

Speech by Vice – President Maroš Šefčovič at the High Level Stakeholder Conference: The EU’s Vision of a modern, clean and competitive economy

Distinguished participants,

Ladies and Gentlemen,

I am delighted to join you today at this High-Level Stakeholders Consultation on the EU’s long-term strategy for reducing greenhouse gas emissions. For me, this is a unique occasion to jointly reflect on our future. After all, a continent does not wake up every morning and asks itself difficult questions about where it wants to be in 30 years, how it wants to get there, what kind of legacy it will pass on to the next generations, and what kind of economy and society it will leave behind. We always tend to have more urgent tasks, closer objectives, lower hanging fruits, and quicker wins. There’s always ‘someone else’ to think about the longer term. And I recognise that politicians are sometimes forced to think 3-4 years ahead, with the next elections in mind, instead of focusing on the next generation’s needs, 30-40 years from now.

Preparing the future for the next generations is exactly the magnitude of what we are doing here today and tomorrow. And I say ‘we’ because this process must be truly inclusive. The Commission will and cannot decide alone on the Europe’s ‘vision for a modern, clean, and competitive economy’. The Parliament alone will not decide. The Member States alone will not decide. Europe will collectively decide. Anyone who takes this opportunity to join the consultation will get a place, will have a voice; will make an impact. That includes: mayors, trade unions and unorganized citizens. We all have a stake in this.

At a critical moment like this, dealing with a topic as important as this one, it is crucial

- to open the discussion to a diverse range of voices and views,
- to rely on both our experts and our collective intelligence,
- and to ensure that we are indeed on the right track towards a carbon-neutral economy; towards an economy that will no longer affect the climate in the second half of the century, as the Paris Agreement requires us to do.

As you know, when preparing a long-term vision, we do not start from scratch. In the beginning of this mandate, the Commission presented an ambitious Energy Union Strategy. Back then, we made a solemn promise: the Energy Union Strategy had to be more than yet another strategy, more than yet another visionary document. We intended to anchor it firmly into legislation. That’s

exactly what we've been doing over the past 4 years. That is how we reached an agreement on the effort-sharing regulation and on a modernised ETS-system, leading to higher carbon prices. And in the past few weeks, EU co-legislators managed to make good progress in the energy field as well. They agreed to bring the energy efficiency bar to 32.5% with an upward revision clause by 2023. The target for the share of renewable energy was increased to 32%, also with an upwards revision clause by 2023. And all this will be underpinned by a solid governance system, based on national energy and climate plans. I am looking forward to receiving all draft plans before the end of this year, so that we can draw some first preliminary conclusions in the next State of the Energy Union Report, which I will present early next year.

But now is the time to think even further into the future and follow on the request of the EU leaders to prepare a long-term EU Strategy on Greenhouse Gas Emissions reductions. Building on your input and our analytical preparatory work, the Commission will adopt a Communication in November, in time before the December Climate Summit in Katowice, where the political phase of the Talanoa Dialogue will take place. At the moment, we are conducting a deep economic, social and environmental analysis for this strategy, based on the best scientific information. We will also include the results of the IPCC report on limiting the global temperature rise to 1.5 degrees. Miguel already elaborated on that but I would like to emphasise that if we want to meet the Paris Agreement goals of keeping global temperature rise below 2 degrees Celsius and to pursue efforts to 1.5 degrees Celsius, we will need to look at higher reductions in emissions than initially foreseen. Our strategy will therefore look at several ambitious options, including net-zero greenhouse gas emissions in 2050, as well as milestones and pathways to meet these options.

Since the historic Paris Agreement, climate change continued to have a visible and devastating impact. We have seen its recent manifestations across our cities, such as floods in Paris, London, and Copenhagen, extreme weather events in Oslo and Stockholm and heat waves in Milan and Barcelona, as city networks reminded me of in a letter they sent me yesterday.

Of course we are not the only ones. This is happening across Africa, Asia, and also in places where national leaders do not recognize the urgency of the matter, are not guided by what science tells us and have therefore turned their back on the Paris deal. I can assure you that the European Union will not turn its back on Paris. On the contrary, we will maintain our leadership position in the low-carbon transition.

There has never been a better time to speak your mind and to tell us about the future you see for Europe. Indeed, for Europe. Because it is my firm conviction that if we get this longer-term vision right, it will have an impact far beyond climate policy alone. It is also about Europe's strategic autonomy – in defence and foreign policy, in key technologies and space policy. Modernising our economy goes hand in hand with assertive trade, investment and competition policies. As the rule-based international order is being challenged, it is clear that in some areas, Europe will have to lead by example, and climate change is definitely one of them. In others, we will have to rise to the challenge and strengthen or build our own resources.

I am convinced that showing ambition will help pave the way for a Europe that is confident and proud, with companies that benefit from a first-mover advantage. A Europe that is smart and green, with cities and citizens that benefit from cleaner air and smarter mobility. Because what we do in the years and decades to come will define our place on the geopolitical map of this century. We will either be frontrunners, followers or laggards of the 4th industrial revolution. The choice is clear!

Just as we did in the Energy Union Strategy, this will require a broad sectoral scope. It is clear that many sectors are changing fundamentally because of the clean energy transition, digitalisation or automation. We will take a look at agriculture, transport, services, the construction sector, the circular economy, our industrial policy... in all these sectors, we have to seize the opportunities. Let me give three examples on which I have been particularly active in recent weeks:

- there are opportunities for the reindustrialisation of Europe; that's why we are setting up the European Battery Alliance, with a strong industrial base, public-private partnerships and joint action plans. It is crucial to throw all our weight behind a strong European industrial policy. Take an example of China that has secured seven times more electric vehicle investments than the EU in the last twelve months, according to recent reports.

- there are opportunities for a European innovation policy and to fill the gap between demonstration and the commercial deployment of innovations (the so-called valley of death). If not, the EU will be an incubator for the rest of the world but not for its own economy. European innovators will end up fleeing to our global competitors to commercialise their products despite our training and initial investment; and we lose out on jobs.

- and third example; there are enormous opportunities for European regions bound to switch from older, carbon-intensive economic models to new ones. One positive example is our Platform for coal regions in transition, with a pipeline of projects in pilot regions that we are supporting.

As these examples show, we need a long-term strategy that is broad in scope and high in ambition. A long-term strategy that also has a strong social dimension. Permanent training up-skilling of people, from childhood to retirement, including in digital and green skills, is therefore a must, next to fighting energy poverty or boosting mobility of young people, through programs such as European Youth for Climate Change, which we launched last December at the One Planet Summit in Paris. Climate action will only be sustainable if it leads to a society that is just and fair, with a higher quality of life of all citizens. This is my perception of the low-carbon economy transition.

Now I am looking forward to your learning about yours.

Thank you very much.