

Green Deal Watch

Issue no.6

Putting the
Green Deal
to the test

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 (AffariInternazionali), two book series (Quaderni IAI and IAI Research Studies) and other paper series related to IAI research projects.

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

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This is the sixth 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 covers 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 Mauro Petriccione, Director General at DG CLIMA, 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.

FORE WORD

PUTTING THE GREEN DEAL TO THE TEST

In the past few months, the Green Deal has faced the most important threat since its launch – a set of internal, international, political and economic issues which still endanger the initiative. The way in which these issues will develop will likely decide the future of the Green Deal. High energy prices, rising tensions with Russia, as well as a significantly polarised debate on the taxonomy have put pressure on the Commission to cope with an increasingly complicated situation, which unfolded shortly after the launch of the Fit-for-55 package in July. The Commission now has a duty and a chance to show that the initiative is not a further complication, but rather an instrument to achieve the delicate equilibrium between security of supply, social equity and environmental sustainability that the EU seeks and needs.

Energy prices skyrocketed at a time when the Green Deal was already under the spotlight because of proposed measures that directly impact households and Small and Medium Enterprises (SMEs). The most notable of these is the extension of the European Emission Trading System (EU ETS) to buildings and transport. The electricity price surge started shortly after the summer and by December had already surpassed the threshold of 300 EUR/MWh for most member states, breaking the record threshold of 400 EUR/MWh at the end of the year.

Reasons behind this trend are mixed and include also technical and weather issues (such as the maintenance of several nuclear power plants in France and a colder winter than previous years). The most important factor however has been the scarcity of flexible LNG available for the European market in a context of greater gas demand in Asia and constrained supply. Russia did not help by not supplying volumes above contracted quantities. This strongly impacted the availability and price of natural gas, which rose from 37 to 85 €/MWh in the third quarter of 2021, going beyond 100 €/MWh at the end of the year. This has hit the energy transition in two ways. First of all, utilities have increasingly switched to coal to cope with high gas prices. This is the case, for instance, in Germany, which witnessed an unfortunate rebound in coal consumption. Secondly, the crisis risks limiting resources available to European and national institutions to implement the bold transition measures that the Commission proposed in July.

Complexity is increased by forthcoming elections in many European countries, such as Sweden, Hungary, Portugal, Malta and, above all, France, which will face both presidential and legislative elections between April and June. In these months, it has also been changeover time for the government in Germany, following 16 years of Merkel as Chancellor. France has taken on the Presidency of the

European Council in January, [promising](#) significant action on environmental and particularly climate topics. This raises hopes for ambitious action on energy transition after a Slovenian presidency that received criticism for being insufficiently ambitious (although in reality it should be recognised that it had to face exceptional circumstances). However, as the spectre of the 2018 gilets jaunes protests still looms, the mix of high energy prices and the upcoming elections could induce President Macron to be cautious.

The Commission is trying to show that the energy transition is part of the solution, rather than a problem.

In October 2021, it published a [Communication on Energy Prices](#) – a soft “toolbox” with a series of suggestions and indications of potential instruments to protect domestic and industrial consumers in the short term, and how to insulate energy systems from such shocks in the medium to long term. The clean energy transition is the best insurance against price shocks in the future, and needs to be accelerated, [states](#) the Commission, and indeed the document claims that it is the incompleteness of the transition – rather than its advancement – that provoked a surge in energy prices. The idea of reducing the ambition to face the energy crisis has been opposed by Vice President Timmermans. However, national measures to shield consumers still appear [inadequate](#) to the level of price surge, which threatens to [increase](#) the issue of energy poverty, already affecting at least [31 million Europeans](#). Overall, the surge in prices shows how difficult it will be to manage the transition in an orderly manner. It notably lays bare the contradiction between the goal to gradually reduce gas consumption and the recognised need for continued gas contracting and route/source diversification. As this spike could also [undermine](#) the Covid recovery, the Commission will probably have to work harder on solving what is

one of the key existential threats to the Green Deal.

The situation has been worsened by the growing tensions between Ukraine and Russia,

which directly affect the EU because of the Russian accusation of Western countries (and thus NATO and the EU) seeking to extend their influence towards the East. This threatens gas supplies at a time when they are more needed than ever. Russia took advantage of already low gas storage level and decided not to fill its storage capacity in the EU and not to increase flows (despite European requests to do so already at the [beginning of November](#)). It did so while continuing a [build-up of troops](#) on the Ukrainian border, which triggered fears of disruptions on the crucial Ukrainian supply route. These fears were particularly strong in member states which were scarred by previous Ukraine-Russia gas disputes (especially in 2006 and 2009). Moscow took advantage of the already delicate situation in Europe and of the busy domestic agenda of President Biden, accelerating an unprecedented crisis which, at the time of writing, is still escalating.

Indeed, the Green Deal radically changed the perspective of its predecessor, the Energy Union, by mostly pushing aside the element which was at the centre of the latter, i.e., security of supply.

Now that tensions are rising on the Eastern flank, it has once again gained focal importance: responding to MS requests, the Commission has resumed its focus on proposals such as the [joint purchases of gas](#) and further coordination among national storages – two topics which were absent from the debate in previous years, also because of the pandemic lowering overall consumption. While the Biden administration already promised [support](#) to the EU through extraordinary gas and oil supplies to avoid Russia’s further weaponising fossil fuel supply in the midst of the

crisis, security of supply is very likely to gain even more importance in the framework of the Green Deal, possibly diverting some of the political budget the Commission aimed at spending on other key elements of the initiative, such as the EU ETS reform. The crisis is also complicating the already labyrinthine dossier of Nord Stream 2: the infrastructure was completed in September but, missing the final approval from German regulators, it still is not operational. The tensions will make the acceptance of the highly controversial pipeline by the German public and by other member states even more difficult. This at a time when, especially because of uncertain supplies through Ukrainian pipelines, the opening of a new, direct import route could be critical for Germany and other EU countries importing Russian gas.

Gas, however, is at the centre of not only the EU's geopolitical troubles, but also of the climate debate, as the discussion over the taxonomy has intensified and, above all, has become strongly polarised. The first list of rules to label investments as green – the first “delegated act” of the taxonomy – was approved in the spring of 2021 and cleared by the European Council on 9 December. Fierce opposition by several member states had been overcome only by excluding the two most divisive topics (nuclear and gas) from this first list, as analysed in the previous Green Deal Watch issue. Nuclear and gas were covered by a complementary delegated act, on which negotiations intensified towards the end of 2021. A version leaked on 31 December, followed by the official publication of the delegated act on 2 February, sparked a flaming controversy involving member states, utilities and the civil society because of the inclusion of natural gas and nuclear power in the list of sustainable activities. Both sources are contentious, yet for different reasons; despite being emissions-free, nuclear power

is opposed by those countries which paid a significant price for its phase out (Germany and Austria, for instance) or have concerns related to waste disposal and safety. At the COP26, five member states even formed an anti-nuclear alliance to counteract the renaissance of nuclear proposed by France. Gas is also contentious: the emission limit proposed by the complementary delegated act to include gas generation among sustainable investments does not find the full support of the EU Technical Expert Group working on the taxonomy, who accuses the taxonomy of not being sufficiently climate ambitious. On the other hand, the industry and several member states indicated that the strict criteria foreseen for gas make it actually impossible for gas investments to be qualified as taxonomy-aligned, with significant risks for the stability of the European financial and energy systems.

The EU also did not emerge as a true leader during COP26, whose outcome was mixed. The last-minute, heavily negotiated deal has achieved a few of the conference's objectives, such as directly targeting fossil fuels for the first time, maintaining the 1.5 degrees objective on the table and setting 2023 as the deadline to reach the 100 billion climate finance target – a commitment which was however already agreed during the 2009 COP15. Yet, it missed many others, such as securing a consistent global commitment to phase out coal (but at least obtaining a reference to its “phase down”), a solid support for adaptation measures and post-adaptation ones, such as loss and damage, key for developing countries that will likely be the central pillar of COP27 in Egypt. In spite of a number of important steps forward, COP26 did not realise the significant turn in climate action that many were expecting following the Paris Agreement six years earlier – a change many believed should have been triggered and guided by the EU, especially after the heavy work

done with Fit-for-55 and considering that the conference was held, if not on EU soil, at least in Europe. Instead, the perception of some was of a weak, if not non-existent EU leadership, to the advantage of increasingly close climate relations between the post-Trump US and China.

Despite all these troubles brewing, the Commission has brought ahead the Green Deal project, publishing a second part of its Fit-for-55 proposals on 15 December.

The ensemble is smaller compared to the policy bulk presented in July, but still wide in its scope and instruments. The three core bids concern gas (proposal for a revised gas markets and hydrogen directive), methane emissions (proposal for a methane emissions regulation) and buildings (proposal for a directive on the energy performance of buildings, or EPBD). In a sense, these texts seem to address some of the thorniest issues the Commission had to face in these last months; the EPBD in particular is a key element to solve both the traditional troubles the EU has faced in improving energy efficiency and the urgent issue of high energy prices. By completing the Renovation Wave strategy, the EPBD proposes a set of national targets for both private and public buildings, whose absence was likely the weakest point in the Commission's energy efficiency strategy. The new gas package (the fourth) aims instead at starting the transition of the natural gas market towards low-carbon gases. While lessening the cost of the transition, this could also create a market for gases such as hydrogen, which is still missing. This is an appealing idea for the troubled European energy market. Finally, the European Commission has also set forward a proposal for the new, long-awaited, directive on environmental crime and a proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality (focusing on social aspects).

Even if many of these issues are far from resolution and many of these tools are as yet proposals to be discussed, the Commission can already learn important lessons from such a critical and unexpected set of threats.

First, it is evident that, despite the strongest narrative towards the decarbonisation pillar, security of supply is still a key topic the EU cannot fail to address. In this sense, it will be important to find a balance between the Energy Union's approach, centred on energy diplomacy, and the Green Deal's, focused on domestic climate and environment-related policies, also to avoid the security debate suddenly overshadowing the encompassing environmental action of this Commission.

Indeed, the Green Deal covers much more than energy and climate, but its action on other topics, such as the protection of biodiversity or agriculture, can only be effective when energy issues such as security of supply or prices are settled – as exemplified by the debate on the new forestry strategy, a controversial topic which has hardly advanced during these hectic months. If the Green Deal aims at seriously addressing key environmental questions in the months to come, the reform of the Common Agricultural Policy (CAP) above all, it will probably need a solid answer to such compelling questions.

Finally, the recent events have shown that the success of the Green Deal (or any climate and energy related policy) still relies on a careful balancing of the three elements of the energy trilemma: environmental sustainability, competitiveness and social justice, and security of supply.

As external factors could quickly tip the balance towards one element or the other, the EU will need not only a successful system able to deal with each element, but also enough flexibility to shift its focus and address the most urgent (and often unexpected) issues.

DIMENSION 1

DRIVING THE GREEN DEAL

In December, policymakers set out a second set of Fit-for-55 proposals to cut emissions across the EU economy, this time focusing on buildings, methane emissions and gas. The EU is a first mover in these fields, where reform poses complex challenges. All these proposals will undergo months of talks between the Council and Parliament before becoming law. The revision of the energy performance in buildings proposal (EPBD) advanced by the Commission gains an even stronger relevance in the context of high energy prices, as one of the most visible impacts of the crisis concerns energy bills that only get more expensive in case of energy inefficient buildings. The proposals to decarbonise the gas sector – also part of the Fit-for-55 package – follow from the strategic vision set out in the EU energy system integration strategy, the EU Hydrogen Strategy and the EU Methane Strategy in 2020. On another (but related) front, one year from the Commission’s proposal, member countries have reached a final political agreement to revise the Trans-European Networks for Energy (TEN-E) regulation. The transport sector has also been under pressure in these months, with hydrogen solutions more concretely discussed in the debates concerning heavy-duty transport, aviation and maritime transport.

Buildings – Energy efficiency is key

The revision of the EPBD [presented in December](#) translates the Commission’s “Renovation Wave” strategy into concrete legislative action, and has been designed by the EU executive to complement the other components of the Fit-for-55 package adopted in July 2021 setting the vision for achieving a zero-emission building stock by mid-century. The Commission proposes that, as of 2030, all new buildings must be zero-emission and all new public buildings must be zero-emission already as of 2027. Concerning renovations, minimum energy

performance standards are proposed, requiring the worst-performing 15 per cent of the building stock of each member state to be upgraded from the Energy Performance Certificate’s Grade G to at least Grade F by 2027 for non-residential buildings and 2030 for residential ones. In addition, the energy performance certificates will become clearer and the obligation to have a certificate is extended to buildings undergoing major renovation, buildings for which a rental contract is renewed and all public buildings. There is news on the governance side as well: the Commission clarifies that National Building Renovation Plans

will be fully integrated into National Energy and Climate Plans (NECPs) to ensure comparability and tracking of progress – and requests roadmaps for phasing out fossil fuels in heating and cooling by 2040. Up to €150 billion in public finance will be made [available](#) to help the poorest households renovate – and access to information on buildings’ energy performance will be made easier for all, according to the executive. Among other measures, a “Renovation passport” will facilitate information sharing and member states are invited to include renovation considerations in public and private financing rules. Alongside the package, the Commission has published a [Staff Working Document](#) with scenarios for a transition pathway toward a greener construction ecosystem. Buildings today account for 40 per cent of energy consumed at the EU level (36 per cent energy-related GHG emissions); there are more than 30 million building units consuming excessive energy (2.5 times more than average, at least) and most existing buildings (around 80–95 per cent) are expected to be standing in 2050. All this drives up bills and exacerbates energy poverty, something that smart renovations could limit.

Replacing natural gas with renewable and low-carbon gases

The December [gas package](#) is the fourth revision of the comprehensive legislation in the sector. The Commission has adopted a set of legislative proposals (the two major components being a [regulation](#) and a [directive](#)) to decarbonise the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen and biomethane. As strongly requested by the [Parliament](#), the Commission also proposed a framework to track and reduce methane emissions from gas, coal and oil – also a way to sustain its

commitment on the [Global Methane Pledge](#) launched at the beginning of November. Around 300 Mtoe of gaseous fuels are today consumed in the EU each year (95 per cent of which is natural gas), accounting for around 25 per cent of total EU energy consumption. In the view of the Commission, biogas and biomethane, renewable and low-carbon hydrogen and synthetic fuels will gradually replace natural gases. [Core issues](#) are the willingness to improve the market conditions for such a shift and increase the engagement and protection of gas consumers; account for security of supply and prices concerns; and recalibrate the structure of regulatory bodies. Among the several aspects included in the package, ownership and access to an EU hydrogen network was one of the key areas of discussion ahead of the package release. The Commission [proposes](#) rules on the operation and financing of hydrogen networks, on transparency of gas quality parameters and hydrogen blends, on the repurposing of natural gas networks for hydrogen transport, unbundling and non-discriminatory network access. The package indeed aims to create a hydrogen market by building dedicated infrastructure and repurposing existing gas networks. It also favours cross-border coordination to allow hydrogen to be cost-effectively brought from the production to the consumption site. The package contains several other measures, including those tackling security and price volatility mentioned in Dimension 4 of this Watch. The proposals sparked some [criticism](#) – with some voices considering the package might weaken the effectiveness of clean molecules as a decarbonisation tool or some considering the classifications between different forms of decarbonised and renewable gases too weak.

DIMENSION 2

GREENING INDUSTRY

Since September, soaring power prices have driven anxiety over the EU green vision. High wholesale gas prices have [encouraged](#) some utilities to switch to cheaper but more polluting sources (coal) to generate electricity. Demand for carbon allowances has increased under the EU's ETS and the carbon price as reflected in the cap-and-trade system surged to more than €90 per tonne of CO2 in early December, almost three times as high as at the beginning of the year. Complaints from several member states concerning the functioning of the EU carbon markets were [raised](#) to the Commission and at Council level in mid-December. The surging energy prices impacted several key industrial sectors (e.g., aluminium, zinc, fertilisers, silicon), that [generally welcomed](#) the proposals put forward by the Commission to respond to the crunch (see Dimension 4). In parallel, the Parliament continued debating the extension of the ETS – assessed in the [issue no. 5](#) of the Green Deal Watch. The dossier is now in the hands of EPP rapporteur Peter Liese who is proposing [amendments](#) aiming to overcome opposition from some EU countries and lawmakers worried about the social impact of the reform, in light of rising CO2 prices. The two insights below in this dimension look at a few aspects that, besides the energy crunch debate, are relevant for the transformation of the EU industry: the debate on a potential “climate club”, and EU's industrial competitiveness in the clean energy sector.

Debating greener commercial ties

As the EU tries to ease potential trade frictions linked to the EU's Carbon Border Adjustment Mechanism (CBAM), Valdis Dombrovskis [announced](#) a Commission initiative on trade by promoting commercial ties as a way of reaching environmental objectives – also a move to possibly help lower the cost of access to clean technologies that are needed for the green transition. The Commissioner therefore announced he intends to call a ministerial meeting devoted to

trade, climate and sustainability in 2022. On the international level, it is worth mentioning that during the October G20 in Rome the US and the EU [reached a deal](#) over their ancient dispute on steel and aluminium. The agreement contains some “climate” features – including a new goal of making the polluting steel and aluminium industry cleaner, as well as dealing with overcapacity in the steel sector. The move is clearly targeted at China's subsidised carbon-intensive steel, mostly consumed at home rather than exported. However,

[it remains to be seen](#) if this is the best approach to confront Beijing. However, discussions are ongoing as to whether the steel and aluminium arrangement is WTO-compatible, as [reminded](#) by Bernd Lange, chair of the committee on international trade in the European Parliament. The deal in any case opens a new approach to trade that might be going in the direction recently [promoted](#) by the new German Chancellor Olaf Scholz – that of forming a “climate club” to manage commercial frictions. The G7 German Presidency will hopefully [discuss this further](#). In any case, the arrangement is open, clearly an incentive for other countries who want to join. Also, if successful, similar agreements could potentially be replicated and applied to other sectors.

Assessing the industry’s competitiveness and autonomy

Europe’s dependency on raw materials critical for the energy transition must be addressed. Commissioner Thierry Breton recently [insisted](#) on a stronger EU industrial ambition, which he also considers as a way to move towards a more “federal”, united Europe. In more specific energy terms, the Commission dedicated efforts trying to understand the challenges in scaling up breakthrough technologies and in understanding the existing gap between innovation and market in the EU. At the end of October, the EU executive has adopted its [State of the Energy Union](#)

[Reports for 2021](#) including [evaluations](#) on the overall competitiveness of the EU clean energy sector, focusing on wind and solar power (which are projected to show higher relative growth up to 2030). The report also considers the bloc to be at the forefront of clean energy research. The EU has a high share of patents in climate mitigation technologies when compared to other major economies. The bloc is well-placed in terms of global market share in a number of conventional clean energy technologies (such as wind) but the study states that global competition remains aggressive. In solar PV, the EU is at the cutting edge in certain parts of the value chain – such as research and development, polysilicon production, equipment and machinery for PV manufacturing – yet it maintains a small market share in solar cells and module manufacturing. The dependence on some critical raw materials would therefore need more attention given to the supply chain. In a recent speech, Commissioner Simson [mentioned](#) the strong global position held by the EU in the hydrogen technology, storage and batteries – all having scaling up potential in the future. Yet, she warned the EU could rapidly lose its position in the global race. On another front, the European Committee of the Regions also [adopted](#) a set of proposals to revitalise the European industry, in a more circular and less carbon intensive way.

DIMENSION 3

SUPPORTING THE TRANSFORMATION

The heated debate over the taxonomy – the first “green list” classification system for sustainable economic activities – has in the past months sent mixed signals with regard to the energy transition pathway. The executive waited until the end of the year to unleash a draft of the delegated act that would allow some natural gas and nuclear energy projects to be deemed sustainable. The delegated act was then published by the European Commission on 2 February. Delegated acts, per se, are a take-it-or-leave-it move often used for technicalities, and the choice to apply it to the taxonomy was considered [controversial](#) by many. The European Parliament has sent two letters to the Commission asking for a different approach that would involve the Parliament to a greater extent. Unsurprisingly, governments across the Union hold very different positions due to the fact that their energy mixes are very diverse. On the other hand, [several scientists](#), investors, companies and civil society feared that including nuclear and gas would dilute the taxonomy’s ability to have an impact. Indeed, while gas and nuclear will for sure play a role in the transition (and investments in both are possible no matter what the taxonomy says), labelling them as green has sparked a strong debate. However, the thresholds identified for natural gas and to some extent nuclear are so restrictive that most projects will fall out of the taxonomy. An additional controversy is that criteria for natural gas discriminate against countries that have already implemented coal phase-out plans, by favouring Germany and Eastern Europe.

Analysing the taxonomy

Gas and nuclear power generation would be labelled as “transitional” activities (rather than fully sustainable). Nuclear is subject to strict conditions around the management of toxic waste. Support to nuclear is highly divisive. France is [pro-nuclear](#) together with Hungary and the Netherlands, while Germany is [phasing it out](#). The inclusion of natural gas in the taxonomy is also

dependent on emissions thresholds. Gas plants with construction permits granted until the end of this decade could be considered sustainable if their direct greenhouse gas emissions do not exceed 270g of CO₂e/kWh, or if their annual GHG emissions do not exceed an average of 550kg of CO₂e/kW of the output energy of the facility’s capacity over 20 years. These thresholds exceed the EC’s Technical Expert Group [suggestions](#). At the same

time, they are too stringent to allow any last-generation gas-fired power plant (even with some biogas/hydrogen blending, to the extent that this appears feasible in light of technological maturity and availability of sufficient volumes) to fall within the scope of the taxonomy. Groups in the Parliament are positioning themselves, as proven by a recent [statement](#) issued by the S&D group. Opposition has grown in the past weeks, with several MS (e.g., Spain, Austria, Denmark, Luxembourg) being explicitly against the text. Austria also [threatened](#) to take the Commission to court. Some [financial players](#), as well as part of civil society and a number of experts, are criticising the taxonomy for being insufficiently climate ambitious. They claim that such a scheme could set a dangerous precedent for the rest of the world – as well as representing a step backwards compared to the efforts of other EU bodies (e.g., the [EIB](#)).

Boosting a cleaner future through recovery plans

The implementation of projects that are part of resilience and recovery plans is, on the other hand, proceeding rapidly. In the past months, the Commission has been evaluating national proposals, and many member states have received part of the pre-financing. Recovery plans, if well managed and accompanied by reforms, represent a great opportunity to translate the Green Deal into national priorities – also because clean energy is [more affordable](#) now than ever.

In these months, the Commission has been evaluating and endorsing most of the bloc's national recovery and resilience plans – and in parallel has [issued](#) the first Next Generation EU green bond, thus raising €12 billion to be used exclusively for green and sustainable investments across the EU. Despite many [differences](#) among MS in the priorities for allocation of green expenditure, the 22 recovery and resilience plans approved by December 2021 show that a significant share

(39.9 per cent) of the Recovery and Resilience Facility (RRF) is dedicated [to the green transition](#), going beyond the requirement of at least 37 per cent of climate investment. Total expenditure in clean power – renewables and networks – is estimated to be around 26.7 billion euros and the largest amount is represented by renewable energy generation (18.1 billion). In general, plans support investments in already mature renewables technologies as well as in innovative solutions. Some countries include investments in pioneering energy generation, such as technologies integrated into buildings. National plans also cover a wide scope of network/infrastructure projects: deployment of energy storage, district heating networks, electricity interconnectors and smart grids. Fifteen member states have included measures dedicated to hydrogen in their plans. Apart from investments, supporting the deployment of RES and cleaner solutions into the system requires adequate reforms and regulatory frameworks. That is why reforms are key in plans, and why many are dedicated to addressing, in particular, central elements of the policy framework supporting renewable energy. In December, the Commission launched a useful [scoreboard](#) of recovery plans, where progress on the green pillars in plans can be assessed.

Joining forces

There has been quite a call to arms in the run-up to COP26 to discuss ways in which monetary flows can be Paris-aligned and partnerships could help transform ambition into reality, both within and beyond the EU bloc. Europe has done its part. The European Investment Bank has [created](#) a Climate and Environment Advisory Council that will support the EIB Group in reaching its climate action and environmental sustainability. The bank also [decided](#) to accelerate targeted support for global climate adaptation and cohesion investment across Europe, a priority

[reinforced](#) during COP26. In Glasgow, the bank launched several initiatives – including, among many others, an MoU with development banks on climate (e.g., with the [Asian Development Bank](#)), new plans (e.g., a proposal for an [enhanced use](#) of the Copernicus Earth Observation data) or partnerships to support climate-focused investment funds and projects (e.g., with [Allianz](#)). The European Central Bank in the meantime has [published the results](#) of its economy-wide climate stress test, evaluating the impact of climate change on more than 4 million firms worldwide and 1,600 euro area banks under different climate policy scenarios. As for the Commission, in September it announced [three UN Compacts](#) that will contribute to mobilising the investments necessary to advance energy access and accelerate the energy transition; in October the executive presented – through a [review of EU banking rules](#) – specific requirements for banks to implement the systematic management of environmental, social and governance (ESG) risks. Another relevant piece of news concerned the new Climate, Environmental Protection and Energy State Aid Guidelines (CEEAG) [endorsed](#) by the Commission, a way to align the state aid rules to the Green Deal.

DIMENSION 4

STRENGTHENING SECURITY AND DIPLOMACY

Balancing security of supply, competitiveness and sustainability – the three main pillars of energy governance – has not been an easy exercise in the last months of 2021. The energy price squeeze was indeed a reminder of Europe’s high dependency on imported fossil gas and the volatility of global commodity markets, as well as a clear notice on the need for a well-designed energy transition path. As energy poverty affects up to [31 million people](#) in the Union, this issue has been and will be key in light of the economic challenges of COVID-19 and the price situation. That is why security of supply and vulnerability have made a strong comeback on the agenda in Brussels, with EU governments debating (and for the moment not agreeing on) a coordinated response to protect Europe’s poorest citizens and the competitiveness of its businesses. Tensions with Russia – supplying about 40 per cent of the EU’s natural gas – have visibly escalated. In these months, Putin has denied accusations from institutions and several EU policymakers and experts that the Kremlin was withholding gas supplies also as a move to pressure both German and EU authorities to give a green light to the Nord Stream 2 pipeline, which is likewise dependant on Russia’s recent belligerent behaviour against Ukraine. In the midst of these conversations, the EU has been involved in climate talks at the 26th Conference of the Parties (COP26) in Glasgow, where the bloc pushed for stronger ambition at the international level and led the way on a number of pledges, although its role as a climate leader – despite its very strong Fit-for-55 credentials – didn’t stand out as expected.

Debating a coordinated response to the energy crunch

In October 2021, gas was [400 per cent more expensive](#) than in April, significantly contributing to the rise of power prices which have increased by more than 200 percent. The combination

of a strong recovery in demand, specific weather events and unplanned supply outages have led to tighter markets. The carbon pricing responsibility share in the surge – as the Commission has [cleared](#) several times – is very limited. Several European governments have put in place [immediate responses](#) in

order to protect the most vulnerable groups and enterprises. The EU executive confirmed that those domestic responses are allowed but some countries called for an intervention from Brussels for the medium term. In October, the Commission presented a [toolbox](#) with the aim of strengthening resilience against future shocks. Among the short-term measures was an invitation to MS to protect vulnerable consumers through national income support measures or tax breaks. Among the medium-term measures, the executive has announced the revision of the rules for cross-border access to storage facilities. Responding to [specific requests](#) from MS (France, Spain and Central-Eastern European countries), the Commission explored the option of a joint purchase of gas for a European strategic storage, and an evaluation of the functioning of the electricity market. Interventionist measures, however, are not backed by Germany, the Netherlands and several Nordic states. Preliminary evaluations by [ESMA](#) and [ACER](#) on the functioning of the ETS and the electricity market have found no anomalies in the emissions markets, and have called for the maintenance of the current model in the electricity market. In December, the Commission also presented its [Hydrogen and Decarbonised Gas Package](#) as part of Fit-for-55: among other proposals, the package aims to increase the resilience and security of gas supply in Europe by extending the scope of the gas security of supply regulation. In particular, it includes options of joint procurement of strategic stocks of natural gas (Article 7d of the Gas Regulation).

Nord Stream 2 – A geopolitical conundrum

Although completed in September, there remains uncertainty over when the 55 Bcm/year Nord Stream 2 pipeline will begin commercial flows. As Moscow awaits [regulatory clearance](#) from Berlin for gas flows to begin, the new

German government has continued working on implementing a deal on the pipeline alongside the US, which however has imposed further [sanctions](#) targeting Russia. Criticism against the pipeline has mounted in the European Union, including in Germany, where Angela Merkel, supporting the project which she labelled as “commercial” for many years, is no longer in power. Tensions escalated at the end of the year, as Russian troop movements along the Ukrainian border ramped up fears of imminent belligerence and increased pressure on the German government, which alongside the US took an [even stronger stance](#) towards the Kremlin. A week of heavy diplomacy followed in early 2022, with the US and NATO officials meeting with Russian counterparts to discuss security on the European territory (yet, [without](#) the EU, emphasising Brussels’ weakness and fragmented leadership on this front).

The EU at COP26: Diplomacy and commitments

Ahead of COP26, in October the Parliament [adopted](#) a conference-related resolution calling on world leaders to raise ambition and for Europe to lead the way in ensuring a green global recovery and climate policies. President von der Leyen represented the Commission at the World Leaders Summit in Glasgow, pledging 1 billion euros in funding for the [Global Forests Finance Pledge](#). In the early days of negotiations, the EU announced a [Just Energy Transition Partnership](#) with South Africa and launched the [Global Methane Pledge](#), a joint initiative with the US which has mobilised over 100 countries to cut their collective methane emissions by at least 30 per cent by 2030, compared to 2020. Ursula von der Leyen also kicked off the [EU Catalyst partnership](#) with Bill Gates and Werner Hoyer. Frans Timmermans, leading the EU negotiating team in Glasgow, [announced](#) a new pledge of €100 million in finance for the Climate Adaptation

Fund, by far the biggest pledge for the Fund made by donors at COP26, coming on top of significant contributions already announced by member states. According to many, however, the EU could have played a stronger role, especially on finance, adaptation and loss and damage, matters of highest importance for developing countries and key issues to address in the run-up to COP27. Recognising the big gap between ambition and reality, the European Union, alongside the US

and the UK, pushed for an anticipated revision of NDCs in 2022 – previously foreseen in 2025. [The Global Gateway strategy](#) – presented a few weeks after the COP by the Commission – could be a good occasion to bring international partners along in the transition to climate neutrality in 2022.

IN DEPTH

INTERVIEW

MAURO

PETRICCIONE

DIRECTOR GENERAL,
DG CLIMA, EUROPEAN
COMMISSION

COP26 has received mixed feedback but has surely achieved some important results; how should the EU prepare for COP27? Where can the EU make the difference in these crucial months?

At COP26 in Glasgow, we made significant steps towards guaranteeing a liveable future for all, and more concretely, towards keeping the 1.5°C goal within reach.

The EU was instrumental in securing a joint commitment from all parties to stick to this long-term goal. Limiting global warming to 1.5°C entails collectively cutting our net emissions by at least 45 per cent by 2030, and reviewing all countries' Nationally Determined Contributions (i.e., their plans) to make sure they're up to the task. We agreed to bring NDCs and goals in line with 1.5°C by COP27.

It's already going in the right direction: at COP26, for the first time in history, all countries around the table agreed to phase down the use of coal. They all agreed to stop subsidising inefficient fossil fuels, and recognised the need to support a just transition, leaving no one behind. The EU also made significant financial commitments towards protecting our planet: we helped to launch the EU Catalyst Partnership, investing 820 million euros to boost the development of innovative climate technology, and committed to contributing 1 billion euros to protect forests. Together with the United States, we also launched the Global Methane Pledge, supported by over 100 countries, representing nearly 50 per cent of global methane emissions.

Those are just some of our many common achievements – and yet, we still need to go further. No matter how you cut it, if we want the Earth to remain inhabitable, we must limit global heating to 1.5 degrees by the end of this century. As we look forward to COP27, implementing what we agreed in Paris and Glasgow will be our top priority. As such, the EU will focus on holding major emitters to account, and encouraging bolder ambition by all to protect the planet we call home. The promises made in Glasgow now need to be translated into action. The EU will play its part. Our ambition

remains to cut our net emissions by at least 55 per cent by 2030, and to adapt to a warming world. That's why we also made the historic pledge of 100 million euros to the United Nations' climate adaptation fund, which supports countries that are particularly vulnerable to climate change.

One of the most delicate topics at the moment is the EU taxonomy; do you believe that the inclusion of gas among sustainable activities could weaken the Union's global position on green finance? What do you believe should be the guiding principles to achieve a taxonomy which is not divisive and yet effective?

The EU Taxonomy is a classification system, establishing a list of sustainable economic activities. Its purpose is to guide and mobilise private investment to help achieve climate neutrality in the next 30 years. The Commission believes that gas has its place in the taxonomy because in some regions of the EU, it is simply not possible to build renewables quickly enough to replace coal. Hence, gas is only used as a necessary transition fuel before a full switch to renewables by 2035, which is in line with our global position on green finance.

As for our guiding principles, I would say that our number one mission and obligation is climate neutrality. The climate crisis is already upon us. We all stand to gain from overcoming it – it's a matter of survival.

The Green Deal has extended the focus of the EU climate action from mostly energy generation to also other sectors, including forestry and the protection of biodiversity.

How can the EU achieve success in areas which are of key importance, but whose economic importance is less evident than others'?

The scope of the EU's climate action has grown because the reality is that climate change affects virtually all aspects of our economy, and by extension, our lives. You say some areas are important to fight the climate crisis, but that their economic importance isn't that evident. On the surface, I can understand why it might seem that way. But when you think about it, those areas are vital for the economy as a whole: if our world becomes uninhabitable, there will be no economy to speak of. When you look at it more holistically, the economic argument supports climate action in all areas, even those without an immediate return. They are too vital to fail.

The road to success in those areas is to enact sensible policies that have a clear material impact. One example of what the EU has recently proposed is to strive towards sustainable carbon cycles: in December, we launched an action plan on how to develop sustainable solutions to increase carbon removals. Among other measures, this includes supporting carbon farming (farming to sequester carbon in the soil, through reforestation for instance),

supporting industrial carbon removals, and creating a common framework for certifying carbon removals. In the long run, climate action, and climate adaptation in particular, will save lives and money as we face the increasingly extreme impacts of a warming world.

The French presidency will need to make progress on a large number of legislative proposals tabled last year as part of “Fit-for-55” package. What does the French presidency mean for climate action?

Personally, I am very encouraged by France’s ambition on climate action and their commitment to advancing our Fit-for-55 proposals. France is clearly dedicated to fighting the climate crisis, and I am confident that this will be reflected in the way they lead their Council presidency.

Back in December, I travelled to Paris myself to visit the different departments of the French government working on climate-related topics. I could immediately see that this issue was close to their heart. I am hopeful that they will do their best to make the legislative process run quickly and smoothly, so that we can enact the Fit-for-55 package Europe needs to meet its climate ambition.

As decarbonisation policies are scaled up, gradually they will be felt by the population – while progress is slower to see. The energy transition is also very exposed to political manipulation and populism, and this must be taken into account. How to make sure we deliver structural change and at the same time maintain consensus on this essential transformation?

This is a very important point. The EU is increasingly facing disinformation campaigns in an attempt to destabilise the EU and its member states. This phenomenon isn’t new, but the reassuring thing is that most citizens don’t buy it. According to a Eurobarometer survey published last week, in the minds of Europeans, the main global challenge for the future of the EU is climate change and the environment. Moreover, we now have evidence that 88 per cent of Europeans think it is important to increase the share of renewable energy in our economy and have greater energy efficiency. And not only that: we also know from previous surveys that 74 per cent of Europeans agree that the cost of damage due to climate change is much higher than the cost of investment needed for a green transition. This means that EU citizens are well aware that climate action is worth the cost.

In recent decades, the EU has succeeded in cutting emissions while maintaining a healthy economy. The Fit-for-55 package allows us go further along this path. That said, I understand that some people may feel insecure about what the future holds for their wallets, and those concerns are legitimate. That’s why one of the EU’s top priorities in the Green Deal is to ensure that the climate transition is a just one. We already have several

funds in place to ensure we progress towards climate neutrality in an equitable way. For instance, the Recovery and Resilience Facility under Next Generation EU and the Just Transition Mechanism, to make sure that no one is left behind, not to mention the Modernisation and Innovation Funds which support the regeneration of energy systems and advance the green technologies we need to embrace to achieve climate neutrality. Moreover, under our Fit-for-55 proposals, we want to increase the size of these funds and put in place the Social Climate Fund to counter potential impacts of carbon pricing in road transport and buildings. Thanks to these funds, jointly worth tens of billions of euros, the EU can provide direct income support to vulnerable households, retrain workers, assist with job searches, support SMEs, help modernise our energy systems, and more. We're all in this together.

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. A special section has been added to follow the specific activities proposed by the Fit-for-55 package. 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.

FOCUS FIT-FOR-55

PRESENTED

- Revision of the EU Emission Trading System (14 July 2021, [here](#)) and revision of the EU Emission Trading System for Aviation (14 July 2021, [here](#)).
- Review on national emissions reduction targets (Effort Sharing Regulation), based on 2030 climate target plan (14 July 2021, [here](#)).
- Revision of the regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF) (14 July, [here](#)).
- New renewable energy directive (14 July 2021, [here](#)).
- New energy efficiency directive (14 July 2021, [here](#)).
- Proposal for a regulation for strengthening the CO2 emission performance standards for new passenger cars and

- new light commercial vehicles (14 July 2021, [here](#)).
- Revision of the directive on deployment of the alternative fuels infrastructure (14 July 2021, [here](#)).
- European Commission proposal on the ReFuelEU Aviation – sustainable aviation fuels (14 July 2021, [here](#)).
- European Commission proposal on the FuelEU Maritime – green European maritime space (14 July 2021, [here](#)).
- Regulation establishing a carbon border adjustment mechanism (14 July 2021, [here](#)).
- Revision of the energy taxation directive (14 July 2021, [here](#)).
- Proposal for a social climate fund (14 July 2021, [here](#)).
- New forestry strategy (14 July 2021, [here](#)).
- Proposal on the regulation for internal markets for renewable and natural gases and for hydrogen, within the hydrogen and decarbonised gases package (15 December 2021, [here](#))
- European Commission proposal for a directive on the energy performance of buildings (15 December 2021, [here](#))

DRIVING THE GREEN DEAL

PRESENTED

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
- 19 May 2021: Decision by Parliament: Text adopted by Parliament, single reading

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)
- 19 May 2021: Decision by Parliament: Text adopted by Parliament, single reading

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)
- 11 June 2021: the Council of energy ministers approved conclusions that endorsed the EU renovation wave strategy.
- 17 September 2020: European Parliament adopted a legislative proposal to revise the Energy Performance of Buildings Directive (EPBD)
- 15 December 2021: Commission adopted a legislative proposal to revise the Energy Performance of Buildings Directive (EPBD)

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
- 17 June 2021: vote in committee, 1st reading
- 17 June 2021: TRAN Committee decision to open interinstitutional negotiations with report adopted in committee
- 28 June 2021: TRAN Committee report tabled for plenary, 1st reading
- 5 July 2021: TRAN Committee decision to enter into interinstitutional negotiations announced in plenary
- 27 May 2021: the Council of the European Union presented its amendment to the Commission proposal

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)
- 18 May 2021: ENVI Committee presented an own-initiative report on the strategy.
- 27 May 2021: a public hearing on the EU strategy to reduce methane emissions took place at the meeting of the Committee on the Environment, Public Health and Food Safety
- 21 October 2021: Parliament adopts a resolution on the initiative, asking for binding measures for all sectors.

Offshore Renewable Energy Strategy

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

- 19 November 2020: Commission presented the strategy
- 21 June 2021: PECH committee delivered an opinion on the matter

Trans-European Energy Infrastructure

Review of the guidelines

- 15 December 2020: Commission presented the initiative
- 11 June 2021: The Council agreed a general approach, despite considerable differences of opinion among Member States.
- 7 October 2021: Parliament adopts its official position on the proposal

Forest Strategy

Part of the biodiversity strategy and covering the full forest cycle

- 29 January 2021: Commission presented the strategy
- 16 July 2021: the Commission adopted its communication on the New EU Forest Strategy for 2030, which aims to overcome the challenges faced by European forests, such as pressures from human activity and natural processes as well as the consequences of climate change.
- 15 November 2021: Council adopted conclusion on the new EU Forest Strategy

Building a Climate-Resilient Future

A new EU Strategy on Adaptation to Climate Change

- 24 February 2021: Commission adopted the strategy

Revision of the Regulation on the Trans-European Transport Network

- 26 May 2021: Commission published the results of its evaluation of the Regulation
- 9 July 2021: Commission response to text adopted in plenary
- 14 December 2021: Commission presented a proposal for the revision of the trans-European transport network Regulation

Sustainable fuels

- 14 July 2021: Commission presented proposal for the Regulation on the use of renewable and low-carbon fuels in maritime transport
- 14 July 2021: Commission presented a proposal for the Regulation on the deployment of alternative fuels in infrastructure
- 14 July 2021: Commission presented a proposal for the Regulation on ensuring a level playing field for sustainable transport

Reducing Methane Emissions in the Energy Sector

- 15 December 2021: Commission presented proposal for Regulation on methane emissions reduction in the energy sector

Intelligent Transport Systems

- 14 December 2021: Commission presented a proposal amendment to the framework for the deployment of Intelligent Transport Systems

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.
- 19 April 2021: Commission adopted revised EU guidelines on regional State aid.
- 5 May 2021: The update was put forward by the Commission. The Communication particularly points to the need to strengthen the resistance of the Single Market to disruptions and to ensure continuity in the free movement of persons, goods, services, and capital; the need to analyse and address strategic dependencies, and the need to accelerate the green and digital transition.
- 2 June 2021: Commission response to text adopted in plenary

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.

- [16 July 2021](#): Commission response to text adopted in plenary
- [10 December 2020](#): Commission adopted a proposal for a new regulation sustainable batterie
- [22 February 2021](#): The Global Alliance on Circular Economy and Resource Efficiency was launched
- [28 October 2021](#): Commission adopted a proposal to update rules on persistent pollutants in waste
- [17 November 2021](#): Commission adopted a proposal for new rules on waste shipments

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)
- [7 May 2021](#): Commission publishes roadmaps on the revision of Classification, Labelling and Packaging Regulation ("CLP") and on Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") regulations.
- [9 August 2021](#): Commission launches public consultation on CLP revision
- [20 January 2022](#): Commission launched public consultation on REACH revision

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
- [20 May 2021](#): referral to associated committees announced in Parliament

Action Plan for the development of organic production

To boost production of high quality food with low environmental impact

- [25 March 2021](#): Commission presented Action Plan to develop organic production
- [20 May 2021](#): the 8th NAT Commission of the Committee of the Regions (CoR) held an exchange of views on the Action Plan
- [11 June 2021](#): the European Economic and Social Committee (EESC) held an online public hearing as part of ongoing

preparation for its opinion on the action plan. It will provide the perspective of civil society on the action plan's objectives and its underpinning actions

- [27 May 2021](#): the Agriculture and Fisheries Council held an exchange of views on the action plan at its meeting
- [19 July 2021](#): EU agriculture ministers adopted the Council's conclusions on this plan, expressing their overall support
- [23 October 2020](#): consultation period concluded

Waste shipments

- [17 November 2021](#): Commission presented amendment to the Regulation on shipment of waste

Circular electronics

- [10 February 2021](#): European Parliament published a New Circular Economy Action Plan supporting the initiative
- [23 September 2021](#): Commission presented a proposal for a common charger for electronic devices
- [19 October 2021](#): The Commission's work programme for 2022 planned the revision of EU rules restricting the use of hazardous substances in electronics for the last quarter of 2022

YET TO BE ANNOUNCED

- *Industrial Emissions – EU Rules updated (Fourth quarter 2021)*

SUPPORTING THE TRANSFORMATION

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.

- April 2021: Council adopts position on €4.2 billion Single Market programme for 2021-2027.
- 26 April 2021: Council presidency and the European Parliament's negotiators reach provisional agreement on public sector loan facility to support just climate transition.
- 26 April 2021: EU Parliament and Council reached agreement on the Commission's proposal for a new Public Sector Loan Facility (PSLF).
- 27 April 2021: EU Parliament adopts a more reactive and accessible European Globalisation Fund.
- 28 April 2021: EU Parliament approved €4.2 billion Single Market Programme.
- 29 April 2021: European Parliament approved deal to invest €5.4 billion in climate and environmental projects.
- 17 May 2021: debate in Parliament
- 18 May 2021: results of vote in Parliament: Text adopted by Parliament, 1st reading/single reading
- 26 May 2021: Act adopted by Council after Parliament's 1st reading
- 23 June 2021: end of procedure in Parliament
- 24 June 2021: final act signed
- 30 June 2021: final act published in Official Journal

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
- 21 April 2021: EU Parliament and Council reached provisional agreement on the EU Climate Law.

- 5 May 2021: Permanent Representatives Committee (Coreper) approved the agreement
- 10 May 2021: ENVI Committee endorsed it
- 10 May 2021: approval in committee of the text agreed at 1st reading interinstitutional negotiations
- 24 May 2021: decision by Parliament, 1st reading: Text adopted by Parliament, 1st reading/single reading
- 28 June 2021: Act adopted by Council after Parliament's 1st reading
- 30 June 2021: final act signed
- 9 July 2021: final act published in Official Journal
- 29 July 2021: regulation entered into force

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
- 21 January 2021: Committee referral announced in Parliament
- 28 May 2021: ENVI Committee adopted its report
- 31 May 2021: Committee report tabled for plenary
- 8 June 2021: decision by Parliament: Text adopted by Parliament, single reading
- 12 July 2021: first draft of the post-2020 global biodiversity framework was released
- 15 December 2021: a proposal for a revised Directive on environmental crime is published by the Commission

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
- 17 September 2021: Commission published communication stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people

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
- 15 June 2021: vote in committee, 1st reading; the ENVI Commit-

tee adopted its position

- 17 June 2021: Committee report tabled for plenary, 1st reading
- 8 July 2021: text adopted by Parliament, partial vote at 1st reading/single reading. the Parliament adopted amendments to the Commission proposal. Matter referred back to the committee responsible
- 1 December 2021: European Parliament and Council reached a provisional agreement on the 8th Environment Action Programme

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
- 16 March 2021: Council adopted its position at first reading
- 29 April 2021: approved by the Parliament and the legislative resolution is adopted
- 17 May 2021: new Regulation was published in the EU Official journal

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

EU Taxonomy Climate Delegated Act

To help improve the flow of money towards sustainable activities across the European Union.

- 21 April 2021: Commission adopted a package of measures comprising: the EU Taxonomy Climate Delegated Act, A proposal for a Corporate Sustainability Reporting Directive (CSRD); six amending Delegated Acts on fiduciary duties, investment and insurance advice will ensure that financial firms, e.g. advisers, asset managers or insurers, include sustainability in their procedures and their investment advice to clients
- 4 June 2021: formal adoption of a first delegated act on sustainable activities for climate change adaptation and mitigation objectives by the Commission
- 6 July 2021: the Delegated Act supplementing Article 8 of the Taxonomy Regulation was adopted by the Commission
- 9 December 2021: the first Delegated Act is adopted
- 1 January 2022: consultations on the Complementary Delegat-

ed Act, covering gas and nuclear activities, are launched by the Commission

- 2 February 2022: Commission presents Complementary Climate Delegated Act to accelerate decarbonisation

Renewed Sustainable Finance Strategy

- 6 July 2021: strategy was adopted by the Commission
- 9 July 2021: Parliament has referred the dossier to the ECON Committee
- 8 December 2021: Europea Economic and Social Committee (EESC) adopted an opinion on the Renewed sustainable finance strategy

New EU Strategy on Adaptation to Climate Change

- 3 June 2021: Council approved its conclusions supporting the new strategy

IN THE PIPELINE

- Empowering consumers for the green transition (Second quarter 2021)

YET TO BE ANNOUNCED

- *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

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
- 4 October 2021: the EU and governments from the Western Balkans agreed to implement the Green Agenda Action Plan

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

European Chips Act for semiconductor autonomy

- 15 September 2021: Commission announced European Chips Act for semiconductor autonomy, a proposal is due in Q2 2022

Arctic

- 13 October 2021: EU High Representative and Commission published a joint communication on a stronger EU engagement for a peaceful, sustainable and prosperous Arctic

IN THE PIPELINE

- Joint Communication on the Arctic (Fourth quarter 2021)

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