

## POLICY PAPER

### FIVE ACTION POINTS TO GET THE EUROPEAN UNION BACK ON TRACK AS A GLOBAL GREEN TECHNOLOGY LEADER



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#### Introduction

***"The people who are crazy enough to think they can change the world are the ones who do." – Steve Jobs, former co-founder, chairman, and CEO of Apple Inc.***

Three years after President Juncker's statement - "I want Europe's Energy Union to become the world number one in renewable energies" - the reality is not as bright. EU investments in renewables are stagnating (half of EU Member States did not invest a single euro in wind last year!), solar PV panel production has largely moved to China, and in the streets of Brussels the only 100% full electric taxis are Chinese or American! As early mover, Chinese electric busses are three times cheaper than those built in the EU and flood our domestic market.

However, not everything is doomed - EU manufacturers are still in a good position in on-shore and off-shore wind turbines and equipment, cables and smart grids and in a lot of smart energy efficiency appliances and services. EU start-ups like Sonnen, Blablacar, Street Scooter and Fastned lead new green business models. The mayors of cities like Paris and Stockholm promote clean, net zero carbon, 100% renewables lifestyle innovation centres, some countries like Denmark and Germany position their national champions in foreign markets.

But what is lacking is an EU strategy which would maximise the potential of these individual success stories. As the EU does not only decide on key legislation in the field of energy but also on mobility and on the future EU budget including the research & innovation FP9, I propose five action points to support the green technology revolution across Europe.

#### 1. A clear long-term vision - net zero in 2050

As voted by the European Parliament in its climate and energy framework-law (governance of the Energy Union), Europe will strive for a net-zero carbon economy by 2050. What is required to get all buildings, transport and industrial processes to net zero carbon and to put carbon sinks at the centre of agricultural and forestry policy-making? We first need to identify our vision. Only a clear long-term target will create an easy-to-understand goal for society at large, researchers, local leaders, start-ups, company leaders and citizens.

## 2. A sizeable home market

The EU Council's suggested targets of 30% efficiency and 27% renewables would de facto diminish or freeze investment in renewables and green technology at current levels. Getting the European Parliament's position of at least 35-35 enshrined into the new 2030 legislation would make a big difference in volumes of renewable generation units, the related smart grid, cables and storage infrastructure. This would not only add jobs in the wind and solar sectors - 132,000 more jobs in wind and a 56% increase in jobs in solar, compared to a 27% target - but also create massive opportunities for our chemical industry (batteries, blades, fiber carbon, insulation material) and steel industry (towers for wind, frames for solar).

The EU has to ensure investor security for new green "made in Europe" technology and not lose to competitors such as China. Creating a sufficient home market is indispensable to mobilise enough cash to invest in innovation, a precondition for quality, service and cost competitiveness! This is true for energy-related but also transport-related green technology. Therefore, the EU needs also an improved CO2 legislation on cars and vans.

## 3. A mission "get to zero" at the heart of next EU research and innovation framework

Since Bertrand Piccard toured the world with his Solar Impulse fossil free airplane, the psychological barriers to move to a high-efficient fully renewables-powered system have been wiped out. Europe should be inspired and proud of this pioneer, and make sure these kinds of innovations thrive.

*Invest into breakthrough technologies*

Will the world's first commercial electric airplane be built in Toulouse or in Seattle? Will next generations of fully electric or hydrogen ships leave St. Nazaire, Hamburg and Turku or Kaohsiung and Shanghai? Will the research efforts of LKAB, Vattenfall, SSAB, Voestalpine and Siemens put the EU first on net-zero carbon carbon steel? And will the EU be a leader in circular and sustainable construction materials?

In order to give a positive answer to those questions, EU research and innovation policies and funding should allocate an increased budget to energy efficiency and clean technologies in upcoming FP9. This should be coupled with business models and services that help scaling up innovations, so that they manage to penetrate markets and do not stay solely as pilot projects, and also a bigger EU budget and EIB engagement to trigger the necessary investment into megafactories for batteries, solar PV and cables in the EU.

*Invest into high efficiency, 100% renewables system services and life-style changes at local level*

There is an appetite in the EU citizens to go green. Why not making sure that that the green uberisation with less cars, less noise and cleaner air is developed first in European cities? We should be much more ambitious in getting not only 100% renewables islands, but also cities, regions and countries. Such plans are on the way, eco-cities become more and more popular amongst urban planners and citizens. More could be done to harness the full potential of cities and regions through a "mission get to zero" urban areas program.

## 4. New partnerships in a modernised MFF

There are few other areas than the green energy transition where the EU could reconnect with millions of citizens and economic actors. The European Parliament's budget committee asked this week for a 30%

climate transition related spending in the EU budget, which is much better than President Juncker's week MFF proposal. Cooperation with all kinds of stakeholders result in interesting business opportunities in the transition to a fully decarbonised economy. The next EU budget should have a focus on unbureaucratic joint projects involving:

- CITIZENS - via an EFSI/EIB fund for energy cooperatives: 1 euro of EU budget matching each euro raised by crowdfunding
- CITIES - should have direct access to structural funds
- RURAL AREAS - through a reorganised Common Agriculture Policy and funds directly accessible by regional governments - would regain pride and income through wind and solar power projects but also green gas and carbon sink enhancement

## 5. New trade and foreign policy orientation: from oil and gas to green technology

The EU should end its naive free trade agenda and embrace active and selective commercial agreements and public procurement agreements driven by green and social criteria. These would include a carbon border adjustment mechanism as proposed by French President Emmanuel Macron, circular economy and other life cycle criteria. We should protect our green champions against aggressive environmental, social and financial dumping from other parts of the world.

The outdated oil and gas acquisition driven diplomacy should be replaced by a climate change and other "global commons" diplomacy, building on the biggest successes in the EU foreign policy: the Paris Agreement and the Convention on Biological Diversity! If the EIB and the EU budget help European project developers to invest in solar and wind projects instead of big fossil fuel projects like the trans-Anatolian gas pipeline, the EU will gain more credibility at international level. In addition, a green technology export strategy that uses our soft power instruments like the Global Covenant of Mayors, the EU External Investment Plan and hopefully an Erasmus for young green pioneers is highly needed.

### Contact

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