

## **The Future of Europe: Questions, Concepts and Actors**

**Panel 4 Friday 30 September 2022 11:00h-12:15h**

### **Factsheet: “The Future of EU Climate Policy: Internal and External Challenges”**

The EU has to face both internal and external challenges when it comes to its climate policy and energy security. Despite recent agreements on the legislative proposals in the ‘Fit for 55’ package and new strategies such as the REPowerEU Plan of May 2022, an exacerbated climate crisis and rising energy prices call for further and rapidly implementable measures. The EU has passed a mandatory gas cut regulation to limit the fallout from the energy crisis during the winter of 2022. The current parallel crises also show a more general failure of past energy policies in both strategic and climate terms. Swift and decisive implementation of the ‘Fit for 55’ package is crucial, but it needs to be accompanied by decarbonization efforts at national and sub-national level, as well as by a clear geopolitical strategy to secure critical materials – the European Critical Raw Materials Act announced in von der Leyen’s SOTEU speech still needs to materialize and be implemented. At the same time, the European Commission has recently proposed an external energy engagement strategy to diversify fossil fuel suppliers. While climate action has been at the core of discussions in the Global North, including the last G7 meeting, the EU still struggles with internal disagreements in achieving its long-ago agreed climate targets. The recent climate deal in the US Congress is a promising step, but the EU needs to advance global action further. The upcoming COP27 in Sharm El-Sheikh represents an important test for multilateral climate cooperation, especially on issues such as further emission reductions and climate finance, at a time of growing geopolitical tensions.

- How can the current (energy) crisis be mitigated without sacrificing ambitious climate goals?
- Are the “Fit for 55 package” and the RePowerEU Plan sufficient to reach our emissions reduction goals?
- How can the EU use its international clout to advocate for climate action the most effectively?

### **Goals**

- **Mitigation:** Reduce the EU’s net greenhouse gas emissions by at least 55% compared to 1990 levels by 2030, and become climate-neutral in 2050.
- **Adaptation:** Increase adaptive capacities at home and make it a focus in external relations, particularly in the Western Balkans and the European Neighbourhood.
- **Cooperation:** Advance climate action at the global, multilateral, and bilateral level to stay as close as possible to the 1.5-degree warming goal.
- **Transformation:** Transform EU economies and societies to 1.5-degree compliance, and further streamline climate action in all policy fields.



## Challenges

- The threat of recession complicates policy decisions that might create a burden for consumers and businesses, while geopolitical confrontation disrupts critical supply chains and cooperation that are necessary for the green transformation.
- Financial depth, and to a lesser degree state capacity, to steer the green transformation varies widely across EU Member States. Differences are further exacerbated by uneven macroeconomic pressures.
- International cooperation for climate action is questioned as interstate relations become tenser in the context of Russia's war against Ukraine.
- The war in Ukraine is a threat for food and energy security across the world. At the same time, EU countries are highly dependent on Russia when it comes to imports of natural gas.

## Possible Solutions

- Boost production of renewable energy and battery capacity with a clear geopolitical strategy to reduce dependence and carbon output.
- Boost energy saving through public campaigns and price signals, and energy efficiency through well-managed public policy to improve the performance of buildings and transport
- *Throw money at the problem:* More joint European funds for the green transformation with clear principles – i.e. the more CO2 is saved, the higher the share of EU funds in projects. Increase budget for, and prominence of, climate action in development cooperation, while also increasing national budgets for renewable energy, public transportation, and digitization.
- Continue to work on the broadest possible international coalition for climate action and devote significant resources to existing fora of cooperation, such as the upcoming COP27 in Sharm El-Sheikh planned in November 2022.

## German Dimension

As much as the EU in general, Germany is currently on the way to miss its self-proclaimed climate targets by a significant margin. At the same time, climate change is one of the issues most important to voters at least since the European elections in 2019, and civil society mobilization continues to demand more ambitious climate goals from the German government. The continued dependence of Germany on fossil fuels poses a security threat as energy supplies are weaponized in the context of the war in Ukraine, providing further urgency to transform the energy sector. After heated debates the German government has recently even decided to keep two nuclear plants available as a backup. The 2021 elected German government has actively pushed for a leadership role in global climate action, successfully lobbying for the creation of a “Climate Club” within the G7. This is a step in the right direction, but yet insufficient to actually support economies in the global South to leapfrog across fossil-fuel-based development. Current bilateral negotiations with Qatar and Canada, as well as investments in LNG infrastructure, raise questions regarding Germany's priorities and energy transition plans.

