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### **Introduction:**

On 11 December 2019, the European Commission presented the European Green Deal, with the ambition of becoming the first climate neutral bloc in the world by 2050. By endorsing the objective of achieving a climate neutral EU by 2050, the European Council provided a positive start for the Deal in mid-December 2019. In addition, the European Parliament voted this week (15-01-2020) in favour of the Deal. Now, at the start of 2020, the European Commission already released several initiatives that are part of this European Green Deal. In this Memo, an update on the general state of affairs with regard to implementing the Deal is provided.

### **The European Council**

The European Council, on the 12<sup>th</sup> of December 2019, [endorsed](#) the hallmark of the European Green Deal: achieving a climate neutral EU by 2050. By doing so, an important political signal was given at a timely moment<sup>1</sup>. Although the political importance of the endorsement should not be underestimated, one Member State (Poland), at this stage, made clear that it cannot commit to implementing the 2050 objective. By postponing further discussions about this matter until June 2020, the Council ensured that it was able to deliver the political endorsement regardless of the position of Poland.

### **The European Parliament**

On January 15<sup>th</sup>, 2020, the plenary session of the European Parliament [adopted its resolution](#) on the European Green Deal. MEPs welcomed the Green Deal with a majority of 482 members in favour and members 136 against<sup>2</sup>. In addition, Parliament called on the Commission to go beyond the commitments currently set out in the Deal, on issues such as biodiversity, deforestation, oceans and agriculture. Furthermore, as part of its resolution, Parliament also underlined that the UN Agenda2030 should be at the centre of the EU's process of drafting and implementing policies<sup>3</sup>.

### **The European Commission**

Following the launch of the European Green Deal in December 2019, the European Commission issued two roadmaps (on biodiversity and a circular economy) and the – so called - Sustainable Europe Investment Plan. These three actions are all part of the European Green Deal.

<sup>1</sup> The Council endorsement came just one day after the release of the European Green Deal and ensured that the EU was able to present clear – enhanced – ambitions during COP25 in Madrid.

<sup>2</sup> 95 MEPs noted abstention.

<sup>3</sup> The European Parliament Believes that the UN Sustainable Development Goals (SDGs) should be at the centre of the EU's process of drafting and implementing policies so that the EU promotes a model for human development compatible with a healthy planet; underlines, in this regard, the fact that the European Green Deal must combine social rights, environmental integrity, regional cohesion, sustainability and future-proof industries that are globally competitive, to the benefit of all;



As announced in the European Green Deal communication, a new **Circular Economy** Action Plan is expected to be published in the first quarter of 2020, that will set the course of EU initiatives on the circular economy in the coming years. The Action Plan will be adopted together with the EU Industrial Strategy, in order to mobilise the industrial sector and all the value chains towards a model of sustainable and inclusive growth. In prelude to this Action Plan, the European Commission published a [Roadmap](#). This Roadmap touches upon the subsidiarity principle, the aims of the envisaged Action Plan and the better regulation aspects of the Plan.

A similar document is published on the issue of **biodiversity**. The European Commission aims to develop a Biodiversity Strategy towards 2030. To this end, the Commissions published a [Roadmap](#). The initiative to come with a strategy responds to the ambition of this European Commission to *'lead the world in the negotiations on a post-2020 global biodiversity framework to be adopted at the 15th Conference of the Parties to the United Nations Convention on Biological Diversity in October 2020 in Kunming, China'*. The strategy will outline the proposed EU position for the global negotiations and put forward EU commitments to address the main causes of biodiversity loss by 2030. In the context of the Commission's work on biodiversity, it is worth noting that this week (15-01-2020) the European Parliament voted on its position in prelude to the UN Convention on Biological Diversity, pushing for an ambitious European stance.

On January 14, 2020, the European Commission presented the [European Green Deal's Investment Plan](#), the so called **Sustainable Europe Investment Plan**. The Plan entails a complex variety of public and private money streams to create an enabling framework for the transition to a climate neutral, green, competitive and inclusive economy. According to the calculations of the European Commission, the Plan should mobilise at least €1 trillion in sustainable investments over the next decade (2021-2027).

An important element of the Plan is the – so called – Just Transition Mechanism (JTM). This JTM is set up to help Europe reach carbon neutrality by 2050. The JTM will consist of three main sources of financing, including: A) a Just Transition Fund<sup>4</sup>; B) a dedicated just transition scheme under InvestEU<sup>5</sup> and C) a public sector loan facility with the European Investment Bank backed by the EU budget<sup>6</sup>. Together these funds should mobilise at least €100 billion over the period 2021-2027, in the most affected regions, to alleviate the socio-economic impact of the transition. Although financial investment is the key element of this proposal, the Commission underlined that the JTM is about more than funding. It will include a strong governance framework centered on territorial just transition plans, that need to be provided by Member States.

In **Annex A**, an overview of the resources to finance the Sustainable Europe Investment Plan is shown. Now the Plan is launched, both the European Parliament and the European Council will discuss and

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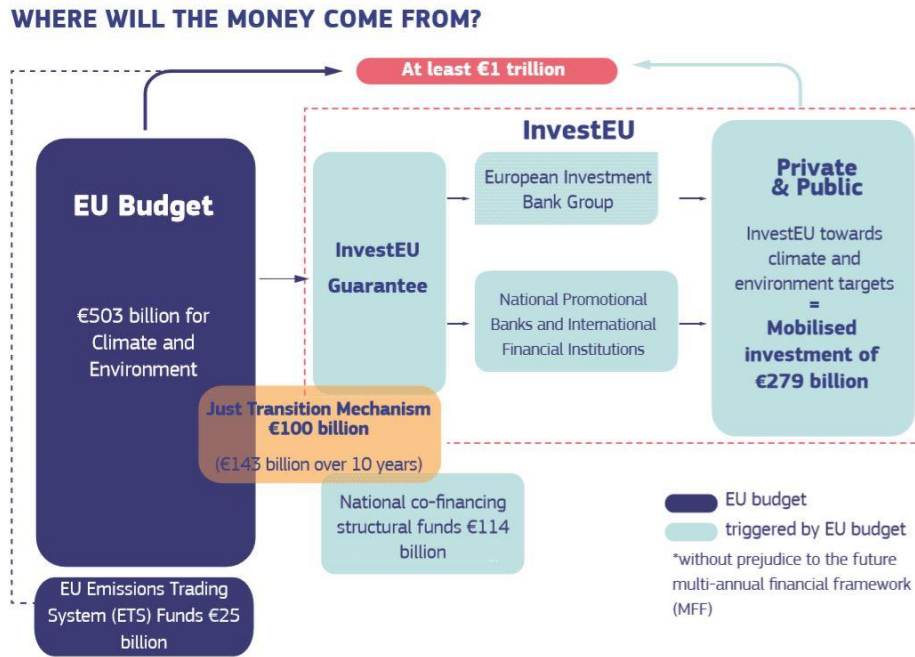
<sup>4</sup> The Fund will primarily provide grants to regions. It will, for example, support workers to develop skills and competences for the job market of the future and help SMEs, start-ups and incubators to create new economic opportunities in these regions. It will also support investments in the clean energy transition, for example in energy efficiency.

<sup>5</sup> It will seek to attract private investments, including in sustainable energy and transport that benefit those regions and help their economies find new sources of growth.

<sup>6</sup> It will be used for loans to the public sector, for instance for investments in district heating networks and renovation of buildings. The Commission will come with a legislative proposal to set this up in March 2020.

vote on the details of the plan in the coming months. For more in-depth information on the [European Green Deal's Investment Plan](#), please click on this link.

**Annex A: Where will the money come from?**



\*The numbers shown here are net of any overlaps between climate, environmental and Just Transition Mechanism objectives.

Source: The European Commission