

Setting robust post-2030 climate targets

The benefits of setting a net 90% climate target for 2040

Commission President von der Leyen reconfirmed her commitment to propose a net 90% greenhouse gas emission reduction target for 2040 when revising the European Climate Law. **The net 90% climate target can guide strategic choices on investments and policies.** In sync with the Clean Industrial Deal, this target can establish a clear direction and an enabling environment for companies to thrive.

Our [report](#) “Forging Economic Security and Cohesion in the EU” shows that €668 billion of additional investment over the next 15 years are required for a 90%-compatible transition. These investments are largely outweighed by the major benefits for the European economy, they can:

- **Strengthen energy security** by saving €856 billion on gas, oil and coal imports between 2025 and 2040,
- **Mitigate the cost-of-living crisis** by cutting energy bills for households by two-thirds by 2035, and
- **Reindustrialise Europe** by creating 2 million jobs in net-zero industries by 2040, of which 1.6 million by 2035.

If well-designed, the next steps of the EU’s net-zero transition can be turned into a proper prosperity strategy. Predictability is key for industry as well as for national governments, so the structure of the target will be decisive. High uncertainties remain about costs, feasibility and scalability of natural and technological carbon removals (i.e. Carbon Capture and Storage, Direct Air Capture, Bioenergy with Carbon Capture and Storage). Hence three specific sub-targets for reductions, natural and technological removals can be introduced to provide clarity on pathways towards 2040.

International timeline to submit 2035 climate targets

The EU is also meant to adopt a 2035 target within the next months but has currently no plan to do so. Under the Paris Agreement, all countries are expected to submit their national 2035 climate goals and plans “Nationally Determined Contributions” (NDCs) by February 2025. This allows comparing countries’ pledges and assessing collective efforts to address global warming. This assessment will be discussed at the 30th UN climate conference (COP30) in Brazil in November 2025. Traditionally, the EU has shown leadership by submitting its NDC early - this is currently at risk. A range of countries, including from the G20, will announce targets this year already.

As part of the revised European Climate Law, Strategic Perspectives recommends to:

- adopt a net **90% climate target for 2040** and set an **interim target for 2035** of a net 75-80% reduction that will be submitted as EU’s NDC,
- set **three specific, quantified sub-targets** for emission reductions, natural sinks and technological removals for 2035 and 2040,
- establish a **cross-correction factor** that ensures efforts increase in the respective other areas if any of the reduction method (direct emission reductions, natural sinks or technological removals) does not deliver,
- Set out the **pathways for fossil fuel demand reduction** by sector and fuel,
- Set out **pathways for the zero-emission electrification** of the EU economy, energy efficiency gains and renewable energy deployment.