

# THE EUROPEAN GREEN DEAL

## OVERVIEW FROM A CHEMICALS PERSPECTIVE

This factsheet was developed as part of a series on evolving European Union chemicals policies.

### SUMMARY

- The European Green Deal is a set of policy initiatives presented in December 2019 by the European Union (EU) whose overarching goal is to achieve climate neutrality in the EU by 2050.
- The Green Deal covers a range of sectors, including energy, transport, industry, agriculture, and forestry.
- It aims to reduce greenhouse gas emissions, improve energy efficiency, promote renewable energy, and protect biodiversity.
- The EU Chemicals Strategy for Sustainability (CSS), Circular Economy Action Plan (CEAP), Ecodesign for Sustainable Products Regulation (ESPR), Transition Pathway for the Chemical Industry, and various finance and reporting requirements are the most relevant initiatives to watch regarding chemicals management.
- The Green Deal is a major undertaking that requires significant investment and cooperation from all stakeholders.



Map of the European Union (EU) Countries

### BACKGROUND & CONTEXT

The European Green Deal, presented on 11 December 2019 by the European Commission under the leadership of President Ursula von der Leyen is a comprehensive policy framework and an ambitious growth strategy for the European Union. It was proposed in response to the pressing challenge of climate change, as well as the need to promote a circular and sustainable economy, the pursuit of economic growth and job creation through green technologies, and the EU's aspiration to lead globally in environmental and climate action.

### DESCRIPTION

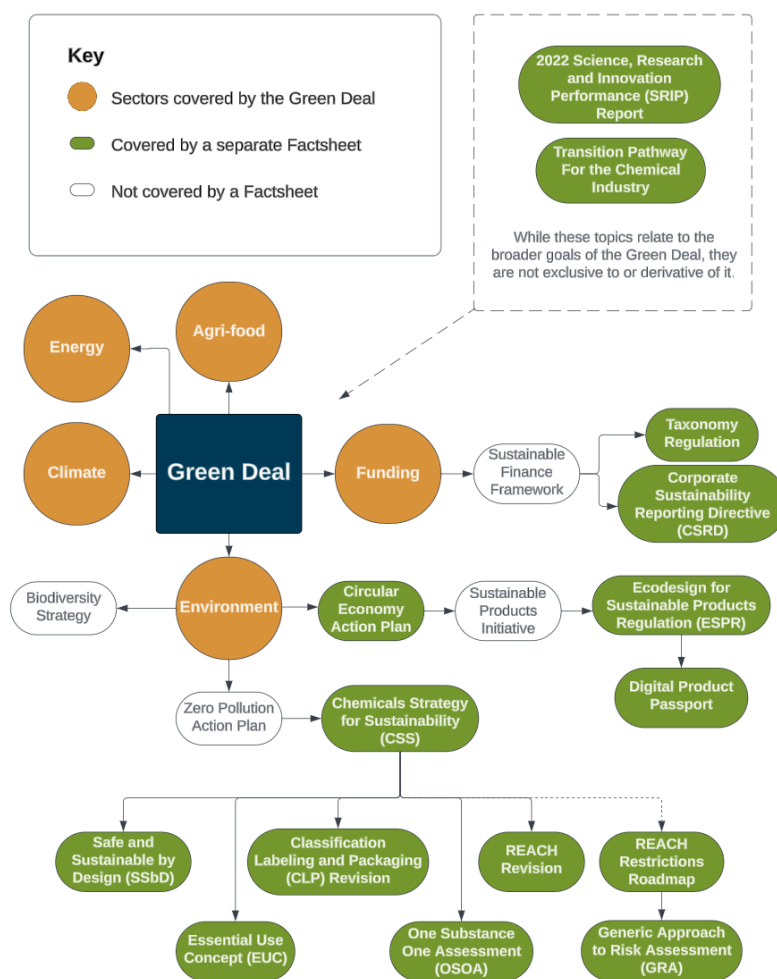
The Green Deal covers all aspects of the EU's economy and society, with measures to reduce emissions from energy, transport, agriculture, and industry, as well as actions to promote energy efficiency, renewable energy, and the circular economy. Underscoring and supporting the measure objectives are overarching Finance and Research and Development initiatives to ensure a just and incentivized transition that includes support for workers and businesses in sectors that are affected by the transition as well as funding incentives to drive research development and innovation. These main elements were introduced and illustrated in the key schematic, **FIGURE 1** of the original Communication on the [EU Green Deal](#). Some of the key deliverables and initiatives associated with these elements are laid out in **APPENDIX 1**, along with expected future developments at this moment in time. While many of the initiatives involve the Registration, Evaluation, Authorization and

Restriction of Chemicals (REACH) regulation, it is important to recognize that the Green Deal is much bigger and broader than just REACH.

The Green Deal is based on four key principles:

- **A clean economy:** investing in clean technologies and industries, creating new jobs in the green economy.
- **A fair transition:** ensuring that the transition to a green economy is fair and just for all, by supporting workers and regions that are affected by the transition.
- **A zero-pollution environment:** reducing air, water, and soil pollution while also protecting biodiversity.
- **A global leadership role:** working with other countries to promote climate action and sustainable development around the world.

The Green Deal has significant implications for the chemical industry and downstream actors in the European Union and global economy. The broader Green Deal components and initiatives linked to chemicals management are outlined in **FIGURE 1** and discussed below.



**FIGURE 1.** The European Green Deal and initiatives relevant to chemicals management. Factsheets for initiatives in green can be found at [www.sustainablechemistrycatalyst.org/eu-chemical-policy](http://www.sustainablechemistrycatalyst.org/eu-chemical-policy).

**A critical objective of the Green Deal is to drive sustainability and reduce the environmental and health impacts associated with chemical production and subsequent chemical use.** To do this, it targets the reduction of greenhouse gas emissions (aligning with the EU's climate objectives) by advocating for cleaner and more energy-efficient manufacturing processes and promoting the transition to a circular economy by encouraging more efficient product and process designs that generate less waste, stimulate recycling, and prioritize resource efficiency.

**Another objective of the Green Deal is to ensure chemical safety by restricting hazardous substances, fostering safer alternatives, and strengthening regulations.** It also **incentivizes innovation in environmentally friendly technologies and processes**, ideally leading to the production of more sustainable and less harmful chemical products.

Among the initiatives that make up the Green Deal, the **EU Chemicals Strategy for Sustainability (CSS) and its many components may have the largest direct impacts on the chemical industry and downstream users of chemicals.** Adopted in 2020, it aims to protect human health and the environment from hazardous chemicals while also boosting innovation for safe and sustainable chemicals.

## CURRENT STATUS

The European Union's Green Deal has been a top European Commission priority over the past four years, with numerous new legislative proposals and revisions of existing ones aiming to achieve bloc-wide climate neutrality by 2050. However, the upcoming 2024 EU elections present a reality check for the Green Deal. In the months leading to the elections, the EU leadership will face the delicate task of balancing a credible commitment to green policies while also providing support to EU industry. This is due to considerable pressure from internal (over-)regulation, foreign competition, increasing energy costs, and a rise in right-wing populism across the bloc. The impact of the Russian aggression against Ukraine on the EU's energy and gas supply, as the German energy crisis demonstrates, is likely to determine the first phase of the incoming Commission mandate. In addition, securing substantial green funding in the upcoming EU budget will be a crucial step in maintaining consensus on climate action. This is likely to resonate differently in various EU member states (Germany, Poland, Italy), who have repeatedly called for a slower legislative pace in Brussels. As such, the Commission has recently shied away from proposing key new pieces of Green Deal legislation. Pieces of legislation still need to be proposed and will likely slip into the next Commission's mandate. These include proposals to tackle the unintended release of microplastics, revise the bloc's chemicals legislation, and introduce the Animal Welfare Regulation, among others.

For more factsheets and information regarding Green Deal initiatives that impact chemicals management, please visit [www.sustainablechemistrycatalyst.org/eu-chemical-policy](http://www.sustainablechemistrycatalyst.org/eu-chemical-policy).

## APPENDIX 1

Main Elements of the Green Deal	Key EU Deliverables & Initiatives	Latest Developments	Expected Future Developments
Increasing the EU's climate ambition for 2030 and 2050	Climate Neutrality by 2050 and 50/55% CO <sub>2</sub> Reduction by 2030	The Commission was expected to publish its 2040 targets on February 6th. A leaked draft suggests that the Commission is expecting member states to reduce their greenhouse gas by 90% by 2040.	The Commission's strategy is set to unveil three options for the bloc's 2040 target — an interim step meant to help the EU meet its pledge to achieve climate neutrality by 2050. The strategy will also serve as a basis for the next Commission.
	Carbon Border Adjustment Mechanism (CBAM)	On October 1, 2023, the CBAM entered into application in its transitional phase, with the first reporting period for importers ending 31 January 2024. The CBAM will initially apply to imports of certain goods and selected precursors whose production is carbon intensive and at most significant risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen.	CBAM will eventually capture more than 50% of the emissions in the EU's Emission Trading System (ETS) covered sectors. An assessment of CBAM's operations during its transitional phase will be completed before the definitive system comes into effect. Simultaneously, by 2030, the Commission will examine the possibility of expanding the product scope to include additional items from sectors covered by the EU ETS within the CBAM mechanism, such as specific downstream products.
Supplying clean, affordable, secure energy	Review Member State Climate and Energy Plans (2020)	On December 18, 2023, the Commission published its comprehensive evaluation of the draft updated Climate and Energy Plans across the EU. It included individual assessments and country-specific recommendations for the 21 Member States that submitted their draft plans on schedule. For the remaining 6 Member States, assessments and recommendations were provided exclusively regarding their adaptation policies and their alignment with the Union's climate-neutrality objective.	The next long-term strategies are due by January 1, 2029, and every 10 years thereafter. Member States should, where necessary, update their strategies every five years.
	Update EU Legislation (Energy Taxation Directive) (2021)	Talks to revise the 20-year-old Energy Taxation Directive are moving at a snail's pace amid resistance from EU countries in a matter that requires unanimity among the 27 Member States.	The Belgian presidency of the Council of the EU initially aimed to conclude negotiations before the end of the current legislative cycle in June.  However, talks have not progressed and will have to resume under the Hungarian presidency of the Council of the EU in July.

Mobilizing industry for clean and circular economy	Industrial Strategy (2020)	The policy was updated in May 2021 to strengthen the resilience of the single market, accelerate the digital/green transitions, and to address strategic dependencies.	In January 2024, The Belgian presidency of the Council of the EU has advocated for the development of an updated Industrial Strategy to tackle competitiveness challenges arising from the Green Deal.
	New Circular Economy Action Plan (CEAP) (2020)	In 2023, the Circular Economy Action Plan (CEAP) saw key developments, including a third package featuring a 'green claims directive' and a directive promoting goods repair. A revised circular economy monitoring framework was introduced in May. In July, a proposal for revising the Waste Framework Directive was presented, along with a regulation on circularity requirements for vehicle design. (These developments are summarized in a separate factsheet).	
A zero-pollution ambition for toxic-free environment	Chemicals Strategy for Sustainability (2020) / Zero Pollution Plan (2021)	As the new mandate of the European Commission approaches, the REACH revision delay has left several uncertainties as to how certain tools introduced by the CSS would be implemented across legislations and sectors (These developments are summarized in a separate factsheet).	
	Environment Action Plan	On May 2, 2022, the 8th Environment Action Programme entered into force, as the EU's legally agreed common agenda for environment policy until 2030. The action programme reiterates the EU's long-term vision to 2050 of living well, within planetary boundaries.	
Mobilizing research and fostering innovation	Science Research and Innovation Performance (SRIP) reports	The latest 2022 report offers perspectives on how research and innovation policies can contribute to constructing an inclusive, sustainable, competitive, and resilient Europe, recognizing the role of research and innovation as drivers of prosperity and catalysts for change. (This report is summarized in a separate factsheet).	The report is published every 2 years. We can expect the 2024 report to be released in Q2 2024.
	Safe and Sustainable by Design (SSbD)	The first round of feedback collection for the draft framework concluded in May 2023, followed by an evaluation round in December 2023. (The draft framework is summarized in a separate factsheet).	The next round of feedback collection will commence in May 2024, with a first guidance report on the feedback to be published in Spring 2024. The revision of the framework is scheduled for 2025.

<p>Financing the transition / Leave no one behind (Just Transition)</p>	<p>Corporate Sustainability Reporting Directive (CSRD)</p>	<p>On January 24<sup>th</sup>, the European Parliament voted to delay key aspects of the Directive by 2 years, including the adoption of standards for companies to provide sector-specific sustainability disclosures and for sustainability reporting from companies outside of the EU. The proposal was made by the EU Commission in October, as part of its 2024 Commission Work Programme, which included reducing reporting burdens for companies as one of its priorities and highlighted the postponement of the deadline for the adoption of sector-specific European Sustainability Reporting Standards (ESRS) as one of the key actions listed.</p>	<p>The European Financial Reporting Advisory Group was tasked to develop new quality standards, with the aim to give companies the time to put them into practice. In the meantime, France is the first member state that has started transposing the directive into national law. However, the delay at European level will impact the French timeline as well.</p>
	<p>Taxonomy Regulation</p>	<p>A Delegated Act has been published in May 2023, outlining economic activities that significantly contribute to various environmental and climate goals, including the sustainable use of water, transitioning to a circular economy, pollution prevention, biodiversity protection, and ecosystem restoration. Amendments have been made to include activities contributing to climate change mitigation and adaptation in the list. Additionally, reporting obligations for these activities have been clarified. The delegated acts, approved in June 2023, officially apply from January 2024.</p>	
	<p>Agreement on the Multiannual Financial Framework (MFF)</p>	<p>In June 2023, the Commission proposed to reinforce the EU's 2021–2027 long-term budget in a targeted manner, to make sure the EU budget can continue to deliver on the most essential objectives.</p>	<p>The next Commission, taking office after the European elections in June 2024, will be negotiating the next MFF for the 2027–2033 window.</p>

Preserving and restoring ecosystems and biodiversity	<p>These elements of the Green Deal have deliverables and initiatives that indirectly relate to chemicals management (such as potential impacts on pesticide use regarding environmentally friendly food systems transition, impacts on building efficiencies, carbon footprinting regarding the sustainable built environment strategy, or sustainable mobility) but are not directly focused on chemicals management and are not covered in detail here or in the associated factsheets.</p>
From 'Farm to Fork': A fair healthy and environmentally friendly food system	
Sustainable built environment strategy	
Accelerating the shift to smart and sustainable mobility	

## AUTHORS

This factsheet was developed in collaboration by the following organizations:



**Sustainable Chemistry Catalyst** | [www.sustainablechemistrycatalyst.org](http://www.sustainablechemistrycatalyst.org)

The Sustainable Chemistry Catalyst is an independent research and strategy initiative, based at the University of Massachusetts Lowell, that is focused on accelerating the transition to safer, more sustainable chemistry through research and analysis, and stakeholder engagement with scientists, policymakers, and commercial actors. The Catalyst works to understand barriers and opportunities to commercialization, identifies model solutions and strategies, develops methods to evaluate safer alternatives, and builds a community of expertise to support the transition to safer, more sustainable chemistries and technologies.



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