



The paradigm shift: towards a Green and Digital Europe

#EUGreenDeal

20 October 2020
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Priorities for the Von der Leyen Commission

The **Political Guidelines** focus on ***six headline ambitions*** for Europe:

- A **European Green Deal**;
- An economy that works for people;
- **A Europe fit for the digital age**;
- Protecting our European way of life;
- A stronger Europe in the world;
- A new push for European democracy.

The European Green Deal

6 Commission priorities for 2019-24

A European Green Deal

Striving to be the first climate-neutral continent



A Europe fit for the digital age

Empowering people with a new generation of technologies



An economy that works for people



EGD, drawing from SDGs - Agenda 2030



What is the EGD?

- A priority of the Commission: <https://www.youtube.com/watch?v=bBhezdCD5IQ>
- A policy strategy to achieve climate neutrality in 2050
- **A Communication from the Commission**



What is the EGD?

- A priority of the Commission
- A policy strategy to achieve climate neutrality in 2050
- A communication from the Commission
- **A roadmap with 48 actions by the end of 2021**

Actions	Indicative Timetable ¹
Climate ambition	
Proposal on a European 'Climate Law' enshrining the 2050 climate neutrality objective	March 2020
Comprehensive plan to increase the EU 2030 climate target to at least 50% and towards 55% in a responsible way	Summer 2020
Proposals for revisions of relevant legislative measures to deliver on the increased climate ambition, following the review of Emissions Trading System Directive; Effort Sharing Regulation; Land use, land use change and forestry Regulation; Energy Efficiency Directive; Renewable Energy Directive; CO ₂ emissions performance standards for cars and vans	June 2021
Proposal for a revision of the Energy Taxation Directive	June 2021
Proposal for a carbon border adjustment mechanism for selected sectors	2021
New EU Strategy on Adaptation to Climate Change	2020/2021
Clean, affordable and secure energy	
Assessment of the final National Energy and Climate Plans	June 2020
Strategy for smart sector integration	2020
Proposal for a revision of the Energy Taxation Directive	2020

Climate neutrality 2050



Climate neutrality 2050

Increased climate targets for 2030: 55%

EGD:

Climate law

Per strategy:

13 strategies

CEAP

Industrial strategy

~ 29 actions

F2F strategy

Biodiversity strategy

strategy

30 – 50 actions

transformative policies

Just Transition mechanism

Review Non-Fin Reporting

Reform ETS

Important initiatives of the EGD in 2020:

Before the Covid crisis

Spring

EGD as recovery



Climate law & climate targets



Farm to Fork strategy



Biodiversity strategy



Energy system integration strategy



Circular economy action plan



Strategy sustainable & smart mobility



Industrial strategy



Renovation wave



Just transition mechanism



Renewed sustainable finance strategy



EGD investment plan



Offshore wind strategy



Chemicals strategy for sustainability

Important initiatives of the EGD in 2021:

Q1 Q2

-  Forest Strategy
-  Review of energy legislation, and
-  Review Non-Financial Reporting Directive
-  Strategy on Adaptation to Climate Change
-  Review energy taxation directive
-  Empowering the consumer for the green transition

Q3 Q4

-  Carbon border adjustment mechanism
-  Zero pollution Action Plan for water, soil and air
-  Sustainable product initiative
-  Common charger
-  Right to repair
-  Circular electronics initiative

Repair and recover: towards a resilient Europe - New ambitious climate objectives

- **Conclusions of the European Council** of 21/7/2020: «An **overall climate target** of **30%** will apply to the total amount of expenditure from the MFF and NGEU and be reflected in appropriate targets in sectoral legislation»
- **State of the Union Address** by President von der Leyen State : « **Firstly, 37%** of Next Generation EU will be spent directly on our European Green Deal objectives.” and “I can today announce that we will set a target of **30%** of Next Generation EU's 750 billion euro to be raised through green bonds”
- COM (2020)563 final – 17 September 2020 - Amended proposal on the **European Climate Law**: “With a view to achieving climate neutrality in the Union by 2050, it is therefore proposed that the EU’s **greenhouse gas emission reduction target for 2030** is increased to at least **55%** compared with 1990 levels”

What does it mean for us auditors?

Assurance on
performance monitoring
and reporting

Need for adapted
governance frameworks

Enlarged risk
assessment (*beyond
financial/compliance
issues*)

Sustainability
/climate-
environment
goals

Modern working manner
No more silos. 3C and
collaboration with other lines of
defence

NEW rules, NEW reporting
requirements (sustainable
finance, NFRD, ESG,
benchmarks)

Sustainable Finance — key enabler to «channel private investments into the transition to a climate neutral, climate resilient, resource efficient economy as a complement to public money»

ECA Case review
(June 2019):
*Reporting on
sustainability -
A stocktake of
EU Institutions
and Agencies*



Mid Sept
2020:
CALL FOR ADVICE
TO THE EUROPEAN
SUPERVISORY
AUTHORITIES ON
**KEY PERFORMANCE
INDICATORS AND
METHODOLOGY ON
THE DISCLOSURE OF
HOW AND TO WHAT
EXTENT THE
ACTIVITIES OF
UNDERTAKINGS
UNDER THE NFRD
QUALIFY AS
ENVIRONMENTALLY
SUSTAINABLE AS
PER THE EU
TAXONOMY**

A Europe fit for the digital age – pillars & actions



Artificial Intelligence



Online platforms



European data strategy



Cybersecurity



European industrial strategy



Digital skills



High Performing Computing (HPC)



Connectivity

Main digital actions in the key strategies

ICT for green

measures for technologies like AI, 5G, cloud and edge computing and IoT to maximise the impact of policies on climate change and environmental protection (e.g. to optimise use of energy and natural resources)

European Green Deal

Green ICT

measures to improve the energy efficiency and circular economy performance of the ICT sector, from broadband networks to data centres and ICT devices

A New Industrial Strategy for Europe

- **Certainty for industry (a deeper and more digital single market)** incl. Digital Services Act
- **Embedding a spirit of industrial innovation** incl. Public Private Partnerships and use of Digital Innovation Hubs
- **Skilling and reskilling** incl. Digital Education Action Plan
- **Reinforcing Europe's industrial and strategic autonomy**

Shaping Europe's Digital Future

- **Overarching digital strategy:** covers everything from cybersecurity to critical infrastructures, digital education to skills, democracy to media
- **Data Strategy**
- **White Paper on AI**

Shaping Europe's Digital Future

Technology that works for people

Main goals

- support **digital competences** for all Europeans;
- protect people from **cyber threats**
- accelerate the roll-out of ultra-fast **broadband** for homes, schools and hospitals throughout the EU
- ensure **Artificial Intelligence** is developed in ways that respect people's rights and earn their trust
- invest in **strategic digital capacities** to develop innovative solutions in Europe



How to achieve these? *For instance:*

- Digital Education Action Plan
- White Paper on Artificial Intelligence (adopted)
- Communication on cybersecurity strategy
- Review of the Directive on security of network and information systems
- Proposal for additional measures on critical infrastructure protection

Shaping Europe's Digital Future

A fair and competitive economy

Main goals

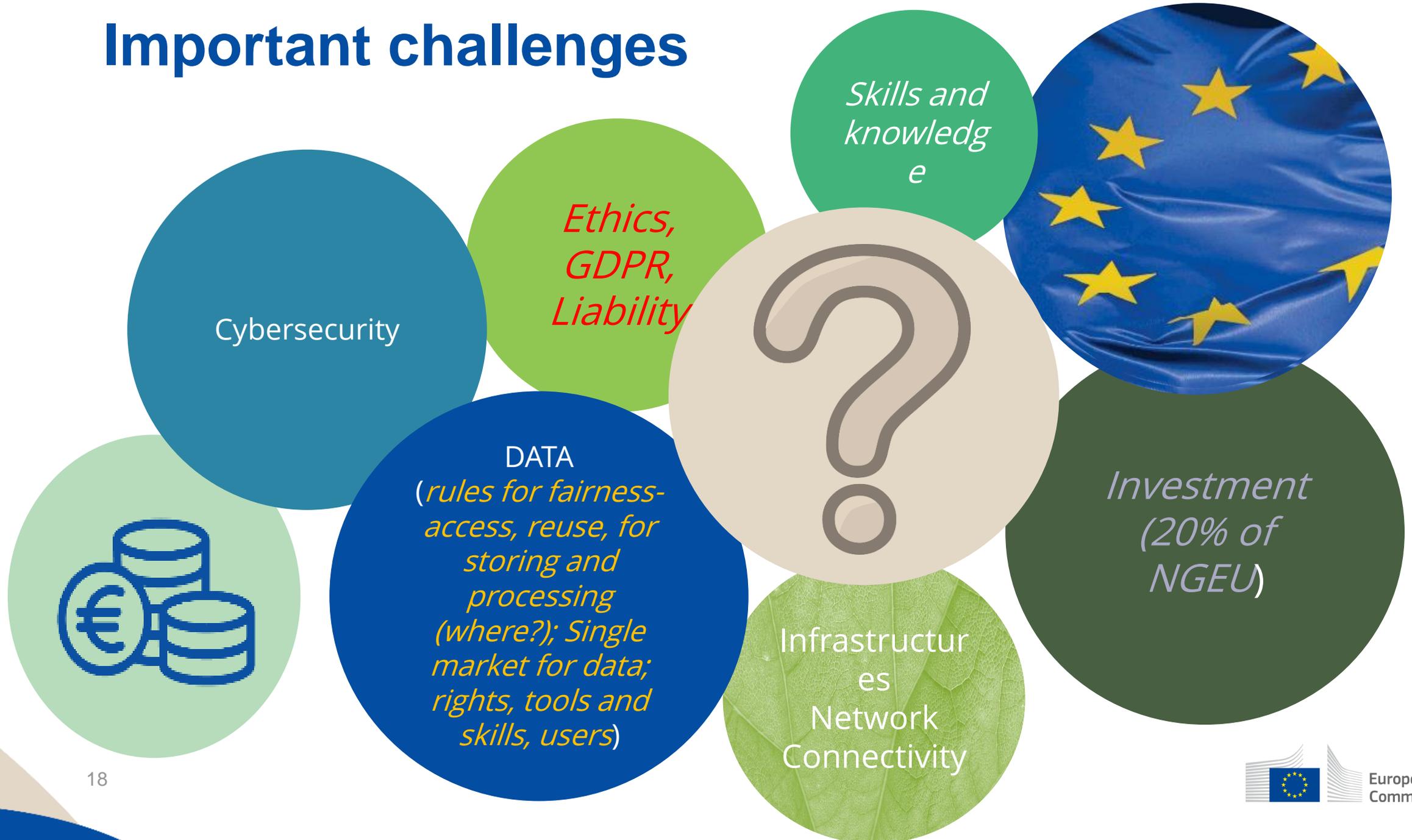
- Increase **access to high-quality data** while ensuring that personal and sensitive data is safeguarded
- Strengthen the responsibility of **online platforms** and **clarify rules for online services**
- Ensure that **EU rules are fit for purpose in the digital economy**
- Enable a vibrant community of innovative **start-ups and SMEs to access finance** and expand
- Ensure that all companies compete in Europe on **fair terms**



How to achieve these? *For instance:*

- European Data Strategy (adopted),
- Digital Services Act package (Q4 2020)

Important challenges



For auditors

New risks but also opportunities:

- **New techniques** (e.g. blockchain, machine learning, robots)
- **Access to and treatment of many more data** (thanks to re-use, open data policies, internet of things etc.)
- **Exchange of best practices = a MUST!**

Thank you for your attention!

