

## A SUSTAINABLE CLIMATE STRATEGY FOR EUROPE: ACTING NOW CEEP OPINION ON CLIMATE "FOR SIBIU AND BEYOND"

### Our key messages:

- Global warming is a major risk and climate policies must be developed as part of a sustainable approach.
- A prerequisite for success is the social acceptability of these policies, which requires greater equity and democracy, particularly at the local level.
- CEEP members manage essential infrastructure and provide SGIs that contribute to well-being and competitiveness; their proximity to economic actors makes them key players in climate policies.
- The EU Strategic Agenda 2019-2024 needs to recognise that role and put "enablers" of sustainable climate policies at its centre.

Climate change is a major challenge with dramatic consequences both globally and for Europe. **CEEP**, the European Centre of Employers and Enterprises providing Public Services and Services of General Interest (SGIs) **welcomes the European Commission's initiatives to mobilise all European stakeholders to limit global warming on our planet. We now call on EU leaders to respond to that appeal and put sustainable climate policies on top of the Strategic Agenda 2019-2024.**

All warnings - and particularly the recent work of the IPCC - point in the same direction, that of a climate emergency, and it is imperative to implement strong climate policies now. "Our house is burning, and we are looking elsewhere" said Jacques Chirac, President of the French Republic, at the opening of his speech to the plenary assembly of the Fourth Earth Summit in Johannesburg, South Africa, in 2002. This sentence did not only concern climate change, but also listed the major environmental and human development problems that arise, continent by continent.

CEEP stresses that the climate challenge must be considered in a context marked today by the emergence of new disruptive technologies such as digitalisation, the rise of environmental concerns and the demand for greater involvement on the part of European citizens. CEEP maintains that **Europe's climate strategy can only be part of a sustainable development strategy based on three pillars that lie at the heart of CEEP members' action:**

- **The economic dimension:** Public Services and SGIs promote economic growth and employment in Europe by providing essential services (communications, water, energy, waste treatment, transport, etc.) whose contribution to the fight against climate change is crucial and whose quality contributes to the competitiveness of European industry. This

includes the integration of new technologies (such as digitalisation) and requires considerable investment to meet the needs of the economy.

- **The environmental dimension:** the outcome of mitigation policies has been insufficient despite Europe's vigorous efforts (which emits less than 10% of global CO<sub>2</sub> emissions). It is therefore essential, while pursuing mitigation policies, to think about the adaptation of our economies and the resilience of infrastructure. Moreover, while climate change is a major issue, action must simultaneously handle other environmental challenges such as water availability or biodiversity. CEEP member organisations are at the heart of these environmental challenges:
- **The social dimension:** the involvement of Europeans is a sine qua non condition for the success of climate policies because it is based on changes in consumer behaviour that will prove essential. European citizens increasingly want to be involved in the debates, which CEEP welcomes, and the social feasibility of climate policies is a key element of our success. In this sense, the implementation of effective and efficient climate policies (in terms of cost per tonne of CO<sub>2</sub> avoided) and a fair sharing of the financial effort are essential ways to increase citizens' support. Finally, it is important that these transitions are inclusive and do not leave anyone out of these developments. Because of its historical proximity to the users of their services, CEEP member organisations are particularly aware of this social issue.

**CEEP underlines that, together with the revolution of digitalisation, the transition towards a climate-neutral economy is a new beginning for enterprises and workers.** As one of the three EU cross-industry social partners, CEEP gathers members from a broad range of sectors of the economy, including health, transport, communications, environment, waste, water, education, housing, local administration and energy. The last one seems to have a key role when addressing greenhouse gas (GHG) emissions reduction while ensuring security of supply, affordable prices and social acceptance. However, as EU action is impacting the whole economy, and seen the broad actions required to reduce substantially GHG emissions, all CEEP members are concerned and will bring their expertise into that debate.

## **Mitigation strategies need strong political commitments and shall remain technology neutral**

The means to limit GHG emissions in Europe are clearly identified: increasing resource efficiency and decarbonising the economy, which can be done on the supply side (promoting low-carbon or non-carbon technologies for electricity production) or on the demand side (encouraging substitution between modes of transport towards solutions with lower CO<sub>2</sub> emissions). The climate emergency suggests implementing the technologies currently available and encouraging consumers to change their behaviour now.

**A more bottom up approach with a technology neutral nature would therefore be needed in order to allow for all technologies to compete on an equal level-playing field.** The critical infrastructures of public service sectors have a key role to play in this process that should be led by innovative and efficient technologies in order to preserve this. It is important to underline that public services have the necessary means to put these strategies into effect. CEEP also considers important to have a cross-

sectoral approach, taking into account the energy, waste, building and transport sectors in this decarbonisation process.

The implementation of these mitigation strategies requires huge investment efforts (infrastructure, skills, R&D, etc.) for which financing mechanisms must be quickly put in place. It is important to note that Europe's emissions represent only 10% of global emissions: some CEEP members can share their expertise with developing or emerging countries to help them move faster on low-carbon roads.

CEEP also underlines the importance of considering solutions implemented in a systemic approach and of preventing the transfer of apparently avoided emissions to other sectors or countries. In this sense, the framework proposed by the circular economy is, in the longer term, well adapted to the implementation of climate policies.

**We therefore need an international cooperation spirit, where Member States strongly commit to their mitigation policies and take a comprehensive approach towards more resource efficiency and innovative decarbonisation strategies.**

## Adaptation policies need tailor-made plans

Even with strong policies to mitigate global warming, it is now accepted that it will be necessary to implement adaptation policies. **CEEP members are very directly concerned because the services they provide are essential to the well-being of citizens and the competitiveness of the economy.** There are still some uncertainties today about how to ensure the resilience of infrastructure to the consequences of climate change.

Changes are also to be expected on the demand side, which will evolve due to different needs associated with the new environment. Similarly, Europe may face the more severe consequences of climate change in other parts of the world and some are already raising the issue of climate migration.

Governments from the national, local and regional level need to take the responsibility and act proactively when planning and implementing their adaptation strategies. **In Europe, the diversity of our environment is rich and therefore it is vital to ensure that such adaptation strategies are tailor-made plans and cannot rely on a one-size-fits-all basis.** Moreover, adaptation policies should be seen as complementary to mitigation policies as they provide measures needed to tackle the negative consequences due to climate change.

## Towards a Just Transition

The **climate challenge must be met in a new context of awareness and demand for citizen involvement and an acceleration in the rise of environmental concerns**, which CEEP welcomes. The consequence is important because it makes social feasibility a sine qua non for the success of climate policies. There is clearly a greater demand for debate and decision-making at the local level, which must be addressed by defining new principles of subsidiarity while ensuring the consistency of decisions taken at different levels and their cost-effectiveness. The overall result will be a reduction in the costs of these policies, which will facilitate burden sharing.

The issue of burden sharing is crucial and, as several reports (including the latest IPCC report) have pointed out, climate policies cannot be deployed in a context of growing inequality. As CEEP members are particularly well placed to contribute to this debate, this should make it possible to implement acceptable and efficient climate policies for all EU citizens. With the right economic tools (to enhance economic growth, employment etc) and more citizen engagement (in an economically and democratically fair context) the climate transition phase can become socially feasible. And CEEP members can be key stakeholders in this process.

**Implementation must be just in its process.** Some regions are facing more challenges than others, adaptation for the different needs must be recognised and respected. Moreover, it is important on the different levels (local, regional, national, European) to support social communities and citizens affected by the new context.

When it comes to the social dimension for a climate-neutral economy, public services' providers and SGIs have a strong potential for a sustainable job creation in the midst of this adaptation towards a more sustainable economy by highlighting the contribution of sustainable jobs and promoting them further.

## Climate friendly public policy strategies

In the process of public policy making, the wide-ranging challenges of climate change across different sectors and countries are a major challenge to understand that **"one does not suit all"** and to restore the notion of subsidiarity to its rightful place. It will be crucial to ensure legislations from different sectors do not conflict with previous existing policies. Climate strategies can use different tools depending on the country, sector and market.

In order to unleash the full potential of sustainable financing, **public procurement should be used as a tool for this climate transition** and should be supported at the EU level by progressive eco-design requirements, eco-labelling and standards. The importance of adapting regulation and market design to promote climate-friendly investments is a big challenge.

Finally, when looking at the investment challenges that lie ahead of every sector, **a strategic sustainable finance plan will be key to allow a new way of sharing risks.** As a European association representing the voice of public services and SGIs, CEEP will use this position to support the mission of the European Commission on its path to a climate-neutral economy in the future.