



The European Green Deal: On the Way to EU Climate Neutrality

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The announcement of the European Green Deal (EGD) by the head of the European Commission (EC), Ursula von der Leyen, came just before the outbreak of the COVID-19 pandemic. However, the global crisis not only affected the Commission's plans but gave additional impetus to the European climate transformation. In 2021, the EC is expected to move from strategic thinking on the EGD to ambitious action. Success will depend on the Commission's capacity to reconcile the interests of all Member States, including those for whom the implementation of the EGD constitutes a challenge in the short term.

In December 2019, shortly after taking over as president of the EC, von der Leyen presented a new strategy for the development of Europe called the European Green Deal. It is a political initiative aimed at achieving climate neutrality of the European economy by 2050, targeting increased resource efficiency, reduced pollution, and protection of the continent's biodiversity, while ensuring social justice. Unlike other energy strategies such as the Energy Union and previous climate goals such as the "20-20-20" package, the EGD is characterised by its holistic approach. In line with the roadmap accompanying the EGD, after the revision and adaptation of European legislation, a new legal framework and guidelines will be implemented.

2020—Building Strategies Despite the Pandemic. Most of the work on the EGD was supposed to start in 2020, but the EC's work programme had to be adjusted in April last year due to the COVID-19 pandemic. This revision took into account the priority of crisis management and emphasised the need for acceleration of the ecological transformation of the Union in view of the possible recession and temporary drop in fossil fuel usage.

Actions considered crucial for the EGD and having an impact on the recovery of the European economy after the pandemic were implemented in line with the initial work programme. As a result, among the most important achievements of the EC in 2020 was the adoption of the

2030 Climate Target Plan in December and the publication of a European climate law proposal. They were accompanied by the European Climate Pact initiative involving European communities and citizens in the activities of the EGD, created in response to green activism. The EC also tried to take into account lessons from the pandemic and include them in strategic documents. It was noticeable, for example, in the Renovation Wave Strategy for the construction sector (the reform of which could boost the economy and decarbonise it) and in the [Farm to Fork Strategy](#) (which changes the EU's food system and improves agricultural production). At the same time, the EC reacted quickly to the changes taking place on the energy market. For example, instead of the planned Smart Sector Integration Strategy (referring to various energy carriers, types of infrastructure and consumption sectors), it proposed two separate documents—the Strategy for Energy System Integration and the [Hydrogen Strategy](#). The EC also published in 2020 strategies for mobility, biodiversity, chemicals, and marine renewable energy, etc. What is more, the EC secured funds for the implementation of the EGD. As much as 30% of funds from the [recovery plan for Europe](#) (approved in December last year, consisting of the EU budget for 2021-2027 and the Next Generation EU instrument, including the Just Transition Fund, altogether worth €1.8 trillion euro) are designated for the fight against climate change.

Among the actions postponed by the EC until 2021 were the development of a new EU strategy on adaptation to climate change and a new Union forest strategy. The delay stems from the fact that these activities are part of the preparations for the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), postponed to the end of 2021. Also, the work on the Renewed Sustainable Finance Strategy has been extended and will continue throughout the first half of this year.

2021—Legislative Activities with COP26 in the Background.

In its 2021 work programme, the EC prioritises revision of EU climate and energy legislation and the preparation of a number of legislative initiatives. By the end of the first half of the year, the EC intends to present plans for Emissions Trading System (ETS) reform and establishment of the [Carbon Border Adjustment Mechanism](#) (CBAM). Numerous directives also will be updated in line with the EGD, including those on the use of renewable energy sources, improvement of energy efficiency, as well as the third energy package and various energy regulations. In order to emphasise the importance of the EGD as a development strategy for the entire EU, the subsequent legislative packages of the EC for 2021 will relate to the circular economy, biodiversity and the environment, as well as mobility.

The first half of 2021 will be primarily marked by a difficult dialogue on European climate law between the EC, the European Parliament (EP), and the Member States in the Council. As an intermediate step to the achievement of climate neutrality by 2050, the EC proposed that the EU should reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. After lengthy negotiations, the Council agreed with these terms in December last year, but the position of the EP is more ambitious, as it sets the target as a 60% reduction in emissions. Other important aspects of climate law supported by the EP such as removal of fossil fuel subsidies, establishment of a greenhouse gas budget, and access of NGOs and citizens to EU justice in environmental matters, generate much controversy within the Council, which in turn will affect the negotiations between EU institutions. The ambition of the Portuguese presidency is to have the climate law approved by the end of June. After agreeing the legal framework and formal obligations, the presidency wants to start working on further EC legislative proposals. In the second half of the

year, the external dimension of European climate policy related to the intensification of preparations for COP26 (which will take place on 1-12 November in Glasgow) will gain importance.

Conclusions and Perspectives. Despite the difficulties, the EC managed to create in 2020 the conceptual and financial foundations for systemic changes in the framework of the EGD. The unprecedented resources granted for climate protection herald a more ambitious approach by the EC to the implementation of the EGD assumptions, closer to the position of the EP. These aspirations are also shared by EU citizens—93% perceive climate change as a serious problem and a similar supermajority believes that the governments of the Member States should intensify their actions for climate (according to Eurobarometers). Moreover, the EU's "leadership by example" obliges the EC to continuously increase ambitions in the field of climate protection. It is all the more important in the context of China, Japan, South Korea, and the United States announcing plans to achieve climate neutrality and compete for the title of global leader in the climate transition.

Ultimately, however, the success of the EGD will depend on a merger of the different climate and energy strategies of the EU members and their negotiating positions. Also, the Member States will have to mobilise their administrations and expert circles to keep up with the legislative activities of the EC. The Commission's decarbonisation plans and those of many EU countries should go hand in hand with the principles of fairness and solidarity in the energy transition. That is why conditional economic incentives are so important for those economies that in the short term treat the EGD as a challenge for some branches of their economies, especially industry, and for the social security of their citizens.

Poland may become the main beneficiary of European support programmes and receive up to PLN 250 billion in the coming years for its energy and climate transition. This means that pro-climate investments may become a driving force behind the recovery of the Polish economy after the pandemic. The allocation of the EU funds, however, will depend on the credibility of the country's green transition plans, which should be [defined in the National Recovery Plan](#). This, however, requires building a national climate consensus and effective implementation of directional decisions (regarding, for example, the development of the energy mix and ways to achieve climate neutrality).