



### European Green Deal: 8 reasons why it matters for the Western Balkans

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### Agenda

- What is European Green Deal?
- 8 reasons why European Green Deal matters

## What is European Green Deal?



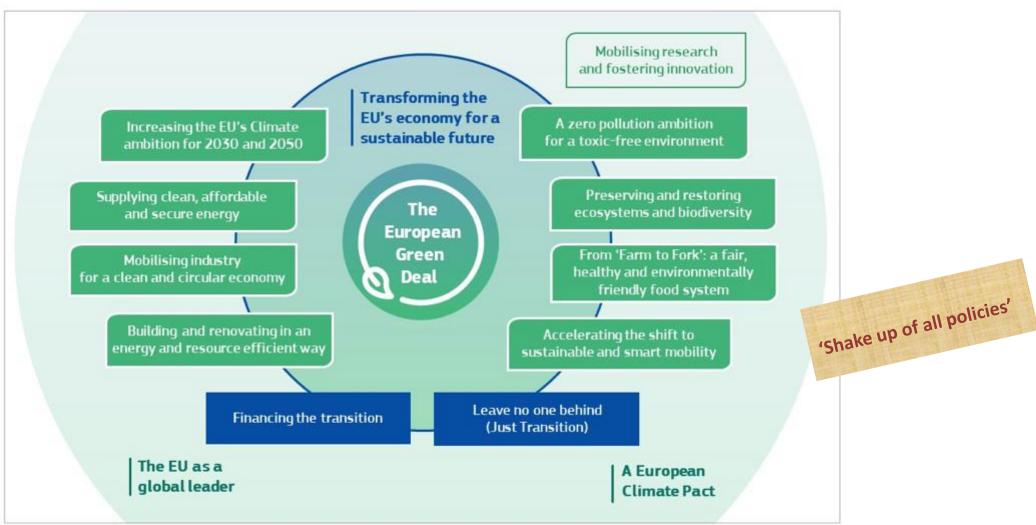
- 'Reset commitment to tackle climate change'
- Prove that 'climate neutrality' can be done in practice
- Climate policy has 'economic benefits'

The Green Deal as political strategy: robust and extensive technical and political preparation

- Based on Nov 2018 Long-term Strategy ('One Planet for All')
- Successor to Energy Union
- New: a) Social dimension ('just transition'), b) more industrial policy, c) EU climate diplomacy



### Aligning all EU policies to climate objectives



#### Begin of economic transformation over one generation (30 years) ....

## **Green Deal: Does it matter for the Western Balkans?**

- 1. Well-prepared logical next step for EU climate, energy and industrial policy
  - From Energy Union to European Green Deal
  - From (Nov 2018) EC Long-Term Strategy to Climate Neutrality
- 2. EU is not alone
  - Other EU member states: UK, France, Finland, Sweden, etc.
  - Japan, Canada, China (2060)

3. More and more laws to push climate neutrality in practice: sustainable finance taxonomy, carbon pricing, product standards/technical standards

- Competitiveness: High carbon/GDP becomes a liability, e.g. Russia, China
- Trade: carbon border adjustment mechanism (CBAM)
- Key is energy: solar PV, wind, biomass etc.
- 4. More and more methodologies to monitor and account for carbon (in energy and in products, embedded)
  - Once developed, they will be used in trade, in competition, by investors, Central Banks, etc.

## **Green Deal: Does it matter for the Western Balkans?**

- 5. Investors (financial markets, private investors) less and less finance carbon assets or at a premium fee. Insurance companies will less and less underwrite high-carbon projects or carbon-relate risks ("risk and resilience").
- 6. EU support in all areas will depend on alignment with EDG objectives *without* political discretion; ex. EIB lending, all EU Funds
- 7. EU Climate Diplomacy will focus on EGD objectives
  - 'Green Deals' with key partners
  - Governments leading on Paris Agreement leaders will converge around similar objectives
- **8.** Covid-19 recovery is green: a minimum of 37% for 'green' objectives + 'do no harm principle' ('National Recovery and Resilience Plans'); EU Budget: 30% for climate.

## Conclusion





# Thank you

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