

June 2024 - Policy brief

Science-policy solutions for a more sustainable Europe

# **Ensuring the resilience of the European Green Deal**

Resilience of the European Green Deal



At the 2024 edition of the Think2030 conference on 27 March 2024, IEEP hosted high-level speakers to discuss "Recommendations for ensuring the resilience of the European Green Deal". Moderated by Ben Reynolds - Executive Director of the Institute of European Environmental Policy UK (IEEP UK), the session featured interventions by the following speakers: Ester Asin – Director, WWF European Policy Office; María José Sanz - Scientific Director, Basque Centre for Climate Change (BC3), member of Think Sustainable Europe network in Spain; Etienne Hannon - Science & Policy Manager, Belgium Climate Center; Patrick Anthony Child, Deputy Director-General, Directorate General for Environment (DG ENVI); Chiara Martinelli – Director, Climate Action Network (CAN) Europe. This policy brief is the result of this high-level panel discussion.

# Recommendations for ensuring the resilience of the European Green Deal

The EU's communication on the <u>European Green Deal (EGD)</u> stands as a cornerstone of the European Union's comprehensive strategy to confront the multifaceted environmental challenges of our time. Anchored by the legally binding objectives outlined in the <u>European Climate Law</u>, the Green Deal sets a clear trajectory towards achieving climate neutrality by 2050. The urgency of addressing the interconnected crises of climate change, pollution, and biodiversity loss is underscored by overwhelming scientific evidence. Failure to act decisively now will accelerate environmental degradation, leading to exponentially higher economic, social, and ecological costs in the future.

As the EU navigates this pivotal decade, the successful realization of the Green Deal's ambitious targets will hinge on integrated policy approaches, cross-sectoral collaboration, and unwavering political commitment. This policy brief explores the future trajectory of the European Green Deal, examining the strategic initiatives required to meet the EU's climate goals, the role of various stakeholders, and the policy innovations essential for a sustainable transition.

#### **KEY RECOMMENDATIONS:**

- **Delivery rather than implementation:** Helping the member states to deliver the policies we all subscribe to in the EU, including the EGD, remains key. "Smart Implementation" can harness the power of digitalisation, clear and accessible guidance, active stakeholder engagement, targeted incentives, and harmonisation.
- More and just funding for the transition is cheap(er): Economic value is fundamentally reliant on Earth's natural resources. The work on mainstreaming for funding of a green transformation needs to be more effective, including in areas ranging from biodiversity to the Common Agricultural Policy. Fully implementing EU environmental laws could save the EU economy around EUR 55 billion every year in health costs and direct costs to the environment.
- **Be (or become) resilient:** We have no option but to be resilient; the growing evidence of the systemic challenges that geopolitical challenges are presenting, e.g. climate, biodiversity loss, and pollution, is going to continue to push at the political system.

• **Better space for science for policy**: The EGDdeployment and future evolution requires more integrated, knowledge-based approaches to support policy design and decision making.

#### 1. The challenges the European society is facing

European society is grappling with 'super-complex' challenges that demand intricate and multifaceted solutions. Addressing these crises requires the integration of multiple scientific disciplines and diverse types of knowledge. A multidisciplinary approach is essential to navigate the complexities of our current and future issues.

- **New Realities and Evolving Challenges:** The impacts of climate change are accelerating and intensifying, and the geopolitical context is continuously evolving. These new realities necessitate updated strategies and responses.
- Internal Actions Matching External Claims: The EU must practice internally what it advocates internationally. For instance, following its advocacy at COP28 for the acceleration of the phase-out of fossil fuels, the EU needs to take decisive actions at the domestic level to reduce dependency on fossil fuels and transition to renewable energy sources.
- **Political Opposition**: Significant resistance from certain political forces, particularly on issues related to land use, agriculture, and biodiversity, poses challenges. The contentious Nature Restoration Law, the withdrawal of the Sustainable Food Systems law and the Sustainable Use of Pesticides Regulation (SUR), and proposals to eliminate minimal environmental requirements in the Common Agricultural Policy (CAP) highlight the political hurdles. Additionally, some governments are not adhering to already established regulations, such as the Corporate Sustainability Due Diligence Directive (CSDDD).

#### 2. The benefits and successes of the European Green Deal

Despite these challenges, there is a message of hope. The European Green Deal is pivotal for ensuring a sustainable and resilient future for Europe. Looking ahead, several key elements will shape its evolution and success:

- **Complex and Broad Policy Framework**: The EGD is a sophisticated and expansive set of policies and legal measures that aims to steer Europe towards a sustainable future. It uniquely positions Europe at the forefront of global climate change efforts. Its ambition and complexity still present various challenges for Member States, which must be addressed in light of their national circumstances to ensure the EGD's success.
- **Unique and Consistent Policy Set**: The EGD encompasses a wide range of sectors with complementary policies and legal instruments designed to achieve a green and fair transition, targeting climate neutrality and resilience by 2050. It has been a transformative initiative, and its established framework can be preserved. To do that, the EGD should

remain adaptable to new circumstances and challenges, ensuring it continues to drive legislative initiatives forward without regression.

- **Progress and Achievements**: The mid-term review of the 8<sup>th</sup> Environmental Action Programme, recently adopted by the European Commission, highlights significant progress in reducing greenhouse gas emissions, improving air quality, and mobilizing finance for the green transition. These achievements underscore the effectiveness of the EGD and the necessity of continuing its implementation and enhancement.
- **2030 Climate Targets**: While the 2030 climate targets are still within reach, achieving them will demand substantial efforts, particularly in fostering sustainable production and consumption. Current trends in consumption from 2010-2021 indicate a need to integrate circularity principles throughout the economy, which will support the attainment of these targets.
- Political Support and Endorsement: Different polls and surveys reveal broad support for
  the EGD across political Europarties, including in the European People's Party (EPP)
  manifesto. Fighting climate change remains a critical concern for almost all parties, with
  shared commitments to end fossil fuel use, transition to 100% renewable energy, and
  adopt nature-based solutions. However, a closer examination of party manifestos clearly
  shows differences in specific and actionable measures pledged, which will need to be
  further addressed.

### 3. Ensuring effective implementation of the Green Deal Policies at a national level

The European Green Deal has heralded a remarkable surge in legislative action, demonstrating the European Union's commitment to addressing climate change and promoting sustainability. Despite the formidable challenges posed by geopolitical tensions and the COVID-19 pandemic, the progress has been notable. The recent Belgian presidency exemplified this momentum, and critical pieces of legislation concerning nature restoration, industrial emissions, circular economy, and eco-design have successfully been enacted. These legislative advances represent just the beginning, particularly in areas like the circular economy, where over 150 implementing acts and delegated acts are anticipated.

The success of the EGD hinges not merely on the enactment of primary legislation, but crucially on its effective delivery at the national level. This entails a multifaceted approach:

- Understanding National Contexts: A thorough comprehension of the unique economic, social, and environmental contexts of each Member State is vital. This understanding ensures that policies are tailored and adaptable, facilitating smoother and more effective delivery. It also aids in the rapid deployment necessary to achieve the EU's climate neutrality goal by 2050.
- **Adaptive and Dynamic Strategy**: The EGD must remain a dynamic framework, capable of adjusting to emerging challenges within the EU and globally. This adaptability is essential for the ongoing relevance and efficacy of its instruments. As the global landscape evolves, so too must the strategies and policies underpinning the EGD, ensuring they remain robust and forward-looking.

- **Consistency and Feasibility**: Continuous assessment of the consistency and feasibility of the EGD's various instruments is critical. This involves evaluating how different strategies, regulations, and plans interrelate and align with the efforts and regulatory frameworks of individual Member States. Learning and adapting in response to these assessments is necessary to maintain the overall direction and ambition of the EGD, ensuring it remains cohesive and actionable.
- External Economic and Socio-Economic Considerations: A holistic approach to policy delivery must consider external economic drivers and the socio-economic implications for third parties beyond the EU. This broader perspective ensures that the EGD's implementation is not only environmentally sustainable but also economically viable and socially equitable.

To achieve these goals, the way in which the European Commission collaborates with Member States must evolve. A spirit of partnership is essential, focusing on:

- **Administrative capacity building**: Helping Member States develop the administrative capacity necessary to deliver the ambitious environmental laws embedded in the EGD. This includes providing support and resources to ensure that national administrations are well-equipped to implement these policies effectively.
- **Harnessing the digital revolution**: Leveraging digital technologies to streamline the implementation process. Digital tools can facilitate better data collection, monitoring, and reporting, which will enhance transparency and efficiency in policy delivery.
- **Engaging with businesses**: Working closely with the business sector to help them understand and integrate the new legislative requirements. This partnership is crucial for ensuring that businesses are not only compliant, but also active participants in the transition towards a sustainable economy.

To achieve climate neutrality by 2050, the EGD must be more than a set of regulations—it must be a living, adaptive framework that guides the EU through a transformative period. By fostering a deep understanding of national contexts, maintaining a dynamic strategy, ensuring consistency and feasibility, and considering external impacts, the EGD can be effectively delivered at the national level. Moreover, by building administrative capacity, harnessing digital innovations, and engaging with businesses, the EU can create a robust foundation for sustainable development. In conclusion, the delivery of the EGD policies at the national level is a complex but essential task. It requires a collaborative approach, continuous learning, and adaptation to ensure that the ambitious goals of the EGD are met.

#### 4. Increasing finances to accelerate a just transition in all sectors

The imperative to implement robust policy measures is not merely an environmental necessity but also a fiscal one; proactive investments in green infrastructure and sustainable practices will ultimately be more cost-effective than mitigating the consequences of inaction.

While starting the discussion in 2025 on the **post-2027 Multiannual Financial Framework** cycle, some key approaches should inform the next steps on funding a transition which can also be just:

- **Mainstreaming funding for green transformation:** Including areas like biodiversity, but also for the Common Agricultural Policy
- **Sustainable finance principles**: Make sure the green and sustainable thinking that comes from principles such as 'do no significant harm' by taxonomy for sustainable finance are more fully embedded in the new financial regulation
- Anchor the green transition in the economic model: There is growing ownership from various actors in the global economic community such as the European Central Bank and World Economic Forum who are highlighting the proportion of bank loans to companies reliant on ecosystems services and the awareness of the need for environmental risks to be embedded and understood in boardrooms alongside other risks they consider. Five years into the European Green Deal, it is also clear that the 'leave no one behind' commitment included in the Deal has been inadequately addressed and requires significant bolstering in the next political period. European citizens have become increasingly concerned about the cost of living and the inaccessibility of low-carbon options (whether home renovations, green mobility, clean energy, or quality green jobs) for large segments of the population. Going forward, the social impacts, social costs, and benefits across different income groups and other categories of vulnerability should be examined and addressed across sectors and policy areas. Not just looking at the Social Climate Fund or the Just Transition Mechanism, other EU funding instruments (including the Common Agricultural Policy (CAP), European Regional Development Fund (ERDF), and others) should also be reviewed to assess the degree to which they are consistent with the principles of a just transition.
- Adaptation and resilience and increased focus on just transition across all sectors:

  Nature-based solutions (Nbs) for adaptation will typically be win-win solutions for mitigation too. For instance, restoring forests has adaptation benefits (tree cover cools down temperatures locally, holds back water in uplands, prevents immediate runoff into rivers, causes flooding of urban areas downstream, and can prevent soil erosion due to increased rainfall) and mitigation benefits (sequesters carbon). It also has various other cobenefits such as biodiversity protection, health, recreation, etc. Such options remain a much better way forward than "grey" solutions, which are temporary expensive fixes with no co-benefits. To put it bluntly: we can build more and more carbon intensive, concrete flood barriers downstream, around our towns, or we can restore forests and other ecosystems in the hills above them to stop the problem at the source and bring multiple other benefits. There is also strong evidence that NbS are cheaper to implement and maintain than "grey" solutions (dams, dikes, reservoirs, drainage systems, etc.) for the same level of risk reduction, mainly because of lower maintenance costs and co-benefits.

## 5. Improving communication about the EGD environmental policies and strengthening citizens' ownership

Effective communication about the European Green Deal environmental policies is crucial for fostering a sense of ownership among citizens and ensuring widespread support, especially focussing on:

• **National level – A transformative force**: At the national level, given the high ambitions of the EGD, it is essential to develop a compelling narrative that portrays the EGD as a transformative force. This narrative should highlight the competitive advantages of the EU

- as a unified market and a leader in the transition to sustainability. It must also emphasize the complementarity of the diverse Member States, showcasing how their unique strengths contribute to the collective success of the EU. By framing the EGD in this light, tendencies toward fragmentation and internal competition can be counteracted, promoting a more cohesive and collaborative effort across the continent.
- **Ownership**: Furthermore, it is imperative to engage all components of society to cultivate a genuine sense of ownership over the EGD's goals and initiatives. Every individual, at every level, has the potential to be an 'agent of change.' This inclusive approach involves reaching out to various societal segments, including businesses, local communities, educational institutions, and civil society organizations. By involving these stakeholders in the conversation and highlighting their role in the transition, we can ensure that the EGD is not seen as a top-down directive, but instead as a collective endeavour. This widespread engagement is essential for building trust, encouraging proactive participation, and ultimately achieving the ambitious environmental targets set by the EGD.

#### 6. Science-for-policy interface

The successful deployment and future evolution of the European Green Deal (EGD) hinge on integrating knowledge-based approaches to support policy design and decision-making. Ensuring better integration of relevant knowledge at the EU level is crucial. This requires creating spaces and support systems for the EU scientific community to better digest and integrate scientific results based on the questions and challenges posed by policymakers, the private sector, and society at large. Here are the key components needed for an effective science-for-policy interface:

- Integration of Knowledge: Better integration of relevant knowledge at the EU level is essential. New knowledge-based tools, compliant with the FAIR principles (Findable, Accessible, Interoperable, and Reusable), are needed to facilitate the integration of knowledge. Ensuring interoperability across scales (space and time) and disciplines is crucial for a well-informed EGD deployment and future evolution.
- **Support for the Scientific Community**: Enable spaces and support for the EU scientific community to better digest and integrate scientific results. Support should address the questions and challenges from the policy community, private sector, and society.
- **Emergence of New Researchers**: Encourage and support a new generation of researchers eager to contribute to societal debates and inform decision-making. Provide spaces for science-to-policy dialogue and the transfer of knowledge.
- **Facilitating Dialogue**: Establish more meeting places and spaces for dialogue within the scientific community. Foster interactions between researchers and decision-makers to ensure science directly informs policy.
- **Rooting the EGD in Science**: Ensure the resilience of the EGD by grounding it in scientific research. Recognize and address the various emergencies, including the climate crisis, weaponization of climate and environmental issues, and the spread of disinformation.
- **Responding to Emergencies**: The term emergency encompasses the climate crisis, the weaponization of climate and environment, and the proliferation of disinformation. A science-based approach is necessary to address these multifaceted emergencies effectively.

By fostering a robust science-for-policy interface, the EU can ensure that the EGD remains dynamic, resilient, and capable of addressing both current and future environmental challenges. This integrated approach will support the development of informed policies that are essential for achieving the ambitious goals of the European Green Deal.

#### **Conclusions**

While environmental safeguards are sometimes perceived as being at odds with economic growth, the truth is that it is not economically viable to harm the natural environment or deplete natural resources without a plan for replenishment. Any sensible *economic strategy* must incorporate measures to safeguard the Earth/environment, as all economic growth, long term economic and societal resilience rely on it.

The focus should also remain on a *narrative* that highlights the costs of inaction and the social and economic benefits of climate action. There is the need to build a narrative especially on the emerging opportunities. If successfully implemented, respecting differences as an asset while capitalizing on common strengths in promoting a just transition, will lead to a *new state of welfare*.

Moreover, any environmental-related regulation cannot be paused but rather should focus on an ambitious implementation while continuing to ramp up ambition and *fill the nature*, *people*, *and investment gaps* of the EGD. In order to do that, it is instrumental to *keep citizens on board*, showing them their capacity to act as part of the change and the authorities' support by setting up the enablers that allow them to be actors in the transition.

Lastly, "*Smart implementation*": The European Green Deal has brought in much-needed new and reformed legislation to help tackle the environmental and climate crisis, complementing already existing - often good - legislation. However, any law can only deliver its full potential if properly implemented. Effective implementation of existing legislation is the key to generating impact on the ground, in particular for the measures adopted under the Green Deal legislative framework.

#### **About Think2030**

Launched by IEEP and its partners in 2018, Think2030 is an evidence-based, non-partisan platform of leading policy experts from European think tanks, civil society, the private sector and local authorities.

By focusing on producing relevant, timely and concrete policy recommendations, Think2030's key objective is to identify science-policy solutions for a more sustainable Europe.

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