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LIMITE

CLIMA 37
ENV 88
ENER 31
TRANS 66
SUSTDEV 20
AGRI 61
ECOFIN 85
COMPET 47
IND 18
MI 37

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: The European Green Deal
– Exchange of views

1. The Commission adopted its Communication on the European Green Deal on 11 December 2019¹. It was presented to the Council (Environment) at its meeting on 19 December, during which Ministers also exchanged views on EU environment and climate policy in the new legislative term. The Working Party on the Environment discussed the Communication on 9 January 2020.
2. With a view to the exchange of views between Ministers on the above-mentioned topic at the meeting of the Council (Environment) on 5 March 2020, delegations will find in the Annex a Presidency background note together with two questions to help structure the discussion.

¹ doc. 15051/19 + ADD 1

3. The Permanent Representatives Committee is invited to take note of the Presidency background note and to forward it to the Council for the exchange of views.

The European Green Deal**- Exchange of views -****Presidency background paper with questions for Ministers****I. Introduction**

Building a climate-neutral, green, fair and social Europe is one of the four main priorities of the EU's Strategic Agenda for 2019-2024, which was agreed by the European Council on 20 June 2019. Ensuring that EU policies are consistent with the Paris Agreement was identified as one of the priority actions under this pillar, together with creating an effective circular economy, improving the environment, fighting the loss of biodiversity and preserving environmental systems. The Strategic Agenda recognises that the success of the green transition will depend on significant mobilisation of private and public investments, and that the transition must be taken forward in an inclusive manner, making sure no-one is left behind. Furthermore, the Strategic Agenda highlights the need to promote sustainable development and implement the 2030 Agenda.

On 11 December 2019, the Commission presented its Communication ‘The European Green Deal’, proposing a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The Communication presents an initial roadmap of key actions across different policy areas to support the achievement of the objectives of the European Green Deal. The proposed actions are strongly interlinked, which means that strong coordination will be necessary to make the best possible use of the synergies while avoiding trade-offs. Major new initiatives on climate change and the environment are announced in 2020, including a legislative proposal on a climate neutral EU by 2050, an impact-assessed plan to increase the 2030 climate ambition, a Circular Economy Action Plan and a Biodiversity Strategy for 2030.

Following on from the Environment Council on 19 December 2019, during which Ministers discussed the way forward on EU environment and climate policy in the new legislative term, the Presidency invites Ministers to a further forward-looking exchange of views at the Environment Council on 5 March 2020 on the priorities and next steps in the discussions on the EU's path towards climate neutrality by 2050 and on the development of a circular economy.

II. A Climate-neutral EU by 2050

On 28 November 2018, the Commission presented its Communication ‘A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy’. The Communication aimed at presenting a vision that could lead to achieving net-zero greenhouse gas emissions in the EU by 2050 through a socially fair and cost-efficient transition. The Communication was subsequently discussed extensively in all relevant formations of the Council, allowing for detailed examination of both its sectoral and horizontal aspects. On 11 December 2019, the Commission presented its Communication on the European Green Deal.

On 12 December 2019, the European Council endorsed the objective of EU climate neutrality by 2050, in line with the objectives of the Paris Agreement. It asked the Council to take work forward on the Communication on the European Green Deal, and invited the Commission to prepare a proposal for the EU’s long-term strategy as early as possible in 2020 with a view to its adoption by the Council and submission to the United Nations Framework Convention on Climate Change (UNFCCC). Furthermore, the European Council invited the Commission, after a thorough impact assessment, to put forward a proposal for an update of the EU’s nationally determined contribution (NDC) for 2030 in good time before the UN Climate Change Conference (COP26), which will be held in Glasgow in November.

The European Council recognised the need for an enabling framework benefiting all Member States to ensure a for a cost-effective, just, socially balanced and fair transition. It called for all relevant EU legislation and policies to be consistent with and to contribute to the climate neutrality objective while respecting a level playing field, and highlighted, *inter alia*, the role of research, development and innovation policies, the need for significant investments, for ensuring energy security and for preserving the EU's competitiveness. Moreover, it invited the Commission to report regularly on the environmental and socio-economic impact of the transition.

The Commission announced in its Communication on the European Green Deal that by March 2020 it will propose a European ‘Climate Law’ which aims to enshrine the 2050 climate neutrality objective in legislation and to ensure that all EU policies contribute to that objective². The Croatian Presidency will facilitate discussions on the proposal within the Council in order to make as much progress as possible. The Commission also plans to submit later this year a comprehensive plan to increase the EU's 2030 climate target and, by June 2021, to review and propose to revise where necessary, all relevant policy instruments.

In addition to the above-mentioned initiatives, and in keeping with the European Council's call for a cross-sectoral approach to achieving the climate neutrality objective, the European Green Deal includes actions that aim to contribute and support that objective in a number of different policy areas, including the environment, energy, transport, industry, agriculture and finance. As the first of such initiatives, the Commission adopted on 14 January 2020, a Communication on a Sustainable Europe Investment Plan, including a Just Transition Mechanism³.

² The Commission is currently scheduled to adopt its proposal on 4 March 2020 and will present it at the Environment Council on 5 March (under AOB).

³ Discussions on the Just Transition Fund proposal are under way in the relevant preparatory body of the GAC (Cohesion) Council. A presentation by the Commission is also scheduled at the Environment Council on 5 March (under AOB).

III. Circular Economy

Circular economy is an important enabler for ensuring respect for planetary boundaries, halting biodiversity loss, reducing global greenhouse gas emissions and delivering on the UN Sustainable Development Goals. It is also an instrument to ensure a sustainable competitiveness of future European industry and create new jobs. A truly circular model retains a maximum of the value of products and materials for the benefit of the economy and citizens, whilst minimising impact on the environment.

The Council, in its conclusions of 4 October 2019, acknowledged the actions taken and results delivered within the framework of the first Circular Economy Action Plan of 2015, but stressed that further ambitious efforts are needed to trigger a systemic transition to a sustainable society.

The Council called on the Commission to put forward an ambitious long-term EU strategic framework for circular economy, involving a common vision, a coherent product policy framework, policy instruments and a monitoring framework. A new Circular Economy Action Plan with targeted actions should be adopted, set up in close cooperation with stakeholders, establishing clear links with other policy areas such as climate change, biodiversity, bioeconomy, digitalisation and industrial policy.

In its conclusions, the Council highlighted the importance of promoting resource efficiency and responsible and sustainable sourcing of raw materials and highlighted a number of particularly resource-intensive sectors such as construction and demolition, food, textiles and mobility and electronics where comprehensive strategies and targeted action are needed, covering targets, policies, instruments, indicators and results monitoring. The Council also stressed the need to fully implement the European Strategy for Plastics in a Circular Economy, and possible further action in key sectors using plastics. More transparency and better information are required to enable more sustainable consumer choices. The Council therefore called for developing product information instruments on elements such as product lifetime and reparability and for incentives for consumers to contribute more to the circular economy.

As one of the main elements of the consumption and production chapter of the new European Green Deal, the Commission is expected to shortly issue the new Circular Economy Action Plan with the aim to, inter alia, stimulate the development of climate neutral and circular products, in the EU and beyond. This Action Plan is expected to include notably a sustainable products initiative, supporting the circular design of all products and prioritising the reduction and reuse of materials before recycling them. As envisaged in the Green Deal, it will also focus on resource intense sectors and include measures to encourage businesses to offer reusable, durable and repairable products and to allow buyers to take informed and more sustainable decisions.

Questions for Ministers:

Against this background and to seek political guidance on the way forward, the Presidency invites the Council (Environment) to address the following questions:

- *In light of the guidance provided by the European Council, and taking account of the EU's role in the international climate change negotiations, which actions set out in the European Green Deal are essential next steps towards the EU's climate neutrality objective?*
 - *Which actions need to be put forward in the new Circular Economy Action Plan to allow the development of the circular economy to become beneficial to all economic players across value chains and to support consumers in making sustainable choices?*
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