

Wopke Hoekstra

Climate, Net Zero and Clean Growth

Confirmation hearing due to be held on Thursday 7 November, at 9.00.

European Parliament committees responsible: Environment, Public Health and Food Safety (ENVI); Industry, Research and Energy (ITRE) and Economic and Monetary Affairs (ECON).

Wopke Hoekstra has served as the Commissioner for Climate Action since October 2023. In this role, he represented the European Union at the UN Climate Change Conference (COP28) in Dubai, United Arab Emirates, in November 2023.

Starting in early 2024, Hoekstra, along with the Executive Vice-President in charge of the European Green Deal, Maroš Šefčovič, has been communicating on behalf of the Commission regarding its 2040 climate target and managing climate risks. He has also been representing the Commission in clean transition dialogues with industry.

From 2011 to 2017, Hoekstra was a Member of the Dutch Senate representing Christian Democratic Appeal (the CDA), affiliated to the European People's Party (EPP) group in the European Parliament. In October 2017, he became the minister of finance, a position he held until 2022, also becoming the leader of the CDA in 2020. From January 2022 he served concurrently as deputy prime minister and minister of foreign affairs. Prior to taking on the role of Commissioner, he stepped down from both of those positions in July 2023.

Born in 1975, Hoekstra studied law at Leiden University, from which he graduated in 2001. In 2005, he obtained an INSEAD MBA degree. Early in his career Hoekstra held commercial posts at Shell. In 2006, he joined global consulting company McKinsey, becoming a partner in 2013.



Wopke Hoekstra, The Netherlands.

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This is one of a set of briefings designed to give an overview of issues of interest relating to the portfolios of the Commissioners-designate. All these briefings can be found at: https://epthinktank.eu/commissioner_hearings_2024.



Fundamentals of the portfolio

Addressing all the Commissioners-designate, Commission President Ursula von der Leyen emphasised that the success of the new Commission would depend on it meeting its targets and objectives, particularly those of the [European Green Deal](#) (EGD). Adopted in 2019, the EGD builds on a 2018 communication entitled [A clean planet for all](#). Presented as the EU's new growth strategy, it seeks to make the Europe the first climate-neutral continent and decouple economic growth from resource use. Hoekstra's portfolio is designed to enhance the industrial aspects of the EGD while carving out a pathway to climate neutrality by 2050.

The [EU Climate Law](#), which entered into force in July 2021, was a cornerstone of the EGD, making it a legal requirement to achieve climate neutrality by 2050 and a net greenhouse gas (GHG) emissions reduction of at least 55 % by 2030 compared with 1990. As outlined in von der Leyen's [mission letter](#) to Hoekstra, core tasks of the portfolio include overseeing the implementation, evaluation and possible review of the legal framework, to meet the 2030 target. Other tasks include proposing a post-2030 framework and guiding the amendment of the EU Climate Law to include a 90 % emissions reduction target for 2040.

As noted in the EGD, it takes 25 years to transform an industry, and the mission letter asks Hoekstra to engage in the development of a 'clean industrial deal' with a specific focus on clean technologies, mobilising investment and driving industrial decarbonisation. With a dual focus on industrial transformation and climate neutrality, Hoekstra must engage in strategic dialogue with industry to ensure the right enabling conditions and a level playing field, maintaining the EU's competitiveness while ensuring a just transition towards its climate targets.

Hoekstra will also be responsible for taxation policy. Faced with challenges such as climate change, Russia's invasion of Ukraine and demographic shifts, tax systems across the EU must continue to evolve and adapt to meet revenue demands. At the same time, they must also promote investment, prevent fraud, and support key EU goals, such as the green transition.

Priorities and challenges

Expectations/public opinion

In a [2023 Eurobarometer survey on climate change](#), 77 % of respondents viewed climate change as a very serious problem. More than half agreed that national governments and the EU were responsible for addressing it, while 35 % believed it to be an individual responsibility. Furthermore, 37 % believed they were exposed to environmental and climate change risks and two thirds considered their government's climate action to be insufficient.

In a [July 2024 survey on EU challenges and priorities](#), respondents identified climate change, tied with migration, as the top priorities for the EU to address.

[Balancing](#) the green transition with the need to safeguard the competitiveness of EU industry and increase EU strategic autonomy may be one of the biggest challenges or opportunities for the coming decade. With agreements reached on several initiatives under the [Green Deal industrial plan](#), work on these goals is clearly under way. Additionally, Hoekstra's mission letter requests that he, along with the Executive Vice-President for Prosperity and Industrial Strategy, develop the [clean industrial deal](#) within the first 100 days of taking office. Other tasks include contributing to the adoption of an industrial decarbonisation accelerator act, and ensuring that the Innovation Fund supports highly innovative clean technologies, and that revenues from emissions trading effectively drive industrial decarbonisation.

Challenges may arise in implementing climate policies due to delays in finalising national energy and climate plans (NECP), legally required by 30 June 2024. By 1 October, only 11 Member States had [submitted](#) their final plans. This lack of progress hinders the efficient implementation and proper evaluation of the 2030 climate *acquis*, as well as the follow-up on the initial draft NECP assessments,

which are outlined as key tasks in the mission letter. These delays could potentially weaken the EU's climate diplomacy efforts and its [ambitions](#) to take a leading role in international negotiations, where the Commissioner's role is to help develop a global climate and energy vision for COP30 in 2025.

The frequency and intensity of [extreme weather events](#) have increased over recent decades. In March 2024, the first European Climate Risk Assessment ([EUCRA](#)) identified key climate risks, many of which are already at critical levels. This requires urgent and decisive action to protect the EU's economy, ecosystems and people. Hoekstra will lead the work on a European climate adaptation plan, and assess the need for actions to ensure resilience and preparedness. At the same time, climate disinformation is growing, and Hoekstra is tasked with countering false narratives, and ensuring a social and a just transition. Providing incentives for private decarbonisation investments and showcasing the opportunities provided by the green transition are also core tasks.

To direct financial flows in support of decarbonisation, innovation and clean tech, scaling down and phasing out fossil fuel subsidies is a key priority. This should be accompanied by a tax system that supports green fuels through a [revision of the Energy Taxation Directive](#). In order to ensure that the tax system supports the EU's competitiveness, prosperity and social fairness, Hoekstra must address illegal and abusive tax practices that lead to billions of lost revenue each year. He should also work to remove potential tax barriers to cross-border investment and advance the use of digital tools to simplify tax compliance. Furthermore, several files concerning business taxation, such as the proposal for a common corporate tax base ([BEFIT](#)), remain pending in the Council. At the international level, work will continue to finalise the OECD/G20 Inclusive Framework [global agreement on a two-pillar solution](#) to reform the international corporate tax framework.

Hoekstra's portfolio also includes developing the single market for CO₂ and collaborating with colleagues to develop the necessary CO₂ transport and storage infrastructure. In the industry sector, carbon capture utilisation and storage (CCUS) technologies and infrastructures have been given special status, and the 2024 [industrial carbon management strategy](#) includes a 2030 target for CO₂ storage capacity. The recently agreed [carbon removal certification framework](#) focuses solely on atmospheric and biogenic CO₂. The combination of CCUS, carbon removals and a single market for CO₂ aims to unlock the potential of [sustainable carbon cycles](#) for both industry and climate. A recent [study](#) has estimated the required investments in CO₂ infrastructure. Hoekstra is tasked with amending EU [legislation](#) to allow [e-fuels](#), made from hydrogen and CO₂, to contribute to achieving climate neutrality for new cars by 2035.

European Parliament

Treaty basis and European Parliament competence

EU environmental policy is based on Articles 191 to 193 of the Treaty on the Functioning of the European Union (TFEU). Article 191 lists climate action as one of the objectives of EU environmental policy. Article 11 TFEU also requires environmental protection to be taken into account in other EU policies (a process known as 'mainstreaming'). Combating climate change has been an explicit EU objective since the Lisbon Treaty.

Environmental policies are a shared competence between the EU and Member States, and are subject to the ordinary legislative procedure, which involves co-decision by Parliament and Council. However, fiscal matters, town and country planning, land use, quantitative water resources management, choice of energy sources and structure of energy supply require unanimity in the Council. The Parliament must give its consent for the EU to become a party to international agreements.

Taxation is a national competence, with Member States having exclusive power to set and collect taxes. EU tax legislation must be adopted unanimously by the Member States, as stated in Articles 113 and 115 TFEU. The Parliament has the right to be consulted on tax matters and may adopt non-binding opinions.

In 2019, the Parliament [declared](#) a climate and environmental emergency, and called for reform across key policy areas to remove inconsistencies with the EU's climate ambitions. In its January 2020 [resolution on the European Green Deal](#) Parliament called on the Commission to present a proposal for a European climate law, now a fact.

Parliament's autumn 2023 [resolution on COP28](#) stressed the importance of phasing out fossil fuels and all direct and indirect subsidies for fossil fuel. This call is reiterated in the ENVI committee's [draft motion for a resolution](#) on COP29. In its [2022 resolution on extreme weather phenomena](#), Parliament called for increased EU efforts to fight climate change. Also in 2022, Parliament [recalled](#) the need for an efficient energy system, increased resilience and the protection of vulnerable citizens by ensuring an affordable energy supply based on renewables, in line with the EU's climate commitments. A [2024 EPRS 'cost of non-Europe'](#) study confirmed the multiple benefits of accelerating and ensuring a just and inclusive transformation of the energy system.

Despite its limited role in the area of taxation, the Parliament has been determined to influence and shape the debate on tax matters at the EU level. A new Subcommittee on Tax Matters (FISC) was established in 2020, becoming the Parliament's first ever permanent body to deal with taxation.

Recent developments

By the end of Parliament's ninth legislative term, almost all proposals under the 2021 ['fit for 55' package](#) had been adopted, with the exception of the review of the Energy Taxation Directive. While the NECP process has been ongoing, the Commission's December 2023 [assessment](#) of the draft plans estimated a 4 percentage-point shortfall on the 2030 net 55 % emissions reduction target.

On 15 June 2023, the European Scientific Advisory Board on Climate Change [recommended](#) net emissions reductions of 90-95 % by 2040, relative to 1990 levels. As noted above, Hoekstra will present a legislative proposal to amend the EU Climate Law to include the 2040 climate target.

In the area of taxation, the Commission is currently evaluating two directives that are instrumental in combating abusive tax practices (the Directive on Administrative Cooperation ([DAC](#)) and the Anti-Tax-Avoidance Directive ([ATAD](#))). These evaluations will take stock of the current rules and their effectiveness. The Commission may then recommend modifications in line with von der Leyen's overall objective to 'simplify, consolidate and codify' EU legislation.

The portfolio is well-aligned with the conclusions and proposals of Mario Draghi's recent [report](#), which focuses in particular on industrial decarbonisation, increased investment and clean tech.

FURTHER READING

Bassot E., [The six policy priorities of the von der Leyen Commission: An end-of-term assessment](#), EPRS, European Parliament, April, 2024.

Baert P., [EU taxation: Looking back, and ahead](#), EPRS, European Parliament, July 2024.

European Parliament, [Wopke Bastiaan Hoekstra hearing documents and CV](#), 2024.

European Parliament, [What Europe does for Me website](#).

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