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# PUTTING COMPETITIVENESS AT THE HEART OF THE GREEN TRANSITION

Spanish businesses support the EU's climate agenda and are committed to improving their production processes and adapting their business models. They are also committed to developing innovative technologies to become more resource and energy-efficient and environmentally sustainable, **contributing to the achievement of the ambitious goals** set by the European Union.

Spain could become a strategic hub for the decarbonisation of the European economy and the development of the circular economy. Thus, **the European Green Deal** must be **supported by a truly consistent European industrial strategy**, one that guarantees the competitiveness of European businesses and recognises their **role as enablers** of practical solutions to achieve environmental and climate objectives. The above requires:

## SUPPORT INDUSTRY'S COMPETITIVENESS

- Developing policies aimed at **preserving and strengthening European industry**, while generating the conditions to attract new industry to support our economy's decarbonisation. It is crucial that these policies have an impact on the promotion of investment and guarantee a level playing field in industrial sectors: the environmental commitment of Spain and the European Union must not become a competitive disadvantage or an incentive to relocate businesses and jobs to other parts of the world with lower environmental standards.
- In order to tackle decarbonisation, supporting **industrial symbiosis** by favouring **innovative cooperation** between industries in the same or different value chains to share or exchange materials, technologies, infrastructures, energy, water, and information for **more efficient use of resources**.
- Incentivising scale-up and deployment of those technologies that promote emission reduction breakthroughs in sectors that are difficult to decarbonise, such as **CO2 capture and storage or use** (which also enables the use of CO2 as a raw material, thereby boosting the circular economy). This could be done through the new "European support fund for decarbonisation investments", the acceleration of which would allow important and necessary "final investment decisions" to be taken in the next 2 to 3 years.
- **Speeding up industrial permitting** through a reform that ensures a **harmonised approach** across the European industrial and infrastructure ecosystem through a **structured dialogue** and exchange of best practices between the European Commission, the competent national authorities and the industry.
- Achieving **greater resilience of supply chains**, through the **diversification of sources** of energy, raw materials (including essential, natural and renewable raw materials) and intermediate goods, and by increasing our **own extraction, transformation and recycling capacities**.

- Phasing out free EU ETS allowances once there is evidence that the CBAM offers effective protection to domestic industry, ensuring both import and export competitiveness.

#### COMPETITIVE ENERGY PRICES AND INVESTMENT IN TRANSMISSION AND DISTRIBUTION NETWORKS

- **Promoting a regulatory framework based on the principles of technological neutrality and regulatory stability.** Decarbonisation implies different challenges in each sector and, therefore, we must count on all possible solutions, without ruling out any tool that can help to achieve this goal. To this end, it is essential to have a stable regulatory framework that provides the necessary security to undertake the required investments.
- Ensuring **energy security and supply** in the EU and structurally address the **energy cost differential** between the EU and its main competitors, encouraging **investment in clean energy production**.
- Promoting investment in **energy infrastructures**, reinforcing **energy transmission and distribution networks** in Europe to enable the deployment of EU's renewable energy targets and to be able to sufficiently channel their production to their end uses (industry, transport, climate control).
- Ensuring the integration of the European energy system, considering all the energy vectors and in coordination with the different Member States.

#### NEW SUSTAINABLE MOBILITY MODEL

- Promoting a new model of **sustainable and multimodal mobility** based on the principle of **technological neutrality**, developing a recharging and refuelling infrastructure for alternative fuels. It is important, for example, to recognise **carbon-neutral fuels** in the decarbonisation of heavy vehicles, as well as to favour the production of sustainable fuels for aviation (SAF), maritime and road transport.

#### CIRCULAR ECONOMY AS A GROWTH DRIVER

- Improving market conditions for the flow of circular materials, ensuring **access to quality secondary raw materials**, the constant demand for recyclates and the free circulation of recyclable and reusable materials. It is crucial for waste legislation to be suitable and adapted to the **specificities of the different materials**.

- Drastically **increasing waste collection rates** across the EU, prioritising the implementation of existing waste legislation regarding separate collection of different waste streams and its harmonised application in all Member States, as well as innovation and use of best available techniques for waste sorting.
- Stimulating demand and **updating legislation to support circular business models and sectors**. It is also important to develop circular accounting methods and simplify legislation to facilitate the sale and rental of used and reconditioned goods, while maintaining consumer safety and protection.
- Promoting, in accordance with waste legislation and hierarchy, the re-use of waste for energy purposes to facilitate compliance with the integration of renewable energies in different sectors.

#### ACTIVE WATER POLICIES

- Adopting a **global and consistent approach in EU water policies**, in synergy with the Green Deal and the new Industrial Deal, to ensure a comprehensive and sustainable water management in all economic sectors and European households, while considering the growing water demand as well as the current and future challenges that the EU faces in this field.

#### CLIMATE RISKS

- Enhancing public-private partnerships to close the protection gap in the EU in extraordinary climate risks, increasingly frequent and severe.

#### PROTECTION OF BIODIVERSITY

- Ensuring cost-effective **biodiversity conservation** measures, which should be applied wherever they have the greatest impact and adopted in balance with social and economic interests. The specificities of each Member State should be taken into account and the quantity and quality of biodiversity data should be improved in the development of metrics and tools.
- Establishing a coordinating figure to align **forest-related strategies and legislation** within a feasible timeframe and aligned with the objectives and the financial framework. Also, encouraging innovation within the forestry sector to address regulatory challenges and enhance its resilience to climate challenges. This would allow the forestry sector to serve as a source of employment in rural areas, a generator of ecosystem services and essential

resources.

#### CONSISTENT ENVIRONMENTAL POLICIES BASED ON THE STATE OF THE ART OF SCIENCE AND TECHNOLOGY

- Taking into account the **state of the art of science and technology** when designing environmental policies and avoiding targets or requirements that are not applicable to the industry on a day-to-day basis.
- Especially in the **regulation of chemicals**, assessing first their multiple uses, **applications and economic effects**, ensuring the development of **workable, science-based and proportionate** EU policies before introducing restrictions on certain substances.

#### MEASURES FOR SOCIAL ACCEPTANCE AND A FAIR TRANSITION

- Devoting more resources and efforts from public administrations to **just transition policies and the social acceptance of the green transition**, while working closely with local communities and all social agents to minimise the possible damages of the transition on the territory and generate new opportunities without leaving anyone behind.
- Promoting **decarbonisation in all sectors and fields**, through appropriate support. In this regard, it is essential to advance in the decarbonisation of the existing building stock to ensure greater energy efficiency, by promoting the Renovation Wave strategy.