



# Green up

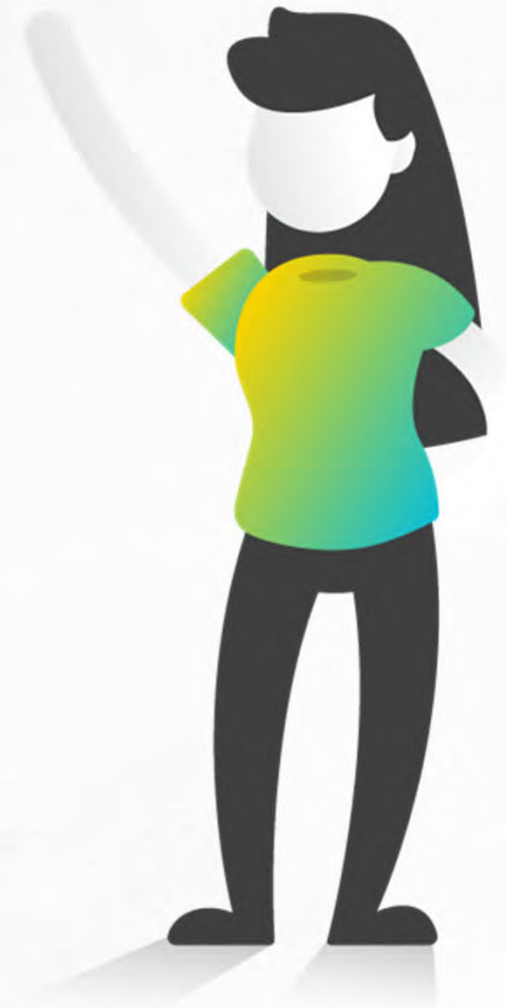
Topic 1: Green Deal  
Subtopic 1.1: Sector specific  
impacts of European Green  
Deal





## SECTOR SPECIFIC IMPACTS OF EUROPEAN GREEN DEAL CONTENTS

- 1) INTRODUCTION
- 2) ENERGY SECTOR
- 3) TRANSPORTATION SECTOR
- 4) CONSTRUCTION AND BUILDING SECTOR
- 5) AGRICULTURAL AND FOOD SECTOR
- 6) MANUFACTURING SECTOR
- 7) FINANCIAL SECTOR
- 8) CONCLUSION
- 9) REFERENCES



# INTRODUCTION



In this microtraining you will learn about the sector-specific impacts of the European Green Deal. We will explore how the European Green Deal influences various industries and sectors. This will help you identify both opportunities and risks. Understanding these impacts will enable you to identify potential avenues for growth and innovation while proactively managing any challenges that may arise.

Sectors we will go in-depth about are:

- Energy sector
- Transportation sector
- Construction and Building Sector
- Agriculture and Food Sector
- Manufacturing Sector
- Financial Sector

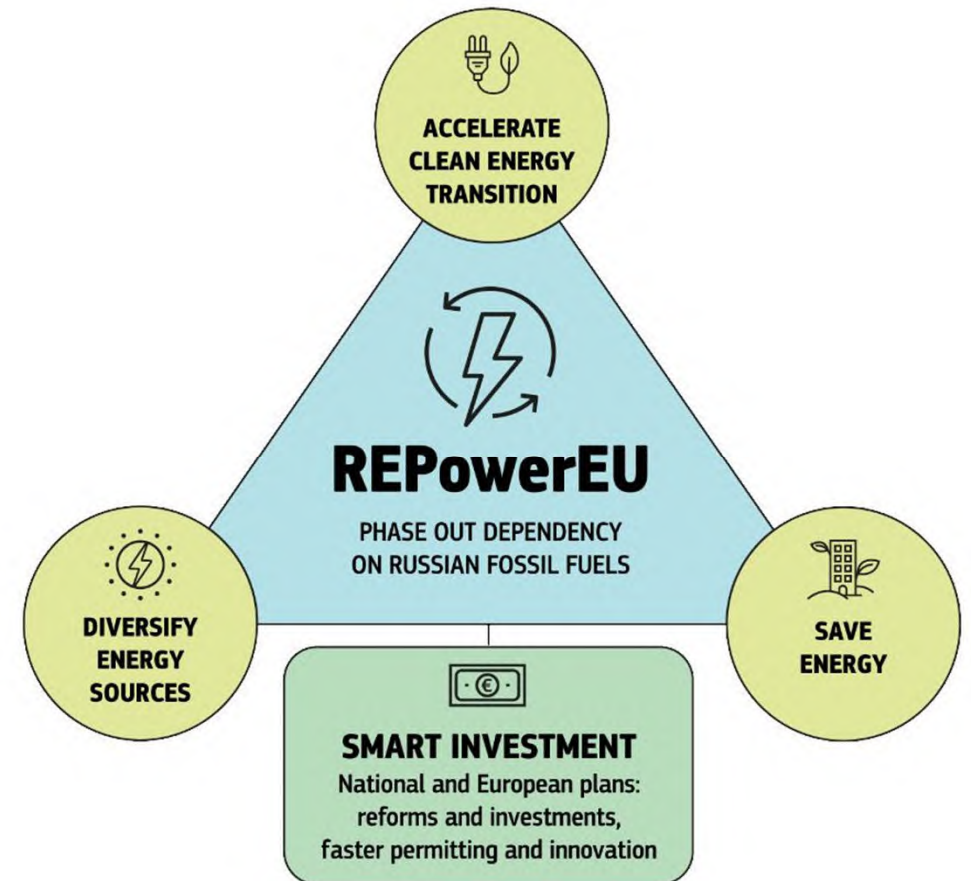
# ENERGY SECTOR

- Energy sector was responsible for 77 % greenhouse gas emissions in the EU in 2019 (European Parliament, 2023).
- In 2021, the European Union took a significant step towards combating climate change by **legally** committing to achieve climate neutrality. This means that the EU committed to balance the amount of greenhouse gases emitted with the amount removed from the atmosphere, resulting in zero net emissions by 2050. As an interim target, the EU has set a goal to reduce emissions **by 55% by 2030 compared to the levels in year 1990.**
- **Those targets mean EU must significantly restructure its energy sector.**



# ENERGY SECTOR

- For its energy needs, EU used to be strongly reliant on Russian gas imports, together in 2021 Russian gas accounted for **41 %** of all pipeline gas imported into the EU, covering many EU energy needs.
- EU unveiled the plan REPowerEU to reduce its dependency from Russian energy imports.
- Since September 2022, Russian gas accounts for only **8%** of all pipeline gas imported into the EU.
- Key actions in REPowerEU plan are:
  - Diversifying energy supply
  - Securing affordable energy supplies
  - Saving energy
  - Investing in renewables



# ENERGY SECTOR

## DIVERSIFYING ENERGY SUPPLY STRATEGY

- Establishing agreements with other third countries for pipeline imports.
- Securing strategic partnerships with Namibia, Egypt and Kazakhstan to ensure a secure and sustainable supply of renewable hydrogen.
- Signing agreements with Egypt and Israel for the export of natural gas to Europe.

## INVESTING IN RENEWABLES STRATEGY

- In March 2023, the EU agreed on stronger **legislation** to increase its renewables capacity, raising the EU's binding target for 2030 to 42.5% of total energy needs, with the ambition to reach 45% - **this would almost double the existing share of renewable energy in the EU.**
- **Permitting procedures will be easier and faster** under the new law. **Renewable energy will be recognised as an overriding public interest.** In areas with high renewables potential and low environmental risks, Member States will put in place **dedicated acceleration areas for renewables**, with particularly **short and simple permitting processes** (European Commission, 2023).



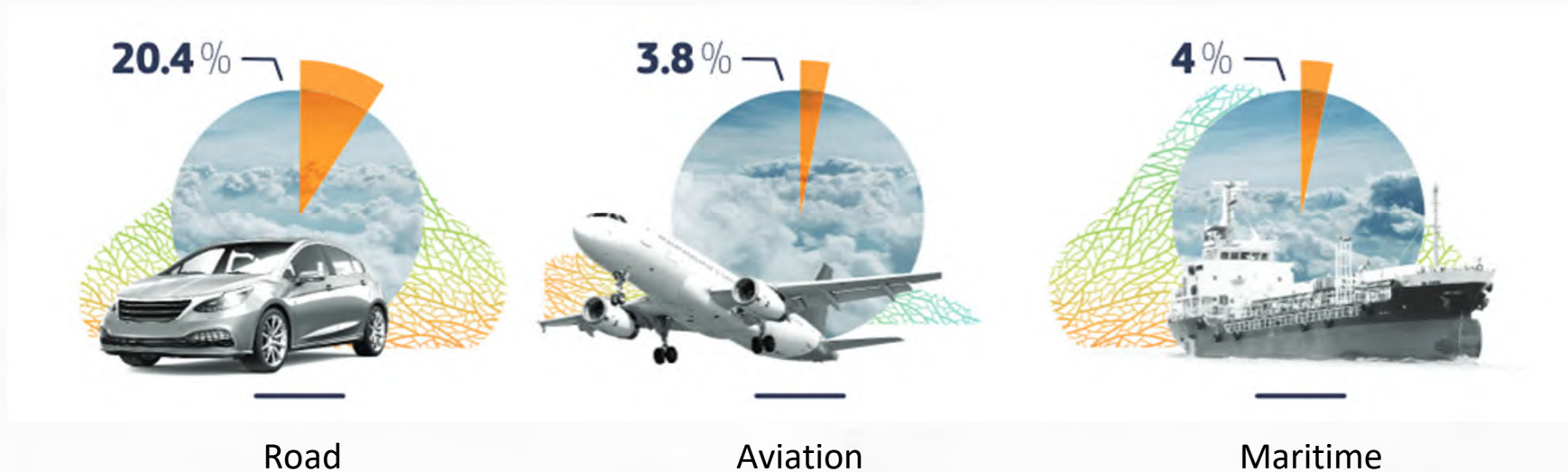
# ENERGY SECTOR

- In order to fund the REPowerEU plan, the EU has mobilized close to €300 billion. This funding consists of approximately €72 billion in grants, and approximately €225 billion in loans, which will need to be repaid over time.
- The main funding mechanism at the heart of this initiative is the Recovery and Resilience Facility (RRF). The RRF is a financial instrument established by the EU to support member states in recovering from the economic and social impacts of the COVID-19 pandemic. It aims to promote sustainable and resilient growth, with a particular focus on the green and digital transitions.
- As a key energy-consuming sector, industry is included for the first time in the Renewable Energy Directive. The agreement establishes indicative targets (1.6% of annual increase in renewable energy use) as well as a binding target to reach 42% of renewable hydrogen in total hydrogen consumption in industry by 2030 (European Commission, 2023).

# TRANSPORTATION SECTOR

The European Green Deal aims to accelerate the transition to electric vehicles (EVs). This involves increasing the availability of charging infrastructure, supporting research and development for EV technologies, and promoting the use of EVs in public and private fleets. The EU plans to phase out the sale of new internal combustion engine vehicles by 2035, the only exception being the vehicles using synthetic fuels (Hydrogen and Carbon capture cars).

## Share of total EU Greenhouse Gas (GHG) emissions, per mode



Source: (European Commission, 2021).

# TRANSPORTATION SECTOR

- To incentivize emissions reductions in the transportation sector, the European Green Deal includes the implementation of a carbon pricing mechanism. This mechanism places a price on carbon emissions. It means that transportation companies must pay for the pollution they produce. This motivates them to adopt cleaner technologies and practices to reduce their emissions. For instance, they may opt for electric vehicles
- In addition to carbon pricing, stricter emissions standards are being introduced for vehicles and vessels. These standards set limits on the amount of pollutants that vehicles and ships can emit. They act as a set of guidelines and requirements, pushing manufacturers and operators to develop and adopt cleaner technologies. As a result, we can expect to see more fuel-efficient vehicles, hybrid and electric cars, and ships powered by cleaner fuels.

Read official Q&A



# CONSTRUCTION AND BUILDING SECTOR

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- Energy efficiency in buildings is a top priority under European Green Deal.
- The EU aims to improve the energy performance of existing buildings by encouraging energy-saving renovations and the use of high-performance materials.
- This presents opportunities for entrepreneurs in areas such as energy audits, the development of innovative building materials that enhance energy efficiency as well as recycling and upcycling of construction materials.



# AGRICULTURE AND FOOD SECTOR

- The agricultural and food sector holds immense importance as it ensures the provision of food, contributes to rural development, and plays a role in shaping our environment. However, it also faces numerous environmental challenges, such as greenhouse gas emissions, biodiversity loss, soil degradation, and water pollution.
- One of the key goals of the European Green Deal is to promote sustainable farming practices. This involves reducing the use of synthetic fertilizers and pesticides, adopting organic and regenerative farming methods, and improving animal welfare.
- Another crucial aspect is the transition to sustainable and resilient agricultural supply chains. The European Green Deal promotes local and regional food systems, shortening the distance between producers and consumers. This creates opportunities for entrepreneurs to develop innovative business models, such as farm-to-table initiatives, platforms to improve the traceability of agricultural products for final customers, or online platforms connecting consumers directly with local farmers.



Opportunities in innovative approaches in agriculture

# MANUFACTURING SECTOR

To secure Europe's place as the home of industrial innovation and clean tech, the Green Deal Industrial Plan will cover four key pillars:



Predictable and simplified regulatory environment



- Net-Zero industry act
- Critical Raw Materials act
- Reform of electricity market design



Faster access to funding



- REPowerEU
- InvestEU
- Innovation Fund



Enhancing skills



Facilitate access of third country nationals to EU labour markets in priority sectors



Open trade for resilient supply chains



EU's free trade agreements

Source: (European Commission, n.d)

# FINANCIAL SECTOR

- The financial sector plays a critical role in the economy by mobilizing capital, facilitating investments, and managing risks.
- One of the objectives of the European Green Deal is to redirect financial flows towards sustainable investments. This entails promoting investments that contribute to environmental protection, climate action, and social well-being. One instrument that can be used to increase capital for green entrepreneurs are Green Bonds.
- Furthermore, the European Green Deal aims to integrate environmental, social, and governance (ESG) factors into the decision-making processes of financial institutions, including considering the environmental and social impacts of investments and assessing their long-term sustainability.



# CONCLUSION

- The energy sector under the European Green Deal is shifting from fossil fuels to renewable energy sources, improving energy efficiency, and fostering innovation in the sector. This presents significant opportunities for entrepreneurship in renewable energy generation, energy storage solutions, smart grid technologies, and energy-efficient systems.
- The transportation sector aims to incentivize emissions reductions through carbon pricing mechanisms and stricter emissions standards. Opportunities are in electric mobility, alternative fuels and digitalization.
- The construction and building sector focuses on energy efficiency, decarbonization, and circular economy principles, offering opportunities for entrepreneurship in sustainable renovations, renewable energy integration, and green certifications.
- The agricultural and food sector seeks to promote sustainable farming practices, circularity, and healthy diets, providing avenues for entrepreneurs in organic farming, sustainable supply chains, and innovative food solutions.
- The manufacturing sector aims for resource efficiency, decarbonization, and digitalization, offering opportunities in sustainable manufacturing processes, circular economy initiatives, and smart technologies.
- Lastly, the financial sector plays a crucial role in redirecting investments towards sustainability, integrating ESG factors, and promoting transparency.

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**THANK  
YOU!**