



A CLIMATE URGENCY PLAN FOR THE EU

Faced with the existential threat of devastating climate change impacts, CAN Europe expects the EU, its institutions and all Member States, to prioritise urgent action addressing the climate emergency with the aim of implementing the Paris Agreement's ambition to limit temperature rise to 1.5°C. This will in particular need a substantial increase of climate action in the short term, with the aim of reducing greenhouse gas emissions to almost zero and substantially increasing the removal capacity of natural sinks within two decades.

This is a highly challenging but not impossible task, as made clear by the recent Special Report on Global Warming of 1.5°C of the IPCC (Intergovernmental Panel on Climate Change) and the Global Assessment Report of the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services).

Based on the its engagement in the Paris Agreement to limit temperature rise to 1.5°C, the assessment of this challenge by the IPCC and the commonly agreed equity principles, we call upon the EU to:

- reduce all greenhouse gas emissions by at least 65% by 2030, as compared to 1990;
- reduce greenhouse gas emissions and increase natural carbon removals so as to achieve net zero greenhouse gas emissions by 2040;
- phase out all coal power plants by 2030;
- source 100% of all energy from renewable sources by 2040;
- phase out the use of all fossil fuels by 2040;
- phase out all fossil fuel subsidies by 2020;
- earmark 40% of the next EU budget for climate action
- dedicate 50% of future funding for neighbourhood development and development cooperation towards climate action and ensure a balance between support for adaptation and mitigation.

As the IPCC states in its 1.5°C Report: "*Pathways limiting global warming to 1.5°C with no or limited overshoot would require rapid and far-reaching transitions in energy, land, urban and infrastructure (including transport and buildings), and industrial systems. These systems transitions are unprecedented in terms of scale, but not necessarily in terms of speed, and imply deep emissions reductions in all sectors, a wide portfolio of mitigation options and a significant upscaling of investments in those options.*"

This can only be done if we have a robust institutional structure in the EU that is able to bring about the transformational changes we need. This includes for:

- the European Parliament to ensure that its Environment Committee will have final responsibility for all climate-specific legislation and to have co-responsibility for all other policies that substantially impact greenhouse gas emissions and climate justice;
- the European Commission to have a Vice-President for 'A Socially Fair and Just Climate Transition', whose role will be to ensure that all relevant economic (MFF, EIB, trade, single market, employment, etc.), social (jobs, health, housing, education, etc.) and sectoral (energy, industry, transport, agriculture, etc.) policies needed for the climate transition mutually reinforce each other;
- the European Commission to have a Commissioner for 'Climate and Energy Policy', with a mandate to develop and implement policies that ensure the EU reaches net zero greenhouse gas emissions by 2040;
- the European Council and the relevant sectoral Councils to use Qualified Majority Voting to adopt ambitious, fair and coherent targets, policies and measures that make the transition happen.

With this structure in place, the EU needs to agree on a Climate Urgency/Emergency Plan that sets an adequate overall level of ambition, ensures the transition to take place in all sectors and provides necessary financial and other horizontal policies and measures to be set.

1. Increase the level of ambition

The world is currently not on track to achieve the Paris Agreement's temperature targets, even if all 2030 pledges would be fully implemented. The EU needs to take a lead, both in increasing action taken before 2030, and adopting a vision on a future climate neutral and fossil fuel free world.

1.a. NDC Revision: The EU needs to align its 2030 climate target (NDC or Nationally Determined Contribution) with the Paris Agreement and adopt a target to reduce greenhouse gas emissions by at least 65% by 2030 (as compared to 1990). This needs to happen in the first quarter of 2020 so as to allow the EU's target to influence the NDC revision of all other countries which needs to be finalised by November 2020 at the latest.

1.b. Net Zero Greenhouse Gas Emissions: The European Council needs to urgently agree on a long-term climate vision to reach net zero greenhouse gas emissions by 2040, on which basis the Environment Council needs to adopt, in the first half of 2020, an economy-wide climate strategy providing the targets, policies and measures to achieve this objective.

1.c. Revision of Climate Policies: The European Commission needs to immediately start updating all relevant climate and energy targets and legislation and in line with the increased NDC, and EU Member States need to revise their National Energy and Climate Plans (NECPs) accordingly and ensure their full implementation with full oversight and enforcement by the Commission.

1.d. Fossil Fuel Phase Out: To reach net zero by 2040, Member States need to phase out the production and use of all fossil fuels (coal by 2030, gas by 2035 and oil by 2040) and ensure all policies are actively supporting the transition towards an energy system based on energy efficiency first, 100% renewables and zero-carbon materials. This transition needs to happen in a just, fair, sustainable and regulated way, guided by a Just Transition Roadmap, while ensuring the removal of legal barriers preventing Member States from phasing out fossil fuels earlier.

1.e. Natural Carbon Sinks: The EU needs to agree on a coherent, EU-wide 'natural carbon sinks' policy replacing the currently dispersed approach (e.g. LULUCF, CAP, Nature and Habitats Directive). This policy should align climate objectives with protecting and restoring degraded forests, grasslands, wetlands and agricultural lands, and provide the right signals for restoring, conserving, enhancing and managing natural carbon sinks, while preserving the highest levels of environmental integrity.

2. Enhance sectoral decarbonisation

Further to the overall strategy, the European Commission needs to develop clear sectoral decarbonisation strategies, including clear action plans that demonstrate how these strategies will be achieved and financed, in particular for the industry, transport, buildings, agriculture and forestry sectors.

2.a. Power Sector: The Commission needs to revise the Energy Efficiency, Renewable Energy and energy Market legislation to further enable efforts to move towards a 100% renewables power sector. This should include a review of the current classification of forest biomass as 'renewable'. And the EU's energy infrastructure planning and financing must take into account this strategy, thereby ensuring that this sector adequately contributes to the overall ambition to reach net zero greenhouse gas emissions by 2040.

2.b. Industry: The Commission needs to present a new, integrated and forward-looking EU industrial climate strategy for European industry, particularly energy-intensive industries, in support of a competitive, circular and net-zero emission heavy industry transition. Such a strategy needs to identify and support upscaling key technologies required to maximise the mitigation potential of European industry in a socially just and sustainable manner and to ensure European leadership in climate-neutral materials, products and (circular) processes.

2.c. Transport: The Commission needs to develop a strategy to phase out greenhouse gas emissions from the transport sector, including shipping and aviation. This needs to include a zero-emission automotive Roadmap, aiming at banning the sale of fossil fuel based vehicles in the Single Market by 2030, a strategy to dramatically reduce emissions from aviation and shipping and to promote a transport modal shift, including a strategy to promote zero carbon long- and short- distance public transport and a sustainable transport taxation strategy.

2.d. Buildings: EU Member States need to ensure that a massive renovation campaign is implemented so that the building stock is decarbonised by 2040. Both legislation and financial support should be available for action towards public and private building stocks.

2.e. Agriculture: The EU needs to agree on a complete reform of the Common Agriculture Policy (CAP) in order to substantially reduce emissions from fertilizer use and livestock, reduce production and consumption of meat and dairy, and improve soil protection and management to reduce soil loss and maintain natural soil fertility. Agricultural policies need to be rooted in the principles of agroecology, progressive reduction of inorganic chemical use, increase of agrobiodiversity and full support to the climate-resilient implementation of the UN Decade for Family Farming.

2.f. Forestry: The European Commission needs to develop a forest protection and restoration strategy that promotes mapping of existing and degraded forests, substantially enlarges the amount of protected forests, sets rules for sustainable forest management, promotes forest restoration and sustainable reforestation and afforestation, and adapts the accounting rules for forestry under the LULUCF (Land Use, Land Use Change and Forestry) Regulation to fully account emissions from forest activities against a historical baseline.

3. Shift financial flows

The European Commission needs to take a comprehensive and ambitious approach to shift domestic and external financial flows out of carbon-intensive activities and into climate neutral pathways, addressing both fiscal and financial policies.

3.a. Fossil Fuel Subsidies & State Aid: In the context of the European Semester and the Energy Union Governance, the Commission needs to ensure that all EU Member States present a clear plan aimed at fulfilling their (numerous) commitments to phase out direct and indirect fossil fuel subsidies immediately. The Commission should also ensure that State Aid legislation supports the clean energy transition.

3.b. EU Budget: All EU financial institutions and instruments need to contribute to the objectives of the Paris Agreement. The 2021-2027 EU budget, including the legislation of its different instruments, needs to be fully climate-proofed to ensure that no part of the budget shall be used for climate harmful activities and needs to earmark at least 40% of the budget for climate action. Once adopted, the Commission needs to ensure full implementation of these principles in all European, national and external action spending programmes.

3.c. Carbon Pricing Revenues: The Commission and all Member States need to ensure that the revenues from all forms of carbon pricing support climate action and transformational change in Europe and abroad (split between support for adaptation, loss & damage, mitigation and with special provisions for equity and locally led community initiatives).

3.d. EIB & EBRD: The European Investment Bank and the European Bank for Reconstruction and Development need to take further steps to ensure an increasingly higher proportion of its portfolio supports climate action, including for loss & damage, adaptation and mitigation projects with special provisions for community-based initiatives and land rights, and that no funds are used to support climate harmful or unsustainable energy mitigation activities, including nuclear. Both need to develop investment strategies compatible with the 1.5°C goal.

3.e. Sustainable Finance Action Plan: The Paris Agreement commits all countries to align financial flows with its long-term objectives. Hence the EU needs to ensure stronger action, well beyond voluntary disclosure and benchmarking, to incentivise and regulate private finance out of carbon-intensive activities and towards financing the just transition. Such action must progressively enhance the focus on activities that enable the transition and on the mobilisation of private investments contributing to the achievement of EU climate and sustainability objectives.

4. Ensure horizontal policy integration

The just transition not only depends on sectoral roadmaps and policies and providing financial support, but also on the integration of all major economic and social policies in the ambition to achieve net zero greenhouse gas emissions in the next decades.

4.a. Beyond Growth: In order to achieve net zero emissions, the EU needs to revise its focus on quantitative economic growth and replace it with a focus on sustainability and well-being. The European Commission needs to make a radical shift and start promoting alternative economic models that do not rely on endless conventional growth, and the

extraction of fossil fuels and limited natural resources, and support a new type of solidarity economy compatible with post-growth economic conditions.

4.b. Taxation: The EU also needs to agree on a revision of its taxation policy and align its fiscal framework with the net zero emissions objective. The Commission needs to develop a coherent and effective carbon price regime, via an improved Emissions Trading System, with a rising carbon floor price, as well as through fostering carbon taxation measures, with a special focus on emissions happening outside the Emissions Trading System and on emissions from international aviation and shipping.

4.c. Trade: The EU needs to revise its Trade Policy Strategy to ensure it is aligned with and enforcing the Paris Agreement. Trade agreements should be in line with the new alternative economic model and should only be signed with countries that implement their Paris Agreement commitments, while enforcing the highest social, environmental and human rights standards. The cost of carbon emissions of traded goods and services should be fully integrated, and investor-state dispute settlement mechanisms should disappear as they can undermine climate policy.

4.d. Just Transition: The EU needs to ensure that the transition from a polluting economy to one that is sustainable includes measures that support workers, communities and regions negatively affected by the transition, and prioritises the needs of citizens, and in particular women, and local communities. This should include policies that favour local community-led responses, promote citizen engagement and a decentralised ownership and management of assets and resources, and enhance an intra-EU solidarity approach.

4.e. Adaptation and Resilience Building: Building further on the EU Strategy on Adaptation to Climate Change, the Commission and all Member States need to ensure national, regional and local authorities anticipate, avoid and/or manage key impacts of climate change, and address the challenge of loss and damage caused by climate change that is happening. The EU needs to ensure that vulnerable communities within its own territory are protected and supported so that they enjoy full access to basic services and opportunities, and respect for their human rights.

4.f. Climate Communication: The Commission needs to develop a Climate Communication Plan that aims to better address the climate change crisis, that highlights both the risks and costs of climate change as well as the available solutions. This communication should allow and encourage European citizens to engage in debates about future local, national and European policies, as well as to take action to reduce their own contribution to the climate change crisis.

4.g. Adapting Lifestyles: The EU needs to develop a framework for the identification, exchange and replication of best practises, policies and measures that can support behavioural change. This should help public authorities to promote sustainable lifestyle choices that have the lowest impact on the climate and the environment, in particular with regard to reducing meat and dairy consumption, increasing non-motorised transport and phasing out inefficient products and heating and cooling systems, while supporting system changes enabling low carbon lifestyles.

5. Expand global diplomacy and support

Climate change is a global crisis and solutions also need to be global. Hence the EU needs to ensure it both plays a leadership role through its domestic policies, and provides support, both political, financial and through other means to those who are most vulnerable and stand in the frontline of climate change.

5.a. Climate Diplomacy: The EU needs to significantly strengthen its climate diplomacy capacity and strategy in order to promote the global transition towards net zero emissions, climate resilience, sustainable development and (food and water) security. The Commission needs a holistic vision incorporating the interlinkages between sustainable development, agriculture, conflict resolution, migration and humanitarian concerns. The EU must use all foreign relations instruments such as international negotiations, strategic partnerships, regional organisations, trade agreements and development cooperation to foster global net zero emissions and the Sustainable Development Goals.

5.b. Climate Justice and Solidarity Package: The Commission should develop a support and solidarity package, including a coherent approach to massively scale-up financial and other support to neighbourhood and developing countries, to help them to reduce greenhouse gas emissions, to adapt and increase resilience against unavoidable impacts, and to support them in dealing with loss and damage resulting from climate change. This should be done in a way that ensures a better balance between support for mitigation, adaptation and loss and damage, and ensuring full participation of women as well as vulnerable, indigenous and local communities.