

The EU's 2040 climate target: unlocking the full potential of a decarbonised economy, energy security, energy independence and a Paris Agreement compatible pathway to net-zero

Summary

1. The [European Climate Law](#) requires the European Commission to propose an intermediate climate target for 2040. The European Scientific Advisory Board on Climate Change (ESABCC) [has recommended](#) that **the EU should adopt a domestic target of 90-95% reduction in greenhouse gas emissions by 2040.**
2. **The 2040 target is not a new target but is an interim target to help to ensure that the EU is on track to achieve climate neutrality by 2050.** Recent data (e.g. the [recently published NECP assessment](#)) shows that progress is being made and that overall Europe is on track to meet its targets - but a clear policy framework and stable investment signal is required to ensure this progress continues across all member states.
3. [Recent proposals](#) have suggested ways of weakening the target through changing how member states measure their progress, including opening the EU 2040 climate target and Nationally Determined Contribution (NDC) under the Paris Agreement to international credits. These proposals carry significant risks and have the potential to derail the EU from its pathway towards climate neutrality. **A legally binding domestic target of at least 90% net emissions reduction by 2040, unweakened by changes in how progress is measured is vital to limiting the temperature rise to 1.5°C and keeping Europe on track to reach climate neutrality by 2050.**
4. An ambitious 2040 target is important because it will help stop environmental degradation, limit the impacts of climate change, ensure the EU meets its international climate obligations and stays on the pathway towards climate neutrality. Importantly, **a clear and ambitious 2040 target will deliver on key EU and national strategic priorities:**
 - **Economic prosperity:** Reduce the cost of energy, the cost of living, create jobs and ensure prosperity and a just transition.
 - **Competitiveness:** Provide a certainty to investors, unlock innovation, promote business growth and boost job creation.
 - **Resilience and security:** Increase sovereignty through energy security and energy independence and remove vulnerabilities to foreign influence through fossil fuel dependence.
 - **Fairness, the future and fundamental rights:** Intergenerational fairness or equity in climate action is increasingly understood not just as an issue of ethics but also as a fundamental rights issue.
 - **Alignment between EU and national climate law:** Ireland has already committed to ambitious targets at national level and supporting a robust 2040 target at EU level is an opportunity to 'lead from the front'.
5. Key votes on the EU's 2040 target are happening in the European Parliament from June 2025 onwards. Pursuit of an ambitious 2040 target makes sense for all Irish MEPs to support on a cross-party basis because **this crucial policy debate offers Ireland a unique opportunity to provide international leadership**, ensure the EU stays on course to meet its legal obligations on emissions reductions and demonstrate that it has finally turned the page on climate action.

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“the benefits of a 1.5°C compatible pathway are very significant and far outweigh the cost of ambitious climate action” [European Commission, 2020.](#)

‘A clear and credible 2040 target would provide policy certainty beyond 2030, supporting clean technology deployment – such as electrification, while strengthening energy security by reducing fossil fuel imports, and accelerating innovation and investment across the EU economy. [The Advisory Board advises against using international carbon credits to meet the 2040 target](#), as they risk diverting resources from domestic investments and could undermine environmental integrity.’ [European Scientific Advisory Board on Climate Change, 2025.](#)

Introduction

Following the adoption of the Paris Agreement and the commitment to keep the temperature rise to 1.5°C, the European Union adopted the 2050 climate-neutrality objective. Under the European Climate Law, the European Commission is now set to propose an interim 2040 climate target to reduce greenhouse gas (GHG) emissions, compared to 1990 levels. This is a critical milestone to comply with the Paris Agreement’s requirements. The European Scientific Advisory Board on Climate Change (ESABCC) has recommended that the EU should adopt a 2040 domestic target of about 90-95% cut of GHG emissions. Ireland has a key role to play in ensuring that the EU takes steps to ensure it meets its Paris Agreement obligations and remains committed to climate neutrality. This briefing paper explains what the current state of play is regarding the 2040 target in EU discussions, the risks of weakening the process of meeting this target and why it is important for Ireland to support a 2040 target that gives a stable investment signal to unlock the full potential of a decarbonised economy, energy security & energy independence.

What is happening at EU level on the 2040 target?

The EU Climate Law requires the EU Commission to propose an intermediate climate target for 2040 “[within six months of the first global stocktake under the Paris Agreement](#)”. According to the EU’s [Legislative Train Schedule](#):

- In March 2023, the Commission launched a [public consultation](#) to gather views on the establishment of this target and the post-2030 climate governance architecture.
- On 15th June 2023, the [European Scientific Advisory Board on Climate Change](#), provided the EU institutions with a science-based estimate of a recommended 2040 climate target and an EU greenhouse gas emissions budget for the period 2030-2050. The Advisory board [recommended](#) net emissions reductions of 90-95% by 2040, relative to 1990 levels, and an overall 2030-2050 carbon budget within a limit of 11-14 Gt CO₂ equivalents, in line with limiting global warming to 1.5 °C.
- The Commission published a [Communication on 7th February 2024](#) setting out its proposed 2040 target of net emissions reductions of 90% by 2040, relative to 1990 levels.

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- The 2040 target was discussed at the [17th December 2024 Environment Council meeting](#), where member states discussed the Commission's communication. The Commission's work programme scheduled the legislative proposal for the first quarter of 2025.
- Since then, the target has been discussed in several ENVI Committee meetings during spring 2025. [Latest reports](#) (30th May 2025) indicate that the European Commission's 2040 climate target is expected on 2nd July 2025 and will involve international carbon credit use.
- On the 2nd of June 2025, the ESABCC **released its [follow-up report on the 2040 target](#)**, building on their [report from 2023](#). It highlights that the recommended **domestic 90-95% net target is feasible and beneficial, including for competitiveness, innovation, reducing dependence from fossil fuels and reiterates the domestic nature of this target level**.

What has been proposed regarding the 2040 target?

[Recent developments](#) have seen the Commission begin to explore weakening the 2040 target through keeping a 90 percent emissions-cutting target but changing how countries calculate their progress towards this goal. These discussions have been necessary in the face of opposition from some member states ahead of European Parliament votes on the legislative proposal for the 2040 target.

A number of options have been considered, including a non-linear approach to emission reductions, reliance on negative emissions and carbon removal technologies and flexibility in sector specific emissions targets. However, [reports indicate](#) that the option that the Commission is focusing on is opening the EU 2040 climate target and Nationally Determined Contribution (NDC) under the Paris Agreement to international credits.

Using international credits to meet the EU's 2040 climate target is a very problematic approach because:

- It would undermine the EU's leadership on climate. It would significantly alter the EU's approach to climate change given that the bloc's 2030 and 2050 goals are domestic targets and this also risks repeating the past by flooding the EU's carbon markets with international credits and significantly lowering the price of polluting in member states.
- The [ESABCC advises against using international carbon credits to meet the 2040 target](#), because it risks diverting resources from domestic investments and could undermine environmental integrity.
- It would mean that the EU would be relying on other countries and market actors for due diligence and risks serious reputational damage if the credits allowed turn out to be of poor quality.
- It would harm investment certainty, competitiveness and poses serious financial risks. It is not the easy or cheap solution to achieve climate targets, as explored in detail [here](#).

Why is this important for Ireland?

An ambitious 2040 target **unweakened by changes in how progress is measured** is important because it will help stop environmental degradation, limit the impacts of climate change, ensure the EU meets its international climate obligations and stays on the pathway towards climate neutrality. Importantly, a clear and ambitious 2040 target will ensure delivery of key EU and national strategic priorities:

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- **Economic Prosperity:** Reducing the cost of energy, the cost of living, creating jobs and ensuring prosperity and a just transition. Setting an ambitious 2040 target is essential to enable a well-planned and orderly decarbonisation process, which is essential for a just transition with widespread public buy-in. [Scholars have identified](#) perceived fairness and effectiveness as two of the strongest determinants for the social acceptability of climate measures. A 2040 target can be seen as a necessary intermediary step to achieving the EU's 2050 climate neutrality target in a fair *and* effective way.
- **Competitiveness:** Providing certainty for investors, unlocking innovation, promote business growth and boost job creation.
- **Resilience and security:** Increasing sovereignty through energy security and energy independence and removing vulnerabilities to foreign influence through fossil fuel dependence.
- **Fairness, the future and upholding fundamental rights:** Clean energy is in the interest of intergenerational fairness; it is our responsibility to preserve our natural heritage for our children and future generations. An ambitious 2040 target is fundamental to inter-generational fairness. This idea of intergenerational fairness or equity in climate action is increasingly understood not just as an issue of climate ethics but also as a fundamental rights issue. The German Federal Constitutional Court in its now famous 2021 climate judgment [Neubauer v Germany](#) accepted that insufficient short term climate ambition could violate fundamental rights. As the Court put it: 'one generation must not be allowed to consume large portions of the CO2 budget while bearing a relatively minor share of the reduction effort, if this would involve leaving subsequent generations with a drastic reduction burden and expose their lives to serious losses of freedom'. In the 2024 [KlimaSeniorinnen v Switzerland judgment](#) the European Court of Human Rights found that the State's obligation under the Convention 'is to do its part to ensure [protection from the serious adverse effects caused by climate change]. In this context, the State's primary duty is to adopt, and to effectively apply in practice, regulations and measures capable of mitigating the existing and potentially irreversible, future effects of climate change'.

Irish courts have yet to consider the question of climate ambition and fundamental rights. However, the Irish High Court in a largely overlooked [2018 judgment](#) identified 'vigilant and effective protection of the environment' as 'an implied constitutional obligation' that flows from 'the EU Charter-level commitment to a high level of environmental protection and the implied constitutional commitment to intergenerational solidarity reflected in the children's rights provision (Article 42A.1°) and the directive principles of social policy (Articles 45.4.1° and 2°) of the Irish Constitution'. Preserving our natural heritage for children and future generations through ambitious climate targets can therefore increasingly be seen as a constitutional and human rights duty.

- **Alignment between EU and national climate goals:** Ireland has already committed to ambitious targets at national level and supporting a robust 2040 target at EU level is an opportunity to 'lead from the front'. 2025 will see the Irish government finalise its third carbon budget for 2031-2035 and adopt a provisional fourth carbon budget for 2036-2040 under the Climate Action and Low Carbon Development Act 2015 (as amended). [The 2025 Programme for Government](#) commits to

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setting 'ambitious' 2040 targets to reduce greenhouse gas emissions. The adoption of the EU's 2040 target will allow for alignment between Ireland's domestic and EU climate ambition, which will help create legal certainty and allow individuals, communities and businesses to confidently invest in the transition. It will also be an important opportunity for Ireland to push for a high level of ambition across EU Member States and complementary measures outside of the EU, [which will be needed to make a fair share contribution to climate mitigation](#).

As highlighted above, there are many co-benefits for Ireland in pursuing and achieving an ambitious 2040 target. **All of these co-benefits align with Ireland's 2050 objective of achieving a '[climate resilient, biodiversity rich, environmentally sustainable and climate neutral economy](#)'.**

This crucial policy debate on the 2040 target offers Ireland a unique opportunity to provide international leadership, ensure the EU stays on course to meet its legal obligations on emissions reductions and demonstrate that it has finally turned the page on climate action.

Key Policy Recommendations:

1. It is essential that the EU reaches climate neutrality by 2040 to decrease EU's cumulative GHG emissions and ensure fairness in global mitigation efforts. To deliver this, the EU should adopt a target that meets the 90% emissions reduction recommended by the ESABCC.
2. EU targets must be domestic targets and they should not be reached by using international credits. An ambitious EU NDC is required to send a clear signal internationally.
3. The trajectory towards emission reduction should be non-linear and most climate action efforts should happen in the first half of next decade, and not the second half. This means having a high NDC.
4. Action should be primarily focused towards cutting gross GHG emissions - relying on carbon removals puts the achievement of the climate-neutrality objective at risk. The EU should adopt three separate targets for: (a) gross emissions reduction; (b) net biogenic sequestration by natural sinks; (c) permanent removals.
5. An ambitious 2040 target should be accompanied by a stronger EU climate adaptation framework to protect citizens from rising climate risks and safeguard infrastructure, economies, and livelihoods, as [recommended by the ESABCC](#).
6. To make sure that the European Commission tables science-based proposals, the European Commission should publish a response to advice received from the ESABCC explaining how it has taken that advice into account and, if it has not done so, provide the reasons for the approach adopted.
7. When assessing the consistency of Union measures with the climate-neutrality objective, the Commission should make that assessment publicly available.

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