

# How will green investments happen and deliver EU climate neutrality?



# Climate Leadership Coalition

- 71 organisational and 28 personal members – companies, cities, associations, trade unions, universities and think tanks
- members have >400.000 employees and companies market cap >65% of the Helsinki Stock Exchange



# How to attract green investments?

- In 2018, GHG-emissions in the EU-27 were down by 21 % compared with 1990 ( $21\%/28y = 0,75\%/y$ ). To achieve climate neutrality by 2050 we need to reduce emissions some 90-95% in 30 years ( $70\%/30y = 2,3\%/y$ ) – this means significant need to increase investment levels
- Industrial investments have typically long life-cycle – 40-60 years – and in order to enable companies to invest, they need to have good predictability for at least half of the investment life-cycle
- CLC views that the predictability need to be improved by
  - **Long-term targets;** the year for climate neutrality (2050) and an EU-level binding carbon budget for the net GHG emissions until 2050, and the alignment of 2030 and 2040 targets
  - **A more systemic market-based solution;** widening the use of the EU emission trading (ETS) system gradually also to other sectors in the future
  - A binding carbon budget-based wide ETS would also secure the needed and a high enough carbon price in the future
- For the green recovery CLC proposes
  - **Demand-based policies** - similar like for example blending quotas for biofuels and clean gases or contracts for differences vital – for new pivotal technologies, like carbon free steel, biomaterials, bio and power-to-x fuels and chemicals, carbon capture and
  - To **use carbon prices** to promote the competitiveness of existing and new CO<sub>2</sub>-free energy and prevent the potential adverse impacts of low fossil prices – income can also be used to finance the green recovery
- *Green recovery and the Green Deal are good opportunities to improve our trade balance – increase jobs, reduce external fossil costs and create new businesses while reducing greenhouse gases in parallel!*

More information: <https://clc.fi/2020/05/06/climate-leadership-coalition-proposes-ambitious-long-term-climate-goals-and-a-systemic-market-driven-solution/> and <https://clc.fi/2020/05/25/green-recovery-to-improve-eu-trade-balance-and-create-new-jobs/>

# Thank you

## Climate Leadership Coalition ry

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