



EU Energy-Intensive Industries' 2050 Masterplan

BECOMING CLIMATE-NEUTRAL WHILE STAYING COMPETITIVE

Europe will be the first climate-neutral continent. The High Level Group on Energy-Intensive Industries, advising the Commission on policies relevant to energy-intensive industries since 2015, has developed a Masterplan with recommendations to build the policy framework needed to manage this transition while keeping our industry competitive. These recommendations aim to feed into the future EU Industrial Strategy and the European Green Deal.



ENERGY-INTENSIVE INDUSTRIES: THE NEED FOR FAST CHANGE

Energy-intensive industries lie at the heart of many EU value chains. Today, eleven of them make up more than half of the EU industry's energy consumption. They share the ambition of the Paris Agreement and acknowledge the extent of the transformation challenge as well as the opportunities it brings. Given the long investment cycles for these industries, meeting the 2050 targets require fast action.

ENERGY-INTENSIVE INDUSTRIES ARE AT THE CORE OF NUMEROUS EUROPEAN VALUE CHAINS AND ARE INTERLINKED:



Source: VUB, 2018

HIGH LEVEL GROUP'S RECOMMENDATIONS



The Masterplan presents an integrated policy framework with recommendations to ensure that these industries can contribute to Europe's 2050 climate-neutrality ambitions. It outlines actions that could provide the right market signals to attract new investments in Europe, help companies implement cost-effective pathways towards climate-neutrality and seize new business opportunities in Europe and abroad. The Masterplan also focuses on the need to ensure a just transition and considers the need to equip workers with new skills and help communities dependent on these industries to manage the transition.

KEY RECOMMENDATIONS OF THE HIGH LEVEL GROUP

CREATION OF MARKETS

- Use full life-cycle approach to measure greenhouse gas footprint of products and materials
- Make strategic use of public procurement to select sustainable products and services
- Develop an enabling framework to support the cost competitiveness of climate neutral, circular economy products



INNOVATION

- Develop large scale pilots to showcase clean technologies by 2025-2030 and foster large scale deployment thereafter
- Develop Horizon Europe Partnerships on Climate-Neutral, Circular Industry and on Clean Steel
- Align eligibility criteria between different funds, both on EU level (e.g. Horizon Europe, or InvestEU) and national level and also interoperability of funding mechanisms



INVESTMENT

- Identify pipeline of technology projects to be funded by private sector and public funds
- Facilitating access to private capital at affordable cost, including through de-risking instruments
- The Commission's Action Plan on Financing Sustainable Growth should support competitiveness of the EU industry and its transition to climate-neutrality



ENERGY AND RAW MATERIALS

- Ensure access and availability of climate-neutral energy at globally competitive prices
- Develop supply and infrastructure for low emission alternative feedstock sources such as hydrogen
- Develop infrastructure reflecting an integrated approach including energy, transport and digital networks
- More strategic approach needed in ensuring access to supply of sustainable raw materials, including development of economic partnerships with resource-rich countries and better use of domestic resources



CIRCULAR ECONOMY

- Accelerate the move to circular economy to reduce greenhouse gas emissions through better material and resource efficiency across value chains
- Introduce measures to assess products based on the appropriate and standardised life-cycle approach
- Develop technological solutions and design products that help achieve circularity
- Exploit underused potential for use of secondary raw materials
- Promote use of renewable and (carbon-based) recyclables beyond energy production



SOCIAL DIMENSION



- Equip workers with new skills to deal with the transformation
- Communicate better to help consumers make more informed choices
- Support the transition of coal and carbon-intensive communities and regions, including through the future Just Transition Fund

NEXT STEPS

Set up an industrial transition observatory involving relevant industry and civil society stakeholders to monitor industry's progress towards climate-neutrality and circularity and advice course corrections

