



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO Brussels *Focus*

The European Green Deal

Europe's new growth strategy
A climate-neutral EU by 2050



SEPTEMBER 2020

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Executive Summary

The European Green Deal was presented and launched by the European Commission in December 2019.¹ It is **Europe's new growth strategy** and it aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. It aims for no net emissions of greenhouse gases by 2050 and for economic growth to be decoupled from resource use.

The European Green Deal is an integral part of the Commission's strategy to implement the **United Nation's 2030 Agenda** and the Sustainable Development Goals. It is designed to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. It resets the Commission's commitment to tackle climate and environmental-related challenges, which the world must cope with today and in the future, including global warming, loss of biodiversity, and pollution.

Moreover, the Green Deal is enshrined in the new EU's strategy that aims to put the EU at the forefront of coordinating international efforts towards building a coherent financial system that supports sustainable, just and inclusive solutions.

In the light of the **COVID-19 pandemic**, the Green Deal is at the center of attention, as it is seen by many as a first strong step to put Europe firmly on a new path of sustainable and inclusive growth.

This report aims to explain and synthesize the key policies and measures of the action roadmap initially presented by the European Commission. It is structured as follows: first, the report focuses on the **8 policy areas of the Green Deal**, with specific actions within each area. As seen in the roadmap below, some of these have been published already, while others will follow in the coming months and years. In this report, we will develop the actions that are most relevant for UNIDO. Then, the report will focus on the **three action mechanisms: the European Climate Pact, the European Climate Law and the Just Transition Mechanism**. Finally, it will examine the redesigning of the Green Deal by the different European actors in the light of the **COVID-19 pandemic**.

The information used in this report mainly comes from the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social committee and the Committee of the Regions².

¹ European Commission (2019). 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* [Online] https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

² Idem.

Table of Contents

EUROPEAN COMMISSION'S PRIORITIES 2019-2024	1
1. INTRODUCTION	2
2. THE GREEN DEAL AT THE CORE OF EU'S RECOVERY PLAN	3
3. POLICY AREAS OF THE GREEN DEAL	4
3.1 CLIMATE AMBITION	5
3.2 CLEAN, AFFORDABLE AND SECURE ENERGY.....	6
3.3 INDUSTRIAL STRATEGY FOR A CLEAN AND CIRCULAR ECONOMY	7
3.4 BUILDING AND RENOVATING IN AN ENERGY AND RESOURCE EFFICIENT WAY.....	9
3.5 SUSTAINABLE AND SMART MOBILITY	10
3.6 FARM TO FORK	11
3.7 PRESERVING AND PROTECTING BIODIVERSITY	13
3.8 A ZERO-POLLUTION AMBITION FOR A TOXIC FREE ENVIRONMENT	14
4. THE EU AS A GLOBAL LEADER	15
5. A EUROPEAN CLIMATE PACT	17
6. A EUROPEAN CLIMATE LAW	19
7. THE JUST TRANSITION MECHANISM	21
ANNEX: ROADMAP OF ACTIONS	23

European Commission's priorities 2019-2024

1	A European Green Deal Striving to be the first climate-neutral continent. Mobilize research and innovation to foster a just and sustainable societal transition aiming at 'leaving nobody behind'. Go to website.
2	A Europe fit for the digital age <ul style="list-style-type: none"><input type="checkbox"/> Data protection<input type="checkbox"/> Better access to online good for consumers and businesses<input type="checkbox"/> The right environmental digital networks and services<input type="checkbox"/> Economy and Society European Data Strategy<input type="checkbox"/> Industrial strategy<input type="checkbox"/> Excellence and trust in artificial intelligence<input type="checkbox"/> European Data strateg Go to website.
3	An economy that works for people Working for social fairness and prosperity. Go to website.
4	Promoting the European way of life Building a European Union of equality in which everyone has the same access to opportunities. Go to website.
5	A stronger Europe in the world Strengthen the European brand of responsible global leadership. Go to website.
6	A new push for European democracy Nurturing, protecting and strengthening European democracy. Go to website.

1. Introduction

The Green Deal aims to transform the European Union into a modern, resource-efficient and competitive economy. It is the roadmap for making the EU's economy sustainable. With this strategy, the EU aims to:

1. Become climate-neutral by 2050
2. Protect human life, animals and plants, by cutting pollution
3. Help companies become world leaders in clean products and technologies
4. Help ensure a just and inclusive transition

“The European Green Deal is our new growth strategy – for a growth that gives back more than it takes away. It shows how to transform our way of living and working, of producing and consuming so that we live healthier and make our businesses innovative.”

Ursula von der Leyen,
President of the European Commission

“There is a need to rethink policies for clean energy supply across the economy, industry, production and consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits. (...) This is where transformational change is most needed and potentially most beneficial for the EU economy, society and natural environment. The EU should also promote and invest in the necessary digital transformation and tools as these are essential enablers of the changes”.³

While all of these areas for action are strongly interlinked and mutually reinforcing, careful attention will have to be paid when there are potential trade-offs between economic, environmental and social objectives.

The Green Deal will make consistent use of all policy levers: regulation and standardization, investment and innovation, national reforms, dialogue with social partners and international cooperation.

The Green Deal is an integral part of the European Commission’s strategy to implement the United Nation’s 2030 Agenda and the Sustainable Development Goals.⁴

³ The European Green Deal (n2)

⁴ Ibid.

2. The Green Deal at the core of EU's recovery plan

The coronavirus pandemic has caused a temporary drop in worldwide greenhouse gas emissions. Thanks to the lockdowns, a reduction of the travel and the traffic occurred, the production processes were disrupted and people consumed less. As a consequence, some Member States might achieve the climate goals this year, in line with the 2030 climate targets. However, the EU still needs to invest in its long-term future in order to achieve its objective of becoming climate-neutral in 2050.

Therefore, the EU has decided to put the Green Deal at the core of its recovery plan, as Europe's growth strategy. In order to unleash its full potential, it is essential that the Commission's new recovery instrument, **Next Generation EU**, drives Europe's competitive sustainability. Every public investments in the recovery should thus follow the green oath to 'do no harm', and long-term certainty and predictability need to be ensured to unlock private investments.⁵ This underlines the importance of the Climate Law and the future proposals to set more ambitious emissions reduction targets for 2030, the adoption of which might however be delayed due to the coronavirus crisis.⁶

The money raised for **Next Generation EU** will thus be channelled through EU programmes in the revamped long-term EU budget, including the European Green Deal, and more specifically in:⁷

- A massive renovation wave of our buildings and infrastructure and a more circular economy, bringing local jobs;
- Rolling out renewable energy projects, especially wind, solar and kick-starting a clean hydrogen economy in Europe;
- Cleaner transport and logistics, including the installation of one million charging points for electric vehicles and a boost for rail travel and clean mobility in our cities and regions;
- Strengthening the Just Transition Fund to support re-skilling, helping businesses create new economic opportunities.

⁵ European Commission (2020) Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - Europe's moment: Repair and Prepare for the Next Generation [Online] <https://ec.europa.eu/info/sites/info/files/communication-europe-moment-repair-prepare-next-generation.pdf>

⁶ Euractiv (2020) How the coronavirus outbreak affects the EU's 2030 climate targets [Online] <https://www.euractiv.com/section/emissions-trading-scheme/opinion/how-the-coronavirus-outbreak-affects-the-eus-2030-climate-targets/>

⁷ European Commission (2020) Europe's moment: Repair and prepare for the next generation - Press Release [Online] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940

3. Policy Areas of the Green Deal

The European Green Deal includes a **European Climate Law**, a **European Climate Pact**, and a **new global strategy in international relations**. In addition, it is divided in 8 policy areas.

The 8 policy areas are:

1. Increasing the EU's climate ambition for 2030 and 2050
2. Supplying clean, affordable and secure energy
3. Mobilising industry for a clean and circular economy
4. Building and renovating in an energy and resource efficient way
5. Accelerating the shift to sustainable and smart mobility
6. From 'Farm to Fork': designing a fair, healthy and environmentally-friendly food system
7. Preserving and restoring ecosystems and biodiversity
8. A zero pollution ambition for a toxic-free environment

The policy areas above include different concrete strategies, action plans, laws, etc. As seen in the roadmap below, some of these have been published already, while others will follow in the coming months and years. In this report, we will explain the actions that are most relevant for UNIDO.



Figure 1: Diagram of the European Green Deal⁸

⁸ The European Green Deal (n2)

3.1 Climate Ambition

Roadmap	
Proposal on a European 'Climate Law' enshrining the 2050 climate neutrality objective	March 2020
Comprehensive plan to increase the EU 2030 climate target to at least 50% and towards 55% in a responsible way	Summer 2020
Proposals for revisions of relevant legislative measures to deliver on the increased climate ambition, following the review of Emissions Trading System Directive; Effort Sharing Regulation; Land use, land use change and forestry Regulation; Energy Efficiency Directive; Renewable Energy Directive; CO ₂ emissions performance standards for cars and vans.	June 2021
Proposal for a revision of the Energy Taxation Directive	June 2021
Proposal for a carbon border adjustment mechanism for selected sectors	2021
New EU Strategy on Adaptation to Climate Change	2020/2021

The EU will present an impact assessed plan to update the EU's climate ambition for 2030 with a **cut of at least 50-55% in the greenhouse gas (GHG) emissions** compared with 1990 levels.

It will present a new package proposing to revise, when necessary, all relevant climate-related policy instruments. This will include the Emissions Trading Directive⁹ and the Effort Sharing Regulation¹⁰, as well as the LULUCF directive¹¹, dealing with land use change.

The EU also wants to ensure **effective carbon pricing** throughout the economy, so that it is aligned with climate objectives. It will, among other measures, propose to revise the Energy Taxation Directive.¹² It will also present a carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage and ensure that the price of imports reflects more accurately their carbon content.



⁹ Consolidated version of Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

¹⁰ Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013.

¹¹ Regulation (EU) 2018/841 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.

¹² Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity.

3.2 Clean, affordable and secure energy

Roadmap	
Assessment of the final National Energy and Climate Plans	June 2020
Strategy for smart sector integration	2020
'Renovation wave' initiative for the building sector	2020
Evaluation and review of the Trans-European Network – Energy Regulation	2020



The production and use of energy account for more than 75% of the EU's greenhouse gas emissions.¹³ In addition, 17.5% of the EU's gross final energy consumption came from renewable sources in 2017.¹⁴

CLEAN ENERGY STRATEGY	
Decarbonizing the EU's energy system. 3 Key principles:	Key drivers for new proposals to increase the EU's climate ambition for 2030
<i>Prioritize energy efficiency and develop a power sector based largely on renewable sources</i>	<ul style="list-style-type: none"> Develop the full potential of Europe's offshore wind energy. Interconnect energy systems and better link/integrate renewable energy sources to the grid. Boost energy efficiency and eco-design of products.
<i>Secure and affordable EU energy supply</i>	<ul style="list-style-type: none"> Decarbonize the gas sector and promote smart integration across sectors. Empower consumers and help Member States tackle energy poverty.
<i>Fully integrated, interconnected and digitalized EU energy market</i>	<ul style="list-style-type: none"> Promote innovative technologies and modern infrastructure. Increase cross-border and regional cooperation to better share. Promote EU energy standards and technologies at global level.

¹³ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018DC0773&from=EN>

¹⁴ https://ec.europa.eu/commission/sites/beta-political/files/report-progress-renewable-energy-april2019_en.pdf

3.3 Industrial strategy for a clean and circular economy

Roadmap	
EU Industrial strategy	March 2020
Circular Economy Action Plan, including a sustainable products initiative and particular focus on resource intense sectors such as textiles, construction, electronics and plastics	March 2020
Initiatives to stimulate lead markets for climate neutral and circular products in energy intensive industrial sectors	From 2020
Proposal to support zero carbon steel-making processes by 2030	2020
Legislation on batteries in support of the Strategic Action Plan on Batteries and the circular economy	October 2020

The **new Industrial Strategy** was designed to help deliver on **three key priorities**¹⁵: (1) maintaining European industry's global competitiveness and a level playing field at home and globally; (2) making Europe climate-neutral by 2050; and (3) shaping Europe's digital future.



This new Industrial Strategy includes:

- An **Intellectual Property Action Plan**¹⁶ to uphold technological sovereignty, promote global level playing field, better fight intellectual property theft and adapt the legal framework to the green and digital transitions.
- The review of **EU competition rules** to ensure the EU rules are fit for purpose for an economy that is changing fast.
- The adoption of a **White Paper** to address distortive effects caused by foreign subsidies in the single market and tackle foreign access to EU public procurement and EU funding¹⁷. The issue related to foreign subsidies will be addressed in a proposal for a legal instrument in 2021. This is meant to go hand in hand with the ongoing work in the Commission to strengthen global rules on industrial subsidies in the WTO, and actions to address the lack of reciprocal access for public procurement in third countries.

¹⁵ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_416

¹⁶ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12510-Intellectual-Property-Action-Plan>

¹⁷ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1070

- Comprehensive measures to modernise and decarbonise energy-intensive industries, support sustainable and smart mobility industries, to promote energy efficiency, strengthen current carbon leakage tools and secure a sufficient and constant supply of low-carbon energy at competitive prices.
- Enhance Europe's industrial and strategic autonomy by securing the supply of critical raw materials¹⁸ through an **Action Plan on Critical Raw Materials** and pharmaceuticals based on a **new EU Pharmaceutical Strategy**¹⁹ and by supporting the development of strategic digital infrastructures and key enabling technologies.
- A **Clean Hydrogen Alliance**²⁰ to accelerate the decarbonisation of industry and maintain industrial leadership, followed by Alliances on Low-Carbon Industries and on Industrial Clouds and Platforms and raw materials.
- Further legislation and guidance on green public procurement²¹.
- A new **Circular Economy Action Plan**²² aims to modernize EU's economy. It presents new initiatives along the entire life cycle of products in order to modernize and transform the European economy while protecting the environment. It aims to change the methods of consumption and the way of production.

¹⁸ https://ec.europa.eu/growth/sectors/raw-materials/specific-interest/critical_en

¹⁹ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1065

²⁰ <https://www.euractiv.com/section/energy/news/leak-european-hydrogen-alliance-ready-for-take-off/>

²¹ https://ec.europa.eu/environment/gpp/index_en.htm

²² https://ec.europa.eu/commission/presscorner/detail/en/ip_20_420

3.4 Building and renovating in an energy and resource efficient way

Roadmap	
'Renovation wave' initiative for the building sector	2020

The built environment remains a strategic research and innovation domain in view of the goal of full decarbonisation by 2050. The priority is the design and construction of new or retrofitting of existing buildings as zero-emission/zero-pollution, positive energy powerhouses within sustainable green neighbourhoods. For that purpose, the EU and the Member States aim to engage in a 'renovation wave' of public and private buildings.



'Renovation wave' of public and private buildings. While increasing renovation rates is a challenge, renovation lowers energy bills, and can reduce energy poverty. It can also boost the construction sector and is an opportunity to support SMEs and local jobs.



Enforce the legislation related to the energy performance of buildings. This will include an assessment of Member States' national long-term renovation strategies. The EU will also work on the possibility of including emissions from buildings in European emissions trading. And it aims to review the Construction Products Regulation to ensure a design that is in line with the needs of the circular economy, and lead to increased digitalisation and climate-proofing of the building stock.



New initiative on renovation in 2020²³. The Commission will launch an open platform bringing together the buildings and construction sector, architects and engineers and local authorities to develop innovative financing possibilities, promote energy efficiency investments in buildings, and pool renovation efforts into large blocks to benefit from economies of scale.

²³ https://ec.europa.eu/info/news/preparing-future-renovation-wave-initiative-have-your-say-2020-jun-12_en

3.5 Sustainable and smart mobility

Roadmap	
Strategy for sustainable and smart mobility	2020
Funding call to support the deployment of public recharging and refueling points as part of alternative fuel infrastructure	From 2020
Assessment of legislative options to boost the production and supply of sustainable alternative fuels for the different transport modes	From 2020
Revised proposal for a Directive on Combined Transport	2021
Review of the Alternative Fuels Infrastructure Directive and the Trans European Network – Transport Regulation	2021
Initiatives to increase and better manage the capacity of railways and inland waterways	From 2021
Proposal for more stringent air pollutant emissions standards for combustion-engine vehicles	2021

Transport accounts for a quarter of the EU's greenhouse gas emissions and these continue to grow. The Green Deal seeks a 90% reduction in these emissions by 2050²⁴. The below table showcases the diverse **policy actions to reach the five principal targets** that structure the Sustainable Mobility policy area.



5 KEY TARGETS	ACTIONS PROPOSED BY THE EUROPEAN COMMISSION
1. GO DIGITAL	<ul style="list-style-type: none"> Automated mobility and smart traffic management systems to make transport more efficient and cleaner. Smart applications and 'Mobility as a Service' solutions to be developed
2. USE DIFFERENT MODES OF TRANSPORT	<ul style="list-style-type: none"> More freight should be transported by rail or water. The Single European Sky is meant to help cutting air transport emissions at zero cost for consumers and companies.
3. PRICES THAT REFLECT IMPACT ON ENVIRONMENT	<ul style="list-style-type: none"> Ending subsidies for fossil-fuel. Extending emissions trading to the maritime sector. Effective road pricing in the EU. Reducing free allowances to airlines under emissions trading.
4. BOOST SUPPLY OF SUSTAINABLE ALTERNATIVE TRANSPORT FUELS	<ul style="list-style-type: none"> By 2025, about 1 million public recharging and refueling stations will be needed for the 13 million zero- and low-emission vehicles expected on European roads.
5. REDUCE POLLUTION	<ul style="list-style-type: none"> Implement stricter standards on pollution by cars. Reduce pollution in EU ports. Improve air quality near airports.

²⁴ https://ec.europa.eu/commission/presscorner/detail/en/fs_19_6726

3.6 Farm to Fork

Greening the Common Agricultural Policy and designing a fair, healthy and environmentally friendly food system.

Roadmap	
Examination of the draft national strategic plans, with reference to the ambitions of the European Green Deal and the Farm to Fork Strategy	2020-2021
'Farm to Fork' Strategy. Measures, including legislative, to significantly reduce the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics	Spring 2020 and 2021

A legislative framework for strengthening the sustainability of food systems²⁵

To accelerate and facilitate the transition to sustainable food systems, the Commission will make a legislative proposal before the end of 2023.

This framework will promote policy coherence at EU and national level, mainstream sustainability in all food-related policies and strengthen the resilience of food systems. It will also be designed to allow operators to benefit from sustainable practices and progressively raise sustainability standards to become the norm for all food products placed on the EU market.



Farm to Fork diagram²⁶

²⁵ <https://www.politico.eu/wp-content/uploads/2020/03/FINAL-FINAL-F2F-MARCH-CLEAN.pdf>

²⁶ https://ec.europa.eu/food/farm2fork_en



An Action Plan for the market for organic food²⁷

The Commission will put forward an Action Plan on organic farming. This plan will be designed to help Member States stimulate both supply and demand for organic products. It will ensure consumer trust and boost demand through promotion campaigns and green public procurement. This plan will help to reach the objective of at least 25% of the EU's agricultural land under organic farming by 2030 and a significant increase in organic aquaculture.



A new network for Agricultural Knowledge²⁸

The Commission will propose legislation to convert its Farm Accountancy Data Network into the Farm Sustainability Data Network with a view to also collect data on the Farm to Fork and Biodiversity Strategies' targets and other sustainability indicators. The network will enable the benchmarking of farm performance against regional, national or sectoral averages. Through tailored advisory services, it will provide feedback and guidance to farmers and link their experience to the European Innovation Partnership and research projects. This will improve the sustainability of participating farmers, including their incomes.

CHALLENGES	EUROPEAN COMMISSION OBJECTIVES
The use of pesticides in agriculture contributes to pollution of soil, water and air.	Reduce by 50% the use and risk of chemical pesticides by 2030. Reduce by 50% the use of more hazardous pesticides by 2030.
The excess of nutrients in the environment is a major source of air, soil and water pollution, negatively impacting biodiversity, and climate.	Reduce nutrient losses by at least 50%, while ensuring no deterioration on soil fertility. Reduce fertilizer use by at least 20% by 2030.
Antimicrobial resistance linked to the use of antimicrobials in animal and human health leads to an estimated 33 000 human deaths in the EU each year.	Reduce by 50% the sales of antimicrobials for farmed animals and in aquaculture by 2030.
Organic farming is an environmentally friendly practice that needs to be further developed.	Boost the development of EU organic farming area with the aim to achieve (25% of total farmland) under farming by 2030.
Food labelling to empower consumers to choose healthy and sustainable diets	Mandatory harmonized front-of-pack nutrition labelling and develop a sustainable food-labelling framework that covers the nutritional climate, environmental and social aspects of food products.

²⁷ https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/future-organics_en

²⁸ <https://ec.europa.eu/eip/agriculture/en/eip-agri-networking>

3.7 Preserving and protecting biodiversity

Roadmap	
EU Biodiversity Strategy for 2030	March 2020
Measures to address the main drivers of biodiversity loss	From 2021
New EU Forest Strategy	2020
Measures to support deforestation-free value chains	From 2020

EU Biodiversity Strategy²⁹ has the following **objectives**:

- Establish protected areas for at least 30% of land and 30% of sea in Europe.
- Restore degraded ecosystems at land and sea. Increasing organic farming, halting, and reversing the decline of pollinators, restoring at least 25 000 km of EU rivers to a free-flowing state, reducing the use and risk of pesticides by 50% by 2030 and planting 3 billion trees by 2030.
- Unlock 20 billion euros per year for biodiversity through EU funds and national and private funding.
- Put the EU in a leading position in the world in addressing the global biodiversity crisis. Project of a new UN Global Biodiversity Framework at the Conference of the Parties (COP) to the Convention on Biological Diversity in 2021.



A post-2020 global framework new strategy. The EU plans to adopt a transformative post-2020 global framework at the 15th Conference of the Parties to the Convention on Biological Diversity (postponed). This new framework will aim to address the five main drivers of biodiversity loss, set out an enhanced governance framework to fill remaining gaps and ensure the full implementation of EU legislation.



EU Nature Restoration Plan³⁰ is meant to help improve the health of existing and new protected areas, and to bring diverse and resilient nature back to all landscapes and ecosystems. It will also mean supporting the recovery of nature, limiting soil sealing and urban sprawl, and tackling pollution and invasive alien species. The plan is expected to create jobs, reconcile economic activities with nature growth and help ensure the long-term productivity and value of the natural capital.

²⁹ <https://eur-lex.europa.eu/legal-content/FR/TXT/?qid=1590574123338&uri=CELEX%3A52020DC0380>

³⁰ https://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm

3.8 A zero-pollution ambition for a toxic free environment

Roadmap	
Chemicals strategy for sustainability	Summer 2020
Revision of measures to address pollution from large industrial installations	2021
Zero pollution action plan for water, air and soil	2021

1 The Chemical Strategy for Sustainability

- Help to protect citizens and the environment better against hazardous chemicals and encourage innovation for the development of safe and sustainable alternatives.
- Combine better health protection with increased global competitiveness.
- Improve rules on assessment of substances launched on the market.

2 Revision of measures to address pollution from large industrial installations

- Reduce pollution from large industrial installations.
- Improve prevention of industrial accidents.

3 The zero-pollution action plan for water, air and soil

Overall objective:

To protect EU citizens and ecosystems, the Commission wants to better monitor, prevent, and remedy pollution whether it comes from the air, water or the soil.

Clean water:

- Preserve biodiversity in lakes, rivers, and wetlands.
- Reduce pollution from excess nutrients thanks to the Farm to Fork strategy.
- Reduce particularly harmful pollution from micro-plastics and pharmaceuticals.

Clean air:

- Review air quality standards in line with the World Health Organization guidelines.
- Provide support to local authorities to achieve cleaner air for EU citizens.

4. The EU as a global leader

Roadmap	
EU to continue to lead the international climate and biodiversity negotiations, further strengthening the international policy framework	From 2019
Strengthen the EU's Green Deal Diplomacy in cooperation with Member States	From 2020
Bilateral efforts to induce partners to act and to ensure comparability of action and policies	From 2020
Green Agenda for the Western Balkans	From 2020

The Green Deal is an integral part of the Commission's strategy to implement the **United Nations 2030 Agenda and the Sustainable Development Goals (SDGs)**.³¹ As part of the Green Deal, the Commission will refocus the European Semester process of macroeconomic coordination to integrate the SDGs, to put sustainability and the well-being of citizens at the center of economic policy, and the sustainable development goals at the heart of the EU's policymaking and action.³²



The EU recognizes that the global challenges of climate change and environmental degradation require a global response. It wants to **lead the example** and will try to promote and implement environmental, climate and energy policies across the world, mobilizing all its **diplomatic bilateral and multilateral channels**, including the United Nations, the World Trade Organization, the G7 and G20. Moreover, the EU has committed to ensure that the Paris Agreement remains a fundamental multilateral framework for the fight against climate change.³³

³¹ United Nations (2015) The 2030 Agenda for Sustainable Development [Online] <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

³² The European Green Deal (n2)

³³ Ibid

In parallel, the EU will step up bilateral engagement with partner countries, especially the economies of the G20, which are responsible for 80% of global greenhouse gas emissions. The EU is also working with global partners to develop international carbon markets as a tool to create economic incentives for climate action.³⁴

While it will put emphasis on supporting its immediate neighbours, the EU will also reinforce its partnership with China and will use its diplomatic and financial tools to ensure that green alliances are part of its relations with Africa and other partner countries and regions, particularly in Latin America, the Caribbean, Asia and the Pacific. The EU will try to engage with third countries on cross-cutting climate and environment issues.³⁵

The EU is also relying on **trade policy** as a support for the ecological transition. It will propose to make the respect of the Paris agreement an essential element for all future comprehensive trade agreements. Moreover, all chemicals, materials, food and other products that are placed on the European market must fully comply with relevant EU regulations and standards. As the world's largest single market, it also has the capacity to **set standards for sustainable growth** that apply across global value chains.³⁶

Concerning **international cooperation** and the partnership policy, the EU is committing to help channel both public and private funds to achieve the transition. This includes 16 organized 16 private finance. The European Commission proposal for a Neighbourhood, Development and International Cooperation Instrument (NDICI) proposes to allocate a target of 25% of its budget to climate-related objectives. Finally, the EU will also continue its efforts to set up a financial system that supports global sustainable growth.³⁷



³⁴ Ibid

³⁵ The European Green Deal (n2)

³⁶ Ibid

³⁷ Ibid

5. A European Climate Pact

Roadmap	
The European Climate Pact	2020 (Q4)
Proposal for an 8 th Environmental Action Program	2020

As part of the European Green Deal, the European Commission launched on the 4th of March 2020 a public consultation on the future European Climate Pact, which is a broad initiative to give everyone a voice and space to design new climate actions, share information, launch grassroots activities and showcase solutions that others can follow.³⁸ Indeed, the transition to a climate-neutral society concerns first and foremost the life of EU citizens.

Alongside government policies and regulation, citizens, communities and organisations in all sectors of our society and economy have their part to play, which is why citizens are and should remain a driving force of the transition.³⁹

The European Climate Pact, deemed to be adopted in the course of the fourth quarter of 2020, aims to inform, inspire, and foster cooperation between people and organizations ranging from national, regional and local authorities to businesses, unions, civil society organizations, educational institutions, research and innovation organizations, consumer groups and individuals. It is meant to be a broad initiative for citizens and stakeholders to design new climate and environmental actions, share information and showcase solutions.⁴⁰



The European Climate Pact will encourage broad societal engagement on climate and environment through a range of activities.⁴¹

³⁸ European Commission (2020) Shaping the European Climate Pact: Commission launches public consultation. [Online] https://ec.europa.eu/clima/news/shaping-european-climate-pact-commission-launches-public-consultation_en

³⁹ The European Green Deal (n2)

⁴⁰ European Commission (2020) European Climate Pact [Online] https://ec.europa.eu/clima/policies/eu-climate-action/pact_en

⁴¹ Ibid

1. Communication activities and events

The Pact will raise awareness and build understanding of the global climate change on the basis of reliable scientific evidence to inspire people and organisations to become involved and adopt sustainable behaviours.

2. Triggering action among people and organisations

The Commission will encourage people and organisations by promoting pledges and supporting relevant initiatives with knowledge and capacity building in order to boost their impact and inspire further action across Europe and globally.

3. Working together

Opportunities for communication, learning and networking will be provided by the Commission to help bring people together in order to share ideas and experience. For example, direct citizen consultations could be organized as well as citizen assemblies.

6. A European Climate Law

"The Climate Law is the legal translation of our political commitment, and sets us irreversibly on the path to a more sustainable future. It is the heart of the European Green Deal. It offers predictability and transparency for European industry and investors. And it gives direction to our green growth strategy and guarantees that the transition will be gradual and fair."

Ursula von der Leyen,
President of the European Commission

On 4 March 2020, the European Commission adopted a legislative proposal for a European Climate Law.⁴²

The European Climate Law aims to write into law the goal set out in the European Green Deal for Europe's economy and society to become climate-neutral by 2050. The Law aims to ensure that all EU policies contribute to this goal and that all sectors of the economy and society play their part.

With this Law, the EU institutions and the Member States are bound to take the necessary measures at EU and national level to meet the target. It includes measures to keep track of progress and adjust EU institutions and member states actions accordingly, based on existing systems such as the governance process for Member states' National Energy and Climate Plans, regular reports by the European Environment Agency, and the latest scientific evidence on climate change and its impact.⁴³



⁴² European Commission (2020) European Climate Law [Online] https://ec.europa.eu/clima/policies/eu-climate-action/law_en

⁴³ European Commission (2020) Committing to climate-neutrality by 2050: Commission proposes European Climate Law and consults on the European Climate Pact [Online] https://ec.europa.eu/commission/presscorner/detail/en/IP_20_335

Measures for achieving climate neutrality⁴⁴

According to the proposal, by September 2020, the Commission should review the existing 2030 emissions targets set out in Regulation (EU) 2018/1999⁴⁵ in light of the 2050 climate-neutrality objective, as well as propose a new 2030 emissions-reduction target of 50 to 55% and amend the relevant law.

By June 2021, the Commission would be required to evaluate and, where necessary, revise all relevant EU legislation implementing the 2030 target in light of the new target reduction.

The Commission proposes the adoption of a 2030-2050 EU-wide trajectory for greenhouse gas emission reductions, to measure progress and give predictability to public authorities, businesses and citizens.

Assessment of EU and National Measures⁴⁶

Under the proposal, by September 2023 and every five years thereafter, the Commission would assess the collective progress made by the Member States on climate neutrality and adaptation strategies. The Commission would also be required to review the consistency and adequacy of the EU measures on climate neutrality and adaptation strategies under the same timeline.

Next steps⁴⁷

The legislative proposal for this European Climate Law was submitted to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions for further consideration under the ordinary legislative procedure.

⁴⁴ European Climate Law (n33)

⁴⁵ European Parliament and the Council (2018) Regulation 2018/1999 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council

⁴⁶ European Climate Law (n33)

⁴⁷ Ibid

7. The Just Transition Mechanism

Making Sure No One is Left Behind

On 14 January 2020, the European Commission presented the European Green Deal's Just Transition Mechanism (JTM), **as part of the Sustainable Europe Investment Plan**.

In order to ensure that no one is left behind in the green transition and in order to move away from fossil fuels like coal, lignite, peat and oil shale, this Mechanism is meant to provide tailored financial and practical support to help workers and generate the necessary investments in regions most affected by the transition. More specifically, it will make investments more attractive, with an overall financial package worth at least EUR 150 billion over the period 2021-2027, focusing on the regions, industries and workers who will face the greatest challenges.⁴⁸ The JTM will support the transition through various means:⁴⁹

Financial support

1. A new Just Transition Fund of EUR 10 billion primarily in the form of grants.⁵⁰

According to the Commission, the funding will be used to alleviate the socio-economic impacts of the green transition in the regions most affected, by for example supporting the re-skilling of workers, helping SMEs to create new economic opportunities, and overall diversifying economic activity, investing in the future of the most affected regions.⁵¹

2. InvestEU "Just Transition" scheme mobilising EUR 30 billion in investments.⁵²

A portion of financing under InvestEU will be used to achieve the just transition objectives. InvestEU will not only support investment in projects in just transition territories (regions having an approved transition plan under the Just Transition Fund rules), but also in other regions, provided that they benefit the just transition territories.⁵³

⁴⁸ European Commission (2020) Launching the Just Transition Mechanism - for a green transition based on solidarity and fairness [Online] https://ec.europa.eu/info/news/launching-just-transition-mechanism-green-transition-based-solidarity-and-fairness-2020-jan-15_en; For an updated budget for the JTM, see European Commission (2020) Commission proposes a public loan facility to support green investments together with the European Investment Bank [Online] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_930

⁴⁹ European Commission (2020) The Just Transition Mechanism - factsheet [Online] https://ec.europa.eu/commission/presscorner/detail/en/fs_20_39

⁵⁰ After having been brought from EUR 7,5 to 40 billion by the Commission's proposal for a recovery plan, the European Council decided to lower the total amount to EUR 10 billions see European Council (2020) Special meeting of the European Council (17, 18, 19, 20 and 21 July 2020) - Conclusions [Online] <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>

⁵¹ European Commission (2020) EU budget for recovery: Questions and answers on the Just Transition Mechanism [Online] https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_931

⁵² This was the amount at the time of the EU's proposal for a recovery plan. This number will have to be adapted as the European Council has recently cut off the financing under InvestEU to 5.6 billion see European Council (n46)

⁵³ European Commission (2020) Just Transition funding sources [Online]

Similarly, InvestEU will support investments in a wider range of projects compared to the Just Transition Fund, such as projects for energy and transport infrastructure, including gas infrastructure and district heating, but also decarbonisation projects, economic diversification and social infrastructure. The final use of InvestEU will remain demand-driven and will depend on the project pipeline and the capacity of the regions concerned.⁵⁴

3. A new public sector loan facility leveraged by the European Investment Bank (EIB) of EUR 10 billion in loans, backed by EUR 1.5 billion in grants from the EU budget.

This facility will mobilise up to EUR 25-30 billion and aims to provide public sector entities with resources to implement measures to facilitate the transition to climate neutrality. Supported investments will range from energy and transport infrastructure, district heating networks, energy efficiency measures including renovation of buildings, as well as social infrastructure.⁵⁵

It must be noted that, while the JTF will provide funding primarily in the form of grants, the two other financing streams planned as part of the Just Transition Mechanism (InvestEU scheme and EIB public sector loan facility) will leverage public and private investment by backing investment projects of financial partners such as the EIB.⁵⁶

Technical assistance via a Just Transition Platform to advise and support

The Just Transition Platform aims to assist EU countries and regions to unlock the support available through the JTM. This platform will provide a single access point for support and knowledge related to the just transition. All the relevant knowledge and information that authorities and beneficiaries need will be shared on the platform, including funding opportunities, relevant regulatory updates or sector specific initiatives.⁵⁷

In particular, the platform will offer technical and advisory support to stakeholders involved in activities related to the JTM. The Platform will build on and expand the work of the existing Initiative for Coal Regions in Transition, which already supports fossil fuel producing regions across the EU in achieving a just transition through tailored, needs-oriented assistance and capacity-building.⁵⁸

Transition plans for beneficiary regions to steer the investments Attractive conditions and risk sharing for public and private investors

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/just-transition-mechanism/just-transition-funding-sources_en

⁵⁴ Ibid

⁵⁵ Ibid

⁵⁶ Ibid

⁵⁷ Ibid

⁵⁸ European Commission (n50)

Annex: Roadmap of Actions

Policy areas	
1. Increasing the EU's climate ambition for 2030 and 2050	
Proposal on a European 'Climate Law' enshrining the 2050 climate neutrality objective	March 2020
Comprehensive plan to increase the EU 2030 climate target to at least 50% and towards 55% in a responsible way	Summer 2020
Proposals for revisions of relevant legislative measures to deliver on the increased climate ambition, following the review of Emissions Trading System Directive; Effort Sharing Regulation; Land use, land use change and forestry Regulation; Energy Efficiency Directive; Renewable Energy Directive; CO ₂ emissions performance standards for cars and vans	June 2021
Proposal for a revision of the Energy Taxation Directive	June 2021
Proposal for a carbon border adjustment mechanism for selected sectors	2020/2021
New EU Strategy on Adaptation to Climate Change	2020/2021
2. Supplying clean, affordable and secure energy	
Assessment of the final National Energy and Climate Plans	June 2020
Strategy for smart sector integration	2020
Evaluation and review of the Trans-European Network Energy Regulation	2020
Strategy on offshore wind	2020
3. Mobilising industry for a clean and circular economy	
EU Industrial strategy	March 2020
Circular Economy Action Plan, including a sustainable products initiative and particular focus on resource intense sectors such as textiles, construction, electronics and plastics	March 2020
Initiatives to stimulate lead markets for climate neutral and circular products in energy intensive industrial sectors	From 2020
Proposal to support zero carbon steel-making processes by 2030	2020
Legislation on batteries in support of the Strategic Action Plan on Batteries and the circular eco	October 2020
Propose legislative waste reforms	From 2020
4. Building and renovating in an energy and resource efficient way	
'Renovation wave' initiative for the building sector	2020
5. Accelerating the shift to sustainable and smart mobility	
Strategy for sustainable and smart mobility	2020
Funding call to support the deployment of public recharging and refuelling points as part of alternative fuel infrastructure	From 2020
Assessment of legislative options to boost the production and supply of sustainable alternative fuels for the different transport modes	From 2020
Revised proposal for a Directive on Combined Transport	2021
Review of the Alternative Fuels Infrastructure Directive and the Trans European Network – Transport Regulation	2021

Initiatives to increase and better manage the capacity of railways and inland waterways	From 2021
Proposal for more stringent air pollutant emissions standards for combustion engine vehicles	2021
6. 'Farm to Fork' Strategy	
Examination of the draft national strategic plans	2020-2021
'Farm to Fork' Strategy. Measures, including legislative, to significantly reduce the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics	Spring 2020 and 2021
7. Preserving and restoring ecosystems and biodiversity	
EU Biodiversity Strategy for 2030	March 2020
Measures to address the main drivers of biodiversity loss	From 2021
New EU Forest Strategy	2020
Measures to support deforestation-free value chains	From 2020
8. A zero-pollution ambition for a toxic free environment	
Chemicals strategy for sustainability	Summer 2020
Zero pollution action plan for water, air and soil	2021
Revision of measures to address pollution from large industrial installations	2021
Mainstreaming sustainability in all EU policies	
Proposal for a Just Transition Mechanism, including a Just Transition Fund, and a Sustainable Europe Investment Plan	January 2020
Renewed sustainable finance strategy	Autumn 2020
Review of the Non-Financial Reporting Directive	2020
Initiatives to screen and benchmark green budgeting practices of the Member States and of the EU	From 2020
Review of the relevant State aid guidelines, including the environment and energy State aid guidelines	2021
Align all new EC initiatives in line with the objectives of the Green Deal and promote innovation	From 2020
Stakeholders to identify and remedy incoherent legislation that reduces the effectiveness in delivering the European Green Deal	From 2020
Integration of the Sustainable Development Goals in the European Semester	From 2020
The EU as a global leader	
International climate and biodiversity negotiations and the international policy framework	From 2019
Strengthen the EU's Green Deal Diplomacy in cooperation with Member States	From 2020
Bilateral efforts to induce partners to act and to ensure comparability of action and policies	From 2020
Green Agenda for the Western Balkans	From 2020
A European Climate Pact	
Launch of the European Climate Pact	March 2020
Proposal for an 8 th Environmental Action Program	2020



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