
AT A GLANCE: LATEST DEVELOPMENTS IN THE EU INSTITUTIONS – EU LEADERS DO NOT AGREE ON CLIMATE NEUTRALITY BY 2050 – EU COMMISSION CALLS ON MEMBER STATES TO BE MORE AMBITIOUS IN THEIR NATIONAL ENERGY AND CLIMATE PLANS – CARMAKERS OFF COURSE FOR 2021 CO2 REDUCTION TARGETS – EU COMMISSION EXCLUDES COAL AND NUCLEAR POWER FROM ITS PLANS ON SUSTAINABLE FINANCE TAXONOMY – EU COMMISSION CO-LAUNCHES NEW INVESTMENT FUND ON NEW CLEAN ENERGY

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GLOSSARY

MEP: Member of the European Parliament, a co-legislator within the EU that is made up of representatives from political parties throughout Member States.

COUNCIL OF THE EU: Co-legislator, made up of representatives from Member State Governments. Has a six-month rotating presidency, currently held by Romania until the end of June 2019.

EUROPEAN COUNCIL: The European Council is made up of the leaders of the EU member states, commonly known as EU27. It defines the EU's overall political direction and priorities but does not pass laws.

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EU ELECTIONS

Latest developments in the EU institutions



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In the aftermath of the EU elections, the European Parliament (EP) still needs to publish the names of the elected Members of Parliament (MEPs). It will only publish the official list of new MEPs once it has received all names from all national authorities, which can submit names right up to 1 July 2019. Therefore, no official list is expected before the first EP plenary session on 2 July 2019.

Moreover, the decision on the new Commission President was postponed to 30 June 2019. Since no agreement was found during the European Council of 20-21 June 2019, EU leaders will reconvene on 30 June 2019 to try and reach agreement on a nominee for Commission President and other top EU jobs. Many of the key leaders will be at the G20 in Japan on 28-29 June 2019 and talks are likely to continue there. There is pressure to find some agreement on the package of top EU jobs by the start of July 2019 as the EP is due to elect its President, which is part of the package, on 2 July 2019.

While EU leaders could not agree on who will lead the EU, they did adopt the new **priorities** that provide the overall framework and direction to guide the work of the EU institutions over the next 5 years. It focuses on the following four main priorities and how to deliver them: protecting citizens and freedoms; developing a strong and vibrant economic base; building a climate-neutral, green, fair and social Europe; promoting European interests and values on the global stage.

Finally, all the main EU political groups have now elected their leader:

European People's Party (EPP) with 182 MEPs: Manfred Weber (Germany) was re-elected unopposed and continues to have the support of the EPP group and EPP leaders to be Commission president.

Progressive Alliance of Socialists and Democrats (S&D) with 153 MEPs: Iratxe Garcia (Spain) was elected leader unopposed following the withdrawal of current President Udo Bullmann (Germany), signalling the leading role of the Spanish delegation in the S&D. Former Chair of the Women's Rights Committee, she put gender equality, social justice and the environment at the heart of her campaign.

Renew Europe (RE) with 108 MEPs: Dacian Ciolos (Romania) elected leader, beating Sophie In t'Veld (Netherlands) by 65 votes to 41. He is a former Romanian Prime Minister, Agriculture Commissioner and his new Plus party is pro-European

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and anti-corruption. Renew Europe replaces the former Alliance of Liberals and Democrats for Europe group (ALDE).

Greens–European Free Alliance with 75 MEPs: Ska Keller (Germany) and Philippe Lamberts (Belgium) were re-elected as co-presidents.

Identity & Democracy (ID) with 73 MEPs: Marco Zanni (Italy) from the Lega was elected Chairman, with Nicolas Bay (France) from Rassemblement National as deputy. ID replaces the former far-right ENF group.

European Conservatives and Reformists (ECR) with 63 MEPs: Ryszard Legutko (Poland) and Raffaele Fitto (Italy) elected as co-leaders. Jan Zahradil (Czech Republic), who ran as their candidate for Commission President, will now be their candidate for President of the European Parliament.

(Source: European Council & Interel)

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EU'S 2050 CLIMATE STRATEGY

EU leaders do not agree on climate neutrality by 2050

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The European Council failed to agree on 21 June 2019 on the climate strategy for 2050 as the Czech Republic, Estonia, Hungary and Poland refused at the mention of a specific date, despite the efforts of France and Germany to convince them. Leaders of the EU-28 did not manage to close an agreement that would have seen Member States cut greenhouse gas emissions significantly by 2050. The final version of **EU Council's conclusions** says the EU will "ensure a transition to a climate neutral EU 'in line with the Paris Agreement'".

Therefore, this means that the EU will go to the UN summit in September 2019, as well as the Group of Twenty (G20), without the target deadline, although conclusions for this summit make it clear in footnotes that all but four of the EU Member States agree on the target.

At the summit, EU leaders **also agreed** on a Strategic Agenda laying out priorities for the next five years, including «building a climate-neutral, green, fair and social Europe.» Leaders said the "EU can and must lead the way, by engaging in an in-depth transformation of its own economy and society to achieve climate neutrality. This will have to be conducted in a way that takes account of national circumstances and is socially just", without mentioning again a clear objective for 2050.

Moving forward, the next opportunity to return to the issue will be October 2019, at an end-of-month summit due to be Jean-Claude Juncker's last as Commission president. However, the summit is likely to be dominated by Brexit as the UK is due to leave the EU at midnight on 31 October 2019.

(Source: [Euractiv](#) + [Interel](#))

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NATIONAL ENERGY AND CLIMATE PLANS

EU Commission calls on Member States to be more ambitious in their National Energy and Climate Plans

On Tuesday 18 June, the Commission **published** its assessment of the EU Member States' national energy and climate plans (NECPs). These are the draft measures that Member States plan to put in place to collectively reach the EU's 2030 targets for areas such as emissions reductions, renewable energy and energy savings.

Overall the Commission welcomed the **draft plans** but called for more ambition with regard to renewable energy, where stated objectives in the NECPs would achieve 30-31% of EU-wide share of clean energy, not reaching the 32% EU target for 2030. On energy efficiency, the 2030 EU target is 32.5 % of energy savings – the gap is around 6.2 percentage points if considering primary energy consumption. Concerning emissions, recently agreed legislation allows the Member States to cut emissions by around 45% compared to 1990 levels by 2030, but current NECPs do not reach that higher target. They also fall short of achieving the target of 30% of emissions reductions for sectors like transport, agriculture and waste management, achieving only a 28% cut in these sectors.

Moving forward, the Commission will engage with Member States to improve the national plans, upgrade the objectives and identify national policies that can ensure their implementation. Member States are meant to submit definitive plans by November 2019.

(Source: PoliticoPro + Interel)

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CO2 EMISSIONS FROM TRANSPORT

Carmakers off course for 2021 CO2 reduction targets



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The European Environment Agency (EEA) **informed** in June 2019 that average CO2 emissions from passenger cars and vans rose again in 2018 despite looming targets for reductions in 2021.

According to preliminary statistics, emissions rose 1.6% for cars in 2018, the second consecutive increase following reductions each year between 2010 and 2016. The rise is down to an increase in the share of petrol vehicles in the passenger car market, which reached 60% of sales in 2018, and larger sport utility vehicle (SUV) models, according to the EEA. Van emissions rose for the first time, driven by sales of extra big vehicles with larger engine capacity.

In their assessment, the EEA said that manufacturers will have to reduce emissions of their fleet significantly to meet the upcoming 2020 and 2021 targets. It pointed to slow uptake of zero- and low-emission vehicles, including electric cars, noting that "much faster deployment of cars with low emissions is needed across Europe."

Under EU rules, car manufacturers need to reach a fleetwide target of 95 grams of CO2 per kilometer by 2021, and the Commission will assess whether that has been met based on EEA data through 2019 and 2020. The latest statistics put car emissions at 120.4 grams of CO2 per kilometer in 2018.

Campaign groups like NGO Transport & Environment (T&E) have signaled carmakers for delaying the rollout of cleaner vehicles until right up against the deadline, so that they can maximise profit out of more polluting vehicles.

(Source: Politico Pro)

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SUSTAINABLE FINANCE

EU Commission excludes coal and nuclear power from its plans on sustainable finance taxonomy



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The Commission published in June 2019 three sustainable finance reports: the so-called **taxonomy report**, or an EU-wide standard for sustainable investment, another on a **green bonds standard**, and one on **climate-friendly benchmarks**.

The taxonomy report lists activities that, according to Commission experts, contribute “substantially” to climate change mitigation and adaptation, and do no significant harm to other environmental objectives including transitioning to a circular economy, protecting ecosystems and preventing pollution. An emission cap of 100 grams of carbon dioxide per kilowatt-hour was applied to power generation, with an aim to reduce this cap every five years “in line with a trajectory to net-zero carbon emissions in 2050,” experts at the Technical Expert Group on Sustainable Finance **wrote**.

The taxonomy excludes investments in new fossil fuel infrastructure, except in conjunction with carbon capture and storage, as well as investments to improve the efficiency of existing fossil-powered plants which “ultimately undermine climate mitigation objectives, such as coal-powered electricity generation.”

Nuclear power was not listed as a sustainable investment because, despite being a low-emission power source, it creates unavoidable environmental harm and pollution according to the report. “It was not possible ... to conclude that the nuclear energy value chain does not cause significant harm to other environmental objectives,” experts wrote.

Other sectors assessed include agriculture, forest management, industry, transport, waste management and construction. The taxonomy is underpinned by a legislative proposal currently being discussed between Council of the EU and the European Parliament. Institutional investors and asset managers marketing financial products as “sustainable” will have to explain how this conforms to EU standards.

(Source: **Politico Pro**)

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EU RESEARCH & INNOVATION

EU Commission co-launches new investment fund on new clean energy



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The European Commission launched in June 2019 a €100m fund called Breakthrough Energy Ventures Europe (BEV-E) to encourage European companies to develop and commercialise “radically new” clean energy technologies, in collaboration with the European Investment Bank and Breakthrough Energy Ventures, a company supported by Microsoft founder Bill Gates. The Commission’s Vice-President Maroš Šefcovic, in charge of Energy Union, welcomed the project as a way to “align public and private investment in cutting-edge innovation for the benefit of the Energy Union and our climate action”.

The fund will help develop innovative European companies and bring radically new clean energy technologies to the market. It is expected to support Europe’s best clean energy entrepreneurs whose solutions can deliver significant and lasting reductions in greenhouse gas emissions. The first of its kind, it caters to the capital intensity and long development horizons that energy technologies need. Funding for BEV-E will include a €50 million contribution from the European Investment Bank guaranteed by **InnovFin**, a financial instrument funded through the EU’s Research and Innovation programme, and a €50 million contribution from Breakthrough Energy Ventures, an investor-led fund committed to supporting cutting-edge companies in the energy sector.

The fund will invest in five major energy-related sectors where efforts are essential in fighting climate change: electricity, transportation, agriculture, manufacturing and buildings. Investments are expected to start in the second half of 2019, at which time EU Member States and countries associated with Horizon 2020 will be eligible to apply for BEV-E funding.

(Source: Politico Pro + Intere)