

The European Green Deal: a compass in the storm? Assessment and prospects for the European Union's environmental action

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The European elections open up a crucial period for redefining the priorities of the European institutions over the next five years, and for ensuring the credibility of the EU's commitment to the ecological transition set out in the previous mandate by the European Green Deal, which led to an unprecedented update of the European legislative framework for the ecological transition.¹

The policies of the Green Deal have established solid foundations to guide sectoral transitions, based on a capacity to respond to the security and economic challenges facing the European Union.² However, these policies must be supplemented to accelerate implementation, which continues to fall short of the desired objectives.³

This *Study* takes stock of the legislative and regulatory texts of the last five years and identifies priorities for further EU environmental action in the next mandate.

¹ 137 proposed texts, including 80 amended or new directives or regulations.

² Kauffmann, C., Treyer, S. (2024). Reinventing the deal – What new narrative to put sustainable development at the centre of the next EC mandate? IDDRI, *Issue Brief* n°03/24.

³ See in particular EEA (2023). Monitoring report on progress towards the 8th EAP objectives, 2023 edition, EEA Report 11/2023 or ECNO (2023). State of EU progress to climate neutrality, June 2023.

KEY MESSAGES

The lack of progress in relation to the initial promises on the agricultural and food transition calls for this issue to be revisited in the next mandate. This sector cannot remain on the sidelines of environmental action because it is crucial to climate and biodiversity issues, while there is also a need to transform the sector to ensure its own resilience and viability.

The acceleration of climate action will be based on the ability to provide improved responses to the distributional challenges raised by the ecological transition, by placing the accessibility of green solutions for EU citizens at the centre.

In a context where Europe's energy and material resources are very limited, it is in the European Union's interest to build an industrial strategy that sets high standards in environmental and social obligations.

A debate must begin quickly on how to finance the ecological transition at the European level, given that the required investment raises the issue of solidarity between Member States and also because the European recovery plan expires in 2026.

The deepening of European diplomacy linked to the challenges of ecological transformation should be a priority during the new mandate so as to accelerate the transition in Europe and across the world, and to contribute to resolving the tensions linked to the transition agenda.

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1. AN INNOVATIVE AND RESILIENT TRANSFORMATION PROJECT IN A TURBULENT WORLD

In December 2019 the European Green Deal was launched in a political context that was favourable to environmental policies, marked by an increased awareness of the European public to environmental and climate issues⁴ and by a new political situation in the European Parliament: green party representation had grown (72 seats out of 705) and coalitions had to be forged to support the Commission when it was appointed and then on each of the texts, with the two parties of the centre-right (EPP) and the centre-left (S&D) no longer having sole control. Furthermore, the European Union (EU) was emerging from almost a decade of crisis management that had seen major disagreements among Member States (sovereign debt crisis, first natural gas crisis linked to the start of the Ukrainian war, migration crisis, the United Kingdom's exit from the EU); it was thus looking for a more unifying project.

From the outset, the Green Deal was presented as a project for economic transformation and competitiveness.⁵ Making Europe the first carbon-neutral continent by 2050 would allow creating new jobs in green sectors, stimulating innovation and strengthening Europe's position in the global market for green technologies, while at the same time enabling compromises to be formed within the EU. This focus on finding the right balance within the EU was first reinforced by the perception that its normative capacity ("the Brussels effect") could be a decisive and adequate asset to position the European economy in the

race for green technologies, and by the fact that the EU has historically positioned itself as a climate action leader. In addition, the withdrawal of the United States from the Paris Climate Agreement put the EU in a position where it was able to enhance its differentiation in terms of environmental action. The priority given to internal balance was debated from the outset, and from the earliest stages there were calls to better integrate the Green Deal into the EU's external policy, given the far-reaching ramifications of the European economy and its development⁶ (see the impact of certain legislation beyond Europe's borders: the Deforestation Regulation and the Carbon Border Adjustment Mechanism in particular).

The Green Deal has led to organizational changes within the European Commission, particularly the creation of a dedicated executive vice-presidency⁷ whose aim is to lead and coordinate internal and cross-cutting work on the ecological transition, with the support of the Directorate-General for Climate Action (DG Clima). This organization has enabled an unprecedented amount of legislation to be produced in the environmental and climate field: close to 150 texts have been proposed, including 80 new or reformed EU legislations announced and 54 already adopted before the 2024 elections. On several occasions this large number of texts had to be dealt with in "packages": the "Fit for 55" package (reducing net greenhouse gas emissions by at least 55% by 2030) is the most illustrative example. This strategy of presenting packages of legislations had two aims: to ensure consistency between legislative proposals dealing with the same sectoral transformations; and to build political coalitions capable of supporting the proposed changes in situations where some Member States had different priorities.

⁴ Eurobarometer (2023). The proportion of European citizens who consider climate change to be a very serious problem has risen steadily, peaking in September 2019 (79%) and remaining at high levels since then.

⁵ European Commission (2019). The Green Deal for Europe, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions.

⁶ DIE (2021). The External Dimensions of the European Green Deal: The Case for an Integrated Approach - https://www.idos-research.de/uploads/media/BP_13.2021.pdf

⁷ Von der Leyen, U. (2019). Mission letter to Frans Timmermans, Executive Vice-President for the European Green Deal, Brussels, 1 December 2019.

The Green Deal has also continued to serve as a roadmap on the European political agenda, despite a succession of crises. While the inertia associated with a political project launched only a few months prior to the Covid-19 pandemic may have played a role in this stability, the adaptability of the Green Deal has from multiple perspectives provided an example of the possible and desirable alignment of environmental objectives, and the potential response of the EU to the health, security, energy and economic challenges it faces.

The health crisis, for example, led to the launch of the "Next-GenerationEU" economic recovery plan which, as part of the Green Deal, gave Member States a target for the use of Recovery and Resilience Facility funds dedicated to the ecological transition (37%), and established the principle of not using funds for investments that would conflict with the ecological transition. While this approach has been met with some opposing voices,⁸ a broad coalition of actors has supported the ecological transition as a central axis of economic recovery.⁹ These choices are having a real impact: according to the European Commission, by the first half of 2023, these actions had already enabled primary energy consumption to be reduced by 28 TWh or 0.2% per year, and the installation of 54 GW of additional renewable energy production capacity.¹⁰

In response to the Russian invasion of Ukraine, the REPowerEU plan was drafted,¹¹ which clearly adapted the European energy pathway starting from the European Green Deal proposals already being negotiated. This plan, which aims to bring a halt to Russian hydrocarbon imports by 2027, confirmed the 2030 climate target of a 55% reduction recently ratified by the Climate Law; it also proposes to raise the energy efficiency and renewable energy targets proposed in 2021 as part of Fit for 55, and to dedicate unused funds from the recovery plan to the European energy transition. Analyses by the European Commission estimate that the EU's climate objective will reduce the EU's energy dependence from 55.5% in 2021¹² to 50% in 2030 and between 26% and 34% by 2040,¹³ thereby reducing the vulnerability of the European economy to energy market shocks, such as those that occurred following the start of the Ukraine war. Here again, it is the alignment of the fight against climate change with energy security by reducing dependence on fossil fuel imports that played a major role in confirming the European

strategy. However, it was also during this crisis and its consequences for global food security that the first challenges to the European "Farm to Fork" agricultural transformation strategy were raised at the highest political level.¹⁴

Finally, the effects of the energy crisis combined with the emergence of transition policies, more ambitious than ever before, in the United States (e.g. the passing of the Inflation Reduction Act¹⁵) led to the presentation in March 2023 of the Green Deal Industrial Plan, which aims to strengthen the competitiveness of European industry.¹⁶ New legislations¹⁷ were rapidly adopted alongside transition objectives, marking the starting point of a debate on the definition of industrial policies in Europe that combine environmental, safety and economic objectives. Among the challenges envisaged, securing supplies and controlling industrial processes are a particular focus, and new emphasis is placed on a low-carbon economy compared with one that is fossil fuel-based, with a shift from an economy that functions on energy flows to one based on material stocks. This is why the EU's import dependency rate for certain critical materials, both raw and refined, is of concern due to its high level, comparable in the case of cobalt and lithium¹⁸ to its dependence on oil and natural gas. However, these dependencies are of a different nature, since, unlike fossil fuels, these materials constitute a stock that can be reused if recycling streams are put in place. On the other hand, it is also necessary to take into account the current high level of concentration of refining capacities, which are mainly located in China today for a series of critical materials. Without questioning the objective of transition, and considering that these sectors remain in an expansion phase and can still make space for a European industry, this example highlights the scale of the challenge of positioning European industry within new value chains and the need to mobilize all available levers, including those of energy and material efficiency and sufficiency, given Europe's limited supply situation.

⁸ See in particular <https://www.euractiv.com/section/energy-environment/news/czech-pm-urges-eu-to-ditch-green-deal-amid-virus/> and <https://www.reuters.com/article/us-health-coronavirus-poland-ets/eu-should-scrap-emissions-trading-scheme-polish-official-says-idUSKBN2141RC/>

⁹ <https://www.wbcsd.org/Overview/News-Insights/General/News/Green-Recovery-Alliance-reboot-and-reboost-our-economies-for-a-sustainable-future>

¹⁰ See European Commission (2024). Recovery and resilience scoreboard: https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/green.html?lang=fr

¹¹ European Commission (2022). REPowerEU Plan.

¹² <https://ec.europa.eu/eurostat/fr/web/interactive-publications/energy-2023>

¹³ European Commission (2024). Impact assessment accompanying the Communication "Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society".

¹⁴ <https://www.iddri.org/en/publications-and-events/blog-post/war-ukraine-and-food-security-what-are-implications-europe>

¹⁵ <https://www.congress.gov/bill/117th-congress/house-bill/5376>

¹⁶ European Commission (2023). The Green Deal Industrial Plan – https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en

¹⁷ The Green Deal industrial plan includes the Net Zero Industry Act, the Critical Raw Materials Act, and a reform of the electricity market directive and regulation to favour long-term contracts.

¹⁸ Banque de France (2023). Critical raw materials: the dependence and vulnerabilities of the EU.

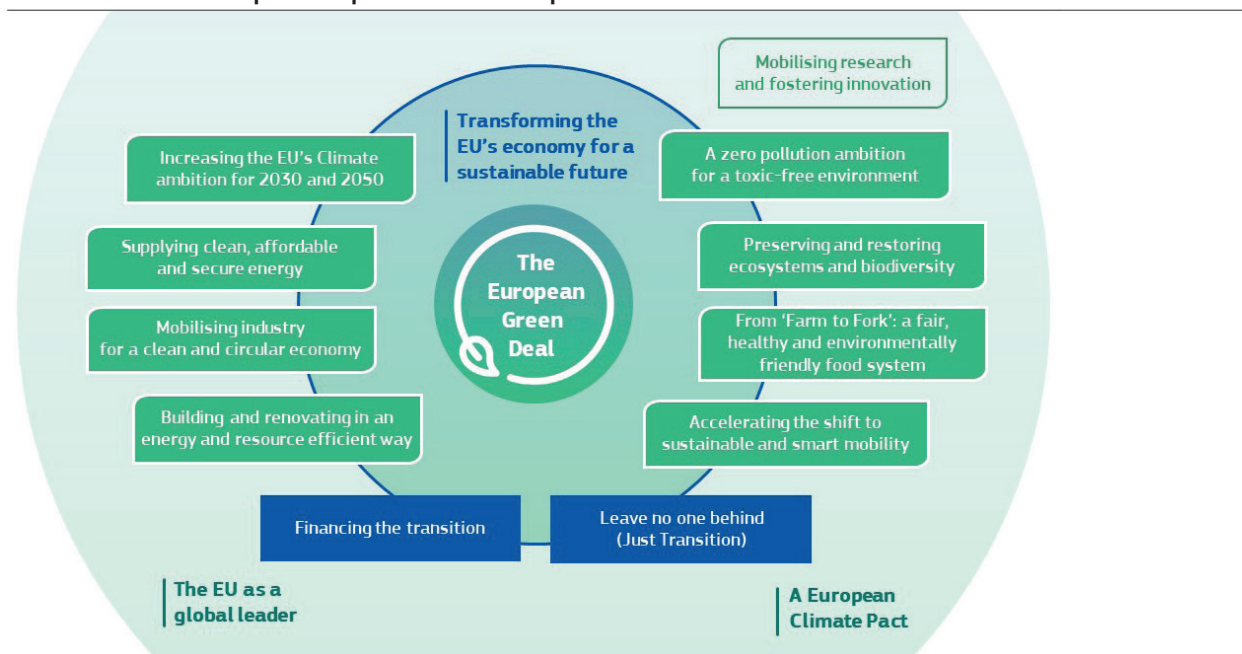
2. A SIGNIFICANTLY STRENGTHENED LEGISLATIVE BASE, BUT UNEVEN EMPHASIS ON THE PRIORITIES FOR ACTION

The European Green Deal was initially organized around eight major thematic and three cross-cutting action priorities, summarized in Figure 1. First, it is worth taking stock of what has been achieved: almost 150 texts have been announced among them 80 legislative proposals (regulations or directives), 54 of which were completed in five years (see Table 1). More than four years after its launch, the Green Deal's progress in relation to the initial intentions can be seen in the high level of environmental legislation produced by the EU, with a significant number of legislative proposals completed before the end of the legislature in four areas: climate-energy,¹⁹ sustainable finance, sustainable mobility, and even the industrial plan for the Green Deal, whose proposals were only unveiled in March 2023. Major achievements include the adoption of the European Climate Law, which sets binding targets for reducing greenhouse gas emissions; most of the Fit for 55 texts, which includes the reform of the Emissions Trading Scheme; the creation of the Carbon Border Adjustment Mechanism; the revision of the directives on renewable energies and energy efficiency; and the emissions standard

for new vehicles, which sets 2035 as the date for ending the sale of new internal combustion engine vehicles.

However, not all of the priorities have met with the same level of success: a number of texts encountered considerable difficulty getting through the political discussion stage and others were not even presented by the Commission despite being announced in the strategies. For example, half of the texts from the "Farm to Fork" strategy, which aims to make the European food system more sustainable, are yet to be proposed by the European Commission, while the reform proposal to move from a directive to a regulation on sustainable pesticide use to harmonize regulations at the European level and achieve the objective of reducing their use will be withdrawn by the Commission following its rejection by the European Parliament. Legislative progress is also more limited on the issue of pollution reduction ("zero pollution" objective): the revision of the REACH regulation on the use and evaluation of chemicals²⁰ has been postponed several times, and three other initiatives have yet to be presented.

FIGURE 1. Green Deal political priorities for Europe



Source: European Commission (2019). The European Green Deal

¹⁹ With the exception of the proposed reform of the Energy Taxation Directive.

²⁰ <https://echa.europa.eu/regulations/reach/understanding-reach>

TABLE 1. Progress on the European directives and regulations proposed as part of the European Green Deal

	Awaiting proposal/ rejected proposal	Negotiations in Parliament and Council	Trilogues	Finalized*	Total
Climate-energy- building		1		16	17
Sustainable finance				11	11
Green Deal Industrial Plan				6	6
Sustainable mobility				7	7
Farm to fork	7	3		2	12
Biodiversity	1		1	3	5
Circular economy		4	1	4	9
Zero pollution	4	2	2	5	13
TOTAL	12	10	4	54	80

Source: IDDRI based on Renew (2023). 75 laws to make Europe a green and renewable energy powerhouse <https://www.europarl.europa.eu/legislative-train/>, updated on 25 May 2024.

* Finalized texts are those in force or that have been approved in their final version by the co-legislators (European Parliament and Council of the EU) and awaiting publication in the Official Journal.

The analysis is therefore contrasted between areas where legislative progress is significant and where the priority should be to ensure implementation, starting with transposition into national law (15 of the 54 texts are directives), and other areas where the issue of reincluding legislative proposals in the next European legislative cycle arises. The timetable chosen by the Commission, which has prioritized texts directly linked to the climate and energy framework in the legislative agenda, may have played a role. Indeed, the subjects addressed later in the legislature may have suffered from the hardening of political positions on matters relating to the ecological transition, which crystallized during the parliamentary debate on nature restoration regulation.²¹ However, this uneven progress of the different priorities was apparent as early as 2021 in the expert responses following the Green Deal process,²² suggesting deeper causes reflecting less consensus than in the energy or

mobility fields. The reasons for this must therefore be analysed in depth, bearing in mind that although the terms of the political debate have changed, climate change and environmental action continues to be seen by European citizens as a priority for action by public authorities and the EU, despite doubts expressed about how the transition is to proceed.²³

Ascertaining how to deal with the implementation of the Green Deal and resuming the discussions that have stalled are therefore two key aspects of the European agenda for the next five years.

3. AN OBSTRUCTED AGRICULTURAL AND FOOD TRANSITION²⁴

The agriculture and food transition is a pillar of the Green Deal with the "Farm to Fork" strategy presented in May 2020. However, almost four years after its publication, its legislative translation has increasingly stalled, leading to a situation where only two of the nine legislative texts announced have been finalized, while some central texts have been postponed for so long that they have not been presented or have been rejected and then withdrawn by the European Commission. This is undoubtedly the most controversial aspect of the Green Deal, which continues to fuel a lively debate among stakeholders in the agricultural world.²⁵

The war in Ukraine marked an initial turning point, with the issue of food security taking precedence over that of the agro-ecological transition²⁶ a development that conflicts with the greater alignment of security and transition objectives in the European energy debate. The issue has even become a focal point of the agricultural protests in early 2024, being linked with the impact of environmental standards,²⁷ despite the absence of any legislative translation.²⁸

The agricultural and food transition is essential if the EU is to achieve its environmental, economic and strategic autonomy objectives. Understanding the reasons for the failure of the European strategy to acquire sufficient political support to enable its legislation to live up to its initial potential must be the first step towards restoring a firm basis for discussions on a common strategy for the European agricultural system.

²¹ <https://www.iddri.org/en/publications-and-events/blog-post/why-nature-restoration-policy-essential-europe>

²² Charveriat, C. and Holme, C. (2021). European Green Deal Barometer 2021. Institute for European Environmental Policy and GlobeScan, Brussels and Paris.

²³ More in Common (2024). Europe Votes, The road to the European elections, public opinion in France, Germany, Poland and Spain, March 2024.

²⁴ This part is largely based on: Aubert, P.-M. (2024). "De la ferme à la table": les raisons d'un échec et comment rebondir. *L'Économie politique* n°101, Alternatives économiques & Institut Veblen.

²⁵ Aubert, P.-M. (2024). "De la ferme à la table": les raisons d'un échec et comment rebondir. *L'Économie politique* n°101, Alternatives économiques & Institut Veblen.

²⁶ <https://www.iddri.org/en/publications-and-events/blog-post/war-ukraine-and-food-security-what-are-implications-europe>

²⁷ <https://www.iddri.org/en/publications-and-events/blog-post/farmers-unrest-how-can-dialogue-be-restored>

²⁸ *Ibid.*

The European strategy took a major step forward by proposing to adopt a systemic approach from agricultural production to food consumption, which made it possible to tackle three major issues: reducing animal product consumption, reducing the use of synthetic inputs, and reducing losses and waste.²⁹

However, the conditions of economic viability for actors throughout the value chain were not sufficiently explained, even though European agricultural policy has historically focused on supporting farmers' incomes and ensuring the competitiveness of the agri-food industry. The paradigm shift described thus met with strong resistance.

Maintaining this systemic approach is essential to respond to the many structuring challenges and incorporate them into public policy decisions. These challenges are numerous: healthy food, the economic and social balance of the sector in terms of farm income and the renewal of generations of farmers, environmental issues such as reducing greenhouse gas emissions, adapting to climate change, soil erosion, loss of biodiversity, etc. This approach also enables a debate to be launched that involves all actors in the agri-food value chain, while preventing the sector's transition efforts, encouraged or imposed by agricultural policies, from being shouldered solely by farmers. Indeed, basing the agroecological transition essentially on farms, without simultaneously supporting the necessary changes in agri-food industries (both upstream and downstream) and in dietary habits, puts farmers in an economic impasse, which has been one of the many factors that has led to recent farm protests.^{30,31}

In future discussions on the sector, it will be important to overcome the identified pitfalls, which led to the rejection of the "Farm to Fork" strategy by a large part of the farming community,³² this is the framework for the strategic dialogue launched by the European Commission in the wake of the agricultural crisis.³³ Areas for improvement in terms of method include the following actions:

- rethink the steering of the agricultural transition strategy to ensure a good level of expertise and engagement with the stakeholders in the agricultural debate;
- target consultations on identifying no-regrets options that can be widely shared by stakeholders, giving consideration to the pre-existing polarization of the debate on the need to preserve biodiversity in agricultural landscapes;

- improve the way the food system is represented in the tools and models used to assess the transition: the continuation of a "business as usual" scenario leads to a downward assessment in the public debate of the value produced in the food system, farm incomes and the competitiveness of European producers on world markets, all of which are unfavourable developments that are becoming major points of contention;
- defend the European transition model in terms of trade, while working to build an international consensus on the objectives to be achieved in the agricultural and food sector, especially as very different models are being proposed through other initiatives;³⁴ this is a necessary condition for European agricultural producers to project themselves into the dynamics of change, without being exposed to risks of unfair competition.

Despite this admission of failure, neither the ambition nor the direction can be abandoned. Efforts must be put back on track, in a transformed political context, by involving agricultural stakeholders. In this respect, the experience of the *Zukunftskommission Landwirtschaft* ("Commission on the Future of Agriculture"), launched in Germany under the last Merkel government, serves as a noteworthy precedent, on the basis that political outlets are found for the compromises between stakeholders.³⁵ In the European context, three aspects seem key to charting a future course for the sector:

- to build a shared understanding of the challenges associated with the transition, giving serious consideration to the physical realities entailed (volumes, surface areas, yields, GHG emissions, climate shocks, soil health, water availability) and the social and economic conditions for its deployment. These socio-economic analyses must form the basis of the reorganization of agricultural and food markets;
- at the European level, to assume that the agroecological transition implies a reduction in the consumption of animal products and consequently that it is legitimate for public authorities to take action to support such changes in consumption. This assumes that the EU will support Member States in drawing up food strategies to make progress on these politically polarized issues;
- to include in discussions the fact that the agricultural and food sector can no longer remain on the sidelines in terms of climate change action, given the objective of climate neutrality by 2050. As discussions begin on the post-2030

²⁹ Poux X. *et al.* (2018). An agroecological Europe in 2050: multifunctional agriculture for healthy eating. Findings from the Ten Years For Agroecology (TYFA) modelling exercise. IDDRI; Springmann, M. *et al.* (2018). Options for keeping the food system within environmental limits. *Nature*, vol. 562, n° 7728, p. 519-525.

³⁰ <https://www.iddri.org/fr/publications-et-evenements/billet-de-blog/colere-des-agriculteurs-comment-renouer-le-fil-du>

³¹ Brocard, C. *et al.* (2023). Environment, inequalities, health: what strategy for French food policies? IDDRI, *Study* n°01/23.

³² Aubert, P.-M. (2024). "De la ferme à la table": les raisons d'un échec et comment rebondir. *L'Économie politique* n°101, *Alternatives économiques* & Institut Veblen.

³³ https://ec.europa.eu/commission/presscorner/detail/EN/ip_24_417

³⁴ See Coalition on Sustainable Productivity Growth for Food Security and Resource Conservation launched by the United States: <https://www.usda.gov/oce/sustainability/spg-coalition#:~:text=The%20Coalition%20on%20Sustainable%20Productivity,considers%20impacts%20and%20tradeoffs%20among>

³⁵ In the case of the Commission on the Future of Agriculture in Germany, the arrival in power of the coalition of Social Democrats, Greens and Liberals did not allow the report's recommendations to be translated into political terms, thus helping to weaken the trade union actors, who had committed their political capital to this discussion.

framework, and as the idea of extending carbon pricing to the sector gains ground,³⁶ it will be necessary to closely link this debate to considerations on how the European agricultural system should evolve.

4. ACCELERATING THE CLIMATE TRANSITION THROUGH AMBITIOUS IMPLEMENTATION

Despite the significant work of EU institutions on this issue over the last five years, there are many arguments in favour of climate policy remaining a central priority for the next five years. Firstly, climate change and its impacts are intensifying³⁷ and the trend in greenhouse gas emissions and the sum of Member States' commitments remain a long way from what is needed to achieve the Paris Agreement objective of limiting global warming to 1.5°C.³⁸ Secondly, the EU has made strong commitments under the Green Deal, but they remain insufficient in view of the historical responsibility for climate change of European countries, and will need to be supplemented by measures to support decarbonization outside the EU.³⁹ Achieving its legal climate objectives is therefore a major challenge for the external credibility of the EU, which is committed to the multilateral framework through the national contributions process⁴⁰ established by the Paris Agreement.

Perhaps even more importantly, this issue of credibility also applies to European economic actors, who are now incorporating the updated climate regulations, such as the Fit for 55 legislative package.⁴¹ While a debate has commenced on the idea of a regulatory pause in the next mandate, the focus should not be on reducing EU climate ambition but on the means to achieving the targeted objectives within a stabilized regulatory framework for economic actors—this stability having significant economic value especially in areas where international competition is important.⁴²

The debate must therefore focus on the conditions and means of implementation and the role of the EU and its institutions within this framework, especially as the transformations launched in the various economic sectors in the fight against climate change can be strongly aligned with the challenges facing the EU in the years ahead to strengthen its strategic autonomy, its energy security and its economic competitiveness.

What is the current state of play? The data for recent years show both a faster decline in greenhouse gas emissions as well as a gap with the required rate of decarbonization, which needs to see an increase of a factor of 2.5 over the period 2023-2030 compared with the decade 2012-2022.⁴³

Given this situation, the challenge for the coming years is to work towards an ambitious implementation of the climate transition. The major challenge lies in securing the decisions that are in the hands of economic actors, businesses and citizens, and providing public policy solutions that will make this possible, based on a shared assessment of cross-sectoral and sectoral challenges and bottlenecks, some of which are addressed in the European Commission's 2040 target proposal.⁴⁴ Part of the challenge lies in mobilizing new levers linked to a just transition, and enabling European-scale financing or the ability to mobilize green European diplomacy (see sections below); other challenges are more directly linked to the current European climate-energy governance framework.

The first priority is to revise the governance framework including the Climate law and the Regulation on the Governance of the Energy Union to include a 2040 climate target that will help secure the European transition pathway for economic sectors. This process has already been launched, in the wake of the recommendation published by the Commission.⁴⁵ The European governance framework also sets out the requirements for Member States to provide information on their plans to achieve climate-energy objectives. An update of long-term strategies at both national and European levels could be initiated to inform the direction for Europe in the post-2030 period. In addition, certain aspects would benefit from greater in-depth analysis to address new issues for European coordination, including energy infrastructure, impacts on the need for critical materials, and financing.

Secondly, a review of aspects of European legislation adopted as part of the Green Deal, some of which is scheduled for 2026, will be necessary before 2029. Against this backdrop, the future of the European carbon pricing framework is a key issue, in an international context where the EU remains the world region with the most significant reliance on CO₂ pricing. With regard to the development of the Carbon Border Adjustment

³⁶ Bognar, J. *et al.* (2023). Pricing agricultural emissions and rewarding climate action in the agri-food value chain. Rotterdam: Trinomics.

³⁷ <https://www.copernicus.eu/en/media/image-day-gallery/march-2024-was-warmest-march-record-globally>

³⁸ UNEP (2023). Broken Record, temperatures hit new highs, yet world fails to cut emissions (again), Emissions Gap Report.

³⁹ This is one of the main conclusions of the opinion of the European Scientific Advisory Committee on Climate Change on the EU's 2040 climate target. See European Scientific Advisory Board on Climate Change (2023). Scientific advice for the determination of an EU-wide 2040 climate target and a greenhouse gas budget for 2030–2050.

⁴⁰ Spain and the European Commission (2023). "The update of the nationally determined contribution of the European Union and its Member States".

⁴¹ For an overview of the Fit for 55 package, see: <https://institutdelors.eu/en/publications/towards-climate-neutrality-what-transformations-by-2030-under-the-fitfor55/>

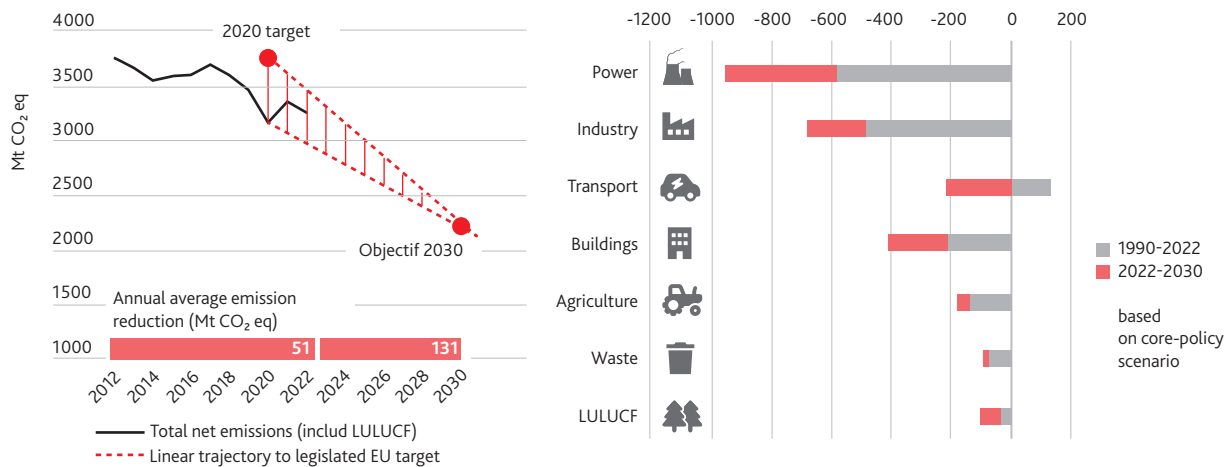
⁴² Hermine, J.-P. (2024). "Fin du véhicule thermique : pourquoi et comment y parvenir ?", note Terra Nova.

⁴³ European Commission (2023). "Shifting the gears: Increasing the pace of progress towards a green and prosperous future", Climate Action Progress Report 2023.

⁴⁴ See: <https://www.iddri.org/en/publications-and-events/blog-post/eus-2040-climate-target-framework-keep-track>

⁴⁵ European Commission (2024). "Securing our future Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society".

FIGURE 2. EU GHG emissions, targets, past trends and necessary reductions



Source : European Commission, Climate Action Progress Report 2023

Note: LULUCF means Land use, land-use change, and forestry

Mechanism to ensure environmental and economic efficiency, and its link with the European industrial strategy and that of the EU's economic partners, a central issue is its possible extension to include products further down the value chain and new industrial products that must be added to the question of dealing with exports. Anticipating the extension of carbon pricing to natural or industrial carbon removals and the agricultural sector is also of particular importance, with the challenge of linking climate and biodiversity objectives in both cases.

Finally, regarding climate policy design, changes in approach could help strengthen the political consensus around the ecological transition: particularly by producing more systematic impact studies on the socio-economic, climate and environmental challenges of proposed changes to the European regulatory framework, including those where the primary political objective is not a climate crisis response; but also by developing more frequent and in-depth dialogues with stakeholders (businesses, trade unions, citizens) concerned about the necessary sectoral transformations, to build a political consensus around the orientations of the European transition and to anticipate implementation challenges. These exchanges could be built on the series of sectoral dialogues on clean energy and the future of agriculture launched by the Commission, provided that they are sufficiently open and inclusive and are followed by concrete policy-making initiatives.

5. RENEWING THE EUROPEAN SOCIAL CONTRACT FOR A FAIRER TRANSITION

The issue of social justice in regard to transition policies is at the centre of the European political debate. Opposition is fierce, as demonstrated by the Yellow Vests crisis⁴⁶ in France or the recent farmer protests in the Netherlands, and is rooted as much in perceived inequalities and injustices as in the presumed impacts and effectiveness of these decisions.⁴⁷ It is particularly important that these bottlenecks and tensions are addressed because the increasing pace of the climate transition and the economic transformations required to achieve it have the potential to exacerbate them. The loss of political support for the transition that can result from a poorly conceived policy is one of the main risks that can lead to the failure or slowing down of transition policies, all the more so as political parties opposed to the environmental transition use it as an electoral argument. At a time when the European social contract seems to be malfunctioning, particularly in terms of access to public services and social mobility, ecological transformation and the changes it implies can, under certain conditions, help to lay the foundations for new arrangements between States and societies.⁴⁸

The social and economic impacts of the ecological transition at the level of sectors, regions and individuals therefore need to

⁴⁶ Martin, M., Islar, M. (2021). The 'end of the world' vs. the 'end of the month': understanding social resistance to sustainability transition agendas, a lesson from the Yellow Vests in France. *Sustain Sci* 16, 601–614 (2021). <https://doi.org/10.1007/s11625-020-00877-9>

⁴⁷ Saujot, M. et al. (2023). Towards a 21st Century Social Contract. IDDRI, blog post.

⁴⁸ Voir Saujot, M. (2022). What social contract for a finite world?, *Issue Brief* n° 03/22, IDDRI ; Tubiana, L. (2021). Le Green Deal est un nouveau contrat social. Le Grand Continent.

be better anticipated. While other changes are also having an impact on how European societies are transforming (development of digital technology and artificial intelligence, the ageing population), there are however two priorities that arise. The first of these is that the transformation of production structures and territories in Europe and their consequences, particularly on the development of new jobs, must be evaluated and organized, as must that of the infrastructure necessary for the transition, and support must be provided to territories and employment areas required to undergo major restructuring including site closures, while the emergence of innovation and new activities must be encouraged. And secondly, we must ensure that low-carbon solutions in housing, mobility and food are accessible to all citizens, starting with the most vulnerable, and political levers are activated (taxation, production standards, market creation policies) that enable sustainable alternatives to be proposed.

The implications of the transition for changes in employment, inequality and job insecurity in European societies must therefore be assessed more closely. In the context of Green Deal implementation, this more detailed analysis remained limited, even for the coal-mining regions benefiting from the Just Transition Fund.⁴⁹ This ability to assess the costs, benefits and need for societal support associated with sectoral transitions could take the form of a proposal to establish a fair transition observatory⁵⁰ to inform political deliberation and guide the action of public authorities, starting with European funding tools geared to these issues such as the Just Transition Fund, the Social Fund for Climate and, more generally, the cohesion funds. The development of jobs in declining sectors and in new industries must be at the heart of this analysis. For households, analyses of fuel poverty exist within the framework, but must be extended to include the question of assessing the accessibility for consumers of low-carbon products and solutions such as clean mobility, energy renovation or the electrification of heating; the needs of consumers and the adaptation of public policies will thus be identified, to bring out the range of services or products capable of meeting the priorities of the environmental transition.

In addition, discussions on the financing of the ecological transition in Europe must fully integrate this question of the just transition. To this end, consideration should be given to extending the Just Transition Fund to cover sectoral transition issues beyond the reconversion of coal-mining regions. Other economic sectors are likely to face major transition challenges, such as the automotive industry, whose network of subcontractors is preparing for major change⁵¹ the petrochemical industry and agriculture and agro-industry. On the basis of the identified needs, the amounts allocated to the fund—€17.5 billion over seven years—could then be increased in the next European budget cycle. And the implementation of the Social

Fund for the Climate, scheduled to start in 2026, should become a key tool for making the transition accessible to households. Despite its modest size in relation to the issues at stake,⁵² the process of drawing up social plans to accompany climate action should enable the identification of priority and effective action to bring the most vulnerable citizens on board, and to mobilize the revenue from the sale of CO₂ emission allowances under the new trading system for this purpose.

Finally, it would be useful to better link the issue of the accessibility of low-carbon solutions to policies aimed at guiding industrial supply. Some recent national-level initiatives are moving in this direction by seeking to combine technical, financial and social dimensions to offer clean mobility services, such as social leasing for electric vehicles in France, or energy renovation, such as the *Energiesprong* programme in the Netherlands. These schemes, which have significant structural impacts through the development of supply on the secondary market (resale of renovated vehicles or housing), could benefit from a European-level contribution to encourage the expansion of such practices and to discuss access to new sources of common funding, particularly for European countries with less developed social systems, and aligning the access criteria to the products and materials necessary for the creation of these services which, like access to the public market, could send a strong signal to manufacturers and massively increase demand for this type of good.

6. BUILD A EUROPEAN INDUSTRIAL STRATEGY BASED ON SUSTAINABILITY OBJECTIVES

From the very outset the Green Deal has triggered a change of perspective for European industry. The adoption of the climate neutrality objective has transformed many industrial sectors from activities considered difficult to decarbonize—the so-called 'hard-to-abate' sectors—to sectors where investments should be compatible with climate neutrality over the next decade, due to the inertia of industrial installations. The series of regulatory changes, starting with the significant strengthening of the EU Emissions Trading Scheme and the introduction of the Carbon Border Adjustment Mechanism, has enabled essential work to begin on designing decarbonization strategies, while many new projects in the industries needed for the transition are under development, as shown by the monitoring of projects in green steel production.⁵³ At the same time, the energy crisis resulting from the Ukraine war and increased competition following the launch of the Inflation Reduction Act in the United States have put European industry under severe economic pressure. As a result, Russian gas supplies which once accounted for over 40%

⁴⁹ European court of auditors (2022). "EU support to coal regions - Limited focus on socio-economic and energy transition", Special report.

⁵⁰ <https://news.industrial-europe.eu/Article/866>

⁵¹ <https://pfa-auto.fr/wp-content/uploads/2023/09/Etude-PFA-DGE-RB-Segments-en-croissance-Rapport-Sep-2023-Vdiff.pdf>

⁵² The planned funding amounts to an average of €20/inhabitant per year in Europe and €70-80/inhabitant per year in the countries of Eastern Europe.

⁵³ <https://www.industrytransition.org/green-steel-tracker/>

of the bloc's supply, fell to 15% by 2023 despite a slight increase in imports of liquefied natural gas imported from Russia by ship, and energy costs in Europe and existing industries, particularly heavy industries, are now at a significant cost disadvantage compared with the rest of the world, which is likely to continue over time.

This radically changed context, with an emphasis on economic competitiveness, security and strategic autonomy, has set the EU on the path towards a more assertive industrial policy, the first component of which was the launch of an industrial plan for the Green Deal, including the Net-Zero Industry Act and the Critical Raw Materials Act,⁵⁴ with the aim of placing the EU in the race for green technologies. This first package of measures lays certain foundations, notably by setting targets for the domestic coverage of some critical and technological mineral supplies, accelerating zones for the establishment of decarbonized industries, and laying the foundations for greater application of public procurement in Europe as a means of promoting green products. Nevertheless, this plan appears to be a first step that will need to be completed in the next mandate, in a context where regulatory stability represents a real added value in terms of providing certainty for the decisions of economic actors, and the definition of new industrial policies represents a major opportunity to advance the EU's environmental priorities, provided that the challenges of the ecological and social transition are given their rightful place.⁵⁵ The Antwerp Declaration⁵⁶ signed by a large number of European trade unions and companies is interesting in this respect, in that it lays the foundations for the development of a European industrial deal. However, certain ambiguities must be resolved, particularly regarding the environmental priorities of public action in the industrial sector, which are limited to the climate without addressing the important issues of biodiversity and air and water pollution. Similarly, the issue of regulatory simplification should not tackle environmental priorities, but focus on simplifying reporting procedures and the provision of support for innovation, which is one of the most popular aspects of the American Inflation Reduction Act.⁵⁷

In a context where Europe's energy and material resources are limited and there is intense competition with other economies, the EU should continue to better define its priorities for action in each of the industrial value chains by means of an industrial strategy based on sustainability. This should enable the coordination of the efforts of Member States and to identify the

critical levers to be used in the various fields of action (financing, innovation, trade, infrastructure, territorial cohesion). In which areas should European countries specialize? Which links in the transformation chain are important to control to ensure that the transition takes place while retaining leeway in terms of Europe's economic security? A race to maintain all industrial activities in Europe seems illusory; European industry has already been surpassed by China in a number of industrial sectors identified as key to the low-carbon transition (solar photovoltaics and batteries).⁵⁸ Furthermore, a solely reshoring-based approach, without partner country dialogue, could contribute to increasing geopolitical tensions and reduce the effectiveness of the European transition by closing markets to European products or limiting access to necessary resources. Clarification of the specialization of the European economy, both in terms of sectors and positioning within value chains, is therefore desirable to organize the transition within the EU and its economic and diplomatic relations with the rest of the world.

Next, the EU must build its industrial strategy, starting with the regulatory tools and assets at its disposal: a strong single market with common rules on market organization, product standards and trade rules; a solid research and innovation base; and a strong commitment to sustainable development. One way for the EU to differentiate itself is to use environmental and circular economy standards as a means of ensuring a level of domestic production in Europe; in addition, other policy levers (labelling, public procurement, taxation) can be used to enable the emergence of green markets for low-carbon and circular products. This strategy may also serve to strengthen the EU's industrial specialization, both internally and externally, in a way that is desirable and compatible with its security, socio-economic and environmental objectives, in a coordinated manner across value chains. Its definition therefore presupposes the launch of a real debate on the design of industrial policies and the inclusion of distributional equations to be solved among citizens, regions and Member States.

Another important priority is the availability of decarbonized energy and, in particular, low-carbon electricity, which means investing in renewable and decarbonized production technologies and continuing to develop energy efficiency and sufficiency throughout the economy. The issue of transforming Europe's energy network infrastructure will be central to ensuring availability for European industrial developments. The ability to co-optimize energy infrastructure between European countries, but also between energy carriers, to avoid bottlenecks must be strengthened. The decline in the natural gas network and the deployment of new types of infrastructure (H₂, CO₂), with many uncertainties to be resolved, are important issues to address. Nevertheless, while the electrification of industry is a major challenge, the main focus of effort must be on optimizing the development of the electricity network: the proportion of

⁵⁴ The other texts presented are the reform of the directive and the regulation on the organization of the electricity market. The composition of the industrial plan for the Green Deal can be found here: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en

⁵⁵ Kauffmann, C., Treyer, S. (2024). Reinventing the deal – What new narrative to put sustainable development at the centre of the next EC mandate?, *Issue Brief IDDRI* n°03/24.

⁵⁶ <https://antwerp-declaration.eu/>

⁵⁷ Pellerin-Carlin, T. (2023). Think house, not brick: building an eu cleantech investment plan to match the us inflation reduction act, *Climate Brief*.

⁵⁸ Strategic Perspectives (2023). "Competing in the new zero-carbon industrial era. Assessing the performance of five major economies on key decarbonisation technologies".

electricity in final industrial energy consumption must reach 48% by 2040; in 2021 it had stagnated at 21%.⁵⁹

7. FINANCING THE TRANSITION AT THE EUROPEAN SCALE

The EU has developed an approach to the transition based mainly on regulatory tools and its emissions trading scheme that sets a price for greenhouse gas emissions, while direct funding from the European budget is limited to 1% of GDP. The emissions trading scheme makes it possible to raise limited funds at the European level, which are currently mainly used to finance innovative projects via the Innovation Fund and to modernize the energy sector in Eastern European countries. In addition, requirements to direct existing funds (cohesion, agriculture, infrastructure, research and innovation and external action) towards the climate issue were adopted as part of the 2014-2020 multiannual financial framework. The Covid-19 crisis was nevertheless a turning point: the adoption of the recovery plan, financed for the first time by recourse to common debt in Europe, provided additional resources to finance Member State action for the ecological transition, with all Member States exceeding the criterion of spending at least 37% on Green Deal priorities.⁶⁰

However, these funds are allocated on a transitional basis, and are planned to end by 2026 following a significant reduction from 2025 onwards,⁶¹ representing a loss of €40 billion a year in green investment by Member States. Furthermore, despite these additional funds, the equation for financing the European transition has not been completed, and a significant gap remains between what is needed (€360 and €410 billion per year at the EU level, not including support and redistribution requirements) and what is required, as highlighted by the Pisani-Ferry & Mahfouz report,⁶² the European Commission's own analyses and the work of the I4CE think tank.⁶³ These substantial financing requirements, although limited as a proportion of GDP (less than 2%), generate savings in the operation of systems by reducing the need for fossil fuel flows; above all, they are much smaller than the anticipated cost of damage due to climate change. These are therefore profitable investments for the EU, which must be sustained over time, all the more so given the current situation of fossil fuel imports. It is therefore essential to find sustainable long-term financing solutions to mobilize this private and public funding.

⁵⁹ European Commission (2024). Impact assessment accompanying the Communication "Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society"

⁶⁰ Lazaro Touza, L. *et al.* (2022). "High-impact green recovery in the EU's 'big five' (emitters): key elements and caveats". Elcano Policy Paper.

⁶¹ Pisani-Ferry, J., Tagliapietra, S., Zachmann, G. (2023). "A new governance framework to safeguard the European Green Deal".

⁶² Pisani-Ferry J. and Mahfouz S. (2023). Les Incidences économiques de l'action pour le climat, Rapport à la Première ministre.

⁶³ I4CE (2024). "European Climate Investment Deficit report".

The regulatory approach and increased carbon pricing are essential tools for stimulating innovation and guiding the investment decision of actors. However, they will not be sufficient to cover the investment gap, especially as some of these investments will have to be covered by public authorities (particularly for infrastructure), while support for industrial transformation and household access to low-carbon solutions will also have to be leveraged. The EU must also ensure that differences in access to finance for economic actors and Member States do not lead to untenable political differences; all European countries must have the means to invest in the transition to attract jobs and economic activities in future, and to support economic restructuring and vulnerable households.

The Letta report⁶⁴ proposes a revival of the Capital Markets Union agenda which, where appropriate, should enable the better mobilization of private capital for investment in Europe, including for the transition. While this may be useful to improve the financing of green activities in Europe, other complementary and non-exclusive options should be considered to ensure the financing of the further implementation of the Green Deal, such as:

- creating a new European investment plan dedicated to the ecological transition or containing a strong pillar on the subject; this could be financed by new revenue from the European budget and could replace the European recovery plan;
- making the EU's Stability and Growth Pact more flexible in terms of green investment by Member States; however the reform of this framework has recently been adopted, apparently closing this option and blocking it politically for the time being;
- refinancing green projects through a preferential monetary policy, which would enable green projects to benefit from lower interest rates, but would require an overhaul of the European Central Bank's mandate.

8. DEEPENING EUROPEAN GREEN DIPLOMACY

When it was launched, the aim of the Green Deal was, among other things, to position the EU as the international leader in the ecological transition. And the ambitious and credible legislative translation of Europe's climate commitments has served as a powerful lever for progress in the multilateral framework of international climate negotiations.⁶⁵ Against a backdrop still marked by the withdrawal of the United States from the Paris Agreement, this determination has also been reflected in

⁶⁴ Letta, E. (2024). Much more than a market, speed security, solidarity <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

⁶⁵ Deprez, A. (2023). "Towards an agreement on fossil fuel phase-out at COP28: what leadership role from the EU?", IDDRI blog post.

the Green Deal's external strategy, which is primarily focused on applying the ambitious standards of its market to the economic exchanges of non-European actors.⁶⁶ However, this approach has left little room for the inclusion of third-country perspectives in the development of standards, an important aspect in ensuring their feasibility and acceptance by economic actors. This lack of an integrated diplomatic strategy for negotiating partnerships to accelerate the transition and, at the very least, for supporting economic actors in their adaptation of these European standards was quickly identified as a cause of uncertainty for the EU's economic partners⁶⁷, that was contributing to the criticism of the European strategy. For example, the implications of the EU's "green shift" for third countries and, in particular, for economic actors trading with Europeans, have led to growing tensions around the adoption and implementation of certain regulatory measures, such as the Carbon Border Adjustment Mechanism,⁶⁸ the regulation of imported deforestation and the Corporate Sustainability Due Diligence directive.

Deepening European diplomacy in relation to the challenges of ecological transformation should be one of the key areas of work for the next mandate, especially as the ecological transition in Europe and around the world will accelerate the evolution of value chains, thereby increasing potential points of tension in a more uncertain geopolitical and economic context. This deepening of the debate is not easy, and will pose major challenges in terms of coordination within the EU institutions, particularly between the European Commission directorates responsible for different aspects of the issue⁶⁹ and the European Union's diplomatic service, but also between the diplomatic services of Member States. However, a common strategy, including a clearer narrative and the ability to prioritize certain partnerships, is needed to develop a transactional and adaptive approach to the issues involved in the ecological transition. How does the EU link its environmental, security and economic development objectives? What can be the role for trade and what is the EU aiming for in terms of integrating value chains with the rest of the world? What role does trade policy play in its industrial strategy?

It is in the EU's interest to work on this diplomatic approach around the conclusion of international partnerships for the ecological transition to ensure markets for its production and secure its supply chains. A first step has been taken to make Europe's offer more visible in terms of cooperation on infrastructure projects with the "Global Gateway" strategy,⁷⁰ in which the ecological transition is one of the priorities. Greater clarity is

needed regarding European priorities for the ecological transition at the level of the various value chains to combine financing and support for development, infrastructure, access to the European market and trade policy. Conversely, partnerships that are perceived as essentially "extractivist", i.e. aimed primarily at meeting the needs of the European economy without taking account of third country needs, run the risk of being unsustainable. All countries are expressing the desire to develop jobs and harness expertise in green technologies through green industrialization, and aspire to upscale their production and local sharing of technologies and added value.⁷¹ The EU can differentiate itself by building an inclusive vision of industrial partnerships with emerging countries around industrial and innovation ecosystems that go beyond a single value chain or a single technology. These partnership approaches should include the issues of European supplies, on which the EU has developed the idea of joint purchasing mechanisms (currently for natural gas with AggregateEU,⁷² and for hydrogen or critical materials in future), market access for solutions developed by European companies, as well as the economic and social development of developing countries to find compromises to guarantee stable partnerships to secure economic partnerships. Access to finance is another important issue, given the significant investment needs in emerging and developing countries and the capital-intensive nature of low-carbon investments. In this context, the "Just Energy Transition Partnerships"⁷³ are interesting tools, because they structure the discussion around the development needs of third countries and can be used to "de-risk" transition projects and attract private capital as a result.

Furthermore, in a whole series of industrial products that are widely traded today, the issue of international standardization and trade and market access rules in a low-carbon economy will be decisive in ensuring the continuation of international trade to reduce the overall cost of the ecological transition and the dissemination of technologies. Despite the current failure of bilateral discussions with the United States on the Global Arrangement on Sustainable Steel and Aluminium and the difficulty of aligning policy mixes with profoundly different roots, this issue must be at the heart of the work of European institutions and diplomacy so as to find compromises that will perpetuate the spread of green technologies and set in motion a virtuous pathway of cooperation, rather than a spiral of protectionist decisions.⁷⁴

⁶⁶ DIE (2021). The External Dimensions of the European Green Deal: The Case for an Integrated Approach, Briefing Paper 13/2021.

⁶⁷ *Ibid.*

⁶⁸ See, for example, the opposition to the border carbon adjustment mechanism in the conclusions of the BRICS high-level meeting on climate change, which likens it to a unilateral measure of green protectionism: http://brics2022.mfa.gov.cn/eng/hywj/ODMM/202205/t20220529_10694182.html

⁶⁹ Climate cooperation is one of the pillars of the Global Gateway strategy.

⁷⁰ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en

⁷¹ Aparajita Banerjee, Damien Barchiche, San Bilal, Céline Kauffmann, Ann Kingiri, Alfonso Medinilla, Chantal Naidoo, Chukwumerije Okereke, Gboyega Olorunfemi, Youba Sokona, Sébastien Treyer (2024). Building a shared agenda on green industrialization for Africa and Europe. Uk m .

⁷² https://energy.ec.europa.eu/topics/energy-security/eu-energy-platform/aggregateeu-questions-and-answers_en#aggregateeu-overview

⁷³ Hege, E. *et al.* (2022). "Just Energy Transition Partnerships in the context of Africa-Europe relations: Reflections from South Africa, Nigeria and Senegal", Uk m Platform, October 2022.

⁷⁴ <https://www.imf.org/fr/Publications/fandd/issues/2023/06/green-trade-tensions-kaufman-saha-bataille>

Finally, the very organization of the EU's external diplomacy should also evolve to reflect the need to strengthen resources and attention around these subjects. Two priorities stand out: first, ensuring that a link exists between the development of the EU's internal industrial policies and the negotiation of international partnerships; and second, strengthening coordination between the diplomacy of European countries and that of EU foreign policy. One response to the first point would be to give greater political weight to the subject of external partnerships within the European Commission itself, to strengthen coordination, which is currently too segmented, between the Commission's departments responsible for international partnerships, the industrial transition, and the EU's external service outside the Commission. Lastly, the idea of diplomacy "hubs", which was proposed in the conclusions of the March 2024 Environment Council, should be encouraged to enable European diplomatic services to carry out joint analyses of the needs expressed by third countries and to speak with a single voice.

9. CONCLUSION

The renewed European institutions will start a decisive cycle for the EU's environmental action. After five years marked by the Green Deal, the EU can build on a solid foundation to meet the expectations of European citizens in terms of environmental protection, despite the current failure of the agricultural transition strategy. In a context that has undergone profound changes in the last five years, with security and economic competitiveness once again taking centre stage in the political debate, the milestones set by the Green Deal serve as a roadmap to guide the EU's action at the economic sector level. Questioning the objectives enshrined into law would only increase uncertainty and, consequently, costs for European businesses, at a time when stability is needed to enable massive investment in the transition. It is this stability on the transition pathway that has enabled Chinese industry to achieve dazzling success in green technologies and that is now attracting investors in the United States. So there is no reason, economic or geopolitical, for the EU to step back from the Green Deal. On the contrary, its policies can serve as a roadmap for transforming the European economy in the face of the current storms. Finally, in a context where the EU and its Member States have positioned themselves as a laboratory for the global ecological transition, their actions will play a decisive role in maintaining international momentum ahead of crucial meetings such as the COP 30 climate conference in 2025, when all of the world's countries must reaffirm their commitments to the fight against climate change after 2030.

The European Green Deal: a compass in the storm? Assessment and prospects for the European Union's environmental action

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The Institute for Sustainable Development and International Relations (IDDRI) is an independent think tank that facilitates the transition towards sustainable development. It was founded in 2001. To achieve this, IDDRI identifies the conditions and proposes the tools for integrating sustainable development into policies. It takes action at different levels, from international cooperation to that of national and sub-national governments and private companies, with each level informing the other. As a research institute and a dialogue platform, IDDRI creates the conditions for a shared analysis and expertise between stakeholders. It connects them in a transparent, collaborative manner, based on leading interdisciplinary research. IDDRI then makes its analyses and proposals available to all. Four issues are central to the institute's activities: climate, biodiversity and ecosystems, oceans, and sustainable development governance.

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