

Our Vision for A Clean Planet for All: Economic Transition

November 2018

Even without the transformation to climate neutrality, Europe's economy and society will look significantly different in 2050 from the way they do today. Overall the economic impacts of the deep transformation are positive despite the significant additional investments required in all sectors of our economy. The EU economy is expected to more than double by 2050 compared to 1990 even as it fully decarbonises.

SUSTAINABLE FINANCE



Sustainable finance makes sustainability considerations part of financial decision-making. This means more low-carbon, energy- and resource-efficient circular projects.



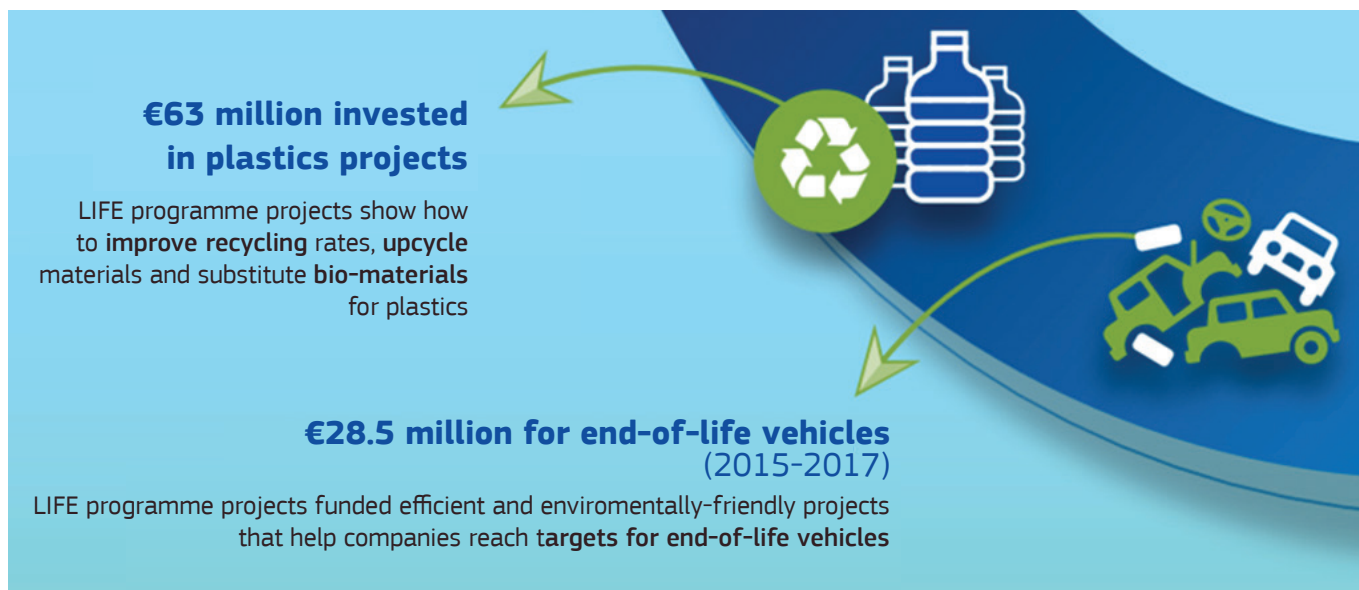
Fostering more sustainable private investments is part of the goals of the Capital Markets Union (CMU) to connect finance with the specific needs of the European economy, to the benefit of the planet and our society.



Major investments are needed to deliver on climate, environmental and social sustainability targets, including the Paris Agreement and the UN Sustainable Development Goals.

The European Commission is putting in place the necessary reforms to give the incentives to the financial sector to contribute to the green transition. Shifting and rapidly scaling up private investment is essential to avoid the 'lock-in' of fossil fuels infrastructure and carbon intensive assets. The additional investment needed is too high for the public sector to provide alone, so the private sector will need to fully play its. To attract enough private investment, we need to put in place the right conditions and incentives for investors to fund projects such as low-carbon and energy-efficient infrastructure. **By pioneering action through its Capital Markets Union, the EU will be at the forefront of the changes in the global finance industry.** We will create wide-ranging opportunities for investors, and help EU citizens who want to channel their savings towards more environmentally friendly and socially responsible companies and sectors through a EU classification system - or taxonomy. This will also help position Europe - and our financial sector - as the leading destination and source for investments in green technology development.

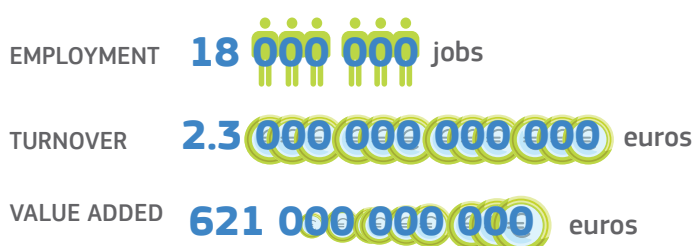
There is a strong business case for transforming the way products are designed, produced, used, and recycled in the EU. By taking the lead in this transition, we will create new investment opportunities and jobs.



A changing climate affecting global land use, EU agriculture and forestry will have to provide sufficient food, feed, fibres, energy and construction material. To our society and economy. Sustainable biomass will have an increasingly important role to play.

Afforestation and restoration of degraded forest lands can further increase absorption of CO₂ while also benefitting biodiversity. New business opportunities are there for farmers through the circular bio-economy. The transition of our economy will always have to be careful to make best use of scarce land and resources. In order to alleviate the multiple demands on EU's land resources, improving the productivity of aquatic and marine resources will play an eminent role. Seas and oceans are drivers for the European economy and have great potential for innovation and growth leading ahead to a sustainable blue economy in addition to already started green economy.

EU BIOECONOMY



The EU supports the bioeconomy with research and innovation funding. It has already invested €3.85 billion under Horizon 2020 (2014-2020) and proposed €10 billion for food and natural resources, including the bioeconomy, under Horizon Europe (2021-2027).

In a world with a 30% higher population in 2050 compared to today, and with a changing climate affecting global land use, EU agriculture and forestry will have to provide sufficient food, feed and fibres and support the energy and various industrial and construction sectors. The impact that agriculture has on CO₂ emissions can be significantly reduced by 2050 thanks to efficient and sustainable production methods. Digitisation and smart technologies are the basis for precision farming.

A world of limited resources forces us to seek new ways of producing and consuming. A sustainable and circular economy contributes to addressing these challenges. Today, the costs of some advanced low carbon energy carriers as well as carbon capture and storage technologies are still very high and their availability is limited. A massive research and innovation effort is needed within the next two decades to make low and zero-carbon solutions economically viable and bring about new solutions for the decarbonisation of our economy. Certain options such as a rapid transformation towards circular economy and behavioural changes have the potential to reduce the need for additional investment.

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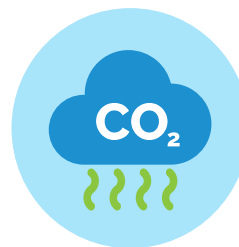
THE CIRCULAR ECONOMY, A WIN-WIN SITUATION:



Savings of **€600 BILLION** for EU businesses, equivalent to 8% of their annual turnover



Creation of **580,000 JOBS**



Reduction of EU carbon emissions by **450 MILLION TONNES** by 2030