“This is Europe’s man on the moon moment. The European Green Deal is very ambitious, but it will be very careful in assessing the impact of every single step we’re taking”

Ursula von der Leyen
President of the European Commission
The Green Deal is an integral part of the Commission's strategy to implement the United Nation's 2030 Agenda and the SDGs.

It will consist of macroeconomic coordination to integrate the United Nations' Sustainable Development Goals, to put sustainability and well-being of citizens at the centre of economic policy.

All the EU actions and policies will have to contribute to the Green Deal objectives.
In order to limit global warming to 1.5 degrees, carbon neutrality by mid-21st century is essential. This target is also laid down in the Paris agreement signed by 195 countries.

Carbon neutrality means having a balance between emitting carbon and absorbing carbon from the atmosphere in carbon sinks (soil, forest and oceans).

EU Commission commitments signed in 2018
- 40% by 2030

GREEN DEAL

2030
- 50% towards - 55%

2050
CLIMATE NEUTRALITY

*compared to 1990 levels
HOW THE EU PLANS TO ACHIEVE THE CLIMATE NEUTRALITY?

**EMISSION TRADING SYSTEM (ETS)**
Limits emissions from more heavy energy-using installations and airlines.
'cap and trade' system within the cap, companies receive or buy emission allowances which they can trade with one another as needed.
Covers 45% of all EU's GHG.

**EU CLIMATE LAW (JUNE 2021)**
Ensure that all the EU policies contribute to the climate neutrality.

**Energy Taxation Directive**
Align taxation with climate objectives.

**EFFECTIVE CARBON PRICING**
- Consumer and business behaviors
- Sustainable public and private inv.

**Carbon Adjustment Mechanism**
Global Value Chain

Market mechanism

EU Legislation
SUPPLYING CLEAN, AFFORDABLE AND SECURE ENERGY

75% of EU's Greenhouse Gas emission is related to the production and use of energy across economic sectors.

While EU only emits 10% of GLOBAL greenhouse gas.

EU primary energy mix

- Oil: 37%
- Natural Gas: 14%
- Coal: 18%
- Nuclear: 24%
- Renewables: 7%

2006 = 1844 Mtoe
2017 = 1674 Mtoe

*based on EUROSTAT data

ENERGY TRILEMMA

- Sustainable
- Competitiveness
- Security
## Energy policy targets of the **GREEN DEAL**

### Reduce Greenhouse Gas Emissions
- **2030**: -40%
- **2050**: Net zero carbon footprint

### Develop Renewable Energy
- **2020**: 20%
- **2030**: 32%

### Improve Energy Efficiency
- **2020**: 20%
- **2030**: 32.5%
EU Energy policy main tools in 2019

EU ENERGY POLICY Main Tools in 2019

- ENERGY EFFICIENCY
- RENEWABLES
- CLEAN MOBILITY
- INNOVATION
- ENERGY MARKET INTEGRATION
- SECURITY OF SUPPLY
- SOCIAL JUSTICE
- CARBON PRICE
- GOVERNANCE

EU LEGISLATION

- Energy Efficiency Directive
- Renewable Energy Directive
- CO2 standards for cars, vans and trucks
- Electricity Market Regulation and Directive
- Regulation on Risk Preparedness in Electricity
- Security of Gas Supply Regulation
- EU ETS Mechanism
- Governance Regulation

ENABLING TOOLS

- Clean Energy for EU Islands Initiative
- European Battery Alliance
- EIT InnoEnergy
- Trans-European Energy Infrastructure Regulation (incl. projects of common interest)
- Security of Gas Supply Regulation
- Decision on Intergovernmental energy agreements with third countries
- European Coal Regions in Transition Platform
- EU Energy Poverty Observatory
- Non-ETS sectors (transport, agriculture...)
- Covenant of Mayors

EU FINANCIAL SUPPORT

20% of the EU budget (2014-2020) should contribute to climate objectives

- Urban Agenda for the EU
- Smart Finance for Smart Buildings
- H2020 Horizon Europe
- NER300 Innovation Fund
- ENTSO-E
- ENTSO-G
- ACER
- EU Energy Diplomacy
- Connecting Europe Facility (CEF)
- European Social Fund
- European Globalisation Fund

*source Jaques Delors Institute
ENVIRONMENTAL POLICIES OF THE GREEN DEAL

- CIRCULAR ECONOMY
- SUSTAINABLE & SMART MOBILITY
- ECOSYSTEM & BIODIVERSITY
- BUILDING & RENOVATING
- FARM TO FORK
- TOXIC-FREE ENVIRONMENT
MOBILIZING INDUSTRY FOR A CLEAN AND CIRCULAR ECONOMY

EU's industry accounts for 20% of the EU's greenhouse gas emissions.

Only 12% of the materials used by EU industry come from recycling.

It takes 25 years to transform an industrial sector and all the value chain. To be ready in 2050, decision and actions need to be taken in the next five years.

Circular Economy Action Plan
March 2020

Sustainable Products policy

- Circular design
- Reducing and reusing material
- New business models

- Prevent environmentally harmful products
- Extend producer responsibility

Textile, Construction, Electronics, Plastic
Sustainable products in Circular Economy

- Ecodesign & Energy Labelling
- Extended Producer Responsibility
- Green Public Procurement
- Packaging
- Electrical and Electronic equipment and batteries
- Building and constructions
BIODIVERSITY & ZERO POLLUTION

Biodiversity Strategy
March 2020

- Green European cities
- Agriculture Farm to Fork
- EU Forest Strategy
- Blue Economy

Zero Pollution
March 2020

- Clean water
  (microplastic and pharmaceuticals)
- Clean Air
- Industry
- Chemicals
**SUSTAINABLE EUROPE INVESTMENT PLAN**

**EU BUDGET**

- Commission proposal
- 25% target for climate mainstreaming across all EU programs
- New revenue streams
  1. Non-recycled plastic waste
  2. Allocate 20% of the ETS to the EU budget

**InvestEU Fund**

- 30% to fight Climate Change

**European Investment Bank**

- Climate target from 25% to 50% by 2025

**JUST TRANSITION MECHANISM**

- €100 billion to support regions and sectors that are most affected by the transition because they depend on fossil fuels or carbon intensive group
- Co-financing by Member State

**OBJECTIVES**

- €260 billion of additional investment
  - 1.5% of the 2018 GDP
- EU BUDGET
  - Commission proposal
  - 25% target for climate mainstreaming across all EU programs
  - New revenue streams
    1. Non-recycled plastic waste
    2. Allocate 20% of the ETS to the EU budget
  - InvestEU Fund
    - 30% to fight Climate Change
  - European Investment Bank
    - Climate target from 25% to 50% by 2025
  - JUST TRANSITION MECHANISM
    - €100 billion to support regions and sectors that are most affected by the transition because they depend on fossil fuels or carbon intensive group
    - Co-financing by Member State
PRIVATE SECTOR contribution to financing the green transition

Foundation of sustainable investment
1 - Taxonomy for classifying environmental sustainable activities
2 - Non-Financial Reporting Directive

Identification of sustainable investment
1 - Clear labels for retail investment products
2 - EU Green Bond standard

Climate and environmental risks will be managed and integrated into the financial system
Thank You

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