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EU Green Deal and Fit for 55%

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The European Green Deal



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Done (April 2021). Legally binding 2030 and 2050 climate objectives + new governance framework.

Climate Law

TEN-E

Done (Dec 2021). Rules for cross-border energy infrastructure incl. support for gas infrastructure.

Fit for 55% (1 & 2)

July 2021. Main climate, clean energy, clean transport legislation
December 2021. “Decarbonised gas” package & energy performance of buildings regulation.

European Green Deal

Sustainable Finance

Circular economy package

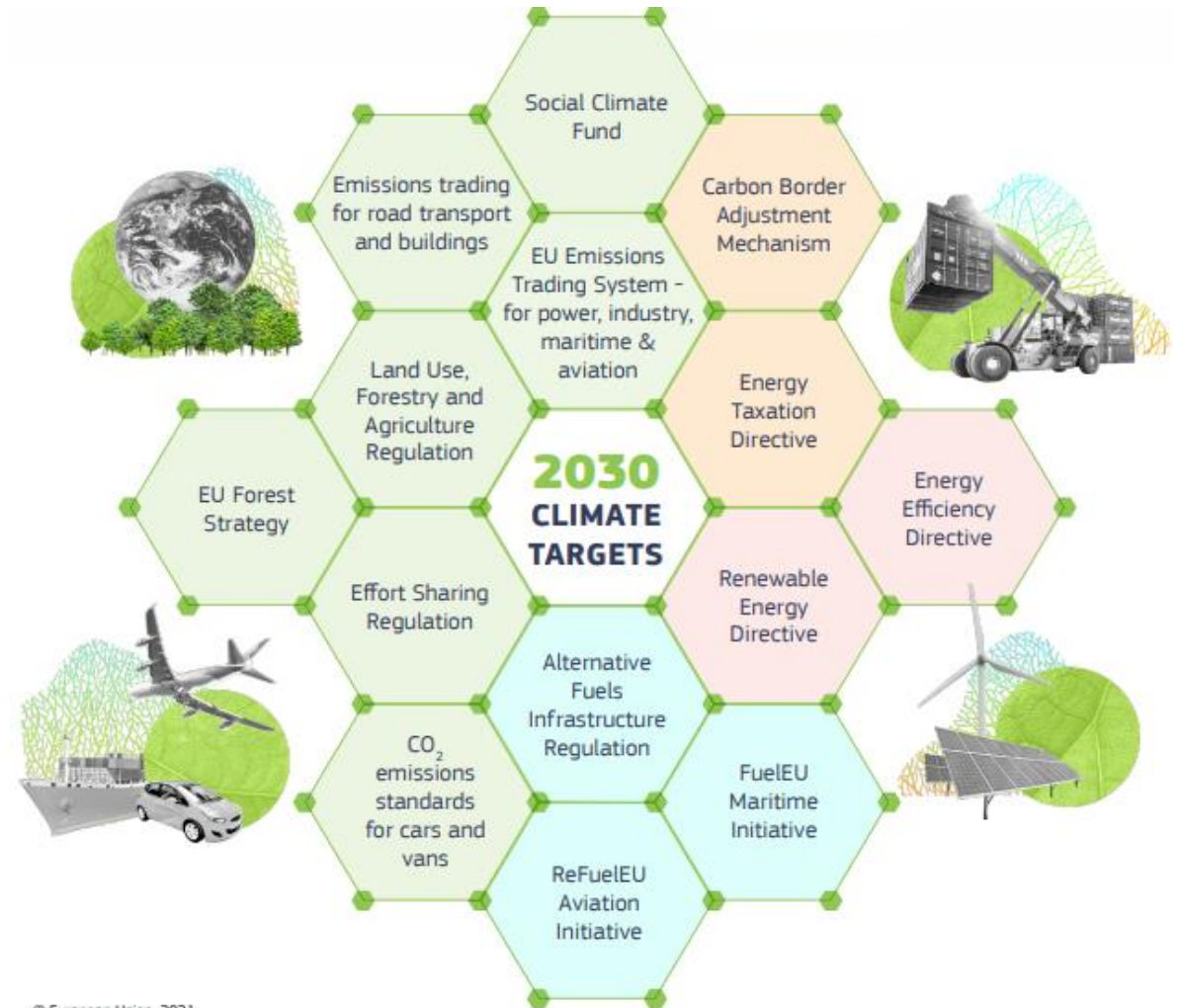
Trade and Competition

And more... recovery, biodiversity, farm to fork, etc.



The facts. What is “fit for 55%”?

- **What is “Fit for 55”**. A series of legislative proposals to revise European climate, energy, and transport legislation to make the EU “fit” to deliver on its new objective of reducing greenhouse gas emissions by at least 55% below 1990 levels by 2030 and put the bloc on track to climate neutrality by 2050.
- **In 2021 the European Commission released around 20 legislative proposals** aimed at delivering the European Green Deal, the EU’s vision for a climate neutral, competitive, and socially inclusive economy by 2050.
- **Negotiations on these proposals will occupy European institutions between the next 2-3 years.**



What next? A long Negotiation Process.

- Each legislative proposal negotiated in parallel, usually ~2 years per file.
- Parallel negotiations in Council of the EU and the European Parliament; then between Council of the EU, Parliament, and Commission.
- Ultimate deadline for everything proposed in 2021: European Parliament elections in May 2024.

Commission presents Fit for 55% (1) proposals

European Parliament & Council form positions

European Parliament, Council, Commission negotiate final agreement

H2 2021
Slovenia presidency

H1 2022
France presidency

H2 2022
Czechia presidency

H1 2023
Sweden presidency

H2 2023
Spain presidency

Commission presents Fit for 55% (2) & circular economy proposals

European Parliament & Council form positions

European Parliament, Council, Commission negotiate final agreement

Some recent paradigm shifts

- **Decisive and quick EU response**, beyond expectations:
 - Sanctions both structural as well as personal, including unprecedented ones
 - Internal mis-alignment rapidly overcome
 - Alignment beyond the “usual” allies (e.g. Japan, Switzerland)
- **Shifts in traditional doctrines / positions:**
 - Seismic shifts in Germany’s foreign, climate, energy, fiscal policies
 - Sweden and Finland discussing possibility of joining NATO
 - Discussions on EU Membership special procedure (unlikely)
- **Shifts in political priorities & narrative.** Security is top of EU political agenda. Climate/energy just behind (EGD no more about *recovery* but all about *security*), alongside economic situation. Migration measures also expected to rank high:
 - How do we tackle EU’s dependency on (Russian) fossil fuels?
 - How do we decrease EU’s exposure to future (geo)political shocks?
 - Do we still need EGD/FF55 or no head-space for this anymore?



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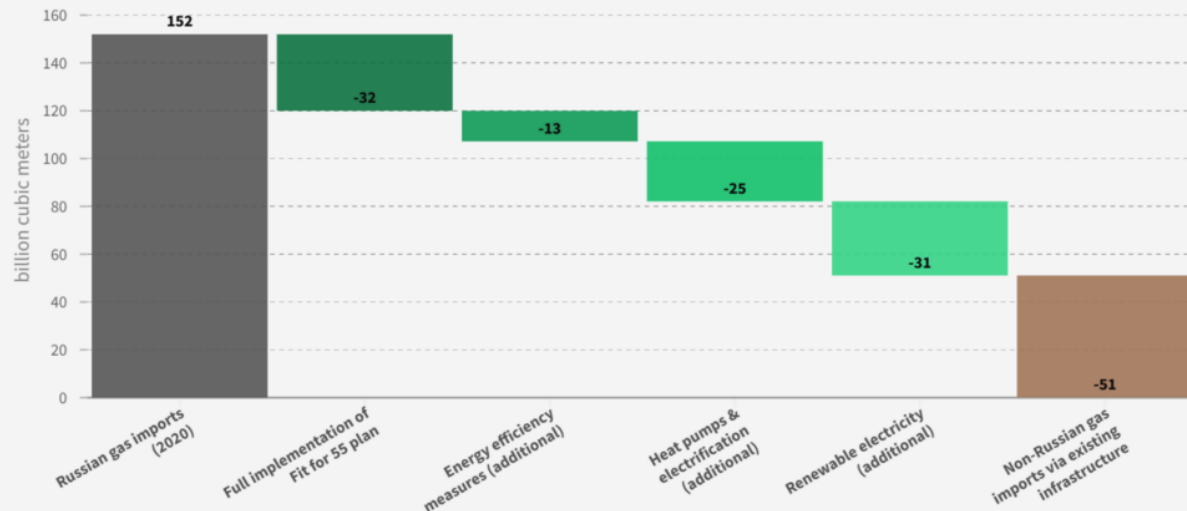
Changing energy challenges?

Reducing emissions vs Tackling:

- Understand how to quickly cut EU's dependency on Russian gas imports with as little disruption as possible
- Strengthen EU's energy system and geopolitical resilience both in short & long terms

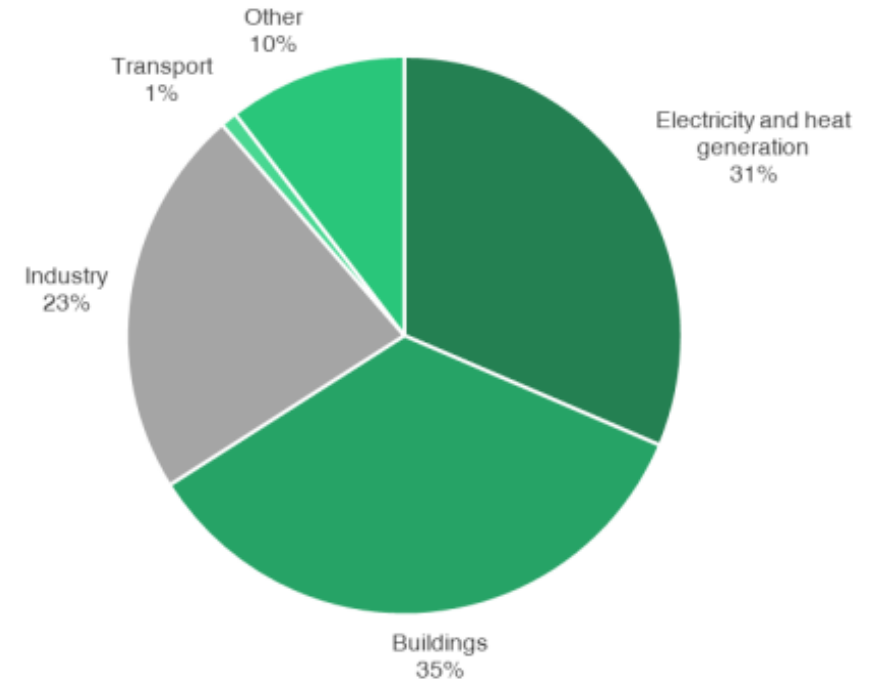
EU can stop Russian gas imports by 2025

Russian gas imports cut by 2025 through the implementation of Fit for 55 plus additional clean energy solutions



Sources: Analysis by Bellona, E3G, Ember and Regulatory Assistance Project (RAP) • EU Commission model-based projections supporting the Fit for 55 policy initiatives (MIX scenario)

2020 GAS CONSUMPTION BY SECTOR (EUROSTAT)



New [joint analysis](#) by E3G, Bellona, Ember, and Regulatory Assistance Project shows that:

- Clean energy can replace two-thirds of Russian gas imports by 2025.
- New gas import infrastructure is not required.
- Coal power does not need to be extended.

Recommendations to repower the EU

- **Get policy priorities right** ->
 - Minimise inconsistency with Fit for 55% -> over-focus on diversification of supply could lead to “short sighted” responses risks to be too little, too late and eat up funding for more effective measures
 - Maximise Fit for 55% potential -> Increasing the ambition and fast tracking of “Fit for 55” targets as well as additional actions such as prioritizing clean investments in the MFF and the RRP
- **Support roll out of renewables, heat pumps and prioritise energy efficiency** -> Compared to previous crises (2009, 2014) the EU has a much broader range of response measures available. Clean solutions are now mature and have become mass markets. Reduce admin burdens
- **Address social impacts** and define solidarity response, both within Member States and with most vulnerable countries
- **Establish international energy partnerships** aiming at supporting measures to create stronger and more sustainable economies



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Thank you!

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About E3G

E3G is an independent European climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

More information is available at www.e3g.org