

The European Green Deal

Introduction

- The European Green Deal is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.
- The environmental ambition of the Green Deal will not be achieved by Europe acting alone. The EU can use its influence, expertise and financial resources to mobilise its neighbours and partners to join it on a sustainable path. The EU will continue to lead international efforts and wants to build alliances with the like-minded.

Increasing the EU's climate ambition for 2030 and 2050

- The EC will propose the first **European 'Climate Law'** by March 2020. This will enshrine the 2050 climate **neutrality objective** in legislation. The Climate Law will also ensure that all EU policies contribute to the climate neutrality objective and that all sectors play their part.
- By summer 2020, the EC will present an impact assessed plan to **increase the EU's greenhouse gas emission reductions target for 2030 to at least 50% and towards 55%** compared with 1990 levels in a responsible way. To deliver these additional greenhouse gas emissions reductions, the EC will, by June 2021, **review and propose to revise where necessary, all relevant climate-related policy instruments**.
- Should differences in levels of ambition worldwide persist, as the EU increases its climate ambition, the EC will propose a **carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage**. This would ensure that the price of imports reflect more accurately their carbon content. This measure will be designed to comply with World Trade Organization rules and other international obligations of the EU.

Mobilizing industry for a clean and circular economy

- Achieving a climate neutral and circular economy requires the **full mobilization of industry**. It takes 25 years – a generation – to transform an industrial sector and all the value chains. To be ready in 2050, decisions and actions need to be taken in the next five years.
- In March 2020, the EC will adopt an **EU industrial strategy** to address the twin challenge of the green and the digital transformation. Europe must leverage the potential of the digital transformation, which is a key enabler for reaching the Green Deal objectives. Together with the industrial strategy, a **new circular economy action plan** will help modernize the EU's economy and draw benefit from the opportunities of the circular economy domestically and globally.

- Energy-intensive industries, such as steel, **chemicals** and cement, are indispensable to Europe's economy, as they supply several key value chains. The decarbonization and modernization of this sector is essential.
- The **circular economy action plan** will include a 'sustainable products' policy to support the circular design of all products based on a common methodology and principles. While the circular economy action plan will guide the transition of all sectors, action will focus in particular on resource-intensive sectors such as textiles, construction, electronics and **plastics**.

A zero-pollution ambition for a toxic-free environment

- Creating a **toxic-free environment** requires more action to prevent pollution from being generated as well as measures to clean and remedy it. To protect Europe's citizens and ecosystems, the EU needs to better monitor, report, prevent and remedy pollution from air, water, soil, and consumer products. To achieve this, the EU and Member States will need to look more systematically at all policies and regulations. To address these interlinked challenges, the EC will **adopt in 2021 a zero-pollution action plan for air, water and soil**.
- The EC will propose to strengthen provisions on monitoring, modelling and air quality plans to help local authorities achieve cleaner air. **The EC will notably propose to revise air quality standards to align them more closely with the World Health Organization recommendations.**
- The EC will **review EU measures to address pollution from large industrial installations**. It will look at the sectoral scope of the legislation and at how to make it fully consistent with climate, energy and circular economy policies.
- To ensure a **toxic-free environment**, the EC will present a **chemicals strategy** for sustainability. All parties including industry should work together to combine better health and environmental protection and increased global competitiveness. The EC will review how to use better the EU's agencies and scientific bodies to move towards a process of 'one substance – one assessment' and to provide greater transparency when prioritizing action to deal with chemicals. In parallel, the regulatory framework will need to rapidly reflect scientific evidence on the risk posed by endocrine disruptors, hazardous chemicals in products including imports, combination effects of different chemicals and very persistent chemicals.

Accelerating the shift to sustainable and smart mobility

- Transport accounts for a quarter of the EU's greenhouse gas emissions, and still growing. To achieve climate neutrality, a **90% reduction in transport emissions is needed by 2050**.
- The EC will propose more **stringent air pollutant emissions standards for ICE vehicles**. **The EC will also propose to revise by June 2021 the legislation on CO2 emission performance standards for cars and vans**, to ensure a clear pathway from 2025 onwards towards zero-emission mobility.
- The EC will propose to **extend European emissions trading to the maritime sector**. This will be coordinated with action at International Maritime Organization.

Mainstreaming sustainability in all EU policies, research and EU as global actor

- The EC will present a **Sustainable Europe Investment Plan** to help meet the additional funding needs.
- As part of the Sustainable Europe Investment Plan, the EC will propose a **Just Transition Mechanism, including a Just Transition Fund**, to leave no one behind.
- The EC will present a **renewed sustainable finance strategy** in the third quarter of 2020 that will focus on a number of actions:
 - First, the strategy will strengthen the **foundations for sustainable investment**. Sustainability should be further embedded into the corporate governance framework, as many companies still focus too much on short-term financial performance compared to their long-term development and sustainability aspects. At the same time, companies and financial institutions will need to increase their disclosure on climate and environmental data so that investors are fully informed about the sustainability of their investments.
 - Second, increased **opportunities** will be provided for investors and companies by making it easier for them to identify sustainable investments and ensuring that they are credible. This could be done via clear labels for retail investment products and by developing an EU green bond standard that facilitates sustainable investment in the most convenient way.
 - Third, **climate and environmental risks will be managed** and integrated into the financial system. This means better integrating such risks into the EU prudential framework and assessing the suitability of the existing capital requirements for green assets.
- **New technologies, sustainable solutions and disruptive innovation are critical to achieve the objectives of the European Green Deal.** To keep its competitive advantage in clean technologies, the EU needs to increase significantly the large-scale deployment and demonstration of new technologies across sectors and across the single market, building new innovative value chains. This challenge is beyond the means of individual Member States. Horizon Europe, in synergy with other EU programs, will play a pivotal role in leveraging national public and private investments. At least 35% of the budget of Horizon Europe will fund new solutions for climate, which are relevant for implementing the Green Deal.
- **Trade policy can support the EU's ecological transition.** It serves as a platform to engage with trading partners on climate and environmental action. The EC has also been stepping up efforts to implement and enforce the sustainable development commitments of EU trade agreements, and these efforts will be further enhanced with the appointment of a **Chief Trade Enforcement Officer**. The EC will propose to **make the respect of the Paris agreement an essential element for all future comprehensive trade agreements**. All chemicals, materials, food and other products that are placed on the European market must fully comply with relevant EU regulations and standards.