

The European Green
Deal –
Towards a climate
neutral EU by 2050



Brussels, February 14, 2020

Artur RUNGE-METZGER, Director, European Commission

The European Green Deal

Climate change is happening

- Global warming already reached at 1°C
- 18 of the warmest years in the last 2 decades and extreme heat waves in EU for 4 of the last 5 years
- Real impact on EU economy & environment
- IPCC warns about global eco-systems in danger already at 2°C
- Climate change undermines security and prosperity in the broadest sense

Arctic region

Temperature rise much larger than global average
Decrease in Arctic sea ice coverage
Decrease in Greenland ice sheet
Decrease in permafrost areas
Increasing risk of biodiversity loss
Some new opportunities for the exploitation of natural resources and for sea transportation
Risks to the livelihoods of indigenous peoples

Atlantic region

Increase in heavy precipitation events
Increase in river flow
Increasing risk of river and coastal flooding
Increasing damage risk from winter storms
Decrease in energy demand for heating
Increase in multiple climatic hazards

Mountain regions

Temperature rise larger than European average
Decrease in glacier extent and volume
Upward shift of plant and animal species
High risk of species extinctions
Increasing risk of forest pests
Increasing risk from rock falls and landslides
Changes in hydropower potential
Decrease in ski tourism

Coastal zones and regional seas

Sea level rise
Increase in sea surface temperatures
Increase in ocean acidity
Northward migration of marine species
Risks and some opportunities for fisheries
Changes in phytoplankton communities
Increasing number of marine dead zones
Increasing risk of water-borne diseases

Boreal region

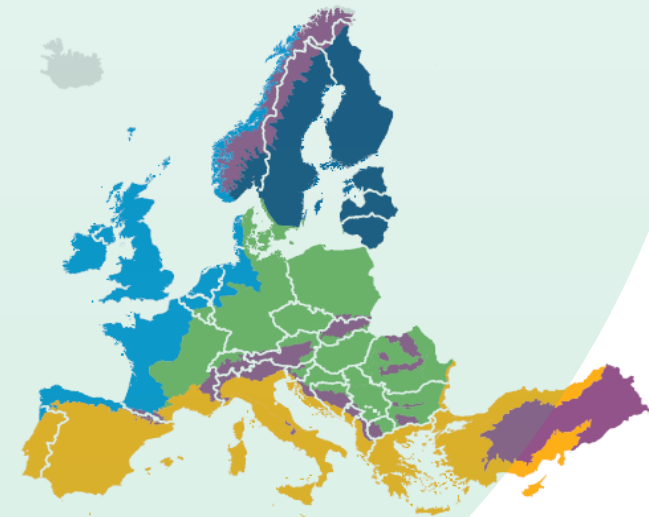
Increase in heavy precipitation events
Decrease in snow, lake and river ice cover
Increase in precipitation and river flows
Increasing potential for forest growth and increasing risk of forest pests
Increasing damage risk from winter storms
Increase in crop yields
Decrease in energy demand for heating
Increase in hydropower potential
Increase in summer tourism

Continental region

Increase in heat extremes
Decrease in summer precipitation
Increasing risk of river floods
Increasing risk of forest fires
Decrease in economic value of forests
Increase in energy demand for cooling

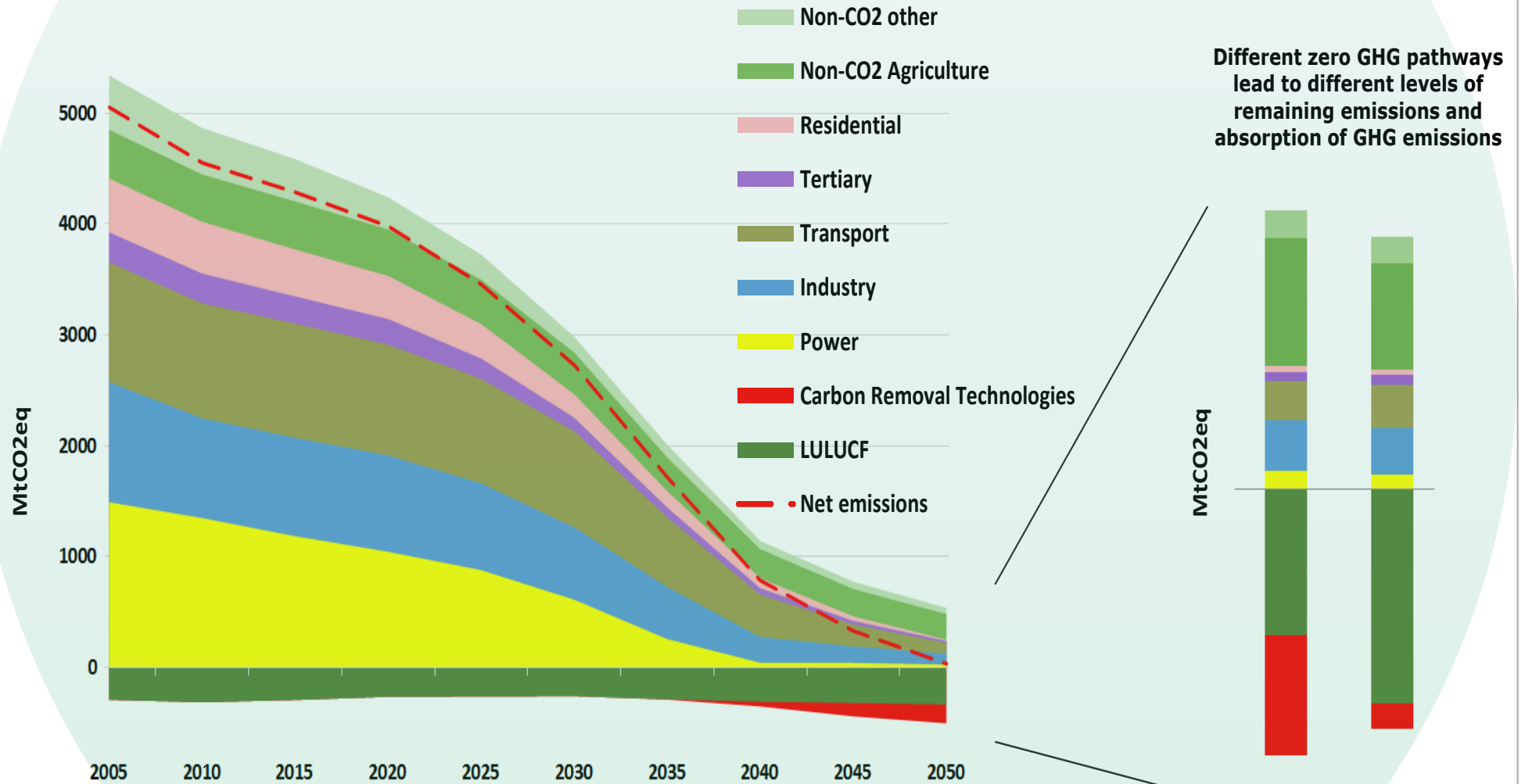
Mediterranean region

Large increase in heat extremes
Decrease in precipitation and river flow
Increasing risk of droughts
Increasing risk of biodiversity loss
Increasing risk of forest fires
Increased competition between different water users
Increasing water demand for agriculture
Decrease in crop yields
Increasing risks for livestock production
Increase in mortality from heat waves
Expansion of habitats for southern disease vectors
Decreasing potential for energy production
Increase in energy demand for cooling
Decrease in summer tourism and potential increase in other seasons
Increase in multiple climatic hazards
Most economic sectors negatively affected
High vulnerability to spillover effects of climate change from outside Europe



The European Green Deal

Europe – the first climate neutral continent by 2050

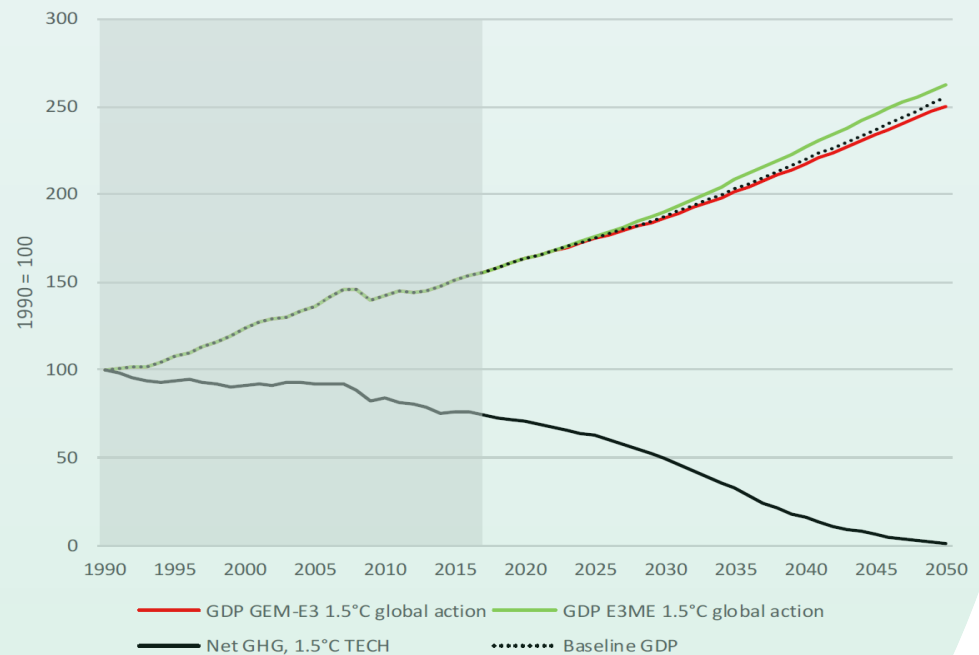


The European Green Deal

EU's new growth strategy - Invest into the modernisation of the economy

- Modernising the EU's economy will stimulate significant additional investment:
 1. Energy efficiency
 2. Deployments of renewables
 3. Clean, safe & connected mobility
 4. Competitive industry and circular economy
 5. Infrastructure and inter-connections
 6. Bio-economy and natural carbon sinks
 7. Tackle remaining emissions with carbon capture and storage
- From 2% of EU GDP invested in the energy system today to 2.8% to achieve a net-zero greenhouse gas emissions economy
- Positive for growth and jobs, with GDP impact up to +2%
- Co-benefits: energy imports down, public health, etc.

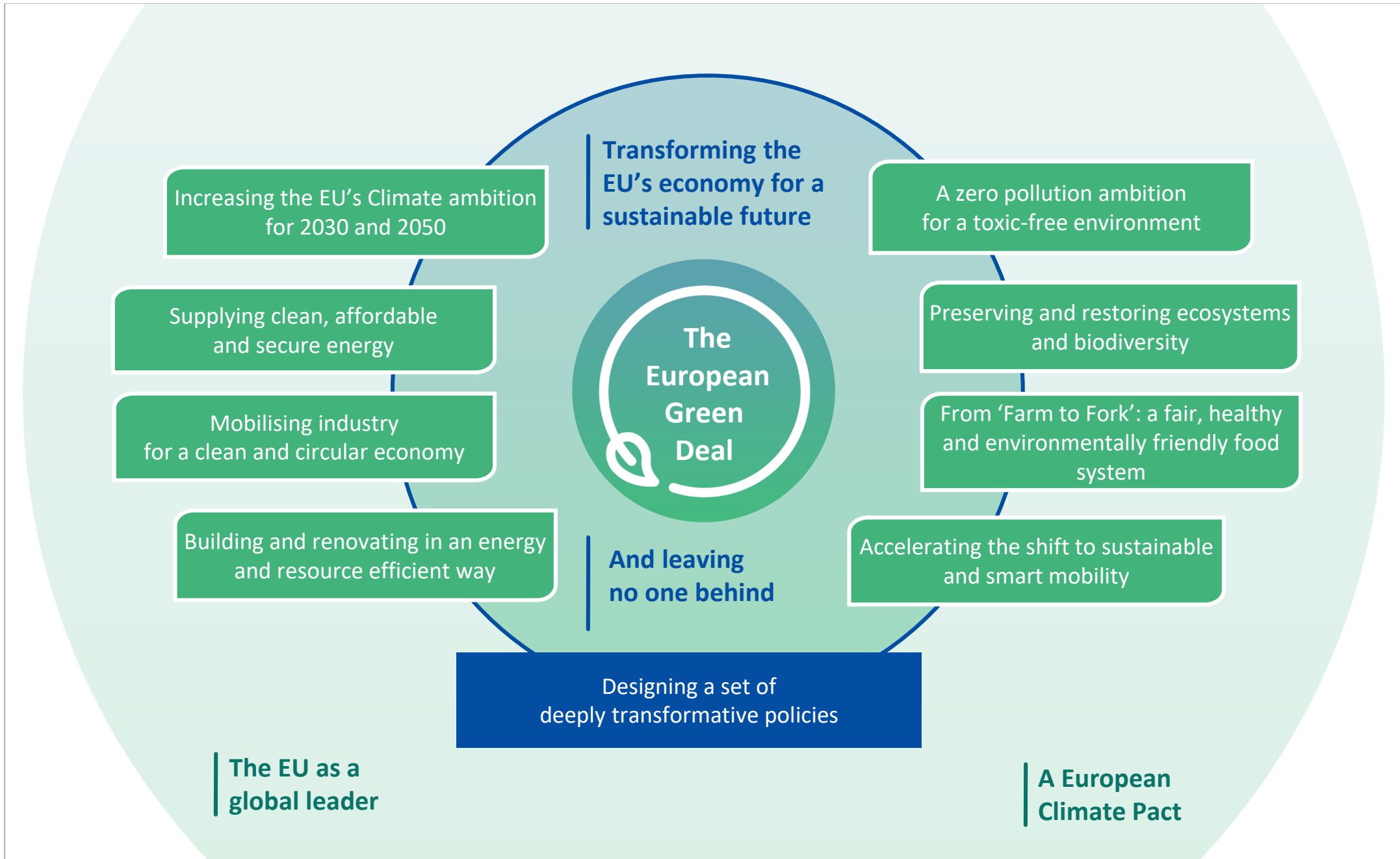
Development of GDP and greenhouse gas emissions, 1990 - 2050



Caveat:

This estimate does not take into account differences in climate change damages, nor adaptation costs between baseline and 1.5° C.

The European Green Deal



The European Green Deal

Increasing the EU's Climate ambition
for 2030 and 2050

- European '**Climate Law**' enshrining the 2050 climate neutrality objective in legislation by March 2020
- **Comprehensive plan** to increase the EU's climate target for 2030 to at least 50% and towards 55% in a responsible way by October 2020
- **Review and revise where needed all relevant legislative measures to deliver on this increased ambition** by June 2021
- Proposal for a **revision of the Energy Taxation Directive** by June 2021
- **Carbon border adjustment mechanism** for selected sectors by 2021
- A new EU **Strategy on Adaptation** in 2020/2021

Designing a set of
deeply transformative policies

The EU as a
global leader

A European
Climate Pact

The European Green Deal

Supplying clean, affordable
and secure energy

- Assess the ambition of the final **National Energy and Climate Plans** by June 2020
- Strategy for **smart sector integration** in 2020
- **Renovation wave** for the building sector in 2020 **doubling the renovation rate**
- Review and revise where needed the **Renewable Energy and Energy Efficiency Directive** by June 2021
- **Offshore wind** initiative in 2020
- Review the **TEN-E Regulation**

Building and renovating in an energy
and resource efficient way

Designing a set of
deeply transformative policies

The EU as a
global leader

A European
Climate Pact

The European Green Deal

Mobilising industry
for a clean and circular economy

- **EU Industrial Strategy** by March 2020
- A new **circular economy action plan** by March 2020, including a **sustainable products policy**
- **Clean Steel breakthrough**: proposal in 2020 to support zero carbon steel-making processes by 2030.
- Legislation in support of the **Strategic Action Plan on Batteries** and the circular economy in 2020
- Propose legislative reforms **tackling waste**

Designing a set of
deeply transformative policies

The EU as a
global leader

A European
Climate Pact

The European Green Deal

- Strategy for **Sustainable and smart mobility** in 2020
- Revise the **CO2 emissions performance legislation** for light duty vehicles by June 2021
- **Extend EU's Emissions Trading** to the maritime sector, and to reduce the free allowances for airlines by June 2021
- Support **public charging points: 1 million by 2025**
- Boost the production and supply of **sustainable alternative fuels** for the different transport modes
- Review the **Alternative Fuels Infrastructure Directive** and the TEN-T Regulation in 2021
- More **stringent air pollutant emissions standards** for combustion-engine vehicles

Accelerating the shift to sustainable and smart mobility

Designing a set of deeply transformative policies

The EU as a global leader

A European Climate Pact

The European Green Deal

- **Zero pollution action plan** for air, water and soil in 2021
- Address **industrial pollution** from large industrial installations in 2021
- **Chemicals strategy for sustainability** in summer 2020

A zero pollution ambition
for a toxic-free environment

The
European
Green
Deal

Designing a set of
deeply transformative policies

The EU as a
global leader

A European
Climate Pact

The European Green Deal

Pursuing
green finance and investment
and ensuring **a just transition**

- Meeting the **additional investment needs**
- Proposal for a **Sustainable Europe Investment Plan and a Just Transition Mechanism (EUR 100 bn)** in January 2020
- **25% target for climate mainstreaming** across all EU programmes within the proposed MFF 2021-2027
- Proposed **new revenue streams** (“Own resources”) and review of the **Innovation and Modernisation funds** to deploy climate neutral solutions
- Mobilisation of **InvestEU** in support of the Green Deal objectives
- Work with the **EIB group (climate target to 50% by 2025)** and other **financial institutions** (NPBs, other int’l financial institutions)
- **Renewed Sustainable Finance Strategy** in Autumn 2020
- **Taxonomy, Corporate governance** framework
- Review of **Non-Financial Reporting** Directive
- Support **natural capital accounting**
- **Labels for retail financial investment products**
- Developing **EU green bond standard**; integration of environmental risks in **EU prudential framework**

The European Green Deal

- Initiatives to screen and benchmark **green budgeting practices of the Member States and of the EU** from 2020
- Inclusion of reference to **green public investment** in context of quality of public finance in **review of European economic governance framework**
- **Creation of a context for fit-for-purpose tax reforms**
- **Review of the State aid guidelines for environment and energy, as well as other relevant guidelines in 2021**
- Integration of the **Sustainable Development Goals in the European Semester** from 2020

Greening national budgets and sending the right price signals

And leaving
no one behind

Mainstreaming sustainability in all EU policies

Financing the transition

Leave no one behind
(Just Transition)

The European Green Deal

Transforming the
EU's economy for a

Mobilising research and
Fostering innovation

- At least **35% of Horizon Europe funding** for climate solution
- Four "**Green Deal missions**" (related to climate change, oceans, cities and soil)
- **Partnerships** with industry and Member States
- Role of **European Institute of Innovation and Technology**
- Role of **European Innovation Council**
- **Data and digital infrastructure** in support of ecological transition

Mainstreaming sustainability in all EU policies

Financing the transition

Leave no one behind
(Just Transition)

The European Green Deal

Transforming the
EU's economy for a
sustainable future

- **European Competence Framework**
- EU networks of **teacher-training programmes**
- Leveraging **€3 billion** for investment in **school infrastructure**
- **Pro-active re-skilling and up-skilling** through the proposed **European Social Fund+**

Activating
education and training

And leaving
no one behind

Mainstreaming sustainability in all EU policies

Financing the transition

Leave no one behind
(Just Transition)

The European Green Deal

Transforming the
EU's economy for a
sustainable future

- **Align all new Commission initiatives with European Green Deal objectives**
- Use of **better regulation tools**
- **Invitation of stakeholders** to use available platforms to **simplify legislation and identify problematic cases**
- **Improve ways better regulation guidelines** and supporting tools **address sustainability** and innovation issues

A green oath: 'do no harm'

Mainstreaming sustainability in all EU policies

Financing the transition

Leave no one behind
(Just Transition)

The European Green Deal

- EU to continue to **lead the international climate and biodiversity negotiations**, further strengthening the international policy framework
- Strengthen the EU's **Green Deal Diplomacy** in cooperation with Member States
- **Green Agenda** for the Western Balkans
- Proposal to make the **respect of the Paris agreement an essential element** for all future comprehensive trade agreements

| The EU as a
global leader

The European Green Deal



The European Green Deal

- Launch of the **European Climate Pact** in March 2020
- Proposal for an **8th Environmental Action Programme** in 2020

A European
Climate Pact

The European Green Deal

