

June 11, 2025

Commissioner Hoekstra Chairs Implementation Dialogue on Decarbonising Buildings and Road Transport

Key policies: EU Emissions Trading System for Buildings and Road Transport (ETS2), Social Climate Fund (SCF), European Green Deal, Fit for 55 package, EU Climate Law, Energy Performance of Buildings Directive (EPBD), Energy Efficiency Directive (EED), Innovation Fund, EU Climate Neutrality Objective 2050

On **5 June 2025**, **Wopke Hoekstra**, Commissioner for Climate Action, convened an **Implementation Dialogue on the Decarbonisation of Buildings and Road Transport**, bringing together policymakers, industry representatives and civil society to discuss how new EU climate measures can be effectively implemented on the ground.

The dialogue was held at the **Berlaymont building in Brussels** and focused on the theme *“Road Transport and Buildings Decarbonisation: Making it Work for People and Businesses”*.

Making new EU instruments work in practice

The session gathered **20 stakeholders** representing a broad range of perspectives, including:

- Heat pump and micromobility companies
- Building renovation and construction experts
- Fuel and energy suppliers
- Civil society organisations and NGOs

Participants exchanged views on the practical rollout of the **EU Emissions Trading System for Buildings and Road Transport (ETS2)** alongside the newly established **Social Climate Fund (SCF)**.

Opening the discussion, Commissioner Hoekstra underlined that these two instruments will be **central to Europe’s pathway towards climate neutrality**, while ensuring that the transition remains **fair, socially balanced and economically efficient**.

Strong support for ETS2 and predictability

Most participants expressed **strong support for the timely implementation of ETS2**, without delay or revision. Stakeholders emphasised the importance of:

- **Predictability and regulatory certainty**
- Sending a **clear market signal** to accelerate decarbonisation
- Closely linking ETS2 with the **Social Climate Fund** to protect vulnerable households and users

Ensuring public acceptance and social fairness was widely seen as a prerequisite for successful implementation.

Ensuring a level playing field across Member States

Stakeholders highlighted the need for a **level playing field across Member States**, warning that uneven implementation could lead to market distortions.

Several participants suggested that **revenues generated under ETS2** should be earmarked to support decarbonisation in the covered sectors. Concrete examples included:

- Reinvesting revenues in **public transport and sustainable mobility infrastructure**
- Supporting workers and end-users affected by the transition

Concerns were also raised about **distorted energy price signals**, particularly the high electricity-to-gas price ratio in many Member States, which currently undermines the business case for clean heating solutions such as heat pumps.

ETS2 as part of a broader policy package

While recognising the transformative potential of ETS2, participants agreed that **ETS2 alone will not be sufficient**. Its success depends on strong alignment with complementary EU policies and investment instruments.

Stakeholders stressed the need for coherence with:

- The **Energy Performance of Buildings Directive**
- The **Energy Efficiency Directive**
- The **Innovation Fund**, identified as a key tool to scale up clean technology deployment

Clear regulatory frameworks and supportive policy packages were seen as essential to translate carbon pricing into real-world emission reductions.

Simplicity and transparency for citizens and SMEs

On implementation and governance, stakeholders called for **simple, predictable and transparent systems**, particularly regarding access to the **Social Climate Fund**.

Special attention was given to:

- Individuals and households
- Small and medium-sized enterprises (SMEs)
- Local and regional authorities

Reducing administrative complexity was widely viewed as critical to ensuring that ETS2 delivers both **economic efficiency and social acceptance**.

Looking ahead

The Implementation Dialogue reaffirmed the importance of **structured engagement with stakeholders** as the EU moves into the implementation phase of its climate legislation. Insights gathered during the discussion will contribute to refining implementation approaches and ensuring that the decarbonisation of buildings and road transport works in practice — for people, businesses and communities across Europe.

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