MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission
pursuant to Rule 123(2) of the Rules of Procedure
on climate change
(2019/2582(RSP))

Kathleen Van Brempt, Jytte Guteland, Miriam Dalli
on behalf of the S&D Group
The European Parliament,

– having regard to the Commission communication of 28 November 2018 entitled ‘A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’ (COM(2018)0773),

– having regard to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol thereto,

– having regard to the Paris Agreement, Decision 1/CP.21, to the 21st Conference of the Parties (COP21) to the UNFCCC and to the 11th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP11), held in Paris, France from 30 November to 11 December 2015,

– having regard to the 24th Conference of the Parties (COP24) to the UNFCCC, the 14th session of the Meeting of the Parties to the Kyoto Protocol (CMP14), and the third part of the first session of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA1.3), held in Katowice, Poland, from 2 to 14 December 2018,

– having regard to the United Nations 2030 Agenda for Sustainable Development and to the Sustainable Development Goals (SDGs),

– having regard to its resolution of 25 October 2018 on the 2018 UN Climate Change Conference in Katowice, Poland (COP24)¹,

– having regard to the European Council conclusions of 22 March 2018,

– having regard to the Intergovernmental Panel on Climate Change (IPCC) special report entitled ‘Global Warming of 1.5°C’, its fifth assessment report (AR5) and its synthesis report,

– having regard to the ninth edition of the UN Environment Emissions Gap Report, adopted on 27 November 2018,

– having regard to the motion for a resolution of the Committee on the Environment, Public Health and Food Safety and of the Committee on Industry, Research and Energy,

– having regard to Rule 123(2) of its Rules of Procedure,

A. whereas COP24 in Katowice resulted in the adoption of the Katowice Rulebook, which

provides legal clarity in implementing the Paris Agreement;

1. Welcomes the publication of the Commission communication entitled ‘A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’, which underlines the opportunities and challenges that the transformation towards a net-zero greenhouse gas (GHG) economy brings to European citizens and Europe’s economy, and establishes the basis for a wide debate involving EU institutions, national parliaments, the business sector, non-governmental organisations, academia and other research organisations, trade unions, regions, cities and communities, as well as citizens; endorses the objective of net-zero GHG emissions by 2050 and urges the Member States to do the same as part of the Future of Europe debate at the special EU summit in Sibiu in May 2019; calls on the Member States to commit to the required ambition in order to achieve this goal;

2. Highlights that European citizens already face direct impacts of climate change; underlines that, according to the European Environment Agency, average annual losses caused by weather and climate-related extremes in the Union amounted to around EUR 12.8 billion between 2010 and 2016, and that, if no further action is taken, climate damages in the EU could amount to at least EUR 190 billion by 2080, equivalent to a net welfare loss of 1.8 % of its current GDP; emphasises that under a high emissions scenario, annual costs from flooding in the EU could rise to EUR 1 trillion by 2100 and that weather-related disasters could affect about two-thirds of European citizens by 2100, compared with 5 % today; further stresses that, according to the European Environment Agency, 50 % of the populated areas in the EU will suffer from severe water scarcity by 2030;

3. Emphasises that, according to the IPCC 1.5°C special report, limiting global warming to 1.5°C with no or limited overshoot implies reaching net-zero GHG emissions globally by 2067 at the latest, and reducing annual global GHG emissions by 2030 to a maximum of 27.4 GtCO2eq per year; stresses that, in the light of these findings, as a global leader and in order to have a good chance of keeping global temperature below 1.5°C by 2100, the Union needs to strive towards reaching net-zero GHG emissions as early as possible and by 2050 at the latest;

4. Expresses concern at UN Environment’s 2018 Emissions Gap Report, which finds that current unconditional nationally determined contributions (NDCs) far surpass the Paris Agreement warming limit of well below 2°C and will instead result in an estimated 3.2°C² temperature increase by 2100; stresses the urgent need for all Parties to the UNFCCC to increase their climate ambition by 2020;

Pathways for the European mid-century zero emissions strategy

5. Believes that Europe must lead the way to climate neutrality by investing in sustainable and innovative technological solutions, empowering citizens and aligning action in key areas such as energy, industrial policy and research, while preventing energy poverty and ensuring social fairness for a just transition including re-skilling and up-skilling programmes, which is key to the success of the transition to a net-zero GHG economy

by 2050 at the latest;

6. Notes that the EU’s net-zero strategy presents eight pathways for the economic, technological and social transformation needed for the Union to comply with the long-term temperature goal of the Paris Agreement; regrets that no pathways to net-zero GHG emissions before 2050 were considered in the strategy; notes that only two of the pathways would enable the Union to reach net-zero GHG emissions by 2050 at the latest; highlights that this requires swift and coordinated action and considerable efforts at local, regional, national and EU level, also involving all non-public actors; recognises that regionally and locally determined contributions could be important tools in bridging the emissions gap; recalls the obligation of Member States to adopt national long-term strategies as laid down in the Governance Regulation³; calls on the Member States, therefore, to establish clear short and long-term targets and policies consistent with the goals of the Paris Agreement and to provide investment support for net-zero pathways;

7. Points out that, according to the Commission’s estimates, EU GDP is expected to increase more under zero-emissions scenarios than in scenarios with smaller emissions reductions, with the effects in both cases being spread unevenly across the EU as a result of differences among Member States, inter alia in terms of GDP per capita and the carbon intensity of the energy mix; considers that inaction would be by far the costliest scenario and would not only result in massive GDP loss in Europe, but also further increase economic inequalities between and within Member States and regions, as some are expected to be hit harder than others by the consequences of inaction;

8. Notes with concern that the EU’s energy import dependence currently stands at around 55 %; highlights that under a net-zero emissions scenario this would fall to 20 % by 2050, which would have a positive impact on the EU’s trade balance and geopolitical position; notes that the cumulative savings in fossil fuel import costs between 2031 and 2050 would be around EUR 2-3 trillion, which could be spent on sustainable and just investments;

9. Highlights that reduced air pollution under a net-zero emissions scenario would cut premature deaths from fine particulate matter by more than 40 %; notes that under such a scenario, health damages would be reduced by around EUR 200 billion per year;

10. Notes that the pathways proposed in the strategy involve the use of a number of carbon removal technologies, including through carbon capture and storage or usage and direct air capture, that have yet to be deployed on a large scale; considers however that the EU’s net-zero strategy should prioritise direct emission reduction and actions conserving and enhancing the EU’s natural sinks and reservoirs, and should only aim for the use of carbon removal technologies where no direct emission reduction options are available; believes that further action by 2030 is needed if the Union is to avoid

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relying on carbon removal technologies that would entail significant risks for ecosystems, biodiversity and food security, as also confirmed by the IPCC 1.5° report;

Social aspects of climate change and a just transition

11. Welcomes the Commission’s assertion that net-zero emissions are possible without net job losses and takes positive note of the detailed assessment of the transition in the energy intensive industries; highlights that, if handled well and with the appropriate support for the most vulnerable regions, sectors and citizens, a just transition towards net-zero GHG emissions has the potential to create a net gain of jobs in the Union – economy-wide employment will increase by 2.1 million jobs by 2050 under a net-zero emissions scenario compared to an employment increase of 1.3 million jobs under the 80% emission reduction scenario; considers, therefore, that the Commission should develop a renewed skills audit under the EU Skills Panorama, with regional data on the skills needs for a climate neutral Europe to support the most vulnerable regions, sectors and people in re- and up-skilling for future-proof, high-quality jobs in these same regions;

12. Underlines the need for an anticipatory approach to ensure a just transition for EU citizens and to support regions whose economies depend on activities linked to sectors or technologies that are expected to decline or will have to transform in the future;

13. Believes that Europe’s climate transition must be ecologically, economically and socially sustainable; stresses that, in order to ensure political acceptance by all citizens, it is important to take into account the distributional effects of climate-related and decarbonisation policies, specifically on people with low income; considers, therefore, that social impacts should be taken into full consideration in all EU and national climate policies with a view to ensuring a social and ecological transformation in Europe; emphasises, in this respect, that tailor-made and sufficiently funded strategies at all levels will need to be designed on the basis of inclusive processes and in close collaboration with local and regional public authorities, trade unions, educational institutions, civil society organisations and the private sector, to ensure social fairness and that equal opportunities are offered to all European citizens in this transition, while preventing disproportionate effects on people with low income;

14. Recalls that approximately 50 to 125 million European citizens are currently at risk of energy poverty⁴; highlights that the energy transition can have a disproportionate effect on people with low incomes and further increase energy poverty; recognises that energy policy must incorporate a social dimension and ensure that no one is left behind; calls on the Member States to take forward-looking action to ensure a just energy transition and access to energy for all EU citizens;

15. Believes that young people have increasingly acute social and environmental awareness, which has the power to transform our societies with a view to a climate-resilient future, and that education for young people represents one of the most effective tools for combating climate change; stresses the need to actively involve younger generations in building international, intercultural and intergenerational relationships, which underpin

cultural change that will support global efforts for a more sustainable future;

16. Welcomes the fact that people across Europe are becoming increasingly active in demonstrating for climate justice, in particular through school strikes; welcomes the calls from these activists for greater ambition and believes that national, regional and local governments, as well as the EU, should heed these calls;

17. Emphasises that the inclusion and participation of European citizens is vital to enable Europe to reach net-zero GHG emissions by 2050 at the latest; encourages all levels of national, regional and local government to put in place concrete measures to stimulate and facilitate the participation of citizens in the transition to a decarbonised society;

**Intermediate targets**

18. Recognises that the decade from 2020 to 2030 will be the most important if the EU is to reach net-zero emissions by 2050; calls on the Commission and the Member States to support a strong medium-term target for 2030, as this is necessary to bring sufficient investment stability to the market, to fully harness the potential of technological innovation and to increase opportunities for Europe’s businesses to become global market leaders in low-emission production;

19. Stresses that in order to reach net-zero GHG emissions in 2050 in the most cost-efficient manner, the 2030 ambition level will need to be raised and aligned with net-zero 2050 scenarios; believes it to be of the utmost importance for the Union to send a clear message, during the UN Climate Summit in New York in September 2019 at the latest, that it stands ready to review its contribution to the Paris Agreement;

20. Supports an update of the Union’s NDC, with an economy-wide target of a 55% reduction in domestic GHG emission by 2030 compared with 1990 levels; calls, therefore, on EU leaders to support an increase in the level of ambition of the Union’s NDC accordingly at the special EU Summit in Sibiu in May 2019, in view of the UN Climate Summit in September 2019;

21. Considers, therefore, that the Commission should, during the 2022-2024 reviews of the 2030 climate package and other relevant legislation at the latest, present legislative proposals that raise the level of ambition in line with the updated NDC and the net-zero emissions target; believes that insufficient 2030 ambition would limit future options, possibly including the availability of certain options for cost-efficient decarbonisation; considers these reviews to be an important milestone in securing the EU climate commitments;

22. Believes that, as a means to further ensure increased stability for markets, it will also be beneficial for the EU to establish a further interim emission reduction target by 2040 that can provide additional stability and ensure that the long-term 2050 target is met;

23. Considers it necessary to review the EU’s net-zero emissions strategy regularly; considers that such a review should be informed by the five-yearly global stocktake as set out in the Paris Agreement and take into account technological and societal developments, as well as the input of non-state actors and the European Parliament;
**Sectoral contributions**

24. Emphasises that net emissions will have to be reduced to close to zero in all sectors of the economy, which should all contribute to the joint efforts to reduce emissions; calls on the Commission, therefore, to develop pathways to climate neutrality for all sectors; stresses the importance of the ‘polluter pays’ principle in this regard;

25. Stresses the importance of the various climate measures and legislation introduced in different policy domains, but warns that a scattered approach might lead to inconsistencies and not to the EU achieving a net-zero GHG economy by 2050; believes that an overarching approach in the form of an EU climate law will be necessary and asks the Commission to look into this without delay;

26. Points to the impact the emissions trading system (ETS) reform has had on EU emission allowance prices and welcomes the fact that confidence in the system is increasing;

27. Acknowledges the role attributed to climate capture and storage (CCS) in most 1.5°C scenarios in the IPCC 1.5°C special report; considers it necessary to increase the use in industrial processes of environmentally safe carbon capture and utilisation (CCU) and CCS, delivering a net reduction in emissions through emission avoidance or permanent storage of CO$_2$; notes with concern that many CCU technologies are not delivering permanent emission reductions at present; calls on the Commission, therefore, to develop technical criteria which only ensure support to those technologies that deliver verifiable results;

**Energy policy**

28. Recalls that the Union has managed to successfully decouple GHG emissions from economic growth in recent decades and has reduced emissions, particularly through energy efficiency and the penetration of renewables;

29. Believes that EU leadership in renewable energy and energy efficiency demonstrates to other parts of the world that the clean energy transition is both possible and beneficial beyond the fight against climate change;

30. Points out that achieving a net-zero GHG economy will require considerable additional investments in the EU’s energy system and related infrastructure compared to today’s baseline, in the range of EUR 175 to 290 billion a year;

31. Stresses the importance of adopting an integrated, cross-sectoral approach in order to facilitate decarbonisation efforts across the energy system and other associated sectors and benefit from increased efficiencies; recognises that energy system integration can provide higher flexibility, improved system efficiency, a higher uptake of renewable energy across all energy carriers, and ultimately a cost-effective energy transition;

32. Highlights the central role of renewable energy sources in the transition towards a net-zero GHG economy, as energy is currently responsible for 75% of Europe’s GHG emissions;

33. Calls for a highly energy-efficient and renewable-based energy system; asks the
Commission and the Member States to take all necessary action in that regard, as it will have spill-over effects across all economic sectors; highlights that all pathways assume full decarbonisation of the power sector by 2050 at the latest, a drastic reduction of fossil fuels and a strong increase in renewable energies;

34. Highlights the contribution of energy efficiency to security of supply, economic competitiveness, environmental protection, the reduction of energy bills and the improvement of the quality of homes; confirms the important role of energy efficiency in the creation of business opportunities and employment, as well as its global and regional benefits; recalls, in this connection, the introduction of the ‘energy efficiency first’ principle under the Governance Regulation, and that its application should be fully exploited throughout the energy chain and considered as the basis for any pathway towards the 2050 net-zero target;

35. Stresses the need to ensure further integration of the European energy market in order to decarbonise the power sector in the most effective way, facilitate investments where the most renewable energy production can be achieved and encourage the active participation of citizens, with a view to speeding up the energy transition towards a carbon-neutral and sustainable economy while reducing energy poverty; considers it essential to raise the level of interconnectivity between Member States, including by encouraging more cross-border support schemes;

36. Notes that the EU construction sector currently accounts for 40 % of Europe’s final energy consumption and 36 % of its CO₂ emissions; calls for the sector’s potential for energy savings and carbon footprint reduction to be unlocked, in accordance with the objective set out in the Energy Performance of Buildings Directive of achieving a highly energy-efficient and decarbonised building stock by 2050; stresses that making the energy consumption of buildings more efficient holds substantial potential for further reducing Europe’s GHG emissions; considers, in addition, that the achievement of low-energy buildings, fully supplied by renewable energy, is a sine qua non for the Paris Agreement and for an EU agenda for growth, local jobs and improved living conditions for citizens across Europe;

37. Calls on all levels of government, whether national, regional or local, to put in place measures to encourage the participation of citizens in the energy transition and to stimulate the exchange of best practices;

**Industrial policy**

38. Believes that economic prosperity, global industrial competitiveness and ambitious climate action are mutually reinforcing;

39. Reiterates that the transition towards a net-zero GHG economy presents challenges and opportunities for the EU, and that investments in industrial innovation, including digital

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technologies, and clean technology will be needed to stimulate sustainable growth, strengthen competitiveness on a global level, boost future skills and create millions of high-quality jobs, for example in a growing circular economy and bioeconomy and in zero-emissions transport;

40. Highlights the role of the energy intensive industries in achieving long-term EU GHG reductions; considers that maintaining the EU’s low-carbon industrial leadership and industrial production in the EU, preserving the competitiveness of European industries and preventing the risk of carbon leakage necessitate intelligent and targeted policy frameworks; calls on the Commission to present a new and integrated EU industrial climate strategy for energy intensive industries in support of a competitive net-zero-emission heavy industry transition;

41. Calls on the Commission to develop an industrial strategy with measures that enable European industry to compete globally on a level playing field; considers that as part of this policy, the Commission should examine the effectiveness, and compatibility with World Trade Organisation rules, of additional measures to protect industries at risk of carbon leakage in respect of the importation of products, which would replace, adapt or complement any existing measures on carbon leakage;

42. Stresses that emissions from industrial processes have to be tackled on a much larger scale; points out that according to the IPCC 1.5°C special report, CO₂ emissions from industry need to be 65 to 90 % lower in 2050 relative to 2010, and that such reductions can only be achieved through combinations of new and existing technologies, including CCU and CCS;

43. Recalls that by being part of the first major economy to pursue climate neutrality, Europe’s businesses will be able to gain first-mover advantage on international markets to become the global leader in sustainable and resource-efficient production; emphasises that delayed or insufficient action to achieve net-zero GHG emissions by 2050 at the latest will result in ecologically, economically and socially unjustifiable costs and effectively hamper the future competitiveness of Europe’s industrial sector;

44. Believes, in addition, that the EU needs to establish strong value chains for innovative low-carbon products and technologies;

Contributions of other sectors

45. Points out that the strategy confirms that GHG emissions from the transport sector are still on the rise and that current policies will not be sufficient to decarbonise the transport sector by 2050; underlines the importance of ensuring a modal shift from air to rail travel, and towards public transport and shared mobility; notes that road transport contributes to about one fifth of the EU’s total emissions of carbon dioxide; calls on the Member States and the Commission, therefore, to take decisive steps to enable access to zero-and low-emission vehicles for consumers in all Member States, while avoiding an increased uptake of old, highly polluting vehicles in low-income Member States; further underlines the role of smart technologies, such as smart charging infrastructure, to establish synergies between the electrification of transport and the deployment of renewable energy sources;
46. Underlines that in order to achieve climate neutrality for the EU economy as a whole, all sectors must contribute, including international aviation and shipping; notes that the Commission’s analysis shows that the current global targets and measures envisaged by the International Maritime Organisation (IMO) and the International Civil Aviation Organisation (ICAO), even if fully implemented, fall short of the necessary emission reduction and that significant further action consistent with the economy-wide objective of net-zero emissions is required; highlights the need for investments in zero- and low-carbon technologies and fuels in these sectors; calls on the Commission to put the ‘polluter pays’ principle into practice in these sectors, in particular with regard to kerosene taxation and aviation ticket prices; recalls that GHG emissions from international shipping are projected to increase by as much as 250 % by 2050; welcomes the fact that the international shipping sector has set itself an absolute reduction target for GHG emissions; notes with concern the lack of progress as regards the translation of this target into short and medium-term measures and other concrete actions;

47. Notes that approximately 60 % of the world’s methane is emitted by sources such as agriculture, landfills and wastewater, and the production and pipeline transport of fossil fuels; recalls that methane is a potent GHG with a 100-year warming potential 28 times greater than CO$_2$ and that methane emission reductions can play an important role in reducing ground-level ozone concentrations and their negative impacts on air quality and human health; welcomes the Commission’s intention to reduce methane emissions in the sectors concerned, which could deliver a further reduction in ozone concentrations in the EU, and to promote methane reduction internationally;

48. Reiterates its call on the Commission to explore as soon as possible policy options for rapidly addressing methane emissions as part of a Union strategic plan for methane, and to present legislative proposals to Parliament and the Council to that effect; underlines that agriculture will be one of the main remaining sources of EU GHG emissions in 2050, owing in particular to methane and nitrous oxide emissions; underlines the potential of the agricultural sector in tackling the challenges of climate change, for example through ecological and technological innovations, as well as carbon capture in soil;

49. Calls for a common agricultural policy that contributes to GHG emission reductions in line with the transition to a climate-neutral economy; calls on the Commission to ensure that agricultural policies, in particular EU and national funds, are in line with the objectives and goals of the Paris Agreement;

50. Considers that the long-term strategy does not pay adequate attention to the economy’s primary production sectors, and that the forestry and agricultural sectors and their respective communities face a disproportionately higher risk of adverse consequences of climate change; recommends that the strategy give a clear indication of the path that these sectors need to take to increase their resilience, improve risk prevention, and

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sustain the ecosystems and ecosystem services on which the economy depends;

51. Stresses the importance of streamlining agricultural models that support agricultural systems resilient to weather extremes and pest infestation and that deliver improvements in soil carbon sequestration, water retention and agrobiodiversity;

52. Highlights the fact that there is more carbon stored in soils than in the biosphere and atmosphere combined; underlines the importance, therefore, of halting soil degradation in the EU and of ensuring common EU action to preserve and improve the quality of soils and their capacity to store carbon;

53. Regrets that the possibility of strengthening EU action on fluorinated GHGs has not been taken up in the Commission’s strategy; stresses that preventing illegal hydrofluorocarbon (HFC) trade through the adoption of an HFC licensing system, prohibiting the use of HFCs in sectors that no longer need them, allocating HFC quotas via an auctioning system, and fully implementing the F-Gas Regulation 8 by banning all unnecessary uses of SF6, are clear opportunities to help the EU meet its Paris Agreement objectives;

54. Stresses the need to mainstream climate ambition into all EU policies, including trade policy; urges the Commission to ensure that all trade agreements signed by the EU are fully compatible with the Paris Agreement, as not only would this enhance global action on climate change, but it also guarantees a level playing field for the sectors affected;

Maximising the climate potential of forests in the context of a sustainable bioeconomy

55. Supports active and sustainable forest management at national level, together with concrete means to incentivise an efficient and sustainable EU bioeconomy, given the considerable potential of forests to contribute to the strengthening of Europe’s climate efforts (through sequestration, storage and substitution) and the achievement of the target of zero emissions by 2050 at the latest; recognises the need for climate change adaptation and to halt biodiversity loss and the degradation of ecosystem services in the EU by 2020, and the need to develop evidence-based polices that help implement and finance EU biodiversity conservation measures;

56. Highlights the need to make sustainable forest management more commercially competitive and to support practical measures with significant storage and sequestration effects, such as using timber as building material in both cities and rural areas, as a replacement for fossil fuels and as a tool for better water retention;

57. Recognises the significant, but ultimately limited, potential for afforestation in Europe; Believes, therefore, that afforestation initiatives must be complemented by concrete initiatives and incentives aiming to enhance sequestration potential, while ensuring and enhancing the health of existing forest lands in order to reap the benefits for the climate, the sustainable bioeconomy and biodiversity; supports, therefore, the afforestation of abandoned and marginally productive agricultural land, agroforestry and the

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minimisation of the conversion of forest areas to other land uses;

58. Points out that EU action and policies also have an impact on natural sinks, land and forests outside Europe and that the EU net-zero emissions strategy should ensure that EU action does not have harmful climate effects in third countries; calls on the Commission and the Member States, in this regard, to advocate robust international rules in the framework of the Paris Rulebook, especially relating to Article 6 of the Paris Agreement, in order to prevent loopholes in accounting and double counting of afforestation measures that could dilute global climate efforts;

59. Stresses the need to maximise the protection and restoration of wetlands as natural carbon removers;

60. Highlights the role of long-life harvested wood products and their role in the land-use, land-use change and forestry (LULUCF) sector up to 2030; stresses that the future framework should consider the contribution of these products, including those from categories of agricultural land, and not only managed forest and afforested land;

Research and innovation

61. Underlines the need to develop a coherent and strategic European research and innovation agenda that focuses on how to achieve the net-zero GHG economy, and that Union and national research and innovation programmes are crucial to supporting the European Union in its leading role in the fight against climate change;

62. Believes that climate mainstreaming should be integrated adequately into the preparation and implementation of research and innovation programmes;

63. Considers that substantial research and innovation efforts will be required in the next two decades to make low- and zero-carbon solutions available to all and socially and economically viable and to bring about new solutions for achieving a net-zero GHG economy;

64. Underlines its position that Horizon Europe must contribute with at least 35% of its expenditures supporting climate objectives as appropriate and as part of the general Union objective of mainstreaming climate actions;

Financing

65. Calls for rapid implementation of the EU ETS Innovation Fund and for the start of the first call for proposals in 2019, in order to boost investments in the demonstration of low-carbon industrial breakthrough technologies in a wide array of sectors, not only electricity production, but also district heating and industrial processes; calls for the 2021-2027 multiannual financial framework and its programmes to be fully consistent with the Paris Agreement;

66. Considers that in order for the Union to reach net-zero emissions by 2050 at the latest, substantial private investments need to be mobilised; believes that this will require long-term planning and regulatory stability and predictability for investors and, accordingly, due consideration in future EU regulations; stresses, therefore, that the implementation
of the Sustainable Finance Action Plan adopted in March 2018 should be prioritised, including a calibration of the capital requirements of banks and prudential treatment of high-carbon assets, prudential rules for insurance companies and an update of institutional investors' and asset managers’ duties;

67. Considers that the 2021-2027 MFF should, before its adoption, be evaluated in the light of the objective to reach a climate neutral economy by 2050, and that a standard test to ensure that expenditure under the EU budget is climate-proof must be established;

68. Regrets the fact that fossil fuel subsidies are still increasing and amount to around EUR 55 billion per year; calls for the EU and the Member States⁹ to immediately phase out all European and national fossil fuel subsidies;

69. Stresses the importance of creating a just transition fund, especially for the regions most affected by decarbonisation, such as coal mining regions, combined with a general consideration of the social impacts of existing climate funding; highlights, in this regard, the need for wide public acceptance of the long-term strategy, given the transformations needed in some sectors;

The role of consumers and the circular economy

70. Highlights the significant impact of behavioural change in the achievement of GHG emissions reductions, including in the whole food system, the transport sector and, in particular, the aviation sector; calls on the Commission to explore policy options as soon as possible, including on environmental taxation, in order to encourage behavioural change; underlines the importance of bottom-up initiatives such as the Covenant of Mayors in promoting behavioural change;

71. Notes that UN Food and Agriculture Organisation statistics indicate that total meat and animal product consumption per capita in the EU-28 has decreased since the 1990s and that supporting this ongoing trend, combined with technical supply-side mitigation measures, could significantly reduce emissions from agriculture production;

72. Stresses the importance of the EU achieving not only energy substitution but also product/material substitution, i.e. substituting products and materials that are fossil-based or that create high emissions during production with products based on renewable resources;

73. Underlines that a very large part of energy use, and therefore GHG emissions, is tied directly to the acquisition, processing, transport, conversion, use and disposal of resources; stresses that very significant savings could be made at each stage in the resource management chain; highlights, therefore, that increasing resource productivity through improved efficiency and reducing resource waste through measures such as reuse, recycling and remanufacturing can significantly lower both resource consumption and GHG emissions while improving competitiveness and creating business opportunities and jobs; highlights the cost efficiency of circular economy measures; underlines that improved resource efficiency and circular economy approaches, as well

as circular product design, will help to bring about a shift in production and consumption patterns and reduce the amount of waste;

74. Stresses the importance of product policy, such as green public procurement and ecodesign; Underlines that the Ecodesign Directive\textsuperscript{10} has contributed significantly to the EU’s climate targets by reducing greenhouse gas emissions by 320 million tonnes of CO\textsubscript{2} equivalents annually, and that it is estimated that by 2020, EU consumers will save up to EUR 112 billion in total, or around EUR 490 per household every year as a result of the directive; highlights the need to establish circular economy requirements as part of EU ecodesign standards and to expand the current ecodesign methodology to other product categories in addition to energy-related products;

\textit{The EU and global climate action}

75. Underlines the importance of increased initiatives and sustained dialogue in relevant international fora, and of effective climate diplomacy with the aim of spurring on similar policy decisions that ramp up climate ambition in other regions and third countries; calls for the EU to increase its own climate financing and to work actively to encourage Member States to increase their climate aid (development aid rather than loans) to third countries, which should come in addition to overseas development assistance and should not be double counted as both development and climate finance aid;

76. Regrets that many other major economies are not yet working on 2050 strategies; asks the Council and the Commission, therefore, to increase climate diplomacy and to take other appropriate measures to encourage other major economies, so that together we can achieve the long-term Paris Agreement targets;

77. Highlights the importance of strong EU climate and energy diplomacy and leadership in strengthening global and multilateral cooperation and ambition in the fight against climate change and for sustainable development; calls on the Commission and the Member States to advocate common frameworks and action within UN fora;

78. Emphasises that the UN Climate Change Summit of September 2019 would be the ideal moment for leaders to announce an increased ambition in terms of NDCs; considers that the EU should adopt a position on updating its NDC well in advance, so as to arrive at the summit well prepared and in close cooperation with an international coalition of Parties in support of enhanced climate ambition;

79. Highlights the merit of strengthening interoperability between EU policy instruments and third country equivalents, notably carbon pricing mechanisms; calls on the Commission to continue and intensify cooperation and support in the development of carbon pricing mechanisms outside Europe in order to pursue increased emission reductions and an improved level playing field worldwide; underlines the importance of establishing environmental safeguards to ensure a real and additional GHG reduction; calls on the Commission, therefore, to advocate robust international rules relating to

Article 6 of the Paris Agreement, in order to prevent loopholes in accounting and double counting of emission reductions;

80. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.