



Towards an ambitious Green Deal

Whitepaper

Six recommendations to give the new Commission a head start in designing and executing the European Green Deal

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Berenschot



Keeping EU citizens on board is crucial if the European Green Deal is to succeed. EU citizens have rightfully become more vocal and increasingly aware of climate challenges that lie ahead. If the new Commission wants execution of the Deal to succeed, it is key to adopt a participative approach in the design process.



Heating and cooling should be a key component of the European Green Deal. There are two main reasons: First, fossil fuel demand for heating purposes is significant. Secondly, still too often heat is 'wasted'. A switch to CO₂-neutral heat would therefore make a significant impact on reducing overall CO₂-emissions.



Decarbonizing industry should be a key component of the Green Deal. To get the industry on board with the Green Deal, the new Commission should ensure a global level playing field. This means that the trade barriers of the EU should become greener. This way, the industry has the trust it needs to keep investing in the EU.



The EU should become more energy independent. Energy plays a crucial part in today's geopolitical climate. International tension is increasingly energy related. To reduce dependence on third countries for our energy demand, the EU should use energy more efficiently and increase the share of renewables in the energy mix.



With the current state of technology a significant contribution towards the reduction of transport sector emissions is feasible. However, cleaner options such as (bio-)LNG and hydrogen can not (yet) compete with the relative cheap petrol and diesel. We recommend the Commission to develop incentives that restrict either the use of and/ or phase out less efficient engines.



The road towards delivering the European Green Deal will be bumpy, not only for the new commissioner, but for everyone who is involved and affected by this deal. Nonetheless, we believe that with current societal and political momentum an ambitious deal can be forged and implemented to set Europe on the right track towards both 50% reduction in 2030 and carbon neutrality in 2050.

Figure 1 Six recommendations to make the European Green Deal successful

Six recommendations to develop a Green Deal-proposal that is ambitious, feasible and fitting for the European Union

The infographic on the following page gives a brief overview of our six recommendations that can help Mr Timmermans and his colleagues in drafting the Green Deal when they take office on the first of November.

Even before the Paris Climate Agreement in 2015, the Juncker Commission placed the European energy transition and climate change high on the agenda. In the Framework Strategy for a Resilient Energy Union¹, for example, it envisages the steps the EU has to take to tackle climate change. This overarching strategy was followed up by more specific EU policy initiatives, like the EU strategy on heating and cooling.² In November 2018, the Commission published a strategic long-term vision to make Europe climate neutral in 2050.³

When it comes to Europe's energy targets⁴, among others aimed at halting climate change, the next Commission will set their ambitions even higher. Commission President-elect Von der Leyen made her aspirations clear in her mission letter to Frans Timmermans⁵, the intended Executive Vice-President responsible for the European Green Deal. She asked Mr. Timmermans to present an European Green Deal within the first 100 days of the new Commission term. Hundred day deadline aside, the objectives are ambitious in their own rights. Reiterating the commitment to a climate-neutral EU in 2050, the next Commission will set the emission reduction target for 2030 at 50%, instead of the current 40%. In addition, Mr. Timmermans also needs to come up with initiatives to reemphasize the EU's circular economy ambitions and is asked to investigate new policy initiatives that could make trade greener through taxation.

Needless to say, Mr. Timmermans faces certain challenges in the process of developing the European Green Deal. First, to make the Green Deal work, he needs to identify key players and stakeholders, both inside the European Union Institutions and throughout the European Union, whose input and approval are essential in designing and executing the European Green Deal. Second, as the Green Deal will touch different EU policy areas, he needs to align different DGs within the European Commission to create a coherent and integrative (legislative) framework for the Green Deal. Third, and perhaps his biggest challenge, he needs to find a way to involve all European citizens and encourage them to work together with the European Commission to make the Green Deal a success.

For Mr Timmermans to effectively confront these challenges and develop a Green Deal-proposal with the desired impact, he must dare to take bold, profound decisions that go well beyond the scope and ambition of the previous Commission. Adding to the complexity is the fact that a "one-size fits all" approach is unlikely to be effective, since cross-border differences throughout the EU exist. To provide Mr Timmermans and his colleagues with a much needed head-start, the Berenschot-EU team has put together a list of recommendations that will help him develop a Green Deal-proposal that is ambitious, feasible and fitting for the European Union.

1 COM(2015) 80 Final

2 COM(2016) 51 Final

3 COM(2018) 773 Final

4 <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/2030-energy-strategy>

5 https://ec.europa.eu/commission/sites/beta-political/files/mission-letter-frans-timmermans-2019_en.pdf



RECOMMENDATION 1: Participative governance is key

EU citizens have become more vocal and are – especially since the Paris Climate Agreement – increasingly aware of the challenges that lie ahead in order to halt global climate change. It is their expectation that the Green Deal will contribute to a brighter future for the citizens of the European Union, and people all over the world. Adopting the approach of participative governance, as compared to a more traditional top-down approach, will be key in designing and executing this deal as it ensures a broader support towards set goals and ambitions.

To date many of the well-intended initiatives to engage with citizens or help them participate fail, because they either (a) fail to engage with a broad variety of citizens or (b) badly manage the expectations. In these cases it is unclear or opaque for citizens what happens with their input and as a result they risk losing faith in participation altogether. To avoid this, stakeholder engagement and citizens involvement are crucial. Getting people to engage with governing entities, while using appealing, easy to access formats and intuitive digital platforms – participative governance – is in our view the ‘new’ cornerstone of modern strategic communication.

We recommend that the team working on the Green Deal keeps the above in mind whilst drafting the Green Deal, which should not only focus on decarbonization but also lead to a more energy-independent, inclusive, and in the long run prosperous society. Moreover, when developing the Green Deal the Commission should keep (energy) affordability in mind; not all EU citizens can afford for example modern isolation regardless of their wishes to do so.



RECOMMENDATION 2: Need for sustainable and more efficient heating

We believe that (sustainable) heating and cooling should be a key component of the European Green Deal. A switch towards CO₂-neutral (heat) supply will significantly contribute to the overall objective of cutting greenhouse emissions and should be high on the European agenda. There are three reasons why the Green Deal should focus on heat and increase overall efficiency. First, half of the energy in the EU is used for heating and cooling, of which 80 percent is used in buildings. Thus, heating is the biggest of all energy applications in the EU. Second, there are still ample examples where heat is ‘wasted’ rather than re-used, this provides opportunity to decarbonize the energy sector. Third – to achieve the 2030 target of 32,5 percentage point reduction in energy consumption – the vast potential of increasing efficiency, for example by broader adopting energy efficiency obligation schemes, should be further explored. Lastly, to increase the role of (sustainable) heat, one should explore the possibilities to extend and develop district heating networks towards a very low-carbon standard.



RECOMMENDATION 3: No deal without the industry & green trade incentives

The industry is a pivotal part of the Green Deal. To get the industry to cooperate with the new Commission and invest in greener and more efficient production methods, the EU needs to ensure a global level-playing-field. This level playing field can be achieved through incentivizing ‘green’ import and taxing products that have comparatively higher greenhouse gas emissions. Second, the EU should support or regulate industries in order to develop products/ production methods that have a comparative lower ecological footprint. Long-term political commitment to the above is important to attract investments and move to a (global) more sustainable supply-chain. This vision fits perfectly into the mission of Mr. Timmermans to ensure that tax policies should enable the delivery of climate ambitions and spur the circular economy. This way, the Commission kills two birds with one stone. Taxes become greener and the industry has the political commitment they need to make investment decisions and keep investing in Europe.



RECOMMENDATION 4: Save the date for the European energy independence day

It is key that the European Union becomes (more) energy independent. The current geopolitical climate illustrates the risks associated with being too energy dependent. Recent attacks on oil fields in Saudi Arabia for example show how external geopolitical tension (can) have an impact on security of energy supply in the EU. The EU should decrease its energy dependence further by using the available energy sources more efficiently and by increasing the share of renewables in the energy mix. To raise awareness about becoming more energy independent, the next Commission could create an annual event, focused around European domestic (green) energy production, bringing EU citizens and the Energy Agenda closer.



RECOMMENDATION 5: Stimulate (and urge) the transport sector to innovate

Von der Leyen wrote in her Mission Letter to Mr. Timmermans: "I want you to coordinate the work on reducing the carbon footprint of our transport sector and ensuring the blue economy contributes to decarbonization." In our view this is possible, the energy use of cars, trucks and ships (and planes) can be reduced significantly. Electricity and other energy carriers like (bio-)LNG and hydrogen are ready to be adopted, But are still in unfair competition with traditional engines running on fossil fuels. Replacing/ retrofitting trucks and ships with modern cleaner and more efficient engines also reduces other sources of pollution that have a negative impact on general wellbeing of EU citizens. We believe that, with the right incentives (such as restricting the use – and phasing out – of old diesel engines) the transport sector can provide a significant contribution towards achieving the objective of reducing emissions by 50% in 2030 and become carbon neutral in 2050.



RECOMMENDATION 6: Challenge...us. We may not always like it, but action is required

Mr Timmermans and colleagues, we implore you to be ambitious in drafting the Green Deal. Do not let industry, politicians or others tell you things can not change and ask you to look somewhere else for your desired CO₂-reduction. Rather, emphasize that inaction will have a more disastrous effect on (global) society and economy as a whole in the long term, something that trumps any decrease in short term output or productivity by a given percentage. Though many people will support an ambitious European Green Deal, you will also encounter people who will try to dissuade you, challenge you openly, and yes, even respond with hostility to your ambitions. But let that not discourage you! The more people are trying to discredit your actions, the more you must persist and live up to your task to create an ambitious plan that reduces carbon emissions by 2030 and 2050.

We hope that these six recommendations are of help and will be part of the wider pan European energy approach of the new Commission. We certainly would like to help the Commission with this tremendous challenge and propose them to adopt the below planning and execution timeline, which runs from the first of November 2019 up to the end of December 2030.

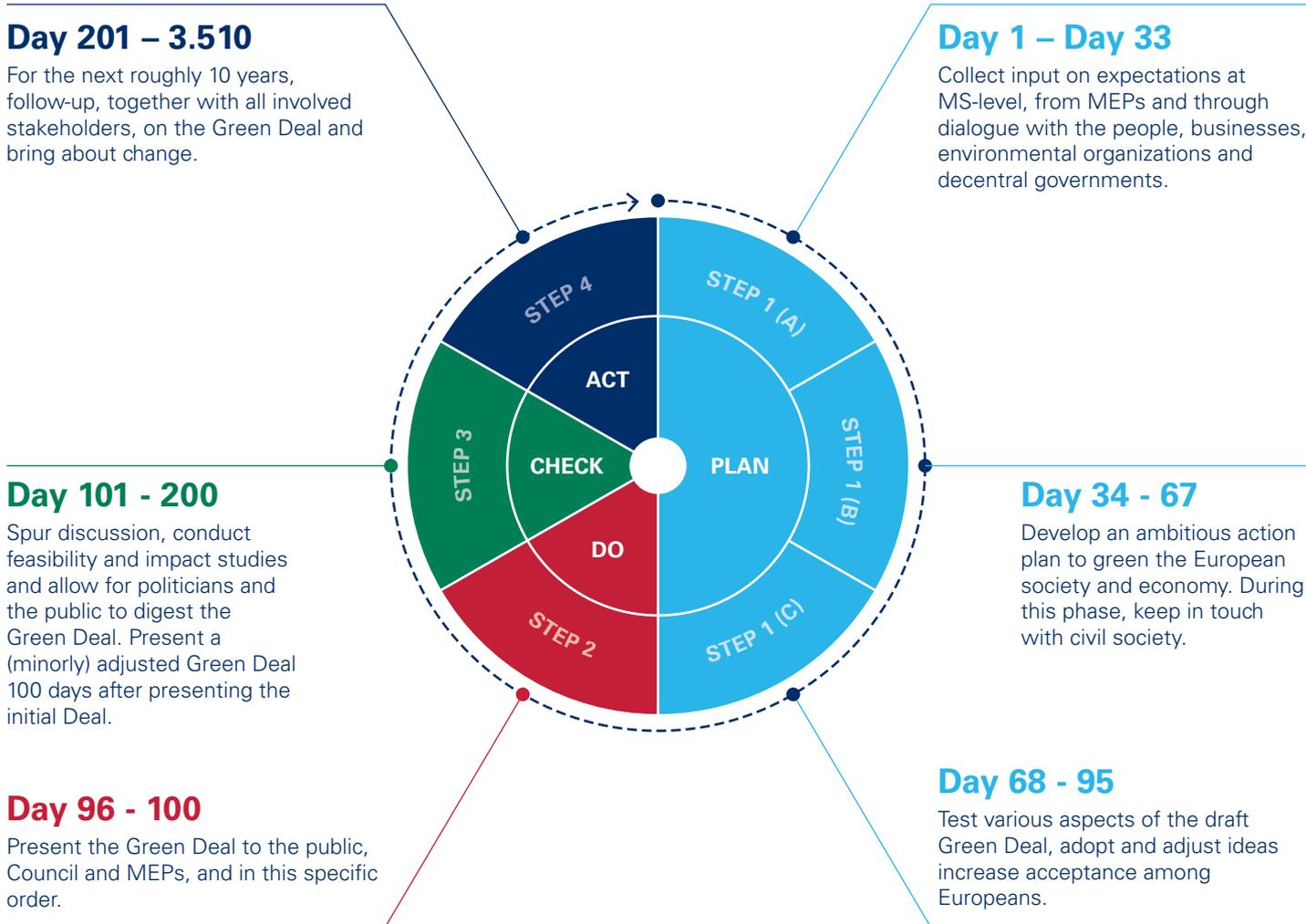


Figure 2 Planning and execution of the European Green Deal

Want to know more?

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