

Brussels, 15th of January 2024

To:

Ursula von der Leyen, President of the European Commission

Maroš Šefčovič, Executive Vice-President for the European Green Deal, Interinstitutional Relations and Foresight

Wopke Hoekstra, Commissioner for Climate Action

At COP28 in Dubai, the European Union has played a key role in delivering a successful conclusion of the first Global Stocktake of the Paris Agreement. We now expect the European Commission to act upon these conclusions, and to accelerate emissions reduction on our path towards climate-neutrality by putting forward ambitious post-2030 Union climate targets, as prescribed in Article 4 of the European Climate Law.

The Greens/EFA group maintains its position that the Union should reach climate-neutrality already by 2040. This is also in line with the call sent by UN Secretary General Antonio Guterres to develop countries to reach net-zero “as close as possible to 2040”. In its recommendation¹, the European Scientific Advisory Board on Climate Change (ESABCC) also confirmed that the Union has in fact already exhausted its fair share of the remaining global GHG budget to keep 1.5°C within reach.

In this context, we take note of the commitments expressed by Executive Vice-President Šefčovič and Commissioner Hoekstra to defend a 2040 net GHG emissions reduction target of at least -90% compared to 1990 levels, and stress that the Advisory Board called upon the Union to pursue “the more ambitious end” of their 90-95% range to ensure fairness and equity. The Advisory Board also stressed that additional climate action before 2030 and beyond the current targets would increase the fairness of the EU’s contribution to the global effort to keep 1.5°C within reach. Finally, remaining within the limits of the GHG budget for 2030-2050 recommended by the Advisory Board is key to reassure our global partners that Europe will do its fair share and continue to be a global leader in the transition towards a net-zero GHG emissions economy.

Having said that, we believe the following key principles must be upheld in all the scenarios presented by the Commission in its impact assessment due on 6 February 2024:

1. Keep the focus on reducing emissions at the source. As Commissioner Hoekstra rightly pointed it out during COP28, “*we cannot CCS ourselves out of the problem*”. All pathways analysed by the Commission should focus on drastically reducing emissions at the source, and not rely on fairy tale technologies or fragile ecosystems. While environmentally safe, sustainable and permanent CO₂ geological storage may play a limited role in achieving climate-neutrality, it should be strictly limited to unavoidable industrial process emissions. The Commission’s own estimates suggest that those

¹ <https://climate-advisory-board.europa.eu/reports-and-publications/scientific-advice-for-the-determination-of-an-eu-wide-2040/scientific-advice-for-the-determination-of-an-eu-wide-2040-climate-target-and-a-greenhouse-gas-budget-for-2030-2050.pdf/@@display-file/file>

emissions would amount to less than 100 Mt CO₂ by 2050², while the most ambitious scenarios analysed by the ESABCC include only 5 Mt CO₂/year CCS in industrial process in 2040. As for CCU, in most instances it only constitutes delayed emissions that will not help us reach climate-neutrality. Pathways and targets for emissions reduction at the source, sustainable land-based sequestration, and technological removals should all be kept strictly separate from each other.

2. Rapidly phasing out fossil fuels to increase Europe's economic and geopolitical resilience. COP28 marked the beginning of the end for fossil fuels. Europe should now set a clear plan to phase out all fossil fuels by 2040, with an EU coal phase-out by 2030, gas phase-out by 2035 and oil phase-out by 2040. The Communication should clarify the phase out dates by fuel and sector. Ending Europe's fossil fuel dependence would not only cut ties with fossil fuel autocracies, it would also reinforce Europe's economic resilience. It would deliver significant savings on gas and oil imports bills, and ensure affordable renewable energy is available for all. In its 2023 Climate Stress Test³, the ECB confirmed that energy-intensive sectors in particular would face the largest deterioration of profitability due to high-energy expenses in a delayed or late-push transition scenario. Delayed climate action would mark the end of EU heavy industry, not the other way around.

3. Maintain EU binding targets for renewables and energy efficiency for 2040. The International Energy Agency has repeatedly stressed that staying on the path to net-zero requires the massive deployment of renewables and energy efficiency, with about 90% of global electricity generation in 2050 coming from renewable sources. Several studies, including ours⁴, show that achieving a 100% renewables based European economy by 2040 is not only feasible, it is also economically attractive as renewables and energy efficiency are the most cost effective solutions to achieving a net-zero economy. In this context, maintaining a binding regulatory framework for both renewables and energy efficiency, with both binding Union and MS targets, is key. The EU has successfully initiated the global pledge on renewable and energy efficiency, so any reversal of the Union framework would undermine its credibility.

4. All sectors of the economy should contribute. Reaching climate-neutrality will require all sectors of the economy to reduce their emissions to close to zero, and should address all EU-related emissions including from international shipping and aviation. After the successful negotiations of the Fit for 55 Package, agriculture remains the only major emitting sector not subject to any specific EU emissions reduction framework. This must change. The most ambitious range of scenarios analysed by the European Scientific Board on Climate Change see a reduction of up to -62% of overall non-CO₂ emissions by 2040, a significant part of which comes from agriculture. Other scenarios suggest a reduction of emissions from agricultural production to maximum 110 Mt CO₂e by 2050⁵. This is at odds with the numbers included in the MIX scenario from the 2021 Climate Target Plan, mostly because the 2021 Climate Target Plan does not grasp all the potential benefits of not only voluntary but also regulatory measures to move towards sustainable plant-based agriculture.

5. All parts of society should contribute. Specific derogations for luxury emissions, such as from private jets, yachts or luxurious cars, have no place in a just transition towards climate-neutrality. If those emissions may not be the biggest share of current emissions, they cannot be left off the hook and are highly symbolic. The majority of EU citizens would not understand that they have to contribute while the ultra rich get a free pass.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022SC0377>

³ <https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230906~a3d6d06bdc.en.html>

⁴ https://www.greens-efa.eu/files/assets/docs/greens-efa_recommendations_based_on_lut_university_study_on_accelerating_the_european_renewable_energy_transition_-_september_2022.pdf

⁵ <https://eeb.org/wp-content/uploads/2021/07/Beyond-Net-zero-emissions-in-agriculture.pdf>

6. Accelerate the Green transformation of European industries to keep global leadership. European industries need to invest in decarbonisation to maintain global leadership. Accelerating the transformation of our industry is a matter of competitiveness. Europe cannot stay aside of the on-going race of who will assume global leadership on net-zero technologies. In this context, carbon pricing alone will not be sufficient to provide the necessary incentives. The proposal for Net Zero Industry Act was already weak, and now risks being derailed by ideology. A clear European strategy and investment plan is needed to focus our common resources in boosting electrification and circular economy. The potential of Green public procurements to drive sustainable innovation and provide markets for Green industries also remains largely untapped.

7. Re-inventing the European net-zero financing framework. Reaching climate-neutrality and other priorities of the European Green Deal will require substantial investments, both public and private. The phasing-out of the Recovery and Resilience Facility by 2027 and the absence of measures allowing a growing fiscal space for investments in the Green transition as part of the on-going reform of the Economic Governance Framework are the two biggest threats to the successful and just transition towards climate-neutrality. Phasing out public and private finance for fossil fuels and re-directing it to the transition is crucial, especially to make it more affordable for low- and middle-income households.

8. Develop win-win solutions for the climate & biodiversity. Healthy soils and ecosystems are not only sequestering and storing more CO₂ from the atmosphere, they are also more resilient to extreme weather events linked to climate change. The Communication should highlight the many benefits of nature restoration for both climate mitigation and climate adaptation, and limit overreliance on bioenergy, including BECCS, that would increase pressure on ecosystems.

9. Delivering the next EU NDC for 2035 in line with UN deadlines. All countries are expected to submit their new NDCs 9-12 months before COP30 which will take place from 10-20 November 2025 in Brazil. The Communication should propose a 2035 target and lay out a timeline that allows the Union to fulfil its international obligation and submit its new NDC between November 2024 and February 2025.

We hope that those concerns will be addressed in the upcoming Communication of 6 February 2024.

Sincerely yours,

Terry Reintke, Co-President of the Greens/EFA group

Philippe Lamberts, Co-President of the Greens/EFA group

Bas Eickhout, Vice-President of the Greens/EFA group