THE EUROPEAN GREEN DEAL

Constanze Fetting
ESDN Office
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AUTHOR: CONSTANZE FETTING, ESDN OFFICE*

Coordinated by Eric Mulholland, ESDN Office
*Corresponding Author, Email: Constanze.fetting@wu.ac.at

CONTACT: ESDN OFFICE
Institute for Managing Sustainability
Vienna University of Economics and Business
Welthandelsplatz 1, A-1020 Vienna, Austria
esdn-office@sd-network.eu
+43-1-31336-6448

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Introduction

A year after the presentation of the European Green Deal (EGD) by the European Commission, the urgency of acting on the climate crisis has not decreased. While the ongoing Covid-19 pandemic may have dominated the news since March 2020, the year 2020 is likely to be one of the three hottest years on record.\(^1\) While the economic shutdowns around the world may have contributed to a record reduction of 7% in carbon emissions, this is likely to be only temporary as economies around the world recover.\(^2\) This underlines the need for systemic long-term changes of the economic system.

The EGD is the Flagship Initiative of the current European Commission and was presented by Commission President Ursula von der Leyen on 11 December 2019. It comprises a number of initiatives, strategies and legislative acts that, together, are intended to enable a just, sustainable and inclusive transformation of European society and economy.

While Europe is still facing notable challenges regarding the Covid-19 pandemic, it is important that the climate crisis and other ecological crises not be pushed to the side. In fact, it can be argued that the recovery from the Covid-19 crisis presents an opportunity to accelerate a sustainable transformation. In line with this, the European Union’s recovery programme, “Next Generation EU”, adopted in July 2020, reinforces many of the initiatives proposed in the EGD.

This Report aims to serve as a comprehensive overview of the EGD, the initiatives it comprises and other European strategies related to achieving a green transition and the 2030 Agenda. Chapter 1 will provide an introduction into the make-up of the EGD and the different aspects that accompany it. Chapter 2 covers some of the more technical aspects of the implementation of the EGD, especially how it is financed and the Just Transition Mechanism, that aims to ensure that no one is left behind. It will also go into the more practical issues of implementing an economic transition of unprecedented scale. Issues covered include the challenge of generating and maintaining public support and the growth dilemma. These are not a direct part of the EGD, but are crucial to achieving the aims the Commission has set out to achieve. Chapter 3 will provide a brief insight into each of the eight key areas of action that are outlined in the EGD. The fourth, and final chapter, will provide a summary and some key insights for policymakers.

This Report is mainly based on desk research. The conclusions are based on the discussions and key findings at the ESDN Conference 2020, which was focused on the EGD.

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Chapter 1: Overview and Status Quo of the European Green Deal

The European Green Deal is the EU’s new growth strategy, which “aims to transform the EU into a fair and prosperous society with [...] a competitive economy”. It is also a crucial part of the EU’s plan to achieve the 2030 Agenda for Sustainable Development. Furthermore, it promises to protect citizens from environmental harms and impacts, and to be just and inclusive. Wellbeing is to be put at the centre of economic policy.

The European Commission presented the EGD to the EU institutions and the public on December 11, 2019. After a parliamentary debate in January 2020, the European Parliament decided to support the EGD, but pointed out that more needed to be done to achieve a just transition that would leave no one behind. The European Parliament also called for higher interim targets, most recently concerning carbon emissions. Frans Timmermans, the Executive Vice President responsible for the EGD, is tasked with overseeing and developing the different strategies, directives and policies, as well as their implementation.

The main goals of the EGD are a net carbon neutral European Union by 2050 and a decoupling of economic growth and resource use. The EGD is not a law in itself, but a general policy strategy, outlining the ambitions and goals in different policy sectors. For its implementation, existing regulations and standards will be revised over the next few years and new laws and directives will be developed and implemented. There are eight key areas that make up the Green Deal:

1) Increasing the EU’s climate ambition for 2030 and 2050
2) Supplying clean, affordable, secure energy
3) Mobilising industry for a clean and circular economy
4) Building and renovating in an energy and resource efficient way
5) A zero pollution ambition for a toxic-free environment
6) Preserving and restoring ecosystems and biodiversity
7) Farm to Fork: a fair, healthy and environmentally friendly food system
8) Accelerating the shift to sustainable and smart mobility

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Each of the key areas will be described in a chapter later in this Report.

The EU’s stimulus programme, Next Generation EU (NGEU), established to accelerate the recovery from the consequences of the Covid-19 outbreak, is intended to fit into the strategy of the EGD. For example, it includes a reinforcement of the Just Transition Fund, which aims at supporting regions that face the greatest challenges in the transition away from a fossil fuel intensive economy. 7 37% of the Recovery and Resilience Facility, the centrepiece of NGEU, is dedicated to green expenditures. 8 In addition, 30% of the NGEU budget is to be raised through green bonds. 9

In her State of the Union Address in September 2020, Commission President Ursula von der Leyen reinforced the Commission’s commitment to a green transition. She highlighted the potential of the Green Deal to be the blueprint for the transformation of Europe to become the first climate neutral continent. The economic recovery from the impacts of Covid-19 is an opportunity to make change happen “by design - not by disaster”. 10

The Commission’s Work Programme for 2021 is guided by the 2030 Agenda and the Paris Agreement. A “Fit for 55” Package will set the pathway to a 55% reduction of greenhouse gas emissions compared to 1990 levels. A particular focus will be on renewables and energy efficiency. Other priorities include the advancement of a more circular economy, biodiversity and a toxic free environment, and sustainable and smart mobility.

The technical and more practical details of implementing the different strategies will be elaborated in the next chapter.

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Chapter 2: Implementing the European Green Deal

The following chapter deals with the question of how the EGD can best be implemented. This does not only concern technical questions, such as mobilising investment, but also more societal concerns, such as how public support can be maintained and whether a focus on growth is compatible with planetary boundaries.

Financing the Transformation

The European Commission estimates that at least €1 trillion in sustainable investments will be needed over the next decade. The EGD Investment Plan (EGDIP) is the main vehicle to mobilise the required sustainable investments over the next decade. This will consist of both public and private money, as the public sector alone cannot cover all necessary investments. The European Commission. (n.d.-d). Overview of Sustainable Finance. Ec.Europa.Eu. Retrieved 23 November 2020, from https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance_en

The programme consists of three pillars. Firstly, it aims to mobilise private and public funding for projects that promote the four key areas, using guarantees from the EU budget. Secondly,
the InvestEU Technical Advisory Hub advises projects that seek funding. Finally, the InvestEU Portal brings together projects and interested investors. The programme will come into effect in 2021.

In addition to 25% of the EU budget, the EGDIP also builds on contributions from national budgets to EU projects. Furthermore, the Commission will help Member States to green their budgets by screening and benchmarking budgeting practices. The Commission hopes that the EGD will create the context for broad-based tax reforms on the national level, such as removing fossil fuel subsidies, shifting tax burden from labour to pollution and taking into account social considerations. It also proposes to Member States to adjust their VAT to reflect environmental costs.

In June 2020, a Technical Expert Group, which was specifically established by the Commission for this purpose, released a report with recommendations for a Sustainable Finance Taxonomy. The Commission is now working on establishing the actual list of environmentally sustainable activities by defining technical screening criteria. The taxonomy should be established by the end of 2020 in order to ensure its full application by the end of 2021. The taxonomy has defined six environmental objectives:

1. climate change mitigation
2. climate change adaption
3. sustainable and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and control
6. protection and restoration of biodiversity and ecosystems

A sustainable investment should contribute to at least one of these objectives, while, at the same time, doing no significant harm to any of the other five. Additionally, investments need to meet minimum safeguards (e.g. OECD Guidelines on Multinational Enterprises). A taxonomy for social investments is currently being developed.

Leaving No One Behind

The Just Transition Mechanism was established to protect and support regions that will face the greatest challenges in the transition away from a fossil fuel based economy. Often, these are regions in which a great number of jobs rely on fossil fuel heavy industries. The Just Transition mechanism will help by supporting the transition to low-carbon activities, re-skilling of workers and providing easy access to loans and financial support for these activities. Funding for the Just Transition Mechanism is based on the Just Transition Fund, the Just Transition Scheme of InvestEU and European Investment Bank public sector loans. A Just Transition Platform will help Member States and regions to access the loans and technical support. It will also facilitate the matching of investors and potential projects.

Creating and Sustaining Public Support

The Just Transition Mechanism is a key factor in creating widespread public support, especially with citizens that will be negatively affected by the transition. In the Communication on the EGD, the Commission recognises that making the transition just is crucial for policies to be accepted and for the

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13 Communication on the European Green Deal, 2019
14 European Commission. 2020. EU Taxonomy For Sustainable Activities.
policies to work. Grabbe & Lehne (2019) warn that the EGD could lead to further divisions in society if the transition does not focus on social protection for the most vulnerable. Ignoring the needs of poorer regions could risk a further rise of populism in those regions. This could be fuelled by a perception that the costs of the transition are not distributed equally, and that the brunt of the burden is being laid on those who are already more vulnerable. On the other hand, emphasising fairness and using the transition to reduce inequalities could actually promote cohesion between richer and poorer countries and regions.

To sustain public support, the Commission needs to ensure that diverse interests are accommodated in a democratically inclusive way. The EU tends to elaborate solutions in a more technocratic way. However, in the realm of climate policies, creating democratic support and giving citizens the feeling that their needs are being taken into account will be crucial to building broad public support. Another important aspect highlighted by Grabbe & Lehne (2019) is the significance of the right sequencing of policy. For example, hiking the carbon tax in France without any compensation for low-income citizens has ignited the Yellow Vest Movement. This is a prime example of losing public support for green measures due to these measures being perceived as putting an undue burden on the poorest.

One strategy to include more of the citizens’ concerns into policy-making is the Conference on the Future of Europe, of which the launch has been postponed due to Covid-19. It is designed as a public forum for structured debate around two main questions:

1. Policy, mainly structured, but not limited to, the headline ambitions of the Commission; and
2. Institutional matters to spur a reform in democratic processes. This could include plans to enshrine a lead candidate system and transnational party lists for European elections.

The Conference will build on the well-established institution of citizens’ dialogues. In addition, the Commission will establish deliberative panels on specific questions, as well as panels that are geographically, socioeconomically and demographically diverse and representative of the population of the European Union. In order to include young people, there will be a strong focus on digital platforms. Furthermore, the Commission highlights the importance of reaching European citizens from all demographic and socioeconomic groups, as well as urban and rural dwellers. For this, it also builds on the support of the Committee of the Regions (CoR) and the European Economic and Social Committee (EESC).

As the initiative’s objective is to strengthen the ties between European citizens and their institutions, it is important that the outcomes of the different consultations and debates are followed up with policy action and results that are tangible for the citizens. This will reinforce the perception of citizens that their voices are heard.

**Growing in a Sustainable Way**

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18 Ibid.
The EGD is, in essence, a growth strategy with the aim of promoting a green transformation. The Communication on the EGD describes it as the opportunity set Europe onto a path of sustainable and inclusive growth. In light of the recent recession in the aftermath of the economic shutdowns to prevent the spread of Covid-19, the promise of growth has gained new significance. Currently, GDP in Europe is at its lowest since during the Global Financial Crisis in 2008. Measures, such as government subsidised short-term work programmes have likely contributed to relatively low unemployment compared to 2019. The response to this slump in GDP has led to the promise of big stimulus programmes, both on the national level, as well as on the EU level with the Next Generation EU programme. In addition to rescue funds for struggling companies and regions, it includes a reinforcement of strategies already outlined in the EGD, such as the renovation wave and promotion of a circular economy.

As the Covid-19 crisis is happening in the wake of heightened awareness for the climate and ecological crises, many have called for a green and inclusive recovery. The World Business Council for Sustainable Development (WBCSD) urges for a recovery that prioritises the needs of the most vulnerable, especially workers and SMEs, but also that investment is directed at decarbonising economies and creating jobs in green sectors. There should be no old money for new ideas. Similarly, in a recent essay, Mariana Mazzucato argues that it is governments’ responsibility to steer innovation towards solving public goals, and not necessarily towards creating private profits. Recovery money should not be used to bounce back, but rather to jump forward and speed up the green transformation.

However, there is growing criticism and concern whether growth can be inclusive and sustainable at all. For growth to be sustainable, it needs to happen within the boundaries of the planet. Those include climate change (or the atmosphere’s capacity to absorb CO₂, ocean acidification, freshwater use or biochemical flows). Researchers at the Stockholm Resilience Centre argue that to achieve the 14 socioeconomic goals of the 2030 Agenda by conventional means, it will put substantial pressure on the planetary boundaries and is likely to move the world away from the three SDGs related to environmental objectives. The researchers contend that extraordinary efforts would be needed to achieve all of the SDGs at the same time.

Becoming more resilient

Resilience, as defined by the European Commission, is “the ability not only to withstand and cope with challenges, but also to undergo transitions in a sustainable, fair, and democratic manner.” Similarly, socially and ecologically resilient systems can be described as having the capacity to respond to change and challenges, while still creating lasting wellbeing for people and their environments. Together

24 Randers et al., 2018. Achieving the 17 sustainable development goals within 9 planetary boundaries.
2030, a civil society initiative tracking progress towards the SDGs, argues that it is important to develop a broader concept of resilience. This concept should recognise the interconnectedness, volatility, uncertainty and complexity of challenges faced in sustainable development. This needs a holistic and integrated approach across all the different aspects of sustainable development. According to Jock Martin from the European Environmental Agency, this may include informing policymakers about the trade-offs and potential synergies between different dimensions of sustainability, but also between generations and over space, within Europe and between Europe and the rest of the world.

To increase resilience to future shocks, such as the Covid-19 pandemic, the European Commission has started the Strategic Foresight Initiative. It aims at future-proofing policies and should promote evidence-based and participatory policy-making. Commission Vice President Šefčovič, responsible for the initiative, referred to strategic foresight as the compass guiding the Commission’s work.

All major policy initiatives should be informed by strategic foresight to ensure that they draw on a clear understanding of possible future scenarios and both, challenges and opportunities.\(^{27}\) This means, that policy initiatives will have to undergo an impact assessment before they can be passed. There are four main techniques that can be employed to evaluate new policies:

1. Horizon scanning, a systematic assessment of events and trends
2. Megatrends analysis, a systematic analysis and discussion of pattern shifts
3. Scenario planning, the development of different future scenarios, whether they are good or bad
4. Visioning, the identification of a preferred direction

The first annual Strategic Foresight Report was published in September 2020. It argued that the Covid-19 crisis and its consequences have highlighted the importance of resilience and crisis preparedness in the EU. A resilient EU will be able to better implement the SDGs in general.

In 2017, the EU established an environmental strategic foresight system, FORENV. It is an exercise to detect, characterise and prioritise environmental issues and risks and to communicate those to policymakers and other stakeholders. The aim is to enable policymakers and other stakeholders to prevent or effectively manage risks. After a pilot in 2017, the first annual cycle was completed in 2018-2019. FORENV identifies ten emerging issues for each cycle, based on expert knowledge and desk research into existing relevant literature and evidence.\(^{28}\) Problems identified in the first full cycle include inequalities in the transition towards a carbon neutral circular economy, emerging and changing dietary patterns and consumption patterns.


Chapter 3: Key Areas of Action

Increasing the EU’s Climate Ambition for 2030 and 2050

In December 2020, the European Council voted to increase the reduction target for 2030 from formerly 40% to at least 50% and towards 55% in comparison to 1990 levels. This matched the Commission’s proposals in the Communication on the EGD. The European Parliament had voted in favour of a 60% reduction.\(^{29}\) It still needs to approve the Council’s decision. Scientists, for example those on the Intergovernmental Panel on Climate Change (IPCC), widely argue for a reduction of greenhouse gas emissions of at least 7.6% every year in order to stay below 1.5°C.\(^{30}\) For the EU, this would mean a reduction of 65%.\(^{31}\)

The increase of the 2030 target is a part of the Climate Law that was proposed by the Commission in March 2020. In addition, the Climate Law includes measures to keep track of the progress towards the 2030 and 2050 targets. Starting in 2023, all EU and national legislation will be reviewed concerning their compatibility with the targets. If there appears to be a gap, the Commission will propose a revision of these laws and can issue recommendations to Member States, on which they have to follow up.

In order to achieve its targets, the Commission plans to revise all energy and climate related legislation at the EU level by summer 2021. For example, in its Work Programme for 2021, the European Commission suggests a Carbon Border Adjustment Mechanism, which is intended to avoid carbon leakage.\(^{32}\) Carbon leakage occurs when companies move production to countries with lower restrictions on carbon emissions. A Carbon Border Adjustment Mechanism would impose a carbon price on imports from outside the EU. This aims to motivate foreign producers and EU importers to reduce carbon emissions on products that are not produced in the EU.

Supplying Clean, Affordable and Secure Energy

In December 2019, all national governments of Member States re-submitted their National Energy and Climate Plans that lay out the national strategy to achieve the EU’s climate goals after having received feedback by the Commission on their first drafts. These plans will have to be revised in 2023 to reflect the new climate ambitions. In general, the Commission demands that the transition to renewable energy should benefit customers the most and decarbonisation should happen at the lowest possible cost. One key aspect is to address energy poverty, on which the Commission issued recommendations in October 2020.\(^{33}\)

Energy poverty can generally be defined as the inability to access adequate amount of energy. For example, in 2018 around 34 million Europeans were unable to afford to heat their homes to an

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\(^{32}\) Commission Work Programme 2021

\(^{33}\) European Commission 2019: Communication on the EGD
adequate warmth. In the European Pillar of Social Rights, energy is mentioned as an essential service. Member states must make support for access to energy available to those in need. A key strategy by the Commission to combat energy poverty is the ‘Renovation Wave’, which is also a key part of the recovery package Next Generation EU. The Renovation Wave will be elaborated in more detail in the section on Building and Renovating in an Energy and Resource-Efficient Way.  

The key challenge in addressing energy poverty is the lack of adequate data on the extent on the issue. Therefore, the Commission has developed a set of numerical data that can be used by Member States to identify vulnerable households and to develop adequate strategies to combat the problem.

The transition to clean energy will require smart technology. The relevant regulation on Trans-European Networks - Energy (TEN-E) will be reviewed to incorporate smart technologies, smart grids, hydrogen and other renewable energies.

**Mobilising Industry for a Clean and Circular Economy**

50% of total greenhouse gas emissions and more than 90% of biodiversity loss can be attributed to resource extraction and processing of materials, fuels, and food. Currently, only 12% of materials in the EU come from recycling. The digital and green transformations are seen as going hand in hand and they provide the opportunity to expand sustainable and job-intensive economic activity. Digitalisation is seen as a key enabler of the green transformation. At the moment, however, the transition is too slow.

According to the Communication on the EGD, the Commission plans a different set of recommendations for high-energy intensive industries. It also wants to combat greenwashing by stepping up regulatory and non-regulatory efforts and improving availability of information. In addition, the Communication entails a regulation on packaging and waste generation.

Access to resources is considered a security issue and the Commission wants to ensure the supply of sustainable materials for clean tech and digitalisation, but also for weapons.

The Industrial Strategy was released in March 2020. It outlines three key priorities:

- Maintaining global competitiveness and upholding a level playing field
- Becoming climate neutral by 2050
- Shaping Europe’s digital future

The Strategy’s plans on climate change mitigation and adaptation include the intention to decarbonise most sectors of the economy and support sustainable and smart mobility industries. It foresees the building of a clean hydrogen alliance, followed by alliances on low-carbon industries and others.

The Action Plan on Circular Economy outlines decoupling economic growth from resource use as one of its explicit goals. In addition, the Commission estimates that applying circular economy principles could raise GDP by an additional 0.5% and could create up to 700,000 jobs. The Action Plan includes propositions on regulating the design of products in a way that they are more durable, reusable, repairable and upgradable. Furthermore, the Commission plans to introduce a ban on destroying unsold durable goods. Furthermore, the Action Plan includes regulation on packaging, batteries, construction and buildings and food, as well as specific actions to reduce waste.

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Building and renovating in an energy and resource-efficient way

Buildings account for 40% of the energy consumed in the European Union. To reach the 2030 climate target of a 55% emissions reduction, greenhouse gas emissions from buildings need to be reduced by 60%, and energy consumption lowered by 14%.\(^35\) Energy consumption could be much lower if all buildings adhered to newest standards in energy efficiency and insulation. Old buildings need to be brought to the newest standards, especially with regards to energy efficiency and insulation. Currently, the renovation rate in different European Member States varies between 0.4% and 1.2%. The Commission intends to double this rate by 2030 through different incentives and funding schemes. In addition, it will enforce the regulation on the energy performance on buildings more strictly to ensure that new buildings and renovated old buildings will adhere to the newest standards.\(^36\) This is not only crucial to reach energy efficiency and climate targets, but this could create up to 160,000 additional local jobs and support SMEs.\(^37\) The importance of renovation and energy efficiency is further underlined in the Covid-19 recovery programme Next Generation EU. There are two flagship projects in the recovery and resilience facility with reference to the goals outlined above. Power Up prioritises future-proof and clean technologies as well as the development of renewables. Renovate focuses on the improvement of energy efficiency in public and private buildings.\(^38\)

The Renovation Wave Strategy outlines a target of renovating 35 million buildings by 2030. It will prioritise three key areas:

1) Decarbonisation of heating and cooling
2) Tackling energy poverty and worst performing buildings
3) Renovation of public buildings, such as schools and hospitals

The heating and cooling targets in the Renewable Energy Directive will be strengthened and the Commission plans a New European Bauhaus Initiative. This interdisciplinary co-creation project will start in the summer of 2021. It brings together different stakeholders, such as scientists, architects, designers, artists, planners and civil society to create a new European aesthetic. The objective will be to combine performance with inventiveness and to make liveable environments accessible to everyone.

A Zero Pollution Ambition for a Toxic-free Environment

Work on this key area will likely begin in 2021. Then, the Commission plans to publish a zero pollution action plan for air, water and soil. The objective is the restoring of the natural functions of the ground and of surface water. This will be tightly linked to the Farm to Fork Strategy, which focuses on restricting nutrient excess in the ground.

In addition, the Commission will review measures that address and prevent pollution by large industrial installations, so that they become coherent with the other climate, energy, and circular economy targets.

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\(^{36}\) European Commission 2019: Communication on the EGD  
\(^{37}\) European Commission 2020m: Renovation Wave  
In addition, the Commission will elaborate a chemicals strategy to ensure a toxic-free environment. This will be achieved through collaboration between all parties and by strengthening regulation.

Preserving and Restoring Ecosystems and Biodiversity

The main drivers of biodiversity loss have been identified as the change in land and sea use, the direct exploitation of natural resources and climate change. To address and halt biodiversity loss, the Commission presented a Biodiversity Strategy in March 2020. This strategy will be followed up by specific action starting from 2021. In addition to the Strategy, it is important that all policies contribute to avoiding biodiversity loss. For example, the F2F has its own whole section on biodiversity.39 Farmers and fishers should be able to access new funding schemes through the Common Agricultural Policy and Common Fisheries Policy (CFP). This should especially incentivise them to take up sustainable practices.40

The Commission also plans to design a forest strategy, without providing a specific timeframe for its release. This strategy should include plans for afforestation, forest preservation and reforestation in Europe. The CAP should also incentivise the sustainable management of forests.

Oceans and seas, in addition to forests, are increasingly recognised as key aspects in ensuring a healthy environment and combatting climate change. The Commission intends to analyse the special report on oceans by the IPCC and propose measures in the maritime area. These will likely include using the increasing potential of offshore renewable energy.41

The Biodiversity Strategy includes the establishment of a European-wide network of protected areas on land and at sea.42 30% of land and 30% of the sea surface will be protected.43 The EU Nature Restoration Plan foresees the restoration of degraded ecosystems across the EU by 2030 and outlines their sustainable management. The Strategy also includes plans to establish a better governance framework to ensure implementation, track progress, improve knowledge and improve financing and better decision-making by businesses. Finally, the Commission plans to take on a global leadership role and demonstrate its ability to improve biodiversity. The EU will push for ambitious biodiversity targets at the international Convention on Biological Diversity.

Farm to Fork: a Fair, Healthy and Environmentally Friendly Food System

The Farm to Fork (F2F) Strategy was published on May 20, 2020 and consists of a number of strategies, directives and action plans, of which most are to be developed by the Commission between now and the end of 2023. It will be funded through different mechanisms, such as the Regional Development Fund and InvestEU.

The Strategy’s objective is to make European food systems fair, healthy and environmentally friendly. A sustainable food system should, among others, have a neutral of positive environmental impact,
help mitigate and adapt to climate change, reverse the loss of biodiversity and ensure public health and nutrition. More specifically, the F2F Strategy focuses on the following areas:

- Sustainable Value chains
- Ensuring sustainable production
- Food security
- Stimulating sustainable food processing, wholesale, retail, hospitality and food services practices
- Promoting sustainable food consumption and a shift to healthy diets
- Reducing food loss and waste
- Combatting food fraud along the food supply chain

To ensure **sustainable production**, the Commission envisages different strategies. For example, according to the Action Plan, the potential of a bio-economy remains largely untapped, enabling farmers to produce biofuels, bioenergy or bio protein feed, which would have ecological benefits and improve farmers’ income. The Commission will also promote and reward carbon sequestration. This would also allow extra income for farmers while reducing greenhouse gas emissions.

Under the label of **food security**, the Commission includes the security of supply chains. The interruptions of supply chains and shortage of food workers due to Covid-19 related lockdowns presented an extreme situation. Nevertheless, climate change and biodiversity loss present threats to supply chains and food production that need to be addressed. On the other hand, food security also includes decent working standards for workers in the food industry. The F2F Action Plan emphasises the importance of the key principles enshrined in the European Pillar of Social Rights. Those include principles on equality, fair working conditions, social protection and inclusion.

The F2F Strategy not only aims to transform the food system in Europe, but also to set standards for food production worldwide and accelerate a global transition to more sustainable food production. This should mainly happen through trade policy and partnerships. A revised trade policy should aim to obtain ambitious commitments from third countries in different key areas, such as biodiversity protection and animal welfare. Additionally, the Commission plans to develop legislation that will minimise the impact on deforestation and forest degradation of imports.

The F2F Strategy is largely based on the Common Agricultural Policy (CAP) and Common Fisheries Policy (CFP). For the CAP, the Commission proposes to dedicate 40%, and for the CFP 30%, of the budget to climate action. The Commission put forward a proposal to reform the CAP in 2018. This proposal includes suggestions to reform the system of allocating subsidies by linking support to farmers to the uptake of sustainable practices. The European Parliament and the European Council established their negotiation positions in autumn of 2020. The Commission, as well as NGOs and activists, have criticised these positions for watering down the green ambitions, for example by refusing a cap on payments to farmers. Currently 80% of payments go to 20% of farmers.

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**Accelerating the Shift to Sustainable and Smart Mobility**

In 2018, the transport sector, including aviation, was responsible for one quarter of emissions in the EU27.\footnote{European Commission. (2020l). Communication on a Sustainable and Smart Mobility Strategy - putting European transport on track for the future. \url{https://ec.europa.eu/transport/sites/transport/files/legislation/com20200789.pdf}} To achieve the objective of net carbon neutrality by 2050, emissions in the transport sector need to be reduced by 90%. In December 2020, the Commission proposed a Sustainable and Smart Mobility Strategy. The strategy is based on three pillars:

1) Make all modes of transport more sustainable
2) Make sustainable alternatives widely available in a multi-modal transport system
3) Put in place the right incentives to drive the transition


The main funding mechanism in the transport sector is the Connecting Europe Facility, in which 60% of the budget should be spent on infrastructure projects that are linked to sustainable infrastructure.\footnote{Smith, J. (2016, September 22). Sustainable transport [Text]. Mobility and Transport - European Commission. \url{https://ec.europa.eu/transport/themes/sustainable_en}} Through funding instruments, such as the Connecting Europe Facility, smart traffic management systems are to be developed and implemented through digitalisation. This will increase multimodal transport and reduce pollution and congestion in urban areas. Multimodal transport refers to use of different modes (or means) of transport, both in freight and passenger transport. For passengers, this could include the use of public transport, bikes and taxis. The development of multimodal transport is mainly driven by digitalisation.\footnote{EURSELS, R. (2018, January 25). 2018—Year of Multimodality [Text]. Mobility and Transport - European Commission. \url{https://ec.europa.eu/transport/themes/logistics-and-multimodal-transport/2018-year-multimodality_en}} Cities should be at the forefront of the transition to greater sustainability, for example with massively expanding the network of safe bike lanes. Furthermore, carbon-neutral options on the ground for travel below 500km need to be expanded, in addition to zero-emission planes for long-haul distances. The strategy for this will be reviewed in 2021-2022. In addition, 2021 is the year of the rail and the Commission will propose an action plan to boost long-

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distance and cross border train travel. The convenience and availability of train tickets needs to be improved.

Prices should better reflect the impact that different modes of transport have on the environment. This is a key aspect of the third pillar of the strategy, to give the right incentives for sustainable behaviour. Therefore, the Commission will review the Energy Taxation Directive concerning current tax exemptions. This specifically refers to subsidies and tax exemptions for fossil fuels in the maritime and aviation industries. Emissions from the maritime industry should be included in the Emission Trading Scheme (EU-ETS), while the free certificates given out to airlines within the framework of the EU-ETS are to be reduced. In addition, fossil fuel subsidies must end.\(^5\)

To reduce emissions and pollution in cities, the emission performance standards for vans and cars will be reviewed by 2021. Furthermore, the Commission is considering extending the European Emissions Trading Scheme to road traffic.

Chapter 4: Conclusions

The European Green Deal is not a single strategy that provides the solution for Europe’s many environmental and climate related challenges. Rather, it presents a collection of targets, intentions and objectives that will be implemented over the next ten years. It provides the overarching framework for the necessary green transition. The success of the overall EGD will depend on the elaboration and later the implementation of a myriad of strategies and regulations in the eight key areas, as outlined above. In some areas, such as sustainable mobility, sustainable food and farming or biodiversity, strategies have already been published and European institutions are working on elaborating new or revising old legislation to achieve the goals outlined in these strategies. The example of strengthening the ambitions for greenhouse gas emission reductions shows how difficult it will be to reconcile different interests and, ultimately, to achieve the overarching goal of contributing to the 2030 Agenda and the Paris Climate Agreement. While the goal of 55% emission reduction is criticised by scientists and climate activists, certain actors whose livelihood depends on fossil fuels perceive it as too high.

At the ESDN Conference 2020 on the EGD, participants discussed several topics surrounding the implementation of the EGD. The creation of a European Sustainability Culture was a reoccurring topic. The idea was first coined by participants of a Youth Camp, which brought together youth representatives from different European countries to discuss the EGD in the days leading up to the conference. Conference participants picked up on the idea and suggested to create a new leading narrative in Europe that is centred around sustainability.

A European sustainability narrative can help to create and sustain public support for the transformation. Another crucial aspect will be to leave no one behind and make sure the most vulnerable are not disproportionately affected in a negative way. The Just Transition Mechanism will be an important instrument in ensuring economic equity. In addition, it is important that citizen’s feel that their opinions and concerns are taken seriously. Conference participants found that the European Union has a poor track record of representative democracy when it comes to climate policy. The Conference on the Future of Europe will be one instrument to remedy this. However, the European Commission has very little experience with these exercises and should learn from the regional and local level initiatives that already exist.

In light of the ongoing Covid-19 crisis that hit Europe fairly unprepared, resilience and foresight have become widely discussed topics. Conference participants argued that resilience (the capacity of systems to prepare for, respond to, and recover from risks) should be used as a compass for the systemic transformation towards a sustainable society. One key aspect is that we need political leadership to drive the transformation forward.

The Covid-19 crisis is still going on in Europe at the time of writing this report. While it has drawn resources and attention away from the environmental crises to some extent, commitment to the EGD and the green transformation remains high. The recovery programme Next Generation EU and its Recovery and Resilience Facility have dedicated 25% of its fund towards climate related activities. In addition, the Just Transition Mechanism has been reinforced with additional funds through Next Generation EU. Conference participants argued that the response should be a process of discovery rather than recovery so that no new money is given to old ideas and particularly fossil fuel based economic activities. This way, the way out of the crisis presents a chance of accelerating the transition envisaged by the EGD, the 2030 Agenda and the Paris Agreement.
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