



GREEN DEAL IN BELGIUM

THE EUROPEAN GREEN DEAL WILL SHAPE BELGIUM'S POLITICAL AGENDA

HOW BUSINESSES CAN SEIZE OPPORTUNITIES OUT OF THIS



THE COVID-19 RECOVERY

THE OPPORTUNITY FOR A SUSTAINABLE ECONOMY

9 %



National economy is expected to shrink

10 %

national budget deficit expected to rise sharply above 10% of the GDP

The new Belgian federal government, formed after more than 500 days of negotiations, has the immediate daunting task of relaunching the economy following the COVID-19 crisis. According to the Belgian National Bank, the national economy is expected to shrink by 9% in 2020 with all sectors being strongly affected. Furthermore, the government's finance will take a considerable toll with the national budget deficit rising sharply above 10% of the GDP in 2020 (i.e. around €46 billion), and public debt-to-GDP ratio rising to around 120%. In June 2020, a third of employees in the country were in temporary unemployment (1 million workers), and Belgium recorded more than 185,000 job losses.

Recent policy developments have been centered around the public health response and the economic recovery following the current pandemic. Nevertheless, **the green agenda has remained a primary concern** for policymakers and citizens at both a European and national level. Indeed, the European Commission considers the post-COVID economic recovery plan as the opportunity to grow toward a sustainable European economy. To do so, the Commission plans to invest in the next seven years **at least 30% of the €1.8 trillion** available from the long-term EU budget and recovery plan that was agreed by EU leaders.



At a national level, the new government is clearly in line with the new climate ambition announced by the European Commission. In particular, it aims to reduce Belgian greenhouse gas emissions by 55% by 2030 and to achieve climate neutrality by 2050. To reach this ambitious goal, it will need to hit the ground running, implementing quick and impactful decisions, supporting the much needed local recovery and complying with the ambitious targets of developing a green and sustainable economy.

Belgian citizens have showcased their support for a more ambitious government strategy towards the development of a sustainable economy. **73% of Belgians perceive the protection of the environment as major global issue**. To put this in perspective, Belgians consider the environment as more important than the economic situation or international terrorism. However, Belgians believe that green policies should be directed primarily at businesses and industry as **80% of Belgians consider that big companies and industries are not doing enough to protect the environment**.



As both the Belgian citizens and the EU provide strong support for sustainability, **now is the moment** for Belgium to adopt an ambitious policies for the transition towards a sustainable and competitive economy and for businesses in Belgium to reap the benefits of the Green Deal.

WHAT DO BELGIAN CITIZENS THINK?



A lot of citizens perceive the protection of the environment as major global issue



The majority considers that big companies and industries are not doing enough to protect the environment

FUTURE CHALLENGES

Although policymakers have comprehensively allocated resources to the immediate challenges occurring from the COVID-19 crisis will require comprehensive resources from policymakers and business alike, all stakeholders have profoundly voiced their commitment to the ambitious targets of the European Green Deal, and to strive toward a green and sustainable European economy.

On 16 September 2020, EU Commission President Ursula von der Leyen, in her State of the European Union address, has set even **higher environmental targets**, thus creating even bigger challenges for businesses. The EU announced plans to reduce greenhouse gas emissions by 55% by 2030 and to push for higher shares of renewable energy with the objective to be the first climate neutral continent by 2050. These ambitious targets have received the support of more than 150 European companies, investors and business networks alike, including Microsoft, Ikea, Deutsche Bank, Unilever, H&M, Google, EDF, Signify and Apple. Other initiatives such as the creation of the **European Alliance for a Green Recovery** led by over 180 Members of the European Parliament, national ministers, trade unions, NGOs, think tanks and companies have also pressured the EU to prioritize fighting against climate change in the upcoming economy recovery plan.

“

Our plan to target a 55% cut in greenhouse gas emissions by 2030 target is ambitious, it's achievable and it is beneficial for Europe”

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Ursula von der Leyen
President of the European Commission



Also at the Belgian level, the private sector has grasped the **urgency of maintaining ambitious sustainable goals** in spite of the current crisis. As part of their recovery plan, **VOKA**, the Flemish Enterprise Network, has emphasized on the need for Flanders to become a smart and circular economy that would generate €2.3 billion in added value and 27,000 new jobs. Accordingly, the Federation of Belgian Enterprises (**FEB-VBO**) urges the authorities to promote a more efficient and smarter mobility, renewable energy production, and to support the industry's green transformation, enabling Belgium to recover and become a competitive and sustainable economy.

In this context, **stakeholder advocacy should capitalize on this seismic shift** in politics and economics by showing real changes to their economic models, to fully benefit from the opportunities that will be given to them as part of Europe's transition to carbon neutrality. In other words, while we might be operating in a new political and economic reality, stakeholders around Europe – including those who had been initially reluctant to commit to the Green Deal – will have to fully adapt their narratives to demonstrate their sectorial pathways for the ecological transition, or risk being sidelined.

SECTORS

The European Green Deal has the global objective of creating a sustainable and green European economy. To do so, the EU has adopted a series of ambitious strategies for its member states to fulfill. Based on the current climate, we have identified **4 crucial sectors in Belgium**, which will be the most impacted by the EU Green Deal – Construction, Energy, Freight transport and Agrifood.

CONSTRUCTION

European Green Deal target:

Greenhouse gas emissions cut by at least 55% by 2030 (below 1990 levels) and carbon neutrality achieved by 2050

% of cutted gas emissions

55 %



European Target 2030

20 %



Current situation 2018

Current situation in Belgium:

- In 2018, the Greenhouse gas emissions were cut by 20%
- Housing is one of the biggest producers of CO₂ in Belgium
- Half of the Belgian homes were constructed before 1950, thus are very poorly isolated
- Belgium is the third largest energy consumer per household (dwelling) in the EU
- Heating consumption represents 18,8% of the country's total CO₂ emissions

New Belgian government policies:

- Creation of a federal investment fund for the green and digital transition
- Prioritization of federal public investments towards public building insulation
- In cooperation with the regions, federal public investments towards the energy efficiency of private homes

ENERGY

European Green Deal target:

32% of renewable energy by 2030

% of renewable energy

32%

Target 2030

18,3%

Current 2020

Current situation in Belgium:

18,3% of renewable energy by 2020

- Three quarters of greenhouse gas emissions are attributable to the combustion of fossil fuels in industry, power generation, the heating of buildings and transportation
- Energy emissions account for 90% of carbon emissions

New Belgian government policies:

- Doubling of offshore wind energy capacities
- Public investments toward renewable energy, especially wind and solar energy
- Development of a large energy infrastructure improving the flexibility of energy supply and a better storage of electricity and energy



FREIGHT TRANSPORT



European Green Deal target:

- 90% of greenhouse gas from transportation
- Optimization of railways and waterways for freight

current transport situation in Belgium



by road



by railway



by waterway

2020

Current situation in Belgium:

- 72% of all freight transport still goes by road, vs. only 11% by railway and 16% by waterways
- Road transport accounts for 10% of total CO2 emissions
- Estimated amount of traffic-congestion costs for Belgium in 2018 estimated at 2.300.000.000 EUR
- Freight transport will increase by 60% by 2050



New Belgian government policies:

- Strong financial support for rail transport and infrastructure
- Improvement and intensification of the rail freight
- Improvement of inland navigation, in cooperation with the regions
- Progressive phasing out the sale of vehicles that do not meet zero emission standards



AGRIFOOD



European Green Deal target:

- 25% of organic farms by 2030
- €10 billion under Horizon Europe to be invested in R&I related to food, bio economy, natural resources, agriculture, fisheries, aquaculture and the environment
- Farm to fork strategy > sustainable and environmentally conscious agriculture

25%

10€ billion invested in R&I

Sustainable agriculture

2020

Current situation in Belgium:

- With over 90,000 employees, the agrifood sector is the second biggest in Belgium
- Agriculture accounts for 10,4% of all greenhouse gas emission in Belgium
- Only 7 % of the Belgian agricultural surface area is organic
- 90% of the organic surface is located in Wallonia



New Belgian government policies:

- Support of innovation to substitute the use of phytopharmaceuticals and pesticides in agriculture
- Maintaining the competitiveness of agrifood firms

90,000 employees

10,4% of all gas emissions

7% organic

90% in Wallonia





In spite of the COVID-19 pandemic, Belgium is set to continue to set ambitious environmental and sustainable global policy goals. However, with the different policy portfolios being shared between the federal government and the 3 regions – Brussels, Flanders and Wallonia – **the implementation of these goals can be complex to navigate.** In this context, Weber Shandwick can assist a wide variety of stakeholders aiming to capitalize on Belgium's transition toward a sustainable economy, under the impulsion of the European Green Deal.

With data as a driver and earned ideas at the core, we deploy leading and emerging technologies to inform strategy, develop critical insights and heighten impact. By **combining expertise in European and Belgian public affairs and integrated communications,** Weber Shandwick is perfectly positioned to provide a **comprehensive roadmap on how companies and sectors can best benefit from the Green Deal.**

We help predict and manage risk to enhance and protect businesses' reputation – while activating integrated campaigns to help generate the necessary impact. This unique bridge between EU and national expertise, along with Weber Shandwick's network of agencies across Europe, will allow businesses to cooperate with the right partners in developing an integrated perspective to their sustainable transformation.

If you would like any further information on these issues, please do not hesitate to get in contact with us:

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