

Vice-President Šefčovič speech at the plenary session of the European Economic and Social Committee on the Commission's long-term vision for a carbon neutral European economy by 2050

President Jahier,

Distinguished Members,

Ladies and Gentlemen,

I am pleased to join you here at the Economic and Social Committee Plenary session the last one before the end of this legislative mandate to discuss the Commission's Strategy for long-term EU greenhouse gas emissions reduction but also the State of the Energy Union.

I would like to thank for your thorough considerations of the Commission's Communication "A Clean Planet for all" and particularly the rapporteur Mr Coulon and the co-rapporteur Mr Back and your team for all your efforts on developing the Committee's opinion.

Today is a very good time to have this discussion, since as you know, the European Council is also considering the same issue.

There is recognition across Europe that action on climate is urgent. We face a lot of challenges – but a great opportunity for our economy and our quality of life. This has been the focus of the Commission's work on the long-term strategy.

The vision we presented in November 2018 is one for a competitive, prosperous and climate neutral economy.

A number of leading European businesses, industry and stakeholders are drawing up their long-term plans indicating willingness to do their part in the transition to climate neutrality. Climate has become one of the central electoral topics in the EU as well as in several Member States and youth are actively engaging.

The Commission's vision and the in-depth assessment supporting it, as well as the analyses of numerous stakeholders, show that the EU objective of achieving climate neutrality by 2050 is necessary, feasible and moreover – desirable. The EESC has also recognised, in its opinion, the multitude of opportunities such a transformation could bring to the European economy, energy security and to the wellbeing of our citizens.

We also see this as a strategy to modernise the European Union and increase its competitiveness globally. European funding, national funding and investment flows, as well as research and innovation efforts in the coming decades, must be well coordinated and clearly oriented towards pursuing climate neutrality.

I fully agree with you that the transition must be done right – making sure that no region nor sector nor social group is left behind. It must be a socially fair transition owned by all actors. In this respect, I acknowledge your call for an agreement on a social pact between governments, authorities, social partners and civil society. I also find it necessary to actively engage with citizens in the climate policy-making.

With this in mind, I believe the EESC is well placed to contribute and fuel the national and sub-national debates on the matter and to keep the discussion well-informed, targeting not only the adoption of a EU long-term strategy by 2020 in line with the Paris Agreement, but also its proper implementation.

We will, of course, also continue to press our international partners to take action, and will invest in climate and energy diplomacy. We will include climate change as a key parameter in our trade negotiations, and use our single market as a driver for change beyond the EU.

Let me now turn to the second of the issues that I came here to present: the Fourth Report of the State of the Energy Union, we adopted on 9 April.

The report details the progress that we have achieved in transforming a vision of an Energy Union into an interconnected, secure and sustainable energy system in the EU.

Back in 2015, it was a political strategy, a vision that we had. We promised to provide Europe with energy that is secure, that is sustainable, competitive as well as affordable.

Now we can say that we have achieved not only this, but we have achieved much more.

We have kick-started a deep transformation and modernisation of our economies – I often refer to it as the deepest transformation since the second industrial revolution. I am talking about decentralised and decarbonised energy production and consumption, about infrastructure deployment, and about smart technologies.

We have also developed a vision for a carbon neutral Europe.

I am proud to say that this Commission has tabled all proposals needed for us to deliver on our strategy. These proposals have also been adopted – so Europe starts the next decade under new and most advanced energy and climate rules in the world.

Let me walk you through some tangible achievements of the five dimensions of the Energy Union.

In the field of energy security – present in our minds from the very start due to previous crises – we have progressed towards a more integrated European energy market and towards ending the energy “islands”.

At this point in time, all Member States but one, have access to two independent sources of gas, and if all ongoing Projects of Common Interest are implemented according to the schedule, all Member States except for Malta and Cyprus will have access to at least three sources of gas by 2022, and 23 Member States will have access to the global liquefied natural gas market.

As regards the internal energy market, one key achievement has been the integration of isolated and disconnected regions, such as the Baltics. While these states were once an energy ‘island’ in the EU, they are now well interconnected with the rest of the EU, with 23.7 % cross-border interconnection. This has been made possible by new interconnectors with Sweden, Finland and Poland. Work is now concentrating on synchronising the Baltic States’ power system with the continental European network by 2025.

As concerns energy efficiency, we have managed to agree on an ambitious target for 2030 (32.5% for 2030). While we need to intensify our efforts in order to reach this target, the Commission has taken early action. Last year, we established a dedicated task force with Member States to fully exploit energy efficiency potentials and look for both short- and long-term solutions.

Regarding the fourth dimension of the Energy union, namely “Research, Innovation and Competitiveness”, I would particularly like to highlight the European Battery Alliance. Batteries will indeed be of particular strategic importance in decarbonising the European economy. They will be key to the competitiveness of European automotive industry and key to the decarbonisation of our mobility and energy systems.

We want to seize the full potential of a European market that – thanks to the forecasted surge in electric vehicles – could be worth EUR 250 billion per year from 2025 onwards.

This is why the Commission launched the European Battery Alliance that acts as a catalyst to create a battery value chain in Europe. Around 260 industrial actors have so far joined the network and have already consolidated private investments of EUR 100 billion.

Transnational manufacturing projects are currently being set up across the value chain. And we have launched a smart partnership on batteries with 26 regions in 8-9 Member states to develop joint innovative projects and the skills needed to boost our competitiveness.”

Lastly, but very importantly, the decarbonisation of our economy. The EU has made tremendous achievement in putting in place a comprehensive legal framework to achieve at least 40% of emission reductions by 2030, translating into at least 45% reduction compared to 1990.

We have also proven that we don’t need to choose between economic growth and

climate. It is possible to grow our economy (by 58%) and cut emission at the same time (by 22%).

For example, we can now proudly say that we have already 4 million “green jobs” in the EU, of which 1.4 million are in the renewable energy sector alone.

Here however, I would like to make a small detour to an issue that lies very close to my heart, and that is the fair and just energy transition. While we all are aware of the opportunities and benefits that the energy transition will bring, we need to ensure that no one is left behind in this huge transformation – no Member State, no sector, no region, no community and no worker.

Under the Coal regions in transition initiative, we are working in partnership with 18 coal regions in 8 Member States to support an industrial-driven low-carbon transition, while mitigating the social consequences.

This means supporting affected populations in accessing new employment opportunities, reskilling and training activities, and exploiting these regions’ comparative advantages for new economic development.

Similarly, we need to continue our fight against energy poverty that still affects 50 million people across Europe.

Ladies and Gentlemen,

For me, the State of the Energy Union Report shows that this Commission has delivered what it promised. We put the Energy Union in Europe on a very firm footing. And now, we need to make sure implementation follows on the ground.

Earlier this week, the Commission presented its recommendations to Member States on their first ever National Energy and Climate Plans. With these plans, every Member State is now planning policies along all the five dimensions of the Energy Union.

Member States still have homework to do on their plans, but I firmly believe that when they are finalised, they will show the EU is ready to move full steam ahead to implement the full Energy Union.

Ladies and Gentlemen,

Given the scope of the Energy Union, I can go on for hours but I prefer to stop here and leave us enough time for discussion. Let me therefore conclude by thanking you again for your valuable contributions across the Energy Union policies.

Thank you very much.