



NAT/803
Stepping up Europe's Climate Ambition

OPINION

European Economic and Social Committee

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Stepping up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people
[COM(2020) 562 final]

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1. **Conclusions and recommendations**

- 1.1 The EESC warmly welcomes the Commission Communication *Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people*. The Commission's choice to increase the greenhouse gas emissions reduction target for 2030 to 55% is largely in line with the Committee's earlier opinion on the European Climate Law.
- 1.2 Working with net zero from the intermediate targets is only possible on the condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed.
- 1.3 The EESC believes it is very important that citizens and social partners should be able to know how the emission target goals can be achieved and what this means for their work and life. This is essential for support for all measures to be taken. Therefore measures should be taken to guarantee that the risks and opportunities be shared equally to ensure certainty and stability.
- 1.4 The Committee agrees with the Commission that post-COVID-19 recovery spending must combine with ambitious climate action to avoid wasted money and stranded assets, leading to additional resource needs later on. It must be ensured that these investments are actually used in the spirit of a sustainable climate policy that puts citizens at the centre.
- 1.5 The Commission intends to come forward with the necessary detailed legislative proposals by June 2021. The EESC invites the co-legislators not to exceed this timeframe and to complete the legislative process by December 2021, because otherwise the timeframe to achieve the 2030 target will be too tight.
- 1.6 The EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels.
- 1.7 The EESC suggests that new climate targets for agriculture in the Next Generation EU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition.
- 1.8 The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains.
- 1.9 The EESC underlines the conclusion in the Impact Assessment that achieving a 55% reduction in greenhouse gas emissions by 2030 would not only put the EU firmly on track to achieve climate neutrality, but would also make EU business and industry global trailblazers. In doing so, the EU must ensure that its trade policy and its trade agreements are consistent with its climate ambition. We do also recommend that the Commission pay special attention to the possible consequences for low-income third-country citizens.

- 1.10 The EESC strongly endorses the Commission's statement that citizens are "crucial partners in the fight against climate change", because we believe that active participation of "all parts of society" is a necessary condition for climate policy to be successful within the EU. That is why we also reiterate our proposal to set up a European Climate Pact Stakeholder Platform.
- 1.11 The EESC also calls on the Member States to work on the introduction of common criteria and common indicators at European level as a first step towards better measuring energy poverty, following the Commission's Recommendation of 14 October 2020 on energy poverty [C(2020) 9600 final].
- 1.12 The EESC congratulates the Commission, which rightly calls for the necessity for the transition of our economy to be accompanied by investment in retraining and further training and permanent education of many professional groups. Furthermore, measures must be taken to ensure that new employment opportunities trigger the growth of jobs with decent wages and good working conditions.

2. **General comments**

- 2.1 The EESC warmly welcomes the Commission Communication *Stepping up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people*. The Commission's choice to increase the greenhouse gas emissions reduction target for 2030 to 55% is largely in line with the Committee's earlier opinion on the European Climate Law¹.
- 2.2 Contrary to what the Commission is now proposing for the first time with regard to the 2030 reduction target, the EESC's opinion for a 55% reduction target was not a net target, while the Commission's is. This means that the Commission is lagging behind our advice in terms of its objective.
- 2.3 The EESC does believe, as the Commission applies a net-zero target for 2050 in the European Climate Law, that carbon sinks should ultimately be fully taken into account. To work towards this, it is logical to work with net zero from the intermediate targets. However, this is only possible on the condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed.
- 2.4 The Committee supports the Commission's conclusion that raising the EU's ambition of greenhouse gas emissions reductions to 55% by 2030 is necessary. Reducing greenhouse gas emissions can improve living conditions and health, can create employment, and can lower energy bills, provided that the necessary private and public investments can and will be made in the right sustainable direction. By stepping up the climate ambition, the EU is also showing its global responsibility. But we think it is important and necessary to clarify in the short term how the new goal can be achieved in this relatively short period of time up to 2030.
- 2.5 We also acknowledge that the social and economic impact on European citizens and businesses at an individual level in meeting the existing and new 2030 target is by no means entirely clear.

¹ [OJ C 364, 28.10.2020, p. 143.](#)

The EESC believes it is very important that citizens and social partners should be able to know how these goals can be achieved and what this means for their work and life. This is essential for support for all measures to be taken, because they will affect European citizens across Member States and regions in a diverse manner. Therefore measures should be taken to guarantee that the risks and opportunities in relation to this process be shared equally to ensure certainty and stability.

- 2.6 We recommend the Commission pay special attention to the possible consequences for low-income third-country citizens. The EU should strive to mitigate any negative consequences. The EU should support their development towards climate neutrality, keeping in mind that developing countries are entitled to reasonably increase GHG emissions in the Paris Agreement.
- 2.7 The Committee agrees with the Commission that the pandemic we are now facing is not an argument for putting tackling climate change to rest. On the contrary, as the Commission also writes, "[t]he unprecedented European economic response to COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy". In order to be able to develop policy as effectively as possible in this situation, the Committee advises the Commission to thoroughly investigate how the Market Stability Reserve mechanism (EU ETS) and the effort-sharing approach work with regard to the current decline in greenhouse gas emissions, with a view to reducing to a certain extent unused legal possibilities for emissions.
- 2.8 By working energetically now on the increased reduction target for 2030, it will make it easier for future generations to actually achieve the set 2050 target of climate neutrality. Because the less action the EU takes in the next ten years, the steeper and more challenging the reduction path will be after 2030. The Committee therefore looks forward to the proposals for achieving the 55% target by 2030, which the Commission will present by June 2021 at the latest. We recommend an approach with a diverse instrument mix with, in addition to legislation, financial instruments as well, such as the Benchmark Regulation and the Taxonomy Regulation. It is important to assess the effect of these new approaches carefully.
- 2.9 The Committee agrees with the Commission that "[w]e must combine recovery spending with ambitious climate action to avoid wasted money and stranded assets, leading to additional resource needs later on". It must be ensured that these investments are actually used in the spirit of a sustainable climate policy that puts citizens at the centre. The Committee already addressed this in detail in its resolution proposals for the post-COVID-19 crisis reconstruction and recovery².
- 2.10 As one of the advantages of the energy transition, the Commission cites the reduction of dependence on the import of fossil fuels (p. 6). However, the Committee wishes to consider this international trade aspect in its fullest extent. International trade agreements and value chains must meet the requirements of ecological and sustainable development and must include binding due diligence obligations for companies or, as the European Council stated in its recent December meeting, "the EU will ensure that its trade policy and its trade agreements are

² [OJ C 311, 18.9.2020, p. 1.](#)

consistent with its climate ambition". We consider a thorough investigation into this highly desirable.

- 2.11 While making impact assessments, it is important to recognise that the COVID-19 crisis has unprecedented economic, social and environmental consequences, which for their part have implications on the impacts of the measures to be taken for the mitigation of climate change.
- 2.12 The EESC stresses that it is of prime importance that the increase of the greenhouse gas emissions reduction target must be established in conjunction with a well-funded Just Transition Fund at European level and measures to support citizens, workers and businesses to adjust to the forthcoming changes. The EESC doubts whether the EUR 7.5 billion from the MFF and EUR 10 billion from the Next Generation EU recovery fund are enough.

3. **Legislation**

- 3.1 The Commission intends to come forward with the necessary detailed legislative proposals by June 2021. The EESC invites the co-legislators not to exceed this timeframe and to complete the legislative process by December 2021, because otherwise the time frame to achieve the 2030 target will be too tight. Relatively simple amendments to the regulations are available, such as an increase in the linear factor EU ETS ceiling and a percentage reduction in the emission allowance per Member State for ESR.
- 3.2 While bearing in mind the principles of a just transition, the EESC recommends that the Commission give priority to the update of European legislation on transition to renewable fuels. Expenditure on direct or indirect subsidies of fossil fuels, for example through tax exemptions and reductions, should be used to accelerate the development of sustainable energy sources. Or as the Paris agreement (Article 2) says: "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". We insist, however, that these measures must not be at the expense of food production, as the Paris Agreement also states (Article 2(1)(b)).
- 3.3 The Committee supports, provided that the reliability of the system is not endangered (monitoring, reporting, verification), the Commission's intention to include all emissions from fossil fuel combustion in the EU ETS. However, it is necessary to consider by what number emission allowances need to be reduced (reduction of the cap), because only then will the EU ETS be effective.
- 3.4 The EESC welcomes the starting point to do no harm (p. 5). This approach is also put forward by the Commission in its proposal for the eighth General Union Environment Action Programme (COM(2020) 652 final), stating that "all EU initiatives [have to] live up to a green oath to 'do no harm'". The meaning of this "oath" relates to "strengthening the integrated approach to policy development and implementation, notably by mainstreaming sustainability in all relevant initiatives and projects at national and EU level." We support the importance of mainstreaming and integration for stepping up the climate ambition by 2030, but wonder what actions the Commission would like to take to realise this. We also wonder why the approach is called a "principle" (while it is called an oath in other Commission documents) and how this

eventual "principle" then relates to Article 11 TFEU, and to the principles codified in Article 191 TFEU.

- 3.5 The Committee supports the Commission in its intention to opt for a carbon border adjustment mechanism as one of the tools to avoid carbon leakage – together with market creation for low-carbon products, the availability of cost-competitive carbon neutral energy sources, and financing programmes – in the situation of absence of comparable increases in ambition by our partners, as the EU increases its climate ambition. It is important to pay attention to the effectiveness and robustness of the mechanism and to the effects of the application of this mechanism for developing countries. If these measures lead to a brake on the economic development of certain countries, compensatory measures such as technology transfer are desirable.
- 3.6 The Committee advises the Commission to provide an update on the compliance rate with current EU climate and energy law and on what infringement actions have started in that respect. We also advise the Commission to provide clear information on compliance by Member States with the RED and EE directives on its website. Could the Commission – with the help of the EEA – make an annual comprehensive update on the effectiveness of current climate and energy laws (all together) including mentioning non-compliance issues?
- 3.7 An impact assessment should investigate possibilities for enhanced GHG sinks in agricultural soils, forests and biomaterials. The Parliament's position on carbon crediting schemes should be elaborated to scale up carbon removals. The opportunity to create new business models through market-based carbon farming measures and privately funded carbon crediting schemes gives the possibility to sustainably increase productivity in line with climate, biodiversity and soil fertility goals and to decrease the risk of desertification. In addition, we believe that ownership of sink and carbon credit should accrue to those who have made the necessary investments, and that can be both private and public parties.

4. **Agriculture**

- 4.1 Climate adaptation should be strengthened, and the EU should develop and implement adaptation strategies. The vulnerability of forestry, agriculture and food systems to the adverse impacts of climate change must be reflected in the adaptation actions.
- 4.2 The EU's Green Deal, the Farm to Fork Strategy and the Climate Law are all focused on climate neutrality by 2050, as endorsed by the EP, the EC and the Council. However, to address this it is necessary that sufficient resources are made available in the MFF, the CAP budget and the Next Generation EU recovery fund. Otherwise, farmers cannot be expected to do what is necessary to reach the set goals. Value for low-carbon products must be created through carbon markets if funds cannot be made available. Farmers play their role in the solution and will ask for higher funding if necessary.
- 4.3 The current COVID-19 crisis shows that food security cannot be taken for granted in the EU and food production needs special attention in the 2030 climate ambition. In our post-COVID-19 resolution mentioned above, we stated the need to "...increase the resilience and

sustainability of our food system by re-building more diversified farming models, promoting localised food distribution hubs and shorter supply chains, and improving market access for small-scale farmers, low-impact fishers and aquaculture producers". At the same time, sustainable agri-food chains are essential to enhance food security globally for a growing global population.

- 4.4 The EESC suggests that new climate targets for agriculture in the Next Generation EU recovery fund must be reflected in the delegated act of the taxonomy regulation to ensure a scalable transition. As suggested now, the delegated act provides transitional tools only for niche production. Only a holistic transition to climate-friendly agriculture will ensure a sustainable food sector in the future. The food chain needs to scale up sustainable investment and support to boost the transition. To achieve climate targets, it is of crucial importance to implement measures that are simple, cost-efficient and accessible such as biogas plants, water management and carbon crediting (hedgerows, soil carbon sequestration).
- 4.5 The EESC supports an EU framework for carbon crediting schemes that can be used to guide the achievement of the climate targets, as laid down in the Parliament report on the Climate Law. Carbon must also have a price in the bioeconomy. Furthermore, research and innovation should be supported to find technical and sustainable solutions as much as possible, to reduce greenhouse gas emissions and to encourage carbon sequestration in agriculture.
- 4.6 At present, the way methane is accounted for does not reflect up-to-date science. It is essential to adopt the most recent scientific methodology when assessing the climate impact of food. An emission reduction to net zero in 2050 must factor in the climate effect of methane as a short-lived greenhouse gas that does not have to be net zero in order to achieve climate neutrality or to have no additional warming effect.
- 4.7 Appropriate research and innovation funding on climate adaptation and mitigation in the agricultural sector must be prioritised. Investments in innovative practices and cost-efficient sustainable production technologies and methods must be encouraged and incentivised in order to reduce GHG emissions while maintaining room for improvements in terms of the EU livestock production potential to guarantee the population a balanced diet. Water management and irrigation of arable land will be needed even more in the future. New investments should be encouraged in systems that are more efficient and prevent water pollution.
- 4.8 New technology and innovations must be recognised when climate targets are to be achieved. The EU food chain is already climate competitive on a global scale. Adapting the sector to climate change and making it resilient to the negative effects of it ensures that the carbon footprint in EU food production continues to decline. In this respect uptake of e.g. new breeding techniques (NBT, etc.), a shift in production from animal proteins to vegetable proteins, smart and digital farming technologies and innovation are the key to making the EU food system resilient.
- 4.9 The EESC calls for a dedicated EU bioeconomy programme that facilitates investment and establishes community and farm-based supply chains. The promotion of synergies between

renewable energy via biogas production and manure management is of paramount importance for decentralised renewable energy production which also supports rural livelihoods.

5. **Industry, materials, energy and transport**

- 5.1 The EESC welcomes the conclusion in the Impact Assessment that achieving a 55% reduction in greenhouse gas emissions by 2030 would not only put the EU firmly on track to achieve climate neutrality, but would also make EU business and industry global trailblazers. This includes sustainable steel produced with hydrogen instead of coal, where the hydrogen is made with sustainable electricity. A first pilot factory has recently opened in Sweden for this purpose.
- 5.2 As stated in earlier opinions, for example, the recent opinion "Between a trans-European super grid and local energy islands", the EESC has pointed out how important it is to recognise that the energy transition is not just a technological issue but also a profoundly social and political challenge. Not only businesses but also workers, trade unions and consumers must be involved in the energy transition, as promised by policy-makers and strongly called for by the EESC. However, here too, the Commission and the Member States leave more questions open than they answer. Moreover, current energy policy initiatives will prevent rather than encourage broad participation from the public. After all, Europe's energy transition first and foremost requires investment certainty for both public and private sectors, which can only be achieved if clear fundamental decisions are made.
- 5.3 The Committee supports the Commission's intention, as set out in its Communication "An EU Strategy for Energy System Integration", that integration of the electricity system with the heat and transport system is vital in terms of reaching the goals of climate neutrality, security of energy supply, including reduction of energy imports, and the goal of affordable prices for Europe's consumers and the European economy. It goes without saying that sufficient public and private financial resources will have to be made available in the coming years in order to be able to make the necessary investments.
- 5.4 With regard to the economic and social policy consequences, the EESC reiterates its position that decentralised energy systems provide major impetus for regional development and can lead to the creation of new, high-quality and skilled jobs in the regions.
- 5.5 We fully agree with the Commission that the building sector, currently responsible for 40% of final energy consumption and 36% of greenhouse gas emissions in the EU, has a large cost-effective potential to reduce emissions. We will discuss this in more detail in our opinion on *A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives*.
- 5.6 The EESC welcomes the position taken by the Commission (p. 16) that the aviation and maritime sectors belong to economy-wide measures, which are necessary to address in view of the Paris Agreement. These global transport modes are, together with some industrial emissions, those that currently are furthest from cost-efficient new non-fossil fuels, although promising tests are on-going. Aviation and shipping are also difficult to regulate through national or even European legislation and a large part of their emissions are outside EU territory. Since the EU international emissions from navigation and aviation have grown by more than 50% since 1990,

we do support the Commission's focus on finding constructive ways to include aviation and shipping in the EU climate policy. Aviation, within and between EU Member States, is already included in the European Emissions Trading System, and the Commission is currently assessing if shipping could also be included in ETS in the same way. For emissions outside EU territory we support the Commission's aim to be proactive in the work of UN organisations like the IMO and the ICAO to find effective and binding global emissions reduction schemes.

- 5.7 The Committee supports the Commission's recently published Strategy for a Sustainable and Smart Mobility, because the transport sector remains behind in the reduction of emissions. In spite of more efficient vehicles and the introduction of low-emitting fuels and motors, road transport has increased its emissions by over a quarter since 1990, mainly through rising transport demand. The strategy includes a broad spectrum of actions and initiatives that are needed to speed up the transition away from fossil fuel dependency towards sustainable mobility. Citizen engagement is essential for a smart transition, as cars have been and still are a major symbol of freedom.
- 5.8 For bioenergy and biomaterial, a full recognition of greenhouse gas emission savings made in agriculture and forestry, thanks to biogenic sources, is necessary to acknowledge the full carbon sink. Substituting fossil fuels and materials can generate emission savings greater than 100% depending on the fossil CO₂ and non-CO₂ substitution effects.

6. **Public participation, citizens and consumers**

- 6.1 The EESC strongly endorses the Commission's statement that citizens are "crucial partners in the fight against climate change, and can support it through political mobilisation and consumer choices", because we believe that active participation of "all parts of society" is a necessary condition for climate policy to be successful within the EU, considering that it is the civil society actors (enterprises, workers, consumers and citizens and their organisations) who implement the climate objectives in practice.
- 6.2 The EESC therefore welcomes that the European Commission opened, on 29 October, public consultations to hear views on reviewing policies necessary to increase its emission reductions target for 2030.
- 6.3 That is why we also reiterate our proposal to set up a European Climate Pact Stakeholder Platform, as set out in our opinion on the Climate Pact, to organise and facilitate the active participation of all parts of society³.
- 6.4 The EESC believes that special attention should be given to citizens with lower incomes. They are often wary of the energy transitions, because they fear that it will make life more expensive. That is why it is crucial what the Commission says about it: "In order to avoid negative impacts on vulnerable consumers, social and energy efficiency policies are important to target the renovation of their houses and keep the impact on their heating and electricity bills in check."

³ [OJ C 364, 28.10.2020, p. 67.](#)

We will discuss this in more detail in our opinion on *A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives*⁴.

- 6.5 The EESC also calls for the introduction of common criteria for their definition and common indicators at European level as a first step towards better measuring energy poverty, following the Commission's Recommendation of 14 October 2020 on energy poverty [C(2020) 9600 final⁵]. In order to adapt this definition to different national circumstances, Member States must develop more statistical tools that allow effective targeting of vulnerable households.
- 6.6 The Committee agrees with the Commission that renewables will lead to a high degree of decentralisation, providing opportunities for consumers to get engaged, for prosumers to generate, use and share energy themselves, and for local and notably rural communities to encourage local investments in renewables. It will also trigger new employment locally. We would like to point out, however, that attention must be paid to the legitimate concerns of citizens about, for example, the damage to the landscape or the disruption of their enjoyment of life. Active participation and a direct benefit from the financial and/or energy yield of the renewable energy installations to be built can alleviate these concerns. Furthermore, measures must be taken to assure that new employment opportunities trigger the growth of jobs with decent wages and good working conditions.
- 6.7 The Commission rightly calls for the necessity for the transition of our economy to be accompanied by investment in retraining and further training and permanent education of many professional groups. The EESC would like to emphasise the desirability that young people should also dare to choose the profession of farming again, because aging in agriculture poses a long-term threat to a sustainable food supply. Good preconditions and financial resources are necessary at European and national level.

Brussels, 27 January 2021

Christa SCHWENG

The president of the European Economic and Social Committee

⁴ [COM\(2020\) 662 final](#).

⁵ <https://ec.europa.eu/transparency/regdoc/rep/3/2020/EN/C-2020-9600-F1-EN-MAIN-PART-1.PDF>.