

# European Green Deal

Blog post by Practice Lead Ermenegilda Boccabella, 26 November 2019

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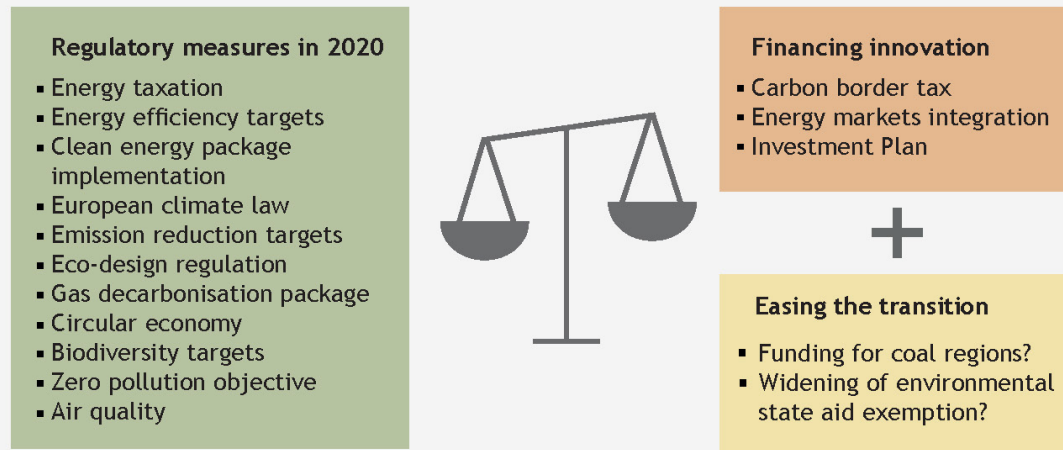
The Commission's ambitions to lead the world in action on climate change will continue to rub against member states' imperatives to manage the economic costs. Under Frans Timmermans, a team of Commissioners therefore have a huge task of putting together a European Green Deal. The Commission is already clear this will prioritise strong environmental protection, support for clean energy and a Climate Act binding the EU to net-zero emissions by 2050 in its first 100 days, as well as reviewing the energy taxation directive to bring it in line with stricter targets.

The European Green Deal will also have to offer some signs of the incentives for those less willing to go beyond the 2030 emissions reduction targets committed to in the Paris Agreement. Part of this will be through Kadri Simson's energy portfolio, built around implementing the Clean Energy Package legislation and a controversial Carbon Border Tax, ensuring the latter is in line with WTO standards and does not provoke any major US or Chinese response. Simson will also champion financial incentives for research and development in green tech and further work by Valdis Dombrovskis on incentives for private sector investment, including a 'taxonomy' of sustainable financial instruments. Perhaps most importantly, she will design a Just Transition Fund, supporting investment in coal-reliant and emissions-intensive regions.

Like the circular economy package, which Virginijus Sinkevičius will take forward, an ambitious program on CO<sub>2</sub> emissions reduction will be strongly backed by a larger green contingent in the European Parliament and will be given a push by the Finnish Presidency ahead of a decision at the December Council. But any 'deal' for the longer term will need to manage or overcome opposition from incumbent interests in member states including Poland, Hungary and Czechia.

The signs of where a deal can be reached are already evident in some of the different approaches taken by the large emitters, Germany, Poland and the UK. London has already legislated net-zero targets, while Warsaw is hoping to get paid for decarbonisation and faces a federal election in October. Berlin faces the biggest conundrum: agreeing to net-zero while contributing huge emissions from coal fired power in the west and rejecting nuclear power. If it succeeds, it will provide a model for other high emitting countries in Europe and around the world.

## Components of a bargain on climate action



Share of EU total CO2 emissions in 2018 (%)

