



Danish Ministry of Climate,  
 Energy and Utilities

## Input from the Danish Government for Targets and Policies for an Ambitious *European Green Deal*

### Ambitious Climate Targets and Action

#### Increased 2030 target

The 2030 target must be increased from the current 40 percent to at least 55 percent. Member States should agree upon this in the first half of 2020 and submit it to the UNFCCC as the EU's updated Nationally Determined Contribution in order to push for higher global ambition in the run-up to COP26 in Glasgow. An increased 2030 target should be implemented in the most cost effective way.

#### Target on climate neutrality by 2050

It is of immediate urgency that the European Council agrees on reaching climate neutrality in the EU by 2050 at the latest. The EU should set targets and implement policies and measures to limit the global average temperature increase to 1.5 C in line with the Paris Agreement.

#### Energy Taxation Directive

The revision of the Energy Taxation Directive should support the green transition. Among other things, it is a priority that the tax exemption for aviation fuel is abolished and that energy products are taxed depending on their climate impact.

#### A strengthened EU ETS

The ETS should be further strengthened for the covered sectors, as it is the most cost effective market based instrument driving the green transition and there is further scope for making it even more effective, e.g. through a further reduction of free allowances, an adjustment of the uptake in the Market Stability Reserve, or through a combination of reduced free allowances and uptake in the Market Stability Reserve, as well as an expansion of the ETS to cover the removal of CO<sub>2</sub>.

### Green Finance for the Green Transition

#### 25 percent climate mainstreaming in the MFF

It should be ensured that at least 25 percent of the Multiannual Financial Framework is targeted for climate mainstreaming.

#### EIB as Europe's Climate Bank

The European Investment Bank should be Europe's Climate Bank and promote more green investments.

#### More green investments

The Commission strategy on sustainable finance should include an EU green bond standard and an ECO-label for financial products in order to avoid green washing and expand the market for green and sustainable financial investments, as well as it should include climate risks in risk management and credit ratings.

### Green Mobility to Move Transport to Lower Emissions

#### Aviation

The Commission should present common European measures to regulate the emissions from aviation, amongst others through a strengthening of the EU ETS.

#### Road transport

The Commission should present a concrete plan with proposals for policy initiatives and incentives for the transition to a fleet of zero-emission passenger cars to support the EU in reaching climate neutrality by 2050. Specifically, CO<sub>2</sub> standards for light and heavy-duty vehicles should be strengthened.

#### NOx pollution from passenger cars, vans and heavy duty vehicle

Denmark supports measures that strengthen regulation to reduce NOx emissions in the EU. The current EU regulation on transport intended to reduce NOx emissions is not sufficiently effective.

## Shipping

The EU should continue to work for an ambitious global solution with regard to the climate within the IMO. It needs to be ensured that any EU measures with regard to greenhouse gas emissions from shipping are flag neutral, avoid carbon leakage and do not hinder the development of global rules within the IMO.

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## A Greener Agricultural Sector

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### Farm to Fork strategy and the Common Agricultural Policy 2022-2027

The Common Agricultural Policy should to a larger extent live up to and produce in line with the European ambitions and targets on water environment, biodiversity and climate, through a green ring fencing across the pillars, a green definition of eligible hectare and compensation to farmers for mandatory ambitious national or EU requirements contributing to climate and environment objectives.

The Farm to Fork strategy should include a focus on animal welfare and should be ambitious in regards to goals on antimicrobial resistance.

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## A Climate Neutral Energy System

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### A green, flexible and integrated energy system

The Commission is encouraged to present strategies on sector integration across energy systems, such as electricity, gas and heating, as well as electrification and energy storage.

### EU's state aid rules for energy

State aid rules should be set up to support a green energy transition in the EU and take account of the development of new green technological solutions, such as CO<sub>2</sub>-storage and wind islands in the North Sea.

### New European framework for gas

A new European framework for gas should include a roadmap for phasing out natural gas of the European energy systems. In addition to a strategy for sector integration, this should also address how to develop a well-functioning European market for green gasses.

### Expansion of renewable energy in the EU, including in the North Seas Energy Cooperation

The EU's general level of ambition with regard to renewable energy should be enhanced, e.g. through regional cooperation, such as for instance the North Seas Energy Cooperation focusing on the expansion of offshore wind energy.

### Focused efforts on energy efficiency improvements

Energy efficiency should focus on reducing the consumption of fossil energy use. The Commission should present an action plan with proposals for eco-design and energy labelling that seeks to strengthen existing requirements. New products for example in relation to data centres should be able to deliver flexibility to the energy system

### Reliable and regularly updated green data and assumptions

The Commission's modelling framework is the backbone for assessing consequences of new policy and for making optimal energy policy choices. Denmark encourages the Commission to continue the open and transparent approach on improving the modelling framework.

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## Industrial and Business Policy Supporting the Green Economy

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### A green industrial policy strategy

The upcoming industrial policy strategy should strengthen European industries' competitiveness and contribute in the furthest possible extent to the transition to a climate-neutral EU by 2050, including through a focus on circular economy and a more green use of state aid to IPCEIs.

### Improved reporting on corporate social responsibility (CSR)

The framework for responsible business conduct should be updated, focusing on creating incentives for businesses to contribute to the green transition through transparency and accountability measures.

### Green research and innovation

Ambitious investments in green research and innovation are crucial for reaching EU's climate target. A number of programmes funded under the forthcoming EU budget (2021-2027) focus on R&D in climate, energy and the environment. A central programme is the forthcoming framework programme for research and innovation,

Horizon Europe. Denmark will work to ensure that the implementation of the relevant programmes focus on green research and innovation throughout the value chain, including development of the technology needed for the green transition.

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## More Environment and Nature and a Healthier Everyday Life

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<b>Circular economy</b>	The Commission should propose a coherent political and legal framework for a sustainable product policy, incorporating waste, product and chemical regulation, and for the full implementation of the EU's plastic strategy focusing on, among other things, to create a well-functioning European market for recyclable plastics.
<b>Nature and biodiversity</b>	As part of the Green New Deal, a new EU biodiversity strategy should include effective measures to stop the decline of biological diversity and restore nature. New global nature targets and a strategic plan for the Biodiversity Convention in China in 2020 must be adopted. Efforts should be made in the EU to stop biodiversity decline and restore nature and to stop deforestation globally.
<b>8<sup>th</sup> Environmental Action Programme</b>	A new 8th Environmental Action Programme should amongst others prioritise the transition to a climate-neutral society by 2050, the transition to a circular economy and substantially less pollution of air, soil and water, phasing out the most problematic chemicals, and protecting and restoring nature and biodiversity.
<b>Less pollution – better health</b>	Chemical legislation should be further strengthened, better and uniform regulation of endocrine disruptors and, in the longer term, to sharpen EU limit values for harmful substances in the air.

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## Global Climate Action and Sustainability

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<b>EU leadership in climate negotiations</b>	The EU should take a leadership role in the COP-negotiations and work for an ambitious implementation of the Paris Agreement through robust and transparent rules that foster greater global ambitions. The EU should lead by example with ambitious reduction targets in line with the Paris Agreement.
<b>Green diplomacy</b>	The EU should promote greater ambitions at a global scale by including climate ambitions and SDG7 in all relevant international fora, including 1) the Green Growth Group, 2) in meetings with other regional groups and 3) through our common climate diplomacy. It should be a concerted effort in all lines of action.
<b>Green trade policy</b>	Climate and environmental concerns should to a larger extent be integrated in the EU's trade policy, i.e. chapters on trade and sustainable development in trade agreements should be strengthened and tariffs and other barriers should be removed from green products and services. Furthermore, the EU should analyse the possibilities to introduce a carbon border tax with due respect for WTO regulations.
<b>Green EU development policy</b>	The new broad Neighbourhood, Development and International Cooperation Instrument (NDICI) should integrate climate concerns in all relevant projects and at least 25 percent of its portfolio should be climate relevant.

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