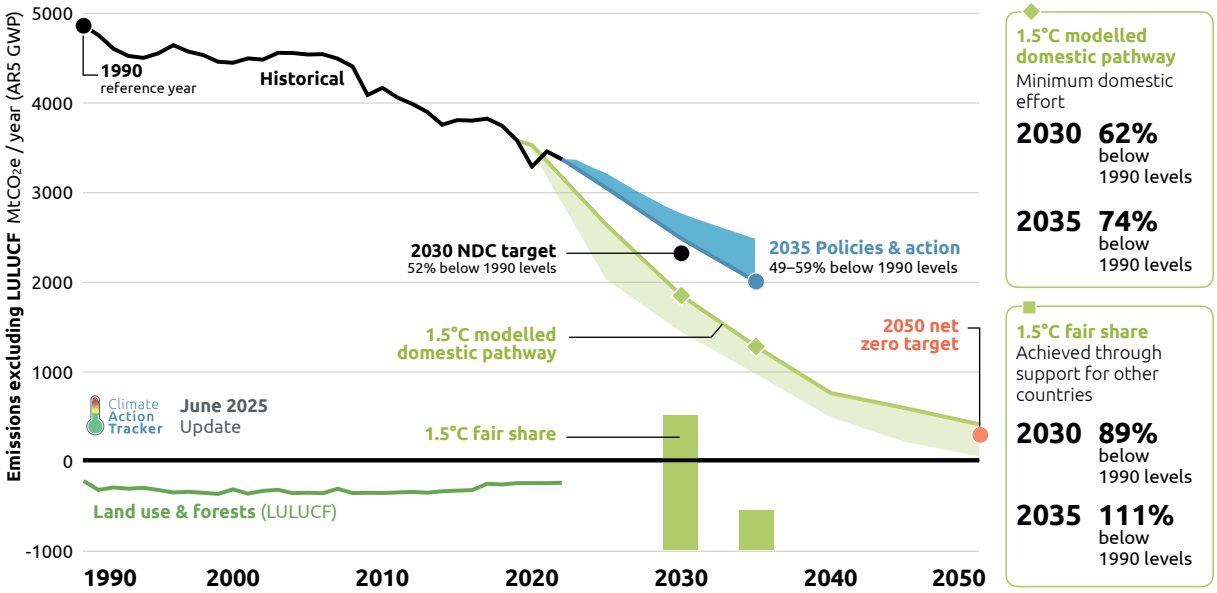
The EU is expected to submit an updated NDC with a target for 2035 in advance of COP30, an NDC it originally intended to follow the adoption of its 2040 target. In 2024, the European Commission announced a 2040 climate target of at least a 90% reduction in emissions below 1990 levels (incl. LULUCF), but this ambition is now unravelling.

In March this year, the Commission dropped the release of its 2040 target proposal from its workplan. The timeline for its 2040 and 2035 targets has since been shrouded with ambiguity and uncertainty, with no submission of a 2035 target in sight. Some Member States – including Italy, Poland and Hungary – are pushing to opt for a weaker 2040 target.

One of the most concerning developments is a push to allow the EU target to include international carbon credits under Article 6 of the Paris Agreement, which would effectively reduce the ambition of the EU's 2040 target. The EU's own advisory body, the European Scientific Advisory Board on Climate Change (ESABCC), recommended a 90–95% reduction for the EU's 2040 target to be achieved domestically without the use of Article 6. The EU Commission then proposed a 90% reduction without international carbon credits. Any domestic reduction less than 90% and reaching the 90% only with offsets would be a decrease in ambition, contrary to the intention of Article 6 to increase ambition. If anything, the EU should only use Article 6 to go beyond the 90–95% reduction.

The EU's climate laws require its 2030 target and its 2050 net zero target to be met without offsets, and the ESABCC also recommends excluding them from the EU's 2040 target. Introducing offsets into its plans would severely weaken the EU's domestic ambition by opening the door to accounting loopholes, and would put the achievement of the EU's net zero target at risk.

1.5°C-compatible NDC targets for 2030 and 2035



EUROPEAN UNION	2030	2035
INCLUDING land use & forests	Emissions reductions from 1990 levels	
1.5°C modelled domestic pathway	**67%**	**77%**
EXCLUDING land use & forests		
1.5°C modelled domestic pathway	**62%**	**74%**

The EU's 2030 target of at least a 55% emissions reduction below 1990 levels (incl. LULUCF) is not 1.5°C compatible and needs to be strengthened.

To be in line with our 1.5°C modelled domestic pathway (MDP), EU emissions would need to fall to at least 62% below 1990 levels by 2030 and at least 74% below by 2035 (excl. LULUCF), which translates into at least a 68% emissions reduction below 1990 from all sectors by 2030 and at least 78% reduction by 2035.

For the EU, our minimum targets set by MDPs should be seen as the floor, not the ceiling of ambition. Were the EU to contribute its fair share to limiting warming to 1.5°C, it would need to provide support for emission reductions internationally for poor countries. Expressed in emission reduction terms, this would be equivalent to even steeper reductions to 89% below 1990 levels by 2030, and to 111% below 1990 levels by 2035 (emissions from all sectors, excl. LULUCF). We have expressed the fair share contribution in these emission reduction terms to convey the scale of support that's needed, but acknowledge that physical reductions of that scale would not be feasible within the European Union in these time frames. In practical terms, this means that a country could do more than the MDP levels indicated above for domestic reductions, but most of the effort would need to come from support provided internationally.

However, under current policy projections, the EU's emissions would be about 2,000–2,500 $MtCO_2e$ (excl. LULUCF) in 2035, or 49-59% below 1990 levels (excl. LULUCF), so it's clear, the EU is set to miss our 1.5°C MDP for 2035 by a large margin.

If the EU is to have any chance of reaching net zero greenhouse gas emissions by 2050, it must adopt an ambitious domestic 2035 target—74% or more (excl. LULUCF)—alongside a 2040 target of at least 90%, ideally 95% (incl. LULUCF), and achieve these reductions within its own borders. The more it waters down the 2040 and 2035 targets—through lower ambition, delays, slower reductions in the near-term, or the use of international offsets—the further the EU will drift from the Paris Agreement's 1.5°C goal and the possibility of reaching its own net zero target by 2050.

Entry points to increasing climate action

Strengthen its 2030 target and set a strong 2035 NDC target aligned with a 1.5°C compatible pathway including a separate target for LULUCF: The EU should strengthen its 2030 target to at least 62% below 1990 excl. LULUCF (at least 68% reduction with LULUCF) and adopt an ambitious economy-wide 2035 domestic reduction target of at least 74% below 1990 excl. LULUCF or (at least 78% reduction with LULUCF). This target should see steep reductions between 2030 and 2035 and reject the use of international offsets to weaken this target ensuring that the EU is on track to meet its net zero target by 2050 at the latest.

Communicate separate targets for LULUCF, other forms of carbon dioxide removal (CDR) by type, and methane in its NDC: To increase transparency, the EU should clearly communicate in its NDC the level of emission reductions that it plans to achieve within the union excluding LULUCF and demonstrate the level of carbon sequestration it intends to achieve as part of its overall NDC target. The EU should primarily focus on its domestic reductions by decarbonising all sectors of the economy rather than relying on forestry sinks or other forms of CDR. In addition, with rising concern about methane because of its importance for reducing short-term warming, the EU should clearly indicate its 1.5°C aligned targets for methane within its NDC.

Increase climate finance and support for developing countries: To meet its fair share under the Paris Agreement, the EU should substantially increase its climate finance contributions, enabling ambitious emissions reductions in developing countries. This is critical for delivering on the global transition to net zero emissions and maintaining the EU's international leadership.

Adopt a fossil fuel phase-out plan: The EU should set explicit, binding targets for the phase-out of fossil fuels across all sectors, with coal phased out altogether by 2030, and fossil gas by 2035. This includes ending fossil fuel subsidies and supporting a just transition for affected workers and regions.

Strictly limit its dependence on carbon capture and storage through to 2050: The EU should limit the use of CCS to only those sectors where there is no reasonable alternative to abatement at source or whole of system changes that could be deployed to eliminate CO_2 emissions without the application of CCS. The EU should not allow CCS in the power sector as the sector can decarbonise completely without this technology.

Strengthen implementation to meet existing targets: The EU must accelerate the implementation of its "Fit for 55" and RePowerEU packages, ensuring that all member states adopt and enforce policies that close the ambition gap and achieve at least 55% reductions by 2030. This includes faster coal phase out (by 2030 at the latest), scaling up renewables, and electrifying transport and heating.

Establish and increase ambition in sectoral renewable energy targets: The EU should bring forward its phase-out date for internal combustion vehicle sales from 2035 to 2030 to align with 1.5C aligned pathways. It should also set sectoral electrification targets for industry and buildings sector, while removing the ambiguity which allows fossil fuel technologies to continue entering these sectors.

For further details on the EU's climate targets and actions, please see our EU assessment.

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CAT The Consortium

The Climate Action Tracker (CAT) is an independent scientific analysis produced by two research organisations tracking climate action since 2009. We track progress towards the globally agreed aim of holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C.

climateactiontracker.org

Climate Analytics is a non-profit institute leading research on climate science and policy in relation to the 1.5°C limit in the Paris Agreement. It has offices in Germany, the United States, Togo, Australia, Nepal and Trinidad and Tobago.

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NewClimate Institute is an independent non-profit organisation that develops solutions to tackle climate change and drives their implementation worldwide. Through research, policy advice and knowledge sharing, we aim to raise the ambition for climate action and support sustainable development.

newclimate.org

Institute for Essential Services Reform (IESR) is an energy and environment focused think-tank that aims to accelerate the energy transition by supporting sustainable mobility, green economy, and well designed climate change policy. IESR has experience mainly in Indonesia, but is expanding its focus to work in other regions and countries.

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