



**Diederik Samsom**  
Head of Cabinet  
Executive Vice-President Mr Timmermans

**Michael Hager**  
Head of Cabinet  
Executive Vice-President Dombrovskis

Brussels, 4 August 2023

Dear Ms Munić,

We would like to thank you and your co-signatories for the Open Letter sharing your ideas on environmental, economic and social development.

The 8<sup>th</sup> Environment Action Programme, adopted by co-legislators, aims to ensure that more Europeans live well, while respecting planetary boundaries, in an economy where climate neutrality is achieved, waste is minimised, growth is sustainable, and inequalities have been significantly reduced, by 2050 at the latest.

Making this long-term vision reality requires far-reaching changes. This approach has been put forward in the European Green Deal and taken further in the past years through the sectoral strategies. The European Climate Law legally enshrines our 2050 vision of achieving climate neutrality.

The Green Deal is about shifting our economic model towards true circularity, which involves decarbonisation and dematerialisation, where nothing is wasted, circular business models thrive, products are long-lasting, reusable, repairable and made as much as possible of recycled materials, and nature is protected and restored to be able to deliver on its multiple ecological and socio-economic functions. This will also allow us to ensure that the EU economy is competitive and resilient to external shocks.

On 15 May, the President of the Commission attended the Beyond Growth Conference and emphasised that a growth model centred on fossil fuels is obsolete whereas a clean-energy circular economy can deliver both a thriving economy and the green transition we need. This view was shared by a number of speakers at the Conference, who not only explained the conditions under which growth is sustainable, but also reminded us that the investments to reduce our environmental and carbon footprint will contribute to growth.

To help Member States to align their economies with the European Green Deal objectives, the European Semester is organised around four dimensions of competitive sustainability (fairness, environmental sustainability, productivity and macroeconomic stability) and integrates the UN 2030 Sustainable Development Goals. The 2023 country-specific

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recommendations relate to the need to accelerate e.g. the phase out of fossil-fuel subsidies, the transition towards circularity, renewable energy sources or sustainable mobility.

Under the EU Sustainable Finance Agenda, we have taken ambitious measures to promote sustainability. For instance, integrating sustainability in reporting and accounting will assist companies in managing the related risks. We are also ensuring coherent policies through the increased use of the Do No Significant Harm Principle, phasing out fossil fuel and other environmentally harmful subsidies, and developing green budgeting practices.

The green transition will also need to be fair and leave no person or place behind. Therefore, the EU is putting in place tools that ensure just distribution of its costs and benefits. The Social Climate Fund and the Just Transition Fund are two examples that will support citizens and regions that are the most vulnerable to the impact of the transition.

Finally, we are aware that a successful and fair green transition is requires pivotal changes and choices. The Commission 2023 Strategic Foresight Report examines key intersections between structural trends and dynamics affecting the social and economic aspects of sustainability, to clarify and outline the potential choices and trade-offs. Among others, it also presents the first pilot results of the Commission's internal work on developing Sustainable and Inclusive Wellbeing metrics to complement GDP.

Yours sincerely,



Diederik Samsom



Michael Hager