

Green Deal Watch

Issue no.3

Rising

EU

Ambitions

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” strategy towards climate neutrality launched by the Von der Leyen Commission in December 2019. The “Green Deal Watch” follows the “Energy Union Watch” that IAI has published from 2015 to 2019 to monitor the evolution of the energy and climate policies under the previous legislature. The multiple ramifications of the Green Deal will now be read along four dimensions – ‘driving the green deal’, ‘greening industry’, ‘supporting the transformation’, ‘strengthening security and diplomacy’. IAI will cover the debate among national and European stakeholders and report the key dynamics in order to help the reader better navigate the challenges and opportunities of the implementation of the European Green Deal (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 (Quaderni IAI and IAI Research Studies) and other paper series related to IAI research projects.

<https://www.iai.it/en/>

About the authors

Lorenzo Colantoni is Researcher in the Energy, Climate and Resources (ECR) Programme of IAI.

Margherita Bianchi is Researcher in the ECR Programme of IAI.

Luca Franza is the Head of the ECR Programme of IAI.

With the contribution of **Marta Massera**, trainee in the ECR Programme of IAI

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ABOUT THIS REPORT

Foreword: Rising EU ambitions
Page 5

Analysis: four dimensions
Page 10

Interview: Jan Ingwersen, ENTSOG
Page 21

Roadmap
Page 24

This is the third 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 the EU institutions and Member States under the umbrella of the Green Deal.

This Green Deal Watch will cover the new, greater range of topics anticipated by Commission President Ursula von der Leyen to achieve climate neutrality by 2050. We present a general analytical Foreword at the beginning of each publication, followed by the in-depth monitoring of Green Deal activities, divided according to a breakdown revolving around a set of four dimensions, designed to match the guidelines so far expressed by the von der Leyen Commission.

These are:

- **Driving the Green Deal**, which will look at the macro areas of Energy and Transport. It will analyse the technological and policy evolution for renewables, sustainable mobility, and green gases and hydrogen, with a strong focus on the energy market (both for gas and electricity) and energy efficiency.

- **Greening industry**, which will observe and discuss the reconversion of industry and of energy-intensive sectors in particular, with specific attention to the role of digitalisation, the upscaling of new technologies, R&I&D (Research, Innovation and Deployment) and circularity.
- **Supporting the transformation**, which will focus on energy governance, EU financing and funds, the Just Transition Mechanism and the repositioning of institutions such as the European Investment Bank (EIB).
- **Strengthening security and diplomacy**, which will tackle energy diplomacy aspects with specific attention to the Mediterranean, Africa, Russia, Asia and the US, as well as climate security and diplomacy and the role of the EU as a leader in the fight against global warming.

These four dimensions are followed by an in-depth section, where we will cover different kinds of content in each issue. This time we look at the opinion of Jan Ingwersen, General Director of the European Network of Transmission System Operators for Gas (ENTSO-G), in an interview published after the analysis of the four dimensions. A Roadmap of initiatives envisaged under the European Green Deal concludes this report.

This Green Deal Watch aims at providing continuity to the analysis produced in the 16 issues of the Energy Union Watch (available [here](#)), the quarterly publication IAI dedicated to the Juncker Commission, which covered the whole five years of activities.

FOREWORD | RISING EU AMBITIONS

In the past few months, the EU has started upgrading its climate ambitions:

European institutions, and the Commission in particular, have managed to deliver a substantial increase in the targets and tools available for climate action, coming close to aligning the EU's position to the commitments of the Paris Agreement. This appears to be the right time for such a step: among other factors, the pandemic has shown the frailties of many carbon-intensive sectors, while the recovery funds are an opportunity to promote the green shift that the Commission was aiming for when the Green Deal was launched one year ago. Despite falling short of achieving the radical change in the level of ambition that many among NGOs and environmentalists had hoped for, the EU is now in a solid position to review its Nationally Determined Contributions (NDCs) and to promote key changes in its energy, industrial and climate plans, particularly regarding the role of natural gas and hydrogen. The upcoming massive set of legislative proposals in areas such as the automotive sector, agriculture and energy taxation, as well as the Climate Law, will be key to concretely achieving renewed EU climate aspirations.

Upgrading the EU's climate target was the central item of this process, but it was not an easy task to achieve.

The increase to a 55 per cent emission

reduction target by 2030, compared to the previous 40 per cent, was agreed in the [Council meeting](#) which ended on 11 December, following an inconclusive debate among EU member states in [October](#). Negotiations were complicated by the opposition of coal-reliant eastern countries and particularly of Poland, which was the only member state not to commit to climate neutrality by 2050 [last year](#). Reaching a compromise was however necessary this time, not only to avoid stalling the Green Deal's efforts, but also to present a substantial European commitment to the 12 December UN [climate talks](#). The 55 per cent target was agreed by guaranteeing adequate financial resources to the countries which will bear the greatest economic and social burden of the transition, and by including nuclear and gas among the available (but only transitional) options. The latter condition was demanded particularly by member states which have nuclear projects in the pipeline (such as Czechia) or which could use gas for short-term decarbonisation (Poland). Despite the success of the mediation, the renewed target still falls short of the higher targets which are [recognised](#) by scientists as compatible with the objectives of the Paris Agreement (the Parliament itself had asked for 60 per cent). While the rapidly falling costs of renewables and storage options enhance hopes for a quicker pace of decarbonisation to 2050, one of the

main concerns remains that future EU negotiations on the “Fit for 55” climate legislation will be as complicated as these ones, considering Poland’s and Hungary’s push for such decisions to be taken by [unanimity](#).

A smoother political process will be necessary to deliver the other tools that will be needed to reach such targets – in addition to those

already agreed upon by the EU in the past few months. The approval of the EU Multiannual Financial Framework (MFF) for 2021–2027 and of the Next Generation EU (NGEU) recovery instrument has mobilised an exceptional 1.8 trillion euros of EU budget which will be deeply linked to Europe’s climate vision (an achievement in which the mediation and contribution of the now concluded German presidency has been substantial); the sum of the two instruments will have to allocate at least 30 per cent of the available funding to climate action – which increases to 37 per cent when it comes to the 672.5 billion of the [Recovery and Resilience Facility](#), a subset of the NGEU – and will exclude fossil fuels from funding (with a small exception for gas discussed later in Dimension 1 – Driving the Green Deal). Member states will have to respect the [“do no significant harm”](#) principle in using these funds. The draft [delegated acts](#) for the EU’s green finance taxonomy that will provide the required guidance on what is considered “harm” to the environment, and what is not. The [most recent guidelines](#) by the European Commission also discipline the utilisation of Recovery and Resilience Facility funds through national recovery plans, including the “do no significant harm” principle. Generally speaking, if the current draft of the delegated acts is confirmed, after the initial test period the taxonomy seems due to represent one of the key tools to guarantee the sustainability of MFF and NGEU future spending.

The taxonomy is also gaining momentum as an instrument of EU

energy and climate governance, by offering guidance to national policies and thus favouring the alignment of national action and the achievement of EU targets. Indeed, while the September 2020 [assessment](#) of National Energy and Climate Plans (NECPs) by the Commission was largely positive, it referred to the previous 40 per cent target. Considering the emphasis put on the “collective” nature of the 55 per cent target by member states such as [Czechia](#), the Commission will thus have to boost its coordination efforts in the absence of binding national targets. This has already started: during the September [State of the Union](#), the Commission has already indicated the adaptation of the Effort Sharing Regulation (and thus of suggested national targets) as one of the legislative proposals that it will present by June 2021 for the implementation of the new target. The revision of the EU Emission Trading System (EU ETS) is also on top of the list, and action has already been taken in this regard; as the initiative approaches its new trading period (which started on 1 January 2021), the Commission has indeed published a new set of dedicated [State Aid Guidelines](#) to balance between the correct compensation to sectors at risk of carbon leakage and the price stability of the system.

The Commission has also taken substantial action beyond the EU ETS, with a strong focus on gas. As

the EU’s climate ambitions are rising, the potential for the resource to improve its position in the European energy mix is increasingly under threat. Low gas prices and significant availability are however making gas an appealing option for short-term decarbonisation with regard to member states still reliant on coal (Germany included). While the heads of states and governments of the EU have explicitly recognised the role of natural gas in the transition with the most recent European Council conclusion of December 2020, the proposed strict

taxonomy rules still represent a grey area for the future expansion of natural gas projects in the upcoming new wave of public funding. Whether gas will further contribute to the 2050 decarbonisation objective, or whether there will already be significant stranded assets a decade from now, will also depend on the design of the draft taxonomy delegated acts, where gas power plants might have to respect an emission limit of 100 grams of CO₂ equivalent per kWh (gCO₂e/kWh) in order to be considered a “transitional” sustainable investment. This de facto denies this status to all existing gas power stations in Europe, whose emission level is some three times higher, and casts shadows on the way in which technologies, including carbon capture and storage, are included in the underlying assessments. This represents a rough turn (albeit still unconfirmed) for the future of the resource, which was also explicitly excluded from the Just Transition Fund. A (perhaps small) compensation for the gas industry comes from the debate over the future of another gas molecule – blue hydrogen. Following the July publication of a dedicated Strategy, several member states have indeed pushed for confirming the inclusion of non-renewable generated hydrogen in future EU plans for what is now considered one of the key elements for the transition. This has left a possible role for natural gas in the generation of the new resource, which worries environmentalists and some [member states](#) because of its possible impact on both the climate target and the promotion of renewables. As Europe’s attention is quickly turning to hydrogen, particularly after the launch of a dedicated [Important Project of Common European Interest](#) (IPCEI), the debate between blue hydrogen proponents and opponents will continue fiercely, influencing the discussion over other elements of the Green Deal, possibly including the taxonomy itself.

The Commission did not however

forget about other key sectors for the transition, and renewables got their fair share of attention. The publication of the [Renewable Energy Financing Mechanism](#) (REFM), which was part of the Energy Union’s Clean Energy for All Europeans package, promotes close cooperation among member states in the development of renewables across Europe. As joint projects will count towards renewable targets for all participating countries on the basis of a standard formula, the scheme will ideally provide another tool to promote much-needed “collective” European climate action. In a way similar to the Kyoto Protocol’s Clean Development Mechanism, the REFM also opens the door for EU-wide tenders for renewables and to support industries with high potential but low local support. This is the case, for instance, for the [Polish wind industry](#), and indeed wind has also been the protagonist of the newly released [Strategy for Offshore Renewables](#). By promoting a 25-fold increase of offshore wind capacity by 2050, the Commission implicitly recognises the growing success of an industry which has witnessed record-low tenders (particularly in the UK [last year](#)). While the topic remains open to further reflections on the most suitable model for the development of offshore renewable energy that fits all the specificities of the EU sea basins (from the North Sea to the Mediterranean), the support given to non-intermittent offshore renewables, such as tidal energy, could also indicate their approaching commercial maturity, perhaps adding another important component to the future European energy system.

The launch of the [Renovation Wave Strategy](#) touches on another fundamental element in such a system, that of energy efficiency.

The document promotes action in a sector in which the new Commission has anticipated a set of initiatives. Despite the expectations behind the

Strategy and the significant target of doubling the current rate of renovations that it promotes, the document's level of ambition appears still low – Commissioner Simson herself had set the bar at three times the current rate of building renovation in a [speech](#) a few months ago. This is particularly evident when the Strategy is confronted with the new 55 per cent emission reduction target, and when considering the strong potential for cheap decarbonisation from energy efficiency. The European Commission had already [highlighted](#) a gap between the energy efficiency aggregated ambition of final national plans submitted so far and the EU-level target of 32.5 per cent. Taking also into account the already poor record of implementation of efficiency measures across the EU in the past decade, it is clear that the Commission will also have to work hard on national compliance to match the contribution of energy efficiency to the EU's greater climate ambitions.

The Commission keeps expanding the Green Deal vision beyond the core sectors of the energy transition, for instance towards chemicals, and again debating the future of the industry. The publication of a [EU Chemicals Strategy for Sustainability](#) aims at a “zero-pollution” objective through a ban of the most polluting substances; equally importantly, it also points at supporting circularity by removing substances which are extremely hard to dispose of (such as PFAS) and whose use significantly increases the cost of recycling. The crux of the matter here will be achieving these objectives while keeping up the production (or imports) of the chemicals needed for the energy transition (and for batteries in particular); the success of the strategy will likely be linked to the criteria for the definition of “safe and sustainable chemicals” it aims to promote, and to the adequate support measures for their development and commercialisation.

The Commission is also discussing an

update of the new, general approach to the EU industrial policy the Von der Leyen team presented in March of last year. Indeed, the damage inflicted by the pandemic to the already declining European industry and the deep transformations of the geopolitical landscape have convinced the Commission to work on an update of the March Industrial Strategy, which has been debated in these months and which will likely be published by mid-2021. It will be the seventh attempt at a European industrial strategy in 15 years; considering the threat posed by Asian competition and by the pandemic crisis, but also the extraordinary amount of resources now available, this is an important opportunity for the Commission to enhance EU industrial competitiveness.

This is indeed a time when the EU is reflecting on its position on the global stage, particularly from a climate and energy perspective. In these months the EU has again faced troubles at its borders, following the tormented Brexit negotiations and the continued hostility of Turkey in the East Mediterranean. The last-minute Christmas Eve EU-UK [Withdrawal Agreement](#) has indeed followed months of deadlock, which also involved fishing rights. The agreement also has an energy and climate focus, which will hopefully promote fruitful cooperation in those areas. Tensions in the East Mediterranean continue, as Turkey has [extended](#) its surveys for gas in areas disputed with Cyprus and Greece. The 11 December Council Summit [confirmed](#) the European condemnation of Turkey's actions, already expressed by some EU member states. Sanctions are under consideration and High Representative Josep Borrell will now have to deliver a report by March 2021 to set in place an adequate course of action.

From the perspective of climate change, the election of Joe Biden as the 46th President of the US has

boosted hopes for a stronger backing of the Paris Agreement

and for enhanced cooperation between the two shores of the Atlantic on climate action. Last summer Biden indeed endorsed a zero-carbon objective by 2050, which matches the EU's ambitions and timing; while joint EU-US cooperation will be fundamental to establishing a compact, worldwide front in fighting climate change, it is however not clear whether (and how much) Washington will be keen to cooperate on thorny matters, including methane leakage (linked to the US shale gas production) and the regulation of emissions from aviation.

Much has been done in these months, but more needs to be achieved.

The Commission will have to address sectors which have not been adequately considered by the EU's climate policies in the previous decades, such as forestry and, generally speaking, land use – which will have to be included in the EU carbon market. Most importantly, the EU will have to deliver a substantial

reform of the Common Agricultural Policy (CAP), with the aim to fully align it with the ambitious goals set in the Farm to Fork Strategy, which lies at the heart of the European Green Deal. While the reform is still at the Trilogue phase, in November the European Parliament and EU member states in the Council agreed on rules for the transitional period 2021–2022, while 8.7 billion euros from the NGEU fund will be delivered to farmers at the beginning of 2021. However, the contradiction between the structure of the historically highly disputed agricultural subsidies and the Green Deal vision is becoming increasingly evident, also with regard to the new Biodiversity Strategy. Redressing the environmental failures and overcoming the contradictions observable in the European agri-food sector through an effective reform of the CAP will be a testing ground to see if the Commission has the tools and the power to reach the increasingly ambitious vision it is promoting.

DIMENSION 1

DRIVING THE GREEN DEAL

The discussions over the future of hydrogen and ways to limit methane emissions have been prominent in this quarter's EU action under the Green Deal umbrella, following the publication of both the Hydrogen Strategy (out [this summer](#) and covered by the [previous issue](#) of this publication) and the Methane Strategy (adopted on [14 October](#)). The need to fine tune the Commission's vision regarding the future of hydrogen has sparked a major debate over restricting investments only to zero-carbon renewable-sourced hydrogen (green hydrogen) or also supporting low-carbon fossil-fuel-produced hydrogen (blue hydrogen). The 11 December [Council Conclusions](#) "Towards a hydrogen market for Europe" (see below) represent a compromise. More generally, the rapid advancement of the Green Deal's vision has accelerated the long-standing process of reconsidering the role of natural gas in several components of the EU energy policy. This reconsideration is taking place through several instruments, including the revision of the [Trans-European Networks for Energy](#) (TEN-E) Regulation, the criteria for evaluating [Projects of Common Interests](#) (PCIs) and the role of natural gas in the [Just Transition Fund](#). Despite such focus on molecules, the Commission has also been active in other sectors as well; the publication of the promising [Strategy for Offshore Renewable Energy](#) on 18 November has indeed followed that of the [Renewable Energy Financing Mechanisms](#), a tool awaited since its launch in the Energy Union's Clean Energy for All Package.

Green and blue

Despite the strong emphasis put by the Commission on green hydrogen in its July strategy, the still significantly high cost of the resource has led to some opening in the European debate over the possibility of adopting blue hydrogen in the short to medium term – a direction supported by member states

such as [the Netherlands and Germany](#). The move has been justified by the need for upscaling the use (and the distribution) of hydrogen through the creation of an "economy of hydrogen" (in the [words](#) of Commissioner Simson) more rapidly than the still slow increase in green hydrogen generation would allow. While the Commission's ambition to consolidate Europe's leadership

position in the sector is [clear](#), some environmentalists and member states criticise the opening to blue hydrogen as a backdoor to provide funding for fossil fuel projects. The much-debated [Council Conclusions](#) “Towards a hydrogen market for Europe” of 11 December have hardly put an end to this debate; the document underlines the need to upscale the production of hydrogen, to encourage its use in the sectors which are “hard to decarbonise through other means” and to “make the best use of existing EU gas infrastructures for hydrogen; however, regarding generation, the focus is on the development of the “EU potential for renewable hydrogen from electricity, particularly from the most cost-effective renewable sources”, even while leaving the door open to the use of unspecified low-carbon technologies for hydrogen production. This approach was also reflected in the [Manifesto](#) for the development of a European “Hydrogen Technologies and Systems” value chain, which was signed by 22 member states and Norway following the launch of a [hydrogen Important Project of Common European Interest](#) (IPCEI) on 17 December. Indeed, following the publication of the document five member states (Austria, Denmark, Luxembourg, Portugal and Spain, among the signatories of the Manifesto) shortly issued a [joint letter](#) asking for the exclusion of non-renewable-sourced hydrogen from the IPCEI. As the five countries promise to “pursue this view [...] in the coming legislative changes, e.g. Renewable Energy Directive and the coming revision of the gas package” and considering the role of the resource in the future of Europe’s [economy](#), such a debate is expected to continue and indeed to be one of the focal points for the Green Deal in the months and, possibly, years to come.

The future of gas

This heated debate comes at a time when the compatibility of natural gas with the EU’s climate ambitions is facing intense scrutiny. During these last three months, the resource has been excluded by some of the Union’s financing channels, in particular the Just Transition Fund (JTF). The decision comes from a provisional [agreement](#) between the Council and the Parliament, which have been on opposite sides for the past few months (the former advocating the [exclusion](#) of gas from the JTF, the latter promoting the [inclusion](#)). While gas projects are still allowed limited funding through the regional development funding until 2025, this comes under strict rules – i.e., an emission threshold of 270 grams of gCO₂e/KWh. This limit has been set by the EU’s green finance taxonomy draft (delegated acts) [guidelines](#), which were published on 20 November and struck another significant blow to the gas industry. Indeed, under the proposed rules the status as “transition” or “sustainable” energy source is denied unless plant emissions are below the 100 gCO₂e/KWh limit (roughly three times lower than the current average for combined cycle plants). Such a strong stance comes after years of criticism against the Commission for being too favourable to gas projects – including a recent [reprimand](#) by the EU Ombudsman on the evaluation of PCIs – and is further strengthened by the exclusion of gas from TEN-E projects (discussed in Dimension 3) and by the [Methane Strategy](#), published on 14 October. Despite the relatively low impact of methane emissions in the EU, the document has the merit of focusing on sectors that are sometimes put aside in the EU climate debate (such as agriculture and waste), and on leveraging the power of the EU as the largest global importer of energy to set standards and monitoring on methane emissions from international gas producers.

Working on renewables

Action on renewables, and particularly wind, has been significant. September witnessed the launch of the [Renewable Energy Financing Mechanism](#), which will allow for further cross-border cooperation on the development of renewable plants. The scheme sets up a system based on “host” member states, where the new renewable plant will be located, and “contributing” ones, which will pay for the project. Both sides will have their contribution counted as part of their RES target; this will allow for greater availability of investments, for a smoother energy transition, but also for the exploitation of natural resources which are sometimes concentrated in certain member states. Offshore wind is among these, and the Commission expects a significant expansion of such

capacity already in the next decade. Indeed, the newly released [Strategy for Offshore Renewables](#) targets a five-fold increase in its offshore capacity by 2030 (from 12 to 60GW) and a 25-fold rise by 2060 (up to 300 GW), also including realistic targets for ocean energy (1GW by 2030, 40GW by 2050). Despite the challenges this ambitious vision will have to face (above all, building a complete supply chain and infrastructure, and delivering the almost 800 billion euros needed to achieve the target), the document seems to provide the solid policy framework to boost the already significant growth the industry has been witnessing, particularly in the North Sea, in the past five to ten years.

DIMENSION 2

GREENING INDUSTRY

The Green Deal will hopefully move to action in 2021 and trigger a wave of reforms that are of key concern to industry and businesses at the very core of the energy transition. In the early pandemic days (and before the NGEU package was set up) the Commission published a New Industrial Strategy for Europe, which according to many [did not](#) entirely provide a green industrial policy framework able to turn the Green Deal into an industrial opportunity. These reasons partly explain why MEPs have [asked](#) for a revised strategy – that takes into account the impact of the pandemic on European industries and that distinguishes between two phases: the first focusing on maintaining the smooth functioning of the single market; the second aiming at reconstructing and transforming European industry by pursuing the two-fold objective of the digital and green transitions while reinforcing the EU’s industrial sovereignty and its strategic autonomy.

A new vision for buildings

More than 220 million building units, representing 85 per cent of the EU’s building stock, were built before 2001 – most of which, according to the Commission, will be standing in 2050. These will clearly need an upgrade in order to fit into the EU’s 2050 vision. In addition, [modern constructions](#) mostly use cement and steel, whose production is particularly energy-intensive. [At the moment](#), the Commission considers that most renovations do not address energy performance and the EU’s energy renovation rate is stuck at 1 per cent. After years of attempts to bring attention to the issue, the debate has gained fresh momentum.

The EU released its [Renovation Wave Strategy](#), which sets a goal of outfitting

at least 35 million buildings over the next decade with solar panels, insulation, and efficient heating, cooling and power systems. A key pillar of the strategy consists in the introduction of mandatory minimum energy performance standards for existing European buildings in a drive to cut emissions, create jobs and reduce energy poverty. The [timeline](#) for all this to actually kick off is currently being discussed, with Brussels and some national governments insisting on training, legislation and data collection first – an exercise that may make this path a slow one. Critical words have been spoken concerning this path for the EU (e.g., from [German industry](#)), arguing that such plans risk being unaffordable; whereas on the other side a number of NGOs (e.g., [EEB](#)) consider the strategy a far remove from EU’s [new targets](#) for

emission reduction by 2030. The EU also wants to [support](#) smaller initiatives to help reduce carbon emissions along supply chains – e.g., by granting access to funding to the hard-hit SMEs and helping them take initiatives, including in renovations, notably via [InvestEU](#).

Make the circular economy happen

The Commission adopted the [EU Chemicals Strategy for Sustainability](#), a step towards zero-pollution industry and the first to address hazardous substances since 2006, when the EU adopted its REACH regulation. The scope is to boost innovation for safe chemicals and to increase protection of human health and the environment. The Strategy proposes to ban the most toxic substances by default, authorising them only on a [case-by-case](#) basis when they are proven to be indispensable. Yet, the Commission is [cautious](#) about the use of chemical recycling.

Incorporating new chemical management approaches into the battery value chain is also crucial. In view of the strategic importance of [batteries](#) and the effort to minimise their adverse environmental effects, the Commission proposed to modernise EU legislation on batteries. It listed mandatory rules for several products on the EU market (e.g., industrial, automotive, electric vehicle and portable) and supported a stronger legal environment to help unlock large-scale investments and boost the production capacity in Europe. This is the Commission's first initiative among the actions announced in the new Circular Economy Action Plan and an important one under the abovementioned new Industrial Strategy for Europe.

To encourage sustainable business and consumer choices, MEPs also [pushed](#) for promoting reuse and repairs and

tackling practices that shorten the lifespan of products, also calling for responsible marketing and advertising. The Commission confirmed it wants to come forward with a series of initiatives (including a legislative proposal, the Sustainable Products Initiative), which will expand the scope of the Eco-design Directive.

Pricing pollution

In early January, the price on the EU ETS hit above [€34.35 a tonne](#), surpassing the level reached in 2006 after the scheme was launched. The Commission plans to unveil a package of carbon market reforms by next summer – including adding shipping emissions to the system and measures to further cut the market's supply of permits – also including a reconsideration of the scheme without the UK. Also, Brexit negotiations [discussed](#) emissions from power generation in Northern Ireland – from now on set to be covered by the ETS under electricity market rules agreed in the Withdrawal Agreement.

Beyond the ETS, EU policy makers are being pressured to think about other ways to price carbon, although establishing a single global price remains a distant prospect. Both the UK and the US are considering going ahead with a carbon tax; China, the world's largest greenhouse gas emitter, is preparing to launch a national carbon market. As long discussed in previous GD Watches, von der Leyen is considering a [carbon border levy](#) on imports from countries which do not have carbon pricing policies in place in order to avoid the so-called "carbon leakage". It is yet not clear how authorities will measure the level of carbon intensity of goods or how variable the fees will be. The debate on carbon pricing is [ongoing](#) and will gain centre stage in 2021.

DIMENSION 3

SUPPORTING THE TRANSFORMATION

Unsurprisingly, some MS have at times shown doubts about speeding up the decarbonisation process in midst of a pandemic. Yet, nine months after the spread of COVID-19, the support for the Green Deal in the recovery phase remains the [number 1 legislative priority](#) on the EU institutions' agenda for 2021. Aligning budget with green finance rules and sustaining the new ambitious targets agreed at the EU level is thus strongly debated as policy makers are called to create the conditions to absorb at best the huge amount of money on the table. For this to succeed, an inclusive participatory process has to be put on the table allowing each stakeholder to play its role.

Channelling efforts towards a green recovery

After a veto from Hungary and Poland, in December the Council of the EU adopted the Multiannual Financial Framework for 2021–2027, allowing the bloc's budget to come into effect on 1 January 2021. It will amount to €1.074 trillion over seven years, and will be accompanied by a €750 billion recovery fund (still requiring approval from national parliaments). Once in force, EU member states will be able to submit recovery and resilience plans with their planned reforms and investments.

In December, the EU Parliament and the Council reached a [political agreement](#) on the Recovery and Resilience Facility (RRF), which will now have to be finalised at the technical level. According to the agreement, each member state's plan should devote at least 37 per cent of the financing to the fight against climate change. In addition, all expenditure will have to respect the "do no harm"

provision, de facto [rejecting](#) the majority of fossil fuels. In an effort to avoid greenwashing, spending will be carried out according to a new methodology based on taxonomy. Sustainable finance has indeed been prominently [discussed](#) in these months, as the definitions it contains are crucial to clear the [green bond rules](#) and to direct the massive investment needed to achieve climate neutrality, especially in this recovery phase.

In the meantime, the Council has [approved](#) a €1 trillion climate bank roadmap for the EIB that sets out in detail how the EU lending arm will support the Green Deal goals, in an effort to become the first Multilateral Development Bank to be Paris-aligned.

Enshrining the EU's ambition into legislation

In October [Poland and Hungary](#) – and to a lesser extent [Czechia](#) – delayed the vote on the EU's 2030 climate target,

asking for more money or information on the national impacts of the target. Finally, in their December conclusions, EU27 leaders [agreed](#) to cut their net greenhouse gas emissions by at least 55 per cent from 1990 levels by 2030 (from an existing 40 per cent level). The target agreed in Council is a compromise between Nordic and western countries, which push for a stronger action, and eastern ones with energy-intensive and coal-reliant industries, which asked for additional money and more favourable conditions to agree to such emission cuts. The new target has been [transmitted](#) to the UNFCCC as an updated Nationally Determined Contribution (NDC) for the EU.

The Council position is however different from that of the European Parliament, which had previously set a 60 per cent reduction [target](#) for 2030 and wants a “carbon budget” with an independent body to monitor policies. Many campaigners welcomed the updated EU plan but also said it was not enough, with most environmental NGOs asking for a 60 or 65 per cent reduction target, e.g., the [WWF](#). Some also [insist](#) that the 1990 baseline for reduction is misleading. Lastly, the inclusion of natural carbon sinks has [irritated](#) environmental groups.

As the European Commission had committed to align all sectoral legislation with the climate neutrality objective (and the 55 per cent target), the revision of the TEN-E regulation [promises](#) to better support the modernisation of Europe’s cross-border energy infrastructure. The proposal reflects trends like increased electrification, decarbonisation of gas and digitalisation, all shaping future infrastructure needs. It includes, among others, an obligation for all projects to follow the “do no harm” principle, an update of the eligible infrastructure categories ending support for oil and natural gas infrastructure, a new focus on offshore electricity grids and on hydrogen infrastructure, upgraded rules to promote the uptake of smart

electricity grids, new provisions on support for projects connecting the EU with third countries (Projects of Mutual Interest) and a revised governance framework to enhance the infrastructure planning process.

Debating a just and inclusive transition

The path to energy transition is not straightforward even for those countries pushing for more ambition, which have to massively accelerate their plans (e.g., [Germany](#) or the [Netherlands](#)). Coal continues to be a major bottleneck in the EU transition process, as it still provides around a fifth of the EU’s electricity – and predominant in some countries. Europe’s 55 per cent emissions cut by 2030 further shrinks the carbon budget available, meaning that it should require an even [faster coal exit](#) than expected so far. Coal phase-out plans are being presented but are not always ambitious enough with regard to timing – Poland foresees to completely phase out coal only in [2049](#), and the Czechs for the moment eye a coal exit by [2038](#) as recommended by the national commission in charge. Out of the 27 member countries, only 21 will be coal-free by 2030, according to [Eurelectric](#); given such worrying scenario, recently the UN Secretary-General António Guterres [said](#) the EU has to do more on phasing out coal.

Wider participation is also key for a successful transition. An [EIB survey](#) shows how the COVID-19 crisis is influencing citizens’ perception of the climate emergency and, with that, the majority of Europeans believe the economic recovery measures must help tackle the climate crisis. To bring the people on board with the green transition, the Commission has launched the [European Climate Pact](#), an EU-wide initiative inviting citizens, communities and organisations to participate in building a greener Europe. Furthermore,

the EP and Council have [reached](#) a provisional agreement on setting up the Just Transition Fund to mitigate the social impact of decarbonisation and have agreed to broaden its scope to other entities in the areas of education and social inclusion. In the meantime, the EIB has revived its supportive role, e.g., by making lending more [flexible](#) and faster for cities, and by developing green and socially inclusive projects.

DIMENSION 4

STRENGTHENING SECURITY AND DIPLOMACY

The [fifth anniversary](#) of the Paris Agreement has arrived and there is a [long way to go](#) before this landmark agreement starts to deliver on its potential. On a brighter side, the net-zero ambition club has grown, with [South Korea and Japan](#) joining. The G7-G20-COP26 triangle in 2021 is an occasion to put forward a coherent action: the EU has a great role to play, with Italy guiding the G20 and co-hosting the COP 26 alongside the UK. If on the one side the EU wants to prove its leadership on the global stage, on the other the UK wants to show its proactive post-Brexit global agenda through the COP26 and the UK-led G7. After the Brexit deal, climate could prove an area of effective EU-UK cooperation. The EU is also called upon to renew and rethink the priorities for its relationship with the new US administration, on both the climate agenda and on geopolitical hotspots where energy plays an important role.

Climate, catalyst for a post-Brexit UK-EU27 collaboration

At long last, the UK and EU27 have agreed on a [Brexit deal](#), which contains very strong [climate language](#) and is considered the first trade agreement ever to feature climate targets in such a stringent way. The text incentivises the respect of the Paris Agreement as it suggests that backward steps on climate action could lead to instant tariff consequences. Apart from the definition of their commercial ties, the EU and the UK have both been working on their mid-term and longer-term climate plans. The EU has [updated](#) its 2030 emission reduction target to at least 55 per cent,

while in November the UK put on the table its [10-point plan](#). This plan goes in the same direction as those of the EU, as it defines ways to push the UK towards net-zero emissions, including through clean hydrogen, carbon capture and storage, zero-carbon transport and offshore wind.

Alongside the COP26, PM Boris Johnson wants to use the G7 to improve his reputation at home and abroad, after such a delicate year. Climate is central for this to happen: he is keen to demonstrate “the UK’s [leadership](#) in tackling climate change”, and now talks of an even stronger emission reduction target (68 per cent by 2030 – publicly

[suggested](#) by the UK government's independent climate panel). The same leadership aspiration is embedded at the very core of the EU's intentions, as the bloc aims to set the world's bar high in Glasgow, as declared in Von der Leyen's [speech](#) at the Climate Ambition summit in December. The G20 Italian presidency has also [kicked off](#): this year, culminating with the October G20 summit, will tell a lot about the climate efforts taken by the world's major economies in such a delicate phase. For these reasons a strong coherence in setting the G7, G20 and COP26 paths is what will make a difference.

Rethinking the transatlantic bond

Europe has generally [high hopes](#) for a stronger alliance with the US with Biden in the White House. The vital transatlantic bond will be deeply renewed – hopefully towards a stronger cooperation on climate action and strengthened multilateral approaches. While the EU is waiting for Biden to bring the US back into the Paris Agreement, the new President [confirmed](#) that he will hold a climate summit of the world's major economies within 100 days of taking office. In the meantime, France and Germany have led [efforts](#) to make early contact with Biden's team, with the aim of accelerating talks to normalise trade relations. In December, the European Commission proposed establishing a "[comprehensive transatlantic green agenda](#)" to coordinate EU-US positions on climate and together lead efforts for ambitious global agreements (starting with a joint commitment to net-zero emissions by 2050). The Commission asserts that a joint trade and climate initiative, measures to avoid carbon leakage, a green technology alliance, a global regulatory framework for sustainable finance, joint leadership in the fight against deforestation and stepping up ocean protection will all form part of the EU's proposals.

A reinvented transatlantic bond

will demand a stronger EU, which will need to define and manage its green strategic priorities and at the same time engage in a constructive cooperation with the US to support the energy transition globally. This is as true for climate action as it is for more traditional foreign policy and security of supply issues in areas where the US plays a role, including the ongoing challenges in the Mediterranean – from the Cyprus conflict, to the competition for gas fields and Turkey's assertiveness (see next paragraph), to wars in Libya and Syria.

Looking east

Greece and Cyprus are still struggling with Turkey's unilateral and provocative surveys in the contested waters of the Eastern Mediterranean. Despite Ankara's assertiveness, many member states favour a soft line with Turkey in order to avoid excessive escalation, as the country is both a NATO ally and a partner in managing migration flows – elements that clearly play a role in the Council's [position](#) on the region. The December conclusions also call for the High Representative and the Commission to come up with a proposal for a multilateral conference on the Eastern Mediterranean and to submit a report on the state of play concerning EU-Turkey relations. Calls are intensifying to render the European Green Deal an instrument to promote long-lasting energy cooperation in the East Mediterranean, looking beyond fossil fuels.

The European Commission [has adopted](#) a comprehensive Economic and Investment Plan for the Western Balkans, which aims to spur the long-term economic recovery of the region, to support a green and digital transition and to foster regional integration and convergence with the European Union. In December, the [18th Ministerial Council of the Energy Community](#) discussed steps towards the modernisation of the

Energy Community Treaty through a set of amendments thought to make the Energy Community better equipped for market integration, also debating the application of the Green Deal in the region.

An EU-China agreement on investments has been [secured](#) in the last days of the German presidency (still requiring technical details). Merkel's push to conclude it so quickly made some EU countries feel left behind – and many countries (e.g., [Italy](#)) criticised the way and the timing chosen by the German presidency. Merkel only

included France in a videoconference with Chinese President Xi Jinping and pushed forward the talks despite the many warnings from other countries that political scrutiny of China's record on forced labour would have required more time. There are vague references to environment and climate, including the commitment to implement the Paris Agreement to tackle climate change effectively. The two agreed to create a specific working group to discuss and follow up matters related to the implementation of sustainable development.

The shift from the Energy Union to the Green Deal framework has had a critical impact on the whole EU energy and climate policy; how has this affected the European gas market and, specifically, the work of ENTSOG?

At ENTSOG we have delivered on the Network Codes, the integration of gas market and security of supply. Now we want to contribute to the European Green Deal's objective – net-zero decarbonisation by 2050. In this line, ENTSOG together with TSO members across Europe, published the ENTSOG 2050 Roadmap for Gas Grids in 2019 and the subsequent Roadmap 2050 Action Plan in 2020.

The 2050 Roadmap Action Plan was prepared with consideration to the EC's Energy System Integration and Hydrogen Strategies, identifying 3 key areas: On Infrastructure: To achieve a competitive hydrogen market, a European-wide backbone linking hydrogen production facilities, hydrogen imports, major industry consumers and distribution grid. Retrofitting and repurposing of existing gas grids will provide an opportunity for a more cost-effective energy transition in combination with relatively limited newly built hydrogen-dedicated infrastructure. The development of first "no-regrets" hydrogen backbone should be a priority for the EU, and needs to start now, already through its design in the TYNDP 2022.

On Markets: Allowing low-carbon hydrogen to play its full role in kick-starting the market will help to tap early decarbonisation gains by creating cost-effective hydrogen for industrial and transport use. GHG externalities must be determined on an objective basis and life cycle analysis needs to be applicable to all energy sources. The emerging hydrogen market requires regulation following core principles of TPA and non-discriminatory network access.

On TSOs' role as system integrators: Facilitating the efficient handling of the various types of gases and ensuring the operation of the technical interfaces to gas and hydrogen suppliers/consumers will be vital. Measuring

and handling data on energy content and gas quality, including dynamic sharing of data to the parts of the gas value chain will be needed. TSOs can play a role of system integrators between gas compositions (methane-hydrogen) and energy carriers (molecules and electrons).

In spite of the recent recovery, European gas prices are still quite low and could remain so for several years as new LNG capacity comes onstream (following a great deal of FIDs last year); do you expect this to support gas consumption in the EU?

Gas prices have converged and remain competitive thanks to the market integration efforts and infrastructure investments made for promoting the security of supplies and competitiveness. Commodity pricing and world LNG market developments support consumer choices, and today natural gas accounts for 25 per cent of the EU energy consumption. The EU decarbonisation agenda with the European Green Deal will be supported, in the short run, by the coal to-gas switch to reduce CO₂ emissions in coal regions in transformation. In this sense natural gas will indeed play a significant role.

Next, in line with the Green Deal in the mid- to long-term horizon, natural gas will be paired with different CO₂ abatement technologies (Carbon Capture Utilisation and Storage – CCUS) and can serve as a basis for hydrogen production (pyrolysis, CCUS).

How can European regasification terminal operators expand the services that they offer? Are there still incentives for them to do that regarding, for instance, utilisation rates? Does EU policy offer any support to direct LNG use or is the interest of policy makers in this completely gone?

Please address this question to Gas Infrastructure Europe, who possess greater expertise on this matter and who conduct comprehensive studies on the options available for the LNG terminals.

In November, the results of the EU Ombudsman's inquiry on the evaluation of gas projects in the fourth list of PCI was published, and the report criticised the Commission for failing to take into account sustainability requirements; will this decision change the way such projects will be evaluated in the future?

We are aware of the Ombudsman's inquiry. ENTSOG assisted the European Commission in the work on improving the sustainability indicators to be used for project assessment. ENTSOG is working together with the EC on implementing sustainability indicators and this will be included already in the TYNDP 2020 project assessment. In summary, it considers fuel switching taking into account GHG emissions, including methane emissions along with non-GHG emissions (pollutants such as NO_x, SO₂), as well as energy

efficiency measures.

Furthermore, EC will revise the TEN-E (Trans-European Networks for Energy) Regulation, which will provide for regulatory changes, adapted to the European Green Deal requirements, including the selection criteria for Projects of Common Interest.

Hydrogen is a key technology in the Green Deal's vision; what could be the interaction with gas infrastructures, particularly regarding distribution? To what extent will Europe have dedicated hydrogen infrastructure and how much will existing gas infrastructure be instead converted to accommodate hydrogen instead?

Building the EU's future gas network should start already now, if we reasonably expect it to be completed in time for 2050.

In the short term (2020–2030), we need to build the “no-regrets” European hydrogen backbone, connecting clusters of demand and production, to keep hydrogen supplies competitive and secure. The EU has already a well-established and trusted planning process for network development, based on the Ten Year Network Development Plan (TYNDP) process, which should be used for the future development of the grid(s). Networks for natural gas, hydrogen and blends will be inherently interlinked and have to be planned as a single connected system. Planning the first stage of the backbone needs to start immediately, as geography of the first Important Projects of Common European Interest (IPCEI projects) and hydrogen-based EU recovery will expand. The upcoming TYNDP 2022 could identify the initial “no-regrets” backbone of retrofitted or repurposed gas infrastructure and prepare for its gradual expansion. The TEN-E revision should account for the new hydrogen market and deliver this first stage “no regrets” backbone. ENTSOG aims at ensuring close cooperation between transmission and distribution-level grid operators, taking into account the local developments and member states’ choices on the speed, scale and geography of the hydrogen transmission and distribution.

Methane leakage is a significant threat to the sustainability of gas usage; what is ENTSOG doing to monitor and limit it?

Transmission, part of the gas value chain, accounts for 0.2 per cent of methane leakage. However, to address the potential issue of methane emissions, ENTSOG supports and encourages its members to join the United Nations Oil and Gas Methane Partnership (OGMP) 2.0 which will foster sharing of industry best practices and improve emissions monitoring.

AP - PEN - DIX

ROAD MAP

The following list includes the major legislative and political actions of the European Green Deal since its launch in December 2019, along with a number of other EU initiatives supporting the Green Deal objectives.

In this roadmap the different elements are framed in one of the four dimensions analysed above – although some might cross-cut more than one dimension. Elements inside each dimension have been further divided into three main blocks: 1) “**Presented**” which regroups all the actions that have been presented by the Commission with main events having occurred since the presentation; 2) “**In the pipeline**” which presents a list of actions that have been already opened for public consultations and are currently waiting to be presented; and 3) “**Yet to be announced**” for all the actions which are still in preparation by the Commission or at the public consultation stage.

DRIVING THE GREEN DEAL

PRESENTED

Proposal for the European Year of Rail 2021

For the promotion of the use of trains as a safe and sustainable transport.

- 4 March 2020: Commission presented the proposal
- 11 March 2020: Committee referral announced in Parliament, 1st reading/single reading
- 12 October 2020: Vote in committee and committee decision to open interinstitutional negotiations
- 19–21 October 2020: Committee decision announced in plenary (Rule 71) and decision confirmed by plenary
- 12 November 2020: European Parliament and Council reached a provisional agreement on declaring 2021 the European Year of Rail
- 14 December 2020: Debate in Parliament

EU Hydrogen Strategy

For the production and use of clean hydrogen to help reduce the EU economy's carbon emissions.

- 8 July 2020: Commission presented the strategy and launched the European Clean Hydrogen Alliance
- 10 July 2020: Internal referral to parliamentary committee(s)
- 26 November 2020: Committee referral announced in Parliament, 1st reading/single reading
- 11 December 2020: Council adopted conclusions to rapidly upscale the market for hydrogen

EU Strategy on Energy Systems Integration

To transform the energy system through addressing its circularity, the use of cleaner electricity and the promotion of renewable and low-carbon fuels.

- 8 July 2020: Commission presented the strategy
- 10 July 2020: Internal referral to parliamentary committee(s)

Renovation Wave initiative in the building sector

The objective is to double renovation rates in the next ten years and reach higher energy and resource efficiency in buildings.

- 16 September 2020: In her 2020 State of the Union address, Commission President Von der Leyen proposed to set up a new European Bauhaus as a co-creation space to provide a distinct aesthetic in building renovations
- 14 October 2020: Commission presented the initiative
- 16 October 2020: Internal referral to parliamentary committee(s)

Single European Sky

Aimed at a more sustainable and resilient air traffic management

- 22 September 2020: Commission presented a proposal for an upgrade of the Single European Sky regulatory framework
- 22 October 2020: Committee referral announced in Parliament, 1st reading/single reading

EU Methane Strategy

To reduce methane emissions, focusing on energy, agriculture and waste sectors.

- 14 October 2020: Commission presented the strategy
- 16 October 2020: Internal referral to parliamentary committee(s)

Offshore Renewable Energy Strategy

To harness the potential of offshore renewable energy for a climate neutral future.

- 19 November 2020: Commission presented the strategy

Trans-European Energy Infrastructure

Review of the guidelines

- 15 December 2020: Commission presented the initiative

IN THE PIPELINE

- Sustainable aviation fuels – ReFuelAviation (Fourth quarter 2020)
- FuelEU maritime – green European maritime space (Fourth quarter 2020)
- Low-emission vehicles — improving the EU’s refuelling/recharging infrastructure (First quarter 2021)
- New EU Forest Strategy (First quarter 2021)
- Revision of the Directive on deployment of alternative fuels infrastructure (Second quarter 2021)
- European vehicle emission standards – Euro 7 for cars, vans, lorries and buses (Fourth quarter 2021)

YET TO BE ANNOUNCED

- *Reducing Methane Emissions in the Energy Sector (Second quarter 2021)*
- *Revision of the Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (Second quarter 2021)*
- *Revision of Energy Efficiency Directive (Second quarter 2021)*
- *Amendment to the Renewable Energy Directive (Second quarter 2021)*
- *CO2 emissions for cars and vans – revision of performance standards (Second quarter 2021)*
- *Revision of the Regulation on the Trans-European Transport Network (TEN-T) (Second quarter 2021)*
- *Revision of the Directive on Intelligent Transport Systems (Third quarter 2021)*
- *EU 2021 Rail Corridor initiative (Third quarter 2021)*
- *Revision of the Third Energy Package for Gas (Directive 2009/73/EU and Regulation 715/2009/EU) to regulate competitive decarbonised gas markets (Fourth quarter 2021)*
- *Revision of the Energy Performance of Buildings Directive (Fourth quarter 2021)*

GREENING INDUSTRY

PRESENTED

New Industrial Strategy for Europe

Part of the Commission's objective "A Europe fit for the digital age", this is a comprehensive long-term strategy for Europe's industrial sector.

- 10 March 2020: Commission presented the strategy
- 13 March 2020: Internal referral to parliamentary committee(s)
- 3 September 2020: Commission presented an Action Plan on Critical Raw Materials and the 2020 List of Critical Raw Materials
- 9 September 2020: Internal referral to parliamentary committee(s) of Critical Raw Materials Resilience initiative
- 29 September 2020: Launch of Critical Raw Materials Alliance
- 19 October 2020: Commission Working Programme 2021 envisages updating the new industrial strategy for Europe to take into account the impacts of the COVID-19, the global competitive context, and the acceleration of the twin green and digital transitions. This should be presented in the second quarter of 2021.

Circular Economy Action Plan

Focused on the lifecycle of products and materials to ensure a sustainable use of resources and tackle resource-intensive sectors.

- 11 March 2020: Commission presented the strategy
- 12 March 2020: Internal referral to parliamentary committee(s)
- 14 September 2020: Commission published a roadmap on the Sustainable Products Initiative. This is expected to be presented in the fourth quarter 2021.

Farm to Fork Strategy

To address priorities and challenges related to the European food chain.

- 20 May 2020: Commission presented the strategy
- 29 May 2020: Internal referral to parliamentary committee(s)
- 19 October 2020: Agriculture and Fisheries Council adopted conclusions on strategy endorsing the goal of developing a European sustainable food system

Chemicals Strategy for Sustainability (toxic-free EU Environment)

Set of initiatives for a toxic-free environment.

- 14 October 2020: Commission presented the strategy
- 16 October 2020: Internal referral to parliamentary committee(s)

Batteries – Modernising the EU

Part of the new Circular Economy Action Plan, it aims at modernising EU legislation on batteries.

- 10 December 2020: Commission presented the strategy

IN THE PIPELINE

- Action plan for the development of EU organic production (First quarter 2021)
- Waste shipments – revision of EU Rules (Second quarter 2021)
- Hazardous waste – updated concentration limits for chemical pollutants (Second quarter 2021)

YET TO BE ANNOUNCED

- *Zero Pollution Action Plan for Water, Air and Soil (Second quarter 2021)*
- *Circular Electronics (Fourth quarter 2021)*
- *Industrial Emissions – EU Rules updated (Fourth quarter 2021)*
- *Revision of Directive on Packaging and Packaging Waste (Fourth quarter 2021)*

PRESENTED

Proposal for a Just Transition Mechanism, including a Just Transition Fund, and a Sustainable Europe Investment Plan

Set of initiatives aimed at providing targeted support to alleviate the socio-economic downsides of the green transition.

- 14 January 2020: Commission presented the proposal
- 29 January 2020: Committee referral announced in Parliament, 1st reading/single reading
- 27 May 2020: Referral to associated committees announced in Parliament
- 6 July 2020: Vote in committee, 1st reading/single reading
- 15 July 2020: Committee report tabled for plenary, 1st reading/single reading
- 17 September 2020: Plenary vote and matter referred back to the committee responsible

Proposal on a European “Climate Law” enshrining the 2050 climate neutrality objective

To set legal targets for achieving climate neutrality in Europe by 2050.

- 4 March 2020: Commission presented the proposal
- 11 March 2020: Committee referral announced in Parliament, 1st reading/single reading
- 11 September 2020: Vote in committee, 1st reading/single reading
- 17 September 2020: Commission tabled an amendment to the proposed European Climate Law to include the 2030 emissions reduction target of at least 55 per cent
- 22 September 2020: Committee report tabled for plenary, 1st reading/single reading
- 7 October 2020: Plenary in Parliament voted the proposed 60 per cent reduction target amendment on the 2030 target
- 15 October 2020: European Council discussed the climate target plan and decided to return to the issue in December with a view to agreeing a new emissions reduction target for 2030
- 11 December 2020: EU27 leaders agree to cut greenhouse gas emissions at least 55 per cent by 2030
- 31 December 2021: Commission is expected to draw up an EU GHG budget and consider introducing a target for 2040

EU Biodiversity Strategy 2030

Set of initiatives to address biodiversity loss in Europe and advance a framework of actions to lead the 15th meeting of Conference of the Parties on the UN Convention on Biodiversity (CBD)

- 20 May 2020: Commission presented the strategy
- 26 May 2020: Internal referral to parliamentary committee(s)
- 21 October 2020: Commission launches Knowledge Centre to reverse biodiversity loss and protect Europe's ecosystems
- 23 October 2020: Environmental Council endorsed the objectives of the EU Biodiversity Strategy for 2030 and the nature protection and restoration targets contained therein

2030 Climate EU Target Plan

To set the path towards Europe's climate neutrality in 2050.

- 17 September 2020: Commission presented the proposal
- June 2021: Commission is expected to review, and where necessary propose to revise, all relevant policy instruments to achieve the additional emission reductions

8th Environmental Action Programme (2021–2030)

To replace the previous EU Environmental Action Programme in line with the Green Deal objectives.

- 14 October 2020: Commission presented the proposal

LIFE Programme 2021–2027

Set of projects funded by the EU to advance environmental and climate objectives.

- 17 February 2020: EU invests more than €100 million in new LIFE Programme projects to promote a green and climate-neutral Europe
- 1 April 2020: European Commission launches its 2020 call for project proposals under the LIFE programme
- 16 November 2020: Commission approved an investment package of more than €280 million from the EU budget for over 120 new LIFE programme projects

European Climate Pact

Initiative for climate action that provides a space for people and organisations to exchange information and practices.

- 9 December 2020: Commission presented the initiative

IN THE PIPELINE

- Renewed Sustainable Finance Strategy (Fourth quarter 2020)
- Review of the Non-Financial Reporting Directive (by large companies) (First quarter 2021)
- New EU Strategy on Adaptation to Climate Change (First quarter 2021)

- Deforestation and forest degradation — reducing the impact of products placed on the EU market (Second quarter 2021)
- Revision of the Energy Tax Directive (Second quarter 2021)
- Empowering consumers for the green transition (Second quarter 2021)
- Proposal for a carbon border adjustment mechanism (Second quarter 2021)

YET TO BE ANNOUNCED

- *Effort Sharing Regulation (Second quarter 2021)*
- *Revision of the EU Emission Trading System (Second quarter 2021)*
- *New legal framework on the restoration of healthy ecosystems (Fourth quarter 2021)*

STRENGTHENING SECURITY AND DIPLOMACY

PRESENTED

New Strategy with Africa

Under the objective of “A stronger Europe in the world”, this aims at intensifying EU-Africa cooperation with a specific focus on the green transition and the digital transformation.

- 9 March 2020: Commission proposed the strategy
- 2021: Strategy is expected to be endorsed at the European Union – African Union Summit (postponed from October 2020)

Green Agenda for the Western Balkans

Presented in parallel with the “Economic and Investment Plan for the Western Balkans” and envisaging actions around the same pillars as the European Green Deal.

- 6 October 2020: Commission adopted a comprehensive Economic and Investment Plan for the Western Balkans and presented Guidelines for the Green Agenda for the Western Balkans
- 10 November 2020: endorsement of the Green Agenda for the Western Balkans at EU–Western Balkans Summit in Sofia

EU-China Comprehensive Agreement on Investment

To align EU-China trade on principles of intellectual property, technology transfer and sustainable development

- 30 December 2020: an agreement in principle (not a legal text) has been reached between the EU and China, containing provisions on sustainable development

IN THE PIPELINE

- Join Communication on the Arctic (Fourth quarter 2021)

Istituto Affari Internazionali
Via dei Montecatini 17 - 00186 Roma
[**iai@iai.it**](mailto:iai@iai.it)

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