



EC's Green Deal Moving towards Carbon Neutrality*

Russia's Long-term Low-carbon Development Strategy

Richard Baron

Executive Director - 2050 Pathways Platform

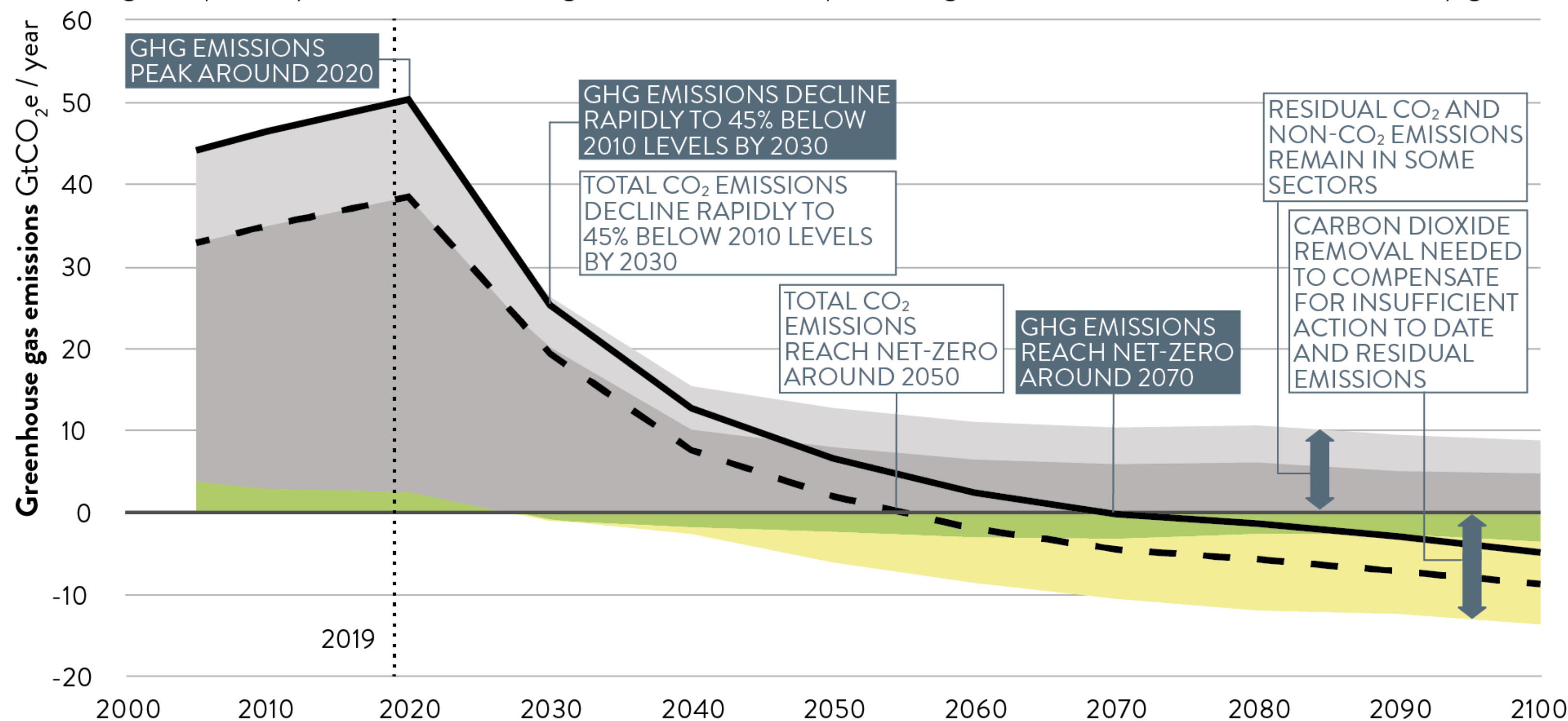
CENef XXI Online Workshop - 23 March 2021

Climate emergency as a defining factor of EU's future development

PEAK AND RAPID DECLINE TO BELOW NET-ZERO

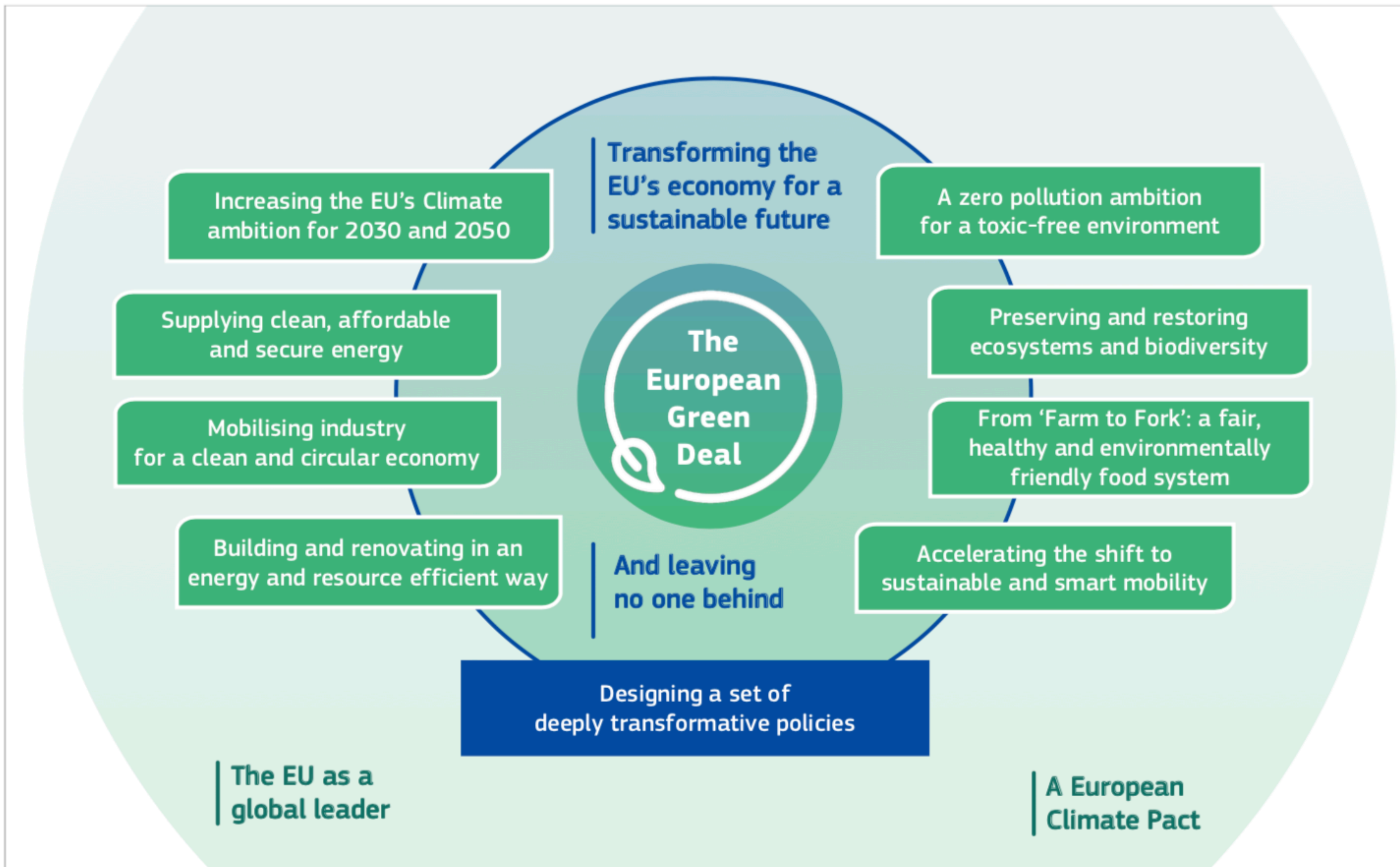
What the UN Intergovernmental Panel on Climate Change Special Report on 1.5°C tells us about global pathways to achieve Paris Agreement 1.5°C temperature goal that take into account sustainability goals

CLIMATE ANALYTICS



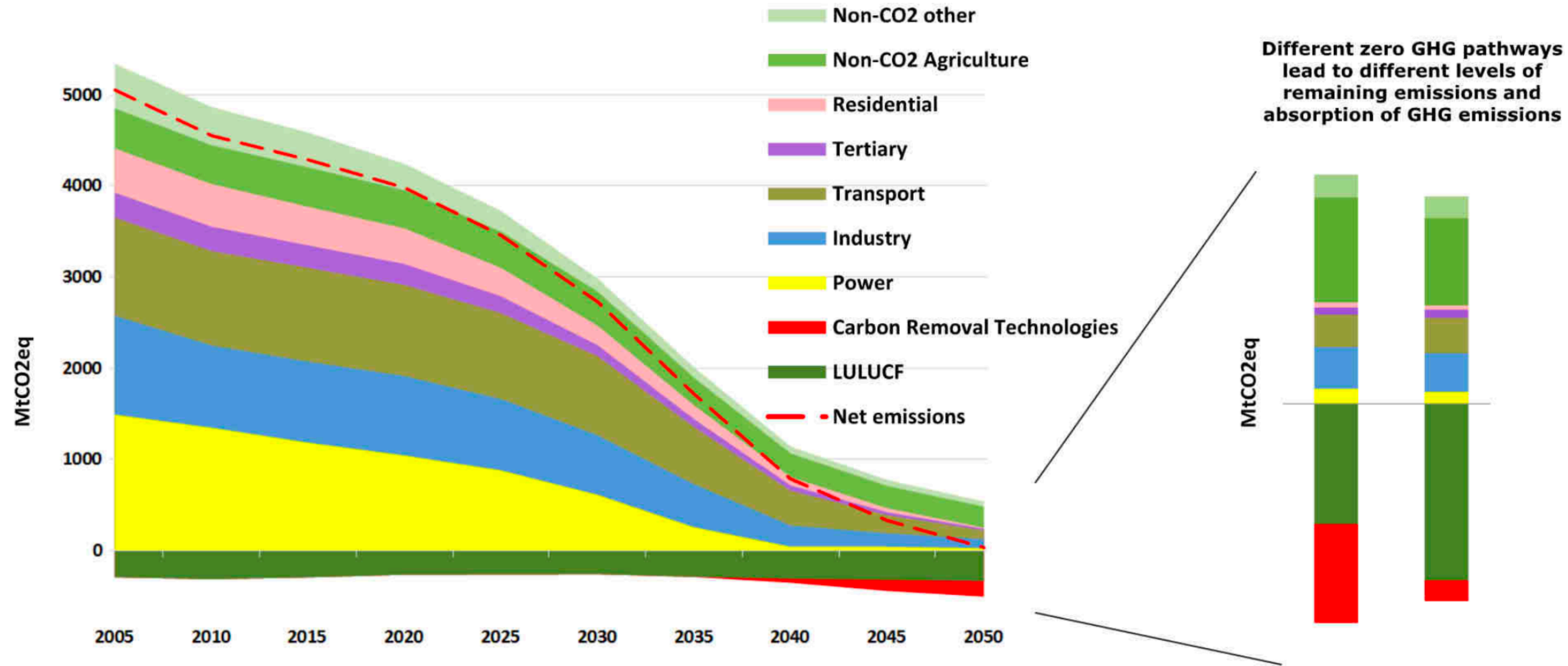
- Climate change seen as existential threat to the European model
- Historical responsibility and leadership to decarbonise its economy
- The EU cannot do this alone.
- EU economy thriving in global trade – second largest global importer and exporter
- Combining Covid-recovery and climate imperative: The European Green Deal

The European Green Deal



- Headline ambition: Climate neutrality by 2050
- **Greenhouse gas emissions at -55% from 1990 by 2030** (at -24% in 2019, with 61% GDP growth in the same period)
- Meeting sectoral priorities while securing 'neutrality'
- 'Transformative': a structural, long-term development agenda, with immediate policy implications

EU trajectories to 2050 climate neutrality



Source: EC communication COM(2018)773, page 23

Climate and EU recovery from Covid-19

Recovery Plan for Europe

- EUR 1.8 Trillion – greener, more digital and more resilient Europe – 2021-2027
- 30% of EU funds directed at fighting climate change
- Dedicated effort on research and innovation towards modernisation of the EU
- Just Transition Fund (EUR 40 bn, triggering EUR 89-107 bn) for economic diversification and reconversion of territories concerned.
- New sources of revenues
 - A carbon border adjustment mechanism (CBAM)
 - A digital levy
 - The EU Emissions Trading System
 - A financial transaction tax
 - A financial contribution linked to the corporate sector
 - A new common corporate tax

Source: https://ec.europa.eu/info/strategy/recovery-plan-europe_en#main-elements-of-the-agreement

Some of the EU major climate policy (and related) initiatives

- **Governance:** the EU Climate Law to make carbon neutrality legally-binding on EU Member States
 - To be decided with qualified majority (instead of unanimity)
 - European Parliament as co-legislator
- **Reform of the Emissions Trading System** (heavy industry & electricity; possible extension to transport and building sector?) and CBAM
- **Industrial policy & Circular economy**
- Energy **Taxation** Directive
- The Sustainable Finance **taxonomy** Regulation – defining ‘sustainable’ investments from EU’s perspective
- **Trade** Policy Review: “Seek commitments from G20 partners on climate neutrality, strengthen cooperation on other aspects of the green deal such as biodiversity, sustainable food policy, pollution and the circular economy, and propose to make the respect of the Paris agreement an essential element in all future agreements.”

The Green Deal: quickening the pace of policy-making

2021 policy objectives – a selection

- **Revision of the EU Emissions Trading System (ETS), including maritime, aviation and CORSIA as well as a proposal for ETS as own resource**
- **Carbon Border Adjustment Mechanism and a proposal for (CBAM) as own resource**
- **Amendment to the Renewable Energy Directive to implement the ambition of the new 2030 climate target**
- **Amendment of the Energy Efficiency Directive to implement the ambition of the new 2030 climate target**
- **Reducing methane emissions in the energy sector**
- **Revision of the Energy Tax Directive**
- **Revision of the Directive on deployment of alternative fuels infrastructure**
- **Revision of the Regulation setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles**
- **Revision of the energy performance of Buildings Directive**
- **Sustainable products policy initiative, including a revision of the Ecodesign Directive**
- **Action plan for the development of organic production: on the way to 2030**
- **Minimising the risk of deforestation and forest degradation associated with products placed on the EU market**
- **Sustainable corporate governance**
- **Towards the future generalised scheme of preferences legal framework granting trade advantages to developing countries**

https://ec.europa.eu/info/system/files/2021_commission_work_programme_new_policy_objectives_factsheet_en.pdf

EU Green Deal and climate neutrality: defining Europe's future

- Recognizing and integrating climate change as an existential threat. Cannot fix the global climate alone, but other major economies are joining.
 - And will bring their **own policy and technology pathways**.
- Leading by example: climate neutrality by 2050 – **and planning accordingly from 2050 back to today to minimise stranded assets**
 - Climate mitigation and adaptation integral to the EU recovery plan (infrastructure, finance, jobs, equity)
- No stones left unturned: all aspects of **EU policies** checked for climate impact and **updated to fit the purpose of climate neutrality** by 2050 and – 55% by 2030 (an additional 20% GHG reduction in 9 years)
- Redefines **EU trade and trade policy** – climate neutrality to become a principle of economic activity in the EU, with implications for market access



2050pathways.org

Thank you for your attention

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