



European Green Deal: The Challenge of Implementation

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Summary

- * *The European Green Deal is the current flagship project of the EU Commission. As a broad package of legislative processes and strategic initiatives, the Green Deal aims both to develop the existing climate policy architecture and to establish links with various other policy areas, such as agriculture, industry and the economic policy.*

Background/Challenges

- The key challenge in climate policy is to reduce global greenhouse gas emissions, which continue to rise despite the Paris Agreement, and thus to halt climate change.
- The initial enthusiasm following the multilateral agreement in 2015 has given way to the realization that long-standing conflicts in international and national climate politics still hinder the achievement of climate policy objectives.
- The EU, a key contributor to the success of the Paris negotiations, has positioned itself as a frontrunner and aims to influence climate action in third countries through exemplary ambitions and innovative policy instruments.
- The EU faces three key challenges in its climate policy and politics. First, it is confronted with high international expectations, especially in the “most vulnerable” and “developing countries”, which demand drastic emissions reductions and payments through the Green Climate Fund due to historical emissions by industrialized nations.
- Second, internal conflicts mean that the EU does not act as a unitary actor. Reasons for divergence include differences between member states in the structure of emission-intensive sectors, path dependencies in national energy and climate policies, and socio-political preferences.
- Third, new crises such as the COVID-19 pandemic and the Russian invasion in Ukraine pose substantial challenges for the European Green Deal.

KEY FINDINGS

- ◇ The EU Climate Law, introduced in 2020, 100 days after the new Commission took office, sets the stage for a series of legislative initiatives as part of the “Fit for 55” package. The Regulation encompasses a strengthened 2030 target of net -55% greenhouse gas emissions compared to 1990 and establishes a EU-wide goal of climate neutrality by 2050.
- ◇ Alongside the core pillars of EU climate policy, including emissions trading, land use, land use change and forestry (LULUCF), and effort sharing, the package introduces new elements such as a carbon border adjustment mechanism (CBAM), a climate social fund, and an emissions trading system for road transport and buildings (ETS II).
- ◇ Other initiatives linked to the Green Deal, such as the COVID response mechanism *NextGenerationEU*, which aims to allocate a significant proportion of funds to climate-related projects, and *REPowerEU*, a programme to reduce energy dependence on Russia while strengthening energy security, signal that the Green Deal has not been weakened by these crises.
- ◇ However, the multiplicity of legislative processes and initiatives pose significant political challenges, with member states and political parties engaged in debates over the level of ambition, the design of policy instruments and the transfer of competences to the EU.
- ◇ The European Commission plays a pivotal role in driving the development of EU climate policy through the Green Deal. While not all Commission proposals successfully pass through the EU legislative process, the Commission serves as an agenda-setter and innovator for emerging topics related to climate policy.



KEY FINDINGS (continued)

- ◇ The Council of the European Union is often the scene of controversial discussions on climate policy, with disputes over the sovereignty of national energy mixes. It is important to note that member states differ significantly in their starting points for the transition to climate neutrality and in their socio-political preferences on approaches to achieving this goal. Alliances and positions are complex, with specific national interests influencing positions on issues such as nuclear energy or the ban on internal combustion engines.
- ◇ The European Parliament has repeatedly organized internal majorities to push for more ambitious climate change legislation. For example, the Parliament pushed for a -60% target for 2030, but was unsuccessful in the legislative process. It did, however, succeed in limiting the contribution of carbon removals to the 2030 target in the final climate change legislation. Some votes on the European Green Deal were contentious in the EP and required lengthy negotiations and votes.
- ◇ Alliance management in both the Council and the European Parliament is a crucial element of EU climate policy and politics, and is likely to become even more important as decarbonization progresses and distributional conflicts become more acute.
- ◇ The Green Deal's efforts to extend climate policy to other policy areas pose both opportunities and challenges. While it enables climate goals to be achieved through integration into other policy areas, it also carries the risk of transferring conflicts from established policy areas into climate policy processes. Intense conflicts are expected in the coming years.
- ◇ In sum, the European Green Deal is driving the consolidation and expansion of EU climate policy. It has overcome major crises such as the COVID-19 pandemic and the Russian invasion of Ukraine. The Fit for 55 package in particular suggests that climate policy has not been weakened, but rather has been continued and expanded throughout the multiple crises facing the European Union.

Policy Implications

- Following the completion of the Fit for 55 package, the next big round of reforms is on the horizon. In early 2024, the Commission will propose the new 2040 climate target.
- Following the European Parliament elections in June 2024, a key challenge for the new Commission will be to drive forward the reform of all key elements of EU climate policy for the time period between 2031-2040.
- In addition to the level of ambition, the design of the target will be important. The issue of carbon dioxide removal and its role in EU climate policy has gained traction and an explicit removal target will be a key element in the emerging 2040 target discussions.
- Throughout the process of updating the EU's climate policy, links with other policy areas will shape alliances and majorities. In particular, the link with agriculture - a highly politicized issue - will become more important.
- In addition, the link with industrial policy - currently facilitated by the Net-Zero Industry Act - should receive more attention. This will also allow for international cooperation, including the deepening of existing international cooperation, for example with Canada.

Further Reading

Rayner, T., Szulecki, K., Jordan, A.J., Oberthür, S. eds. 2023. *Handbook on European Union Climate Change Policy and Politics*. Northampton: Edward Elgar Publishing.



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