

POSITION PAPER

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Key messages of Europe's technology industries on the Commission long-term strategic vision for a prosperous, modern, competitive and climate neutral economy – "A Clean Planet for all"

"Climate action offers a compelling path to transform our world for the better": these were the opening words of UN Secretary General Antonio Guterres at the opening ceremony of the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change in Katowice (COP24). And the week before, G20 leaders confirmed in their Buenos Aires declaration that "a strong economy and a healthy planet are mutually reinforcing".

As COP24 convened and the G20 built consensus on fair and sustainable development, the EU sent a strong signal to the global community by tabling its long-term strategic vision for a prosperous, modern, competitive and climate neutral economy – "A Clean Planet for All" and by simultaneously signing off and concluding negotiations on all legislative files of the comprehensive Clean Energy Package.

Orgalim – Europe's technology industries – believes that the EU 2050 long-term strategy communication represents a strong basis for further dialogue on the way towards the EU becoming among the first to achieve net-zero greenhouse gas emissions by mid-century, leading the way forward worldwide. This is in the interest of citizens, the planet and industry alike – and the time to act is now.

In [Orgalim's vision for 2030](#) environmental, social and economic sustainability go hand in hand with renewed growth and competitiveness, creating more and better jobs and visibly demonstrating that the Union effectively serves its citizens' needs. Our industries have provided and implemented solutions that, within the EU's existing framework, contribute to the significant results already achieved. We will continue to do so in line with the EU's 2030 energy and climate framework. Not only will the coming decade be critical for getting the world back on track, the implementation of the Paris Agreement through taking concrete actions needs to accelerate. Orgalim recommends prioritising action where it is most certain to deliver emissions reduction, where it is most beneficial and least costly.

Against this background, Orgalim supports the proposed long-term strategy vision for a prosperous, modern, competitive and climate neutral economy. It is essential to prepare ourselves on time for a profound transformation of the entire global economy and society and tapping the undisputed, multiple opportunities that such a transformation holds for all of us. It also means managing the challenges arising from it in a fair, inclusive, responsible, socially acceptable and overall sustainable manner. Not acting, however, is no longer an option.

Orgalim represents Europe's technology industries: companies that innovate at the crossroads of digital and physical technology. Our industries develop and manufacture the products, systems and services that enable a prosperous and sustainable future. Ranging from large globally active corporations to regionally anchored small and medium-sized enterprises, the companies we represent directly employ 11 million people across Europe and generate an annual turnover of around €2,000 billion. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

The most important findings of the Commissions in-depth analysis from Orgalim’s perspective include the following:

- The current policy framework would lead to -45% greenhouse gas (GHG) reduction in 2030 and -60% GHG reduction in 2050. However, this is not sufficient for the EU to meet to the Paris commitment.
- The eight additional climate pathways are all in line with the Paris Agreement and reach net-zero greenhouse gas emissions in the second half of this century.
- The Commission’s long-term strategic vision does not suggest a change to the 2030 framework but builds upon them to empower the EU to adopt the right policies for the 2050 horizon.
- Decarbonisation of the European economy is possible with existing technologies, yet they need to further evolve in terms of their performance and costs.
- Timely actions are needed to upscale the deployment of technologies and infrastructure.
- In regard of the overall investment levels an average annual investment of 1.33 to 1.42 trillion Euro is required from 2031 during 2050.
- The EU economy is expected to more than double by 2050 compared to 1990 even as it fully decarbonises. Together with a coherent enabling framework net-zero greenhouse gas emission is expected to have a moderate positive impact on GDP with benefits of up to 2% by 2050.

Key recommendations of Orgalim representing European technology industries include the following:

1. Implementation of the 2030 framework

With the adaptation of the Clean Energy Package the EU put in place a robust and ambitious energy and climate framework for 2030. Member States must now implement this framework in the most ambitious way. In this regard:

- The National Energy & Climate Plans (NECPs) are crucial as they are the individual national contributions to these targets. The Commission assesses the draft NECPs and evaluates if they add up to the Union targets. For a profound evaluation of the plans, Member States must include verifiable numbers on measures, specifically on energy savings and renewables. The Commission should evaluate the NECPs on the basis of common criteria to allow for transparency and a proper, consistent evaluation of the NECPs.
- Where the Commission concludes that the draft plans are insufficient in terms of meeting the EU energy and climate targets, and when the Commission makes use of the possible Union measures as set up under the Clean Energy Package, those additional measures should be based on a horizontal approach (such as via article 7 of the Energy Efficiency Directive or the Energy Performance of Buildings Directive) as most of the savings potentials lie at systems level while those at the product level have already been tapped.
- Preserving the overall coherence and consistency is crucial for the next decades and future legislative frameworks. The future legislative files must be put in a coherent and coordinated framework which is in line with the many interlinked and mutually dependent issues.

2. The next decade is crucial – we call for implementing no-regret options now

Orgalim believes that the following no-regret actions should be taken without delay:

- Boosting efficiency at all levels, including energy efficiency but also increasing the efficient use of resources from a wider perspective: the co-benefits of achieving energy efficiency in a wider resource efficiency agenda should contribute to meeting the goals in a faster and cost-efficient manner.
- Substituting the most polluting energy carriers and opting for more electrification and alternative fuels deployment in the transport, buildings and industry sectors.

- Promoting sector coupling, especially between the transport, buildings, ICT and energy sectors but also between electricity and gas sectors (power-to-x technologies, electric vehicles infrastructure in buildings, energy management technologies etc.).
- Investing in high tech infrastructures, such as 5G, fibre and smart grids, which are a prerequisite for bringing the benefits of the ongoing digital, clean energy, low carbon and circular transformations to citizens and therefore for delivering on the implementation of the Paris Agreement.
- Massively promoting research & development.

3. Increase innovation through technology neutrality - let market forces play

A “clear direction of travel” with clear and consistent policy objectives, targets and frameworks is in our view best suited to support market driven innovation while leaving concrete technology choices to the market.

4. Optimise market conditions and market entry for technologies

The entry of low-carbon technologies into the market can be optimised through the following actions:

- A proper financial market framework: a framework that rewards clean technology development and investment in the EU, as currently discussed under the Sustainable Finance Action Plan (Taxonomy), should be established.
- Avoiding competitive disadvantages of innovative energy carriers through taxation requirements
- Allowing technology innovation to happen in Europe without unnecessary legislative interference, such as for example allowing sandboxing.

5. Accelerate digitalisation as a prerequisite for achieving the climate goals

The full digitalisation of all economic sectors within the EU must be promoted extensively and at higher speed. It enables sector-coupling and accelerates the low-carbon transition.

The required high flexibility of energy consumers and the exploitation of energy efficiency potentials will not be achievable without digitalisation (such as digitally enabled energy management solutions). Technological innovation in the area of digitalisation (Industry 4.0, Smart Buildings, etc.) will create new business models and cost-cutting potentials of the energy and low carbon transition. An essential prerequisite for this is an internationally competitive digital infrastructure that needs to be a top priority for Europe.

6. Linking the EU roadmap with global climate efforts

Implementing the Paris Agreement requires a global effort of net-zero GHG emissions by 2050. The EU should take every effort to drive the global community to this ambition. Orgalim believes in a structured dialogue with its trading partners to promote the exchange of know-how on carbon price trading systems and sequentially fair free trade of environmental goods (e.g.: avoiding carbon leakage). A global level playing field for European companies is crucial to promote environmental protection and EU global technology leadership. The EU must therefore push for strong and reliable market mechanism, as foreseen under the Paris Agreement (Art. 6), at the next Conference of the Parties negotiation.

Orgalim’s full set of recommendations for the EU long term strategy vision and for turning challenges into opportunities is available [here](#).

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