



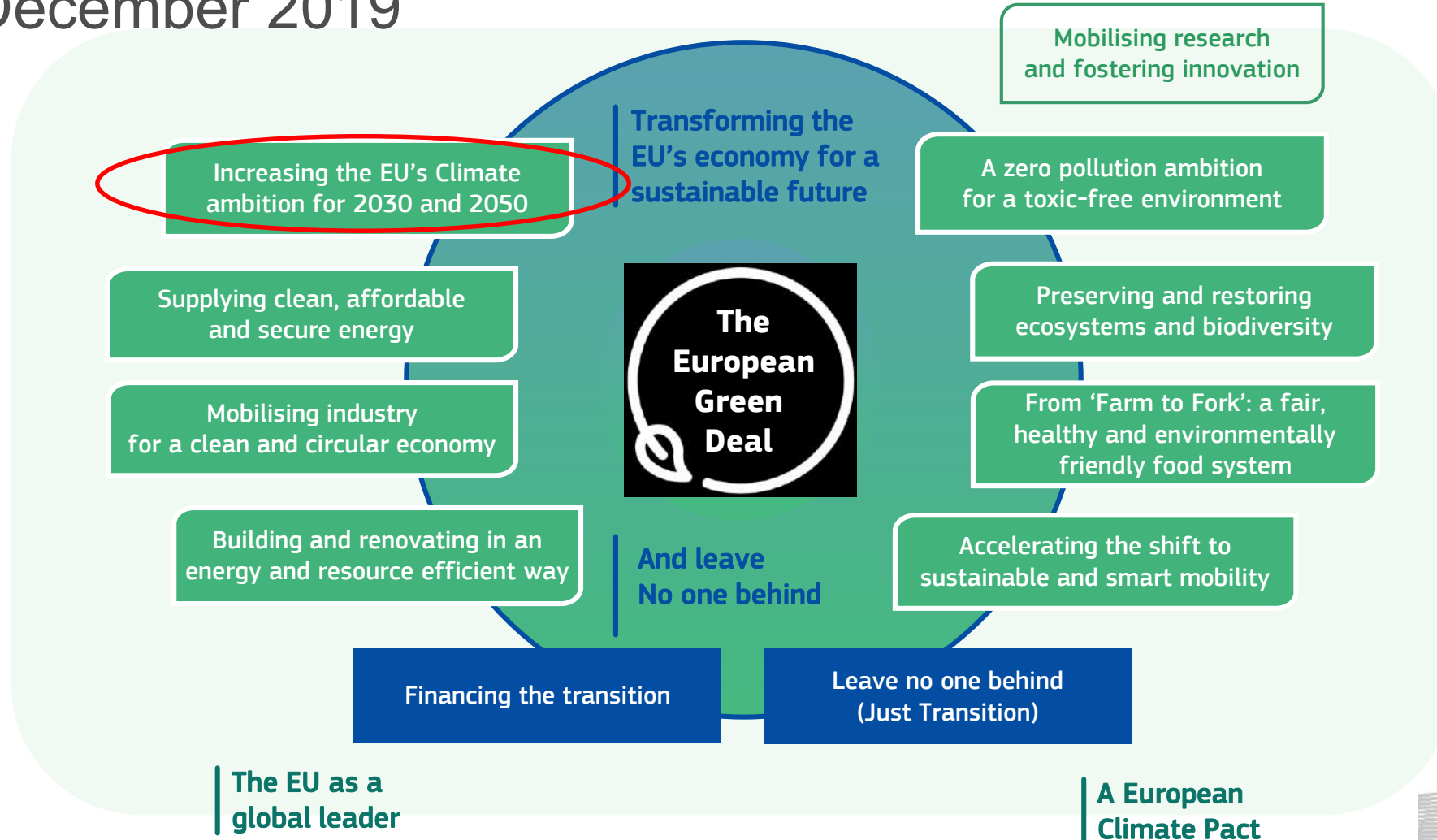
Delivering the **European Green Deal**

*Climate targets in the EU and the “Fit for 55” package
LIFE ClimatePath2050 International Conference
06-10-2021*

*Alban Kitous
Unit Strategy and Economic Assessment
DG CLIMA*

The European Green Deal

- December 2019



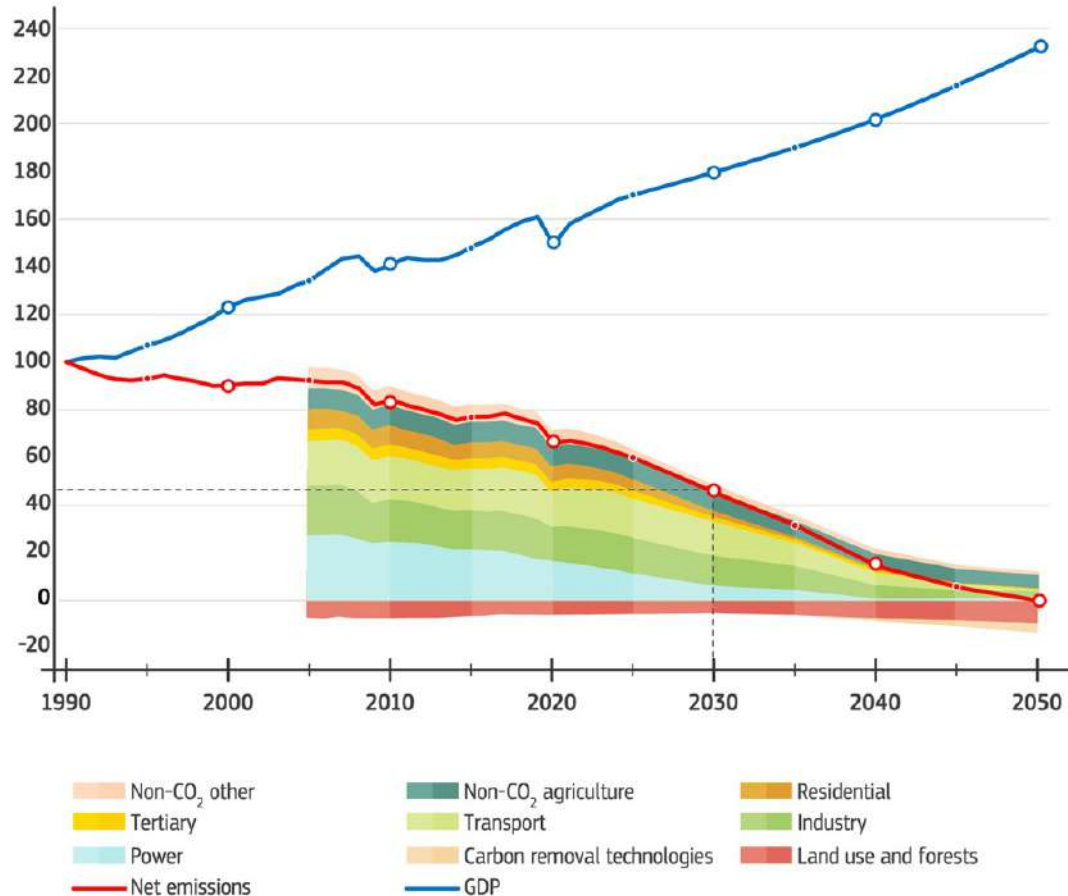
Climate neutrality by 2050

- Paris Agreement: objective to hold global temperature increase to well below 2°C and to pursue efforts to limit it to 1.5°C.
- November 2018: publication of the Communication “Clean planet for all” (COM/2018/773 final) calling for a climate neutral EU economy
- December 2019: target endorsed by EU leaders
- June 2021: objective in the EU Climate Law

A Clean Planet for all
A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy



Climate Target Plan: 2030 target on path to climate neutrality



Achieving at least 55% net greenhouse gas reductions by 2030 compared to 1990

The European Climate Law

- The [European Climate Law Regulation](#) of 30 June 2021
(Regulation (EU) 2021/1119)
- Union-wide climate-neutrality objective 2050
- New **2030** target of at **least 55% net** greenhouse gas emissions reduction
- Recognition of the need to enhance the EU's **carbon sink**

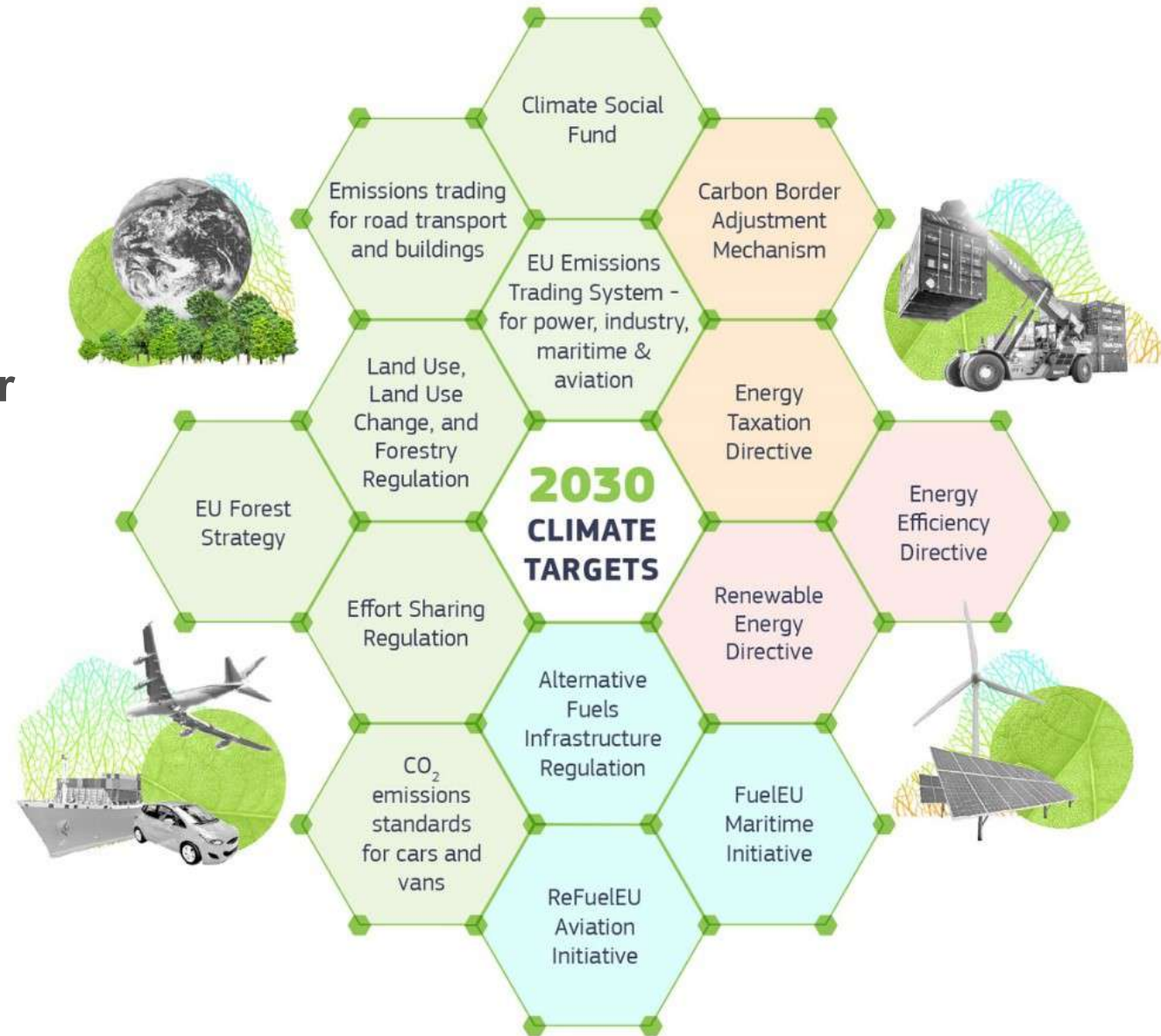
Delivering the European Green Deal

July 2021: 13 interconnected legislative proposals to deliver on the ambitious target.

The package aims to make the EU 'fit for 55' in a

- fair,
- cost-efficient and
- competitive manner

It is a policy mix that respects a balance between **pricing, targets, taxes, standards and support measures**



Policy mix at a glance

Pricing	Targets	Rules
<ul style="list-style-type: none">• Stronger ETS including in aviation• Extending the ETS to maritime, road transport, and buildings• Updated Energy Taxation Directive• Carbon Border Adjustment Mechanism	<ul style="list-style-type: none">• Updated Effort Sharing Regulation• Updated LULUCF Regulation• Updated Renewable Energy Directive• Updated Energy Efficiency Directive	<ul style="list-style-type: none">• Stricter CO₂ performance for cars & vans• New infrastructure for alternative fuels• ReFuelEU: More sustainable aviation fuels• FuelEU: Cleaner maritime fuels
Support measures		
<p>venues and regulations to promote innovation, build solidarity and mitigate impacts for the vulnerable, notably the new Social Climate Fund and enhanced Modernisation Fund and Innovation Fund</p>		

The Fit for 55 Package consists of a set of **inter-connected proposals that strike a careful balance** between pricing, targets, standards and support measures.

EU ETS



- Existing ETS

- Increase of 18 pp of emissions reduction (from -43% to -61% by 2030)
- Remove free allowances for aviation
- Review of the Market Stability Reserve
- Extended to maritime transport

- New ETS

- For road transport and buildings, operational as of 2025
- Emissions reduction of 43% by 2030
- Social Climate Fund to address possible social impacts

Policy measures on taxation and trade

- Revision of the **Energy Taxation Directive**: Shifting tax incentives away from fossil fuels and towards clean technologies
- New **Carbon Border Adjustment Mechanism**: Carbon price on imports of a targeted selection of products to prevent 'carbon leakage'



ESR and LULUCF

- Effort Sharing Regulation
 - Keep existing architecture and scope: will continue to cover road transport and buildings sectors, alongside their inclusion in the new ETS
 - Increase emissions reduction target by 11 pp (from -29% to -40% by 2030)

- LULUCF

- More powerful incentives to grow and improve natural carbon sinks
- Binding targets to increase net carbon removals from 2026 to 2030 (-310 MtCO₂eq)
- Significant simplification of rules
- EU-wide target of climate neutrality in land use, forestry and agriculture sector by 2035



Revising the Renewable Energy Directive

- Increased overall renewables ambition to 40%
- Increased renewables ambition in key sectors (heating and cooling, transport, industry, buildings)
- Facilitating Energy System Integration (e.g. electrification and renewable hydrogen)
- Flanking measures (e.g. permitting, guarantees of origin, cross border cooperation)
- Bioenergy sustainability: targeted strengthening EU criteria

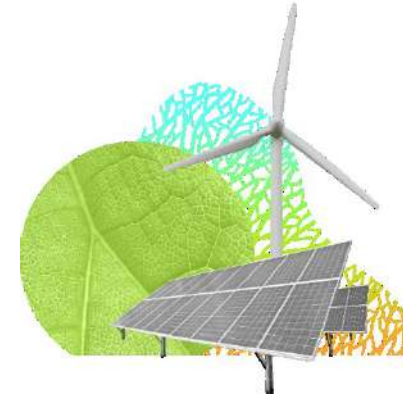


Renewables in the EU energy mix



Revising the Energy Efficiency Directive

- Indicative Member State contributions to the EU-level energy efficiency target
- Strengthened energy savings obligation in end-use
- Increased focus on alleviating energy poverty and consumer empowerment
- ‘Energy Efficiency First’ Principle – making it an integral part of policy and investment decisions



17.0-17.4%

Current energy efficiency savings for primary and final energy consumption (in 2019)

32.5%

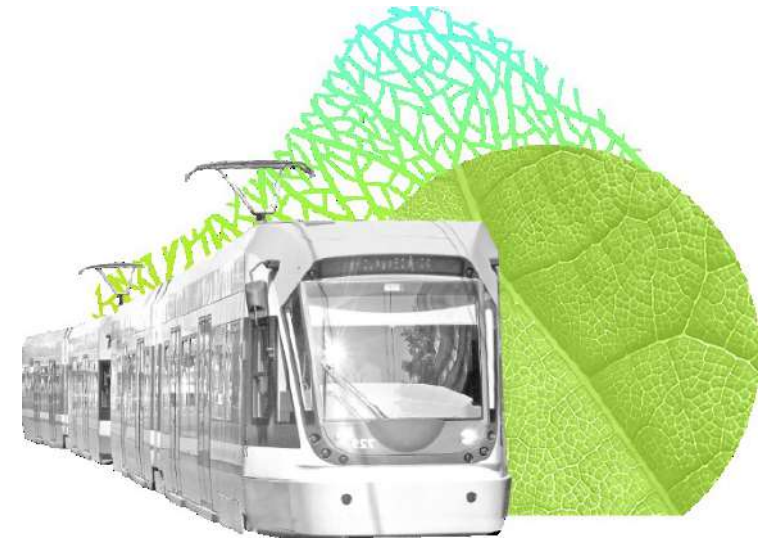
Current EU 2030 non-binding target (relative to 2007 projections)

36-39%

New EU 2030 binding target for final and primary energy consumption

Policy measures on transport

- Stronger CO2 emissions standards for cars and vans
- Alternative Fuels Infrastructure Regulation
- ReFuelEU Aviation Initiative
- FuelEU Maritime Initiative



Support measures for a fair transition: SCF

- The **Social Climate Fund**:

- 1) **support households, transport users, and micro-enterprises;**

- 2) **support investments** in energy efficiency, buildings renovation, clean heating and cooling, integration of renewable;

- 3) **provide direct income** support for vulnerable households;

- 4) **finance zero-and low-emission mobility**



- **Financed by the EU budget**, using an amount equivalent to **25% of the expected revenues ETS building and road transport**. It will provide **€72.2 billion for the period 2025-2032**.

Support measures for a fair transition: MF & IF

- **Increased role of modernisation fund:** support modernisation of energy system in set of low income Member States
- **Increased Innovation Fund**
- **Supporting contracts for difference under the Innovation Fund:** a tool to provide support to the early deployment of innovative technologies and to complement the existing funding mechanisms in the Innovation Fund.

Improving the use of auction revenues: a commitment for Member States to use the entirety of their revenues on climate and energy (including social) purposes

Next steps?

Thank you



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