



## **EUDA 2022 ANNUAL CONFERENCE - 23 NOVEMBER 2022**

### ***"The European Green Deal:***

*How to deliver on the environment, the society and the economy?"*

### **SUMMARY & KEY MESSAGES**

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#### **Conference's Summary:**

Some global environmental challenges, such as climate change and environmental degradation are posing existential threats to both Europe and the world. In response to this situation, the EU has made it its top priority to address the most pressing environmental challenges: climate change (reduce greenhouse gases emissions and boost climate change adaptation), unsustainable use of resources (biological, energy, water, spatial), continuous increase of pollution (reduce it in the air, water and soils) and waste (further apply circular economy principles). The EU aims at rebalancing the environmental pillar out of the three sustainability pillars by integrating coordinated political and legislative initiatives under the flagship umbrella of the EU Green Deal. The Green Deal, with amongst other its Green Taxonomy Regulation, Strategy on Adaptation to Climate and Sustainable Procurement Strategy, has the potential to become a global 'game changer'.

If properly implemented, the Green Deal is a potential global 'game changer'. Therefore, the EU has also integrated these objectives into its new growth strategy to incentivise the acceleration of a sound transition towards sustainability. This transition will help the European economic activities to tackle their negative externalities on the environment. To be successful, this transition should at the same time provide the European sustainability champions with major opportunities to grow. The most potent incentives are financial and the EU is currently developing the Green Taxonomy Regulation, that will allow financing flows to better target and stimulate 'green' economic activities in the EU but also around the world. Under the Green Deal, the EU has developed and is implementing amongst others a Strategy on Adaptation to Climate and a Sustainable Procurement Strategy.

These initiatives create a powerful supply 'push' on the financing side of the European economy, ideally complemented for even more effectiveness with an equally powerful demand 'pull' that would align the policy objectives under the Green Deal.

Representatives from the European Society, the European Commission and the European Industry presented their views and shared their respective strategies on how implementing the Green Deal can deliver results for the environment, for society and for the economy.



EuDA 2022 Conference on

## *The European Green Deal: How to deliver on the environment, the society and the economy?*

### Welcome and Opening

▷ **Mr Alan Lievens**, EuDA Chairman

### Introduction to the Conference Theme and Speakers:

▷ **Mr Paris Sansoglou**, EuDA Secretary General, *Conference Moderator*

### EU Green Taxonomy:

▷ **Ms Julie Emmrich**, World Green Building Council, Sustainable Finance Lead

### EU Adaptation Strategy:

▷ **Elena Visnar Malinovska**, European Commission, DG CLIMA, Head of Unit on Adaptation and Resilience to Climate Change

### EU Sustainable Public Procurement:

▷ **Ms Anna Lupi**, European Commission, DG GROW Public Procurement Strategy

### Infrastructure Owners' point of view for delivering the Green Deal:

▷ **Ms Karin De Schepper**, Inland Navigation Europe - INE, Secretary General

### Open Discussion and Conclusions.




## The EU Green Deal: *How to deliver on the environment, the society and the economy?*

### Summary of the Conference's key messages:

- Human activities are steadily reaching the limits of the world's capacity to absorb, recover and regenerate. **The world's natural systems and resources are nearing a tipping point.**
- Moreover, the recent persistent disruptions of the "world's workshop" due to COVID severely affected the global supply chains in Europe and around the world. This situation taught Europe that it is too dependent on the production in one country and needs to become more "*strategically autonomous*".
- **Europe is at a turning point** in terms of economy, environment, security and the protection of its core societal values (including the rule of law).
- Can the EU Green Deal deliver the **necessary turnaround** ?

### **1. Green Taxonomy within the EU Green Deal**

- "*The Taxonomy is like a Swiss army knife: the more you work with it, the more functions you discover.*" 
- The Green Taxonomy is an evidence-based and science-based dynamic policy and legislative instrument designed to clarify (environmentally sustainable activity); to measure (environmental future fitness) and help investors and companies (invest and report).
- The Green Taxonomy's 6 objectives are: climate change (mitigation and adaptation), biodiversity and water quality (protection, preservation and improvement), (air, water and soil) pollution and waste reduction.
- The Green Taxonomy's biggest challenge will be its implementation: starting from theory & legislation to 'best practices'.  
It is "*Time to study and focus on implementation, usability and feedback*".

### **2. EU strategy on Adaptation to Climate Change within the EU Green Deal**

- Climate change can create perturbances in the water cycle that result in extreme variations in water quantities (excess - floods or scarcity - droughts). These extreme variations can create water hazards and affect the more exposed population, habitats and assets.
- The EU Strategy on Climate Change Adaptation (CCA) aims at reducing vulnerability and increasing resilience of the exposed human and natural assets. CCA actions are as much proactive (prevention and protection) than reactive (repair, restore and make climate proof).
- One of the main pitfalls is overlooking or underestimating the prevented risks which remain invisible. Policy coherence is needed as well as consensus and trade-off(s) management. Smart(er) adaptation will help to better manage uncertainty and to add value to the EU. In order for adaptation to become smart(er), knowledge in decision-making needs to be improved (more and better data on climate risks and losses).
- Moreover, a more **systemic adaptation** needs to be considered, whereby policy development is supported at all levels and for all sectors, local, individual and just resilience is being fostered, climate resilience is integrated in macro-fiscal policy.
- **Climate proofing** is a process to prevent infrastructure from being vulnerable to long-term climate impacts while ensuring the 'energy efficiency first' principle is respected and the level of GHG emission from the project is consistent with climate neutrality objective in 2050. A Technical Guidance on Climate Proofing of Infrastructure was published in September 2021.
- **Nature-based solutions** (NBS) for adaptation are a priority. NBS prototypes and demonstrators should be promoted to further develop best practices and environmental excellence, especially for big infrastructures.



However mindsets and approaches should change and evolve in order to possibly fast-tracking selected projects and keeping a level playing field among the competing contractors.

- As we are at the “**tipping point**” for a new system balance ..., adaptation needs to become faster: no more ‘long termism’, we need immediate action to speed up adaptation across the board and international action to step up climate resilience.

### **3. EU Sustainable Public Procurement within the EU Green Deal**

- EU’s Sustainable Public Procurement policy is an integral part of the **Strategic Procurement**. Strategic Procurement considers that public procurement is a policy instrument that, in addition to its primary purpose of purchasing public goods or services, can (and should) pursue priority goals, such as reducing environmental and climate impact, social & professional integration, compliance to minimum (but high) ethical standards, promoting equal treatment; Strategic Procurement aims at promoting sustainable growth and development in an open, non-discriminatory and transparent public procurement market; Strategic Procurement can also be used to promote these core European Values in the other parts of the world.
- With around 300,000 buyers, the EU public procurement is a very fragmented market. Initiatives such as the Strategic Procurement or the sustainable public procurement, require a broader set of skills and knowledge.
- At first, it may appear that to be effectively implemented, Strategic Procurement needs a bigger (multidisciplinary) administration. However, effective Strategic Procurement also needs:
  - ✓ a **legal framework** providing the technical specifications and award criteria that will restrict decisions based on price only and impose practical and effective sustainability criteria (including ecological, social and economic aspects) in the decision-making process; the EU public procurement legal framework is composed of the 2014 Directives (not to be touched for a while), the Case-laws of the CJEU and the remedies;
  - ✓ **specific education**, training (toolkit) and support to help public buyers to acquire the necessary soft skills (e.g. Buying Green, Buying Social), as well as to understand the market and its products/services;
  - ✓ an **adapted governance**, or even a governance mind shift, is needed to facilitate the right decision-making to allow/promote the short term investments for long term benefits, the purchase both assets and asset expertise, within the right governance frame; public procurement governance needs to evolve from pure asset procurement to performance-based procurement and to shift from mono-purpose infrastructures to multi-purpose infrastructures (providing added value to the local/national economy, ecology and society).
- The Commission has taken steps towards Strategic Procurement through initiatives like “**Big Buyers**”. “Big Buyers” is a project through which some big EU public buyers can exchange (best) practices and experiences, including market intelligence, when buying more climate neutral and environmental friendly solutions and approaches. There are currently 4 focused groups (Heavy duty electric vehicles, Digital solutions for health care, Zero emission construction site, Circular construction material) that are expected to grow to 10 Big Buyers working groups in 2023.
- Since 2019, the EU took several steps forward regarding levelling the playing field in the EU public procurement market:
  - ✓ the **EU guidance** on participation to public procurement from third Countries; this guidance specifies that there will be no secured access for companies coming from countries that have not signed a free trade agreement (FTA) with the EU or that have not signed the WTO Government Procurement Agreement (GPA); in other words, this means that companies can



be excluded from tendering for no other reason than coming from countries not signatories of an EU-FTA or WTO GPA;

- ✓ the **International Procurement Instrument (IPI)** which will promote reciprocal treatment in order to open-up third country markets;
- ✓ the **Foreign Subsidies Regulation** is a new legislation aiming at filling the gap in the EU legislation on non-EU subsidies (as indeed the EU State Aid Regulations only apply to EU Member States and not directly to all companies operating in the Single European Market, creating a reverse discrimination to the benefit of, for instance, heavily subsidised non-EU State-owned Enterprises (SoEs).

#### **4. Infrastructure Owners' point of view for delivering the Green Deal**

- A comprehensive multi-disciplinary approach is needed for multi-functional assets: inland transport infrastructure are arteries of trade and mobility, they are also used as water supply sources or for energy generation, they also provide recreation opportunities and need to comply to minimum Safety and Environmental Standards.
- A typical example of such an approach is Working/Building/Engineering with Nature, whereby nature's physical and biological forces are not countered but used and integrated in the project design to integrate the project more harmlessly and more harmoniously within nature.
- Business models such as Just in Time need to be questioned in the context of climate change mitigation and adaptation: shifting modes (e.g. from road to inland waterways) need to become meaningful to business (better environment performance and better economic performance).
- The examples of the Danube and the Schelde illustrated that the only way to implement a comprehensive multi-disciplinary approach is by working TOGETHER.
- By working TOGETHER, more innovative solutions emerge more quickly and can provide more effective and more resilient responses to recurrent high and low waters.

*"If you want to move fast, go alone, if you want to go far move together"*  
African proverb

#### **Conclusions**

- The Green Deal aims at addressing the most pressing global challenges and has the potential to become an economic game changer. However, by taking the global lead, the EU is also the risks.
- In the current turmoil caused by COVID and the war in Ukraine, the possible risks are worth taking immediately; **Europe has an opportunity to seize now**, as its companies, like in the dredging sector, still have competitive advantages, including in environmental and technological knowledge.
- Initiatives such as the Green Taxonomy and the Green Finance are setting the frame for financiers to effectively choose to invest in economic activities that are green, greener or greening.
- **Sustainable public procurement** is a strategic policy and economic instrument. The future of European sustainable public procurement depends on setting the right framework and requirements that will award tenders only to companies that respect and apply the same European (environmental, social and economic) values, ethics and rules. This is why Public Procurement rules should be aligned with the Green Taxonomy: to combine the *supply push* from the sustainable finance initiative with the *demand pull* from the sustainable public procurement initiative (towards performance-based procurement and multipurpose infrastructures).