

## CEEP OPINION ON THE EUROPEAN GREEN DEAL WORKING TOGETHER ON A FAIR AND SUSTAINABLE PATH

### Executive summary

- CEEP welcomed the announcement of a European Green Deal and **fully supports its goal of making Europe the first climate-neutral continent by 2050**. CEEP members are committed to developing a balanced and sustainable strategy relying on the economic, social and environmental development. **Indeed, it will be essential to take these three dimensions into account for the Green Deal to reach its objectives for 2050.**
- CEEP **welcomes the efforts of the European Commission to propose the first-ever EU Climate Law**, to ensure all EU policies contribute to the European Green Deal objectives for a net-zero emission target. However, we do not share the Commission's statement that an impact assessment is not required because a full analysis on the implications of the 2050 climate-neutrality objective has already been provided in support of the "Clean Planet for All" communication. **We therefore call upon the European Commission to deliver a proper Impact Assessment.**
- CEEP **positively receives the Commission's recognition to promote more and direct investments for sustainable technology, research and innovations and welcomes the new Sustainable Europe Investment Plan (SEIP)** including its social transition finance plans published in the **Just Transition Mechanism and Just Transition Fund**. Here, public services and SGIs can pave the way towards cultural cohesion, and economic and environmental sustainability thanks to their proximity in society.
- CEEP **welcomes the Commission's new European Climate Pact and underlines the importance of social inclusion**, since there cannot be a transition without acceptance of society. At the same time, the **Green Deal must be inclusive and avoid social divides**, therefore CEEP supports the continued effort on re-skilling and up-skilling our society to make this climate transition a success.
- CEEP **congratulates the European Commission for recognising digitalisation as an important driver in this climate transition** and considers the digital sector as part of the solution to achieve the sustainability goals in the Green Deal. In parallel we emphasise the need to also include not only new technological advantages but also behavioural or regulatory innovations in order to improve energy efficiency, water usage, transport and waste management.
- CEEP **welcomes the extension of the Emission Trading System (ETS) also to the transport and building sectors**. However, CEEP calls for an alignment of the ETS Directive as well as a development of an adequate carbon pricing.
- CEEP recognises that despite the efforts made, the first environmental damages are being witnessed and there is a need for an adaptation strategy that goes beyond the reduction of CO2 emissions. We have therefore **welcomed with great enthusiasm the intentions to introduce a new Biodiversity Strategy for 2030 and a Zero-Pollution Action Plan.**

CEEP, the European Centre of Employers and Enterprises providing Public Services and Services of General Interest (SGIs) positively welcomed the announcement of a European Green Deal and **fully supports its goal of making Europe the first climate-neutral continent by 2050.**

After the European elections, it became clear that Europe wants to see a real transition to a more sustainable Europe, a Europe that acts now, without further delays. With this new ambitious approach for a net-zero emission target by 2050 **the very meaning of sustainable development** will have to be **re-defined**. Thus, **the perspective of the role of public services and service of general interest should be fundamentally changed. A well-balanced climate strategy** requires carefully examining the **economic, social and environmental dimensions** and **placing them at the heart of European policy making**. Indeed, it will be essential to take these three dimensions into account for the Green Deal to reach its objectives for 2050.

As history shows, **Public Services and Services of General Interest (SGIs) have always been able to respond to these challenges in a universal and inclusive approach** by understanding the needs of economic actors, grasping the essential changes linked to the evolution of new technologies as well as the political and civil behaviours, whilst respecting the environmental limits over decades. As a cross-industrial European organisation covering central and local administrations, waste management, energy, transport, housing, water, environment, telecommunications, healthcare and education, public undertakings understand their role as actors of the climate transition and will play an important part in the success of the Green Deal.

The success of the Green Deal depends on its integration into a balanced approach to sustainable development, at the interface of the economic, social and environmental dimensions: this is precisely where services of general interest are developed. Consequently, **CEEP welcomes the efforts of the European Commission to propose the first-ever EU Climate Law** to ensure all EU policies contribute to the European Green Deal objectives for a net-zero emission target. The new EU Climate Law is a unique opportunity to connect existing legislative climate policies with the new objectives for harmonious policy integration, and CEEP members are keen on seeing how this new support strategy will incorporate a just, environmentally friendly and economically efficient climate transition. However, at CEEP we do not share the opinion of the Commission's statement that an impact assessment is not required because a full analysis on the implications of the 2050 climate-neutrality objective has already been provided in support of the "*Clean Planet for All*" communication (November 2018 –[COM\(2018\) 773](#) ). We therefore call upon the European Commission to deliver a proper Impact Assessment to regain trust and transparency with stakeholders and its European members.

## **The Economic Dimension- A sustainable investment strategy for SGIs**

The effectiveness of the organisations providing public services - which employ 64 million people in Europe and represent a third of GDP - is reflected in the increase in household purchasing power and in the improvement of business productivity. A direct job created by a CEEP member is one indirect job and two additional induced jobs, for a total of four jobs! The role of services of general interest in the success of the Green Deal is then measured in order to **transform this challenge into an opportunity to modernise the European economy, improve its productivity and competitiveness, promote and redirect its growth, and create jobs that are difficult to relocate.**

Moreover, CEEP positively receives the Commission's recognition to promote more and direct investments for sustainable technology, research and innovations and welcomes the **new Sustainable Europe Investment Plan (SEIP)**. CEEP also welcomes the needed social transition finance plans by publishing the **Just Transition Mechanism** and **Just Transition Fund**. It is clear now that climate change affects every sector and the need for financial aid is bigger than ever before. Inequality between citizens, organisations and regions is a big challenge and is directly linked with the environmental problems and the ongoing climate transition. Public services and SGIs can pave the way towards cultural cohesion, and economic and environmental sustainability, thanks to their proximity in society.

The very definition of what a sustainable development plan consists of, lies in the investments we think will accelerate economic growth whilst cutting carbon emissions. As CEEP already once explained in its Climate Position from May 2019, the investment challenges that lie ahead of **every public sector will need a strategic sustainable finance plan to allow for a new way of sharing risks and promote growth.**

## **The Social Dimension- European Climate Pact and Digitalisation movement**

The social dimension integrates two important development; A fair and just transition and the integration of digitalisation into society. In these two examples, the role of CEEP members and their position between public authorities and citizen-consumers, can be decisive when defining the new Green Deal and in promoting its implementation.

The social aspect is just as important as the economic aspect. It reveals a very deep movement in the evolution of citizenship and governance in Europe. **CEEP welcomes on this aspect the efforts of the European Commission to include a new approach in the Green Deal to encourage citizens, communities and regions to join forces in the fight against climate change in the new European Climate Pact.** Across Europe, there is a growing interest of citizens to vocalise their opinion on the everyday choices they make from commuting options (bus, trams, trains or bikes) to their energy suppliers (renewable energy). CEEP welcomes this greater involvement of citizens since SGIs are often associated with the development of important infrastructures that will only be accepted in society after a shared debate leading to collective choices. **It must be clear in this climate transition that there is no transition without acceptance of society.**

Furthermore, **the Green Deal must be inclusive and avoid any social divides.** In order to achieve a truly successful social transition, we need to recognise the changes in consumer behaviours. With the availabilities of new technologies and the opportunities of digitalisation, training and information also contributes to changing the behaviour of consumers. In today's rapidly changing society, the adaptation of employers' skills in order to be able to continue providing the service of general interest is therefore a major challenge and should be recognised during the development of the new Green Deal. **CEEP therefore very much supports the European Commission's continued effort to be pro-active in re-skilling and up-skilling our society to make this climate transition a success.** Here, it is important to regulate the right training effort to ensure that services of general interest meet the consumers' expectations by integrating digitalisation, recognising societies needs as well as including the social constraints and environmental limits. The risk of exclusion from society and from this

transition is a reality: technological exclusion, difficulty of mastering new tools, financial risk, additional costs, geographical exclusion, favours urban concentrations and exclusions of rural communities. A fair and just transition is a vital step to take to realise our objectives in the Green Deal.

The emergence of digital technology radically transforming the way we produce, exchange and consume, and relationships in organisations are being disrupted by the invention of new forms of work, citizenship and communication. **CEEP congratulates the European Commission for recognising digitalisation as an important driver in this climate transition** and considers the digital sector as part of the solution to achieve the sustainability goals in the Green Deal by introducing a new agenda for 'A Europe fit for the digital age'. Additionally, it should be noted that the inventions of new technologies from Small and Medium Enterprises (SMEs) and larger organisations can no longer rely solely on the technical advantages, but should also consider future behavioural or regulatory innovations to improve for example energy efficiency, water usage, transport and infrastructures, as well as waste management, as these might become the most effective drivers of this ongoing transition in the next decades to come.

## The Environmental Dimension- Mitigation and Adaptation Strategies beyond CO<sub>2</sub> emissions

The environmental dimension is strongly present in the title of the Green Deal. It is essential to specify and explain the meaning behind this green label. Since the European Election, it became clear that **climate change is on everyone's mind and daily agenda and the urgency of action to mitigate our CO<sub>2</sub> emissions is undeniable**. The development to **extend the Emission Trading System (ETS) also to the transport and building sector is welcomed by the members of CEEP**. In a context of increased emission reductions, all sectors will have to tackle their emissions, especially heating and transport and housing sectors. However, CEEP calls for an alignment of the ETS Directive as well as a development of an adequate carbon pricing.

Mitigation strategies do not end here. In most communities, waste or water treatment is a service of general interest and CEEP members are particularly aware of the problems and working on possible solutions. Therefore, **holistic approaches are essential to overcome the effects of climate change** in our environment and we hope to see in the upcoming EU Climate Law a framework that includes all these climate challenges and effectively coordinates new and existing legislations. CEEP is ready to support the Commission in identifying the right measures and important areas to protect to meet our objectives in the Green Deal.

**Despite the efforts made, the first environmental damages are there and measures for an adaptation strategy are needed:** CEEP highlights the need to take further actions in other areas of climate protection such as enhancing biodiversity, limiting local air pollution, ensuring quality water supply and land use and including them in the process to reduce our emissions and environmental impacts. Maintaining communication systems, ensuring the production and distribution of energy and water, maintaining buildings and transport networks is increasingly difficult and costly. The resilience of infrastructure to environmental damage is already an important issue today and our members are at the forefront in building up and protecting its sectors.

With their long-standing technical experience as well as the proximity to citizens and communities, CEEP members, public services and SGIs, have a central role to play, whether in water, waste, energy, buildings, transport or telecommunications, in facing the climate challenge. However, one point remains to be clarified: These challenges correspond to massive investments linked to the satisfaction of needs. **Europe has the means to make this Green Deal a success on one condition: to choose a rational, low-cost path, far from ideologies.** It will also be a sine qua non condition for acceptance by European citizens.

Regarding the above CEEP position on the Green Deal's objective to drive for a carbon neutral economy, providers of general interest and public services in Europe take the following position on specific sectors that CEEP would like to bring forward:

## I. Energy

After the finalisation of the European Commission's Clean Energy Package for All (2016), CEEP welcomes the efforts to continue the work on a fair, clean and affordable energy transition in Europe. We, therefore, welcome the proposal to publish a **Strategy for Smart Sector Integration** to ensure the work on sustainable solutions, renewables and energy efficiency will be continued and improved to meet the targets of the Green Deal. At CEEP, we are convinced that an all-inclusive approach, in which all sectors work closely together, is necessary in order to reach the net zero CO<sub>2</sub>-emission-target in 2050. For that reason, **it will be vital to integrate in this strategy a sustainable gas and electricity market.** A further electrification of the system is beneficial but will not be enough to meet the emission reduction targets, especially not in heavy-duty-transportation and in some industrial processes. Especially for cooling and heating, electricity will not be sufficient enough either, particularly in urban areas where district heating and cooling systems play an important role.

As a general principle, CEEP supports the fact that the decarbonisation process in the energy sector must be cost-efficient for all sustainable technology types to avoid the risks of energy poverty. Therefore, **sector integration and sector coupling must play a greater role in European policies.** CEEP supports the Commission's efforts to expand renewable energy, energy efficiency also in buildings as reflected in the new '**renovation wave**' and other sustainable solutions strategies, but we strongly underline the importance to encourage all forms of renewable and sustainable technologies on a level-playing field in the market.

CEEP supports the Commission's approach to revise the **National Energy and Climate Plans (NECPs)** to bring in line the objectives of the 2030 Energy and Climate Framework. After all, CEEP is convinced that the NECPs are an important tool to increase the reliability of European energy and climate policies and ensure the predictability that public services' providers seek in their investment decision and their job creation potential. As we are currently still waiting for more Member States to submit their plans it is still important to avoid highly complicated bureaucratic procedures that take away the freedom of Member States to choose their individual fitted path towards decarbonisation. **CEEP therefore calls upon the Commission not to impose certain technology types to Member States and remain technology neutral.**

## II. Waste management

CEEP welcomes the Commission's efforts to continue the work on a second **Circular Economy Action Plan**. The revision of the plan will bring a great opportunity to improve and harmonise previous legislations and enhance the goal for more resource efficiency as a key driver for both economic growth and environmental protection in the EU. **The intersectoral action amongst public services represents the appropriate way to promote sustainable investments and can be the key to foster the development of circular economy projects.** At the same time, it will be important to underline that recycling must be increased in terms of quantity and particularly of quality, with an emphasis of actions in the early product chain on eco-design, chemical content, service design etc. Also, landfill reduction targets are a crucial part of achieving a circular economy. Both landfill targets and recycling targets should apply to all waste, not only municipal waste. For waste that cannot be recycled, efficient energy recovery should be encouraged.

## III. Transport and Mobility

CEEP supports the ambition to continue its efforts to steer Europe's climate transition towards a carbon neutral economy that includes safer, cleaner and smarter transport solutions. Public transport is the best decarbonisation and e-mobility strategy for the city and, thereby, strongly contributes to the overarching Green Deal objectives. Enhancing these efforts, CEEP welcomes the Commission's proposal to publish the **Strategy for Sustainable and Smart Mobility** and **calls for an ambitious climate approach, streamlining this ambition for the whole road sector.** Since road transport causes more than 70% of overall greenhouse gas emissions in transport and especially road traffic in cities is responsible for 23% of all the EU-wide greenhouse gas emissions, a focus on this sector is vital. The Commission should actively support the shift to more sustainable, soft modes of transport, such as walking, cycling and public transport. CEEP supports the Commission's intentions to create a framework for **connected and automated mobility and increase multimodal mobility.** In this respect cities and public transport operators should play a vital role as the providers of multi-modal platforms for their citizens. The policy on **Mobility as a Service must go beyond individual mobility and bring the role of public transport at the forefront.**

## IV. Environmental protection

As providers of general interest, we recall the importance of other aspects of climate protection such as biodiversity, local air and water quality and land use. For example, the decrease in water quality and availability is a problematic consequence of climate change and its dreadful effects intensify each year. Additionally, to the climate change challenges, pharmaceutical residues pose a growing challenge to surface water and groundwater quality. Their impact on water is expected to increase with an ageing European population and will be intensified by lower river flows due to climate change. For this reason, **CEEP has welcomed with much enthusiasm the European Commission's effort to set a new Biodiversity Strategy for 2030 and a Zero Pollution Action Plan for air, water and soil.** At the same time, we would like to recall the importance of developing a holistic approach that will include and better coordinate all policies of the energy, transport, housing, water and waste management sectors. This includes better implementation of current EU-legislations as the Water Framework Directive, Priority Substances Directive, Common Agriculture Policy, REACH and Pesticides Legislation.