European Commission - Questions and answers





The European Green Deal: Questions & Answers

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Why do we need a European Green Deal?

The Commission's goal is for Europe to be the first climate neutral continent by 2050. In order to achieve that goal, action has to be immediate. The European Green Deal will improve people's health and lives, protect our nature and wildlife, and ensure a healthy planet for generations to come. It sets out a new growth strategy by tackling some of the most important environmental and climate-related problems. By adopting a long-term vision for the environment, industries and business will get more regulatory certainty so that they can make significant investments in modernising and reducing their environmental impacts. The innovations and solutions that businesses develop first in the EU will provide a basis for commercial success internationally. Such a transformation will make the EU's economy more resilient to climate and environment-related risks in the future.

What is in the European Green Deal?

The Green Deal explains the initiatives that the Commission will present progressively over the next few years. Several of these will come early in 2020:

- A proposal to create a Just Transition Mechanism. This will include a Just Transition Fund, as part of the next Multi-annual Financial Framework.
- A Commission proposal to give legal force to the objective to achieve climate neutrality by 2050 ('climate law') that will set the EU onto an irreversible path to climate neutrality.
- A Communication setting out the Commission's views on what the Union should do to protect and promote its biodiversity domestically and internationally ahead of an important international conference of the parties to the UN's Convention on Biodiversity in Kunming (China) in November 2020.
- An action plan to promote a more circular economy that will address more sustainable products and accompany the new industrial policy strategy.

The Green Deal Communication will also kick-start analytical work to underpin many follow-up initiatives touching upon most economic sectors. These will be presented progressively and many will need to be developed and presented together because of the strong linkages between them. The most important of these include:

- Proposals to revise upwards the Union's greenhouse gas emissions reduction targets for 2030 ahead of the Conference of the Parties of the UN's Framework Convention on Climate Change in November 2020.
- Proposals to revise, where necessary, the Emissions Trading System for the EU's power sector and industrial installations, possibly extend European emission trading to road transport, shipping and buildings' emissions as well as revise the Member States' targets for sectors outside of the Emissions Trading System.
- A strategy for clean and smart mobility that will itself announce a series of actions aimed at reducing greenhouse gas emissions from land, waterborne and air transport. This will include measures on cleaner fuels, electrical charging infrastructure, taxation, road pricing and promoting rail freight. The strategy is planned for the second semester 2020.
- A strategy to tackle chemicals is envisaged in the second semester 2020. This will deliver, together with other initiatives related to air and water pollution, on the 'Zero pollution ambition' displayed in President von der Leyen's Political Guidelines.
- A 'Farm to Fork' strategy to improve the sustainability of the food production and distribution system. A wide-ranging consultation is envisaged initiated by a Commission Communication early in 2020 that will then be followed by specific measures throughout the mandate.

- Strategies and measures to mobilise sustainable public and private investments in greening the economy.

What sectors of the economy are involved in the European Green Deal?

All sectors of the economy will be involved. Some sectors such as transport, buildings, agriculture and energy production are responsible for a significant share of greenhouse gas emissions. Other sectors like finance will have a role in directing private capital towards more sustainable investments.

How will the European Green Deal be financed?

Meeting the objectives of the European Green Deal will require significant additional investment. The Commission has estimated that achieving the current 2030 climate and energy targets will require EUR 260 billion of additional annual investment, about 1.5% of 2018 GDP (1). Both public and private sectors will need to sustain these investment flows over many years.

The Commission will present in early 2020 a Sustainable Europe Investment plan to help close the funding gap. It will combine dedicated financing to support sustainable investments, and proposals for an improved regulatory framework. At the same time, it will be essential to build up a pipeline of sustainable projects through technical assistance and advisory services to help project promoters. The EU's budget (and its commitment to achieve 25% dedicated to climate action) and the activities of the European Investment Bank will support the Sustainable Europe Investment Plan together with national funding sources.

The private sector will be incentivised to contribute to financing the green transition. Long-term signals are needed to direct financial and capital flows to green investments. The Commission will present a green financing strategy in the third quarter of 2020 that will focus on a number of actions to promote and mobilise private sustainable finance.

When will the concrete policies in the Green Deal Communication be rolled out?

The 'Roadmap' annexed to the European Green Deal Communication provides indicative timelines for when the most important initiatives will be tabled by the Commission. The Commission's first work programme will provide greater detail for actions in 2020. Other measures will be developed over the life of the current Commission and these will feature in future programmes as well.

How will you ensure that the green transition will be socially fair, leaving no one behind?

In early 2020, the Commission will present a Just Transition Mechanism with the aim of facilitating EUR 100 billion of investment in the regions most exposed to the economic and social challenges of the climate change transition over the next Multiannual Financial Framework period. It will use and combine various sources of funding: the EU budget, national budgets through co-financing, the EIB and incentivising private funds. The Mechanism will comprise a dedicated Just Transition Fund to be implemented under cohesion policy and will be accompanied by tailored technical assistance and regulatory flexibility that is needed for regions to succeed in their transition.

The aim of the mechanism is to support the regions most affected by the transition to a climate neutral economy. These are regions highly dependent on fossil fuels or on carbon-intensive processes. The mechanism intends to protect citizens, reskill workers and help to develop climate neutral economic activities.

Our work with the Member States and regions concerned will be a key part of the Mechanism. Transition plans will be developed to ensure that the Mechanism focusses its support on the right issues, and that the local communities have full ownership of the process. But a just transition will require a larger effort, involving the whole spectrum of our policies and means.

How will the Green Deal improve the health and quality of life of our citizens?

The European Green Deal contains specific actions that will directly improve the health and well-being of the public. The first of these are the actions to tackle pollution of air and water and pollution caused by hazardous chemicals. These directly affect human health.

More than 400,000 people still die prematurely every year due to air pollution as many urban areas are in breach of agreed EU air quality standards. Pollution of water is a widespread concern across Europe since concentrations of harmful chemicals and nutrients are still high in many places. With 3 million potentially contaminated sites in the EU, the threat posed by soil pollution to human health continues to be present. Exposure to hazardous chemicals or to a combination of chemicals continues to be one of the key factors behind human health problems such as cancer, reproductive diseases, or respiratory sensitisation, as well as environmental degradation (e.g. decline of insect and bird populations). This imposes significant costs for health care, decontamination work, lost workdays, damage to buildings, crop losses for farmers.

Initiatives to halt biodiversity will also bring indirect benefits by improving nature through restoration

of ecosystems, planting trees, safeguarding carbon-rich ecosystems such as peat bogs. Action at farm level to reduce the volumes and risks from pesticides will also have a direct benefit for the public by reducing their exposure to potentially hazardous chemicals. Moreover, the European Green Deal highlights the value of reinforcing efforts to adapt to the impacts of climate change. Such actions will alleviate impacts due to flooding or drought and add to the quality of the built and natural environment if accomplished through 'green infrastructure' and nature-based solutions.

How will the Green Deal ensure the protection of our environment and oceans?

Health and the quality of the environment are at risk in a variety of ways. The magnitude of the risks and current impacts are substantial and urgent action is needed to tackle some of them. The most pressing are climate change, biodiversity loss, resource use and air, water and chemical pollution.

Climate change is associated with a range of impacts on the environment from forest fires, ocean acidification, melting glaciers, loss of biodiversity amongst others. EU action together with international partners can help limit these. The European Union has committed to reduce its emissions by 20% by 2020 and by 40% by 2030 each relative to emissions in 1990. The EU was the first major party to put its 2030 targets into law and this has been complemented by additional targets for energy savings and renewable energy as well as a range of legislation that has driven reductions in greenhouse gas emissions. However, the intensity of policies to lower emissions must triple globally to meet the 2oC limit and fivefold to align with the 1.5oC. The Intergovernmental Panel on Climate Change (IPCC) has stated that reaching and sustaining net zero emissions of carbon dioxide and a declining net radiative forcing of other non-CO2 greenhouse gases would halt anthropogenic global warming over several decades (2).

Visualisation of global average surface temperatures for the years 1850-2018



Source: Ed Hawkins (4 December 2018): 2018 Visualisation update/warming stripes for 1850-2018 using the WMO annual global temperature dataset.

There is scientific evidence (3) that biodiversity and associated ecosystem services are deteriorating rapidly and that land degradation and biodiversity loss have accelerated massively in recent decades. The International Union for Conservation of Nature's Red List of Threatened Species has assessed the global conservation status of more than 105,700 species and more than 28,000 of them are threatened with extinction: 40% of amphibians; 25% of mammals, 34% of conifers, 14% of birds, 30% of sharks and rays, 33% of reefs and corals and 27% of selected crustaceans. The European Green Deal announces a strategy to halt biodiversity loss both in the EU and internationally. It will help shape the Union's position at the Conference of the Parties in Knunming (China) in the autumn of 2020 in relation to international efforts to halt biodiversity loss.

The European Deal also looks at the need to use fewer resources and to create less waste such as plastics which often find their way into the world's seas and oceans. The Commission will present a plan to promote a more circular economy in the EU where plastics will feature. Reducing pollution from industrial sources and run-off from agricultural land containing excess nutrients will also help improve water quality and that of coastal regions as well.

How can consumers benefit from the Green Deal?

Consumers will benefit from more sustainable products that are designed to be repairable, durable, recycled and use less energy. This can help reduce the lifetime costs of the products they buy. Additional and more accurate consumer information will also allow consumers to make better-informed decisions and thereby help to drive the transition to cleaner products and a healthier environment.

Other actions to renovate buildings and improve their use of energy can reduce energy consumption and energy bills. This could help the 50 million householders who struggle to keep their homes warm.

How can citizens get involved in delivering the Green Deal?

Citizens can get involved in several ways. First, the Commission generally consults widely on its new proposals for legislation via internet-based public consultations. These are increasingly posted in all EU languages and are accessible to all via the Commission's 'Have Your Say' web site. The views of citizens are particularly welcome. Second, citizens, can also engage with their national (and regional authorities) and their members of the European Parliament who will negotiate the content of new European laws. Third, the Commission will launch, together with the proposal for climate law, a

'Climate Pact'. This will be designed to give the public a voice in the design of new policies linked to the Green Deal. It will also provide a space for sharing information and experience so that people can learn from what others have done in contributing to the objectives of the Green Deal.

How can businesses benefit from the Green Deal?

The transition depicted in the European Green Deal is an opportunity for business to modernise and become more competitive. With support from within the investment and innovation programmes of the Multi-annual Financial Framework, industry will be encouraged to develop new market-leading environmentally friendly technologies and sustainable solutions. The European Green Deal (and its follow-up actions) sets out a strategy for providing industry with predictability and a regulatory framework that unlocks investment, prevents stranded assets and incentivises innovation. The Commission's actions to mobilise sustainable private finance will also help serve industry's investment needs. In addition, the move to a more circular economy and increasing the market in secondary raw materials should improve industry's reliance on critical raw materials.

How will you ensure European businesses do not suffer a competitive disadvantage?

The EU already has in place rules which prevent 'carbon leakage' i.e. the relocation of economic activity and its emissions relocated from the EU to countries/ regions with less ambitious climate policies in place. These rules operate as part of the Emissions Trading System and give free emission allowances to industries at risk of carbon leakage. In addition, the Green Deal announced that the Commission will look at a possible border adjustment mechanism as an alternative to such free allocation under the Emissions Trading System. The EU will continue to press the need for sustainability in its Free Trade Agreements and has recently established a compliance officer to assess adherence to such provisions by the Union's international partners.

Will the EU be able to stop environmental degradation around the world?

The Union is a party to many international Conventions dealing with a range of environmental issues. Progress is made by working with international partners to find acceptable solutions within these legal frameworks. The process is built on cooperation and trust. The EU engages actively in green diplomacy bilaterally and in international fora such as the G7 and G20 and has a comprehensive external action policy to support sustainable development in third countries.

Is the Green Deal ambitious enough to stop and reverse climate change?

The European Green Deal advocates a significant increase in the Union's targets to reduce greenhouse gas emissions. These are consistent with the scientific findings on keeping the increase in the earth's average surface temperature rise to less than 1.5 oC. However, the EU cannot on its own reverse the observed impacts of climate change. This is why working with third countries is of utmost importance. Moreover, the EU can demonstrate its responsibility and commitment in an effort to persuade others to step up their efforts.

What is the Commission doing to reduce its own carbon footprint?

In order to reduce its environmental impact and to lead by example, the Commission has been registered under the Environmental Management and Audit Scheme (EMAS) since 2005. The system now covers the eight main sites of the Commission in Europe (4), located in seven Member States. This represents about 35,000 persons and 1.6 Million square meters.

In Brussels, where the Commission has long-term verified data, the results per capita show the following changes between 2005 and 2018:

- Buildings energy consumption reduced by 65% representing cumulative savings exceeding EUR 110 Million;
- Carbon dioxide emissions from buildings reduced by 87%;
- Per km vehicle fleet CO2 emissions (manufacturer specifications) reduced by 53%;
- Water use reduced by 61%;
- Paper use reduced by 71%;
- Non-hazardous waste reduced by 28%.

The Commission's EMAS Steering Committee adopted in 2019 a Global Action Plan containing 227 ongoing or new actions addressing resource use (energy, water, paper), carbon dioxide emissions, waste and biodiversity amongst others.

Notwithstanding this impressive performance, the Commission is keen to reduce its environmental impact and to lead by example. As such, it will present in 2020 a comprehensive action plan to implement for itself the principles and recommendations presented in the Green Deal with the objective of becoming climate neutral itself by 2030.

What can citizens and businesses do to reduce their carbon footprint and embrace sustainability?

Citizens and businesses are aware of the energy they use in their buildings and in their vehicles for example. Opportunities exist to buy or use more energy efficient products, devices and vehicles and to improve the energy performance by insulating their buildings. Information already exists to guide more informed decision-making. However, despite the potential energy savings many citizens and business do not invest even though they can save money.

Businesses can enrol in the Environmental Management and Audit Scheme as a way to improve their environmental performance and they can use the methodology developed by the Commission to determine their organisation's environmental footprint.

Consumers and householders can use better the information provided online and in stores about the energy performance of goods (fridges, freezers, etc...) and of passenger cars. Many national authorities and regions offer financial incentives to improve the energy performance of houses or promote more efficient products and vehicles.

- (1) These estimates are conservative, as they do not consider, for instance, the investment needs for climate adaptation or for other environmental challenges, such as biodiversity. On top of this, these do not include the public investments needed to address the social costs of the transition.
- (2) See Paragraph A.2.2) of the IPPC special report on the impacts of global warming of 1.5oC (Summary for Policy Makers).
- (3) <u>IPBES. 2019</u>. Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. S. Díaz, et al.
- (4) Brussels (Belgium), Luxembourg (Luxembourg), JRC Ispra (Italy), JRC Geel (Belgium), JRC Karlsruhe (Germany), JRC Petten (The Netherlands), JRC Seville (Spain) and DG SANTE at Grange (Ireland).

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