



Climate and Energy Summit: integrated thinking for a climate-resilient Europe



The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Co-organised with













Introduction

This report includes the key points made during a one-day summit hosted by Friends of Europe in Brussels on 27 June 2023. The debates focused on how to accelerate Europe's decarbonisation pathway and seize the benefits of clean technology solutions, in a way that is integrated, cross-sectoral and fair.

Talks were structured around three interlinked topics:

- unleashing Europe's green energy potential,
- a Green Deal that works for all Europeans, and
- transforming the energy and climate policy landscape.

Recommendations

During the pre-summit dinner on 26 June and during the summit on 27 June, participants shared a number of insightful recommendations.

- → In 2019, we could not have imagined that we would make such progress on implementing a climate framework, in just four years. While the EU was tested with several existential crises, the architecture of the European Green Deal remained strong. However, in summer 2023, owing mainly to the politicisation of key legislative initiatives, the future of the Green Deal is very much uncertain.
- → The US Inflation Reduction Act serves as a good 'kick' to the EU and is a strong incentive to improve its green industrial strategy.
- → On aggregate investments in clean tech, the EU is not far behind the US. A more pressing challenge, however, is ensuring that access to funds is improved so that crucial pieces of the European green industrial future can be unlocked.
- → When it comes to scaling up innovation, we have a binary choice to make: 'be perfect or go fast'.
- → Our economy has typically placed a premium on 'efficiency', but this is shifting. Now, pillars like 'effectiveness' and 'resilience' are taking its place.
- → One serious challenge for the EU as it embraces the challenge of accelerating power sector decarbonisation lies in skills shortages. This underscores the need to place jobs and skills at the core of our energy strategy.
- → A just transition is the only way to ensure a that we transform our economies in line with the Paris Agreement. However, while there is broad support for one, 'we have never seen a just transition take place before'.

- → We are still not doing sufficiently well when it comes to thinking across domains. Policymaking needs to reflect the reality that climate action and environmental action are symbiotic priorities. It does not make sense to pit groups and policies against one another. Integrated thinking is essential.
- → While we have made progress in communicating the importance of some key terms, like 'decarbonisation', we have not yet made it easy for the population to understand concepts which underpin other key elements of sustainability, like 'nature restoration' and 'biodiversity'.
- → Climate science tells us that there is no net-zero without carbon removal. However, the EU is lagging in this important domain of emissions reductions.
- → 'Governance' is where we can do a lot in the EU. We can shift the narrative and demonstrate the benefits of the ecological transformation to citizens.





rom left to right.

- 1. Dharmendra Kanani, Chief Operating Officer and Chief Spokesperson of Friends of Europe; Nicolas Schmit, European Commissioner for Jobs and Social Rights
- Andre Loesekrug Pietri, Chairman and Scientific Director of the Joint European Disruptive Initiative (JEDI) and 2013 European Young Leader (EYL40)
- 3. Ester Asin, Director of WWF European Policy Office;
 Philippe Lamberts MEP, Co-President of the Group of the
 Greens/European Free Alliance; Nicolas Schmit, European
 Commissioner for Jobs and Social Rights; Jurei Yada,
 Programme Lead for EU Sustainable Finance at E3G
- **4. Timur Gul**, Head of the Energy Technology Policy (ETP) division at the International Energy Agency (IEA); **Henrietta Moon**, Co-Founder and CEO of Carbo Culture and 2023 European Young Leader (EYL40)
- **5. Constance Kann**, Director at the European Investment Bank (EIB







Event summary

A just transition?

Citizen support will be vital to building a climate-resilient Europe. However, as the bloc of 27 member states prepares for European Parliament elections and the arrival of a new European Commission college in 2024, support for EU climate action cannot be taken for granted.

European Commissioner for Jobs and Social Rights **Nicolas Schmit** warned participants that the EU must foster a just transition as a core element of greening the EU economy. The Green Deal is expected to create up to two million new jobs, but as the Commissioner highlighted, these will not necessarily be where carbonintensive jobs once were.

"If the transition is not just, the risk of political and social disruption will not be easy to manage," the Commissioner warned. The Green Deal and other EU climate policies should be used to keep jobs and investment, "in Europe, not outside." At an EU level, there could be a need to make state aid more flexible "to foster investments in green industry." He continued by arguing that this means looking at taxation and redistribution because it will not be possible to rely only on the markets to redistribute wealth and resources in the transition to a green economy.

Philippe Lamberts, MEP and Co-President of the Group of the Greens/European Free Alliance, said it was not a given that the EU Green Deal will survive. If European Parliament elections in 2024 shift power further towards populist EU parties, he said "there is a real risk there will not be a political majority to move on with the Green Deal."

•• If the transition is not just, the risk of political and social disruption will not be easy to manage

Nicolas Schmit, European Commissioner for Jobs and Social Rights

Lamberts remarked that right-wing parties were "leveraging natural resistance to change" to turn voters against the European Green Deal. **Ester Asin Martinez**, Director of WWF European Policy Office, called on populist parties to "stop lying to voters." Instead, she encouraged these politicians to communicate the truth about the links between extreme weather, nature loss and climate change.

"A lot of people are realising we can't take nature for granted," Asin Martinez said, arguing that policymakers should use this public support to promote circularity and sufficiency, within planetary boundaries.

"Too often the circular economy is seen as about people having to give things up," said **Ramona Liberoff**, Executive Director of the Platform for Accelerating the

Circular Economy (PACE). She remarked to the audience that her work had shown that circularity is a question of efficiency.

•• The private sector has a really important role in the transition to a low-carbon sustainable future

Lisa Jackson, Vice President of Environment, Policy and Social Initiatives at Apple and former administrator of the United States Environmental Protection Agency

To avoid the switch away from a carbon-intensive economy towards a carbon-neutral one being perceived as a cost to the local economy and a transition which increases prices, Anita Orbán, Director of Public Affairs at Vodafone Group, reinforced the importance of promoting a twin transition of both green and digital policies.

"The private sector has a really important role in the transition to a low-carbon sustainable future," agreed **Lisa Jackson**, Vice President of Environment, Policy and Social Initiatives at Apple and former administrator of the United States Environmental Protection Agency.

The Apple 2030 agenda, for instance, means that by the end of the decade every device along the company's complex supply chain will be carbon neutral. As well as using 100% recyclable or renewable materials to manufacture products by 2030, this means ensuring that carbon-neutral products are not powered with fossil fuels but instead "putting [clean] energy on the grid to serve our customer needs."

European climate actors on a world stage

Jurei Yada, Programme Lead for EU Sustainable Finance at E3G, said the EU needed a clear definition of 'transition finance' to win over businesses and strengthen popular support. EU leadership on sustainable finance has focused attention on practices and companies that are already green. "This leaves out the majority of practices which need an increase in lower-carbon investments."

"We are entering a new industrial age of clean technology manufacturing," said **Timur Gül**, Head of the Energy Technology Policy division at the International Energy Agency. The problem, as he and other speakers at the summit outlined, is that "not every country is in a position to reap the benefits."

The existence of geographically concentrated supply chains, in particular for critical minerals, means some countries and regions dominate the supply of several key technologies that are central to a clean energy transition. China, in particular, holds such raw minerals in abundance.

To build up its value and promote international green growth, the audience at the summit heard that the EU must focus on its strengths. These include a skilled workforce, a large internal market and leading universities, as Gül said. He remarked









From left to right

- 1. Cristian Silviu Buşoi, Chair of the European Parliament Committee on Industry, Research and Energy; Anita Orbán, Director of Public Affairs at Vodafone Group; Claire Waysand, Executive Vice President of ENGIE; Pierre Schellekens, Director in the European Commission Directorate-General for Energy; Frank Mischler, Director of the International PtX Hub, part of the Gesellschaft für Internationale Zusammenarbeit (GIZ)
- **2. Ester Asin**, Director of WWF European Policy Office; **Jurei Yada**, Programme Lead for EU Sustainable Finance at E3G
- 3. Ramona Liberoff, Executive Director of the Platform for Accelerating the Circular Economy (PACE); Lisa Jackson, Vice President of Environment, Policy and Social Initiatives at Apple and former administrator of the US Environmental Protection Agency
- 4. Anita Orbán, Director of Public Affairs at Vodafone Group



that "if we cannot build technologies cheaper than others, we should try to build it better."

Frank Mischler, Director of the International Power-to-X Hub at GIZ, said it was "absolutely necessary" for the EU to foster "symbiotic" cooperation with the rest of the world, for instance, with Africa, when it comes to the development of green hydrogen.

Mischler added that, faced with declining birth rates across the continent, the EU should focus on "using the people we have for highly skilled jobs," even if this means losing "super-intensive, low value" work to other markets.

We are entering a new industrial age of clean technology manufacturing

Timur Gül, Head of the Energy Technology Policy division at the International Energy Agency

Turning to the US, **Constance Kann**, Director at the European Investment Bank, said that the Inflation Reduction Act (IRA) was "a wake-up call" for the EU to review ways in which it supports breakthrough technologies. She cautioned, however, that "this is not a subsidy race."

Kann said that it will be vital to support SMEs in the search for emerging green technologies and innovation. This should include providing access to long-term, risk-bearing capital.

The new model generation

When it comes to building a just transition – which tackles climate change in an inclusive and fair manner and which helps to foster a Renewed Social Contract – much is expected from a new generation of leaders.

Henrietta Moon, Co-Founder and CEO of Carbo Culture and 2023 European Young Leader (EYL40), said that many small or emerging clean technology companies in Europe could show the way to a clean and socially just transition. "The EU needs a couple of good companies to show and inspire the next generation of entrepreneurs," she explained.

Fellow EYL40, **André Loesekrug-Pietri**, Chairman and Scientific Director of the Joint European Disruptive Initiative, said Europe must also be inspired by the 1969 Apollo 11 spaceflight project when it comes to investing in promising green technologies. "Where's the boldness? Where's the climate moonshot?" he asked. "The opportunity is there."

A new generation with a new ambition for climate action could also mean a new EU model, he contended. Audience interventions probed whether the EU needs a

new, bigger social mandate to build on its energy mandate and encourage green behaviour.

Mixed up about the energy mix

Pierre Schellekens, Director at the European Commission Directorate-General for Energy (DG ENER), remarked that, whereas prior to Russia's invasion of Ukraine, there were questions about how renewables could offer security of supply; today, increasing the share of renewable sources of energy in the mix is one of the best ways to strengthen security of supply.

However, to make the new clean energy landscape a reality, he warned that longstanding problems relating to grid access and grid capacity need to be rectified, adding that "if we don't address this, it risks becoming a major bottleneck to reaching renewables targets."

"We do see bottlenecks around permitting and networks," agreed **Claire Waysand**, Executive Vice President of ENGIE. "We sometimes delay renewables projects for two years because grid access is not given."

ENGIE estimates that €40bn is needed for network construction and upgrades every year to keep the EU on track to meet climate and energy targets. In part, because of this, ENGIE expects to continue to rely on gas – biomethane and green hydrogen – as the energy transition continues, Waysand said.

The role of nuclear power in the energy mix remains contentious. Some audience participants argued that nuclear is a clean and reliable way to curb emissions, while others said the construction of new nuclear reactors takes too long to be worthwhile.

"In all our [Commission] modelling up to 2050, nuclear plays a role," said Schellekens. "Renewables complemented by nuclear."

We do see bottlenecks around permitting and networks

Claire Waysand, Executive Vice President of ENGIE

Cristian Silviu Bușoi, Chair of the European Parliament Committee on Industry, Research and Energy, said there was a need quickly to upscale clean practices. "We need to go with the technologies that are the most proven."

"Science is telling us how long we have," said Buşoi. "We've been ignoring it for 50 years." Or, as said event moderator **Dharmendra Kanani**, Chief Operating Officer and Chief Spokesperson of Friends of Europe, put it: "There is no point just saying it's too late."



From left to right:

- **1. Bruno Tobback**, Member of the Flemish Parliament
- **2. Manon Dufour**, Head of Brussels Office E3G
- 3. Anita Orbán, Director of Public Affairs at Vodafone Group; Claire Waysand, Executive Vice President of ENGIE; Pierre Schellekens, Director in the European Commission Directorate-General for Energy
- **4. Frank Mischler**, Director of the International PtX Hub, part of the Gesellschaft für Internationale
- **5. Caroline Golin**, Global Head of Energy: Markets, Development and Innovation at Google









Friends of Europe

Connect. Debate. Change.

+32 2 893 98 23 info@friendsofeurope.org friendsofeurope.org

Friends of Europe is a leading think-tank that connects people, stimulates debate and triggers change to create a more inclusive, sustainable and forward-looking Europe.











