



### **Statement by President von der Leyen on delivering the European Green Deal**

Brussels, 14 July 2021

Thank you very much.

Let me start by saying that I am very happy to be back in a busy pressroom to present this Package. That is good to see all of you, and I am delighted to be joined by part of the team who made this Package possible. At the very beginning, many, many thanks and my respect to Frans as the first Executive Vice-President who was leading the green cluster, and to you, the Commissioners for what you achieved – from Janusz to Adina, Paolo, Kadri, Virginijus. Thank you very much. This was an enormous effort, but the result speaks for itself. This group here does represent, not only the outstanding knowledge and the excellent teamwork within the Commission, but it also reflects the whole-of-government approach or the whole-of-society, the whole-of-economy approach.

And this was the message almost exactly two years ago to the day – it was 16 July – when I put on the table my Political Guidelines, and in there the core part was the European Green Deal. The overarching goal was, and of course is, to make Europe the very first climate neutral continent in the world and to build a new growth strategy to get there. I remember not everyone agreed at the time and there were very vivid debates.

But now, two years on, we have come a long way. We now have a shared sense of purpose. We have a shared sense of direction. We know where we want to go and what we need to do to get there. We know, for example, that our current fossil fuel economy has reached its limits. And we know that we have to move on to a new model – one that is powered by innovation, that has clean energy, that is moving towards a circular economy.

And this is why we set out to make the climate goal, not only a political aspiration, but also a legal obligation. And thanks to our new European Climate Law, this is exactly what we now have in place. Two years ago, we also set out our vision about that transformation. And today, I am proud to say that we have made good on our commitments. Europe is now the very first continent that presents a comprehensive architecture to meet our climate ambitions. We have the goal, but now we present a roadmap for how we are going to get there.

Our Package aims to combine the reduction of emissions, with measures to preserve nature, and to put jobs and social balance at the heart of this transformation. And it also shows the value that this transformation will generate and how public and private investment can – and will, of course – work together to make it a reality. We should always keep in mind: roughly one third of NextGenerationEU and the European budget will support green projects, sustainable projects all over Europe. This is more than EUR 500 billion at the European level alone. Then you have to add the national provisions in the national budgets. And this all gives – and we feel it already, we see it – certainty and incentives to the private sector, so that they complement that, for example, through investing in green bonds, that are making our financial system more sustainable.

Today, it is about putting all of that together in an architecture that can drive us to where we want to go. We have the goals, we have the Climate Law, we have it all underpinned by investment. And now, today, it is about the roadmap. The roadmap to our new target of at least -55% of greenhouse gas emissions until 2030. We chose carbon pricing as a clear guiding and market-based instrument with a social compensation. And the principle is simple: Emission of CO<sub>2</sub> must have a price – a price on CO<sub>2</sub> that incentivises consumers, producers and innovators to choose the clean technologies, to go towards the clean and sustainable products. And we know that carbon pricing works. Our existing Emissions Trading System has already helped significantly to reduce emissions in industry and in power generation. So we will strengthen the existing system in these sectors. And we will make Emissions Trading System applicable to aviation and extend it to the maritime.

We need this because we just have to consider that one single cruise ship alone uses as much CO<sub>2</sub> per day as 80,000 cars. And then we will build a second ETS on buildings and road transport. Because we all know that buildings today consume 40% of the energy consumption and the road

transport emissions have continuously increased – not decreased but increased. And we must reverse this trend. We must reverse this trend and we must do it in a fair and in a social way.

And let me step back for a moment from the specific example. If you look at transformations in Europe, every transformation, we were successful when we combined market-driven measures with the right social balance. And this is at the core of our social market economy – therefore we call it a social market economy. In this spirit, the climate transition will be accompanied by a Social Climate Fund. This Fund will support income and it will support investments to tackle energy poverty and to cut bills for vulnerable households and small businesses. So this is real support for those that need it most, while the pricing is effective. And this is real solidarity between Member States and within Member States. We are presenting today the market-based tools and tangible investment – complemented and underpinned by a comprehensive regulatory framework. And I will ask my team in a moment to present the proposals to you but allow me a few final thoughts.

Europe has always been the continent of scientists and innovators. We cannot always compete with the sheer size of our competitors, or, for example, the amount of natural resources they have. But we can rely on the most precious renewable resource in the world – and this is our ideas, our ingenuity, our innovative power of our people. It is this spirit that should give us the confidence that this generational change is not only realistic but also optimistic. We very often talk about taking our destiny in our own hands. This Package – this transition – is the true meaning of that. The more inclusive, the more successful it is today, the more we will have the freedom to act tomorrow, in the future.


Over the next days, you will hear a lot more details about the proposals – and the percentages, the acronyms, the allocation keys that go with them. These details do matter, but so does the bigger picture. Change on this scale is never easy – even when it is necessary. And for that reason there are some who will say we should go slower, we should go lower, we should do less. But when it comes to climate change, doing less or doing nothing literally means changing everything. The infernos and hurricanes we have seen over the last few weeks are only a very small window into what our future could look like.

But by acting now – when we still have the policy choices – we can do things another way. We can build for our future by design and choose a better, a healthier and a more prosperous way for the future. I am deeply convinced, and my team is deeply convinced, that this is our generational task – and it must unite us, it must encourage us. Because this is about securing the wellbeing, not only of our generation, but also of our children and of our grandchildren. And I think there is no greater and no more noble task than that. And Europe is ready to lead the way.

Now I would like to give the floor to the first Executive Vice-President, Frans Timmermans, who is in charge of the overall green cluster and the European Green Deal.

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