

E U R O P E A N E C O N O M I C A R E A
C O N S U L T A T I V E C O M M I T T E E

18 September 2020

RESOLUTION AND REPORT

on

The European Green Deal

Rapporteurs:

Ms Kinga Joó (European Economic and Social Committee, Diversity Europe –
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RESOLUTION

on

the European Green Deal

The Consultative Committee of the European Economic Area (EEA CC):

- Having regard to the EEA Agreement, and in particular Article 96 thereof,
- Having regard to the European Commission Communication ‘The European Green Deal’ of 11 December 2019, The European Green Deal Investment Plan (EGDIP) of 14 January 2020, the European Commission Proposal for a regulation establishing the Just Transition Fund of 14 January 2020, the European Commission Proposal for a Regulation establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) of 4 March 2020, as well as the European Commission Communication ‘A new Circular Economy Action Plan for a Cleaner and More Competitive Europe’ of 11 March 2020 and the Commission Communications on ‘A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system’ and the ‘EU Biodiversity Strategy for 2030 bringing back nature into our lives’ of 20 May 2020.
- Referring to earlier resolutions of the EEA CC, in particular the Resolutions on ‘Benefits of 25 years of the EEA Agreement’ of 2019; on the ‘Social Dimension of the EEA and the European Pillar of Social Rights’ of 2017; on ‘Work-Life Balance in the EEA’ of 2018 and on ‘Investing in quality jobs for sustainable growth’ of 2015;
- Having regard to position papers of EU social partners’, and in particular the European and Economic and Social Committee (EESC)’s opinion on 'European Green Deal Investment Plan', adopted on 10 June 2020, the Opinion on European

Climate Law, adopted on 15 July 2020, and the Opinion on a 'New Circular Economy Action Plan', also adopted on 15 July 2020.

- Acting in accordance with its Rules of Procedure, and in particular Article 2(2) thereof,

While:

- A. Acting in accordance with its mandate to enhance the awareness of the economic and social aspects of the growing interdependence of the economies of the EEA States and of their interests, as laid out by Article 96(1) of the EEA Agreement;
- B. Emphasising the importance of the role of social partners for the good implementation of the EEA Agreement;
- C. Recognising that despite the fact that the COVID-19 pandemic in 2020 will have a stark and long-lasting financial and social impact on private businesses, workers, civil society and the public sector across the world, it is necessary for all countries to stick to the commitments of the Paris Agreement and ensure that ongoing and planned climate efforts are respected in pursuit of a sustainable and inclusive economic recovery;

Has adopted the following Resolution, by which it:

1. Welcomes the Commission Communication on the European Green Deal;
2. Emphasises that through the EEA Agreement, the three EEA EFTA States Iceland, Liechtenstein and Norway are fully integrated in the EU's Single Market. Much of the upcoming legislation and policy at EU-level linked to the European Green Deal will have a bearing on the Single Market and the European Commission and the EEA EFTA States will have to assess their EEA relevance continuously;

3. Highlights that the EEA EFTA States and the EU have a strong common interest in promoting European competitiveness and a level playing field with high standards for the protection of workers, consumers and the environment;
4. Underlines that environmental change is an increasingly strong driver of labour demand and skills supply across all sectors, while it also bears the danger of loss of employment for some industries. A Just Transition is necessary for workers in those industries and regions most affected, inter alia by ensuring that the right skills for green jobs are attained by workers, which is a prerequisite for making the transition to a greener and just economy happen. This requires clear strategies on skills foresight and vocational training with associated roadmaps to make and keep the workforce fit for the future needs in all sectors.
5. Calls on the EEA EFTA States to commit themselves to the ambitious agenda of the European Green Deal, assess participation in relevant non-legislative initiatives and to contribute to developing ambitious common rules of the EEA related to the green transition, as they face the same questions and challenges and will incorporate much of the resulting legislation into the EEA Agreement;
6. Recommends the EEA EFTA States and the EU to join efforts to secure the swift incorporation of upcoming EEA relevant legislative proposals of policies that will have an impact on the Single Market into the EEA Agreement as soon as possible after their adoption at EU-level;
7. Encourages the EEA EFTA States to follow equivalent or higher level of climate ambitions as the EU also in areas that are not considered to be EEA relevant, but where shared efforts are necessary to secure a transition into a low carbon economy by 2050 and to meet the 2015 Paris Agreement commitments;

Reaching a climate neutral Europe by 2050

8. Welcomes the Commission's overarching ambition to make Europe the first climate neutral continent by 2050, acknowledging that it is high time for a streamlining of policy actions to ensure that all European industry and services providers in all relevant sectors adjust and become part of the inevitable green transition, crucial for Europe's future and competitiveness;

9. Acknowledging that Norway was one of the first countries to submit enhanced reduction plans to the United Nations and increase its ambition to reduce its carbon emissions by 50-55 % by 2030 compared to 1990 levels, it welcomes the the Commission initiative to assess in a comprehensive manner the impacts of increasing the 2030 EU GHG reduction, with a view to adopting a 50-55% target. Subsequently reaching a swift political agreement in the EU on an upgraded 2030 target will be crucial for the its credibility and success in the fight against climate change;
10. Underlines that climate action and the economic recovery and reconstruction from the coronavirus crisis can and must go hand in hand. The recovery and reconstruction measures need to be in line with the climate objective, and climate action needs to be taken in a way that minimises costs and generates economic benefits.
11. Calls on the EEA EFTA States and the EU to progressively strengthen the mechanisms, inter alia the Emissions Trading System (ETS), that are supportive of a more ambitious climate target;
12. Commends the EU for harmonising the actions under the European Green Deal with the United Nations' Sustainable Development Goals (SDGs) and for recognising the need for full implementation of the SDGs in the transition to a low carbon economy;
13. Stresses that technological development, ambitious European legislation on emission standards, and active national and local policies to promote a cleaner transport sector are essential to the successful transformation into a net-zero future across the EEA;
14. Points out that the achievement of the target of climate neutrality by 2050 at European level is only possible if each country makes its contributions on mitigation and adaptation fully and on time. If Europe leads by example, it can encourage and urge the rest of the world to increase its climate ambitions in accordance with the Paris Agreement;

Transition to a circular economy

15. Welcomes the aim to promote a circular economy in the internal market, creating 700 000 new jobs and increasing growth by 0,5 percent by 2023, affecting all parts of the economy, from promoting more sustainable products, creating new business models, promoting reparability and reduction of waste, and all sectors including civil society;¹
16. Proposes that eco-design is expanded, that advertising is shifted from its highly consumerist orientation to product durability and reuse possibilities, and that consumers are given better information on product management, traceability and transparency to enable the flow of information on composition and repair possibilities.
17. Stresses that in order to help further the transition to a circular economy, exchange of best practices at all levels should be encouraged. The European Circular Economy Stakeholder Platform – formed in partnership between the European Commission and the European Economic and Social Committee – is an example of such an initiative, designed to bring together pan-European stakeholders to share knowledge, experience and expertise;
18. Underlines that it is essential to recognise the complementarity between climate change, circular economy policies and corporate social responsibility, and to highlight the circular characteristics of energy from renewable sources, as well as the need to develop technologies, for instance related to carbon capture and storage. This is particularly relevant to the construction and transport sectors, but should also involve support for farming practices and the food system, which is necessary to reduce waste.
19. Notes that while the Common Agricultural Policy and the Common Fisheries Policy of the EU are not part of the EEA Agreement, the EEA Agreement does provide provisions on various related aspects such as on agricultural products

¹ European Commission: *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: “A new Circular Economy Action Plan. For a cleaner and more competitive Europe.”* COM(2020) 98 final. 11 March 2020.

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_420

(preferential trade), fishery products, food safety (food and veterinary matters) and organic production. The EEA EFTA States should therefore consider, especially with regards to the EU's Farm to Fork Strategy, harmonising legislation and practices that aim at reducing food waste and giving consumers better information on details such as where the food comes from, its nutritional value, and its environmental footprint;

Financing the Green Transition and securing a “Just Transition”

20. Welcomes the proposals regarding taxonomy, making it possible to define “environmental sustainable investments”, as a crucial step towards strengthening the foundation for sustainable development and stresses that in order for this classification system to benefit the Single Market, in terms of attracting capital for sustainable investments across the EEA, it is of utmost importance that all of the EEA States take the same approach in this regard;
21. Recognises that the transition from a linear to a circular, carbon neutral economy will affect the core of the Single Market and have a strong impact on all economic actors and stakeholders connected to it. If not anticipated, the transition can deepen existing inequalities between regions, sectors and people and result in the loss of many European jobs. Energy poverty, in particular, needs to be prevented. To make sure that the transition is fair and no one is left behind, it is of utmost importance that the strategy for the Green Deal includes a prominent social dimension;
22. Welcomes in this regard the Commission's initiative to establish the Just Transition Fund to support change in the regions that are most dependent on fossil fuels or carbon-intensive processes;
23. Recognises however that in order to secure a just transition, additional funding has to be made available through national governments across the EEA as well as the private sector and encourages the EEA EFTA States and the EU to focus their efforts on creating the conditions to allow these players to truly unleash ‘a green investment wave’;

24. Notes that through the European Economic Area Financial Mechanism and Norwegian Financial Mechanism (i.e. the so-called EEA and Norway Grants) the EEA EFTA States support social and economic cohesion in Europe. For the period 2014-2021, a total of €2.8 billion has been set aside under the Grants with a substantial share of the funds aimed at protecting the environment and developing innovative green and blue economies in the beneficiary states;
25. Call on the EEA EFTA States to allocate substantial funding under the new Financial Mechanisms to programs addressing the core objectives of the Green Deal, mainly supporting climate change mitigation by increasing economic competitiveness through sustainable innovation while securing green jobs across the EEA;

R&D and innovation

26. Stresses that the ambition outlined in the Commission's proposal for a European Green Deal, especially regarding boosting the development and deployment of 'climate and resource frontrunners' and commercial applications of breakthrough technologies in the coming years, must be matched with the appropriate funding;
27. Welcomes the emphasis placed on green technologies by Horizon Europe and highlights that EEA EFTA participation in EU programmes is a key instrument for the EEA EFTA States' cooperation with EU institutions and Member States under the EEA Agreement. Over the 2014-2020 Multiannual Financial Framework (MFF) period, the programme commitments by the EEA EFTA States are estimated to amount to a total of 3.22 billion Euro. It is essential that when the EEA EFTA States contribute financially to an EU programme in accordance with the provisions of the EEA Agreement, their rights to full access to the programme is also in accordance with the Agreement;
28. Emphasises the added value for European competitiveness and cross-border understanding in the EEA of cooperation between social partners as well as governmental and civil society organisations through the EU programmes;

Carbon Border Adjustment Mechanism

29. Stresses that a Carbon Border Adjustment Mechanism, which is forecasted in the Political Guidelines of Commission President Ursula von der Leyen and which aims at preventing carbon leakage and protecting companies and industries from “unfair competition” from outside the Single Market, should in its design incentivise the trading partners of the EU and EEA EFTA States to put in place effective pricing of carbon emissions in line with UNFCCC ambitions, comply with WTO-rules and be practical and implementable, without creating an additional burden for companies and industries within the Single Market;

30. Notes that the EEA EFTA States are committed to market-based solutions for achieving the green transition and a well-functioning Emissions Trading System (ETS), which is incorporated through the EEA agreement;

REPORT

on

the European Green Deal

1. Introduction

- 1.1. With its proposal for a European Green Deal, the Commission aims at meeting the goals of the 2050 Paris Agreement to limit global warming to well below 2°C above pre-industrial levels. This ambition was first outlined by the Juncker Commission in its Communication from 2018 “A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy”.
- 1.2. The new Commission President, Ursula von der Leyen, has highlighted the overarching objective of making Europe “the world’s first climate neutral continent” as the key priority for the legislature in the period 2019-2024. To this end, the Commission outlines the launch of a European Green Deal as one of the six main headline ambitions for Europe in the next years.
- 1.3. On 11 December 2019, the Commission published a Communication outlining its proposal for a European Green Deal. The Commission proposal includes 50 practical measures, intending to serve as a roadmap for actions towards reaching climate neutrality by 2050 while at the same time boosting the competitiveness of European industry and ensuring a just transition for the regions and people affected. The Communication’s Annex lists the specific proposed policy actions, and their expected timeline.
- 1.4. At this point of time, no new or revised EU legislation has been adopted at EU-level in relation to the European Green Deal. It is currently the Commission Communication and roadmap on the European Green Deal² and its annex, the

² European Commission: *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: “The European Green Deal”*, (COM(2019) 640 final). 11 December 2019.
https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

proposals on the Investment Plan³ and the Just Transition Fund⁴ as well as a new climate law⁵ and the Commission Communications on a new Circular Economy Action Plan, the Farm to Fork Strategy and the Biodiversity Strategy for 2030 which so far serve as the main references for what can be expect from the Green Deal. The Green Deal roadmap presents a timeline for additional Commission proposals and initiatives which cover most of EU's sectors and policy areas. Depending on the policy field and the EU decision-making procedure, these will need a final approval by the European Council and the European Parliament.

- 1.5. On 27 May 2020, the Commission launched Communication on the post-COVID 19 recovery plan “Europe’s moment: Repair and Prepare for the Next Generation”. The recovery plan Communication emphasises the European Green Deal as the EU’s growth strategy, proposing to strengthen the role of several initiatives and substantially increasing funding.
- 1.6. The key points of the Commission’s proposal for European Green Deal can be summarised as the following:

2. Reaching a climate neutral Europe by 2050

- 2.1. The overarching objective of the European Green Deal is to reach a net-zero greenhouse gas (GHG) emissions in the EU by 2050. This will include the first European Climate Law which will enshrine the 2050 climate neutrality target into law. The proposal for a climate law, which is supposed to be a “crucial building block of the European Green deal”⁶, was launched on 4 March 2020.

³ European Commission: *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: “Sustainable Europe Investment Plan. European Green Deal Investment Plan.”* COM(2020) 21 final. 14 January 2020.
https://ec.europa.eu/commission/presscorner/detail/en/fs_20_48

⁴ European Commission: *Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund.* COM(2020) 22 final. 14 January 2020.
https://ec.europa.eu/commission/presscorner/detail/en/fs_20_50

⁵ European Commission: *Proposal for a Regulation of the European Parliament and of the Council, establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law).* COM(2020) 80 final. 4 March 2020.
https://ec.europa.eu/info/files/commission-proposal-regulation-european-climate-law_en

⁶ European Commission : *Speech by President von der Leyen in the Plenary of the European Parliament at the debate on the European Green Deal.* 11 December 2019.
https://ec.europa.eu/commission/presscorner/detail/en/speech_19_6751

- 2.2. In Q3 of 2020, the Commission will present a comprehensive plan to increase EU's ambition in cutting emissions. This new EU 2030 climate target will include a 50-55% cut in greenhouse gas emissions, replacing the current 40% objective. A 55% target will be subject to a cost-benefit analysis and the precise goal will be inserted after an impact assessment due to be completed during summer 2020. This proposal, as well as the impact assessment, will be non-legislative and will not require adoption by the European Parliament and the Council.
- 2.3. As production and use of energy account for more than 75% of EU's GHG emissions, transforming the power sector to largely depend on power supply from renewable energy sources is a top priority for the new Commission. Inevitably, this would be complemented by a "the rapid phasing out of coal and decarbonising gas". The Commission highlights that increasing offshore wind production will be essential in this regard. A strategy for offshore renewable energy (non-legislative) will be presented in Q4 2020. Furthermore, the Strategy for Energy System Integration (non-legislative communication), bringing together the electricity, gas and heating sectors closer together "in one system", as well as the EU Hydrogen Strategy, was presented on 8 July 2020.
- 2.4. The Commission points out that cross-border and regional cooperation will also help achieve the benefits of the clean energy transition at affordable prices. This could include the further development of cross-border energy infrastructures and networks (such as smart grid, hydrogen or carbon capture, storage and utilisation (CCS/U)).
- 2.5. When the EU 2030 Targets were adopted in 2014, Norway and Iceland announced that they will fulfil equivalent targets jointly with the EU and its Member States.⁷ Hence, on 7 February 2020, Norway was one of the first countries to submit enhanced reduction plans to the United Nations to increase its ambition to a cut of at least 50%, towards 55% by 2030 compared to 1990 levels, and has challenged the EU to do the same.

⁷ EFTA: *Climate policy and the EEA Agreement*. 14 December 2015.
<https://www.efta.int/EEA/news/Climate-policy-and-EEA-Agreement-63341>

2.6. The Commission will by June 2021 review and propose to revise where necessary, all relevant climate-related policy instruments to align them with the new GHG emission reduction targets.

2.7. These revisions can be expected to compromise several regulations relevant to the EEA EFTA Member States. These include the EU Regulation for the Land Use, Land Use Change and Forestry sector⁸, which was incorporated into the EEA Agreement in October 2019, as well as the Renewable Energy Directive and the EU Energy Efficiency Directive, both incorporated into the EEA Agreement.

3. A new Circular Economy Action Plan

3.1. The green transition will necessarily mean that we need to change the way we use, produce and consume things. The driving force to reaching climate neutrality by 2050, is therefore the Commission's proposal for a new Circular Economy Action Plan⁹ which will "help transform our production and consumption system with a view to reducing its environmental and carbon footprint".¹⁰ This plan aims to ensure that the regulatory and policy framework is made fit for a scale-up of the circular economy.

3.2. The transition from a linear to a circular economy will affect the core of the EU's Single Market and all types of economic players participating in it, from front-runners to mainstream economic players. It will target the lifecycle and value chains of all products on the market and impose standards and requirements in various areas such as the product's design, the producer's

⁸ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (Text with EEA relevance).

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.156.01.0001.01.ENG

⁹ European Commission: *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: "A new Circular Economy Action Plan For a cleaner and more competitive Europe"*. COM(2020) 98 final. 11 March 2020.

https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&format=PDF

¹⁰ European Commission: *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: "Commission Work Programme 2020"*. COM(2020) 37 final. 29 January 2020.

https://eur-lex.europa.eu/resource.html?uri=cellar%3A7ae642ea-4340-11ea-b81b-01aa75ed71a1.0002.02/DOC_1&format=PDF. Page 3.

responsibility and the production process. It will also put a special focus on the reduction of waste.

3.3. The new Circular Economy Action Plan specifically targets the following sectors:

- a) Electronics and ICT, especially focusing on a new “rights to repair” and product lifetimes through reusability and repairability as well as upgradability of components and software to avoid premature “outdating” of products. Regulatory measures can also be expected for mobile phones under the Ecodesign Directive and on charges for mobile phones and similar devices;
- b) Batteries and vehicles, especially focusing on the emerging battery value chain for electro-mobility and increasing the circular requirement for all batteries and sustainability requirements for all batteries;
- c) Packaging, especially focusing on making sure that all packaging in the EU is reusable and recyclable by 2030 as well as initiative’s on reducing (over)packaging and packaging waste;
- d) Plastics, especially focusing on reducing the presence of microplastics in the environment, including labelling, certification and regulatory measures and the full implementation of the EU’s Strategy for Plastics and the New Directive on Single Use Plastics;
- e) Textiles, especially focusing on strengthening the industrial competitiveness and innovation in the sector and the market for sustainable and circular textiles;
- f) Construction and building, where the Commission will, amongst other things work with stakeholder on a “Renovation Wave” initiative (non-legislative) for the building sector of Q3 2020 and revise the Construction Product Regulation to increase sustainability performance in construction products;
- g) Food, water and nutrients, especially focusing on food waste reduction and the use of fertilizers and antibiotics (see below point 4 on Farm to Fork Strategy);

3.4. The Commission’s proposal for a new Circular Economy Action Plan includes the following main legislative and policy initiatives:

- 3.5. A sustainable product policy framework applicable to raw materials, intermediate and consumer products, will target product design and enhance the responsibility of producers for the sustainability performance of their products and will reduce waste. This proposal will include the introduction of specific requirements for products category by category, to ensure a high level of environmental performance on all products placed on the EU market. These requirements will be based on a broad assessment of technical, environmental and social aspects of a product along its full lifecycle. This will include standards linked to product durability, reusability, repeatability, efficiency and also regarding food, water and nutrients.
- 3.6. To ensure that consumers have easier access to convenient and affordable repair services, the Commission will revise EU consumer law and establish a new “right to repair”, where electronics and ICT products will be a priority sector. Furthermore, proposals could include the extension of guarantees given to consumers and producers and retailers.
- 3.7. With the aim to increase consumer confidence, the Commission will also present a legislative proposal requiring companies to verify their environmental claims through Product and Organisation Environmental Footprint methods.
- 3.8. As part of its efforts to reduce waste in Europe, the Commission aims to improve the performance and competitiveness of secondary raw materials that face challenges when competing with primary raw materials for safety, quality, availability and cost reasons. To this end, the Commission will assess the need to develop an EU-wide end-of-waste criteria for some materials and consider the revision of existing standardisation. It also intends to address waste exports from the EU, such as by reviewing existing EU rules on waste shipment to facilitate shipments of waste for recycling or re-use within the EU.
- 3.9. Finally, to promote job creation and ensure that workers acquire the necessary skills in the context of the circular economy, the Commission presented its Skills Agenda on 1 July 2020 and will launch a new Pact for Skills with large-scale multi-stakeholder partnership (Q4, 2020). The Commission has also signalled its intention to increase investment in education and training systems and lifelong learning.

4. Farm to Fork Strategy

- 4.1. The transition towards a green and sustainable economy will also involve the transformation of the food systems in Europe. With the objective to create a fair, healthy and environmentally-friendly food system, the Communication on the Farm to Fork Strategy was published on 20 May 2020. The strategy highlights enforcement of existing legislation, notably for animal welfare, pesticide use and environmental protection, in addition to new policy initiatives. A legislative proposal on a “framework for a sustainable food system” will be presented before the end of 2023.
- 4.2. The strategy aims to ensure sustainable food production, improving food security, stimulating sustainable food business and market practices, promoting sustainable food consumption and facilitating the shift to healthy, sustainable diets, as well as reducing food waste and loss, and combating food fraud along the supply chain.
- 4.3. The Commission foresees that the Farm to Fork Strategy is implemented in “close coherence” with other elements of the Green Deal, in particular the Biodiversity Strategy for 2030, the Circular Economy Action Plan and the Zero Pollution Ambition.
- 4.4. In addition, as part of the Commission’s ambition of greening the Common Agricultural Policy (CAP), various measures are tabled for 2021 including legislative, to significantly reduce the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics. In line with the main principles of the new EU Circular Economy Action Plan, the Commission will set a target for food waste reduction. This will include measures to increase the sustainability of food distribution and consumption and a new Water Reuse Regulation encouraging reuse of water in agriculture will be presented.

5. Financing the Green Transition and securing a “Just Transition”

- 5.1. On 14 January 2020, the Commission published The European Green Deal Investment Plan (EGDIP), the investment pillar for the European Green Deal, as well as a proposal for a regulation establishing the Just Transition Fund.
- 5.2. Through the Investment Plan, the Commission intends to mobilise at least €1 trillion in public and private sustainable investments over the next decade. Furthermore, in her Political Guidelines, Commission President Ursula von der

Leyen's underlines the importance of "leaving no-one behind" in Europe's green transition. Therefore, as part of the European Green Deal and EGDIP, the Just Transition Mechanism is targeted to secure a "fair and just" transition. The ambition is that the Just Transition Fund will mobilise at least €100 billion in investments over the period 2021-2027 to support workers and citizens of the regions that are most impacted by the transition.

6. R&D and innovation

6.1. At least 35% of the budget of Horizon Europe, the future framework programme on research and innovation (R&I), will fund new solutions for climate, such as climate friendly technologies, which are relevant for implementing the Green Deal. The European Commission proposed the new Horizon Europe programme in June 2019 with a total budget of €100 billion for the 2021-2027 period. The Commission will present a Communication on the Future of Research and Innovation and the European Research Area in Q3 of 2020, looking at how to better pool resources, as well as deepen Europe's research, innovation and knowledge capacity. It will also present a Communication on Horizon Europe in Q4 of 2020 further outlining elements of this programme.

7. Carbon Border Adjustment Mechanism

7.1. As part of increasing the EU's climate ambition for 2030-2050, a Carbon Border Adjustment Mechanism for selected sectors will be proposed in 2020 to reduce the risk of carbon leakage. This may take the form of a so-called carbon border tax designed to comply with WTO rules, with a tariff or other method to ensure that climate and environmental costs faced by EU producers are appropriately reflected in the price of imports from countries that do not have equivalent standards. The aim is to ensure that EU producers in certain sectors are not facing a competitive disadvantage due to more stringent climate or environmental

measures in the EU, to protect EU companies and industries from “unfair competition” from “heavy polluters” and preventing carbon leakage¹¹.

8. Sustainable and smart mobility

8.1. To achieve climate neutrality, a 90% reduction in transport emissions in Europe is needed by 2050. To address this challenge and tackle all emission sources, the Commission will present a Strategy for sustainable and smart mobility (non-legislative) in the Q4 of 2020. The Commission will also propose to revise the legislation on CO2 emission performance standards for cars and vans by June 2021, to ensure a clear pathway from 2025 onwards towards zero-emission mobility. To further accelerate the shift, electric vehicles will be encouraged with an objective of deploying one million public charging points across Europe by 2025.

8.2. The Commission will consider extending the EU Emissions Trading System (ETS) to the maritime sector and reduce the free allowances allocated to airlines over time; and to extend this further to cover traffic and construction. The Commission will also consider applying European emissions trading to road transport, as a complement to existing and future CO2 emission performance standards for vehicles.

8.3. In order to address emissions in the transport sector and accelerate the deployment of zero- and the shift towards low-emission vehicles and vessels, the Commission proposes various initiatives. These include proposing more stringent air pollutant emissions standards for combustion-engine vehicles. In Addition, the Commission considers withdrawing and presenting a new proposal to revise the Combined Transport Directive to include a focus on short-sea shipping. It will also propose to review the following existing legislation: The Alternative Fuels Infrastructure Directive, the legislation on CO2 emission performance standards for cars and vans as well as the TEN-T Regulation.

¹¹ European Commission: *Speech by President von der Leyen in the Plenary of the European Parliament at the debate on the European Green Deal*, 11 December 2019.
https://ec.europa.eu/commission/presscorner/detail/en/speech_19_6751

9. Protecting the environment

- 9.1. Following the political guidelines adopted by the Council of the EU on 4 October 2019, calling on the Commission to present a proposal for the 8th Environment Action Programme, the Commission will table a new proposal before January 2021.
- 9.2. A new EU Biodiversity Strategy for 2030 was launched on 20 May 2020, to address the main causes of biodiversity loss in the EU. It aims to put Europe's biodiversity on a path to recovery by 2030. The Commission foresees that the Biodiversity Strategy will work in tandem with the Farm to Fork Strategy and the new Common Agricultural Policy. The strategy will be followed up by specific action in 2021 with inter alia a proposal for legally binding EU nature restoration targets, a Zero Pollution Action Plan for Air, Water and Soil and a dedicated EU Forest Strategy.
- 9.3. A new initiative on a Chemicals Strategy for Sustainability is anticipated in Q3 2020 with the aim of better protecting people and the environment from hazardous chemicals, encourage the development of safe and sustainable alternatives and make it easier to trade safe chemicals within the EU.