



**2024/2718(RSP)**

26.09.2024

# COMPROMISE AMENDMENT 1

**ITRE contribution to ENVI Draft motion for a resolution**  
on 2024 UN Climate Change Conference in Baku, Azerbaijan (COP29)  
(2024/2718(RSP))

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Chair - Committee on Industry, Research and Energy

on behalf of the Committee on Industry, Research and Energy

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## ***Industry, SMEs and competitiveness***

1. Considers the COP29 as an important step since the signature of the Paris Agreement in 2015; highlights that combatting climate change should aim at reducing energy poverty, increasing resilience and competitiveness of EU industry and SMEs, and providing opportunities for EU industry and SMEs that can be materialised if legislators commit to timely, tailor made, solidarity based and adequate policy response and to a stable and predictable transition framework; calls on all parties Parties to the Convention to commit and implement those adequate policies and measures;
2. Stresses that well-designed enabling policies can ensure that climate action, innovation, decarbonisation, job creation and competitiveness all go hand in hand; recalls that by investing in innovative, sustainable industries and technologies in line with the clean and just transition, our climate, economy, quality employment and social wellbeing will all prosper;
3. Deems it of the utmost importance for the Union to ensure a just, swift and fair transition to maintain public support for climate action and to lead by example, and to ensure a first mover advantage while shielding the internal market from unfair competition by third countries and safeguarding a level-playing field for European industries globally; notably by addressing high energy prices currently hampering their competitiveness;
4. Considers that becoming the first climate-neutral continent at the latest by 2050, while increasing our competitiveness will require a deep industrial transformation and adaptation in most sectors; believes that massive investment will be needed to support the energy system transformation taking into account the diverse starting points of the Member States; calls on the EU to consider to better align the financial framework with Paris Agreement;
5. Stresses that the Union should do its utmost to keep its industries' and SMEs' leading position and global competitiveness in the transition towards a net-zero greenhouse gas emissions economy; highlights the need for innovative policies to regain, maintain and expand the areas of EU leadership;
6. Emphasizes that industries and SMEs are experiencing substantial transformation towards a net-zero economy; underlines the need to provide appropriate tools and support for the transition phase, while fostering innovation and ensuring competitiveness; recalls that SMEs must be supported and incentivised in this transition by legislators, in particular by ensuring access to finance for sustainable technologies, services and processes, by simplifying administrative procedures and by providing equal opportunities in public procurement;
7. Underlines the need to swiftly decarbonise the European industry further, while strengthening its competitiveness, and to continue the Union support for this endeavour; recalls in this regard the adoption of the Net-Zero Industry Act (NZIA) and notes the announcement of a future Industrial Decarbonisation Accelerator Act as well as a new Clean Industrial Deal, aimed to channel investments in infrastructure and industry, in particular for energy intensive sectors, and to support lead markets in the development, production and diffusion of clean tech in industry; believes that the EU Innovation Fund should support further the scaling up of clean and innovative technologies and their supply chains;
8. Emphasizes that carbon management can play a role in the mitigation of process emissions

in hard-to-abate industry and reducing unavoidable emissions; notes in this context the recent Industrial Carbon Management (ICM) strategy, which elaborates an EU action plan to increase capture, storage, transport and use CO<sub>2</sub> emissions from industrial and energy production facilities, as well as to remove CO<sub>2</sub> from the atmosphere;

9. Highlights the need for the adequate financial resources to support the transition under the next MFF including through specific funding instruments that effectively address financing needs of European industries;

10. Recognises the essential role of SMEs, in particular micro enterprises and start-ups, in driving and delivering on innovation, employment and growth as well as in leading the way on the digital and green transitions through innovation and cutting-edge technological solutions; stresses that SMEs need clear, consistent and predictable legislation in order to grow and create jobs; highlights the specific barriers that such companies, have to face to access financial instruments and public and private capital;

11. Emphasizes the need for the promotion of competitive markets of commodities and rare metals that are essential for the green transition; highlights that a continued dependency on a few suppliers affects the Union's industry negatively and calls for a diversification of suppliers; welcomes in this regard the adoption of the Critical Raw Materials Act (CRMA) and the intention of the Commission to propose a new Circular Economy Act; highlights the crucial importance of a circular economy to achieve the highest resource efficiency and independency regarding CRM; points to the need to improve international supplies, including via the upcoming Clean Trade and Investment Partnerships while ensuring applying the same social, environmental and human rights standards as the ones in the EU;

12. Highlights the need for specific qualification programs including re-skilling and upskilling programs that are essential to reinforce the workforce and to meet the increasing demand of labour in clean and innovative technologies, energy efficiency, renewables, building renovations and energy storage; notes in this regard the importance of the Net Zero Academies; emphasizes the need to invest in STEM education in order to meet the requirements of the job market, and to foster EU's innovation potential; highlights the importance of consulting all social partners in mapping skills shortage and designing the policy toolbox to address it;

### ***Energy policy***

13. Stresses the importance of phasing out fossil fuels as soon as possible; notes that this objective should aim to maximise the Union's energy security, industrial competitiveness and citizens welfare by reducing energy bills, and to reach an energy efficiency and a renewables-based economy; notes in particular the need to urgently end EU imports of Russian fossil fuels, including natural gas, which subsidise Russia's war of aggression against Ukraine; calls on the G7 countries to lead the energy transition by example, and on all parties to decarbonise their energy system and to halt all new investments in fossil fuel extraction; welcomes all initiatives to reduce the EU's dependency on fossil fuels and to increase the diversity of energy suppliers; notes the ongoing work of the EU with international partners to diversify energy supplies;

14. Notes with concerns that fossil fuel subsidies have globally skyrocketed in recent years<sup>1</sup>; regrets that fossil energy subsidies in the Union have remained stable since 2008, at around EUR 55-58 billion per year and increased to EUR 123 billion in 2022<sup>2</sup>; notes in this respect that current investment trends are not aligned with the levels necessary for the world to achieve the goals agreed at COP28 to triple renewable capacity and to double the rate of improvements in energy efficiency, and that a doubling of current annual spending on renewable power generation, grids, and storage in 2030 is necessary<sup>3</sup>;

15. Underlines the unused potential of geothermal energy to make a substantial contribution to reaching objectives of the Paris Agreement and of the Union's energy policy; encourages parties to share best practices, technological know-how, results of research and innovation on geothermal technologies;

16. Recalls the energy aspects of the outcome of the first global stocktake within the UAE Consensus, in particular the transition away from fossil fuels, so as to achieve net-zero greenhouse gas emissions by 2050 in keeping with the science, tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030, and the call to accelerate implementation and investments in clean, sustainable and safe as well as in efficient energy technologies and systems; calls for continuous assessment of the progress made in reaching these targets;

17. Notes the desirability of establishing a complementary global goal of a six-fold increase in energy storage in the power sector to 1500 GW and more broadly increasing system flexibility by 2030, in line with the targets agreed by G7 Energy Ministers in April 2024; emphasises the need to increase attention to technological solutions reducing greenhouse gases in the atmosphere;

18. Highlights the importance of reducing globally methane emissions in the fossil fuel supply chains during the transition to clean energy systems, to reach the global reduction level of 75 per cent in methane emissions by 2030 reflected in the IEA's Net-Zero Emissions by 2050 scenario; calls the Global Methane Pledge signatories to accelerate action to abate methane emissions by 2030; recalls that the Methane Regulation<sup>4</sup> introduces global monitoring tools to increase the transparency of methane emissions from imports of oil, gas and coal into the EU and to ensure a level playing field across Union and third-country operators while taking into account security of supply;

19. Highlights that climate change and extreme events are having an increasingly high impact on our energy systems, including the production of hydropower, bioenergy yields, the efficiency of thermal power plants, and heating and cooling demands; notes that renewable energies may often have variable production levels, emphasizing the need for the development of storage capacities;

20. Underlines the in-depth revision of the Union's energy legislation under the "Fit for 55"

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<sup>1</sup> IEA Report of February 2023 "Fossil Fuels Consumption Subsidies 2022" <https://www.iea.org/reports/fossil-fuels-consumption-subsidies-2022>

<sup>2</sup> <https://www.eea.europa.eu/en/analysis/indicators/fossil-fuel-subsidies>

<sup>3</sup> <https://www.iea.org/reports/world-energy-investment-2024/overview-and-key-findings>

<sup>4</sup> Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942

package that has aligned it to the Union's increased GHG emissions reduction target of at least 55% for 2030 in order to reach climate neutrality at the latest by 2050; emphasizes that achieving our climate and energy targets depends on the effective implementation of Fit for 55 package; underlines that other Parties should follow similar and relevant efforts with the encouragement of and in cooperation with the Union;

21. Calls for the announced Clean Industrial Deal to ensure the competitiveness of industries and enhancing quality jobs with sector-specific and cross-sector measures by delivering on simplifying, investing and ensuring access to affordable, sustainable and secure energy supplies and raw materials, in partnership with industry, social partners, financial institutions, and all stakeholders to support our industries on their journey towards a climate-neutral future with a business case;

22. Highlights the central role of energy efficiency, renewables, a diversified energy system, and low-carbon energy sources in the transition towards a climate-neutral economy<sup>5</sup>; acknowledges however the importance, as the Union has done under the "Fit for 55" package, of aligning renewable energy and energy efficiency policies and measures to achieve climate neutrality at the latest by 2050 and to comply with the Paris Agreement, seizing the opportunity of the current decrease in costs of renewable energy and energy storage technologies; welcomes in this regard the adoption of the urgent and targeted reform of the Electricity Market Design that aims to contribute inter alia to boosting renewables generation, empower and protect consumers, to make the energy bills of consumers and businesses less dependent on short-term price fluctuations;

23. Recalls the Union's commitment to the energy efficiency first principle, which takes into account cost efficiency, system efficiency, storage capacity, demand-side flexibility and security of supply;

24. Stresses the need for massive public and private investments in the Union's energy grid and related infrastructures to allow for their modernisation and expansion and the further flexible integration of renewable energy sources, efficiency measures and storage solutions to provide clean, sufficient, secure and affordable energy for our citizens and industry; underlines in particular the need for an upgrade of the EU's electricity network to accommodate substantial increases in renewable capacity, variability in generation, changing electricity flow patterns across Europe and new demands; recalls the importance of removing barriers, including complexities in permitting processes for electricity infrastructure, to further integrate the energy systems of Member States, which will increase the Union's potential for clean energy production, and driving the rollout of interconnections; underlines the need for Member States to meet the 15% target for electricity interconnection by 2030;

25. Stresses that achieving global net-zero greenhouse gas emissions at the latest by 2050 will require coordinated global actions and that developing countries will require international assistance in order to achieve their green transition; stresses the importance of enhancing close cross-border cooperation and best practices sharing with international partners in the fields of policy making and science and technology transfer;

26. Stresses that partnerships with third countries on external dimensions of energy policies

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<sup>5</sup> IPCC 2023 synthesis report AR6,  
[https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_LongerReport.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf)

have to be fostered; notes EU's efforts to build energy alliances under a sustainable development perspective;

27. Notes the declaration launched at COP28<sup>6</sup>, by more than 20 countries, including 12 Member States and Ukraine, to triple global nuclear capacity by 2050;

28. Highlights the central role that citizens and local communities have to play in a successful energy transition globally and the specific barriers that they have to face to access financial instruments and public and private capital; underlines the importance of the Union's legislation which sets the framework for them to produce, self-consume, store and sell their renewable energy and offer demand-response and energy efficiency services to citizens, among others; stresses that the EU legislative acquis is a transferable good practice for international partners seeking to speed up their ecological transition in a socially fair and democratic way;

### ***Research, innovation, digital technologies and space policy***

29. Welcomes the role of the Copernicus programme and new EU Knowledge Centre on Earth Observation for land, atmosphere and marine environment monitoring Service; underlines the importance of satellite observation capacities to monitor, model, predict and support policy making on climate change, including monitoring methane emissions and super-emitting events and monitoring of carbon sinks; stresses to promote joint research programs to develop technologies and infrastructures that address both space and climate protection; highlights the importance of public-private partnerships to promote cooperation between government space agencies and commercial space companies; underlines the need to achieving a true EU strategic autonomy in the satellite domain, and to invest more in the space economy;

30. Reminds the importance of R&I's contribution to achieve the goals set out in the Paris Agreement and the European Green Deal's objectives; underlines that the fast majority of R&I needed to achieve net-zero by 2050 are still ahead of us; regrets that the Union still has not delivered on its long-standing objective to annually invest 3% of GDP in R&D and calls for new approaches to boosting industrial R&D spending;

31. Welcomes, particularly in this regard, the role that the Horizon Europe programme and its partnerships, such as the Joint Undertakings and the Knowledge and Innovation Communities of the European Institute of Innovation and Technology, play in fostering collaboration between the public and the private sectors, with the goal of contributing to the achievement of climate neutrality and of the green transition, while ensuring that innovations are sustainable, available, accessible and affordable to all;

32. Highlights the need to attract more investment, both public and private, in research, innovation and deployment of new sustainable technologies, including in labour-intensive industries, in the upgrade of the existing and, where necessary new infrastructure networks and projects contributing to the goals of the European Green Deal and the Paris Agreement;

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<sup>6</sup> The Ministerial Declaration to Triple Nuclear Energy, signed on 2 December:  
<https://www.energy.gov/articles/cop28-countries-launch-declaration-triple-nuclear-energy-capacity-2050-recognizing-key>

33. Underlines the importance of ensuring the coherence and consistency of incentives to foster clean and innovative technologies to achieve the 2030 and 2050 targets, addressing the deployment of already mature technologies as well as investments in new technologies that may be needed to be developed to reach the Union's goal of climate neutrality by at the latest 2050;

34. Stresses that the European Union must collaborate on research focusing on technology, industry, and innovative science which helps making important contributions to the Paris Agreement; calls for the announced strategy for European Life Sciences; calls on the Commission to foster strategic research partnerships to enable a level-playing field in Europe;

35. Underlines that digitalisation is one of the key factors driving energy system integration as it can enable dynamic and interlinked flows of energy carriers, allow for more diverse markets to be interconnected, and provide the necessary data to match supply and demand and optimise network management; highlights the potential of digital technologies to increase energy efficiency and thus reduce overall GHG emissions while acknowledging the urgent need to adopt sustainable practices to minimise the increasingly high carbon and resource footprint of digitalisation and of the ICT sector, in particular data centres and other computing infrastructures; recalls the Union's objective to make data centres climate-neutral and highly energy efficient by no later than 2030, in accordance with its Digital Strategy;