



Frans Timmermans
Executive Vice-President
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

28 January 2019

Dear Mr Timmermans,

Turning the European Green Deal into an investible proposition for business: request for a meeting

I wanted to congratulate you on your appointment as Executive Vice-President and to request a meeting with you, alongside some of the Aldersgate Group's key business members, to discuss how the European Green Deal can be turned into an investible proposition for business whilst delivering the environmental, economic and social benefits the EU needs.

As you might remember from our recent engagement on the Circular Economy Package, the Aldersgate Group is a cross-economy and cross-civil society organisation that focuses on policy solutions that can tackle environmental issues effectively in a way that can also deliver economic benefits. Our [business members](#), who come from a wide range of European economic sectors and have a global turnover of around €600bn, believe that pursuing an ambitious and detailed environmental and climate policy agenda is essential to the future competitiveness of the European economy as well as being important in its own right.

The Aldersgate Group strongly welcomes the European Green Deal and would like to offer its support in the development of some of its key pillars. Through its close engagement with businesses and recent work on the EU's Circular Economy Package, Sustainable Finance Action Plan and the UK net zero target, the Aldersgate Group has developed valuable expertise in the policy levers needed to grow the flows of green finance and accelerate Europe's transition towards a competitive, net zero emissions and circular economy.

Beyond the publication of the Climate Law and a meaningful increase to the EU's 2030 climate targets, we believe that a successful Green Deal needs to be underpinned by:

- **New regulatory drivers and fiscal incentives to complete the decarbonisation of the EU's power sector** and make significant progress in cutting emissions from the building stock;
- **A low-carbon industrial strategy for Europe, focused on delivering deep cuts in the emissions of hard to treat sectors** like heavy industry, helping them become globally competitive providers of low-carbon goods and services and **supporting the workforce in this transition**. As noted in the European Green Deal Communication, decarbonisation of sectors like steel, cement and heat will require trialling critical technologies such as carbon capture, electrification and the use of hydrogen at scale. In addition to the Commission's consideration of a carbon border adjustment tariff, a successful industrial strategy will also need to be supported by market creation policies

such as European product standard regulations driving down the embedded carbon content of industrial goods and by a low-carbon skills strategy, which will help the workforce adapt to the changing nature of jobs during the net zero transition;

- **An updated action plan to accelerate the shift towards a more circular European economy.** As highlighted by the recent EU Life + Rebus project that the Aldersgate Group was involved in, the Commission can play a key role in this transition by broadening the scope of EU eco-design product regulations to mandate greater resource efficiency, providing comprehensive technical and funding support for business innovation, and encouraging Member States to use public procurement rules and pricing incentives to grow the demand for resource efficient products and services;
- **A plan to improve the environmental resilience of Europe's infrastructure and supply chains,** so that society and the economy are better prepared to adapt to the impacts of climate change. This in particular requires measures to grow public and private sector investment in the natural environment (such as through natural capital markets) through the upcoming Biodiversity Strategy and EU Adaptation Plan;
- **An updated Sustainable Finance Action Plan** that accelerates the flows of public and private finance towards green infrastructure. This requires continuing to reform financial regulations in areas like capital weighting adjustment, fiduciary duties, environmental risk disclosure and green finance definitions. It needs to be supported by as full an alignment as possible between the objectives of the Climate Law, the EU's Budget and the investment strategy of the EU's associated institutions;
- **A climate diplomacy and trade strategy** that encourages other key emitters to adopt net zero emission targets and that promotes high environmental standards that are in line with the EU's environmental and climate commitments.

I would be delighted to discuss these issues with you in more detail and would be happy to bring along a few of our business members to this meeting. In the meantime, I am enclosing with this letter the Aldersgate Group's report setting out the next steps for the Circular Economy Package, launched in 2019 with then Vice-President Katainen, as well as our paper, *Securing Clean Growth for the EU*, which we published as part of the Institute of European Environmental Policy's Think 2030 Platform.

I look forward to hearing from you.

Yours sincerely

