

## European Green Deal and Policies towards the Green Transition in the EU

Nikolaos Konstantonis\*

\*Department of International and European Studies, University of Piraeus

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#### **Abstract**

This paper will pursue to demonstrate the aspects of the environmental policies and initiatives inside the European Union, with reference to legislative content. The research starts with a historical retrospect of the EU policies for the environment. Afterwards, it focuses on the new European Green Deal, launched in 2019, its climate targets, areas which it covers and the actions needed for its accomplishment. Policy instruments are presented quite analytically, with special reference to a just transition, along with other policies. Additionally, the basic impacts and difficulties in the implementation of environmental legislation inside the European Union are explained. In the end, an overall assessment of the topic is carried out.

### Introduction: Short history of EU's environmental policy

The European Union (EU) can be characterized as the leading actor as far as environmental and climate policies are concerned. In the 1960s and early 1970s, the first measures for the environment were taken, although mainly concerning the establishment of the internal market (Orlando, 2013). There have been two first steps towards the development of climate policies inside the European Community, both in 1972. During a summit in Paris, heads of states defined new fields of action from the Community, including environmental, energy and industrial policies. The same year, at a conference in Stockholm, held by the United Nations, environmental issues took their place at the forefront of international concerns, for the first time (United Nations, 1972). This leaded to the dialogue between developed and developing countries about the connection of economic growth with environmental pollution. The following year, 1973, the first -out of seven to date- Environmental Action Program was launched (Ministry of Environment of Denmark, n.d.), which remained a main tool for implementing measures concerning the environment.

With the coming of the 1980s, we can see more consistency in the environmental policies, adopted by the European Community. The Single European Act in 1986, was of great importance for the implementation of policies, as it provided a legal basis for the environmental legislation in Europe

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<sup>\*</sup> Department of International and European Studies, University of Piraeus.

and it was the first Treaty to include the title "Environment" (Mathis, 2020). Moreover, it gave the Parliament more responsibilities in policy- making for the environment, through the cooperation with the Council (Selin and VanDeveer, 2015). Environmental protection obtained its own chapter in the Treaty (Hey, 2007). The following years were characterized by controversies between the internal market and protection of the environment. In the last years of the decade, the Commission explored new instruments of environmental policy towards the implementation of norms, by the private sector. Between 1989 and 1994 a reorientation of the EU climate policies was introduced (Hey, 2007). The European Court of Justice has played a crucial role in the consolidation of environmental policies inside the European Union, as it helped to clarify the role of environmental protection among other Community targets (Orlando, 2013).

The beginning of the new decade signaled a quantitative reduction in environmental laws (Golub, 1996) and more differentiation and flexibility in the Union's policies for the environment. Maastricht and Amsterdam Treaties, in 1992 and 1997 respectively, although didn't introduce substantial changes to the legislation of the SEA, were vital for the development of climate policies, as they added two significant specifications. In Maastricht Treaty, there was a specific reference to the protection of the environment among the EU objectives. With the Amsterdam Treaty, sustainable development was introduced for the first time as one of the Union's targets (Orlando 2013). All in all, there are four remarkable points for the establishment of environmental legislation in the European Union: The first being the Single European Act in 1986, next, the Treaties of Maastricht and Amsterdam, in 1992 and 1997 respectively, and finally the Cardiff Process since 1997 (Perga, 2019).

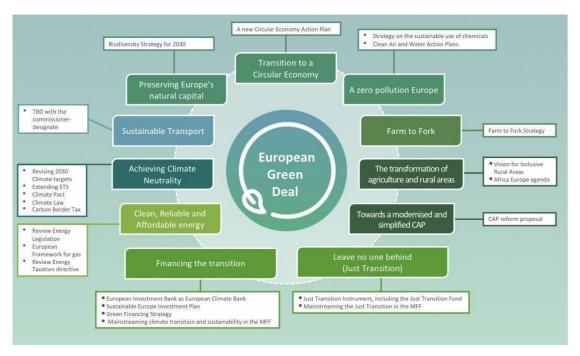
The enlargement of 2004, was seen as a difficulty for the implementation of the environmental legislation, due to poor expertise and resources (Lee, 2005:19, Bar, Homeyer and Klasing, 2001), but also as a good opportunity to enhance environmental protection in the new member-states and thus, in Europe and globally (Schreurs, 2004). In the period from 2002 to 2012, global climate change constitutes the greatest issue to be tackled. The EU has a leading role in international environmental agreements and cooperates with the rest of the world. Nowadays, the big challenge for the European Union is the coupling of economic growth and competitiveness with the protection of the environment (Orlando, 2013).

#### The European Green Deal, climate targets and other laws and policies for the environment

In December 2019, a Green Deal was launched by the European Commission, with the ambitious aim to make Europe the first climate-neutral continent by 2050. As President Ursula Von der

Leyen stated: "The overarching goal was, and of course is, to make Europe the very first climate neutral continent in the world and to build a new growth strategy to get there. Our Package aims to combine the reduction of emissions, with measures to preserve nature, and to put jobs and social balance at the heart of this transformation." (European Commission, 2021a). This new deal constitutes the European Union's approach for the implementation of the 2030 United Nations' Agenda for sustainable development and has four main aims to achieve: Make Europe climate-neutral, protect humans, animals and plants by limiting emissions, enable companies to play a leading role in clean technologies globally, and ensure a fair energy transition for all countries (Dimitriadis, 2021). The new deal will pursue to include the ambitious aim for a climate-neutral Europe, into legislation (Canevari, 2020). Thus, three main requirements which are included in climate legislation, have been set by the Commission for 2030, in order for the Agenda to be successful. Greenhouse gas emissions should be reduced at least by 40%, comparing to 1990 levels. In addition, renewable energy sources must have a 32% share in the energy mix. 32.5% improvement in energy efficiency is also a necessity (European Council, 2014).

The new Deal could play a significant role for the recovery after the end of the pandemic and aspires to limit carbon emissions, decouple economic development from resource use and ensure that no country is excluded or left behind in this process (Belardo, 2021). The Deal refers to all economic sectors, including transport, energy, buildings, industries and agriculture.



Picture: European Compost Network (n.d)

The reduction in greenhouse gas emissions and the aim for the share of renewable energy sources are binding for all member-states, however as far as energy efficiency is concerned, this doesn't bind the states (Siddi, 2020). Legislation will be updated towards an augmented 55% target for the reduction of Greenhouse Gas emissions inside the European Union. Legislative proposals will be introduced, concerning different areas, including: EU Emissions Trading System, energy efficiency, renewable energy sources, CO2 emissions from road transports, Agriculture, Land Use, Land Use Change and Forestry and effort sharing (European Commission, 2020a). There are some basic features, and policy areas in which the European Green Deal (EGD) aims to achieve its goals. These are the following (Norton Rose Fullbright, 2021):

- Climate action
- Clean energy
- Sustainable industry
- Buildings renovations
- Sustainable transports
- Combating pollution
- Farm to fork strategy
- Preservation of biodiversity
- Research and development
- Preventing unfair competition from carbon leakage

There are integrated rules for the designment, monitoring and progress report for the 2030 targets, energy targets and international commitments set by the Paris Agreement, which is a legally binding international treaty for global climate change (United Nations, 2021), and requires common efforts from all nations of the world. Regulation and standardization, investments and innovation, national reforms and international cooperation are means of politics for the achievement of the Green Deal (Mathis, 2020). If it will be considered necessary, the European Commission will recommend an intermediate target for 2040 (European Council, 2021). The cohesion policy in the EGD requires investments in place-based innovations and smart economic transformations, abandonment of unsustainable practices and ensuring a fair transition for all regions (Happaerts, 2021).

The Commission envisages a longer-term objective for the year 2050, in order for Europe to be climate-neutral and its economy to have net-zero greenhouse gas emissions. This objective is in the core of the EGD and is aligned to the Union's commitment to climate action, as imposed by

the Paris Agreement in 2015. Prerequisites have been set for the achievement of climate neutrality, including 80% cut of Greenhouse gas emissions in comparison with the 1990 levels and additionally 90% reduction in order to finally reach zero emissions, and, the process of decarbonization. The Commission in addition, enacted the European Climate Law towards the accomplishment of the European Green Deal's targets. It was adopted by the European Council and the Parliament (European Council, 2021). This law will ensure that the whole of the EU policies will be in alignment with the goal of the economic and social climate neutrality and that all sectors will contribute. It will be legally binding for all member-states to achieve net zero greenhouse gas emissions by 2050 and will include a monitoring mechanism to observe the progress made by each state. (European Commission, 2020b). The European Climate Pact concerns the involvement of institutions, citizens and companies to cooperate in order to establish a framework that goes beyond the limits of consultation (Dimitriadis, 2021). Moreover, a new Adaptation strategy was adopted, to cope with global climate change. According to this strategy, the adaptation will have to be smarter, faster, more systemic and encourage international actions for adapting to climate change. Climate diplomacy, which comprises negotiations with third countries in, and outside Europe, is a means of political action that has been renewed (European Commission, 2021b). The Council made a call for all actors to work together on a strategic approach to climate diplomacy (European Council, 2020). International discussions have an influence on state action and promote the development of domestic policies, although there is no official treaty (Dimitrov, 2015).

The National Energy and Climate Plans (NECPs) for 2030 constitute a framework for the EU member states to plan their climate and energy targets and the means to achieve them by 2030. The final NECPs had to be sent by the end of 2019 and member states are obliged to submit progress reports every two years, so as to show their compliance with the 2030 aims, of course under the Commission's surveillance (Maris & Flouros, 2021). The main aim of these plans is to support the expansion in the use of renewable energy sources, a fact that will consequently lead to increased investments and creation of new jobs in this sector (Wind Europe, 2021). Transport and energy security are two fields, in which renewable sources could be extensively used (Hafner, Raimondi, 2020). Furthermore, the EU Emissions Trading System is an important policy tool for the cost-effective reduction of greenhouse gases inside the Union. It covers the total volume of Greenhouse gases (GHG) emissions, inside the European Union. Through this system, emission allowances can be traded, in order for the total emissions to remain within the allowable limits (European Commission, 2015).

#### Energy transition, just transition and effects of the Green Deal

The ultimate goal of all these policies and measures, is an energy transition towards an energy and economic system, in which carbon emissions will have been extremely limited. This way, renewable energy sources will have a greatly increased share in the energy mix. According to Christian-Rynning Tonnesen (2021), it is possible, at least on a theoretical basis, for the European continent, to have an energy system that relies exclusively on renewables, which will replace fossil fuels. The energy transition and the measures implemented for climate change should be seen as not only governmental, but international efforts (Wettengel, 2021). The transition towards a clean energy mix, requires a number of actions which are also included in the Green Deal: A secured and affordable energy supply for the European Union. The creation of a fully integrated, interconnected and digitalized energy market, making energy efficiency a top priority, enhancing the energy performance of buildings and finally the reliance of power sector on renewable energy sources (European Commission, 2019). Another requirement is the reduction in energy consumption, through using more eco-friendly motion technologies, and also limited use of carbon and nuclear power (Kemfert, 2019). It is a fact that the transformations made in the energy sector, will have a big impact on countries with high emissions of hydrocarbons. That's because it is quite possible for the demand of principal goods and global prices to drop and decline respectively (Teevan, Medinilla & Sergejeff, 2021). Furthermore, technologies used for the storage of energy, contribute to significantly reduce carbon emissions in the electricity sector (Kittner, Lill & Kammen, 2017).

It is vital that the transition to a carbon-free energy sector, will be fair for all countries, and no one is left behind or excluded from this process due to the point from which it makes this start. The great aim of a just transition is to couple a strong economy with a healthy environment (Sierra Club). The sustainability of financial resources is of great importance for the economic transition to a low-carbon Europe, to be fair. Thus, a Just Transition Mechanism (JTM) has been created for this purpose. Along with the Just Transition Fund, it will contribute to the limitation of the negative effects on the most vulnerable member states of the EU (Eurocities, 2020). The notion of the just transition is closely linked to sustainable development. In order for the transition to be socially fair, investments must be made to provide affordable solutions to those affected the most by carbon pricing. Simultaneously, measures for tackling energy poverty and re-skilling of the workers in the energy sector, should be implemented (Sabato and Fronteddu, 2020). Fossil fuel workers will be the first included in the just transition processes (Mertins-Kirkwood and Deshpande, 2019).

Apart from JTM, a policy tool for the control of the carbon quantity traded among countries, is the Carbon Border Adjustment Mechanism. The main aim of this policy instrument is to prevent phenomena of carbon leakage. In this process, companies inside the Union, can transfer intense carbon production to countries around the world, with less strict climate legislation (European Commission, n.d). But how this system will function? With this mechanism, domestic and imported carbon price will be the same. Moreover, it will be ensured that climate targets set by the European Union, are not to be undermined by practices which lead to carbon leakage.

The energy transition is following different paces among EU members. In Italy for example, renewable energy sources are becoming more and more attractive to investments, while Poland is failing to make changes in its energy mix (being opposed to the 2050 aim of climate neutrality) (Hafner and Raimondi, 2020). When it comes to our country, Greece, the transition to a low carbon economy and a differentiated energy mix, is becoming a priority. A basic means for this change? Electricity storage. It enables the increased use of renewable energy sources in electricity systems. Although energy storage is still in its first steps, 2021 is an important starting point for the country (Norton Rose Fullbright, 2021). The main renewable energy sources in Greece, are photovoltaics and wind power.

The implementation of the EGD and the targets set for 2030, are not without difficulties and obstacles. It's not that easy neither for states and industries, nor for EU citizens, to radically change attitude towards energy consumption and practices. The financial cost for the transition to an extremely low or zero carbon energy sector, will be vast. 1 trillion euros will be required by the next ten years, as the European Commission assesses (Harvey and Rankin, 2020). In addition, deep transformations in economic and industrial strategies in order to meet the targets set for a climate neutral Europe, is a must (Bloomfield and Stewart, 2020). A serious obstacle for the success of this new endeavor, is the willingness of member states to transform their economic systems. For instance, countries such as Bulgaria, Czech Republic and Romania are opposed to extended cuts on carbon emissions, as they rely heavily on them. Moreover, it is a fact that if the largest carbon emitters (USA and China), do not conform to some reduction policies, EU's action will not achieve much, globally (Moutii, 2021). Although the aforementioned difficulties are existing, the Deal has much to offer to citizens in Europe, and also will have some worldwide effects, if implemented properly. First and foremost, health lies on top of the benefits. That's because replacing fossil fuels by clean renewable energy, could potentially prevent 3.6 million (!) premature deaths annually, worldwide (Haines and Scheelbeek, 2020). The well-being of the Union's citizens will be positively affected by the EGD. The measures implemented, will provide cleaner air, water and soil. Food

can be healthier and buildings will obtain more energy efficiency than now. The creation of greener jobs and the development of more competitive and resilient industries are also included in the positive effects of the EGD (European Commission, 2021d). As far as the rest of the world is concerned, the external dimension of the Deal depends on domestic policies and EU's relations with partner countries. Three different approaches are being used: The collaborative, which addresses Western Balkans, the Southern Neighborhood and Africa, and includes initiatives and investments in these places. The coercive approach aims to promote the green transition elsewhere and prevent carbon leakage. Finally, we have the diplomatic approach, in which, traditional climate diplomacy is being exercised with the partner countries (Teevan, Medinilla and Sergejeff, 2021).

#### **Conclusions**

All in all, one can easily conclude that the European Union, from the long and recent past, until nowadays, is making strong efforts to protect our environment. An extended framework of policies, agreements and initiatives has been created over the years - with the EU Green Deal being the most ambitious one -, in order to enact environmental legislation inside the Union. The qualitative and quantitative data offer a good illustration of the policies implemented. The big threat of climate change can be seen also as a good opportunity for humanity, not only in Europe, but all over the world. An opportunity to create healthier and more sustainable conditions for the current and future generations. However, it requires strong commitment and consistency from governments, companies, industries and citizens so as to achieve the goal of combating climate change and form a healthier environment for all. It cannot be questioned that the whole process is facing serious obstacles. However, it seems that it's worth the pain to try to change some of our habits for the sake of the environment in which we live, grow and evolve.

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