

# Green Growth Summit 2021

Tuesday 5 October

Via GoToWebinar

## Summary note

*The annual Green Growth Summit took place on 5 October 2021 at a crucial time when the EU and its partners have the unique opportunity to transform their economies and societies to adequately respond to the climate emergency while providing economic and social benefits in the wake of the Covid-19 pandemic. In light of the European Commission presenting its 'Fit for 55' package and in the run-up to COP26, the Summit brought together over 20 high-level contributors from EU institutions, Member States, businesses and NGOs and featured three conversations: i) Fireside chat on 'Fast forward – Society and the economy in 2030'; ii) Session 1: 'A transformational change for climate, people and the economy - Can the Fit for 55 Package deliver?' and iii) Session 2: 'The road to COP 26 – How can the EU contribute to a successful outcome?'.*

**Eliot Whittington**, Director, CLG Europe and the Green Growth Partnership opened the Green Growth Summit 2021 by welcoming panellists and participants, introducing the Green Growth Partnership, CLG Europe and setting the scene by mentioning the European Environment Council taking place the next day in Luxembourg.

### FIRESIDE CHAT:

#### **'FAST FORWARD – SOCIETY AND THE ECONOMY IN 2030'**

**Clare Shine**, Director and CEO of CISL and **Sharan Burrow**, General Secretary of the International Trade Union Confederation

Clare Shine opened the discussion with Sharan Burrow by setting the scene for the Summit and underlining the necessity to explore what can and must be done by 2030 to build a society that works for people, nature and climate. Responding to Clare's question on "what should a resource-friendly, climate efficient, prosperous and ideal society and economy look like in 2030?" Sharan Burrow outlined her vision for the world in 2030, one in which the world has realised the SDGs, reduced inequality dramatically, set itself on a path to decarbonise through a just transition across all industries and technologies, with circular economies where materials are re-used and re-deployed, where people have human and labour rights, where we have a commitment to social protection and collective bargaining, where environmental standards are followed and due diligence by corporations is backed by government legislation, where there are remedies through grievance procedures so that people are no longer subject to oppression and exploitation, and where there is ambition for full employment. This echoes the UN Secretary General's Global Accelerator call to action in 2021 to have 400 million new decent jobs and formalise half of the global informal economy. Welcoming this vision, Clare turned to the 'how' and the role that key

stakeholders should play in this process, including companies and investors and the role of partnerships. Sharan Burrow stressed that it will be key to deploy ESG standards and ensure the trillions are invested not only for good returns but also on the basis that they won't contribute to environmental destruction or oppression in supply chains. She explained that Covid-19 has exposed the convergence of crises and high levels of inequalities that need to be addressed to build resilience. For her, the roadmap for addressing these interrelated issues is the SDGs and the Paris Agreement, but unless governments raise their ambition and build people's trust in the transition, there will be risks of social tension. To Clare's question on how Sharan views the European Fit for 55 Package and how it can potentially serve a beacon role, Sharan reiterated the importance of a new social dialogue and believes Europe is on track with many of its initiatives, including with its commitment to increase the minimum living wage and collective bargaining. Sharan Burrow concluded by summarising the priorities in her view to kick start the change needed: quality education and healthcare, human and labour rights, due diligence with compliance and remedy, partnerships with social dialogue and government power through legislation and procurement will be key ingredients to get to this 2030 vision. Clare welcomed Sharan's call to action as she handed over to Eliot to introduce the Summit discussions on how the Fit for 55 can help deliver this transformational change.

### **SESSION 1: 'A TRANSFORMATIONAL CHANGE FOR CLIMATE, PEOPLE AND THE ECONOMY** **- CAN THE FIT FOR 55 PACKAGE DELIVER?'**

**Eliot Whittington**, Director, CLG Europe and the Green Growth Partnership

In his introductory remarks for Session 1, Eliot Whittington officially launched CISL and CLG Europe's latest report: [\*Fit for 55? A progressive business perspective on the EU's transformative climate package\*](#). He summarised key findings of the report, including that business will play a key role in the transition, that ambition must be maintained across the package. The Package must be treated as a whole and that the Green Deal and the package should be treated as a growth strategy.

**Frans Timmermans**, Executive Vice President, European Commission - **VIDEO MESSAGE**

Executive Vice President Timmermans thanked the Green Growth Partnership and provided an overview of the Fit for 55 legislative proposals, and its goal to ensure a just transition that will leave no one behind. He highlighted that the Green Deal is a growth strategy, where environmental, economic and social sustainability go hand in hand, creating new jobs and massive opportunities. It will provide certainty, boost investment and innovation so that industry can lead the transition; in this way, European companies are integral to the solution. He mentioned the benefits of a revised ETS, carbon price, Carbon Border Adjustment Mechanism (CBAM) and green supply chains, all while recognising that none of these measures will be easy to put in place. Nevertheless, EVP Timmermans maintained that we must look to the long term and not be deterred by short term fears, such as caused by the ongoing energy price hikes. He ended by highlighting the importance of COP26 in Glasgow, stressing that this is a global problem and highlighting promising leadership and finance.

**Carole Dieschbourg, Minister for the Environment, Climate and Sustainable Development, Luxembourg**

Minister Dieschbourg began by highlighting that the Fit for 55 package is necessary in shaping the long-term goal of climate neutrality by 2050 and in translating it into real-life practices, while also stressing that several elements need strengthening to ensure that the implementation of the package both deepens and broadens decarbonisation across all economic sectors. Decarbonisation will affect the entire economic spectrum and also have an impact on citizens, which is why it will be crucial to ensure that no one is left behind. Minister Dieschbourg then focused on several specific elements of the package: she expressed concern that revenues from the ETS extension to buildings and road transport would not be distributed fairly, and that the revision of the Regulation on CO<sub>2</sub> emission performance standards for cars and vans does not go far enough in terms of its level of ambition. Climate policy and circular economy are closely interlinked and will open up significant opportunities in the net zero transition to bring economic benefits, including creating more green jobs. However, it remains to be seen whether this interlinkage is sufficiently addressed in the proposed framework. Minister Dieschbourg concluded by stressing the opportunity and need for the EU to lead by example.

**Andrej Vizjak, Minister of the Environment and Spatial Planning, Slovenia**

Andrej Vizjak spoke about the work and challenges faced by the Slovenian Presidency of the European Council and highlighted the importance of the role of the business sector. He believes that the Fit for 55 package is a crucial and ambitious step in the right direction and that all major elements (carbon pricing, increased targets and stronger regulation) will need to be carefully calibrated and harmonised. As such, all these elements, in particular carbon pricing, should fit several preconditions: i) should be adequate to achieve set targets; ii) should at the same time not harm competitiveness of the economy; and iii) should prevent negative impacts on the most vulnerable parts of society.

**Rafael Mateo Alcalá, Chief Executive Officer, ACCIONA Energía**

Speaking on his experience working to navigate net-zero at ACCIONA, Rafael Mateo Alcalá reflected that the Fit for 55 package will make a critical difference by making the EU more energy-independent. While the opportunities of the package are great and it includes many good measures - for example, protecting the competitiveness of European industries - further advancements are needed. Citizens, corporations and governments' embracement and acceptance is critical because maintaining the status quo generates large inaction costs. Renewable energy technologies are the cornerstone of the transition. The two main challenges faced by renewable energy is permitting and grids. The EU has the opportunity to be a pioneer at the forefront of this revolution.

**Pascal Canfin, Member of the European Parliament**

MEP Canfin shared his thoughts on the '2030 package' (referring to the way the European Parliament calls the Fit for 55 Package) of which he is extremely supportive. In particular, he supports the balanced approach to the phase out of ICE cars by 2035 and of the CBAM, which he believes is WTO compatible. With regards to the ETS reform, MEP Canfin expressed his scepticism about the extension of the system to housing, heating and road transport, which he believes would have a very limited climate impact while having too high of a political cost. MEP Canfin explained that what works for corporates does not

necessarily work for households, which is why he is working on alternative options for the ETS. Finally, MEP Canfin stressed that this package is one piece of an even bigger picture; the Green Deal is more than 50 laws that will be changed, reviewed, or introduced.

**Wendel Trio, Director, CAN Europe (respondent)**

Wendel Trio responded to the first round of policymaker interventions by reminding those present of the growing impacts of climate change, and that a failure to deliver on the Fit for 55 Package will negatively affect the economy, environment and peoples' livelihoods. Moreover, he called for even more ambitious 2030 climate pledges because the world is still heading towards 2.5°C of warming. Hence, he called on lawmakers to inject the highest level of ambition and integrity in each and every legislative proposal of the package so as to come closer to the EU's fair share of achieving the 1.5°C commitment. Mr Trio called on everyone to pull their weight and would prefer to see a 65% target by 2030.

**Krista Mikkonen, Minister of the Environment and Climate Change, Finland - VIDEO MESSAGE**

Kicking off the second round of discussions on the Fit for 55 package, Krista Mikkonen's video message reflected on the intense and important negotiations ahead, including at the Environment Council the following day. She underlined that the big picture ambition of reaching at least 55% reductions by 2030 cannot be watered down and that time is limited. She praised the Green Growth Partnership for playing an important role in driving ambitious climate policy in the EU and highlighted the importance of the progressive business voice. In addition, businesses who are frontrunners will be in a prime position to reap the benefits of the green transition. The business voice will be important in the conversation surrounding the ETS, sector emissions reductions pathways, and renewable energy development. Citizens also have an important role to play and must show their support for the package.

**Annika Jacobson, State Secretary to Minister for Environment and Climate and Deputy Prime Minister Per Bolund, Sweden**

On behalf of Sweden, Annika Jacobson stressed that the time to deliver is now. In light of the IPCC reports, there is an urgency to deliver enhanced 2030 targets. The EU can manifest global leadership by leading on the implementation of policy and reaching its climate neutrality target. A coherent framework with a mix of policy measures focusing on emission reductions will be key. Enhancing synergies will both reduce emissions and create added value for citizens. The Fit for 55 Package and the green recovery will help us kick start the economy post-Covid and accelerate the climate transition.

**Annette Stube, Executive Vice President of Sustainability, Stora Enso**

As a representative of leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper, Annette Stube spoke about planetary boundaries and the need for businesses to go beyond sustainability to become regenerative. With regards to the Fit for 55 Package, Stora Enso is focusing on LULUCF and the EU ETS. The company believes that European forests should not carry the burden of high-emitting sectors. Furthermore, the company believes that the EU ETS has been a success and hopes this continues. Stora Enso had, however, hoped for stronger policies promoting carbon capture and storage (CCS) and bioenergy with carbon capture and storage (BECCS).

**Doru Mitrana, Program Director, Sustainability Embassy Romania (respondent)**

Doru Mitrana was pleased to hear the calls for ambition to be included in European legislation and pointed out the need to explore the instruments that will make this transition possible for businesses. He explained that to counter business as usual and resistance to change, companies need to be clear about how they can translate these ambitious goals in their day to day operations. Strengthening guidelines on non-financial reporting requirements and disclosure will help businesses do this by understanding their impact and use it as a management tool. It is also an opportunity for companies to understand how they can contribute to the wider SDGs and ultimately help build social acceptance of the Package.

**Petr Vitek, Chairman of the Supervisory Board, Change for the Better (respondent)**

Representing the Czech business network 'Change for the Better', Petr Vitek provided a sobering view from a Czech perspective about the level of readiness for Fit for 55 in his country: the Czech Republic is not on track to reach the EU targets and is not ready to transform the economy for several reasons. The first reason is that the country is deeply politically divided and that net zero has not yet been widely accepted. Secondly, sustainability is still perceived as a cost rather than a benefit, so most companies still believe in the business-as-usual scenario. Thirdly, there are widening social divisions in the country. However, more and more business actors accept and even welcome that there is a need to put a price on carbon to create real business opportunities. Petr Vitek expressed that before the new measures of the Package can be introduced, further engagement of policymakers with progressive businesses, for example on the carbon tax, will be an important step.

**SESSION 2: 'THE ROAD TO COP26 – HOW CAN THE EU CONTRIBUTE TO A SUCCESSFUL OUTCOME?'****Matt Toombs, Director of Campaigns & Engagement, COP26 unit, UK Cabinet Office**

Matt Toombs kicked off Session 2 by detailing the priorities of the UK COP26 Presidency in the lead up to COP26 in Glasgow. These focused on keeping the pathway to 1.5°C alive, as well as finance, and adaptation. Mr Toombs highlighted the critical role of non-state actors in raising ambition, demonstrating action in the real economy, and influencing national positions. Other areas of priority for the Presidency are phasing out coal, addressing deforestation, increasing sustainable agriculture, increasing zero-emission vehicles, and delivering USD 100 billion in climate finance. Mr Toombs was optimistic in light of the progress seen at the G7, particularly with regards to keeping 1.5°C alive as well as with climate finance and coal phase out. Nevertheless, Mr Toombs stressed that there was still a long way to go. He thanked the EU and businesses for their support, praised the Fit for 55 Package, and he called on all businesses to join the Race to Zero and to collaborate with each other across sectors and with governments.

**Dimitrios Zevgolis, Deputy Acting Head of Unit, International and Mainstreaming and Policy Coordination, European Commission**

Representing the European Commission, Dimitrios Zevgolis highlighted three main areas which would contribute to a successful outcome for the EU at COP26: First, the outcome must be to keep the 1.5°C

target within reach in this decade and show how this can be achieved; second, strengthen action on adaptation; and third, demonstrate solidarity with the developing countries most affected by climate change and build momentum to align financial flows with the Paris goals. Regarding the 1.5°C target, Parties' NDCs must be enhanced to reduce emissions this decade, and COP26 needs to give visibility to the sectoral initiatives and specific commitments that support the target. The COP26 outcome should also call on Parties to demonstrate how they are stepping up their adaptation action. The EU has developed an adaptation strategy. The EU is committed to providing more sustained investments for adaptation to the most vulnerable regions, also supporting build back better strategies. On aligning financial flows globally, ministerial discussions will be important opportunities to demonstrate ambition, which will also come from broader mobilisation of climate finance and conducive policies by all Parties.

#### **Mathias Fischer, State Secretary, Ministry of Climate and Environment, Norway**

State Secretary Fischer echoed Mr Toombs' and Mr Zevgolis' assessment that a successful COP is one that keeps 1.5°C alive "because the science is clear that 1.5°C cannot just be a hopeful ambition but is a necessity – policy needs to follow the science." In order to build trust, all countries need to enhance their NDCs, have clear climate action plans, and finalise the Paris rulebook. The State Secretary praised the EU for its Fit for 55 Package because it can be used as an example of high ambition and concrete plans. In addition, the Package incorporates social elements and shows how business can be part of the solution. Mr Fischer sees climate action not as a burden but as an opportunity for businesses to race towards new technologies.

#### **Jytte Guteland, Member of the European Parliament**

MEP Jytte Guteland began her statement by expressing how welcome it is that the public and private sectors are joining forces via avenues such as the Green Growth Summit, because policymakers need to collaborate with business to ensure that action is taken. She has already seen much progress through successful collaboration in Sweden, including the production of fossil-free steel and carbon-neutral iron and batteries, which would not have been imaginable even a few years back. With regards to COP26, MEP Guteland believes that the timing of the Fit for 55 Package could not have been better – as it sets the EU up to be a leader in the global climate conversation. She reminded attendees of the Summit that current commitments only add up to 3.2°C and in this context highlighted how important it was for the United States to return as a main actor at COP26 and that China must continue to set ambitious targets. MEP Guteland stressed that "we need to turn the discussion from pledges to action, and specifically what concrete actions the parties need to take." The message MEP Guteland will bring to COP26 as a European Parliament delegate is that we need to treat the climate crisis as a climate emergency and therefore increase ambition.

#### **Keith Anderson, Chief Executive Officer, Scottish Power**

Mr Keith Anderson spoke about the importance of collaboration between companies and governments, while reflecting on ScottishPower's transformation over the past 25 years to turn itself 100% green. ScottishPower was the first energy company in the UK to ditch coal and gas and invest 100% in green generation, and they are also investing in the energy grids that are the backbone of delivering cleaner

transport and heating. ScottishPower's business model views all its activities (from commercial to environmental opportunities) through the prism of net zero, in order to accelerate the pace and scale of decarbonisation. Mr Anderson sees similar opportunities for the entire world to be part of a green economic recovery via investment in renewables; the rapid decarbonisation of whole sectors, such as transport, heavy industry and domestic heating; the roll-out of new infrastructure, and skills and jobs to every region. For Mr Anderson, the environmental and economic cases for decarbonisation are completely aligned and collaboration between sectors is vital to drive innovation and progress. ScottishPower views the challenges ahead (including innovation) as an opportunity instead of a burden and COP26 is a way of demonstrating how to do it from a business perspective.

#### **Kaja Tael, Ambassador for Climate and Energy Policy of Estonia**

Ms Kaja Tael is proud of the Fit for 55 Package because it sets up the European Union to not just 'talk the talk' but also 'walk the talk' in-between COPs. Since the last COP, the EU has reinvented climate diplomacy through workshops, alliances and coalitions. Whether these have been successful, only the COP26 will tell. Examples of alliances that the EU is leading on are the Powering Past Coal Alliance, the Global Methane Initiative, and the Beyond Oil and Gas Alliance. Using the example of her own country of Estonia, Ms Tael believes that even small countries can play their part, working on alliances and contributing with new technological solutions. Estonia has been actively working with UNEP on DEAL, a program which supports global digital environmental data, which is available and comparable.

#### **Thomas Lingard, Global Climate & Environment Director, Unilever**

Thomas Lingard described Unilever's successes and challenges in the company's journey towards achieving sustainability and net zero. There are three major shifts that he believes need to occur globally for businesses, such as Unilever, to be successful in achieving their goals. The first is a shift in policy, the second is a shift in investment, and the third is a transformation of the mindset – integrating the social, economic and environmental. Unilever is very supportive of the Fit for 55 Package and is thankful for all those in the room that helped make it happen. Mr Lingard however also stressed the need to translate targets into actual policy, with particular emphasis on carbon pricing, the just transition, coal and repurposing agricultural subsidies. Mr Lingard concluded by calling for higher ambition.

#### **Sophie Punte, Managing Director of Policy, We Mean Business Coalition**

Sophie Punte provided an overview of the We Mean Business Coalition (WMBC)' focus and main objectives in the run up to COP26, at the COP, and post-COP. Pre-COP, WMBC sees the G20 Summit as an opportunity to raise the collective ambition of G20 Leaders on climate, as it sets the ground for COP26 and beyond. The We Mean Business Coalition coordinated an Open Letter signed by hundreds of companies urging G20 Leaders to go all in for 1.5°C: halve global emissions by 2030, end coal, align public finance & COVID-19 recovery with 1.5°C trajectory. At COP26, in Glasgow, WMBC aims to protect the integrity of the Paris Agreement in particular in relation to a) keeping the 1.5°C goal within reach; b) aligning climate finance with the 1.5°C goal and considering adaptation and developing countries, c) making sure that Article 6 retains environmental integrity and emphasizes the role of carbon pricing. After the COP, it will be important for EU businesses to play a complementary role to EU and Member State

governments, especially in countries where these companies operate. The EU is the first major economy with detailed plans on how to decarbonise and must leverage this experience into increasing climate ambition and policy action around the world.

**Joanne Yawitch, CEO, National Business Initiative, South Africa**

Joanne Yawitch reflected on South Africa's preparations in advance of COP26 and on how she sees the EU and the rest of the world within the context of keeping 1.5°C alive. South Africa has traditionally been a high emitter of GHGs, however, over the past few years there has been considerable work done in order to try to build national consensus around radical decarbonisation pathways. Concerns to a developing nation such as South Africa are the impacts of climate change as well as climate and trade risks. Public and business engagement on topics like this have resulted in an ambitious 1.5°C-aligned NDC. Business organisations in South Africa have put together a set of 2050 sector pathways (power, petro-chemicals, gas, green hydrogen, and transport), which has put her country in a leading position as a developing country going into COP26. COP26 is being seen as a finance COP and as such, South Africa would love to see the establishment of a set of partnerships with the EU, not of the donor-type, but rather as mutual investments around issues of trade, technology and R&D so that we can recognise how we can work together in the difficult tasks ahead, including the just transition. Ms Yawitch believes that is a major opportunity at the COP for the EU and all developing countries to work together.

## SUMMARY AND CLOSING REMARKS

**Clare Shine, Director and CEO, CISL**

In conclusion of the Green Growth Summit, Clare Shine provided her three biggest takeaways from the preceding conversations. The first centres around 'realism as a starting point' or rather what needs to happen with regards to a societal paradigm shift in order to achieve a just transition and to build societal acceptance of an entire package. Ms Shine's second takeaway focused on 'leadership and legitimacy' particularly as it relates to transparency ("we can't just do the wrong thing better"), improvement of data management, higher levels of ambition, being proactive, a need for clarity, a need for a critical mass, and a need for getting the right mix of tools and instruments. The third and final takeaway is one about 'opportunity.' Ms Shine highlighted that the Fit for 55 is a mission and the Green Deal is a growth strategy, which can act as a springboard for transformative investment. The EU is beautifully positioned to be a leader for other countries and businesses. Europe must not just look within, but also must look to the outside, in order to have constructive feedback loops with the rest of the world.