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EU's climate targets for 2040

Global frontrunner

EU needs to continue as the global frontrunner in reducing greenhouse gas emissions and hence by 2050 become carbon neutral. The ambitious policies agreed in fit for 55 -package ensure that EU will achieve at least 55 % carbon reductions compared to 1990 by 2030. We consider it being possible and just to strive for carbon reductions and technological carbon capture which would result as emission reductions between -80% and -90% by 2040, hence achieving the bigger share of the needed remaining reductions in the period 2030-2050 by 2040.

From national targets to global markets

Putting a price on greenhouse gas emissions has proven being not only the most effective, but also the most cost-efficient tool for achieving emission reductions. We welcome the decisions made as part of the fit for 55 -package to include aviation and maritime emissions into European emissions trading sector and to apply cap and trade mechanism also for most of the fossil emissions outside the scope of original emissions trading sector. When preparing for 2040 policies, we'd consider it as a natural way forward to investigate possibilities to combine these two emission trading systems as well as to investigate possibilities to apply cap and trade for other greenhouse gas emissions outside these two systems.

In addition, we strongly recommend seeking for cooperation with other emissions trading systems outside EU and whether EU emissions trading system could be coupled with those. The more comprehensive the emissions trading system is, the more efficient and cost-effective it will be.

High level targets need politics, solutions and technology mix must be markets' based

The existing European climate and energy policy framework is already rather challenging with various targets and overlapping policies. Instead of creating targets and policies on how to achieve the emissions reductions and removals, the policies should provide high level targets (hence targets to reduce emissions and increasing removals) with adequate incentives and refrain from setting targets how to achieve these targets.

The technological development is also very fast, and it is yet hard to say which technologies eventually are most promising with respect to 2040 scope. However, investments will be needed increasingly into R&D as well as into commercialization.

For certain we can say that all commercially viable low-carbon energy production technologies will be needed, including nuclear power, bio energy both for heat and electricity, hydro power, wind power, solar power and waste to energy technologies. The importance of removing carbon from atmosphere as well as benefiting the captured carbon as raw material becomes more and more important.

Implementation before re-regulation

We remind that there's a lot of new regulation being implemented. Indeed, in the past years many legislations have been opened and the pace in renewing the legislations has been breathtaking. Before amendments, we call time to implement and to learn how the new legislations provide. For example, we consider need to learn how CBAM provides in practice before deciding to extend it.

We are happy to answer any questions. Our contact is

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