

The European Green Deal:

Climate policy is the new EU growth strategy

The goal of the European Green Deal is to achieve a climate neutral economy by 2050, by making climate policy Europe's new growth strategy.¹ It consists of an ambitious package of measures that should enable European citizens and businesses to benefit from a sustainable green transition into a resource-efficient and competitive economy where there are no net emissions of greenhouse gases and where economic growth is decoupled from resource use.

What does the Green Deal mean?

To guarantee a beneficial and smooth transition, the Deal is backed by investments in green technologies, sustainable solutions and new businesses. In particular, the Just Transition Mechanism (JTM) will provide targeted support to regions and sectors that are most affected by the transition towards the green economy. The mechanism includes a new Just Transition Fund of €7.5 billion, an InvestEU "Just Transition" scheme and a new public sector loan facility with the EIB backed by the EU budget, as well as technical assistance via the Just Transition Platform. Support will be available to all Member States but will focus on the most carbon-intensive regions and regions with many people employed in the field of fossil fuels.

But this won't be enough as involvement and commitment of all the stakeholders is crucial to its success. Reaching the goal of being the first climate-neutral continent by 2050 requires significant investment from both the public and the private sector.

Moreover, the environmental and climate goals of the Green Deal won't be reached if Europe acts alone. And that is why the plan drafts some actions for the EU to influence its neighbours and partners to embrace the sustainable path.

Roadmap

The Annex to the Communication on the European Green Deal elaborates a roadmap of key actions divided into sub-actions with established timeframes.²

These actions are divided on different areas:

On climate ambition:

¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Green Deal. Brussels, 11.12.2019. COM (2019) 640 final. See https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf (last accessed on 26.02.2020)

² Annex to the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Green Deal. Brussels, 11.12.2019. COM(2019) 640 final. See https://ec.europa.eu/info/sites/info/files/european-green-deal-communication-annex-roadmap_en.pdf (last accessed on 26.02.2020)

- A first European ‘Climate Law’ proposal by March 2020, including the 2050 climate neutrality objective in legislation. In order to achieve it, the Commission will present an impact assessed plan to reduce the EU’s greenhouse gas emission to at least 50% by 2030. Furthermore, to avoid the risk of carbon leakage, resulting from neighbouring countries and partners with no goals regarding emission reduction, the Commission will propose a carbon border adjustment mechanism, so that the price of imports reflects the cost of carbon.
- The Commission will also develop a new, more ambitious EU strategy on adaptation to climate change.

On clean, affordable and secure energy:

- To reach the climate objectives in 2030 and 2050, further decarbonisation of the energy system is needed. However, to ensure and make affordable the EU's energy supply at the same time, energy efficiency is a must.
- Member States will present revised energy and climate plans, which will take into account the need to involve and benefit consumers in the clean energy transition.
- Renewable energy sources will have an essential role to achieve decarbonisation at the lowest possible cost. In this regard, the smart integration of renewables, energy efficiency and other sustainable solutions across sectors is key. Climate neutrality also requires smart infrastructure and cross-border and regional cooperation.
- Building and renovating infrastructures is energy and resource consuming. Therefore, public and private buildings should be renovated in an energy efficient and affordable manner. Thus, the Commission will enforce the legislation related to the energy performance of buildings and will work with stakeholders on a new initiative on renovation in 2020, including innovative financing schemes under InvestEU.

On industrial strategy for a clean and circular economy:

- A climate neutral and circular economy demands the active participation of the whole industry. The European Green Deal shouldn’t be seen as a threat, but as an opportunity to create and extend sustainable and job-intensive economic activities in global markets for low-emission technologies, sustainable products and services. Specifically, in energy intensive industrial sectors, circular economy and climate neutral action initiatives will be fostered.
- The European Digital Transformation is a key instrument to achieve the Green Deal challenges.
- Mere ‘green washing’ measures will be avoided through the dissemination of transparent and accessible information. In this regard, the European Digital transformation can also improve the availability of information on the characteristics of products sold in the EU.
- The Commission will foster new forms of collaboration with industry and investments in strategic value chains. In this regard, the Commission will propose legislation on batteries in support of the Strategic Action Plan on Batteries and the circular economy and will continue to support the European Battery Alliance.

On sustainable and smart mobility:

- Reduction in transport emissions is a must in order to achieve climate neutrality by 2050. This implies providing the users with more affordable, accessible, healthier and cleaner alternatives to their current means of transport on the one hand. And on the other, increasing the efficiency of the freight transport system. For example, by shifting most of the inland freight carried by road onto rail and inland waterways.
- The transport price should reflect the carbon consumption and its impact on the environment and on health. Therefore, the production and deployment of sustainable alternative transport fuels is a priority. Moreover, transport should become drastically less polluting, especially in cities. Here, digitalisation will also play a major role, enabling smart traffic management and automated and connected multimodal mobility systems.

On greening the Common Agricultural Policy and the 'Farm to Fork' Strategy:

- The common agricultural and common fisheries policies will remain key tools to support the 'Farm to Fork' Strategy while ensuring a decent living for farmers, fishermen and their families. In this regard, the Commission will work with the Member States to ensure that the national strategic plans for agriculture fully reflect the ambition of the Green Deal and the 'Farm to Fork' Strategy.
- This Strategy will also contribute to achieve a circular economy and to stimulate sustainable and healthy food consumption. European food must become the global standard for sustainability.

On preserving and protecting biodiversity:

- Avoiding biodiversity loss is critical. That is why the Commission will present a Biodiversity Strategy by March 2020, to be followed up by specific action in 2021. Moreover, all EU policies should contribute to preserving and restoring Europe's ecosystems. In this regard, the new EU forest strategy will address effective forest preservation and restoration. The Commission will also propose measures to manage maritime space more sustainably.

On a zero-pollution ambition for a toxic free environment:

- The Commission will adopt in 2021 a zero-pollution action plan for air, water and soil, in order to create a toxic-free environment and protecting thus Europe's citizens and ecosystems. To do so, the Commission will present a chemicals strategy for sustainability, as well as review the EU measures to address pollution from large industrial installations.

On mainstreaming sustainability in all EU policies:

- The Commission will present a Sustainable Europe Investment Plan to meet the significant investment needs in order to achieve a just transition while achieving the goals of the European Green Deal. The EU budget and the InvestEU Fund will play a key role. As part of the Sustainable Europe Investment Plan, the Commission will propose a Just Transition Mechanism focussing on the regions and sectors that are most affected by the transition because they depend on fossil fuels or carbon-intensive processes. The Commission will also work with the European Investment Bank (EIB), which has agreed to doubling its climate target from 25% to 50% by 2025.
- The Commission will review the relevant State aid guidelines, specially the environment and energy State aid guidelines.
- New technologies, sustainable solutions and disruptive innovation are critical to achieve the objectives of the European Green Deal. Therefore, mobilising research and fostering innovation will play a major role and the Horizon Europe programme will support the research and innovation efforts needed.
- Education and training will have a major impact on a successful transition, not just to inform on climate change and sustainable development, but also to provide workers from carbon and fuel-based sectors with the necessary skills to transfer to growing sectors.

On the EU as a global leader:

- The environmental and climate goals of the Green Deal won't be reached if Europe acts alone. That is why the Commission will support other countries and regions to embrace a more sustainable development. Being the world's largest single market can work as leverage.

On a European Climate Pact:

- As the commitment of both private and public stakeholders is crucial for the success of the Green Deal, the Commission will launch a European Climate Pact by March 2020.

To summarize, the underlying idea of the European Green Deal is that *'making Europe climate-neutral and protecting our natural habitat will be good for people, planet and economy.'* It is a response to the climate and environmental challenges and part of the strategy of the EU Commission to implement the United Nation's 2030 Agenda.