BRINGING THE EU TOGETHER ON CLIMATE ACTION

HIGH LEVEL EVENT REPORT: Accelerating climate action in the EU and Member States through the Fit for 55 package and National Planning Processes

On 14 October 2021, a webinar organized by the Unify and EUKI projects brought together decision makers, scientists, business, civil society and trade union representatives to discuss how the "Fit for 55" Package -*the wide range of legislative proposals to implement the EU's enhanced 2030 climate target*- can be implemented in a fair way. It also hosted the launch of Climate Analytics' newest report that includes 1.5°C compatible emission reduction pathways for the EU and its nine Member States. The event consisted of two panels, a combination of which provided a comprehensive overview of the state of the arts in the field of EU climate policies in the light of the latest scientific conclusions regarding aligning national climate targets of the EU member states with the Paris Agreements goals.

Fit for 55 package

The first panel was opened by the keynote speaker Diederik Samsom, Head of Cabinet for Vice-President of the European Commission Frans Timmermans, who unpacked the main elements of the "Fit for 55" package. In his words, the Package is a combination of targets and measures to ensure that the EU implements its enhanced 2030 climate target. Getting to higher emission reductions by 2030 would certainly pose some financial, technological and social challenges which need to be addressed through the Package to ensure its public acceptance. In Samsom's words "it is European solidarity that builds its heart". It is clear that the package needs to address many different elements of energy transition; from its costs to the threat of far-reaching unemployment in some sectors which might be affected by Europe's race for zero emissions if their transition is not properly designed. The panelists of the webinar were nonetheless in a clear agreement and stressed that co-benefits of early climate action would largely prevail over the costs and losses. As emphasized by Ursula Woodburn from the Corporate Leaders Group Europe, greening the European economy is above all a unique opportunity for businesses with many positive outcomes, such as job creation, as well as an undeniable chance to prevent more destructive impacts of climate change on the economy. Diederik Samsom further stressed that generous EU funding opportunities for the transition will especially benefit poorer states, who will be able to draw large sums of money from the Modernization Fund, Social Climate Fund and others. The perspective of a decent life in decarbonized Europe must be nonetheless also presented to millions of workers especially in countries such as Poland, which are heavily reliant on traditional industries, and, as Marcin Kowalczyk from WWF Poland warned, potential centres of social unrest that needs to be anticipated and tackled in socially sensitive way.

Wendel Trio from Climate Action Network Europe aptly reminded that we will not be able to avoid disruptions in the coming decades. Our choice is whether the disruptions we will be facing are those caused by the transformation of the economy, or if we are willing to risk disruptions caused by runaway climate change, putting at risk especially those who are poor and unprepared. From that perspective, Trio stressed the urgency of going beyond the current 55% target which the legislation package is built around. The more ambitious climate action, the more benefits for society.

Adding on Wendel Trio's points, Monica Frassoni from the European Alliance to Save Energy reminded us that the current rise of energy prices is the result of our delay in - the energy transition. Building on the lessons learnt from the current energy prices spike, she

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recalled the new emissions trading scheme (ETS2), which is the expansion of ETS to transport and buildings to be designed and implemented carefully. Otherwise, vulnerable households would pay the price of energy transition. She encouraged the European Commission to rather focus on developing better legislation, especially EED and EPBD. The concerns on the ETS2 were answered by Diederik Samsom, ensuring that the new ETS is not designed to put the price on vulnerable households but instead will incentivize decarbonization in companies such as Shell, which have so far contributed very little, if anything at all, to the necessary emission reduction targets. Moreover, in line with the idea of European solidarity and the key motto of “leaving no one behind” embedded in the “Fit for 55” package, revenues from the new ETS2 will be redistributed in an equitable way to households and countries that cannot afford to pay the price of decarbonization on their own. From that perspective, Benjamin Denis from IndustriAll Europe also reminded of the labour dimension and the so far unaccounted for impacts of energy transition on a variety of industry sectors beyond coal industries, where millions of workers will need retraining and a positive vision of their future in the fossil-free Europe.

Climate Analytics Report and the potential of National Plans to accelerate climate action

Michiel Schaeffer, the lead science adviser of Climate Analytics, introduced their newest research on 1.5°C compatible emission reduction pathways for the EU and nine Member States. The research report presents trajectories towards 2030 which would be in line with the goal of limiting temperature rise to 1.5°C by the end of this century, and which are feasible if the highest plausible climate ambition is deployed by the EU. This would require emission reduction targets higher than the current 55%, achievable only by quick multiplication of renewable energy capacities and with halving our current energy consumption. So far, out of the states examined by the report, only the National and Energy Plan (NECP) of Denmark is compatible with the goal of Paris Agreement, but is not achievable under the current policies.

More light on the crucial role played by NECPs and national long-term strategies for the timely implementation of the “Fit for 55” package was shed by Dr. Yolanda Garcia Mezquita from DG ENERGY. Currently, 40% of the funds within the EU’s Recovery and Resilience Plan is allocated for climate objectives and the European Commission closely monitors their implementation in the member states to ensure their effective use. However, as made clear by speakers from Czechia and Spain, NECPs in individual EU member states largely differ in terms of their ambition, public participation and implementation. Ana Márques from the SEO/ Birdlife presented tangible advances made by the current Spanish government, whose ambitions go beyond strengthening renewable energy, and incorporate measures such as reductions of food waste and red meat production. Kateřina Davidová from the Center for Energy and Transport on the other hand offered quite a reverse picture from Czechia, where politicians continue to ignore the benefits of energy transition and instead engage in narratives portraying the European Green Deal as costly and negative. As she concluded, unless existing gaps and discrepancies between science, EU targets and national narratives are eliminated, the full potential of the transformation cannot be unlocked.

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Summary

Confronting the Climate Analytics' newest report with the current European legislative and the reality in individual Member States pointed to the gap between what science tells us to limit temperature rise to 1.5°C and real action in the EU.

In order to guide and support Member States in their energy transition, the European Union should establish and maintain a constant dialogue with member states and provide them with guidance and support, while also monitoring that funds for climate objectives are used in a strategic way and for the right purpose integrated with the states' NECPs. This objective also requires further work on the climate legislation package, where many blank spots remain and are thus subject to potential criticism and negative perception of the energy transition. Especially countries, where the public is surrounded by disinformation and/or narratives against ambitious climate action, the EU needs to play a much more active role in presenting the transformation of the European economy as an opportunity and an attractive and affordable chance for decent life which can benefit all people without leaving anyone behind. Climate legislation therefore also needs a much more detailed mapping of employment and a strong labour dimension. To change the negative perception of the transformation will require a continued involvement of and discussion with citizens, especially low-income households and workers in vulnerable industries. Tools also need to be proposed and implemented to encourage citizens to switch to renewable energy instead of being locked in the use of fossil energy, which continues to receive unjustifiably high subsidies in comparison to renewable energy. Large costs of the transition and the current investment gaps can no more do without a much bigger involvement of the private sector, especially multinational corporations and higher corporate tax, and without a stronger role played by the local as well as regional authorities. Furthermore, measures are needed to eliminate the negative impact of speculation and hedging on energy prices and the ETS, which are undermining the function the system was meant to deliver.

Overall, the message of the webinar clearly points to a conclusion that European climate policy not only needs to be more ambitious and deal with its imperfections, but also pay a lot more careful attention to its social impacts, whose early anticipation can significantly accelerate the EU's race for a carbon-neutral future.

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