IndustriAll Europe welcomes idea of going climate neutral by 2050

'A Clean Planet for All' creates opportunities to re-industrialise Europe'

The 195 nations Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) aims to limit the rise in average global temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1,5° C. All countries that joined the agreement are invited to submit mid-century strategies by 2020. To prepare the European strategy, the European Parliament and the Council invited the Commission in March 2018 to come forward with an updated long-term strategy for 2050. The Commission presented this new strategy on 28 November.

Already back in 2011 the Commission proposed a first 'Roadmap for moving to a competitive low carbon economy in 2050'. It developed a vision and outlined also milestones about how to deliver greenhouse gas reductions of 80% to 95% by 2050 compared to 1990 levels. However, much has changed since then, and an updated strategy was needed: the Paris agreement created a new global framework for the fight against climate change and increased the ambition, the price of renewables fell dramatically, and low-carbon technologies made significant progress. Moreover, the recent IPCC report on 1,5°C made it very clear: human activities have caused around 1°C of global warming to date, we are already experiencing changes in weather and climate extremes, and temperatures continue to rise. Crossing the 1,5° threshold will significantly compromise global human health and safety, economic growth, biodiversity and spur a downward global spiral of social fragility and conflict. Bringing down global emissions to net-zero as soon as possible after 2050 is the only way to avoid a planetary disaster. This means that the 60% net carbon reduction the EU will achieve on basis of the current targets, will not be enough to play a part in slowing a potentially catastrophic rise in temperatures.

The new strategy confirms Europe's determination to lead in global climate action and provides clear indications of the trajectory. The vision is supported by a detailed analysis of 8 pathways to reduce greenhouse gas emissions between -80% up to net zero by 2050. The Commission also identified 7 building blocks for a net-zero greenhouse gas economy:

- **Maximise the benefits from energy efficiency**. Energy efficiency, including zero emissions buildings that could reduce energy consumption by as much as half compared to 2005. It will imply a higher renovation rate for buildings, decarbonisation of industrial processes, labels and standards for appliances and electronics, e-fuels and hydrogen produced from renewable energy.
- **Maximising the development of renewables**. By 2050 the share of electricity in energy demand will have to double to 53% (which implies up to 2,5 times more electricity production) and more than 80% of electricity will have to come from renewable energy sources.
- The **decarbonisation of transport** by rolling out carbon-free, connected and automated road-transport mobility, shifts towards low-carbon modes such as rail and waterborne transport and better urban planning.
- **Rapid transformation to a digitalised and circular economy**. Recycling and re-using will reduce materials input. New materials (composites, carbon fibre) will replace energy intensive materials. Electricity, hydrogen, renewable synthetic gas and biowaste can substitute fossil fuels in production processes.

- **Develop an adequate smart network infrastructure** and make it climate proof by the timely completion of the Trans-European Transport and Energy Networks including smart grids and hydrogen pipelines.
- **Reap the full benefits of bio-economy and create essential carbon sinks**. Sustainable biomass can directly supply heat as well as transform into biofuels/biogas or bio-based products (textiles, bioplastics, composites).
- **Tackle remaining CO2 emissions with carbon capture and storage**. This is especially important for the energy intensive industries and the production of carbon-free e-fuels.

The seven strategic areas identified by the Commission show that the road to a climate neutral economy will require deep industrial transformation. They constitute the building blocks that could later be turned into binding targets. They will require ambitious industrial policies regarding investments, infrastructure, trade, skills, technologies, sectoral transformation, clean public procurement, …

The Commission is also aware that the transition to a climate neutral economy will provoke structural changes. Sectors such as coal mining and fossil fuel extraction will see job losses while other sectors like the chemical industry will be profoundly transformed. "Therefore, the ensuing deep modernisation process will have to be managed well, ensuring a fair and socially acceptable transition for all in the spirit of inclusiveness and solidarity" (Communication 'A Clean Planet for All', p. 20).

The strategy will now be followed by a thorough debate involving decision-makers and stakeholders in order to adopt an ambitious strategy by 2020 and present it to the UNFCCC.

IndustriAll Europe fully supports this highly ambitious new long-term strategy of the Commission as it clearly takes on board the industrial challenges and highlights the role of industry as part of the solution. Accelerating the decarbonisation of resource and energy intensive industries will be key and require the upscaling of the many technological opportunities that already exist. The strategy should allow the EU to maintain global leadership in low-carbon technologies and create first mover advantages for Europe's industry. The seven building blocks offer clear long-term signals to industry. They will guide its innovation efforts and investment decisions. They will also be key in transforming the vision into reality as they need to be turned into industrial policies and an enabling framework. In this way the strategy should also become a lever for the re-industrialisation of Europe based on digital, circular and sustainable technologies and business models.

"*It is by developing the synergies between industrial and environmental policy that Europe's industry can stay at the forefront of sustainable industrial development and contribute to the societal demand for action against climate change. This is essential for the long-term future of industrial activities inside the EU. It is also key for creating high-quality jobs and above all to improve the quality of life of Europe's citizens*", said Luc Triangle, General Secretary industriAll Europe.

However, speeding up emissions reduction risks to have a negative impact on workers and communities which will weaken public support for climate policies. IndustriAll Europe fully shares the view of the Commission that the transition must be carefully monitored to ensure nobody is left behind. The social implications of this transformation must be considered from the outset and all relevant policy tools be developed and deployed to mitigate the impact on workers and regions.

Therefore, industriAll Europe has identified several key requirements for a successful transition:

- Transpose the long-term strategy into operational short-term industrial action plans, involving all key industrial sectors.
- Develop a comprehensive strategy for the decarbonisation of the energy-intensive industries. In this respect industriAll Europe calls for a specific 'Mission' on low-carbon technologies in the new Horizon Europe programme.
- Take care of sectors and regions that are expected to decline or will have to transform with re-development plans for regions and re-adjustment programmes for companies.
- Avoid mass redundancies and ensure a smooth transition to another job for each worker affected. Establish safety nets of social protection for workers whose job will be at risk.
- Need to keep Europe's industry competitive by guaranteeing a global level playing field and avoiding carbon leakage
- Support investments in clean production processes and provide adequate finance for sustainable infrastructure (energy and transport networks, CCS). For energy infrastructure alone, the strategy will require 175 to 290 bn additional investments annually. It should be clarified how these investments will be financed and how the costs of the transformation will be shared across society and throughout the industrial value chains
- Invest in human capital at all levels
- Consider the distributional impact of climate measures. It must be avoided that people with a low income are adversely affected. The transition will have a deep impact on our way of living and without maintaining social cohesion it will fail.
- Promote the global uptake of carbon-neutral policies and close international cooperation to ensure that all parties to the Paris Agreement develop, submit and implement long-term climate policies
- To accompany the implementation of the new strategy a Just Climate Transition Fund should be established under the next Multiannual Financial Framework

"The new climate strategy sets high ambitions for the next decades and decisive climate action is indeed needed. However, developing a shared political vision is only the first step. The vision needs to be turned in concrete commitments, legislation, actions that are able to deliver a 'Clean Planet for All'. It will not be easy as it will require deep industrial and societal transformation. However, it is our duty to maintain our planet as a good place to live for our children", clarified Luc Triangle."

"For us as industrial trade union three elements will be key. First, social sustainability must not be forgotten which means that nobody may be left behind, second, the strategy must maintain and create sustainable industrial activities and jobs inside the EU and finally, as Europe is not alone, international cooperation in support of the global uptake of climate-friendly policies is a conditio sine qua non", Luc Triangle concluded.