

## POSITION PAPER

Brussels, 23 June 2020

### Orgalim Position Paper on increased ambition towards 2030

Orgalim, Europe's technology industries, strongly support the objective of reaching [climate neutrality by 2050](#). To ensure we reach that goal, we support an increase in ambition of the 2030 targets of 50%, as outlined in our recent submission to the consultation on the 2030 Climate Target Plan. However, we do want to point to some elements that may impact our ability to reach those goals, as well as some conditions for success. These should be read in conjunction with our submission.

#### Time horizon: a clear and stable policy framework

The EU's ambitious targets for 2030 and 2050 provide a strong policy objective. They send the clear signal that Europe needs to massively invest in technologies that are compatible with the climate neutrality target. However, there is a risk that the revision of the original 2030 legislative package will take time, including national implementation. This might leave significantly less than 10 years for a clear legal target. Investment cycles in industry span periods of many years. We call on all stakeholders to ensure a rapid process to ensure industry can work based on a clear and stable policy framework as investment decisions in new processes and technologies must be taken now if they are to have any effect at all by 2030. The implementation of article 6 of the Paris Agreement should be the foundation for creating international carbon markets, direct enabling finance or forward looking technology cooperation. Such instruments will strengthen EU technology exporters and producers as well as stimulate more climate action around the globe.

#### Investment power

We will need major investments, privately and publicly, to reach the 2030 and 2050 targets. In the deepest economic crisis since the Second World War due to the COVID19 pandemic, private investment activity is declining throughout Europe. Therefore, Orgalim has strongly welcomed the proposed Recovery Package "Next Generation EU" and its focus to support the green and digital transformation. We also support the next Multi-Annual Financial Framework (MFF) to increase its ambition and mainstream the climate ambitions throughout the EU budget. We call on the European Commission and the Member States to fully enable this historic opportunity and channel its focus on climate actions, via a usable sustainable finance taxonomy. Enabling investments is not only about financial support. Reducing regulatory risks has to be a common goal for the EU and for member states.

*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.*

We would like to see prioritisation towards infrastructure investment in a modern sustainable, digital infrastructure, mobility and waste management infrastructure as a prerequisite for bringing the benefits of the ongoing transitions to consumers. During a transitional period, bridging technologies will be needed before the increased switch from low-carbon to carbon-free technologies takes place after 2030 in some applications. It will need a technology-open competition.

We repeat our call for European state aid rules to be adapted to the new energy system as well as for the industrial transition and not only focus on direct CO<sub>2</sub> reducing technologies but also consider auxiliary technologies, such as energy storage or flexibility technologies.

### **Technology availability and neutrality**

Many of the needed technologies are available now and their cost is declining. However, we need measures to accelerate deployment of these mature technologies. At the same time, we will need to support bridging technologies towards 2030 as the increased switch from low-carbon to carbon-free technologies will take place after 2030. Finally, Europe and its industries need to continue further invest in innovation to enable new technologies on the road to 2050. The policy framework should be market-based and technology neutral.

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