Green Deal Watch

Issue no.16

"Europe's way" amid geopolitical turmoil

16

January - April 2025

iai 60th ANNIVERSARY 1965-2025

About the Green Deal Watch

The "Green Deal Watch" was launched in 2020 by the Istituto Affari Internazionali (IAI) with the support of Edison. The aim of the project is to follow the evolution of the ambitious and cross-cutting "European Green Deal" (EGD) strategy towards climate neutrality launched by the von der Leyen Commission in December 2019. The "Green Deal Watch" follows the "Energy Union Watch" which IAI published from 2015 to 2019 to monitor the evolution of energy and climate policies under the previous legislature. IAI covers the debate among national and European stakeholders and reports the key dynamics in order to help the reader better navigate the challenges and opportunities of implementation of the EGD. The Watch is produced on a quarterly basis, collecting official documents, public information and open source data, which are processed and analysed by the IAI team.

About IAI

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation, focusing on topics such as European integration, security and defence, energy and climate policies, as well as key regions such as the Mediterranean, the Middle East, Asia, Eurasia, Africa and the Americas. The IAI publishes an English-language quarterly (The International Spectator), an online webzine (AffarInternazionali), two book series (Trends and Perspectives in International Politics and IAI Research Studies) and other paper series related to IAI research projects.

https://www.iai.it/en

About the authors

Margherita Bianchi is the Head of the Energy, Climate and Resources (ECR) Programme of IAI.

Alessio Sangiorgio is Junior Researcher at the ECR Programme of IAI.

Alessia Lepori is a Trainee at the ECR Programme of IAI.

With the support of Edison

About this report

This is the 16th issue of the Green Deal Watch, a quarterly report produced by the Istituto Affari Internazionali (IAI) with the support of Edison. This publication aims at monitoring and analysing the initiatives launched by the European Commission and discussed by EU institutions and member states under the umbrella of the Green Deal. Starting from Issue 12, the Green Deal Watch IAI no longer follows the former division into four dimensions: "Driving the Green Deal", "Greening Industry", "Supporting the Transformation" and "Strengthening Security and Diplomacy". Instead, each issue is now structured as an analytical assessment of the main Green Deal developments in the three months that it covers.

A timeline of initiatives envisaged under the European Green Deal concludes this report.

1. "EUROPE'S WAY" AMID GEOPOLITICAL TURMOIL

The recent geopolitical developments shed new light on the transatlantic relation. While events are still unfolding it is becoming clear that the world may experience the end of the multilateral regime that emerged after World War 2. For the third time since 1990, the US has withdrawn from the multilateral climate regime, a choice that will impact climate finance flows towards developing countries and the speed of the transition around the world. US President Trump has pledged to reverse course on climate action, roll back investments in the energy transition at home and abroad, and impose tariffs on adversaries and allies alike – including the European Union. The task of realising the goals of the Paris Agreement indeed looks very different today – on its 10th anniversary – compared to a few years ago. Faced with concrete and growing security challenges and US disengagement, Europe wants to boost its defence capacity, and in March the European Commission proposed the "ReArm Europe Plan/Readiness 2030", which seeks to mobilise €800 billion in defence spending. Many have been warning that increased defence spending could conflict with the climate agenda – although there is possible convergence between these two priorities.

The European Commission has indeed reaffirmed its commitment to reach its climate targets and launched the Clean Industrial Deal on 26 February, as previously announced. Decarbonisation – in the view of Ursula von der Leyen – is the recipe to reduce Europe's energy costs and increase its energy security in today's volatile global context. The strategy – analysed below in this issue – provides both general guidance and some legislative proposals and has two clear sectoral focuses: energy intensive industries (EIIs) and cleantech deployment. The Clean Industrial Deal does not substitute for the broader Green Deal but rather could be considered as an implementing arm of the climate targets of the European Union, aiming at strengthening its competitiveness, resilience and decarbonisation. In the meantime, the EU has embarked on a reduction of administrative complexity as reflected in the so-called first Omnibus package – also analysed in this GDW issue.

Although the Green Deal is holding the line, the emission reduction target to be reached by 2040 is far from being cemented into law. Climate Commissioner

Hoekstra has considered options to soften the bloc's 2040 climate goal from what was previously recommended by the former EU executive, exploring routes to give countries more leeway. Germany's new government coalition has for example endorsed a larger EU-wide goal of 90 per cent emissions cutting by 2040, with the condition that countries must be allowed to incorporate international carbon credits in their climate efforts. A legal proposal on this intermediary target was then deferred from Q1 to Q2 of 2025. The necessary amendment of the Union's climate law will still have to be negotiated by member state governments and the European Parliament. The target will also form the basis of the EU's 2035 climate ambition (its updated Nationally Determined Contribution, or NDC), to be submitted by September 2025 before COP30 in Belèm, Brazil.

Energy trade has been another central topic of these months: President Trump has been very vocal in supporting higher US LNG shares to Europe to reduce the massive trade deficit with the bloc (in 2024, amounting to 235.6 billion US dollars). "Deregulation" (e.g., on methane emissions) is indeed considered by his administration as the best option to achieve the promised "energy dominance" and to reduce energy costs for US citizens. However, acknowledging its limited contribution to reducing the US-EU trade deficit, the higher costs of US LNG compared to other suppliers, and given Europe's growing reliance on LNG trade despite uncertainties related to Europe's future gas demand, Brussels and Washington will continue this tough conversation in the next months.

European natural gas markets furthermore experienced a turbulent beginning to 2025, with prices spiking to their highest point in two years, further exacerbating chal-lenges for businesses, consumers and governments across the continent. Gas supplies have tightened due to the halt of Russian pipeline transit through Ukraine and the re-turn to normal winter conditions, thus increasing withdrawals from storage. According to IEA analyses, global gas markets will remain under pressure in 2025, with supply growth (primarily from North American facilities) offset by the cessation of Russian gas transit through Ukraine, by distribution challenges and by low storage levels. In the meantime, QatarEnergy – having long-term contracts with several member states such as Germany, Italy, the Netherlands and France – has warned Europe it may look at legal avenues if fined under EU's due diligence law. In this complex context, despite the Commission's proposal to retain the EU's gas storage requirements and targets for two more years until 2027, several member states have emphasised this pushing up of gas prices and have asked for flexibility. Both the Council and the Parliament have intro-duced measures for flexibility for member states, and the two will now need to reach an agreement.

At the same time, the Commission is more determined than ever to phase out the EU's imports of all Russian gas and liquefied natural gas by the end of 2027. While only a few months ago – in the latest sanctions package, in January – the executive did not propose bans on Russian LNG, the Commission now considers that phasing out Russian gas will have limited impact on European energy prices owing to new LNG supply projects due online from 2026 and betting on renewables. While some EU industries have signalled support for a return to Russian gas, Commissioner Jorgensen has said that even if there is a peace deal between Russia and Ukraine, the EU will not rely on Russian imports again. He has indeed been very vocal in his willingness to cease supporting the Russian war-economy. In 2024 alone, the EU paid 23 billion euro to Moscow for its energy imports, despite significant reductions from 2022. In 2024 many countries relied heavily on Russian LNG imports, including France, Spain, Belgium and the

Netherlands. However, no impact assessment has been published so far by the Commission.

Jorgensen for the moment has explained that he will propose a stepwise approach to minimise impact on the EU member states affected. In June the Commission is expected to take action and table a package of legislative proposals introducing rules on transparency, monitoring and traceability of Russian gas, asking member states to make mandatory national plans for phasing out Russian gas, nuclear fuel and oil by the end of 2025, banning all imports of Russian gas under new contracts and existing spot contracts by the end of this year and banning the remaining imports of Russian pipeline gas and LNG under existing long-term contracts by the end 2027. The Commission is in the meantime exploring legal options to allow European companies to break their Russian gas contracts without facing penalties, as well as measures to forbid companies from entering into new contracts for Russian gas. Also, to address the illegal oil entering the market via Russia's "shadow fleet", the Commission proposes to enhance surveillance to identify suspicious vessels and deter illegal maritime behaviours. Jorgensen finally specified that the Commission would act against the import of nuclear fuels from Russia as well.

These proposals will need approval from the European Parliament and a reinforced majority of EU countries. It seems there might be growing political support from EU member states like Germany and Italy to hit Russian LNG, but Hungary and Slovakia have historically blocked gas sanctions. In particular, Viktor Orbán has vowed to block any new energy restrictions – and Hungarian Foreign Affairs Minister Szijjártó considers the proposal a "serious mistake" that "threatens energy security, drives up prices & violates sovereignty".

It is clearer than ever that fragmentation is not an option in today's Europe. In the next months, many important dossiers need approval or at least progress, and the bloc must act united while operationalising its internal and foreign tools. In Berlin, the six-month wait for a new German government has come to an end. The new government has renewed Germany's commitment to domestic and European climate targets and will crucially have to act to counterbalance American retrenchment. Before Merz became Chancellor, the CDU/CSU and the SPD, with the support of the Greens, approved at record speed a constitutional reform on debt limits – which included energy initiatives – with 100 billion euros out of the total 1 trillion euros in loans allocated to a Climate Transformation Fund. However, the new coalition's approach to decarbonisation is, for the moment, more cautious than before. In the meantime, in Romania, right-wing nationalist George Simion has won the first round of the rescheduled presidential election after fellow ultranationalist Georgescu was disqualified, but was ultimately defeated by pro-EU centrist candidate Nicusor Dan.

2. A FRAMEWORK FOR COMPETITIVENESS, DECARBONISATION AND RESILIENCE

On February 26, the Commission presented its long-awaited Clean Industrial Deal. The plan outlines a roadmap of initiatives to boost clean technology manufacturing, decarbonise energy-intensive industries, and lower energy costs. While less prominent, funding instruments and trade defence measures were also announced. The plan was presented at the European Industry Summit in Antwerp: the location was symbolically chosen to respond to business players who one year before, called on the EU to implement an Industrial Deal, signing the Antwerp Declaration. However, not everyone welcomed the new plan as the definitive solution for balancing climate protection with economic competitiveness. Companies have been largely tepid on the plan, with hard-to-abate sectors asking for more radical changes. At the same time, those worried that the new initiative would reverse the EU's climate ambitions also lamented. The Green Deal was, however, referenced just once in both the new communication and in von der Leyen's presentation speech, a sign that the Commission may want to change the narrative from that used so far.

The Clean Industrial Deal does not command the status of a new flagship initiative by the Commission. In 2019, the Green Deal was presented as "[…] Europe's man on the moon moment", whereas the Clean Industrial Deal looks more like an operational tool. The plan also appears to be more of a guiding strategy although it will include legislative proposals. When launched, the 2019 Green Deal included proposals for 50 specific policy measures, the majority of which were legislative. By contrast, the largest share of flagship actions programmed for the next two years is mainly composed of recommendations, like those on network charges and energy taxation. There are very few regulatory proposals, with the main one being the extension of the Gas Storage Regulation, which is likely to be shaped by member states' request for flexibility – as anticipated above.

The limited number of legislative proposals is admittedly due to the Clean Industrial Deal's more finite scope. The European Green Deal aimed at an all-encompassing socio-economic transformation, while the new plan focuses on targeted industrial operationalisation. To do so the new plan is launching Strategic Sector Dialogues to identify each industry's challenges, and then presenting an action plan with possible strategies and countermeasures. Indeed, the Commission

has proposed an action plan for the automotive sector and one for steel and metals (both proposed in March). At the same time, the Commission aims to couple these plans with supporting measures for wider structural problems, such as high energy prices.

Indeed, high energy prices remain one of the main causes of the competitive gap between European industries and other players. Energy prices for industrial consumers in Europe have, on average, been 30 per cent higher than in China and five times as high as in the United States in recent years. Industries have also long complained about higher production costs than their international competitors due to a "green premium". Furthermore, a "security premium" is increasingly added on top, due to geopolitical tensions and a transactional use of tariffs affecting market access and supply chains. Consequences have been particularly serious for member states with export-led economic models, such as Germany, which is still not growing for the third year. To address this problem, the Clean Industrial Deal contains an Affordable Energy Action Plan, but the measures proposed remain largely consistent with the current energy market design. The main instruments promoted are Power Purchase Agreements (PPAs) for securing long-term supply for small and medium enterprises and industries in hard-to-decarbonise sectors. To facilitate their adoption, the plan indicates 500 million euros from the European Investment Bank (EIB) that will act as a counter-guarantee for companies entering PPAs. The plan emphasises the importance of a "technology-neutral" approach in reducing prices. This may indicate that nuclear power, natural gas and other energy sources will continue to be grouped when determining electricity prices. Despite calls to reform the electricity market by separating gas prices from electricity prices – a recommendation advanced also in the Draghi report – this scenario is unlikely.

The Commission also intends to promote Contracts for Differences (CfDs), whose financing will, however, be left to member states. CfDs are usually state-backed contracts for which a price is set by an agreement between an electricity generator and a member state. If the market price is below the agreed one, the generator gets compensated for the difference. On the contrary, when the market price is above, the generator pays it back. The absence of mechanisms for jointly sharing these costs or revenues is particularly impactful. Indeed, leaving member states to bridge this difference (either above or below market price) may lead to market distortions and a "subsidy race" between member states. The plan largely shows the limits of the Commission's toolbox, with many proposals leaning on member states' competences, such as requests to fully implement power market rules and to reduce network charges to reduce the final price burden. The Commission also proposed to ensure a functioning gas market and specifically create the conditions and tools to respond to gas price spikes. Details have been scarce, with a Gas Market Task Force to study possible market tools being announced. However, the system may be based on the strengthening of joint purchases through the AggregateEU platform, which allows companies to coordinate their demand and increase their negotiating position with sellers. There have been suggestions of including a non-emergency version of the price cap tool designed during the energy crisis, which expired on January 31 without ever being triggered. No formal proposal to establish a permanent price cap has been advanced, and even Italy, which requested its extension, did not gather support from other member states.

The Commission also pointed to grid expansion and flexibility to reduce electricity prices. To do so, it presented plans to strengthen grid interconnections between member states. Roughly half of member states have already reached the 2030 interconnection target of export capability of at least 15 per cent of their installed electricity generation capacity to neighbouring countries. However, this may not be sufficient, as the speed at which renewables have been added to grids has systematically been underestimated. Indeed, in April, yet another period of high renewable supply has stressed the European grid system, whose vulnerability has been further shown by a large-scale blackout in Spain and Portugal. Electricity supply in the affected area was very quickly restored, with the help of power generation resources (such as hydro-power plants) and power interconnections with France and Morocco, and an investigation led by ENTSO-E has been launched to understand the causes. Still, from a political point of view, the event opened a series of debates on the nature of the blackout and of the European grid system as a whole. Questions arise on how to build resilience while faced with these risks. On the one side some have wrongly blamed renewable-led electrification; others are also pointing at the potential effects a more interconnected grid would have on the rest of continental Europe if faced with a similar event.

The Clean Industrial Deal proposes two main packages, respectively simplifying regulatory procedures and de-risking grid components manufacturing. The first one, the European Grid Package, is expected to be presented by the first quarter of 2026 and will streamline permitting, planning and fast-track cross-border interconnectors. The second, the Grids Manufacturing Package, would allocate EIB counter-guarantees amounting to 1.5 billion euros for European companies manufacturing grid components. The EIB is indeed already strengthening its role in the financing of grid projects, as recently shown by the 500 million euro loan to the Dutch electricity network operator Stedin, and a 405 million euro loan to Polish electricity supplier Energa aimed at expanding and modernising the country's distribution network.

Grid vulnerability is also increasingly tied to security considerations and geopolitical tensions. On 9 February 2025, Estonia, Latvia and Lithuania synchronised their grids with the Continental European Network, disconnecting from the Russian and Belarusian systems. The shift reduces the potential weaponisation of electricity interconnections on behalf of the Kremlin, but it may produce further congestion on the existing European infrastructure. The NordBalt, EstLink 1 and EstLink 2 maritime links offer some redundancy, but the LitPol link, on the terrestrial side, may become a chokepoint. A new rerouting option is being considered with the construction of the Harmony Link between Poland and Estonia, but this will not be operational before 2030.

An "Industrial Decarbonisation Accelerator Act" – to be presented by the end of 2025 – will be a test for the Commission, which wants to increase demand for EU-made clean products and reduce red tape. The Act will operate in synergy with the Net-Zero Industry Act, which introduced several non-price criteria for clean technologies. Specifically, it aims to simplify the adoption of "resilience and sustainability" criteria that member states will have to consider for public procurements. It aims to reduce administrative procedures and streamline permitting requirements for companies im-plementing decarbonisation strategies. The Clean Industrial defines that for certain yet-to-be-specified acceleration areas, mechanisms of tacit approval of administrative pro-cedures could be allowed. A revision of the EU public procurement framework is scheduled for 2026 and it will

introduce sustainability and local content requirements in strategic sectors. Early discussions are in progress to simplify renewable energy permitting as well. New rules may be introduced with an omnibus format, reassessing a number of previous overlapping rules from different sources in a single framework. This initiative is expected to work in synergy with the upcoming Electrification Action Plan – to be presented by Jørgensen in Q1 2026 according to the Affordable Energy Action Plan. The Action Plan should aid in boosting clean energy development and poten-tially have a dedicated focus on increasing energy efficiency through electrification.

3. Debating recipes for funding, diversifying and simplifying

Financing and capital mobilisation remains the elephant in the room to sustain such transformation. The Commission promised to allocate up to 100 billion euros through the new "Industrial Decarbonisation Bank". The programme is expected to be fully implemented by mid 2026, but a first pilot auction of 1 billion euros will be held by the end of 2025, operating similarly to the Hydrogen Bank. However, the Decarbonisation Bank capital would mostly come from the repurposing of existing funds: mainly revenues of the Emissions Trading System (ETS), which are expected to grow as the system is expanded to transport and buildings in 2027; these funds were already destined to finance similar initiatives through the Innovation Fund.

There are moreover some uncertainties regarding the governance, operationalisation and strategies of the Decarbonisation Bank. The Commission indicated that the Bank would operate under the governance of the soon-to-be-implemented Competitiveness Fund. The idea is to develop a new umbrella mechanism – the Competitiveness Coordination Tool – to combine multiple existing EU financial instruments with similar objectives. However, bundling together different instruments for the transition may dilute targeted financing for specific transition strategies.

As joint financing remains based on existing funds and models, the Commission's idea is to mobilise capital by leaving more freedom to member states. The Clean Industrial State Aid Framework (CISAF) will formalise new rules, to be presented in June 2025 and expected to be largely based on the emergency measures of the Temporary Crisis and Transition Framework, adopted in March 2022 to loosen state aid rules. Member states will be able to use public funds to support renewable energy expansion, electricity and thermal storage, non-fossil flexibility support schemes and support for clean tech such as batteries, wind turbines and heat-pumps. The Framework will also address the length of the Commission's assessment procedures. It aims to establish criteria for faster approval of countries' state aid schemes, which, up to now, have taken considerable time. While largely anticipated and requested by multiple member states, the State Aid framework immediately sparked debate on distortions in the

EU single market. This is especially significant for those member states planning to expand their reliance on public debt, leading to further possible distortions.

The Commission also wants to mobilise additional private capital, increasing guarantee mechanisms for companies investing in the transition. The executive estimates that by increasing the risk-bearing capacity of the InvestEU programme, an additional 50 billion euros of private investment could be mobilised by 2027. Currently, the programme includes a guarantee of 26.2 billion euros. In the meantime, another investment programme, TechEU, will be launched in coordination with the EIB. It will aim to ramp up investments in innovative technologies such as AI, innovative batteries, critical raw material–related techs, quantum computing, energy storage and semiconductors.

While the EU is largely falling behind in all these fields, critical raw materials refining and sourcing, as well as battery manufacturing, remain of primary importance. To address these challenges, the Commission will create a Critical Raw Materials Centre, a system to pool raw materials purchasing on behalf of interested companies across member states, similarly to how "AggregateEU" works. The Centre should be operational by the end of 2026. In the meantime, in March, the Commission presented its list of CRM Strategic Projects in the context of the Critical Raw Material Act (CRMA). Significantly, no project located outside the EU was in the list, even though the CRMA would have allowed external strategic partnerships. On one hand, this represents an attempt by the Commission to concentrate efforts inside the EU, to avoid a further increase in external dependency. On the other hand, however, an absence of projects in third countries may also be interpreted as a cautious move after accusations of green colonialism, specifically in relation to the EU plans for the Jadar lithium deposit in Serbia. This may further hinder the creation of reliable supply chains parallel to those dominated by China.

The Commission is also trying to build international partnerships in these fields through Clean Trade and Investment Partnerships (CTIPs), a new trade instrument in the hands of the Commission. This option should propose a faster, more flexible and targeted approach than the larger trade agreements. On March 13, the first CTIP was announced, establishing a partnership with South Africa, which will also cover cooperation on critical raw materials. In proposing this approach, the European Union is clearly employing a distinctly different external strategy compared to the United States and China, the world's other major economic powers. China primarily focuses on securing raw materials through investments and direct purchasing agreements. The United States tends to leverage security guarantees in exchange for mineral access (e.g., the recent deals with Ukraine and the DRC). In contrast, the EU seeks to establish more collaborative relationships with its partners, particularly in developing economies, shared development projects rather than purely transactional exchanges.

Efforts to increase and diversify the supply of critical raw materials are linked to the ambition to establish a homegrown manufacturing base for batteries. However, the sector reached a new low in March, as Swedish Northvolt, acclaimed as a potential European industry champion, filed for bankruptcy. Its failure also resulted in the collapse of Northvolt and Volkswagen's joint plans for a new battery plant in Germany. This was just the last of several pitfalls for European

EV manufacturers, as the automotive sector continues to be in a full-blown crisis.

The Commission had thus pledged to identify immediate solutions, indicating the automotive sector for its first Strategic Dialogue and Action Plan. The Strategic Dialogue took place on January 30, and brought together companies and sector associations with EU officials. Discussions focused on closing the competition gap with international competitors, as well as how to support the transition and streamline regulations. After the initial meeting, an open and public consultation was held from January 30 to February 13 to gather feedback from a broader set of stakeholders. The Dialogue saw four thematic working groups, each headed by a Commissioner: Hoekstra for the Clean Transition, Séjourné on the Industrial Value Chain, Virkkunen on Technological and Digital Innovation and Mînzatu in charge of Skills and Social Considerations. The dialogue was not free of tensions, with emissions targets receiving pushback. Representatives of both the European Automobile Manufacturers' Association (ACEA) and the European Association of Automotive Suppliers (CLEPA) stressed that action was necessary to avoid fines for non-compliance with the 2025 CO2 targets. Companies like Volkswagen and Renault called for increased flexibility and target review, and added that fines could reach up to 15 billion euros. These requests were partially met on 3 March. Von der Leyen refused to downplay the 2035 combustion engine ban, but allowed carmakers more flexibility in achieving the targets. The Commission will check compliance over the 2025–2027 period by assessing companies' average reduction over three years. This means that carmakers may now overshoot the previous emissions limits for 2025, if they can compensate with even lower emissions in the next two years. Italy and the Czech Republic welcomed the proposal, with Czech Transport Minister Kupka asking for a further five-year extension. Even inside the EPP, opposition to the 2035 target is growing, with some asking to scrap it completely. There have also been calls to change the mechanism for pooling emissions. European car manufacturers have long lamented that the system forces them to purchase carbon allowance from other companies, which often end up being their direct competitors with lower emissions levels, such as Tesla or Chinese manufacturers.

On 5 March, the Industrial Action Plan for the European automotive sector was presented in this context of open dispute. It aims to boost demand, foster the adoption of new technologies and address the social dimension of workers facing layoff. However, it is unlikely to be the solution to the structural unpreparedness of the market to self-sustain the adoption of zero- and low-emission vehicles. Supporting policies proposed include social leasing schemes, funded by ETS 2 and linked to the Social Climate Fund, to help consumers purchase zero-emission vehicles. The Commission also announced a legislative proposal to electrify corporate fleets, especially for SMEs. Details are still lacking, but corporate fleets have also received attention in the Communication to decarbonise corporate fleets, published together with the Action Plan. The Commission will also introduce a Sustainable Transport Investment Plan to be adopted in 2025 to attract investment to build more charging infrastructure, whose distribution in the EU is still highly uneven, with more than half concentrated in a few member states, mainly Germany, France and the Netherlands.

The Automotive Action Plan also contained a Battery Booster Package to help European production by providing 1.8 billion euros from the Innovation Fund, in addition to 3 billion euros already pledged. However, it is uncertain if companies will be able to compete in international markets despite additional

funding, as even companies such as Northvolt have failed to stay operational. The Action Plan also anticipates that "local content" requirements for batteries and related components will be introduced, and it calls for synergies with the Clean Industrial Deal through the operationalisation of the Critical Raw Materials Centre, aiming to increase companies' purchasing power. Finally, measures to respond to the ongoing layoffs in the sector are rather modest. It focuses on increasing skills, training and compensation mechanisms. However, it mainly relies on previously existing initiatives like the European Social Fund Plus and the European Globalisation Adjustment Fund.

The Commission also launched a European Steel and Metals Action Plan. Similarly to carmakers, steel and metals companies are confronted by industry-wide challenges, such as high energy prices, difficult-to-electrify processes and the loss of high-quality jobs. However, the Steel and Metal Action Plan also addresses sector-specific challenges, including how to prevent carbon leakage. As the Carbon Border Adjustment Mechanism will take full effect next year, risks of carbon leakage and ways to circumvent CBAM obligations are increasingly debated. To address these concerns, the Commission has considered advancing a first legislative proposal by the end of 2025, extending measures to cover certain steel- and aluminium-based downstream products.

The future of sustainability reporting, in the meantime, is sparking harsh debate. As EU sustainability frameworks like the corporate sustainability reporting directive (CSRD) and the EU Taxonomy move toward full implementation, companies – especial-ly SMEs – face significant operational challenges. The Corporate Sustainability Due Dili-gence Directive (CSDDD) adds further obligations by requiring companies to address environmental and human rights impacts throughout their value chains. In response to concerns about the consequent regulatory burden, on 26 February, the Commission adopted its new proposals for the Omnibus Simplification Package. The amendments primarily postpone reporting requirements and make some previously mandatory re-porting voluntary for small and medium-sized companies. For example, companies with fewer than 1,000 employees are no longer bound to report on the taxonomy re-quirements. The move has been praised for decreasing bureaucratic burden and sys-tematising interlinked initiatives in a single framework, but it has also created new sets of problems. Criticism has been raised about weakened sustainable standards as well as insufficient long-term regulatory clarity. Specifically, the shift rewarded companies that delayed implementing reporting systems, while early adopters complained of hav-ing incurred now unnecessary organisational costs.

This first Omnibus package may represent a new Commission "bundle-to-deregulate" approach, meaning that different legislations and directives are grouped together, preserving their core principles, but smoothing the final edges of the resulting proposal. This may also enable the Commission to avoid the perception of reversing its own measures adopted during the first von der Leyen term. The Commission maintains that the Omnibus is a way to cut red tape – and not to deregulate – but many are questioning whether the EU is launching a systematic revision of reporting duties and standards. Indeed, outside of sustainability criteria, the General Data Protection Regulation (GDPR) is facing similar attempts by the Commission. Meanwhile, non-EU jurisdictions are shaping their own reporting frameworks, offering comparisons and adding complexity to an already complex framework.

This approach is also testing the stability of the centrist coalition in the European Parliament. The vote to momentarily freeze reporting duties of the three directives replaced by the Omnibus saw rising tension between the Socialist and Democrats (S&D) and the EPP. The moderate left asked for several changes, largely ignored by the Conservatives. In the end, the vote passed with a large majority, including also the far-right Patriots for Europe (PfE) and Europe of Sovereign Nations (ESN) groups. This confirms von der Leyen's capacity to pass legislation while looking in both directions of the hemicycle, but also suggests that pushing too much to the right may provoke reactions from the left and potentially even the EPP, increasingly polarised on climate issues.

IN DEPTH

Interview

Laura Cozzi

Director of Sustainability, Technology and Outlooks, International Energy Agency (IEA)

Traditional energy security remains a pressing concern. Global LNG production has not rebounded as expected, and imports from the Middle East and North Africa still face disruptions due to bottlenecks and political instability. Europe has yet to fully end its remaining dependencies on Russian energy. Meanwhile, the U.S. administration is urging the EU to increase energy imports from American suppliers, raising concerns over transatlantic dependencies and trade imbalances. In this context, what are your thoughts on EU energy security, and especially gas security?

Maintaining secure, stable and affordable energy supplies remains a crucial priority for the world and for Europe. This is also the core, founding pillar of the International Energy Agency, which for over 50 years has played a central role helping coordinate global energy security efforts and mitigate and manage energy disruptions. With an initial focus on oil security, the agency has coordinated five collective emergency stock releases, including two in 2022.

Ensuring secure supplies of natural gas from diverse sources remains a high priority for Europe, as the recent Roadmap towards ending Russian energy imports again highlighted. Russia's invasion of Ukraine profoundly transformed gas markets. And while the immediate gas crisis has eased, the structural changes that occurred in 2022 will persist for years. However, there is a more positive outlook over the second half of this decade. Global LNG liquefaction capacity is set to increase by around 250 bcm/year by 2030 – equivalent to almost half of current global LNG trade, and the largest amount ever. This will bring important breathing space for European consumers and businesses.

But energy security is evolving and expanding beyond these traditional priorities – that was a key message at the recent Future of Energy Security Summit co-hosted by the IEA and UK Government in London in April. The world – including Europe – is seeing dramatic shifts in the pattern of energy deployment. The rapid fall in the cost of renewables is driving strong growth

of clean energy, and in parallel electricity use is growing much faster than overall energy demand. This turns attention to new and emerging energy security concerns: around electricity security, clean energy supply chains and critical minerals, and resilience to climate hazards. However, the golden rules for energy security have not changed, and diversification, predictability and cooperation remain essential.

The debate around the clean industrial deal is key. Europe should avoid total repatriation of clean tech production (either impossible or too expensive), and at the same time cannot fully rely on cheap imports. What is, in your view, a realistic strategy that the EU should pursue?

The EU's energy-related CO2 emissions have fallen by one third from their peak 20 years ago, even as GDP has grown by one third over the same period. But decarbonising without deindustrialising remains a concern for many European countries, and Europe needs to act to strengthen its position in key emerging industrial sectors. The IEA's Energy Technology Perspectives 2024 *provided pioneering analysis of clean technology manufacturing and trade trends. Today, the EU is a world leader in some clean energy technologies including wind turbines, hydrogen electrolysers, and grid equipment. But Europe has made strategic errors, losing its previous lead in certain elements of the solar PV supply chain, and risks falling behind in other critical clean energy technologies.*

The Clean Industrial Deal, as well as focusing on support for energy-intensive industries, also recognises the need for the right regulatory framework to support clean energy technology sectors. Solar PV manufacturing, despite cost challenges, may still merit support. But the reasons for doing so – such as securing an innovation foothold in new technologies like perovskites, or retaining some production ability for strategic reasons – may differ from those in sectors where the EU aims to secure a leading position in global markets, such as electric vehicles or electrolysers.

Several principles can guide a coherent EU industrial strategy. Firstly, the bloc should play to its strengths, with clear goals and metrics for success, and with experimentation and flexibility built in. Secondly, it should encourage innovators, including by strengthening links between manufacturing and each component of the broader innovation system. And thirdly, it should plug cost gaps strategically, including through measures to reduce lead times and upskill workforces. In the interim, the use of trade policy instruments to bridge competitiveness gaps should be judicious and time-limited.

Affordable energy remains a crucial issue for the EU's attempt to stimulate economic growth. What should Member States and the Commission do to make energy prices more affordable?

The EU's Clean Industrial Deal and accompanying Affordable Energy Action Plan rightly included a focus on the role of energy prices in ensuring renewed competitiveness. Prices have eased since the height of the energy crisis, but Europe still faces significant energy price gaps to other major economies – with electricity costing on average 60% more than the US (2019-2023).

The shift in energy market dynamics expected this decade should (barring geopolitical uncertainties) signal downward pressure on prices – and provide a window for action. However, natural gas markets may remain tight until well into 2026. For energy-intensive industries in particular, the intended revision of CBAM in the Clean Industrial Deal can help boost the competitiveness of high-value manufacturing in Europe and reduce the risk of circumventions. Currently, especially in light industries, the EU remains dependent on natural gas, so increased electrification for European industry is a priority. The share of electrification in EU industry is much lower (40%) than in countries like Japan (61%), Korea (63%) or China (52%). Contracts for difference have, for example, helped to support electrification projects in different sectors in Germany. Electricity price pressures could also be relieved in the short-term by price reductions in exchange for commitments by industry to help build a lower-cost energy system, via renewables or demand-side flexibility. Innovative solutions such as the optimization of processes through artificial intelligence (AI) can also help deliver energy efficiency gains.

In parallel, efforts to advance decarbonisation can also help cut energy prices, especially as renewables with low operations costs become increasingly abundant. But, as Mario Draghi and others have pointed out, lower energy costs must be passed on to consumers. That requires reforms to electricity market design. The share of gas in the EU power mix has fallen below 20%, but natural gas is still setting electricity prices around half of the time, highlighting the need for actions to weaken the link between gas and electricity prices.

The debate on nuclear energy is evolving. Key players like Germany or Italy are changing their traditional stances on the topic and interest is growing around new technologies such as Small Modular Reactors. How would you describe the current debate on nuclear power in Europe and Italy? What perspectives and timeframes do you see for these technologies as part of the EU's energy mix?

As highlighted in the IEA's report on The Path to a New Era for Nuclear Energy, presented in Rome in February with Minister Pichetto Fratin, interest in nuclear energy is at its highest level in many decades. Support for expanding its use is now in place in more than 40 countries, including many

in Europe, such as France, the UK, Sweden, Poland and Slovakia. Italy has also showed renewed interest: Its 2024 National Energy and Climate Plan highlights potential for small modular reactors (SMRs) and even fusion to play a significant role by 2050. Nuclear energy stands out as a low-emissions electricity source available around-the-clock, enhancing energy security and complementing renewables.

Nuclear's share of EU power generation fell from a peak of 34% in 1997 to 23% today. This is partly due to challenges in building new projects – resulting in delays and cost overruns in Europe (notably in France, Finland and the UK). Moreover, nuclear market leadership and supply chains have become very concentrated, raising energy security concerns. Since 2017, 47 out of 53 reactors starting construction worldwide were of Chinese or Russian design. Uranium enrichment capacity is also highly concentrated, with Russia alone accounting for 40% of the global total.

Nevertheless, there are reasons for optimism. As of February 2025, 70 GW of nuclear capacity are under construction, one of the highest levels in decades. Innovation is changing the technology landscape, with many SMR designs under development and the first commercial projects in advanced economies set to start operation around 2030. In the EU, countries with plans or interests to develop SMRs include France, the Czech Republic and Finland, among many others, and capacity could reach as much as 15 GW in 2050. The rise of SMRs can help EU designs win a larger share of the market; our analysis indicates around 15% of global nuclear construction starts by 2040.

What role can artificial intelligence play in shaping the energy transition? In which energy sectors do you see the greatest potential / risks for its application in Europe?

In just a few years, AI has grown from an academic pursuit to an industry with trillions of dollars of investment at stake. This rapid ascent brings major implications for the energy sector. Much attention is on AI's own need for energy – especially electricity. The IEA's recent Special Report on Energy and AI projects *that electricity consumption by data centres – driven by AI's needs – will more than double to around 945 terawatt-hours by 2030, more than Japan's annual electricity usage. The impact will be strongest in regions where data centre investment is concentrated, led by the US, but demand is growing in Europe too.*

AI has much to offer a more complex and connected energy world, with energy companies already deploying AI solutions for everything from reducing costs to enhancing supply and lowering emissions. The oil and gas industry uses AI to optimise exploration and production efforts. AI can help manage electricity networks, improving renewable power integration, helping detect reduce grid outages, and optimising power line capacity.

AI can also bring benefits in increasingly digitalised energy end-use sectors. In industry, AI applications can accelerate product development, cut costs and deliver energy savings. European companies are well placed, holding over half the market share for industrial automation solutions, critical for industrial AI deployment. In transport, AI can improve efficiency and cut costs, and is being used to manage traffic, optimise routes, and develop autonomous vehicles. And in buildings, there is great potential for AI to help optimise heating and cooling systems and flexible electricity usage. Finally, AI is well placed to accelerate the often-slow place of energy sector innovation.

AI is not a silver bullet, but it has the potential to help cut emissions by more than the likely increase from data centre demand. The countries and regions that win the race to develop and deploy AI solutions can yield major benefits in ensuring secure, sustainable and affordable energy systems.

Finally, what do you think is needed in Europe to maintain and grow consensus among citizens and industries around the energy transition? It is evident that as decarbonization is being implemented, the debate around climate action becomes more and more polarized. How to build an effective green 'social contract' around the transition?

Countries and regions will set their own pathways to achieve energy and climate goals. But a broad base of support can be built for energy transitions, including in the EU, highlighting the multiple potential benefits that can be achieved.

Investment in clean energy continues to grow: global spending on clean technologies and infrastructure reached USD 2 trillion in 2024. In the EU, this increasing activity is translating into growth in clean energy jobs, which grew by 3.1% annually over the last 4 years – well ahead of annual economy-wide growth of 0.9%. One in every 20 new jobs in the EU since 2019 was in clean energy sectors. And clean energy manufacturing represents a major new industrial and commercial opportunity – if Europe can build on its strengths. As noted above, recent global energy market trends point to a potential easing in energy price pressures this decade. The wider rollout of lower-emissions technologies also has scope to deliver lower energy prices for consumers and for industry, especially with the deployment of renewable power generation with low operational costs, shielding them from volatile fossil fuel prices. To ensure these benefits are realised, governments need to devote attention to electricity market designs, to help manage the upfront costs of clean energy investment and to mitigate risks to affordability that may arise as energy systems evolve.

Finally, the rising share of electricity in the energy mix and the transformation of the power system can help enhance energy security. Diversification of energy resources, driven by renewables, is already helping reduce

dependency on imported fuels. This is significant in the EU, which has limited domestic fossil fuel resources. The rollout of renewables and energy savings enabled a reduction of more than 60 billion cubic meters of annual gas imports from 2022 to 2024. The EU's energy import bill fell sharply over the same period but still totalled around EUR 375 billion in 2024.

APPENDIX

TIMELINE

This timeline highlights the main elements proposed by the Commission under the umbrella of the Green Deal since the re-election of Ursula von der Leyen in July 2024. Previous activities are listed under the "Timeline Archive", available at the end of this report.
The lists are not exhaustive, but aim to provide an overview of the Commission's work during these years. The list started as an expanded version of the Commission's own timeline, available here:

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

6 May 2025
The Commission presents its roadmap towards ending Russian energy imports

3 April 2025
European Parliament votes to delay the application of sustainability and due diligence reporting rules

19 March 2025
The Commission presented the Action Plan on Steel and Metals.

5 March 2025
The Commission presented the Action Plan on the Future of the Automotive Sector.
The Commission proposed to prolong the Gas Storage Regulation until the end of 2027.

4 March 2025
The Commission President launched the Strategic Dialogue on the Future of the European Steel Sector.

26 February 2025
The Commission presented the Clean Industrial Deal, aimed at accelerating decarbonisation while securing the future of manufacturing in Europe.

The Commission adopted a proposal for the Omnibus Package, providing simplification in the field of sustainability and EU investment programmes.

30 January 2025
The Commission launched the Strategic Dialogue on the Future of the Automotive Industry.

29 January 2025
The Commission presented the Competitiveness Compass.

14 January 2025
The Commission published an independent study detailing the net-zero manufacturing industry landscape in Europe and a Regulation on the verification of CO2 emissions for heavy-duty vehicles.

9 January 2025
The Commission President established 14 Project Groups chaired by Members of the College to ensure coordination on political priorities.

1 January 2025
Poland assumed the rotating Presidency of the Council of the European Union.

18 December 2024
The Council formally adopted the regulation on the one-year postponement of the application of the EU Deforestation law.
The Commission President announced the launch of a Strategic Dialogue on the Future of the Automotive Industry in Europe.

17 December 2024
The Council affirmed its position on a Regulation for the prevention of plastic pellet losses.

16 December 2024
The Council formally adopted a Regulation on packaging and packaging waste and approved conclusions on promoting geothermal energy.

12 December 2024
The Energy Community Ministerial Council adopted the first Projects of Energy Community Interest.

9 December 2024
The Council approved conclusions on the post-2027 CAP.

6 December 2024
The Commission finalised negotiations with four Mercosur countries for an EU-Mercosur partnership agreement.

5 December 2024
The Commission launched the European Board on Agriculture and Food.
The 16th Citizens' Energy Forum took place in Budapest, kickstarting the Commission's work on developing the Citizens Energy Package.

3 December 2024
The Commission established the cap on emission allowances under the ETS2 for 2027.
The Commission earmarked €4.6 billion for two calls for proposals to accelerate the deployment of decarbonisation technologies and announced a new partnership with the European Investment Bank to support investments in the battery manufacturing sector.

1 December 2024
The Commission 2024-2029 took office.

24 November 2024
The Commission and EU Member States negotiated a New Collective Quantified Goal for Climate Finance at COP29, broadening the global contributor base.

19 November 2024
The Council adopted a new regulation on ESG rating activities and greenlighted the proposal for an EU certification framework for permanent carbon removals, carbon farming and storage.
The 2024 Carbon Market Report showed that carbon pricing drove emissions from power and industry installation to a 16,5% reduction in 2023.

14 November 2024
The Parliament agreed to the one-year postponement of the Deforestation Regulation.

12 November 2024
The Parliament conducted confirmation hearings for Commissioners-designate Stéphane Séjourné (Prosperity and Industrial Strategy) and Teresa Ribera (Clean, Just and Competitive Transition).

The Commission launched a new Methane Abatement Partnership Roadmap at COP29.

8 November 2024

The Council released the Budapest Declaration on the New European Competitiveness Deal.

7 November 2024

The Commission launched an Ecodesign Forum to accelerate progress on sustainable products.

The Parliament conducted the confirmation hearings of Commissioner-designate Wopke Hoekstra (Climate, Net-Zero and Clean Growth)

5 November 2024

The Council adopted the Construction Products Regulation and called for swift implementation of the EU's regulatory framework for renewable hydrogen.

The Parliament conducted confirmation hearings for Commissioners-designate Dan Jørgensen (Energy and Housing) and Jessika Roswall (Environment, Water Resilience and a Competitive Circular Economy).

4 November 2024

The Parliament conducted confirmation hearings for Commissioners-designate Christophe Hansen (Agriculture and Food) and Apostolos Tzitzikostas (Sustainable Transport and Tourism).

29 October 2024

The Commission imposed duties on imports of battery electric vehicles from China for a period of five years.

22 October 2024

The European Parliament approved the reform of Single European Sky rules for a more efficient and greener airspace.

16 October 2024

The Council agreed to postpone the implementation of the Deforestation Regulation by one year.

The Commission adopted a delegated act clarifying the inclusion of offshore vessels in the emissions monitoring system.

The European Network for Transmission System Operators for Gas's annual winter supply outlook confirmed the security of gas supplies for the upcoming winter and summer season.

14 October 2024

The Council asked the Commission to propose a comprehensive EU-wide action plan against desertification, land degradation and drought.

8 October 2024
The Council approved conclusions on climate finance ahead of COP29.

2 October 2024
The Commission proposed a one-year postponement of the application of the EU Deforestation Regulation and published an international cooperation framework to support stakeholders in the implementation.

27 September 2024
The Commission launched a consultation on the draft methodology for low-carbon hydrogen and fuels and published the final Terms and Conditions for its second auction for the production of renewable hydrogen via the Innovation Fund.

17 September 2024
The Commissioners-designate are announced

11 September 2024
The EU Governance Regulation report shows that the EU has a comprehensive integrated legal framework and tools in place to meet its decarbonisation goals.

9 September 2024
The Draghi Report on "The future of European competitiveness" is published

30 August 2024
New monitoring rules agreed for the EU ETS.

22 July 2024
The Council renews economic sanctions for a further 6 months towards Russia.

18 July 2024
The Parliament re-elects Ursula von der Leyen as Commission President.
The new Ecodesign for Sustainable Products Regulation enters into force.

Timeline Archive 2019-2024

27 June 2024
The EU notifies its withdrawal from the Energy Charter Treaty.

24 June 2024
The EU adopts 14th package of sanctions against Russia for war against Ukraine.

17 June 2024
The Council gives final green light to Nature restoration law.

30 May 2024
The Council gives final approval to right-to-repair directive.

29 May 2024
The Commission hosts the first General Assembly of the European Industrial Alliance on Small Modular Reactors.

28 May 2024
The EU and Australia sign partnership on sustainable critical and strategic mineral.

27 May 2024
The Council gives its final approval to the ecodesign regulation.
The Council gives final approval to the net-zero industry act.

24 May 2024
The Council gives its final approval to the corporate sustainability due diligence regulation.

24 April 2024
Parliament approves a review of the Common Agriculture Policy (CAP) Strategic Plans Regulation and the CAP Horizontal Regulation.

12 April 2024
The Energy Performance of Buildings Directive is formally adopted.

11 April 2024
Parliament adopts reform of the EU electricity market.

10 April 2024
The Parliament adopts new law to reduce emissions from energy sector, especially methane emissions.

12 March 2024
The Commission publishes the Communication on managing climate risks in Europe as a response to the first ever European Climate Risk Assessment.

4 March 2024
The Council reaches political agreement on a recommendation to continue coordinated demand-reduction to secure sufficient gas storage for next winter

20 February 2024
Political agreement on EU-wide certification scheme for carbon removals.

Political agreement on new air quality standards in the EU

19 February 2024
European Hydrogen Bank pilot auction: 132 bids received from 17 European countries.

8 February 2024
Political agreement to ban all remaining intentional uses of toxic mercury in the EU.

6 February 2024
Political agreement on the Net-Zero Industry Act.

The Commission adopts an EU Industrial Carbon Management Strategy, setting out how to sustainably capture, store and use CO_2.

Commission presents recommendation for 2040 emissions reduction target to set the path to climate neutrality in 2050.

31 January 2024
Commission proposes to allow EU farmers to derogate for one year from certain agricultural rules.

25 January 2024
The Commission launches Strategic dialogue on the future of EU agriculture

19 December 2023
Council approves Commission's proposals to prolong energy emergency measures.

18 December 2023
Commission publishes the assessments of the 21 member states which submitted updated draft National Energy and Climate Plans.

8 December 2023
Council and the Parliament reach a provisional political agreement on the Hydrogen and Decarbonised Gas Market Package, establishing common internal market rules for renewable and natural gases and hydrogen. The agreement also proposes the creation of the European Network of Network Operators for Hydrogen (ENNOH).

7 December 2023
Council and Parliament reach provisional political agreement on the Energy Performance of Buildings Directive (EPBD).

Council adopts negotiating positions on Net-Zero Industry Act and proposes an expanded list of ten strategic net-zero technologies.

28 November 2023
Commission proposes to prolong energy emergency measures by 12 months.

Commission proposes the Electricity Grid Action Plan and publishes the sixth list of key infrastructural energy projects.

23 November 2023
Commission presents the first pilot auction under the European Hydrogen Bank for a total of €800 million of subsidies for renewable hydrogen production.

22 November 2023
Commission proposes a new forest monitoring law to improve resilience of European forests.

16 November 2023
Council adopts EU position for COP28 and stresses that it will call for a "phase-out of unabated fossil fuels".

Council and European Parliament reach provisional agreement on a proposed EU law that would improve the investigation and prosecution of environmental crimes.

15 November 2023
Council and Parliament reach a provisional political agreement on the Regulation on Methane Emissions Reduction in the Energy Sector, agreeing on deadlines for monitoring, reporting and inspection of sources of methane emissions.

13 November 2023
Council and Parliament reach provisional agreement on the Critical Raw Materials Act.

9 November 2023
Parliament and Council reach agreement on Nature Restoration Law. Member states will put in place restoration measures in at least 20 per cent of the EU's land areas and 20 per cent of its seas by 2030.

24 October
Commission presents the European Wind Power Action Plan.

Commission publishes the 2023 State of the Energy Union Report.

17 October 2023
Council adopts negotiating positions on electricity market reform. The Council agrees that two-way contracts for difference will be the mandatory model used when public funding is involved in long-term contracts.

5 October 2023
European Parliament approves Wopke Hoekstra as Commissioner for Climate Action and Maroš Šefčovič as Executive Vice-President for the European Green Deal.

14 September 2023
European Parliament adopts negotiating positions on electricity market reform and Critical Raw Materials (CRM) Act.

13 September 2023
Ursula von der Leyen delivers State of the European Union speech; European Parliament adopts negotiating position on recast of the Clean Air Directive.

12 September 2023
European Parliament adopts amendments to Renewable Energy Directive (RED III).

29 August 2023
Ursula von der Leyen proposes Wopke Hoekstra as Commissioner for Climate Action.

22 August 2023
Frans Timmermans resigns as Executive Vice-President for the European Green Deal; Maroš Šefčovič is appointed as new Executive Vice-President and Acting Commissioner for Climate Action.

19 July 2023
Beginning of trilogues on nature restoration law; ITRE Committee adopts report on electricity market reform.

12 July 2023
European Parliament adopts negotiating position on nature restoration law.

11 July 2023
Commission presents Greening Freight Transport Package; Parliament adopts agreement on recast of Energy Efficiency Directive; European Parliament adopts negotiating position on Industrial Emissions Directive.

7 July 2023
Commission presents a proposal for coordinated withdrawal from Energy Charter Treaty.

EU Energy Platform: Commission launches second tender for joint gas purchases.

27 June 2023
Amended version of the Nature Restoration Law does not reach the majority in the Environment Committee; final vote sent to plenary.

26 June 2023
EU Energy Platform: Commission launches second round of demand pooling for joint gas purchases by EU companies.

20 June 2023
The Commission publishes the two delegated acts defining the rules for the production of renewable hydrogen.

16 June 2023
EU ambassadors reach political deal to approve the Renewable Energy Directive (REDIII).

8 June 2023
European Parliament reaches political agreement to approve the Nature Restoration Law after facing opposition from MEPs of the European People's Party (EPP).

16 May 2023
25 gas supplying companies respond to EU's joint gas demand, providing more than 13.4 bcm of gas.

After being approved by the European Parliament, the CBAM enters into force.

The EU Deforestation-free Regulation (EUDR) is adopted by the Council after its adoption by the Parliament and thus enter into force.

15 May 2023
EU Member States agree to raise renewable target from 32% to 42.5% by 2030.

4 May 2023
First joint gas purchase attracts demand from more than 65 EU companies.

26 April 2023
The European Parliament and the Council reach a political agreement on the ReFuelEU Aviation proposal

25 April 2023
EU Energy Platform: Commission launches first call for companies to jointly buy gas

Council adopts key pieces of legislation delivering on 2030 climate targets: Revision of the ETS Directive; Amendment of the MRV shipping Regulation; Revision of the ETS Aviation Directive; Regulation establishing a Social Climate Fund; Regulation establishing a Carbon Border Adjustment Mechanism.

21 April 2023
The Commission proposes a revision to the existing marketing standards of agri-food products

18 April 2023
The European Parliament approves the Carbon Border Adjustment Mechanism (CBAM).

30 March 2023
European Green Deal: EU agrees stronger legislation to accelerate the rollout of renewable energy.

28 March 2023
Member states agree to extend voluntary 15% gas demand reduction target.

28 March 2023
EU ministers sign off on legislation phasing out sales of new polluting cars and vans by 2035.

16 March 2023
Proposal for a European Hydrogen Bank.

16 March 2023
EU proposes the Critical Raw Materials Act, a comprehensive set of actions to ensure the EU's access to a secure, diversified, affordable and sustainable supply of critical raw materials.

16 March 2023
EU releases Net Zero Industry Act establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem.

14 February 2023
The Commission proposed new CO2 emissions targets for new heavy-duty vehicles from 2030 onwards. These targets will help to reduce CO2 emissions in the transport sector.

13 February 2023
The Commission proposed rules o define what constitutes renewable hydrogen in the EU, with the adoption of two Delegated Acts required under the Renewable Energy Directive.

1 February 2023
The Commission presented a Green Deal Industrial Plan to enhance the competitiveness of Europe's net-zero industry and support the fast transition to climate neutrality.

24 January 2023
The European Commission introduces the revision of the EU Pollinators Initiative.

18 December 2022
The European Commission welcomed the provisional agreement reached with the European Parliament and Council to strengthen the EU Emissions Trading System, apply emissions trading to new sectors for effective economy-wide climate action, and establish a Social Climate Fund.

9 December 2022
The Commission welcomed the deal reached between the European Parliament and the Council to help make the aviation sector 'Fit for 55', setting in law its contribution to our target of reducing net greenhouse gas emissions by at least 55% by 2030.

6 December 2022
EU agrees law to fight global deforestation and forest degradation driven by EU production and consumption and the a political agreement is reached on the revision of the EU Emission Trading System rules on aviation.

30 November 2022
The Commission proposed new EU-wide rules on packaging, to tackle this constantly growing source of waste and of consumer frustration.

24 November 2022
During the extraordinary Council for Energy, EU energy ministers agreed on a Council Regulation "enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks", as well as on a Regulation speeding up permits to deploy renewable energies.

27 October 2022
The Council and the European Parliament reach a provisional political agreement on stricter CO2 emission performance standards for new cars and vans.

26 October 2022
Commission proposes stronger rules for cleaner air and water, including

PFAs, several pesticides, bisphenol A and some pharmaceuticals.

15 September 2022

Commission proposes for an emergency market intervention to reduce energy bills for Europeans, through reduced demand and a revenue cap on some producers (among other measures).

20 July 2022

Commission proposes a "Save gas for a safe winter" plan to reduce gas consumption until the following spring.

22 June 2022

Commission launches a Nature protection package, focusing on restoring ecosystems and halving pesticide use by 2030.

18 May 2022

Commission launches the REPowerEU plan, a set of measures triggered by the invasion of Ukraine and focusing on energy saving, supply diversification and the promotion of renewables.

5 April 2022

Commission proposes two Regulations to phase down fluorinated greenhouse gases and ozone depleting substances.

5 April 2022

Commission proposes an update to the Industrial Emissions Directive, to modernise EU industrial emissions rules to steer large industry in long-term green transition.

30 March 2022

Commission launches Proposals to make sustainable products the norm in the EU, boost circular business models and empower consumers for the green transition, as part of the Circular Economy Action Plan.

23 March 2022

Following the REPowerEU Communication, Commission publishes options to mitigate high energy prices through common gas purchases and minimum gas storage obligations.

8 March 2022

As a direct response to the invasion of Ukraine by Russia, the Commission publishes the REPowerEU Communication focused on energy prices, storage and diversification.

15 December 2021

Commission publishes a set of proposals for a new EU framework to decarbonise gas markets, promote hydrogen and reduce methane emissions, namely a Directive and a Regulation.

15 December 2021

Commission publishes a Communication on Sustainable Carbon Cycles, to remove, recycle and sustainably store carbon, which will be followed by a proposal for a regulatory framework by the end of 2022.

14 December 2021

Commission launches a new transport proposal targeting greater efficency measures.

17 November 2021
Commission proposes two Regulations and a Strategy to stop deforestation, innovate sustainable waste management and make soils healthy.

15 September 2021
Commission publishes a Communication launching the project New European Bauhaus, focusing on initiatives and funding dedicated to energy efficiency in buildings.

14 July 2021
Commission adopts a large package of proposals to achieve a 55 per cent emissions reduction by 2030. The comprehensive package deals with revision of the EU Emission Trading System (ETS), the Effort Sharing Regulation, the Renewable Energy Directive, the Energy Efficiency Directive, a ReFuelEU Aviation Initiative (on air transport), a Regulation on Land Use, Forestry and Agriculture, a proposal for a Carbon Border Adjustment Mechanism (CBAM) and a revision of the Energy Taxation Directive.

17 May 2021
Commission proposes a Communication on a new approach for a sustainable blue economy in the EU.

12 May 2021
Commission adopts a Zero Pollution Action Plan for Air, Water and Soil, to improve quality standards for all three, and reduce the impact on health, among other goals.

25 March 2021
Commission publishes an Organic Action Plan as part of its Farm-to-Fork strategy.

24 February 2021
Commission adopts a new EU strategy on adaptation to climate change.

18 January 2021
Commission first launches the design of the New European Bauhaus initiative, dedicated to energy efficiency in building.

10 December 2020
Commission proposes an upgrade on the legislation on batteries, also trying to boost the European Battery Alliance, launched in 2017.

9 December 2020
Commission launches a European Climate Pact, to spread awareness and increase the involvement of citizens.

19 November 2020

Commission presents an Offshore Renewable Energy strategy, aimed at increasing the current 12 GW capacity to a minimum of 60 GW by 2030 and 300 GW by 2050.

14 October 2020
Commission publishes three significant elements for the Green Deal: a Renovation Wave initiative on energy efficiency for building, a Methane Strategy focused on decarbonised gases, and a Chemicals Strategy for Sustainability to strengthen legislation on hazardous chemicals.

17 September 2020
Commission presents its 2030 Climate Target Plan, raising its ambition to reach a 55 per cent emissions reduction by 2030.

8 July 2020
Commission adopts EU strategies for energy system integration and hydrogen to pave the way towards a fully decarbonised, more efficient and interconnected energy sector.

20 May 2020
Commission presents two key strategies: its EU Biodiversity Strategy for 2030, and its Farm-to-Fork Strategy to make food systems more sustainable.

11 March 2020
Commission proposes a Circular Economy Action Plan, to expand and integrate previous work on circularity into the Green Deal.

4 March 2020
Commission proposes a European climate law, aimed at reaching climate neutrality by 2050.

14 January 2020
Commission presents two founding elements of the Green Deal: the European Green Deal Investment Plan and the Just Transition Mechanism.

11 December 2019
Commission presents the European Green Deal.

Istituto Affari Internazionali
Via dei Montecatini, 17 00186 Roma
Tel: +39 066976831
www.iai.it