

EUROPE'S GREEN MOMENT: HOW TO MEET THE CLIMATE CHALLENGE

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SUMMARY

- EU member states are publicly committed to the European Green Deal, but are divided over the details of its implementation.
- They have different views on issues such as the proposed carbon border adjustment mechanism, the role of nuclear energy in Europe's future energy mix, bridging technologies in the transition to net zero, and the socio-economic consequences of closing down carbon-intensive industries.
- Member states are not divided into two diametrically opposed camps but rather agree or disagree with one another in varying constellations.
- This makes the implementation of the European Green Deal an intricate puzzle – yet achievable if coalitions of states push one another to implement its constituent parts.
- The EU needs a strong foreign policy strategy to manage the geopolitical dimension of the deal and to generate the political resolve to drive climate action.
- The bloc also needs to mitigate the socio-economic challenges of implementing the European Green Deal if the effort is to succeed.

Introduction

EU climate action is increasingly political. As with migration after the 2015 surge in refugee arrivals in the European Union, and health cooperation as the covid-19 crisis intensified in 2020, climate policy is no longer the preserve of ministers in its thematic Council formation – the Environment Council configuration (ENVI). Rather, the issue makes ever more regular appearances on the agendas of heads of state and government.

This is because the European Green Deal is a high-risk, high-reward gambit. Member states are awaiting the European Commission's legislative package for implementing the deal. They know that, if they fail to transform their economies and societies to promote ambitious climate action globally, it will become much harder for the international community to limit global warming to 1.5°C above pre-industrial levels. However, if Europeans reduce their carbon emissions to net zero by 2050 in a socially just way, this could provide a platform for the EU to become a global leader on climate norms and green technology.

If EU member states are to meet the challenges in the implementation of this ambitious package in the coming years, they will first need to understand one another's differing approaches to climate issues. They are already familiar with the stereotypes about Nordic green leaders and carbon-intensive industry in central and eastern European states, but the reality is more complex. And member states' perspectives on climate are shaped by a range of factors other than the current energy mix and levels of efficiency.

To better understand these challenges, the European Council on Foreign Relations' associate researchers asked policymakers, analysts, and opinion-shapers in all 27 EU capitals about climate issues. The study, conducted in January and February 2021, used a standardised questionnaire to discover the drivers of each country's climate policy.

This paper maps the national politics of the European Green Deal, using data from both the study and a public opinion poll that ECFR commissioned Datapraxis and YouGov to carry out in nine EU member states in November 2020. The paper shows that Europeans are divided over a range of climate issues, including the EU's carbon border adjustment mechanism (CBAM), the role of nuclear energy in Europe's future energy mix, bridging technologies with which to facilitate the transition to net zero, and the socio-economic consequences of closing down carbon-intensive industries. Luckily,

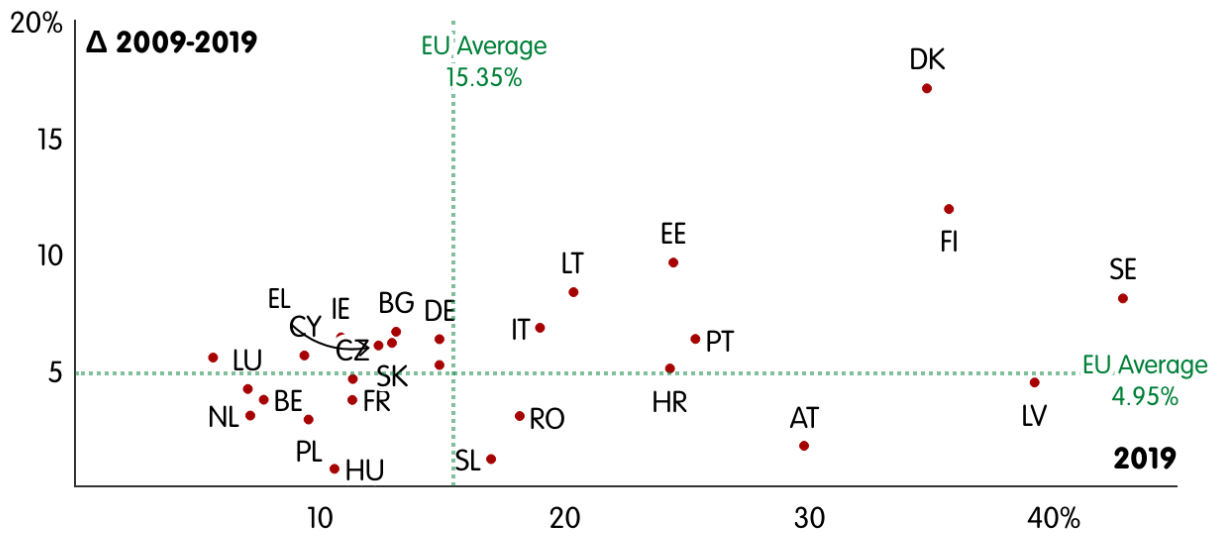
these fault lines do not separate member states into two diametrically opposed camps. Rather, Europeans find themselves agreeing and disagreeing with one another in varying constellations. This setup makes the implementation of the European Green Deal an intricate puzzle. But it also allows for creative coalition management to produce lasting success, as countries that are sceptical of the deal see some opportunities on the horizon. The paper shows how policymakers can bring member states' differing perspectives together to underpin strong European engagement with climate geopolitics.

The challenges and risks of the European Green Deal

No EU government can claim that climate change has taken it by surprise. In recent decades, the impact of increasing global temperatures on agricultural output, weather-related natural disasters, and migration and conflict patterns has been increasingly visible across the world, including in the EU.

However, some governments have been responding more quickly than others. The chart below plots the share of renewable energy in each state's energy mix in 2019 against the change in this share between 2009 and 2019. Sweden, Finland, and Denmark – which are also climate frontrunners according to ECFR's latest EU Coalition Explorer – have been putting in the groundwork to expand renewable sources of electricity generation quite rapidly in the last decade. Meanwhile, member states such as Latvia and Austria have been moving more slowly, albeit after starting from a relatively high base. Estonia, Portugal, Lithuania, and Italy are working hard to catch up. The group in the bottom left-hand corner – including the Netherlands, Luxembourg, and Poland – still has some way to go and, so far, has felt much less compelled to make progress than others. Interestingly, large EU member states France, Germany, and Spain have not been doing much better.

Share of renewables in national energy mixes



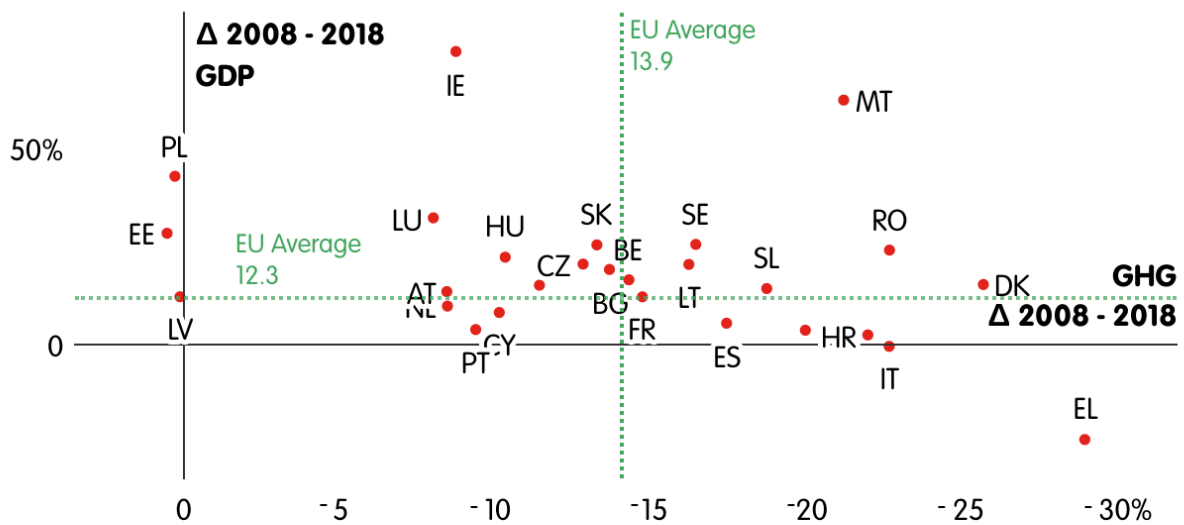
The horizontal axis shows the share of renewables (in per cent) in the country's energy mix in 2019. The vertical axis shows the change (in percentage points) in the share of renewables in the country's energy mix between 2009 and 2019. The graphic shows EU27 countries' progress in the green transition.

Source: Eurostat
ECFR · ecf.eu

Nonetheless, increasing the use of renewable energy is only part of the journey to net zero. In addition to accelerating the use of carbon-neutral electricity generation, reducing the emission of greenhouse gases from industrial production, transport, and other economic activity is a central goal of the green transition. In pursuit of this goal, the European Green Deal is designed to decouple economic growth from carbon emissions.

Between 2008 and 2018, Denmark achieved a 25 per cent reduction in greenhouse-gas emissions, the second most significant among EU27 countries, while also experiencing above-average GDP growth. Only Greece's decline in emissions went further – although this was largely due to the collapse of its economy. Greece and Italy were the EU's only two countries to record a lower GDP in 2018 than in 2008. But whereas the latter shrank by a mere 0.4 per cent, the former's declined by 25 per cent. The gap between Greece and the EU27 average was 36 percentage points. Poland, Estonia, and Latvia were the bloc's only member states whose greenhouse-gas emissions increased over the course of the decade, although their economic output did too. Still, 22 EU countries succeeded in both reducing their emissions and increasing their GDP, albeit with varying efficiency.

Energy efficiency



The horizontal axis shows the percentage change in the amount of greenhouse gas emissions between 2008-2018. The vertical axis shows the percentage change in GDP between 2008 and 2018. The graphic shows EU27 countries' energy efficiency.

Source: Eurostat; European Environment Agency
ECFR · ecfre.eu

These differences help explain why, as ECFR's survey finds, there is a range of thinking across member states about the national challenges and risks in the implementation of the European Green Deal.

Socio-economic challenges and risks

The most prevalent concern – apparent in 19 member states – comes from socio-economic challenges such as the prospect of rising unemployment caused by the closure of carbon-intensive industries. Socio-economic factors also feature as the biggest perceived risks associated with the green deal, with 15 countries expressing worries about higher costs for energy and fuel, and ten about declining living standards, such as those caused by reductions in the consumption of certain goods or electricity shortages. And nine countries are concerned about political instability resulting from public discontent with the implementation of the deal.

These findings confirm the need for the Just Transition Mechanism – though this is small, and only intended to fill specific gaps – and other forms of planned EU support to mitigate the socio-economic

consequences of the green transition. The key point is that EU budget funds can and should be spent differently. For example, the EU should use European Social Fund money to train workers for jobs that are environmentally and economically sustainable in the long term. While one should not underestimate the scale of these challenges, they provide the EU with an important opportunity to set a global example.

Both opposition and support from industry and the business community

Predictably, countries also face opposition to the European Green Deal from companies (as ECFR researchers in 11 countries reported). This is because carbon-intensive industries are forced to fundamentally change their production models, invest in new technologies, or – in some cases, such as coal power – close down. There are clear divisions within the various sectors, with the best performers poised to make a technological leap and waiting for a clear regulatory signal, while others are struggling even in the current scenario, let alone in a low-carbon one. Companies that generate fossil-fuel and nuclear electricity tend to be much more centralised and well-resourced than renewables firms, often making them better able to mobilise against unwanted state interventions.

Encouragingly, however, there is support from the business community for the European Green Deal in 17 countries, as it sees new economic opportunities in the green transition. Individual countries face a mixture of opposition and support from various sectors, usually according to their dependence on fossil fuels or their ability to adapt or gain from the transition. This is the case both in frontrunner countries and in states that are lagging in the transition. In private discussions, these authors have learnt that major industries seem willing to adapt, even where the government is reluctant to engage in the green transition. This is also the case for state-owned enterprises. A sector's openness to external competition might be the determining factor here: where such enterprises face private or international competition, they might be more willing to innovate than are governments.

National governments' willingness and capacity

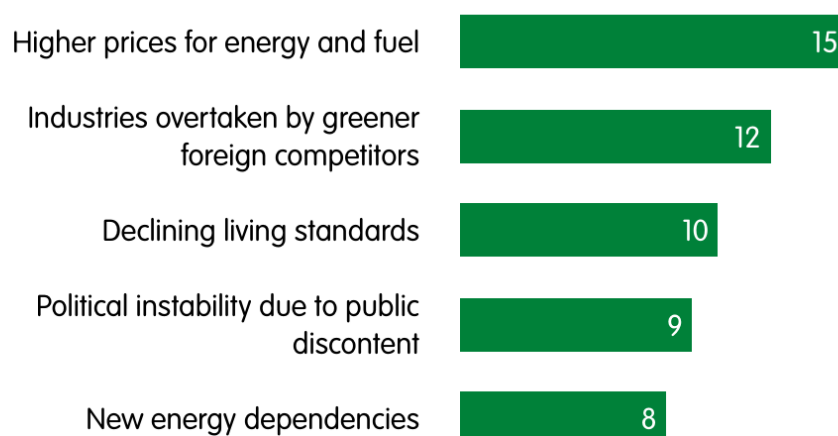
The other two main domestic challenges are linked to national governments' willingness and capacity to implement the European Green Deal. In 11 countries, a lack of political will is an obstacle to the

green transition. States in this category include those with relatively limited ambitions on climate and those aspiring to be European champions, such as Poland and France respectively. The French government has made tackling climate change a top priority, but was recently found guilty of failing to sufficiently reduce greenhouse-gas emissions in a lawsuit filed by a group of environmental NGOs. This is quite different from Poland, which was more vocal than any other member state in its opposition to the European Green Deal during the negotiations over the agreement. Eleven member states appear to lack the capacity to make use of available funds to green the economy. Some of the less ambitious member states – such as Bulgaria, the Czech Republic, and Romania – seem to have both of these problems.

Geopolitical risks

Furthermore, 12 member states see geopolitical risks in the European Green Deal. They are concerned that their strategically important industries will be overtaken by greener competitors in other member states or further afield. Meanwhile, eight countries worry that the green transition could create new energy dependencies in relation to areas ranging from imports of Russian gas to negative reactions to the CBAM, to dependence on imports of green technology from China.

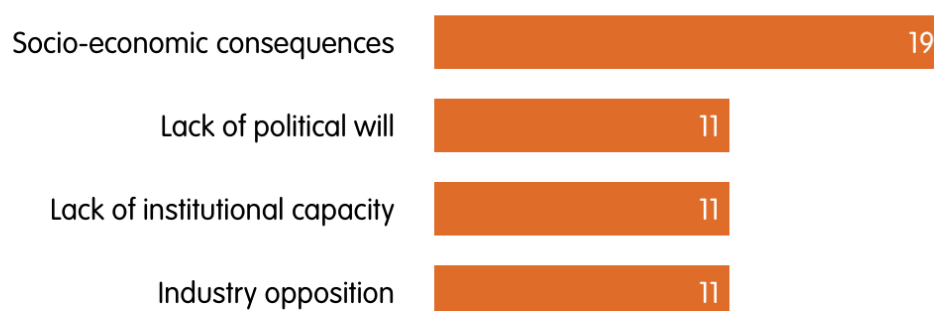
Top five perceived risks in the green transition



Number of countries that selected each option. The question allowed for multiple answers.

Source: ECFR-commissioned analysis conducted by national researchers
ECFR · ecf.eu

Top four challenges in the implementation of the European Green Deal



Number of countries that selected each option. The question allowed for multiple answers.

Source: ECFR-commissioned analysis conducted by national researchers
ECFR · ecfr.eu

Does the EU have climate leaders?

With the European Green Deal picking up steam and COP26 in Glasgow on the horizon, most EU member states are optimistic about their position in the energy transition – despite their varying risk assessments. Twenty-one member states perceive themselves as being on the front foot in the transition to renewable energy, while only six identify as laggards. This has as much to do with ambition and self-perception as with material factors such as dependence on energy imports or the availability of financial resources and administrative capacity. These self-assessments sometimes contrast with measures such as the share of renewables in member states' energy mixes and their efforts to reduce greenhouse-gas emissions (see Figures 1 and 2 respectively). Still, this group of 21 – which includes EU climate heavyweights such as Germany, France, and Sweden – could push forward with ambitious plans and try to persuade the six straggler states to go along.

Unfortunately, the climate leaders are not quite so unified on exactly how they should reach net zero through the European Green Deal. There are significant divisions between them on, for example, the role of nuclear energy in the continent's future energy mix and the desirability of the CBAM. Member states have vehemently debated both issues with one another and within EU institutions. The European Commission has been ambiguous on the former and has made a high-profile commitment

to (but, privately, expressed scepticism about) the adoption of the latter as early as summer 2021.

France was de facto leader of the group of member states that called for the inclusion of nuclear energy in the EU's strategy for reducing carbon emissions to net zero by 2050. Many capitals that see Paris as a go-to partner on the European Green Deal do so due to its support for nuclear energy. Central and eastern European countries, with which France has had somewhat troubled relationships recently, tend to want nuclear power to be part of the 'clean' energy mix. Many of them fear new dependencies, the loss of jobs in traditional electric power industries, or resistance from these industries' lobbies. Eastern European countries' affinity with France on this matter stands in stark contrast to some of the findings from ECFR's latest EU Coalition Explorer survey, in which they registered particularly high rates of disapproval of Paris. For France, playing the nuclear card well could be one way to regain some goodwill with eastern Europeans who have expressed consternation at President Emmanuel Macron's unilateral outreach to Moscow in recent years.

The anti-nuclear camp is somewhat bigger. It consists largely of countries that are already far along in their transitions towards renewable energy, such as Denmark, Germany, and Latvia. Germany first decided to phase out nuclear energy in 2000, then rejoined the nuclear club in 2010, before revising its decision again after the Fukushima Daiichi nuclear accident in 2011. The country's remaining nuclear power plants are scheduled to go offline at the end of 2022. Many member states regard both Germany and France as key partners for delivering on the European Green Deal. But only Austria expressly sees Germany in this way because of its anti-nuclear stance.

Germany's central position in EU policymaking generally seems to make it an important ally on the climate front – or, for some sceptics of the European Green Deal, a headache. Moreover, for pro-nuclear member states, Germany serves as a cautionary tale: as it phased out nuclear energy, the country has expanded its use of lignite, a particularly carbon-intensive kind of coal (although the growth of the country's use of renewables still outpaces that of coal). Germany plans to end its use of coal-fired electricity generation with payments ending in 2043. Some policymakers in these anti-nuclear countries occasionally flirt with the nuclear solution to the climate crisis – as seen in Sweden – but anti-nuclear sentiments are widespread among their populations and political elites.

Despite the exclusion of nuclear energy from the Just Transition Fund, some member states are certain to hold on to their nuclear power plants for the time being. With China expanding its nuclear grid at unprecedented speed, many developing countries are considering the nuclear route to carbon neutrality. And with China and Russia having emerged as key providers of nuclear technology, including within the EU, the nuclear age is far from over.

The CBAM proposal is designed to prevent 'carbon leakage', the offshoring of energy-intensive

industry to countries with lower ambitions for emissions reductions or the substitution of EU products with more carbon-intensive imports. Both would cause the EU to miss its goal to reduce global emissions and simply move them from Europe to other parts of the world, while also hurting European economies' competitiveness. The purpose of the CBAM is to ensure that the price of imports reflects their carbon content, so that foreign products that are nominally cheaper but more carbon-intensive compete on a level playing field, and so that the EU's international partners have incentives to pursue similarly ambitious climate action.

In many member states, there is not much of a discussion of this proposal even within the policy community. Nonetheless, the conversation has begun in several of them. And it has raised concerns about issues such as how the transition period – before the CBAM begins to have its intended long-term effects – could drive countries that export to the EU away from carbon-intensive industry. In ECFR's study, seven countries named the need to rethink supply chains because of CBAM among the top challenges in implementing the European Green Deal. These countries are Denmark, Finland, France, Latvia, Malta, Romania, and Sweden.

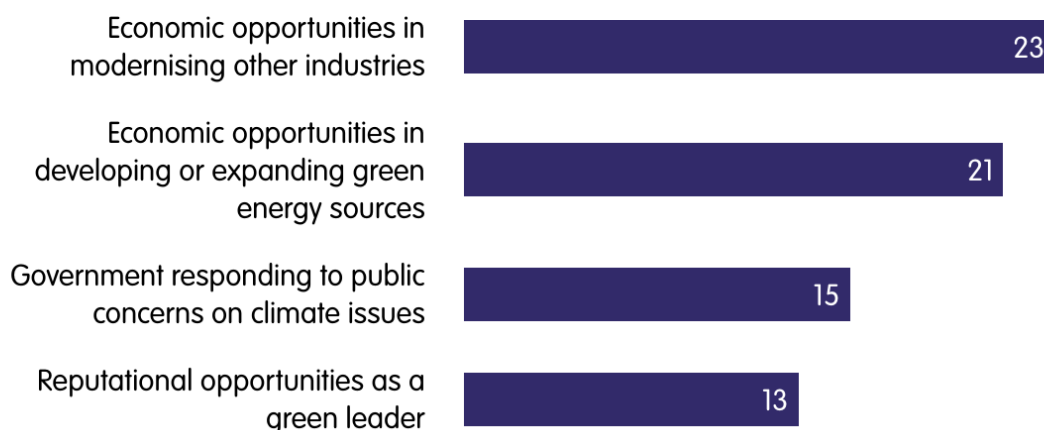
Some member states, such as Denmark, reported concerns about how the CBAM would fit with the EU's identity as a global actor: what could be perceived as a protectionist measure to ensure that EU industry remained competitive would damage the bloc's reputation as a champion of free trade. This concern may be compounded by the possibility of retaliatory measures against EU exports by third countries. Yet member states such as Finland and France indicated that they saw the CBAM as an essential component of the European Green Deal, to reassure EU-based companies that cooperating with the transition to net zero will not undermine their competitiveness.

Regardless of member states' level of ambition, the devil is in the detail: with the debate on CBAM just picking up steam, it will be critical for them to agree on the specifics of how to calculate various products' carbon footprints, which industry sectors to include, and how to ensure compliance with the rules of the World Trade Organisation (WTO). Member states and EU institutions will have to find the delicate balance between ensuring fair competition and adopting increasingly ambitious environmental standards – and doing both in ways that promote global climate action.

Finally, ECFR's survey suggests that climate leadership in the EU need not only be about size. Some smaller EU states have great potential in this area. For example, as a country that is particularly vulnerable to climate change, Greece seems to be raising its ambition and aiming to position itself in the vanguard of the transition to net zero. The country is currently involved in a pilot project with the Volkswagen group to transform one of its islands into a model of climate-neutral mobility. If Greece truly wants to establish itself as a green champion, it could team up with some of its neighbours in

south-east Europe with which it shares a number of climate-related challenges – such as Bulgaria and Romania – and share best practice with them.

Top four opportunities in the implementation of the European Green Deal



Number of countries that selected each option. The question allowed for multiple answers.

Source: ECFR-commissioned analysis conducted by national researchers
ECFR · ecf.eu

The Baltic states also have the ambition to be progressive on climate issues. Policymakers in Latvia and Lithuania see an opportunity to gain an international reputation as leaders on green issues. Estonia is also aspiring to become such a leader, just as it has been on the digital transformation. All three countries are doing fairly well at increasing the share of renewables in their energy mixes, with Latvia and Estonia currently planning a flagship project to establish offshore wind farms. Against this background, there is real potential for the Baltic states not only to become climate champions, but also to engage neighbouring Poland in a forum for sharing best practice and cooperating on the implementation of the European Green Deal.

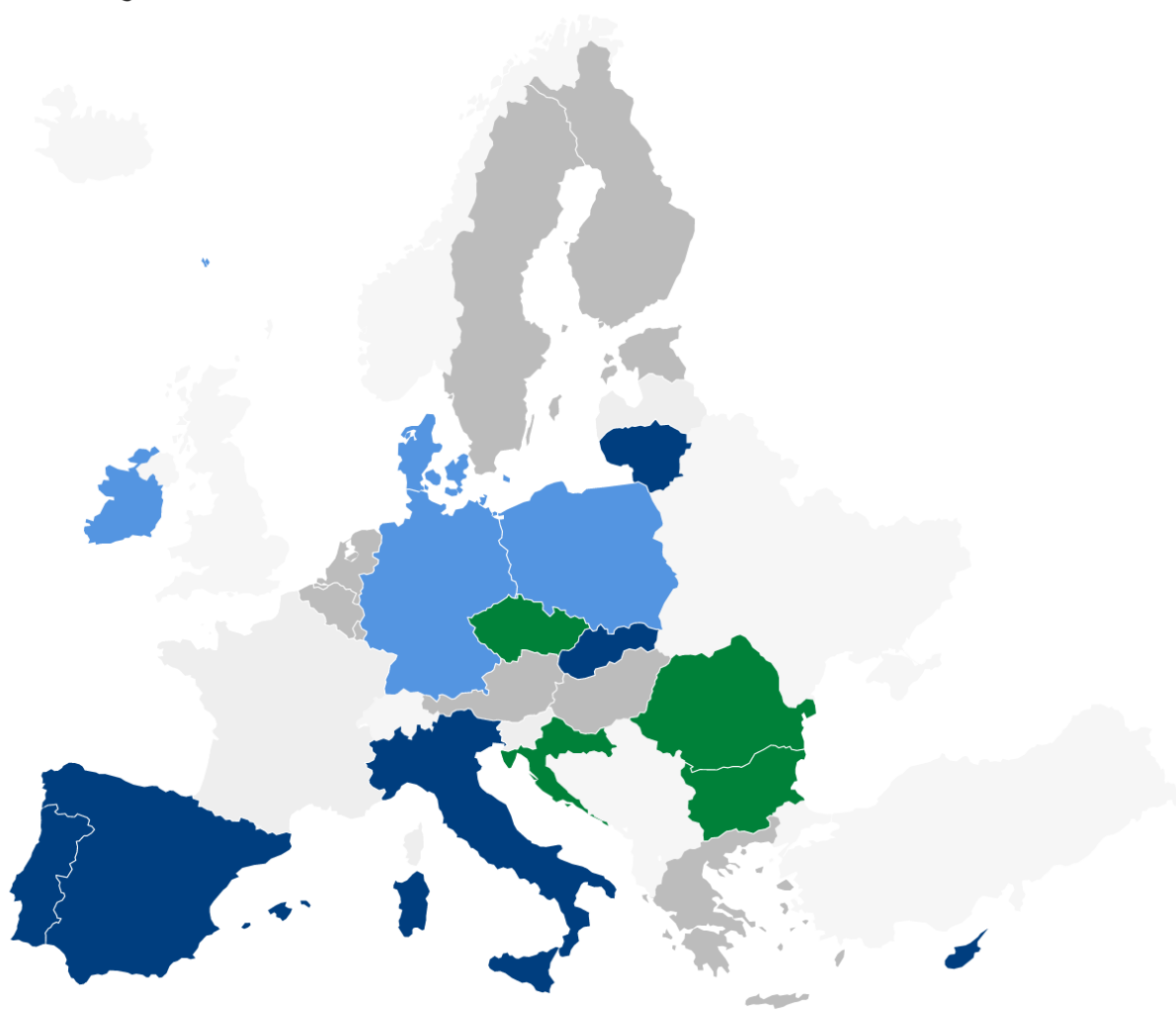
How to transform sceptics into ‘green opportunists’

As ECFR’s new study shows, the green transition creates many economic and political opportunities for member states. Twenty-three countries appear to recognise that they can pursue such economic opportunities, either in developing or expanding the green energy sector, or in modernising other

industries. This group includes both member states at the forefront of the green transition – which would take advantage of their lead – and those that could make use of the process to catch up with others.

Countries that identified economic opportunities and the following challenges of the green transition

■ Lack of capacity to make use of available funds/green the economy ■ Lack of political will from the government ■ Both ■ Neither



France, Latvia and Slovenia did not identify economic opportunities of the green transition.

Source: ECFR-commissioned analysis conducted by national researchers
ECFR · ecf.eu

Encouragingly, 18 out of 19 countries that associate the transition with socio-economic challenges also identify economic opportunities in the implementation of the European Green Deal. It is important that these countries make use of the available financial support for the green transition, such as the

Just Transition Fund and the EU Recovery and Resilience Facility. Within this group, however, there are several countries that might lack the institutional capacity to do so, such as Bulgaria, the Czech Republic, Romania, and Slovakia (see graphic above). These states might need additional support in capacity-building or other targeted measures to facilitate their access to green transition funding, under recovery and resilience plans due to be submitted by the end of April 2021. A greater focus on the role of civil society and the private sector in implementing the European Green Deal could help close this capacity gap.

The group of countries that associate the transition with both socio-economic challenges and economic opportunities includes some that, as ECFR's survey shows, appear to lack the political will to implement the European Green Deal. Among them are Bulgaria, the Czech Republic, Poland, and Romania. But, in these member states, ECFR's survey and opinion polls show that there is public support for tackling climate change and for implementing targets set by the EU. In these countries, public support is below the EU average but 73-82 per cent favour policies and other measures to tackle climate change, such as increased public financial support for the transition to clean energy. And 83-87 per cent believe it is important that their national government sets ambitious targets to increase the use of renewable energy by 2030. This suggests that leaders in these countries have more room to implement such measures than they might think – especially if, in doing so, they make use of EU funding and find a way to mitigate the socio-economic risks.

Countries that opposed the European Green Deal or have been slow to tackle the climate challenge in areas such as the coal phase-out – Bulgaria, the Czech Republic, Poland, Romania, and Slovakia – seem to have several characteristics that could make them more ambitious in the implementation of the European Green Deal. These member states should use the opportunities provided by the agreement to modernise industries, infrastructure, and energy production that would benefit from upgrades anyway. Their implementation of the deal does not have to be based on a whole-hearted acknowledgment of the climate threat. Yet they could become 'green opportunists' if the EU encourages them to make use of the economic opportunities created by the deal and the Recovery and Resilience Facility. They would require support in building up their capacity to make use of the available funding, and could benefit from reminders of the significant level of public support for tackling climate change.

In discussions about the future shape of the EU and the relationship between the EU institutions and member states, Poland and Hungary are often referred to in the same breath. In the realm of energy, their governments share an enthusiasm for fossil and nuclear fuels – although Poland has been making more evident efforts, including those to develop its renewables sector. And both countries have been among the member states least interested in renewables. Since 2009, each has invested

little in increasing the share of renewables in their national energy mixes. As a result, by 2019, just one-tenth of their electricity came from renewable sources (see Figure 1). And, because both governments control much of the media landscape in their respective countries, they have joined with their allies in the fossil-fuel and nuclear industries, as well as state-owned companies in other sectors, to dominate the public discourse on environmental issues. That said, ECFR's research suggests that Hungary is slightly different from some of its neighbours. Poland's scepticism about EU initiatives largely extends to the European Green Deal, but Hungary seems more open to participating in it, not least to benefit from its financial resources.

Relations between the EU and Hungary are riddled with conflict in most policy areas, but they see eye to eye on the need to achieve carbon neutrality. Nonetheless, for Hungary's government, the details of how to achieve this are a matter of national sovereignty. The clash between Brussels and Budapest is particularly visible on nuclear energy. Hungary is constructing two nuclear reactors in close cooperation with Russia (and backed by a €10 billion Russian loan) to add capacity of 2,400MW to its national energy supply.

Moreover, the Fidesz government largely sees international climate policy through a business lens. Hungary has appointed an ambassador-at-large for energy and climate. But, in recent years, the country's climate diplomacy under Foreign Minister Peter Szijjarto has emphasised trade and investment opportunities, with the goal of improving Hungary's economic competitiveness. The government's efforts to spur innovation in the Hungarian automotive industry are part of this, due to the sector's dependence on German manufacturers and the fact that they have a growing interest in electric vehicles.

Despite the differences between the Polish and Hungarian approaches to the European Green Deal, the climate issue is unlikely to disrupt Fidesz's illiberal alliance with Poland's ruling Law and Justice party. After all, Hungary's greater openness towards the European Green Deal is more instrumental than ideological – and both parties continue to emphasise national sovereignty in climate and energy policymaking. Nonetheless, the situation shows that, despite all the other problems in the EU's relationship with Hungary and Poland, it is still possible for the bloc to engage with nationalist populists in a productive manner. In this, the EU should be careful not to let Poland or Hungary use the climate issue to gain concessions on their violations of democratic norms and standards – particularly given that there is broad popular support for ambitious climate action and the rule of law in both countries.

The geopolitics of the European Green Deal

As laid out in [a recent publication](#) by ECFR and Bruegel, the European Green Deal has profound geopolitical consequences. It will change the nature of the EU's relationships with countries in its neighbourhood and other global players. The deal's detractors may attempt to frame it as an instrument to achieve autarky and abandon the competitive dynamics of the fossil-fuel age, but this argument ignores energy's enduring [geopolitical features](#).

ECFR's survey suggests that policymakers increasingly understand this fact. Twenty-five member states feel that the European Green Deal was recognised in some way in their country's foreign policy strategy, the two exceptions being the Czech Republic and Luxembourg. Almost all ECFR's researchers identified a leader on climate diplomacy in their national systems. These figures included climate ambassadors in Denmark, Estonia, Finland, Hungary, and the Netherlands; climate envoys in Ireland and Portugal; a task force for climate and security in the Czech Republic; the head of information, policy planning, and strategy at the Bulgarian Ministry of Foreign Affairs; the foreign minister in Croatia; and the Ministry of the Energy and Environment in Greece.

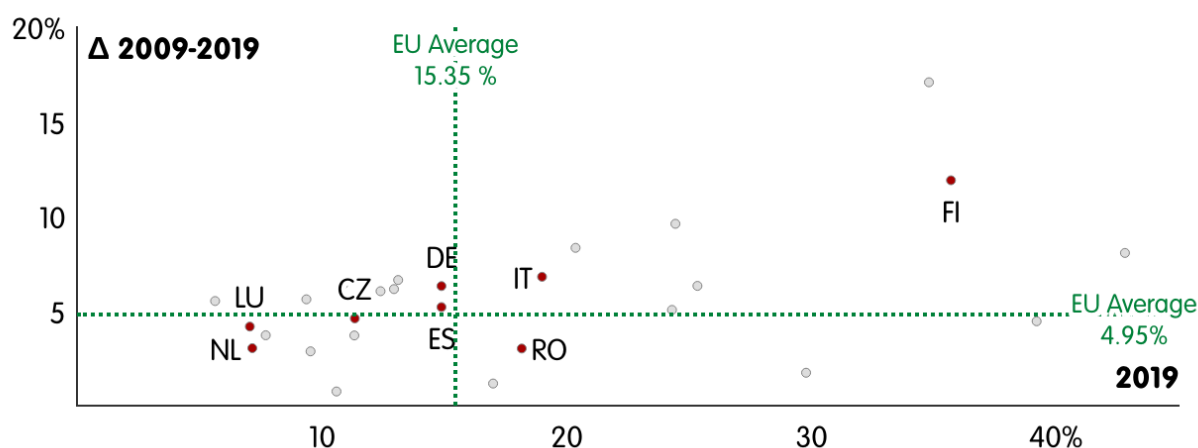
States such as France, Germany, and the Nordic countries already have a high profile on climate internationally. And Spain and Italy are aiming to raise their profile on climate in a foreign policy context. However, ECFR's survey also identifies several other countries that, for different reasons, seem to be interested in putting climate on the foreign policy agenda: Austria, Belgium, Estonia, Greece, Ireland, Latvia, Lithuania, and Portugal. Together with countries that already have a high profile on climate, these member states should form a coalition of the willing to promote measures to address the climate challenge, such as the European Green Deal, as foreign policy issues. This would create a group comprising more than half of EU member states – one that includes small, medium-sized, and larger countries from all regions of the union.

However, understanding that there is a foreign policy challenge does not equate to feeling prepared to tackle it. And member states' views of the European Green Deal appear to correlate with the extent to which they think about climate as a geopolitical issue – whether they are in defensive mode, focused on managing the agreement's impact, or are already exploring the geopolitical opportunities it creates.

As ECFR's survey shows, member states perceive the most significant risks of implementing the

European Green Deal as being higher prices for energy and fuel, and the prospect of strategically important industries being overtaken by global competitors (concerns expressed by 15 and 12 countries respectively). These attitudes correlate with the extent to which member states are already building up their renewables sector. For example, countries whose renewable industries are relatively underdeveloped are more likely to be concerned about the risk to strategically important industries. This trend is even starker when one looks at member states that worry about the European Green Deal creating new energy dependencies (the fifth-biggest concern). Seven of the eight countries that identify this risk as being important – the Czech Republic, Italy, the Netherlands, Germany, Spain, Romania, and Luxembourg – have relatively underdeveloped renewables sectors. The only exception is Finland.

Share of renewables in national energy mixes and the risk of new energy dependencies.



The horizontal axis shows the share of renewables (in per cent) in the country's energy mix in 2019. The vertical axis shows the change (in percentage points) in the share of renewables in the country's energy mix between 2009 and 2019. The graphic shows countries that see new energy dependencies as a risk of the green transition, and their progress in the transition relative to other EU27 states.

Source: Eurostat
ECFR · ecf.eu

However, while preparedness to compete geopolitically appears to shape member states' perspectives on the European Green Deal, they have not necessarily drawn logical conclusions from this in terms of their relationships with third countries. Eighty-eight per cent of respondents to ECFR's study stated that the United States was one of the most important actors in efforts to implement the Paris climate goals – a far larger share than that for any other country. This is unsurprising given that the survey took place in late January 2021, a time when Joe Biden's recent inauguration as US president had raised Europeans' expectations about American global engagement in general, and on the Paris

agreement in particular. However, other findings of the survey are more unsettling as an indicator of the EU's geopolitical preparedness on climate issues: 68 per cent, 40 per cent, and 16 per cent of respondents placed China, Russia, and Turkey in this category respectively.

As a recent [ECFR paper](#) set out, the EU should regard China as a competitor on climate action. Clearly, a constructive climate relationship with China is strategically essential – not only because the country is responsible for one-third of global greenhouse-gas emissions, but also because insufficient action from it would likely encourage similar behaviour from India, Brazil, and other actors. While the EU should seek to compete more effectively with China (by investing in green technologies and shaping international standards), member states appear to be paying disproportionate attention to the country on climate issues – at the expense of relationships closer to home, which could have a real impact.

The pandemic-induced shocks to supply chains Europeans experienced in 2020 suggest that they may need to think more geographically – in terms of connectivity with states in Europe's neighbourhood – to manage the transition away from carbon. Initially, they might look to develop a buddy system to build up clean energy resources within the EU, with member states that are more advanced partnering with those that are less so. This could take the form of clusters of excellence formed of pairs or groups of member states, and involving both governments and the private sector.

Meanwhile, companies in Turkey, Eastern Partnership countries, [North Africa](#), and Russia are clamouring to understand how to adapt to the European Green Deal so that they maintain access to EU markets. Europeans should seek to influence this discussion with their neighbours, by showing they are serious about the agreement and working to help these partners adapt to its terms. Accordingly, Europeans should shift away from their current focus on carbon-intensive energy, as implied by the attention they currently pay to the Nord Stream 2 project and energy issues in the eastern Mediterranean.

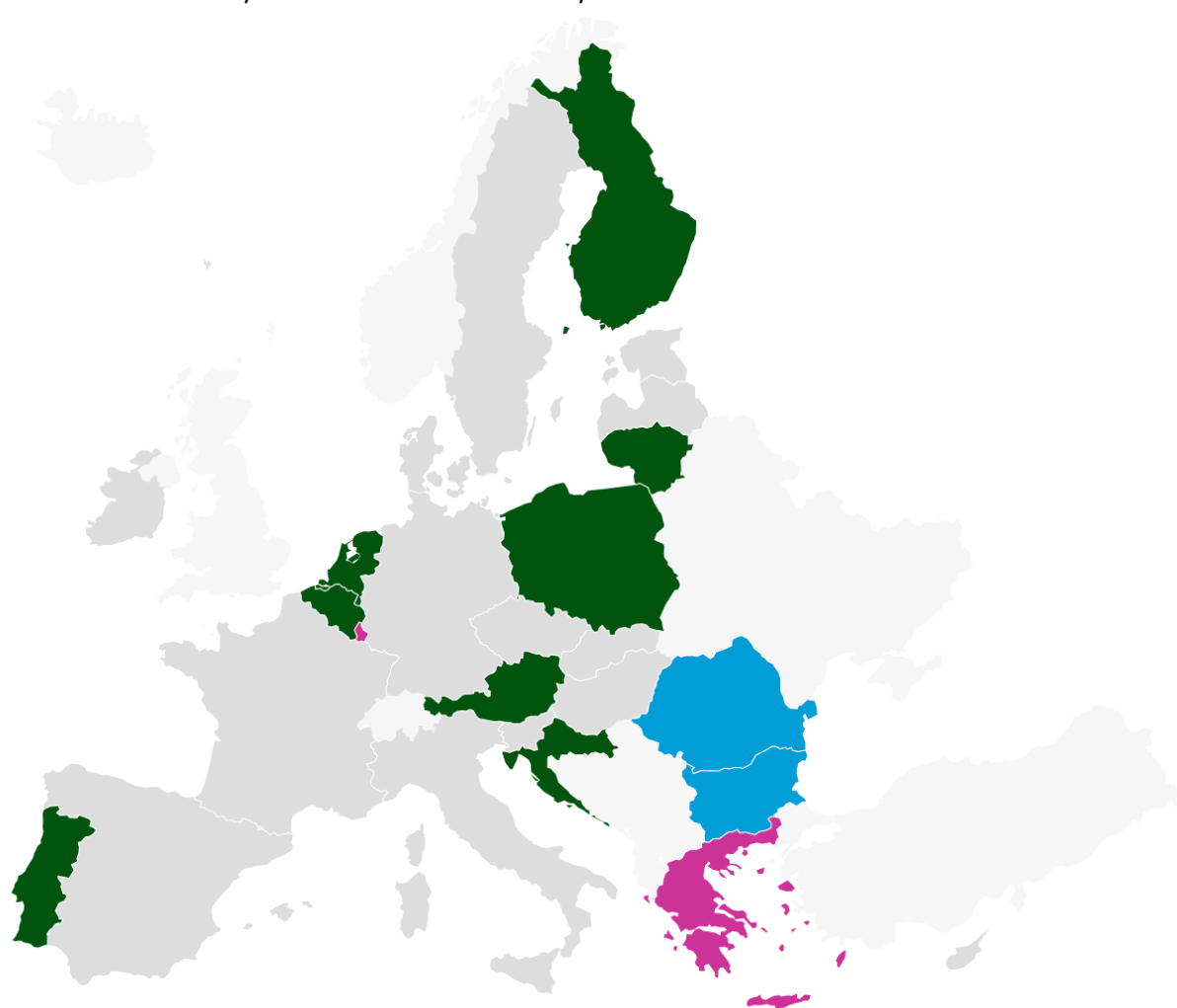
The CBAM will be important in this – given that, as discussed, it is a major point of contention between member states, and is perhaps the most geopolitically significant measure in the European Green Deal. The mechanism will create challenges in the EU's relationships with its trading partners, which range from those that may put in place retaliatory measures to developing states that could be tempted to look beyond European markets in response. Nonetheless, having announced its intention to implement the CBAM, the EU will lose credibility as a climate leader if it backs down when the going gets tough.

All this points towards the importance of building a strong foreign policy strategy around the European Green Deal and engaging in a climate dialogue with the EU's trade partners, particularly

those in the developing world. This approach could ensure that the deal’s mechanisms achieve their objectives without compromising the EU’s ambition to champion free trade within an international rules-based system – which enables all economies to thrive. ECFR’s survey shows that, in many member states, this strategic approach will require greater dialogue between ministries of foreign affairs, economy, trade, and energy. And it will require the EU to invest its diplomatic resource in ways that underpin the ambitions of the European Green Deal.

Which other global actors’ opinions on climate action matter in your national context?

■ Russia ■ Turkey ■ Both Russia and Turkey ■ Neither



ECFR-commissioned analysis conducted by national researchers

ECFR · ecfr.eu

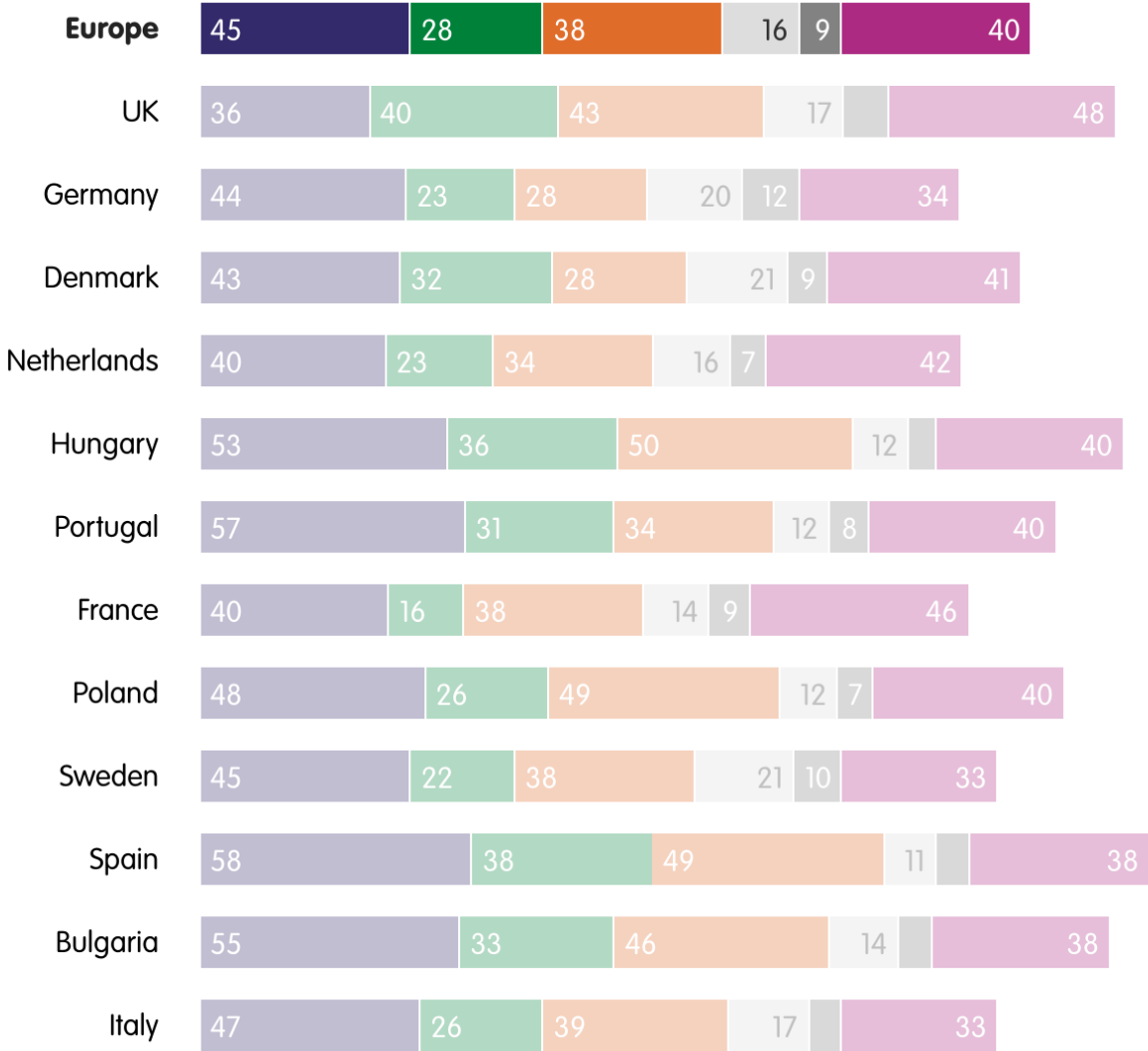
How to harness public support for change

Far from giving Europeans a new focus, the covid-19 pandemic has underscored the need for European leadership on the most fundamental crisis – the climate challenge. A pan-European public opinion poll ECFR commissioned in April 2020 showed that, in every one of the ten surveyed countries, the pandemic increased public support for the fulfilment of commitments on climate action.

The policy community's work on climate issues reflects an awareness of the need to respond to this public mood, but a hesitancy about how best to harness it. There is a clear difference between the high-level rhetoric around the need for climate action and citizens accepting measures that would have a negative impact on their lives. In a survey of 11 EU member states carried out in November 2020, ECFR asked a more specific question about the types of measure that would have public support. The results of the survey underlined the extent to which scientific expertise has now made the case for climate action, and that the choices required by the legislative package to implement the European Green Deal are intensely political.

Which European green policies would you prefer when it comes to addressing environmental issues? in per cent

■ Spending more public money on green public transport systems linking European cities
■ Spending more public money on networks of charging points for electric cars ■ Spending more public money on core industries (e.g. steel) to reduce their CO2 emissions ■ Don't know ■ None of these ■ Applying tax on imported goods whose production involved excessive CO2 emissions



The question allowed for multiple answers.
 Source: ECFR-commissioned data from Datapraxix and YouGov
 ECFR · ecf.eu

In every surveyed country except for France and the Netherlands, a plurality of respondents said that the EU should enable greater investment in public transport systems. The share that said they held

this view ranged from 43 per cent in Denmark to 44 per cent in Germany, 57 per cent in Portugal, and 58 per cent in Spain. In France and the Netherlands, a plurality supported the CBAM, presumably reflecting a concern that European businesses need to remain competitive as they make the costly changes to their production processes required to move away from carbon dependency.

Strikingly, the European average of support for the CBAM was relatively high – 40 per cent, the same share as that for investment in core industries such as steel. There was widespread support for the CBAM even in countries where governments were concerned about the potential implications of the measure, such as Denmark (41 per cent).

In contrast, an average of just 26 per cent of Europeans advocated investment in a network of charging points for electric cars, the lowest level of support among the survey's options. This may reflect concern that the European Green Deal will exacerbate social inequality. Since electric and hybrid cars are relatively costly, respondents may see support for this private form of green transport as a boon to the rich. Overall, there are no major differences on these issues between supporters of different political groups – aside from those of Green parties, whose enthusiasm for all options is more pronounced (as one would expect).

One of the biggest challenges that ECFR's survey throws up comes from the fact that the narrative on EU leadership on climate action has not yet hit home in member states. More than half of the respondents in the survey said that there is no debate on the European Green Deal in the national media. For such a high-level priority of Ursula von der Leyen's European Commission, this is disappointing.

But there is an opening for the EU to demonstrate such leadership – to put forward a clear, compelling narrative on the importance of all citizens playing their part to push the measures forward. Respondents to ECFR’s survey in 21 member states said that the EU is an important voice in the public debate on the climate. The exceptions were Bulgaria, the Czech Republic, Estonia, Latvia, and Slovakia – where the public perception is that the EU interferes on the issue – along with Hungary, which sees the bloc as irrelevant in this area. Still, national governments seem relatively open to working with the EU on the climate challenge, with only those in Bulgaria, the Czech Republic, and Poland believing that the EU is interfering rather than providing an important voice on the issue. In contrast, representatives of the private sector in eight member states appear to view the EU as interfering. These countries include France, Germany, and Austria, where the public and government attitudes towards the EU are more positive. Finally, media coverage of climate action in certain countries often portrays the EU as irrelevant (France and Denmark) or as interfering (Bulgaria and Romania).

Overall, while EU institutions may not have shown real leadership in the pandemic, it seems that there is still space for them to do so on the climate challenge. In this way, they can prove the value of European cooperation – both to national leaders, in sharing the burden, and to EU citizens, in driving the necessary changes through. ECFR’s survey suggests that the EU has not yet grasped the opportunity presented by voters’ understanding of the need for European-level action on climate – which could demonstrate the bloc’s capacity to have a tangible impact on policies that affect their lives. But the EU still has a chance to change this, by pushing member states to implement the European Green Deal. ECFR’s research indicates that EU leadership should have a visible focus on climate projects that fall under the bloc’s recovery plan and tackle social inequalities, which member states generally perceive as the most significant challenge in implementing the European Green Deal.

Conclusion

Persuading the EU to sign up to a headline target on climate action – though not simple – was always going to be the easy part. The domestic challenges in implementing the European Green Deal are much more daunting, as they have implications for all EU economies and societies. This is doubly difficult at such a sensitive time, with Europe struggling to recover from the covid-19 crisis. Meeting EU obligations on any issue will be a hard sell in many member states, where the EU’s role in vaccine

regulation and procurement has received bad press.

This paper has shown that, while the EU will not be split down the middle over the European Green Deal, the differences in member states' perspectives could cause the agreement to fizzle out unless they push one another to implement its constituent parts. Today's EU is not made up of climate leaders and slackers but rather states that have made different levels of progress on renewables and on energy efficiency; states that have taken steps to develop alternatives to carbon-based fuels and those that have not; and states that have varying levels of development in their thinking on the geopolitical dimension of the European Green Deal. All member states have a role to play in the EU's implementation of the agreement. If they fail to do so, each of them will simply persist with its own interpretation of what climate action should look like.

Therefore, the European Council should adapt the model of Permanent Structured Cooperation (PESCO) on security to address the climate challenge. This Permanent Structured Climate Cooperation (PESCLICO) would enable member states to opt into the areas where they can share best practice with one another, or where they feel a need to make progress domestically. The EU already has plenty of mechanisms to promote green innovation in research and development. The bloc's Innovation Fund uses revenues from the Emissions Trading System to finance projects aimed at decarbonising Europe. And initiatives such as the European Institute of Innovation and Technology's Climate Knowledge and Innovation Community connect innovators across the EU with partner countries. While these and other instruments are making critical contributions in their fields, they are yet to receive the political support and engagement from member states that they need to truly spark the spirit of innovation in the wider community.

Admittedly, PESCO has suffered from teething problems. But on climate, with member states having agreed on the headline target for action, such a format could give their collaborative efforts a much-needed boost in regulatory and technological innovation, creating clusters of cooperation across the union and with selected partner countries. For example, France could join with Italy and Spain to assume a leadership role in solar photovoltaic innovation and extend an invitation to Morocco and Tunisia to become "green partners" of the EU in the field. The Rail Baltica project to link Finland, Estonia, Latvia, Lithuania, and Poland could be upgraded to a European knowledge hub for green transport and infrastructure. Hydrogen, carbon capture, and green computing are just a few of the other areas ripe for greater European cooperation.

These partnerships should also build up and empower local stakeholders such as renewable energy cooperatives rather than the entrenched interests of heavy industry and other carbon-intensive sectors. This would rebalance the public debate in communities and member states, and at the EU

level, in favour of the green transition.

The EU should urgently develop a coherent foreign policy strategy for the European Green Deal. As many member states are preoccupied with the CBAM part of the deal, the EU is heading towards a big obstacle with this proposal in particular. Domestic lobbies' scepticism about the measure is prompting some member states to speak out strongly against it in the European Council, arguing that it would be perceived as protectionism and at odds with the EU's ambitions to be a global champion of free trade. (These are states with small economies that, due to their heavy dependence on exports, worry about third countries' retaliation against the CBAM.)

There are fears in EU institutions and member states that they cannot muster the collective courage to impose the CBAM on the US; on India because of their dependence on the country for the production of vaccines; or on other developing nations in case this pushes them out of European markets. As a result, they believe the CBAM will have too little global coverage to be effective.

With such a lack of EU resolve, it will be challenging to drive the CBAM through in external relations. But there is a real climate sovereignty issue here that requires the EU to find the necessary courage. The European Commission is publicly committed to bringing forward a proposal on the CBAM in spring 2021. Companies in the US, Russia, Turkey, and elsewhere are taking the prospect seriously and are reaching out to strategy consultants to understand how they can manage this development. If the EU simply steps back from the measure before implementing it, this will make the European Green Deal seem empty of true ambition. At home, it would become difficult to convince European companies that they were safe to engage in the green transition while others played by different rules on carbon dependency. Globally, the EU would have no real leverage in trying to persuade other countries to make the transition. Given that the EU accounts for less than 10 per cent of all greenhouse-gas emissions, this would cause significant damage to not just the bloc's climate sovereignty but also international efforts to address the climate challenge.

To generate the political resolve to manage the geopolitical dimension of the European Green Deal, the EU should build an alliance of champions of foreign policy strategy into PESCLICO. This coalition of the willing should engage in a focused dialogue between ministries of foreign affairs, economy, and environment. The coalition should create a strategy for maximising EU influence to accelerate climate action globally. This may well mean a shift of focus away from powers over which the EU has relatively little influence, such as China, and towards those in the bloc's neighbourhood to the south and the east, as well as actors with which it has a strong trading relationship.

Of course, any mechanism that the EU develops must meet WTO requirements. But, in addition, Europe's free trade champions will need to understand how CBAM fits into a long-term strategy for

creating a level playing field, rather than remaining preoccupied with short-term retaliatory measures in the transition period. In the meantime, the EU should continue to build up its ability to respond to economic coercion, which would reassure member states that it is actively managing the CBAM – and not just passively accepting the consequences of moving fastest in the transition to net zero.

Finally, the bloc needs to mitigate the socio-economic challenges of implementing the European Green Deal if the effort is to succeed in the national and EU contexts, and if it is to position Europe as a green leader globally. The EU has already put in place important tools and funding to this end. But, to really succeed in such a groundbreaking endeavour, it will also be critical to create the right narrative. If the EU and its member states focus too narrowly on protecting existing jobs in carbon-intensive industries or compensating people who have lost these jobs, they risk failing to address how energy and climate policy intersect with inequalities of gender, race, class, ethnicity, disability, and age (particularly given that the pandemic-induced economic crisis threatens to erase much of the progress Europe has recently achieved in these areas). Such a narrow focus could also lead to a backlash if citizens have a very limited way of looking at what has been lost and what has been gained – which could play into the hand of populists.

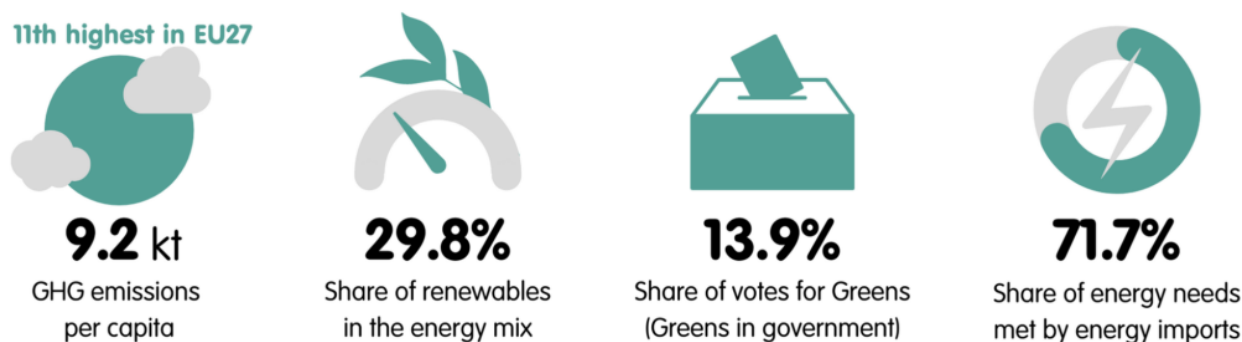
The EU and its member states need to broaden the narrative around the green transition, aiming to communicate that it could have many benefits for quality of life and the economy in individual regions and countries without replicating old inequalities. They should use this deep structural shift to promote a people-centred narrative focusing on empowerment – the opportunities that the European Green Deal provides – and issues that matter to ordinary people, such as air pollution and other health hazards. Since countries across the world are grappling with the socio-economic dimension of the green transition, the EU's leadership by example here could have high value as an international model.

The climate agenda may be challenging, but the EU needs to deliver on it. The bloc has nailed its colours to the mast in publishing the European Green Deal. And, given the level of expectation around its actions on the climate challenge, the EU would damage public faith in both European cooperation and political leaders' commitments to the green transition if it abandoned its ambitions. The consequences of such a failure, in the form of a deepening rift between the people and the political system in Europe, could be severe.

Country profiles

Sources for infographics: *European Environment Agency (2018), Eurostat (2019), ParlGov (2020)*

Austria



What does Austria think of the European Green Deal?

With a Green head of state and the Greens the junior partner in Chancellor Sebastian Kurz’s coalition government, Austria is one of the most vocal proponents of the European Green Deal. The Austrian government believes that European solutions and an overall European strategy – one that is binding for all member states – are required to make effective progress on combating climate change. Only in this way, it argues, will all member states work towards the same end. The Austrian public discourse also reflects overwhelming support for climate action. This support has even increased during the coronavirus crisis, with Austrians seeing the economic and reputational opportunities of the European Green Deal as outweighing its potential costs. Some industry lobbies argue for a more cautious approach. Among the major political parties, only the far-right Freedom Party of Austria (FPÖ) opposes the deal, calling it a “socialist attack on private property and the working people”.

What is the main driver of Austria's thinking on the climate agenda?

Austria has a long history of environmental protection and conservation efforts. That includes regulation of through-traffic and transport, particularly across the Alps, and a widely shared opposition to nuclear energy. The coalition agreement between Kurz's Austrian People's Party (ÖVP) and the Greens sets 2040 as the deadline for reaching net zero – a decade earlier than the European Union's goal. Climate considerations are also critical to Austria's agriculture and tourism sectors. Still, Austrian support for the European Green Deal is not unconditional. Kurz warned that EU climate action should not push commercial activity to parts of the world with lower environmental standards. He thereby expressed support for a carbon border adjustment mechanism, the revenue from which should support the EU's budget for the green transition.

What is the strongest argument for driving up ambition in Austria?

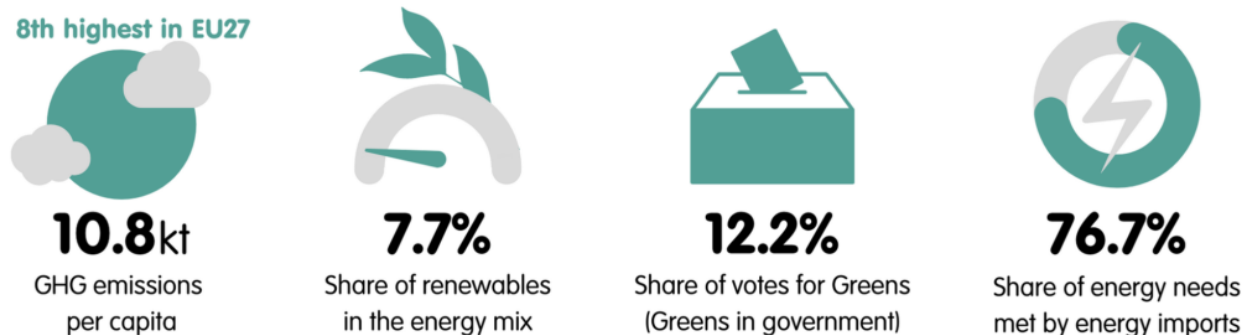
A comparison between the climate policies of the current ÖVP-Green government and its ÖVP-FPÖ predecessor illustrates the importance of expertise. While both governments set ambitious goals, the plans of the previous coalition often lacked detail in important places about the policy instruments it would use to back up its rhetoric. This means that the climate leaders among member states might not be satisfied with the EU's climate action, seeking to go it alone if its plans lack specificity and sceptics are free to ignore the European Green Deal. Austria's emphasis on all member states' responsibility for carrying their fair share of the burden, displayed on issues such as migration and fiscal consolidation, also have implications for the success of the agreement.

How can Austria best add value to the impact of the European Green Deal?

Last summer, during the negotiations for the EU recovery fund, Austria and its partners among the “frugal four” pushed for fiscal stringency over joint climate action. This resulted in a significant cut to funding for common EU projects, including green research and development. These countries would benefit greatly from instead using their leverage within the EU to support the green transition. Creative proposals for the bloc to raise its own funds for this purpose – through, for example, the carbon border adjustment mechanism – would even limit net contributors' obligations to the EU's

green budget.

Belgium



What does Belgium think of the European Green Deal?

Belgium's government and citizens generally support the European Green Deal. The national discourse is supportive of the EU's efforts to tackle climate change, but there are Flemish right-wing parties that advocate a "pragmatic" approach, such as keeping nuclear power or underlining the socio-economic risks of the green transition. There is also a regional divide between Flanders and Wallonia. Flanders believes that it should receive the bulk of EU green funds as it will be most affected by the CO₂ reduction target, but that most of the money will instead be directed to Wallonia, as Belgium's poorest region. At the same time, there is some public discussion of the importance of a just transition, with several parties highlighting the risk that the most vulnerable will bear the costs of the green transition. Overall, the institutional and federal structure of the country is likely to become a challenge in the implementation of the deal, since its competences are divided between different actors.

What is the main driver of Belgium's thinking on the climate agenda?

Belgium has experienced a green wave in recent years, partly due to an active youth movement that has been crucial to the climate debate. Green parties made a breakthrough in the last election and are currently part of the governing coalition. The green agenda is driven not only by the country's recognition of the need to tackle climate change but also by the opportunities that the European

Green Deal and the recovery fund provide for a transition to a sustainable economy. Such opportunities involve the modernisation of the most productive, but also most polluting, industries to ensure that they remain internationally competitive, as well as the creation of new jobs and a relaunch of the economy in the wake of the pandemic.

What is the strongest argument for driving up ambition in Belgium?

The Belgian government, not least the Green parties in the ruling coalition, are under pressure from the electorate to implement an effective climate policy. However, Belgium is far from being a frontrunner in the EU on the issue, judging by indicators such as greenhouse-gas emissions and the share of renewables in its energy mix. Belgium now has an opportunity to use the European Green Deal and the recovery fund to close the gap between its stated ambitions and its actual performance. With the potential risks of regional differences and conflicts regarding burden-sharing and the allocation of funds, the deal also creates important economic opportunities to mitigate socio-economic challenges, especially those with the potential to exacerbate regional divides.

How can Belgium best add value to the impact of the European Green Deal?

Belgium may not be a frontrunner on climate policy, but its government has ambitions to improve in the area. The country could become a role model for EU member states that are lagging on climate policy, by showing that nations can implement a successful green transition after starting from a less advantageous position. To this end, Belgium could form a coalition with other smaller member states of this kind, such as Bulgaria, the Czech Republic, and Slovakia.

Bulgaria

15th highest in EU27



8.3 kt

GHG emissions
per capita



13.1%

Share of renewables
in the energy mix



0.3%

Share of votes for Greens
(No seats in parliament)



38.1%

Share of energy needs
met by energy imports

What does Bulgaria think of the European Green Deal?

Bulgaria has pursued a rather conservative climate strategy, out of fear that too much ambition on this front could be detrimental to its economy, employment levels, and citizens. As a result, Bulgaria had until recently sided with the more hesitant camp in the EU discussions on the European Green Deal. However, as the opportunities under the EU's recovery fund have started to become more apparent, Sofia's position has started to shift a little, leading to more inconsistencies in its climate plans. While there is a fairly firm cross-party consensus on the need to sustain the coal sector for the next 20-30 years, the latest version of the government's national recovery and resilience plan pledges EU funding to increase Bulgarian regions' use of natural gas. The government has announced plans for the construction of new nuclear facilities and, in its Integrated Energy and Climate Plan, promises to develop more than 2.5GW of renewables power by 2030.

Approximately half of Bulgaria's coal-fired power plants are more than 50 years old and nearing the end of their lifespans. High emissions costs have pushed out other units that have been operating for more than 40 years. Coal-fired generation of electricity and heat accounts for more than 90 per cent of the Bulgarian energy industry's greenhouse-gas emissions and, therefore, is the main area in which it could reduce such emissions. However, before the April 2021 parliamentary election, politicians put off honest discussions about the modernisation of the coal industry. As a consequence, the public debate has rarely covered how the European Green Deal could shape economic sectors such as transport, heavy industry, infrastructure, or agriculture. Bulgaria's companies, media outlets, and the government generally view climate as just another area in which the EU is interfering.

What is the main driver of Bulgaria's thinking on the climate challenge?

Public opinion, however, appears to be a different story. In the run-up to the election, the climate debate became significantly more important. In a recent survey Alpha Research carried out for ECFR in Bulgaria, 85 per cent of respondents said that climate change is a major problem or crisis. And most of them supported measures to tackle it – even if those measures had an impact on them personally. More than 60 per cent of them backed policy interventions such as a tax on non-renewable packaging, a ban on imports of old diesel cars, compulsory inclusion of solar panels on new buildings, and a phase-out of coal use by 2030.

What is the strongest argument for driving up ambition in Bulgaria?

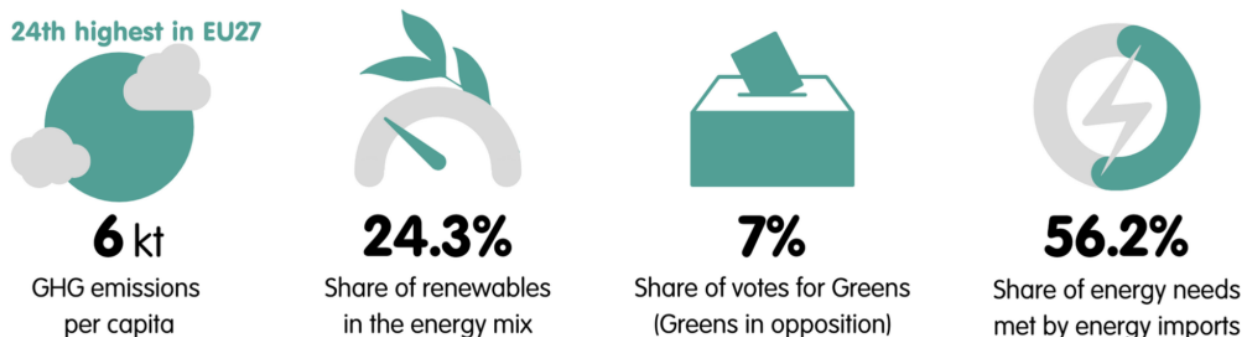
Opposition to low-carbon industrial transformation generally comes from the fossil fuel and mining sectors, as well as trade unions concerned about job losses. The Maritsa Iztok Coal Complex, one of the three regions covered by the Just Transition Mechanism, directly employs 13,000 people, providing it with significant economic and political clout. Bulgaria is dependent on Russia for almost all its gas imports and most of its oil imports. And Russia also has substantial leverage over Bulgaria in the nuclear sector. Therefore, geopolitical considerations heighten Bulgaria's uncertainty about the European Green Deal. A key constituency for advocates of the deal to target may be Bulgarian companies that are open to innovation and need support for low-carbon technology transfers. Digitalisation in any area of the socio-economic system (from public administration to the electricity grid, to agriculture) would be beneficial for citizens and businesses, enabling them to monitor and improve the use of resources.

How can Bulgaria best add value to the impact of the European Green Deal?

Bulgaria is playing catch-up with much of the EU. Bulgarian voters' growing support for climate action might push politicians to consider the issue further if it translates into a genuine change in consumer behaviour and empowerment. Should Bulgaria make the transition from a climate laggard into a small state willing to innovate and harness green technologies, this could have an important symbolic effect within the EU. Member states that have stronger records on green tech should lend

their support to Bulgaria and explore the possibility of including the country in a regional green transition group with Romania and Greece, which are currently more active than Bulgaria on climate issues.

Croatia



What does Croatia think of the European Green Deal?

In general, the EU's climate efforts have had a positive reception from Croatia's government, citizens, and media outlets. However, the impact of the coronavirus crisis has marginalised the issue. The government is supportive of the European Green Deal, but believes that its implementation should account for the different starting positions and circumstances of member states – including, for example, the way in which their geographical position shapes their energy preferences.

Prime Minister Andrej Plenkovic has outlined the government's view that the goals of the European Green Deal will be covered by the Croatian Energy Development Strategy and the Integrated National Energy and Climate Plan until 2030. However, Croatia's adoption and implementation of key climate-related policies have faced repeated delays. Different strategic documents set out varying cost estimates, indicating discrepancies between the plans of government departments under the national strategy. This lack of harmonisation points to deficits in institutional capacity and political will in Croatia's public administration.

What is the main driver of Croatia's thinking on the climate agenda?

There are no major public divides within the Croatian government on climate policy. The only obvious tension on the issue is between the Plenkovic administration's goals and its approach to pursuing them. For example, the process of preparation and adoption of the Low Carbon Strategy has taken

more than eight years – an unusually long time.

According to the European Investment Bank Climate Survey 2019-2020, 93 per cent of Croatians feel that climate change has an impact on their everyday lives (compared to the EU average of 82 per cent). And the public seems prepared to bear some of the cost of climate action: the survey found that 89 per cent of Croatians would buy local or seasonal products to tackle climate change, and that 66 per cent of them have stopped buying products that are not produced locally.

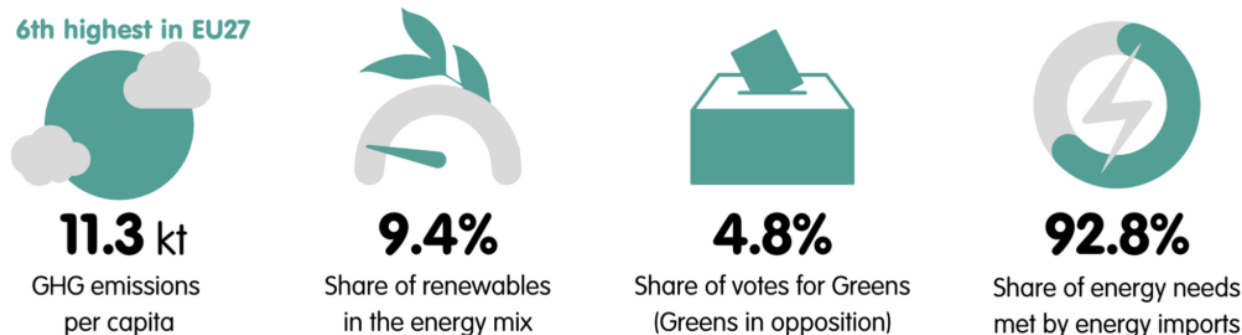
What is the strongest argument for driving up ambition in Croatia?

In a speech in January 2020, Plenkovic argued that the green transition provides an opportunity for sustainably growing the Croatian economy through new technology and innovation. Diversification of energy supply has been a security priority for the Croatian government in recent years. The government has supported the development of strategic energy projects and companies, largely in the gas sector. Such projects include the liquid natural gas terminal on Krk and Plinacro's accompanying transmission pipeline system, the Ionian-Adriatic gas pipeline, the construction of a new gas storage facility Grubisno Polje, and the compressor station at the Croatian gas transmission system in Velika Ludina.

How can Croatia best add value to the impact of the European Green Deal?

Croatia has banked on gas as part of the EU's transition energy mix. Accordingly, other member states with more developed renewable sectors could support the country in diversifying its energy sector in a more sustainable way.

Cyprus



What does Cyprus think of the European Green Deal?

The EU plays a very important role in shaping Cyprus's climate action. As the country's public debate on climate change is relatively new, the government looks to the EU for leadership on this issue. Nicosia places a great emphasis on creating a level playing field in the carbon transition, due to the fact that Cyprus's economy is relatively small and there is some concern about the risk of 'carbon leakage' resulting from stricter EU policies. The EU's stewardship of collective action on climate, through proposals such as the carbon border adjustment mechanism, have been well received by policymakers in the country.

What is the main driver of Cyprus's thinking on the climate agenda?

As a small island nation in the eastern Mediterranean, Cyprus has keenly felt the impact of climate change, including through extensive droughts, threats to the water supply, and a loss of biodiversity.

There are no strong voices of opposition to climate action in the country. Most Cypriots accept that climate change affects their country in a very negative way, and that a continued increase in temperature will make the island unliveable. Therefore, the government is committed to handling climate policy at the highest level, by designating competent authorities and establishing formal coordination mechanisms to oversee the implementation of its climate action plan.

This plan has two main pillars: mitigation and adaptation. The former centres on the prioritisation of

renewable energy sources, waste management, and the reduction of greenhouse-gas emissions from industry. The latter foresees measures focusing on 11 priority areas, including water resources, agriculture, fisheries and aquaculture, energy, and tourism.

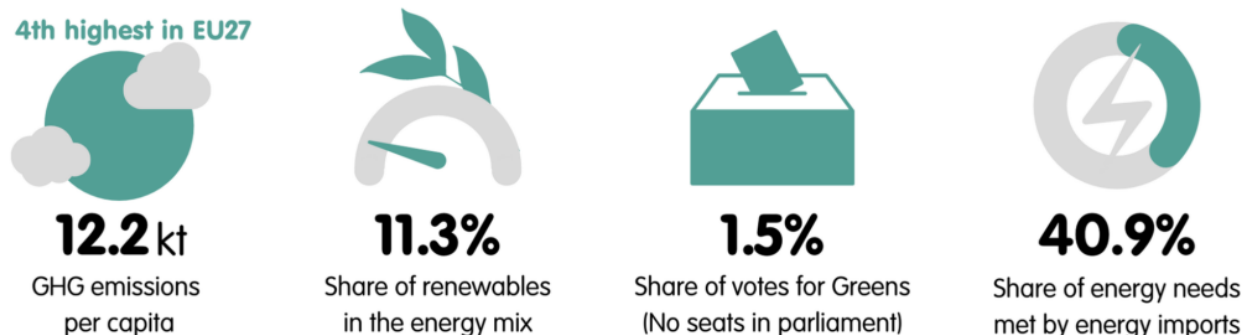
What is the strongest argument for driving up ambition in Cyprus?

Cyprus has included several measures for “transitioning to a greener economy” in its draft plan for resilience and recovery. These priority areas include: promoting energy efficiency in the public and private sectors; increasing the use of renewable energy; addressing energy inefficiency; pushing for sustainable forms of transport; reducing greenhouse-gas emissions from all economic activities; and introducing green tax reform.

How can Cyprus best add value to the impact of the European Green Deal?

Cyprus could take the lead in developing green tourism in the EU, possibly teaming up with other smaller Mediterranean countries such as Malta and Greece. Tourism is already one of the priority areas for the government’s adaptation pillar. Moreover, due to its location in the eastern Mediterranean, Cyprus could play an important role in linking EU ambitions for climate action to regional players such as Lebanon and Israel.

Czech Republic



What does the Czech Republic think of the European Green Deal?

The Czech Republic has made a name for itself as one of the member states most sceptical of the EU's climate agenda, not least because it joined the ranks of Poland and Hungary in opposing the European Green Deal. To some extent, Czech leaders and voters alike view climate as an area in which the EU is interfering in national politics. Accordingly, climate goals are currently absent from the draft national recovery plan. The Czech coal and nuclear lobbies have a strong influence on the media narrative around climate issues, while the Confederation of Industry has been a vocal opponent of the deal. However, part of the business community is more progressive, seeing economic opportunities in areas covered by the European Green Deal such as those in renewable energy and energy efficiency. Moreover, opinion polls show that the public supports action to tackle climate change and to hit climate targets set by the EU.

What is the main driver of the Czech Republic's thinking on the climate agenda?

Due to its heavy dependence on coal, the country has insisted that the phase-out of the fuel should be compensated for by nuclear energy. Political parties such as the Pirate Party and the Social Democrats – the strongest opposition grouping and the junior partner in the governing coalition respectively – are more in favour of the green transition than is the ANO, the senior partner in the coalition. The main dividing lines between political parties concern the method and timeline for phasing out coal.

The media mainly focuses on the European Green Deal's negative implications for the Czech economy.

What is the strongest argument for driving up ambition in the Czech Republic?

The Czech Republic has huge untapped potential to modernise its energy and heating systems, including by improving the energy efficiency of buildings. The funding opportunities created by the European Green Deal and the EU recovery fund would be very useful in realising this potential. EU funding is already of huge importance to the country's development and public investment. Moreover, the Czech Republic is already struggling with some effects of climate change, such as drought and forest dieback. And the European Green Deal provides a good opportunity to mitigate these problems. Another area in which the deal would benefit the country is public health linked to air pollution, be it from large power plants and factories, domestic coal heating, or transport.

How can the Czech Republic best add value to the impact of the European Green Deal?

The most important contribution from the Czech Republic would be to seize the opportunities created by the European Green Deal to modernise industries, infrastructure, and energy production, thereby becoming a 'green opportunist'. This would enable the country not only to meet European targets, but also to set an example for other member states that are lagging in the green transition.

Denmark

13th highest in EU27



8.9 kt

GHG emissions
per capita



34.8%

Share of renewables
in the energy mix



17.6%

Share of votes for Greens
(Greens in opposition)



38.8%

Share of energy needs
met by energy imports

What does Denmark think of the European Green Deal?

Denmark is one of the few member states in which the European Green Deal received some coverage in the national media, particularly when it was presented and during the negotiations about the EU's 2030 goal of cutting emissions by 55 per cent from 1990 levels.

There is an emerging consensus across political lines regarding the need to 'do more' on the overall issue of climate change. And Denmark has been a leader in pushing the EU's climate goals further and faster. Denmark's smaller left-wing parties demand a more proactive Danish role in climate issues and for the country to encourage the EU to adopt a more ambitious climate policy. This is even the case for the otherwise Eurosceptic party, the Red-Green Alliance, which promotes action on climate within the EU framework.

However, Denmark has a small, open economy that is not highly diversified and depends heavily on European and global export markets. So, some Danish policymakers and diplomats have political concerns about climate policy – particularly in relation to the EU's proposed carbon border adjustment mechanism, which they fear could undermine free trade, to the detriment of Danish exports and jobs.

What is the main driver of Denmark's thinking on the climate?

Climate policy is a top priority for Denmark's social democratic government. And there is widespread support for this across the political spectrum and public opinion. The Danish climate strategy, which has become law with broad parliamentary support, includes targets to reduce carbon emissions by 70 per cent by 2030 and to achieve carbon neutrality by 2050.

The climate minister, Dan Jorgensen, is a key voice in the national debate, as is civil society. But various actors from the private sector, including renewable energy companies such as Vestas and Orsted, have also been very active in shaping the Danish debate on climate policy and arguing that Denmark should be a proactive player on international climate policy. At the other end of the spectrum is a "black wing" of heavy, energy-intensive companies such as those in the agricultural and food industries.

What is the strongest argument for driving up ambition in Denmark?

While Denmark – along with the other Nordic EU member states – has a long tradition of setting standards in European environmental regulation, a national impetus drives the Danish government's climate strategy. Climate action is a top priority for voters, with Denmark a pioneer in wind energy, and with Orsted and Vestas as global companies helping facilitate the transition to sustainable energy. As such, the national climate effort is driven by both political identity and economic interests.

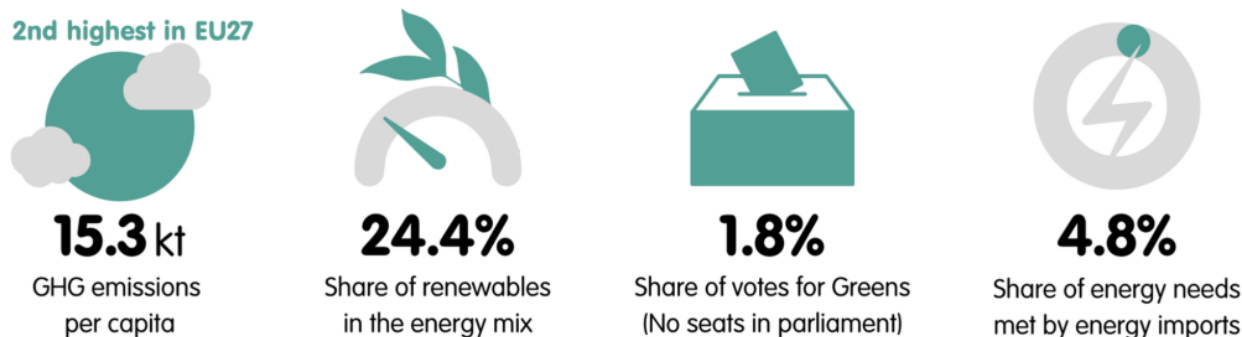
The private sector views the EU as essential on the climate question, due to the importance of the single market to most major Danish businesses. The growth of Denmark's big sustainable energy industry is dependent on exports. And many Danish companies in other sectors lead the market on energy efficiency. However, Denmark's heavier industries, and its large and politically influential agricultural sector, are more inclined to drag their feet on climate issues. The Danish media cover the EU's role in climate action (as well as other policy areas), but not to a great extent. Such coverage has taken a further hit due to the covid-19 crisis and, where it does appear, mostly emphasises Denmark's domestic emissions-reduction goals. Despite the crisis, climate action remains the most important political issue for Danish voters. Although they level their main critique of passivity on climate issues at national politicians, most of them say that the EU has not been sufficiently active on climate

change.

How can Denmark best add value to the impact of the European Green Deal?

For the Danish economy, sustainable energy is an important and growing market, accounting for around €13 billion in exports in 2019. Therefore, Denmark hopes that European countries transitioning to green energy will generate further growth in the sector. Similarly, climate policy is part of Denmark's international brand, formulated in its national strategy and implemented through several climate partnerships around the world. Although Danish companies seek to take advantage of available EU funding, Denmark's status as a net contributor to the EU budget makes increased EU funding a relatively unattractive strategy for the national government.

Estonia



What does Estonia think of the European Green Deal?

The Estonian government is supportive of the EU's climate ambitions. And there is no major resistance to these ambitions from Estonia's opposition parties or companies. Public opinion is also supportive of the bloc's target to achieve carbon neutrality by 2050. Nonetheless, in comparison to other Europeans, Estonians are more likely to view tackling climate change as a national issue rather than a European one.

What is the main driver of Estonia's thinking on the climate agenda?

The national context is especially important for the climate agenda in Estonia. Due to the fact that the country is heavily forested, and views sectors such as the shale-oil industry as strategically and socio-economically important, environmental topics are already on the agenda for both the government and the public. Estonia aims to become a frontrunner on climate issues, as it has been on digitalisation.

What is the strongest argument for driving up ambition in Estonia?

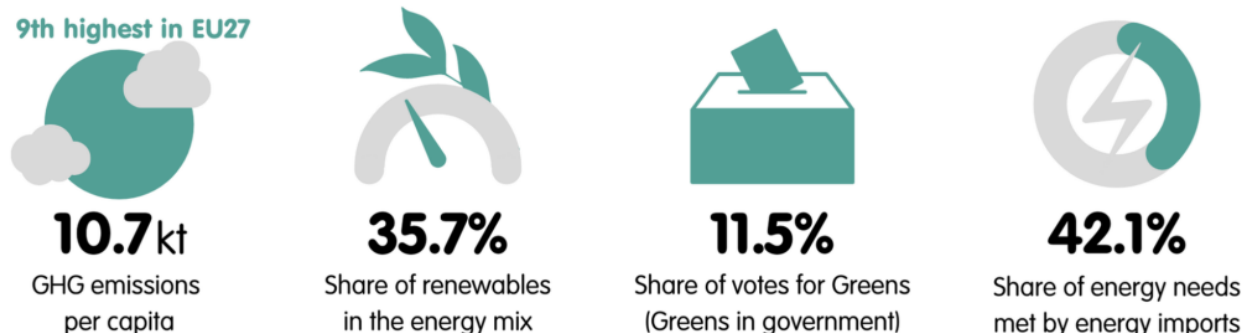
One of the most challenging issues for Estonia is the effect of the green transition on the region that produces its shale oil. And the government currently has no plan to mitigate the socio-economic

consequences of this. As the region is also home to a large Russian-speaking minority, the issue could have geopolitical implications. The government should match its ambition to become a frontrunner on climate with accelerated efforts to address such socio-economic challenges.

How can Estonia best add value to the impact of the European Green Deal?

Estonia and Latvia are planning to create a flagship offshore wind farm project. There is real potential for Estonia, together with the other Baltic states, to engage with Poland – which has more modest climate ambitions – in a forum for sharing best practice and cooperating on the implementation of the European Green Deal, including on renewables and clean transport.

Finland



What does Finland think of the European Green Deal?

Finland's 2019 "climate election" brought new momentum to its climate activism. There is broad public support for, and a consensus among most political parties in favour of, ambitious climate action. As a consequence, Finland's climate strategy exceeds EU ambitions: the country wants to achieve carbon neutrality by 2035 and to become "the world's first fossil-free welfare state". Finland views the EU as important for promoting climate action. Following its April 2019 election, Finland used its European Council presidency in the second half of that year to put greater emphasis on the climate agenda in EU summits and ministerial meetings. And the country continues to push for ambitious climate action, in the hope that the EU will reach net zero earlier than 2050, its current goal. While some Finnish companies are cautious about certain aspects of the European Green Deal, most business leaders see the agreement as creating great opportunities to extend Finland's lead on green tech.

What is the main driver of Finland's thinking on the climate agenda?

Finns overwhelmingly view climate change as a serious threat and support ambitious climate action at the national and EU levels. For most, this involves changing their personal behaviour. This popular consensus is also reflected among Finland's political parties: ahead of the 2019 election, eight of its major parties agreed on common climate policy objectives; only the right-wing, Eurosceptic Finns

Party refused to go along. Among the conservative parties, forestry and peat production raise some concerns as these are important economic sectors in the rural areas from which they draw most of their support. The Greens, in contrast, tend to go further than most other parties on decarbonising transport and fuel policy. They describe the EU recovery fund as a unique opportunity for Finnish industry in the transition to a greener, more sustainable economy.

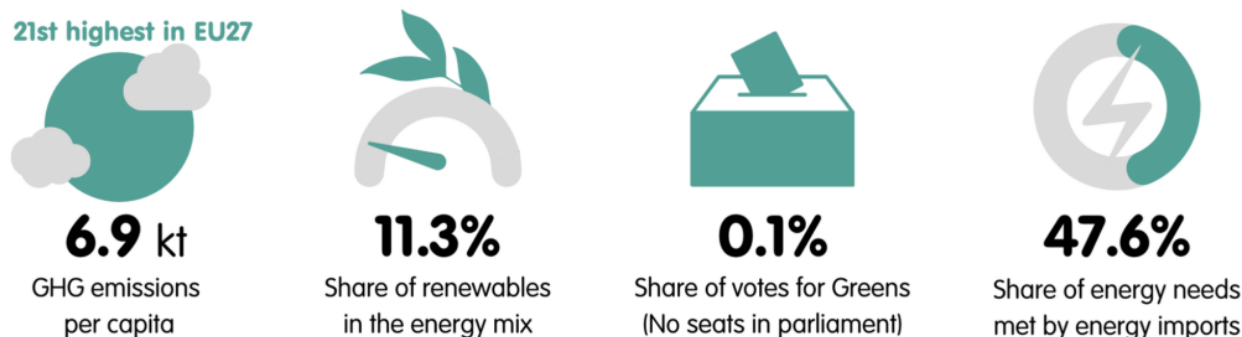
What is the strongest argument for driving up ambition in Finland?

While Finland has already assumed the role of a climate leader within the EU, it still has opportunities to strengthen the consensus at the margins. These involve making it easier for businesses to access European Green Deal funding; phasing out peat production while avoiding new foreign energy dependencies and socio-economic decline; and developing a genuine EU climate diplomacy strategy that provides solutions for emerging security challenges induced by climate change.

How can Finland best add value to the impact of the European Green Deal?

Innovation in hydrogen energy technologies creates a crucial opportunity for not only Finland's industry and export sector but also its EU partners. The country's hydrogen road map covers the cost-effective production of low-carbon hydrogen and synthetic fuels; the production of low-carbon steel; and decreased logistics expenses for Finnish industry. If Finland's efforts in these areas prove effective, its experience with hydrogen energy innovation could benefit the entire EU.

France



What does France think of the European Green Deal?

The French government's self-image is very much one of a leader on climate action, not least because France is home to the first international climate treaty. When then US president Donald Trump announced that he would withdraw the United States from the Paris Agreement in 2017, his French counterpart, Emmanuel Macron, was quick to jump onto YouTube in response to defend the treaty and call for international climate efforts to continue. The French government is firmly behind the European Green Deal as a multilateral effort, which it argues is key to global progress towards the United Nations' climate goals. But France's climate and resilience bill has proven to be a great disappointment to the green lobby led by former environment minister Nicolas Hulot, who won a lawsuit against the government for taking insufficient climate action. The bill also faces strong resistance in the National Assembly, which could water it down even more. As such, the gap between France's international reputation and its national efforts on climate is becoming ever more apparent.

What is the main driver of France's thinking on the climate agenda?

The importance of multilateral efforts, and of demonstrating that the EU can fulfil its climate commitments, is key to the French government's narrative on the European Green Deal. French industry is more sceptical, however, about the impact of the agreement on competitiveness. MEDEF – France's main industry lobby – is vocally supportive of the EU's proposed carbon border adjustment mechanism to prevent companies in Europe from becoming uncompetitive as the continent

transitions away from carbon. The role of nuclear energy in the transition energy mix is also crucial in the French debate. Therefore, shaping discussions on nuclear as a clean energy source will also be a part of French efforts at the European level.

What is the strongest argument for driving up ambition in France?

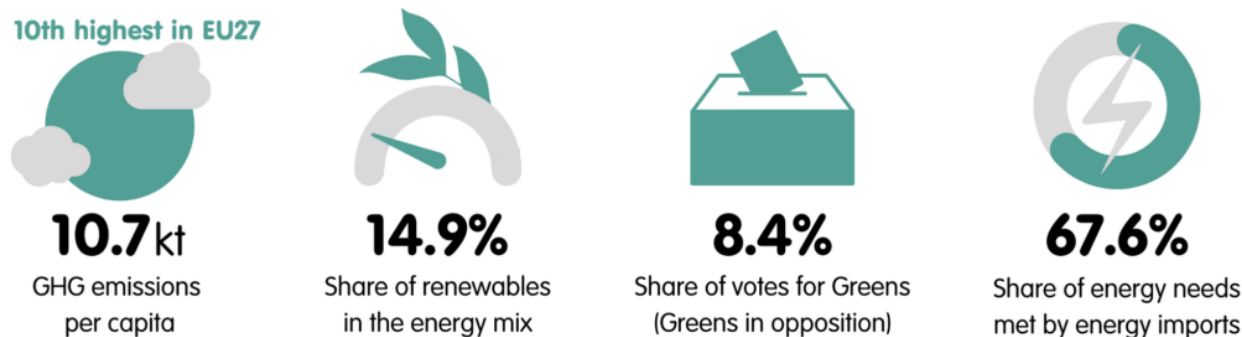
French citizens may engage in little debate on the European Green Deal itself, but they strongly support climate action. Given the major gulf between the pro-EU outlook of Macron's government and the views of the French public, the implementation of the European Green Deal could help him make the case for the EU ahead of the French presidential election and the French presidency of the European Council in 2022. This, in turn, could create the impetus that is needed to address the lack of political will within *La République En Marche!* for national climate action.

How can France best add value to the impact of the European Green Deal?

ECFR's survey suggests that there are growing divisions between member states on how the EU can square the carbon border adjustment mechanism with the image it wants to project as a champion of free trade. Given the level of support in France for this component of the European Green Deal, Paris should use its weight to drive support for the mechanism, after the European Commission presents its proposal on the mechanism this spring.

At the domestic level, the Citizens' Convention on Climate, created in the aftermath of the Yellow Vest movement, included a number of proposals for EU action. With these proposals having been dropped from the climate and resilience bill, their reintegration could bridge the current gap between French domestic politics and Paris's international ambitions.

Germany



What does Germany think of the European Green Deal?

Germany considers climate change one of the greatest challenges of the twenty-first century. The country has been a key player in international climate negotiations and an innovator on climate policies, such as the use of feed-in tariffs to accelerate the deployment of renewables. Germany regards the implementation of the European Green Deal, which it took an active role in shaping during its recent European Council presidency, as an opportunity not only to transform European economies but also for the EU to become a global climate champion. However, Germany's manufacturing and other industries, on which its export-orientated economic model depends to a large extent, warn against EU interventionism and excessive regulation, particularly in light of the economic disruption caused by covid-19. Berlin views such opposition, along with mitigating the socio-economic effects of the green transition, as the major challenge in implementing the deal. Nevertheless, Germany calls on all member states to be more ambitious in their climate goals. Following its federal election in September 2021, the country might become even more vocal on the issue.

What is the main driver of Germany's thinking on the climate agenda?

Germany's climate strategy is primarily driven by public opinion. As the effects of climate change are already tangible, most Germans consider it an urgent problem. Germany's Green Party was a member

of the ruling coalition between 1998 and 2005, continues to be part of several state governments, and has recently risen to second place in national opinion polls (after Chancellor Angela Merkel's Christian Democratic Union). Many civil society organisations and scientific institutes that work on climate and environmental issues receive broad public support. Recently, the Fridays for Future movement pushed climate policy to the forefront of the government's agenda once more. Some companies are increasingly committed to the green transition, too, as the renewables industry has become important economically.

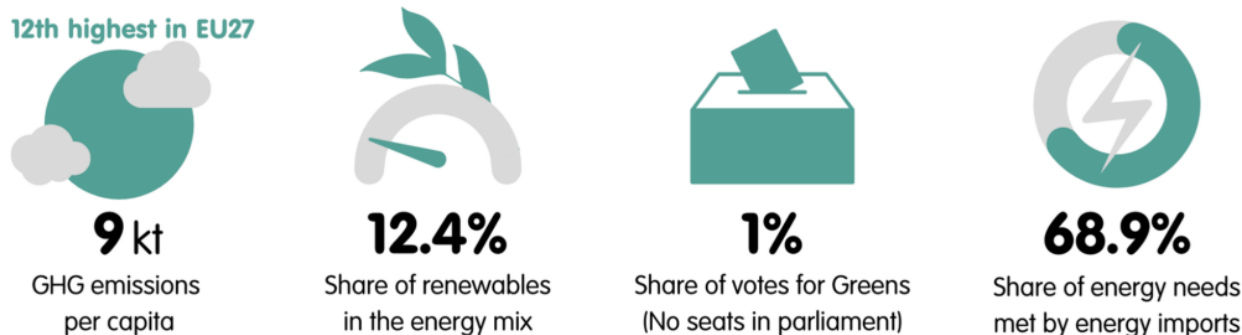
What is the strongest argument for driving up ambition in Germany?

European integration is one of Germany's *raison d'être*. And Germany is the EU's centre of gravity. So, Berlin recognises that it will gain international influence if the European Green Deal allows the EU to become a global climate champion. Moreover, the deal promises to extend Germany's lead on green technologies – particularly those based on hydrogen – and to both fuel the green transition and develop a comparative advantage over foreign economic competitors. The deal could also help Germany modernise other important sectors, such as car manufacturing and heavy industry.

How can Germany best add value to the impact of the European Green Deal?

Germany's own energy transition holds many lessons for its European partners, both positive and negative. Some of these lessons have been absorbed at the EU level or by other European countries. The German phase-out from coal and nuclear energy is one example of this. German policymakers should develop greater awareness of the fact that, due to Germany's central role in the EU, their choices and rhetoric affect foreign audiences even if they are intended primarily for domestic consumption. Germany's most critical contribution to the success of the European Green Deal would be to show that an advanced industrialised economy can decouple growth from resource use without sacrificing living standards.

Greece



What does Greece think of the European Green Deal?

Greece is supportive of the European Green Deal. The country views efforts to increase its use of renewable energy sources as an important objective, and the role of the EU as crucial in this regard. There is general agreement among political parties on the need to tackle climate change. And there are no major divisions between them on the substance of the government's policies. Nonetheless, Athens' measures to decarbonise the country, including through the closure of lignite-fired power plants, sometimes spark debate about the socio-economic consequences of the green transition.

What is the main driver of Greece's thinking on the climate agenda?

The economic crisis is a key factor driving Greece towards the transition, which it hopes will attract the foreign investment it needs to recover. Greece also wants to secure funds from the Next Generation EU recovery instrument and the Just Transition Mechanism. The government is planning to spend more than half of the €32 billion allocated to it from the EU recovery fund on green and digital transformation projects. Moreover, Greece is raising its ambition on climate, aiming to position itself as an international leader on the issue. The country is currently involved in a pilot project with the Volkswagen group to transform an island into a model for climate-neutral mobility. This can partly be explained by Greece's economic interests, but also by its recognition that it is vulnerable to the effects of climate change.

What is the strongest argument for driving up ambition in Greece?

Nonetheless, Greece seems to view the European Green Deal mostly from an economic perspective, having identified the opportunities it provides for economic recovery and the green transition. If it meets its stated level of ambition, the country will have ample opportunity to realise its aim to become an international leader on climate and thereby make itself an attractive destination for foreign investment.

How can Greece best add value to the impact of the European Green Deal?

If it truly wants to establish itself as a green champion, Greece should team up with some of its less ambitious neighbours in south-eastern Europe, such as Bulgaria and Romania. As Greece shares several climate-related challenges with these countries, it could push them to adopt best practice on the green transition and to join it in climate initiatives.

Hungary

22nd highest in EU27



6.6 kt

GHG emissions
per capita



10.6%

Share of renewables
in the energy mix



19%

Share of votes for Greens
(Greens in opposition)



69.7%

Share of energy needs
met by energy imports

What does Hungary think of the European Green Deal?

Despite Hungary's democratic decline and adoption of anti-EU policies under Prime Minister Viktor Orbán, the country is willing to cooperate with other member states on the implementation of the European Green Deal. Hungary sees in the agreement opportunities to: enhance its national sovereignty and energy security by reducing energy imports; decarbonise its energy sector; promote economic innovation; and decrease utility costs. Hungary is currently constructing two nuclear reactors in cooperation with Russia, including by accepting a €10 billion Russian loan. This expansion of nuclear power leaves Hungary at odds with most other EU countries.

What is the main driver of Hungary's thinking on the climate agenda?

Although Hungary shares the ambitions of the European Green Deal, it supports the green transition primarily for national economic reasons; the Fidesz government largely rejects the idea of a common and inclusive European effort. Even though it sees the EU as setting targets that Hungary signs up to, the government's emphasis on national sovereignty and its tight grip on the media ecosystem mean that there is little debate about the specifics of the European Green Deal and the role of EU institutions in the green transition. Still, Hungarians are generally supportive of ambitious climate action, while sharing concerns about the socio-economic consequence of the green transition and efforts to phase out fossil fuels. In economic terms, Hungary seeks to connect the green transition

with reforms in the industrial sector and to boost research and development in its existing industries and attract new ones. One such industry is automobile production, which is large and highly integrated with European supply chains, particularly those of Germany.

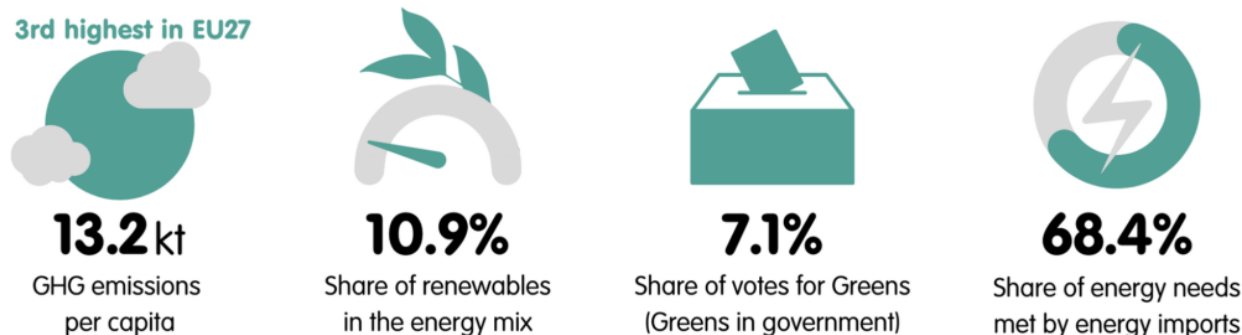
What is the strongest argument for driving up ambition in Hungary?

The Fidesz government favours an approach to the European Green Deal that leaves Hungary with as much discretion as possible in outlining policy and spending priorities. However, this would risk undercutting European values and common goals for the European Green Deal agenda. Orbán displayed his national populist acumen recently during the recovery fund negotiations, in which Hungary and Poland gained concessions on the rule of law for agreeing to the measure. Hungary's cooperation with Russia involves a similar approach. Given that Hungarians support both ambitious climate action and the rule of law, the EU should avoid such horse-trading.

How can Hungary best add value to the impact of the European Green Deal?

Hungary's biggest potential contribution to the success of the European Green Deal might be in showing that, despite highly disruptive disagreements on many other issues, it can engage in productive cooperation with EU partners and institutions on the green transition. Additionally, if implemented successfully, the government's plan to develop the lignite-fired Mátra power plant – which currently provides 15 per cent of Hungary's total electricity but is also the country's single-largest emitter of greenhouse gases – into a renewable energy cluster could serve as an example for other European regions whose economies depend on coal mining and coal-powered electricity generation.

Ireland



What does Ireland think of the European Green Deal?

In 2019 Ireland became one of the first European countries to declare a climate emergency. The Irish government has a long record of highlighting the importance of climate action. So far, however, this action has failed to match its rhetoric in many ways. As a result, Ireland is playing catch-up with other member states in meeting its energy and climate targets. One challenge will be for Ireland to reach the EU target of a 55 per cent reduction of greenhouse-gas emissions by 2030. The Irish government has shown a lack of political will to move faster on the issue. It faces considerable opposition to doing so from some industries, including the agricultural sector – which is of particular socio-economic importance and sees itself as vulnerable to external competition. However, without pressure and support from the EU and other member states, Ireland could fall further behind on the green transition, even as its awareness of climate issues grows.

What is the main driver of Ireland's thinking on the climate agenda?

Ireland's climate targets are largely driven by the EU's ambitions. There is little resentment of this, though: the EU is largely viewed by Ireland's government, companies, media outlets, and citizens as an important and positive voice promoting the issue. The public also supports ambitious climate action in the context of the covid-19 recovery. And the government has long spoken of the importance of meeting its climate objectives. Irish firms' support for climate action comes with the typical range of caveats regarding costs, competitiveness, and logistics. The agricultural sector, however, has been

quite hostile towards the EU's plans. The Irish Farmers' Association describes the goals for the agricultural sector as unrealistic and as a threat to the competitiveness of European farming, which would put many farms out of business and harm food security in the EU. Overall, Ireland sees the implementation of the European Green Deal and reaching net zero by 2050 as a practical challenge, albeit a rather substantial one.

What is the strongest argument for driving up ambition in Ireland?

Ireland sees plenty of opportunities in the European Green Deal, recognising the importance of climate action and realising that Ireland needs to catch up with the EU's climate leaders. The adoption of a carbon border adjustment mechanism could mitigate the backlash from the agricultural sector, which is concerned that declining competitiveness and carbon leakage could cause a loss of jobs in the sector. Ireland sees innovation in the fishing industry as an area in which it could lead, particularly in the wake of Brexit.

How can Ireland best add value to the impact of the European Green Deal?

Electricity generation could take centre stage in Ireland's contribution to Europe's green transition. Ireland's greatest potential renewable energy source lies in the further expansion of offshore wind farms – as the country is already a leader in wind energy, which met 32 per cent of its electricity demand in 2020. As one of the windiest places on earth, Ireland has a natural advantage. Ireland could begin to export wind energy to other EU countries via the United Kingdom and a planned direct connection to continental Europe.

Italy

19th highest in EU27



7.3 kt

GHG emissions
per capita



19%

Share of renewables
in the energy mix



0.6%

Share of votes for Greens
(No seats in parliament)



77.5%

Share of energy needs
met by energy imports

What does Italy think of the European Green Deal?

Italy supports the European Green Deal and has ambitions to raise its profile on climate, both globally and at the European level. This is reflected in the Italian government's policies: the current draft of the Italian Recovery and Resilience Plan focuses on supporting the green transition, including through renewable energy, the circular economy, energy efficiency, and sustainable agriculture. Most Italian parties support the European Green Deal. The exceptions are the right-wing League and Brothers of Italy, which argue that the agreement could have negative socio-economic implications for Italian industries and citizens.

What is the main driver of Italy's thinking on the climate agenda?

Italy played an active role in international climate negotiations at the COP21 conference in 2015. The country now seems to want to compete with France and Germany in establishing itself as a climate leader. Italy has put climate on the G20 agenda during its presidency in 2021 and is also co-chairing COP26 with the UK.

The Italian government follows the EU's lead on climate, partly by adopting the bloc's targets. There is support for the EU's role in guiding Italy towards the green transition from both the public and from industries that see opportunities in the green transition. Major energy companies such as Enel, ENI, and Edison have been developing greener solutions and strategies, positioning themselves as strong

supporters of the transition. Other Italian business sectors have also demonstrated support for going green, notably in a New Green Deal for Italy, a manifesto signed by more than 100 companies in May 2020. However, more carbon-intensive industries and smaller family businesses are more sceptical about the agreement, as they worry about its consequences.

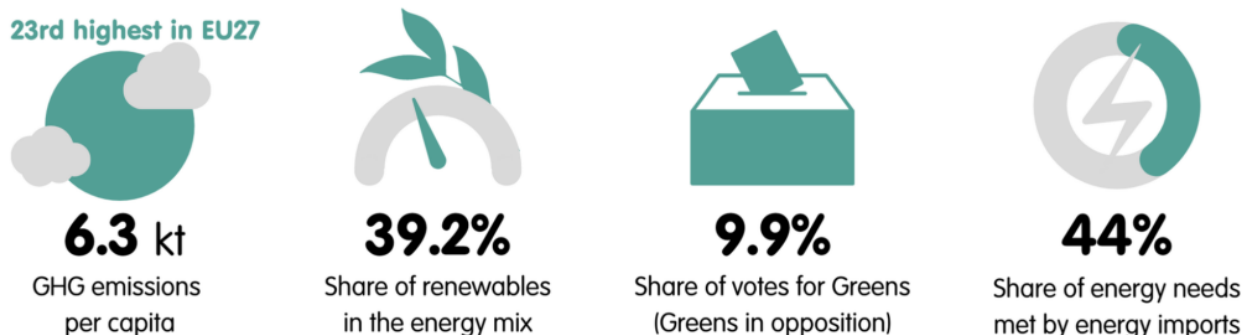
What is the strongest argument for driving up ambition in Italy?

Italy has great potential to seize the economic opportunities created by the European Green Deal, not least as the country recovers from the economic recession caused by the pandemic. The Italian energy sector is prepared for the green transition and positioned to expand its market share by creating new jobs – which are much needed in a country that is struggling with high unemployment, particularly among young people. The support for the agreement from other parts of the business community suggests that the government has many potential national partners in the green transition.

How can Italy best add value to the impact of the European Green Deal?

Due to its strategic position, connections, and interest in the Mediterranean region, Italy could internationalise the European Green Deal through its relationships with countries in the EU's southern neighbourhood. This includes viewing the European Green Deal from a development perspective, to seize opportunities in building new relationships with the region on renewable energy, but also to manage the repercussions for producers as Europe turns away from fossil fuels.

Latvia



What does Latvia think of the European Green Deal?

Latvia welcomes the European Green Deal and sees the economic opportunities in the green transition. At the same time, the country acknowledges the challenges of the economic transformation this will require, including the need for significant investment and innovation. Latvian companies are gradually starting to see the inevitability of the green transition and seek to benefit from potential EU funding. However, they are also worried about the consequences of the European Green Deal for the EU's competitiveness. As Latvian citizens are more sceptical about the agreement, political parties are following their lead. Even though Latvians acknowledge climate change and its effects on Latvia, they do not regard their country as a polluter – partly because it has occasionally been praised as one of the greenest countries in the world. Hence, they view the socio-economic adjustments required under the deal, such as investment in agriculture and transport, as an EU-driven undertaking that could involve costs individuals cannot afford.

What is the main driver of Latvia's thinking on the climate agenda?

The EU is the main driver of Latvia's climate agenda. But, as the government believes that the bloc could provide funds for mitigating climate change in member states, it has been actively pushing the agenda in recent years. Parts of the Latvian business community see the potential benefits of the green transition due to the economic modernisation that it would involve and the EU funding it could

bring.

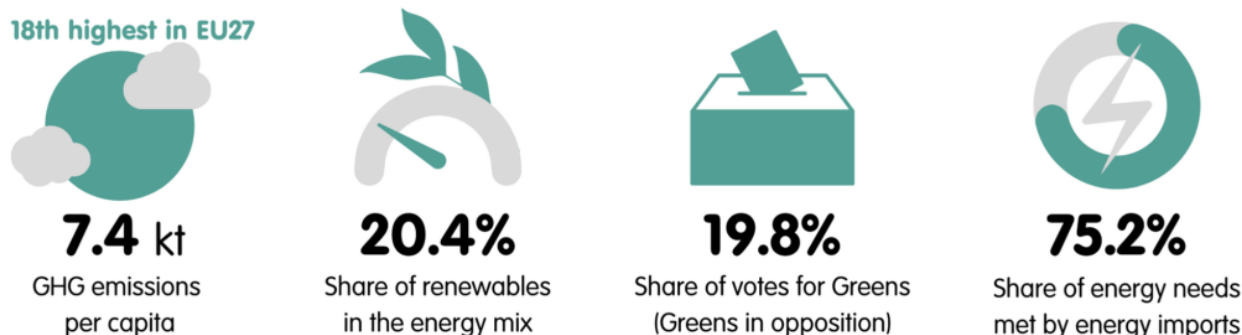
What is the strongest argument for driving up ambition in Latvia?

Latvia already sees itself as a frontrunner on climate, due to its long-standing reliance on renewable energy, high levels of forestation, low levels of heavy industrialisation, and emphasis on ecotourism and a clean environment. However, there are plenty of other areas in which the country needs to make big improvements. Latvia has a long way to go to green its outdated and highly polluting transport sector (both public and private) and to introduce infrastructure for clean vehicles. The transposition of the directives on clean vehicles in public procurement procedures into Latvian law in 2021 is a first step in this. The Ministry of Environmental Protection and Regional Development sees an opportunity to use EU funds to modernise energy systems, increase energy efficiency, and promote a fair transition. Moreover, Latvia sees an opportunity to gain an international reputation as a green leader ahead of its candidacy for a non-permanent seat on the UN Security Council in 2026-2027.

How can Latvia best add value to the impact of the European Green Deal?

Like the other two Baltic states, Latvia aims to become a leader on climate. As such, it is developing offshore wind farms in the Baltic Sea with them. Together with Estonia, the country is planning a common offshore wind farm flagship project. There is real potential for Latvia, together with the other Baltic states, to engage neighbouring Poland – which is less ambitious on climate issues – in a forum for sharing best practice and cooperating on the implementation of the European Green Deal, including on renewables and clean transport.

Lithuania



What does Lithuania think of the European Green Deal?

Lithuania is supportive of the European Green Deal. The country's government has outlined a strategy for a "Lithuanian Green Deal", which arguably is the most ambitious climate-related government agenda in its history. In Lithuania's national discourse, both the government and industry echo the rhetoric of the "green and digital" European future championed by the von der Leyen Commission. The government has endorsed the idea that the coronavirus recovery agenda should also be green, to ensure that it generates long-term gains. Accordingly, Latvia sees the EU recovery fund as one of the key tools for achieving the green transition. The business community regards the green transition as creating many commercial opportunities. And key business groups have been outspoken in their support for the European Green Deal. By comparison, labour unions and the wider public are less engaged in the debate. Some Eurosceptic Latvian commentators have questioned the costs and risks of the European Green Deal, but they are relatively marginal in the public debate.

What is the main driver of Lithuania's thinking on the climate agenda?

The EU is an important driver of the Lithuanian climate agenda. Even if the goals Lithuania sets are nominally based on national priorities, they are largely driven by targets and assessments on the EU level. However, Lithuania's government and some of its business sectors have a strong interest in pursuing a full energy transition, partly due to their desire to reduce asymmetrical dependence on

energy imports from Russia and capitalise on some business opportunities related to renewable energy sources, especially solar and wind. In this, Latvia consistently highlights the importance of preserving and enhancing economic competitiveness during the green transition as a national goal. The centre-right government has framed the green agenda in terms of intergenerational responsibility, economic opportunities, EU membership, and energy independence. The thinking so far is, therefore, driven by a growth-orientated outlook; social-justice considerations are not prominent. Lithuania is also aiming to establish itself as a leader on the European Green Deal.

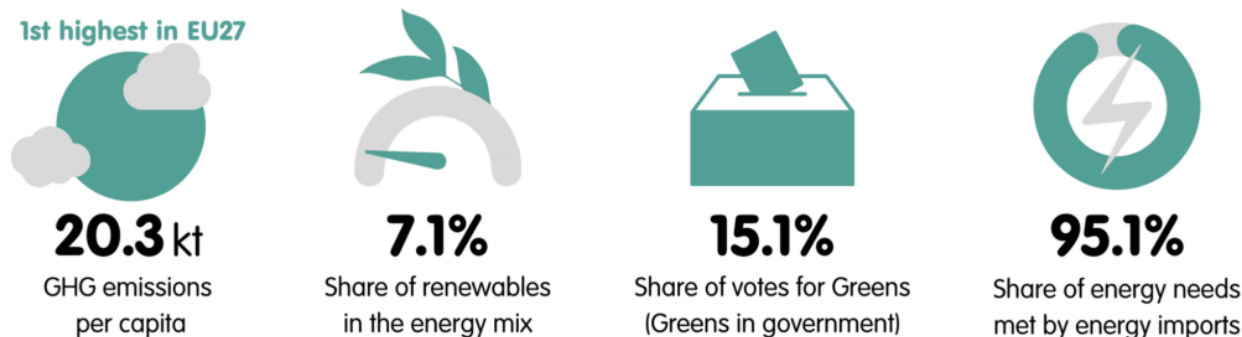
What is the strongest argument for driving up ambition in Lithuania?

Lithuania's national climate debate largely centres on the opportunities for specific Lithuanian interests, such as increasing exports and energy independence. The country sees the transition to the circular economy as a particularly attractive opportunity, as this could help it compete with countries that have more abundant natural resources. A preliminary analysis of the transition that Lithuania conducted in 2020 highlighted opportunities in information technology and bioscience – which, together with food technology, are already strong sectors in the country.

How can Lithuania best add value to the impact of the European Green Deal?

Lithuania has joined Latvia and Estonia in developing offshore wind farms in the Baltic Sea, to help fulfil their ambitions to become frontrunners on climate. There is real potential for them to engage nearby Poland – which lacks the same level of ambition on climate – in a forum for sharing best practice and cooperation on the implementation of the European Green Deal, including on renewables and clean transport.

Luxembourg



What does Luxembourg think of the European Green Deal?

Luxembourg largely aligns its climate policy with the goals of the EU. There is widespread public support for climate action and a recognition that, without the EU, Luxembourg would not be able to achieve much on this front, either domestically or on the international stage. The country regards the European Green Deal as a useful framework in which to formulate national policy on climate, industry, transport, and financial services.

What is the main driver of Luxembourg's thinking on the climate agenda?

Luxembourg's reliance on the EU means that much of its thinking on the climate agenda develops in reference to the union, the bloc's institutions, and its big neighbours, France and Germany. Effective European cooperation is critical for Luxembourg on all policy issues. Therefore, it has little appetite to go it alone on climate and a significant interest in pushing the EU debate on the issue forward. Greater climate awareness has had some consequences for Luxembourg's attempts to diversify its economy. For example, a large dairy plant project was halted because of concerns over pollution. Nonetheless, a new fossil fuel tax caused no public discontent in Luxembourg, even though the country has low fuel prices and – according to a poll conducted shortly before it was implemented – most citizens opposed such a measure.

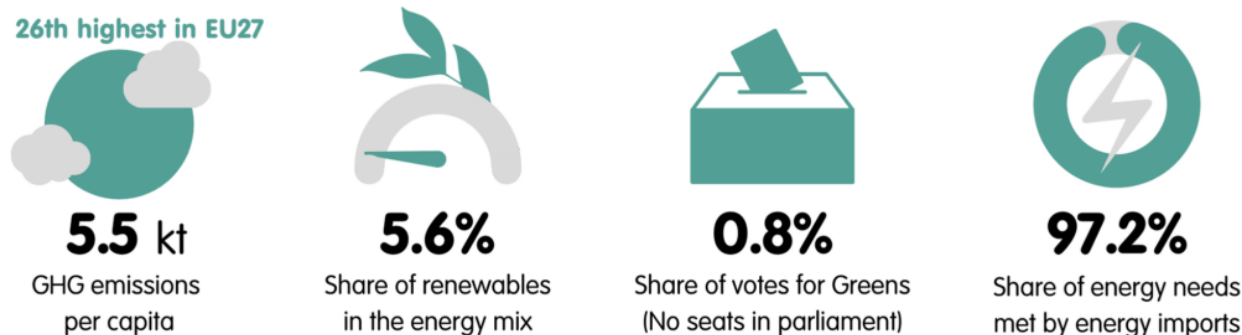
What is the strongest argument for driving up ambition in Luxembourg?

Luxembourg is highly dependent on its neighbours for its energy supply. The European Green Deal could help Luxembourg reduce this dependency through, for instance, the wind sector – which it has recently begun to expand. The country has plans to green its infrastructure and construction sector with measures such as improved wall insulation and the accelerated adoption of solar panels. The government is providing subsidies to households that are willing to improve their energy efficiency. Moreover, as a small country with transport infrastructure that connects various regions of Europe, Luxembourg would benefit from EU efforts to improve and green domestic and pan-European transport networks. The expansion of European Green Deal financing in these areas would have significant benefits for Luxembourg.

How can Luxembourg best add value to the impact of the European Green Deal?

Luxembourg has embraced climate finance as an opportunity for its financial sector. In 2016 the country launched the Luxembourg Green Exchange, the first platform dedicated to green, socially responsible, and sustainable securities. As of today, the exchange has the largest market share of listed green bonds worldwide. Through the International Climate Finance Accelerator, Luxembourg supports emerging fund managers who focus on innovative climate finance investments that have a major environmental and social impact. Luxembourg's experience with nurturing and shaping the climate finance sector could provide lessons for the EU's own efforts in this area.

Malta



What does Malta think of the European Green Deal?

Malta is committed, rhetorically at least, to a 55 per cent reduction in greenhouse-gas emissions by 2030 (compared to its 1990 benchmark). The country has substantially reduced these emissions in the past decade, through the construction of an electrical interconnector with Sicily and an overhaul of the domestic energy sector that enabled a switch from heavy diesel to renewables. Malta's climate strategy has been, and will likely continue to be, driven by pressure from the EU. And the country plays a broadly constructive role in implementing the European Green Deal. However, though successive Maltese governments have espoused a progressive line on the need to shift to a sustainable model of economic development, the country failed to meet its 2020 target for reducing carbon emissions, and to protect biodiversity on land and at sea more broadly. Moreover, Malta's continued commitment to megaprojects and energy policies that have large carbon footprints belies government rhetoric on climate issues. The primary obstacle to a greener economy remains the political will to tackle companies' objections to the European Green Deal.

What is the main driver of Malta's thinking on the climate agenda?

Malta's Labour government views the EU as a leader on climate change issues and broadly accepts that greening the economy is necessary and potentially beneficial for Maltese companies. Maltese citizens and media outlets support climate action fairly strongly. Public perceptions of the EU may be more positive on climate than any other issue. The government will continue to resist certain

elements of EU climate change legislation, including any intrusion into Malta's tax sovereignty in particular, and to lobby for concessions in line with the national interest. Maltese industry remains resistant to the imposition of any climate change policies that might negatively affect growth, viewing the EU's role on climate issues with greater hostility than the public or the government do. This is because climate regulations could, in the long term, hit profits in sectors such as agriculture, aquaculture, the booming construction industry, aviation, and shipping.

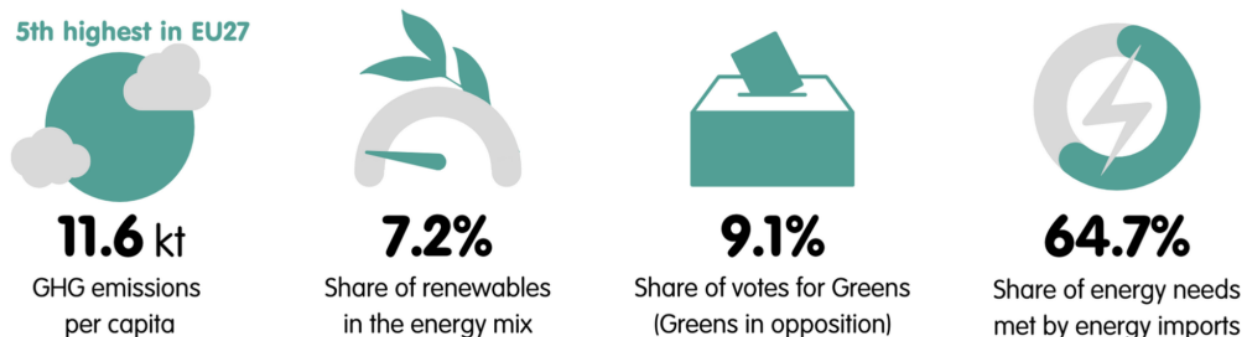
What is the strongest argument for driving up ambition in Malta?

The most obvious opportunity that the European Green Deal provides for Malta is in mitigating the human impact on its fragile natural environment. This is far from being an abstract issue, given that Malta faces challenges in managing fresh-water supplies, preserving local agriculture, and restoring the sea and coastline that sustain its large tourism sector. There is an opportunity for Malta to harness European Green Deal funds to drastically expand its use of photovoltaics and diversify its energy sources. Though space is a real issue, the island has untapped potential to harness renewable solar and wind energy, thereby reducing its dependence on liquefied natural gas tankers.

How can Malta best add value to the impact of the European Green Deal?

Malta could take the lead on developing green tourism in the EU, possibly teaming up with other Mediterranean countries, such as Cyprus and Greece. Malta has significant potential to develop renewable sources, such as solar and wind energy, and to share best practice on this with other member states.

The Netherlands



What does the Netherlands think of the European Green Deal?

Addressing climate change was one of the four key topics in the coalition agreement of the previous government led by Prime Minister Mark Rutte, which collapsed in January 2021. The aim was for the Netherlands to become a frontrunner within the EU on climate issues and to reduce the country's greenhouse-gas emissions by 49 per cent by 2030 (compared to 1990 levels). At the EU level, the Netherlands advocated for this target to be 55 per cent.

The EU has a high-profile role in the Netherlands on climate change, a topic that is often part of the public debate (including in the campaign for the March 2021 election). Arguably, the Netherlands' attentiveness to EU climate action has been heightened by two Dutch leaders: Frans Timmermans, who is vice-president of the European Commission responsible for the European Green Deal, and his head of cabinet, Diederik Samsom.

What is the main driver of the Netherlands's thinking on the climate agenda?

Partly due to its commitment to multilateralism, the Netherlands recognises the importance of the Paris Agreement and the EU's climate goals. But, currently, Dutch climate action is driven more by domestic civil society, including Extinction Rebellion. The government recently lost a court case brought against it by the NGO Urgenda; the ruling obliges it to increase its efforts to tackle climate change. Another driver has been protests in the province of Groningen, where fracking causes

frequent earthquakes that damage buildings.

In June 2019, the government concluded a climate agreement with industry and civil society. More than 100 stakeholders participated in the discussions with the intention of creating broad societal ownership of the pact.

However, there remain challenges in areas such as the balance of the climate effort between the government, industry, and individuals. In addition, the coronavirus crisis has prompted some industry representatives to speak out against the climate agreement, arguing that there is a need for more leniency on the timetable for investing in green adaptation.

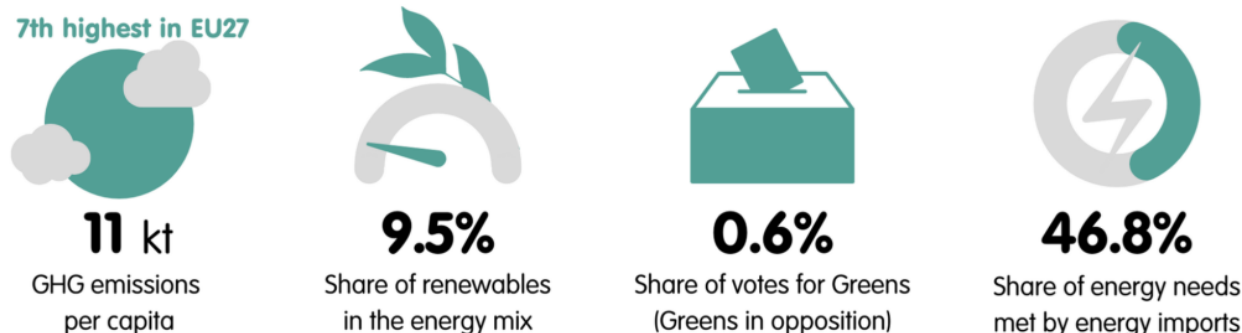
What is the strongest argument for driving up ambition in the Netherlands?

The Netherlands has been lagging in the development of its renewable sector, as well as in the greening of existing industries and agriculture. Nonetheless, it has increased its investments in wind energy (through large offshore wind farms) and is also expanding its use of solar, biomass, and hydrogen energy. Investment through EU funds provides an important opportunity on this front. There is also a geopolitical dimension to the process, since recent efforts to reduce natural gas extraction following the protests in Groningen have made the Dutch more dependent on imports of gas from Russia and the US.

How can the Netherlands best add value to the impact of the European Green Deal?

Rutte's leadership in the context of the EU budget and recovery fund discussions in 2020 – which were dominated by the Netherlands and other 'frugal' states – demonstrated the diplomatic skill of the Netherlands as a coalition leader. By using this transformational power to strengthen the EU's climate ambitions and implement the European Green Deal, the country could provide valuable support to EU institutions.

Poland



What does Poland think of the European Green Deal?

Poland accepts the EU's overall goal of achieving carbon neutrality by 2050, but hesitates to commit to achieving it domestically. Warsaw is highly sceptical of its neighbours' green ambitions, particularly where they seem to undermine national energy sovereignty on issues such as nuclear energy. While the Polish government initially lobbied hard against the adoption of more ambitious EU targets for reducing greenhouse-gas emissions, this effort failed. The government's main argument against the European Green Deal is that its transformative ambitions are too far-reaching, and its socio-economic and financial costs for Poland and the Polish people too great.

What is the main driver of Poland's thinking on the climate agenda?

Poland's nationalist, conservative coalition government sees energy and climate policy as a matter of national sovereignty. While it recognises the need to phase out coal-powered electricity in the long term, this poses significant socio-economic challenges and meets with resistance from the country's powerful fossil-fuel lobby. Polish energy companies have significant holdings in other EU countries that the green transition could jeopardise. Poland has, therefore, worked to dial down the EU's climate ambitions and emphasised the importance of a generous Just Transition Fund. It has also been wary of fully embracing renewable energy, instead working to convince the EU to recognise – and create funding streams for – natural gas and nuclear power as lower-emissions alternatives. Moreover, the coalition parties' attitudes towards the European Green Deal range from pragmatism to

hostile opposition, which has recently hindered even modest progress on implementing the agreement. Most Poles see climate change as a threat, but not as a particularly urgent one. And opposition parties have mostly been reactive on the issue.

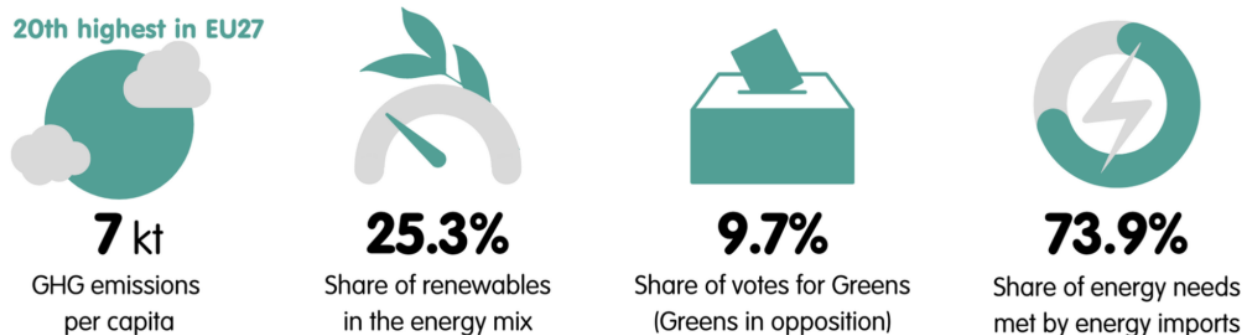
What is the strongest argument for driving up ambition in Poland?

Despite these mounting challenges, several arguments could increase Poland's climate ambitions. One such argument is that the benefits and costs of the green transition should be shared fairly within Poland and between all EU member states – partly to avoid the impression that already-marginalised populations or countries will foot the bill for others' lofty ideas. Ensuring that the European Green Deal makes for a socially fair and just green transition would counter Polish sceptics' complaints. As air pollution is a problem in Poland, arguments based on addressing this issue – and thereby making visible improvements to Poles' quality of life – could also be persuasive.

How can Poland best add value to the impact of the European Green Deal?

Under the current government, Poland will likely remain a major obstacle to the EU's climate ambitions, both internally and as an international actor. Yet Poland also remains a critical partner for other EU member states, particularly those in the east. Unless Poland shows greater openness to the goals of the European Green Deal – including, critically, carbon neutrality – the country will experience further marginalisation, even among its neighbours. With its strong and consistent emphasis on the social dimensions of the green transition, Poland could help ensure that the European Green Deal benefits all EU citizens if it actively engaged with the issue. The country could also take on a key role in greening the EU's relationship with Ukraine and the latter's carbon-intensive heavy industry.

Portugal



What does Portugal think of the European Green Deal?

Portugal likes to see itself as a progressive country on climate change and other environmental issues. All official documents on this subject repeat time and again that Portugal was among the first countries to adopt the objective of carbon neutrality by 2050 and, more recently, to approve a road map for carbon neutrality. The Socialist Party administration, which has been in office since October 2019, sees climate change as being the top strategic challenge facing the country. As a strong team player in the EU, and the current president of the EU Council, Portugal regards the European Green Deal as being closely aligned with its national objectives – even if there is no public debate on the issue at home.

What is the main driver of Portugal's thinking on the climate agenda?

Dependent on outside sources for more than 80 per cent of its energy needs, Portugal has long believed that it can reap considerable benefits from a transition to renewables. Its abundance of wind and solar energy could provide cheaper domestic alternatives to imported fossil fuels. The country engaged in a strong initial drive to adopt renewables until 2011, when the euro crisis hit. In doing so, Portugal increased its use of renewables at a time when the costs were high, subsidising investment in wind and solar power when these technologies were not yet mature. As a result of those subsidies, Portugal still has some of the highest energy prices in Europe – a fact that still colours the debate on

the energy transition. But the original premise still makes sense, particularly given that the cost of solar photovoltaic systems has dropped by more than 90 per cent in the past decade. That has made the current government look at the sector with renewed enthusiasm, particularly at a time when the EU's coronavirus recovery fund provides an opportunity for investment.

What is the strongest argument for driving up ambition in Portugal?

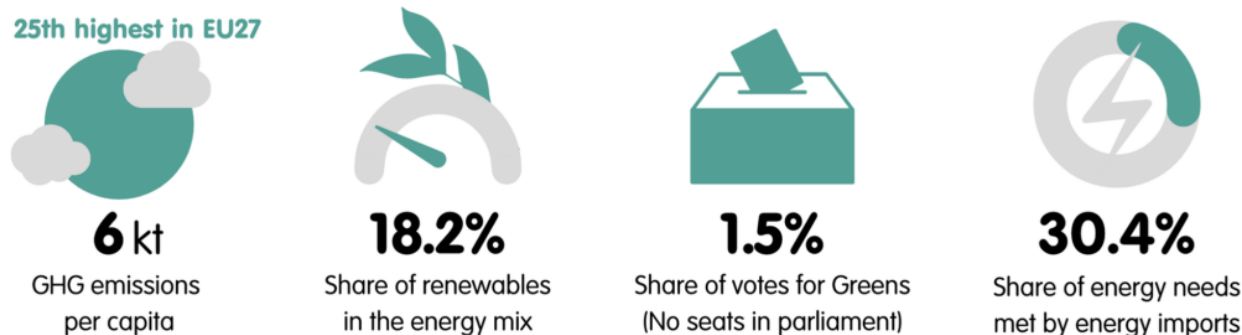
The impact of climate change affects Portugal tangibly, from wildfires and drought to coastal erosion (75 per cent of the country's population lives on the coast, where the main urban and industrial centres are located). Consequently, the consensus for tackling climate change is quite strong among all political parties and the public. They see the European Green Deal as an opportunity to address Portugal's low energy efficiency and high energy poverty rates. As the Portuguese economy is made up mainly of small and medium-sized companies, the financial stimulus package associated with the European Green Deal provides numerous opportunities for these firms to come forward with competitive projects at the European level.

How can Portugal best add value to the impact of the European Green Deal?

Using its presidency of the EU Council, the Portuguese government is pushing for progress on the European Green Deal legislative package. At home, strong popular support for both climate action and the EU recovery fund – of which Portugal will be the fourth-largest beneficiary, according to the European Central Bank – mean that Lisbon is well placed to lead by example in the EU.

Portugal should seek to quickly implement its resilience and recovery plans, as it could be an important partner for less experienced member states in developing the renewables sector.

Romania



What does Romania think of the European Green Deal?

In Romania, citizens are generally aware of the climate challenge, and the government sees the European Green Deal as an opportunity to develop a more environmentally friendly economy. Romania regards the EU as playing a largely important and positive role, mainly because it provides investment and innovation capacity to reduce pollution and increase energy efficiency. However, other issues often take precedence in the public debate. For example, when political parties refer to “EU rules” for closing coal power plants in areas where people’s livelihoods depend on them, the social impact of the measure tends to generate nationwide controversy.

What is the main driver of Romania’s thinking on the climate agenda?

The prospect of funding the EU recovery programme has given some impetus to the debate on climate change and how to address it in a way that will help the government attract greater EU funding. Historically, effective government action on climate had been hampered by the numerous infringement procedures concerning the slow transposition of EU directives into national law. Nonetheless, the government seems ready to pay more attention to climate issues, including by implementing programmes in this area. Bucharest favours climate policies that strengthen social cohesion. For example, although the transition from coal-based electricity generation is beneficial for the environment, the government is concerned about its effect on workers in industry as they often

lack alternatives. As the Romanian media tend to focus on national issues, the pan-European angle on climate – including analyses of, and solutions for, climate-related challenges from other parts of the continent – is largely absent from the public debate.

What is the strongest argument for driving up ambition in Romania?

The Romanian energy market is highly dynamic and still developing, both from an investment and a regulatory perspective. As a consequence, the government is seeking opportunities to improve Romania's energy security and become a relevant actor at the regional level while minimising local risk factors. Romania views the expansion of nuclear power and of natural-gas exploitation in the Black Sea as such opportunities. The European Green Deal would receive greater support in the country if it addressed these concerns. The agreement should avoid favouring large, predominantly western European companies in green research and development. It should include, on an equal footing, central and eastern European firms, particularly small and medium-sized enterprises. Moreover, a productive relationship with the US on the green transition will be critical to the European Green Deal in Romania, as the government wants to strengthen the transatlantic relationship.

How can Romania best add value to the impact of the European Green Deal?

Romania could assume a leading role in linking its Black Sea neighbours to the EU's green transition. With its plans to improve interconnection between energy networks in the region, Romania is ideally positioned to promote such integration with Ukraine and Turkey, for instance.

Slovakia

16th highest in EU27



8 kt

GHG emissions
per capita



12.9%

Share of renewables
in the energy mix



0%

Share of votes for Greens
(No seats in parliament)



69.8%

Share of energy needs
met by energy imports

What does Slovakia think of the European Green Deal?

Slovakia stands out from its usual allies in the Visegrád group – the Czech Republic, Hungary, and Poland – by being generally supportive of the European Green Deal, including by backing its central role in the economic recovery from the coronavirus crisis. However, the country's climate strategy is heavily reliant on nuclear energy. Slovakia highlights the need for flexibility in achieving climate goals in a just fashion, showing solidarity with other EU member states, respecting national conditions, and preventing energy poverty – all of which might indicate that, in practice, the country shares the more sceptical approach of the rest of the Visegrád group. Slovakia seems to agree with other countries in central and eastern Europe that the region faces particularly acute challenges in the green transition, including a relatively limited ability to finance the process. Slovakian companies do not oppose the European Green Deal, but see financial support and protective measures as a condition of accepting it. Slovakia established in late 2020 a special Government Council for the European Green Deal, in which it plans to involve NGOs, business, and trade unions. This move, which will help coordinate issues related to the implementation of the European Green Deal, indicates that the government regards the issue as important.

What is the main driver of Slovakia's thinking on the climate agenda?

There is a nascent public debate on climate in Slovakia. Political parties are not really divided on

climate issues, but there are differences between them on the appropriate level of ambition – although even the Green Party has accepted nuclear energy as part of the solution. And the government plans for the country to become self-sufficient in electricity within a few years. Most citizens recognise the complex nature and potential economic impact of climate action. There is widespread concern about the costs and feasibility of the green transition and the risks of a loss of European competitiveness in sectors such as steel. This is why the country has been positive about the EU’s proposal for a carbon border adjustment mechanism. The National Union of Employers has participated in the climate debate, raising the issue of how the green transition will affect living standards and pointing to the risks posed by reliance on entrepreneurs and companies to implement the green transition.

What is the strongest argument for driving up ambition in Slovakia?

Slovakia is heavily reliant on its car industry. As the automotive sector undergoes the green transition, the country will have to follow – not least as it is competing with neighbouring Hungary and the Czech Republic to secure investment for the industry. Slovakia seems to be looking for a niche climate issue on which it can become a leader. The country sees economic opportunities in developing or expanding renewable energy sources, an area in which it has made progress in recent years, as well as decarbonisation of hard-to-abate industries.

How can Slovakia best add value to the impact of the European Green Deal?

Slovakia should push its relatively sceptical allies in the Visegrád group to adopt a more ambitious climate agenda. It may be able to do so with Hungary, which is also seizing the opportunities created by the European Green Deal.

Slovenia

14th highest in EU27



8.5 kt

GHG emissions
per capita



17%

Share of renewables
in the energy mix



0%

Share of votes for Greens
(No seats in parliament)



52.1%

Share of energy needs
met by energy imports

What does Slovenia think of the European Green Deal?

Slovenia's climate ambitions have markedly decreased since January 2020, when a centre-right government replaced its centre-left predecessor. Preoccupied with the coronavirus crisis, the new government under Prime Minister Janez Jansa generally does not regard the European Green Deal as an opportunity for economic recovery. Still, in recognition of other member states' growing interest in climate policy, Slovenia has been working to align its strategy with EU plans to reach carbon neutrality by 2050. It has also floated the idea of creating an advisory body for climate issues with certain legislative competencies, a ministry of climate, and a permanent structure for climate finance management within the ministry of finance. For now, though, the government's priorities are to overcome bureaucratic obstacles to green investment, use EU climate funds efficiently, and mobilise private investment to facilitate the transition.

What is the main driver of Slovenia's thinking on the climate agenda?

Slovenians endorse the EU's climate goals, albeit slightly less than other EU citizens on average. They emphasise the need to enhance energy security by reducing imports, and to provide financial support for the adoption of renewable energy and energy-efficiency measures. Yet they are wary of the prospect of rising prices for electricity and slow progress on the decarbonisation of transport, which accounts for half of Slovenia's greenhouse-gas emissions. This concern shapes Slovenia's continued

interest in nuclear energy. Slovenia believes that some climate targets and measures that make sense for the EU and larger member states might turn out to be unrealistic and prohibitively expensive for smaller countries. The country does not want to pay for the expansion of renewable energy elsewhere in Europe because local conditions prevent it from achieving more at home. Slovenian companies view the growth-orientated green transition in generally favourable terms, but warn that climate action should not harm their competitiveness, particularly vis-à-vis other EU economies.

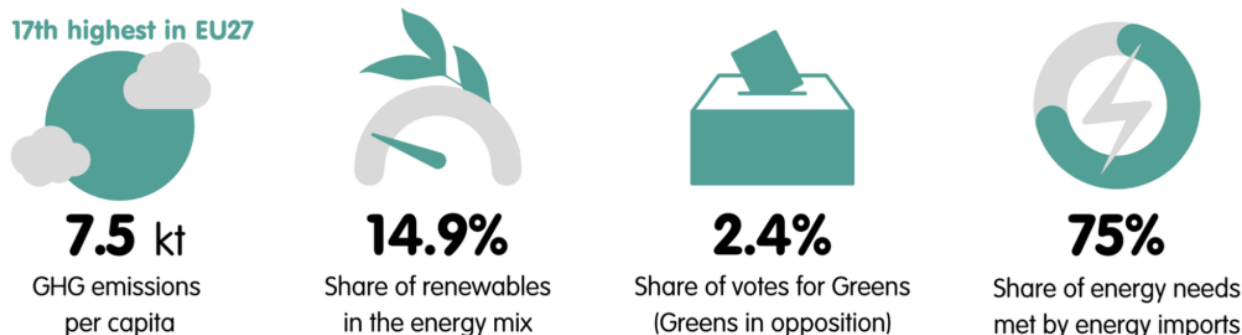
What is the strongest argument for driving up ambition in Slovenia?

Given that Slovenia has one of the lowest population densities of any EU country, the European Green Deal could have a considerable impact in several areas by not only reducing the country's carbon emissions but also improving its citizens' quality of life. These areas include individual mobility and public transport, as well as decentralised renewable energy. But, so far, Slovenia has been slow to adopt electric mobility, despite government subsidies for the sector. The country's public transport network has been underfunded for decades. Therefore, a comprehensive sustainable mobility strategy would likely receive broad public support.

How can Slovenia best add value to the impact of the European Green Deal?

Slovenia could assume a leadership role in the Western Balkans by firmly embedding the European Green Deal in the EU's neighbourhood and enlargement policies. This is because the country will become the president of the EU Council in the second half of 2021, and has long expressed an interest in renewing the momentum of the accession process in the region.

Spain



What does Spain think of the European Green Deal?

The government of Prime Minister Pedro Sánchez sees climate action as a key national priority. In 2018 the government created the Ministry for the Ecological Transition, which has responsibility for agriculture, energy, the environment, and demographic challenges. The minister responsible for the department, Teresa Ribera, is also one of the government's four vice-presidents, a position that provides her with broad oversight of government policy relating to her portfolio. The government believes that the EU framework is crucial for achieving Spanish climate goals. As part of its commitment to multilateralism, Spain seeks to shape the EU climate debate and increase the European level of ambition in the implementation of the European Green Deal. There may not be much debate on the agreement among Spanish citizens or media outlets, but nor is there any significant backlash against it from Spanish industry.

What is the main driver of Spain's thinking on the climate agenda?

There is a limited consensus among Spain's political parties on the need to achieve carbon neutrality by 2050, create a larger renewables sector, and cooperate with the EU on this and other global challenges. However, there is some debate between them on how the country will implement its commitments in its recovery and resilience plan (which it has submitted to the European Commission) and on how the EU will allocate money from the EU recovery fund to the green transition. The People's Party and Ciudadanos are pushing for energy companies to have a central role

in this process. In contrast, other parties – mostly those on the left, such as Equo, Más País, and Unidas Podemos – want to increase the share of funding the bloc allocates to the social justice element of the transition.

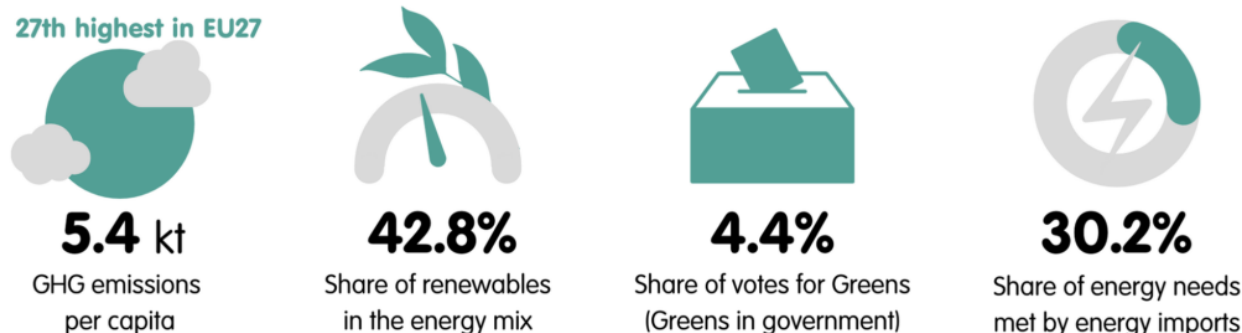
What is the strongest argument for driving up ambition in Spain?

In Spain, the key opportunities created by the European Green Deal are in the expansion of renewable energy and green tech, especially batteries, electric cars, hydrogen energy, and the modernisation of public buildings and homes to meet energy efficiency targets. Wind and solar energy are growing sectors, but they are not yet strong enough to support Spanish industry more broadly. The modernisation of sectors such as agriculture and heavy industry, through decarbonisation and the use of new technologies, are also priorities. Opportunities to expand newer sectors and enhance the competitiveness of others are crucial at a time when – due to the coronavirus – sectors on which the Spanish economy depends, such as tourism, are unstable.

How can Spain best add value to the impact of the European Green Deal?

Spain could play a key role in shaping the narrative on, and the implementation of, the EU's just transition, given how its national climate debate emphasises the need to manage the unequal socio-economic impact of the European Green Deal. The country's ambitions to expand its renewables sector indicate that it could also have an interest in partnering with more technologically advanced member states on the expansion of its renewable energy sector.

Sweden



What does Sweden think of the European Green Deal?

As one of the EU's frontrunners on climate issues, Sweden is supportive of the European Green Deal. The country has generally pushed for the effective and ambitious implementation of the Paris Agreement, as well as for more ambitious climate goals for the bloc. Swedish political parties agree on the importance of the issue, even if the nationalist, conservative Sweden Democrats advocate climate measures abroad (including in other member states) rather than at home. There is widespread Swedish public support for ambitious climate goals at both the national and European levels. Sweden is aspiring to become "the world's first fossil-free welfare state".

What is the main driver of Sweden's thinking on the climate agenda?

Sweden considers the EU an important actor on climate. However, the country's climate goals are more ambitious than those set by the EU on issues such as when to reach net zero. These goals reflect public sentiment and provide Sweden with a way to maintain its position as a green leader globally. But there are also economic opportunities for the country in areas such as renewables. For instance, it recently launched two big projects to produce steel without using fossil fuels.

What is the strongest argument for driving up ambition in Sweden?

As a frontrunner on climate, Sweden focuses less on increasing its climate ambitions than fulfilling its commitments in the area. As ECFR's survey shows, other European countries look to Sweden as a like-minded country or leader on climate. Therefore, Sweden could risk sending negative signals to less ambitious member states if it failed to live up to the objective it has set for itself – perhaps prompting them to ask themselves: “if the top student cannot manage, how can we?”

How can Sweden best add value to the impact of the European Green Deal?

As a country that is dependent on trade and advocates free markets, Sweden has been hesitant to adopt measures such as the carbon border adjustment mechanism. Nonetheless, the country welcomes the European Commission's examination of the issue. There are currently no clear positions from Swedish political parties, and no public debate, on the carbon border adjustment mechanism. Rather than opposing what could become a crucial measure for tackling climate change at the global level, Sweden could team up with like-minded countries to help shape this mechanism. Its focus should be on reducing the risk that other major trading partners such as the US and China perceive the carbon border adjustment mechanism as protectionism, prompting them to introduce countermeasures. The Swedish National Board of Trade has analysed how the EU could implement such a system and what it would mean for trade and emission reductions. Their [report](#) shows that it is possible to design the CBAM in a way that complies with the rules of the World Trade Organization.

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