DOCUMENT DE TRAVAIL - SVP NE PAS CITER

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**Does the EU follow a path towards Sustainable Development
when recovering from the Covid19 Pandemic?
The European "Green New Deal" and "Next Generation EU":
features, relations, governance**

Introduction

When the new President of the European Commission, Ursula von der Leyen, came into office in summer 2019, she launched an ambitious “European Green New Deal” project, placing the fight against climate change, protection of biodiversity, digitalisation and in a broader sense sustainable development at the heart of EU policies. Just when the project took shape, the COVID-19-pandemic broke out and required itself the attention and action of the EU: “Next Generation EU” is the equally ambitious recovery programme the EU put on track from May 2020 on. How do these two projects relate to each other? Is “Next Generation EU” marked by a strategy, which places recovery – understood as renewed growth – above all and relegates the “Green New Deal” to ‘better times’? Or are they positively linked in a mutually reinforcing way, is “Next Generation EU” aiming at a ‘Green Recovery’, supporting and accelerating the transition to sustainable development in Europe?

1. The European Green New Deal

The New President of the EU Commission, Ursula von der Leyen, launched, as her core political programme, the “European Green New Deal”, when she came into office, in mid-2019, aiming at a re-definition of the EU’s political goals towards Sustainable Development:

„Protecting our planet and our shared environment is our generation’s defining task. It is an urgent moral, human and political obligation, which Europeans have resoundingly told us they want their Union to fulfil. It is also a long-term economic imperative: those who act first and fastest will be the ones who grasp the opportunities from the ecological transition. The European Green Deal should become Europe’s hallmark. At the heart of it is our commitment to becoming the world’s first climate-neutral continent. It will require collective ambition, political leadership and a just transition for the most affected.“ (Ursula von der Leyen, Mission Letter to Frans Timmermans, 1st December 2019)

1.1 The European Green New Deal, emergence and essentials

1.1.1 Background: Lisbon Strategy (2000), Europe 2020 (2010)

- *(1) Why is the turn to the Green New Deal a "shift", or a "transition"? What was the dominant EU objective until 2019? Which role did Sustainable Development play before the launch of the Green New Deal?*

  Readings:

  - European Parliament: The Lisbon Strategy 2000-2010. An analysis and evaluation of the methods used and the results achieved https://www.europarl.europa.eu/document/activities/cont/201107/20110718ATT24270/20110718ATT24270EN.pdf

    „EXECUTIVE SUMMARY A great European commitment

    "To become the most dynamic and competitive knowledge-based economy in the world, capable of sustainable [1] economic growth with [2] more and better jobs and greater social cohesion, and [3] respect for the environment" [quote from the Lisbon Strategy]

    The Lisbon Strategy was born as a European commitment to overcome the differences in growth and productivity between the EU and its leading global competitors of the time, USA and Japan. Europe's deficit in terms of technological capacity and innovation became the symbol of the ground needing to be made up to assure EU competitiveness; this was at the heart of the emphasis laid on advancing towards a "knowledge society", which became the strategy's best-known slogan.

    More than a specific European policy or programme based on a legal framework, the Lisbon Strategy is a set of political ambitions. Its most fundamental objectives are not based on Treaties or found in regulations or directives; they can be mainly found in the Presidency Conclusions of the European Councils as a document with political, rather than legal, force. With the incorporation of the Lisbon Strategy's specific objectives into various EU policies and programmes, the strategy is, however, increasingly being reflected within EU law.

    The birth of the Lisbon Strategy lent unquestionable prominence to the Member States, both in its drafting and implementation. The European Commission, which until then and especially at the start of the 1990s had promoted the initiatives that can be considered as the strategy's predecessors, including the White Paper on Growth and Employment, was pushed into the background.

    In the absence of common policies, or even EU competencies on sensitive issues, the reform plans established for the following ten-year period required a significant capacity for political coordination. Complex reforms require *complex management mechanisms. The Open Method of Coordination (OMC) was presented as the great innovation designed to manage the implementation of this vast reforms package – a package that could not be implemented through legislative means alone. The OMC was deployed as an instrument of governance that set its voluntary nature and persuasion/conviction as a counterweight to approaches of a compulsory legal nature, […]*

[…]

From the start, the Lisbon Strategy has been the subject of internal, and generally unresolved, tensions. The economic, social and environmental triangle that inspired its genesis was dependant on a delicate balance that proved difficult to maintain in practice. Despite the good intentions set out in statements and in documents written by both the Council and the Commission, the existing imbalance which favours economic growth at a cost to social, and later environmental, development, has been openly criticised. This controversy only gained force after the 2005 review, when sustainability became subject of a specific European strategy, which created a certain feeling that levels of co- ordination leave much to be desired. In practice there are currently three parallel agendas, which only a very few Member States are carrying out in any integrated way: the revised Lisbon agenda (Growth and Jobs); the social agenda (managed through different OMC mechanisms); and the sustainable development agenda."

- *During this same period, emerged a "Sustainable Development Strategy", as mentioned in the quoted evaluation of the Lisbon Strategy. This "SDS" started in 2001, was reviewed in 2005/6 and again in 2009: (see: https://ec.europa.eu/environment/sustainable-development/strategy/review/index_en.htm)*

Reviews of the EU Sustainable Development Strategy

Despite important achievements in implementing the EU Sustainable Development Strategy (EU SDS), unsustainable trends persisted, ranging from climate change to the ageing of societies in developed countries and a widening gap between the rich and the poor in the world. The world surrounding the EU also changed significantly since 2001 with the enlargement of the European Union to 27 Member States, increased instability due to terrorist threats and violence, further globalization and changes in the world economy.

This required a sustainable development strategy with a stronger focus, a clearer division of responsibilities, wider ownership and broader support, a stronger integration of the international dimension and more effective implementation and monitoring. Furthermore, in 2002 the global community reaffirmed its commitment towards a world-wide sustainable development in the Johannesburg Summit and through the Johannesburg

Plan of Implementation.

The EU SDS was consequently renewed in 2006, following a broad public consultation and an in-depth preparatory process with adoption by Heads of State and Governments at the European Council of 15-16 June 2006. The renewed EU SDS set out a single, coherent strategy on how the EU will more effectively live up to its long-standing commitment to meet the challenges of sustainable development. It recognised the need to gradually change unsustainable consumption and production patterns and move towards a better integrated approach to policy-making. It reaffirmed the need for global solidarity and recognised the importance of strengthening work with partners outside the EU, including those rapidly developing countries which will have a significant impact on global sustainable development.

- *Review of the EU Sustainable Development Strategy (2006): European Council DOC 10917/06*
- *Commission Communication "On the review of the Sustainable Development Strategy - A platform for action" COM(2005) 658 final*
- *Commission Communication "Draft Declaration on Guiding Principles for Sustainable Development" COM(2005) 218 final, 25.5.2005*
- *Commission Communication "The 2005 Review of the EU Sustainable Development Strategy: Initial Stocktaking and Future Orientations" COM(2005) 37, 9.2.2005*
- *The European Commission sets a positive agenda for the 2005 review of the Sustainable Development Strategy (press release IP/05/156 of 09/02/2005)*
- *Commission Communication "The World Summit on Sustainable Development one year on: implementing our commitments" COM(2003) 829 final*
- *Commission Communication "Towards a global partnership for Sustainable Development" COM(2002) 82 final, adding a global dimension to the EU Sustainable Development Strategy*

The European Council followed the implementation development over the subsequent years, emphasizing in December 2007 (Council conclusions) to give priority for implementation efforts.

- *First Progress Report (October 2007)*
- *Eurostat 2007 monitoring report*

In July 2009 the Commission adopted the 2009 Review of EU SDS. It underlined that in recent years the EU has mainstreamed sustainable development into a broad range of its policies. In particular, the EU has taken the lead in the fight against climate change and the promotion of a low-carbon economy. At the same time, unsustainable trends persist in many areas and the efforts need to be intensified.

The European Council in December 2009 (Council conclusions) confirmed that "Sustainable development remains a fundamental objective of the European Union under the Lisbon Treaty. As emphasised in the Presidency's report on the 2009 review of the Union's Sustainable Development Strategy, the strategy will continue to provide a long-term vision and constitute the *overarching policy framework for all Union policies and strategies. A number of unsustainable trends require urgent action: significant additional efforts are needed to curb and adapt to climate change, to decrease high energy consumption in the transport sector and to reverse the current loss of biodiversity and natural resources. The shift to a safe and sustainable low-carbon and low-input economy will require a stronger focus in the future. Priority actions should be more clearly specified in future reviews. Governance, including implementation, monitoring and follow-up mechanisms should be reinforced for example through clearer links to the future EU 2020 strategy and other cross-cutting strategies."*

Linkage with the Europe 2020 Strategy
In the EU, a key issue is to mainstream sustainable development thinking into various parts of the Europe 2020 Strategy. The Strategy, which was adopted in 2010, contributed to moving Europe out of the crisis and laying the foundations for a more sustainable future built on smart, sustainable and inclusive growth.

A horizontal approach for mainstreaming is in line with the Treaty's 'integration principle' (as set out in Article 11 TFEU) and has so far proven its worth. For instance, external audits have concluded that the Commission's impact assessment system works effectively and that sustainability issues are appropriately addressed within it. Key areas for mainstreaming are i.a. the European Fund for Strategic Investment (EFSI), through the energy union and climate policy, and in particular the work on the circular economy.

- European Commission: Europe 2020. A Strategy for smart, sustainable and inclusive growth
  https://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf

"EUROPE 2020 STRATEGY EXECUTIVE SUMMARY

Europe faces a moment of transformation. The crisis has wiped out years of economic and social progress and exposed structural weaknesses in Europe's economy. In the meantime, the world is moving fast and long-term challenges – globalisation, pressure on resources, ageing – intensify. The EU must now take charge of its future.

Europe can succeed if it acts collectively, as a Union. We need a strategy to help us come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Europe 2020 sets out a vision of Europe's social market economy for the 21st century.

Europe 2020 puts forward three mutually reinforcing priorities:

- – *Smart growth: developing an economy based on knowledge and innovation.*
- – *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- – *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

The EU needs to define where it wants to be by 2020. To this end, the Commission proposes the following EU headline targets:

- – *75 % of the population aged 20-64 should be employed.*
- – *3% of the EU's GDP should be invested in R&D.*
- – *The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).*
- – *The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.*
- – *20 million less people should be at risk of poverty.*

These targets are interrelated and critical to our overall success. To ensure that each Member State tailors the Europe 2020 strategy to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories.

The targets are representative of the three priorities of smart, sustainable and inclusive growth but they are not exhaustive: a wide range of actions at national, EU and international levels will be necessary to underpin them. The Commission is putting forward seven flagship initiatives to catalyse progress under each priority theme:

  - – *"Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.*
  - – *"Youth on the move" to enhance the performance of education systems and to facilitate the entry of young people to the labour market.*

- – *"A digital agenda for Europe" to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.*
- – *"Resource efficient Europe" to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.*
- – *"An industrial policy for the globalisation era" to improve the business environment, notably for SMEs, and to support the*

development of a strong and sustainable industrial base able to compete globally.

- *– "An agenda for new skills and jobs" to modernise labour markets and empower people by developing their of skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.*
- *– "European platform against poverty" to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society."*

- Considerations on the transition from the Lisbon Strategy to Europe 2020, from the German social democratic think tank "Friedrich Ebert Stiftung", May 2010, http://library.fes.de/pdf-files/id/ipa/07218.pdf :

  "Progressive policy proposals for Europe's economic, social and environmental renewal. - The Lisbon Strategy, with its predominantly supply-side and marketliberal orientation, has failed because it did not recognise the need for a European policy-mix. - In the »Europe 2020« successor strategy, there should be a change of focus, expanding its aims beyond growth to include qualitative and sustainable economic development. - Only if social and environmental goals are put on an equal footing with economic integration will it be possible to increase social productivity in Europe. - Against this background, the authors offer a number of proposals for a coordination strategy for the next ten years and present key elements of new economic and employment policy guidelines."

- See Hartmut Marhold and Michael Meimeth (eds.): Sustainable Development in Europe. A Comparative Discourse Analysis. Baden-Baden: Nomos, 2009
- A general reflection on the ongoing transition to sustainability and the label of "Green Deal", focusing as a case study on the British Labour Party: https://viewpointmag.com/2019/10/24/green-new-deal-for-what/
- For a more general and historical approach see publications under the keyword of "neoliberalism", e.g.:
  - David Harvey: A Brief History of Neoliberalism. Oxford 2005
  - Thomas Biebricher: The Political Theory of Neoliberalism. Stanford, 2019
  - Colin Crouch: The Strange Non-Death of Neo-Liberalism. Polity Press, 2011

- *(2) How comes that the EU took this step? Why did it change its objectives? Which were the causes and drivers, which explain the turn to Sustainable Development?*

  Readings:
  - A look back to the EU elections, Fridays for future and the links to official policy, for "Foreign Policy": https://foreignpolicy.com/2019/12/30/fridays-for-future-foreign-policy-bureacrats-officials-2019-greta-thunberg/

- A sceptical outlook on behalf of “politico”, the EU inside news platform: https://www.politico.eu/article/ursula-von-der-leyens-green-deal-is-doomed-climate-change-european-commission/
- A 23min podcast from the directors of one of Brussels’s leading think-tanks, Bruegel: https://www.bruegel.org/2019/09/directors-cut-the-green-new-deal/

1.1.2 The New European Commission and its President, Ursula von der Leyen

- *Introduction:*
  - *von der Leyen, European Parliament speech July 2019* *https://multimedia.europarl.europa.eu/en/opening-statement-ursula-von-der-leyen-candidate_I175890-V_v*
  - *von der Leyen, Press statement, December 2019* *https://www.youtube.com/watch?v=BhI-YBhNFkA*

- *(3) What is the European Green New Deal? Which are its objectives? How should it be put into practice?*

  Readings:
  - Ursula von der Leyen: A Union which strives for more. My agenda for Europe https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf
  - European Commission: A European Green Deal. Striving to be the first climate-neutral continent https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en
  - The European Green New Deal, as convened upon by the EU institutions, December 2019: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640
  - An independent summary of ten essentials of the Green New Deal, by euractif: https://www.euractiv.com/section/energy-environment/news/eu-commission-unveils-european-green-deal-the-key-points/:

    - *“The European Commission unveiled its hotly anticipated European Green Deal on Wednesday (11 December, by mistake declared 11 October in euractif’s comment!)), outlining a long list of policy initiatives aimed at putting Europe on track to reach net-zero global warming emissions by*

2050. Commission President Ursula von der Leyen outlined the European Green Deal today (11 December), vowing to "leave no-one behind" in the race to achieve a climate neutral economy by 2050. "This is Europe's man on the moon moment," she said in a video statement. "Our goal is to reconcile the economy with our planet" and "to make it work for our people," she added, describing climate policy as Europe's new growth strategy. Europe wants to be a front-runner in climate friendly industries and clean technologies, the former German defence minister explained, adding: "I am convinced that the old growth model based on fossil fuels and pollution is out of date and out of touch with our planet".

Here are the 10 main points in the Commission plan:

1. ***'Climate neutral' Europe.*** *This is the overarching objective of the European Green Deal. The EU will aim to reach net-zero greenhouse gas emissions by 2050, a goal that will be enshrined in a 'Climate Law' to be presented in March 2020.*

   [the climate law – a regulation – here:
   https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020PC0080&from=EN

   … the follow-up until December 2020 here:
   https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649385/EPRS_BRI(2020)649385_EN.pdf*)*

   The centrepiece is the "European Climate Pact": https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A788%3AFIN

   Prom proposal to implementation (legislative process under way):
   https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-european-climate-law

   - That means updating the EU's climate ambition for 2030, with a 50-55% cut in greenhouse gas emissions to replace the current 40% objective. The 55% figure will be subject to a cost-benefit analysis. - The Commission wants to leave no stone unturned and plans to review every EU law and regulation in order to align them with the new climate goals. This will start with the Renewable Energy Directive and the Energy Efficiency Directive, but also the Emissions Trading Directive and the Effort Sharing Regulation, as well as the infamous LULUCF directive dealing with land use change. Proposals there will be submitted as part of a package in March 2021. - A plan for "smart sector integration", bringing together the electricity, gas and heating sectors closer together "in one system", will be presented in 2020. This will come with a new initiative to harness "the enormous potential" of offshore wind, officials said.

2. ***Circular economy.*** *A new circular economy action plan will be tabled in March 2020, as part of a broader EU industrial strategy. It will include a sustainable product policy with "prescriptions on how we make things" in order to use less materials, and ensure products can be reused and recycled. - Carbon-intensive industries like steel, cement and textiles, will also focus the attention under the new circular economy plan. One key objective is to prepare for "clean steelmaking" using hydrogen by 2030, an EU official said. "Why 2030? Because if you want clean industry in 2050, 2030 is the last investment cycle," he said. - New legislation will also be presented in 2020 to make batteries reusable and recyclable.*

3. ***Building renovation.*** *This is meant to be one of the flagship programmes of the Green Deal. The key objective there is to "at least double or even triple" the renovation rate of buildings, which currently stands at around 1%.*

4. ***Zero-pollution.*** *Whether in air, soil or water, the objective is to reach a "pollution-free environment" by 2050. New initiatives there include a chemical strategy for a "toxic-free environment".*

5. ***Ecosystems & biodiversity.*** *A new biodiversity strategy will be presented in March 2020, in the run-up to a UN biodiversity summit taking place in China in October. "Europe wants to lead by example" with new measures to address the main drivers of biodiversity loss, an EU official said. That includes measures to tackle soil and water pollution as well as a new forest strategy. "We need more trees in Europe," the official said, both in cities and in the countryside. New labelling rules will be tabled to promote deforestation-free agricultural products.*

   [The biodiversity strategy here: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/eu-biodiversity-strategy-2030_en#the-business-case-for-biodiversity]

6. ***Farm to fork strategy.*** *To be tabled in Spring 2020, the new strategy will aim for a "green and healthier agriculture" system. This includes plans to "significantly reduce the use of chemical pesticides, fertilisers and antibiotics," an EU official said. New national strategic plans due to be submitted next year by member states under the Common Agricultural Policy will be scrutinised to see whether they are aligned with the objectives of the Green Deal.*

7. ***Transport.*** *One year after the EU agreed new CO_2 emission standards for cars, the automotive sector is once again in the Commission's firing line. The current objective is to reach 95gCO_2/km by 2021. Now, "we need to work towards zero," sometime in the 2030s an EU official said.*

- Electric vehicles will be further encouraged with an objective of deploying 1 million public charging points across Europe by 2025. "Every family in Europe needs to be able to drive their electric car without having to worry about the next charging station," the official explained. - "Sustainable alternative fuels" – biofuels and hydrogen – will be promoted in aviation, shipping and heavy duty road transport where electrification is currently not possible.

8. ***Money.*** *To "leave no-one behind," the Commission proposes a Just Transition Mechanism to help regions most heavily dependent on fossil fuels. "We have the ambition to mobilise €100 billion precisely targeted to the most vulnerable regions and sectors," said von der Leyen as she presented the Green Deal today.*

   The proposed €100bn instrument has three legs:

   a. *A just transition fund that will mobilise resources from the EU's regional policy budget;*
   b. *The "InvestEU" programme, with money coming from the European Investment Bank;*
   c. *EIB funding coming from the EU bank's own capital.*

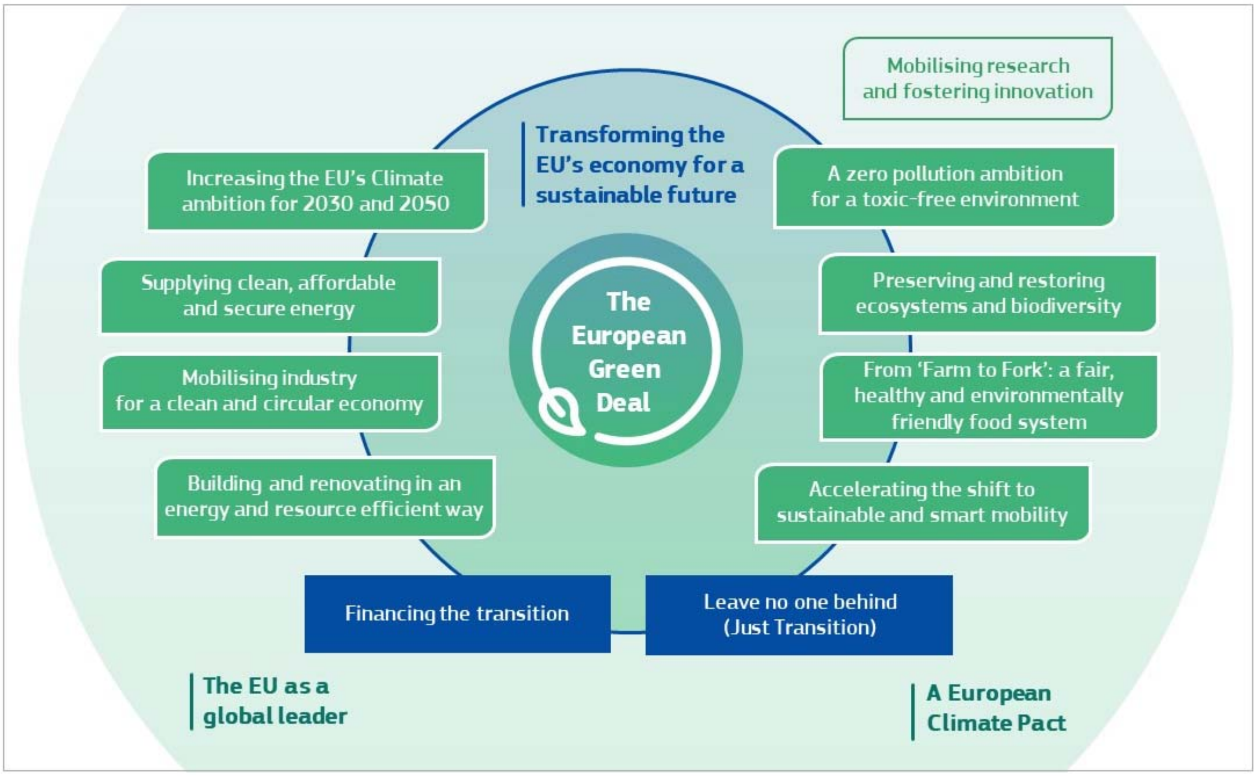
   Every euro spent from the fund could be complemented by 2 or 3 euros coming from the region. EU's state aid guidelines will be reviewed in that context so that national governments are able to directly support investments in clean energy, with blessing from the Commission's powerful competition directorate. - Regions will also be offered technical assistance in order to help them "absorb" the funds while respecting the EU's strict spending rules. - However, any state aid would have to be vetted by the Commission as part of new regional transition plans submitted beforehand to Brussels.

9. ***R&D and innovation.*** *With a proposed budget of €100bn over the next seven years (2021-2027), the Horizon Europe research and innovation programme will also contribute to the Green Deal. 35% of the EU's research funding will be set aside for climate-friendly technologies under an agreement struck earlier this year. And a series of EU research "moonshots" will focus chiefly on environmental objectives.*

10. ***External relations.*** *Finally, EU diplomatic efforts will be mobilised in support of the Green Deal. One measure likely to attract attention – and controversy – is a proposal for a carbon border tax. As Europe increases its climate ambitions, "we expect the rest of the world to play its role too," an EU official explained. But if not, Europe is "not going to be naïve," and will protect its industry against unfair competition, he added.*

To lead by example, the EU Commission itself will aim for climate neutrality by 2030. "That's a bold objective, but after all we don't make steel so we might have an easier job," the official said."

See the one-and-a-half-hour lecture/debate (40min lecture, 50min debate) at the Environmental Protection Agency of Ireland by the Director of the European Commission, DG Clima, Artur Runge-Metzger, 11 February 2020: https://www.youtube.com/watch?v=vAi12Ehvtpw



- An update as of 22nd of March 2021: "A Global Green Deal: op-ed article by Ursula von der Leyen, President of the European Commission, and Werner Hoyer, President of the European Investment Bank":

  https://ec.europa.eu/commission/presscorner/detail/en/ac_21_1322

1.1.3 Elaborating the Green New Deal (second half of 2019)

- ***From the EP Elections to the Launch of the Green New Deal Chronology 26 May – 11 December 2019***

- *26 May 2019*
  Elections of the European Parliament
  Dispute over whether the Spitzenkandidaten-rule should prevail (in this case Manfred Weber would have become President of the European Commission) or whether the heads of state and government were free to

choose and propose the President. Macron in particular was in favor of the latter.
(For background see EU observer 17 July 2019; *https://euobserver.com/political/145484)*

- *3rd July*
  European Council, after three days of negotiations, proposes von der Leyen as President of the Commission
- *16 July*
  After von der Leyen's "Opening Statement": "A Union that strives for more"
  (file:///Users/hartmutmarhold/Downloads/NA0419564ENN.en%20(1).pdf;
  With "Political guidelines, speech 16 July and speech 27 November: *file:///Users/hartmutmarhold/Downloads/NA0419786ENN.en%20(1).pdf;*
  Press corner Commission version: *https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_4230*
  ), European Parliament votes von der Leyen with a majority of 383 votes (374 needed). In her speech, von der Leyen promised a "Green New Deal" within the first 100 days of her mandate.
- *30 September/10 October*
  European Parliament rejects Hungarian and Romanian candidate for EU Commissioner's post (30 September) and the French candidate Sylvie Goulard (10 October); the rejection engenders a delay in the new Commission taking office.
  27 November
- *European Parliament approves Commission*
  (An assessment of what lays ahead for von der Leyen by Politico: *https://www.politico.eu/article/european-parliament-confirms-von-der-leyen-commission/)*
- *1st December*
  Von der Leyen officially in office, succeeding to Jean-Claude Juncker with one month of delay, since the French, Hungarian and Romanian candidates for Commissioners were refused by the European Parliament, in early October
- *11 December*
  Von der Leyen unveils Green New Deal in public and in European Parliament
  (Official Text: *https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640;*
  Comment by Politico: *https://www.politico.eu/article/the-commissions-green-deal-plan-unveiled/)*

- *The new EU Commission took office 1st of December 2019 with this programme for the first 100 days:*

  *"**Becoming the world's first climate-neutral continent by 2050***

  *As early as day 11, the Commission presented a **European Green Deal**, a roadmap to stop climate change, cut pollution and protect biodiversity.*

The European Green Deal is the EU's new growth strategy, which will help transform the economy.

The heart of the European Green Deal is the ***European Climate Law****. It enshrines the 2050 climate neutrality target into law, with a mechanism to keep everybody on track. It is a strong signal of the Commission's commitment to leadership on climate.*

It also presented a ***European Green Deal Investment Plan****, which should generate €1 trillion of investments to support a green and modern EU economy.*

The Commission also kick-started work on a ***carbon border adjustment mechanism****, to ensure a level playing field globally and fairer conditions for EU companies participating to the climate effort.*

To cushion the effects of the transition and support the workers and communities that still rely heavily on carbon intensive industries, the Commission also proposed a ***Just Transition Mechanism,*** *which should mobilise at least €100 billion. It includes the* ***Just Transition Fund****, which will invest €7.5 billion from the EU budget in the regions most affected by the industrial transition.*

The Commission also started greening its economic policies and provided a compass to the financial sector for more sustainable investments.

Next steps

- *To protect nature and curb biodiversity loss, the Commission will soon present a* ***biodiversity strategy.***
- *The Commission will propose a* ***Circular Economy Action plan,*** *setting out actions along the entire life cycle of products.*
- *The upcoming* ***Farm to Fork strategy*** *will support farmers and ensure sustainability along the agrifood value chain.*

Shaping Europe's digital future

The digital transformation should power our economy and empower our citizens.

The Commission's strategy for ***Shaping Europe's Digital Future*** *covers everything from cybersecurity to digital education, from platforms to supercomputing. It aims to help everyone seize the opportunities brought by technological change, within safe and ethical boundaries.*

It sets the path for developing cutting-edge yet trustworthy ***Artificial Intelligence*** *in the EU, with proposals to come by the end of the year. It also lays out* ***a Data Strategy to tap fully into the potential of data,*** *for the benefit of people and businesses.*

The Commission and the Member States have defined ***a common approach to ensure the security of 5G networks*** *in the EU. They endorsed* *a set of mitigating measures, both objective and proportionate, against known security risks."*

(https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/union-strives-more-first-100-days_en)

11th of December 2019, the Commission presented its "Green New Deal" (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN)

- Compared to the original Green New Deal objectives, the EU improved its goals in 2020, aiming now at 55 (instead of 40)% of CO_2 emissions by 2030 https://ec.europa.eu/clima/policies/strategies/2030_en

1.1.4 Central features of the Green New Deal (all-embracing? Lisbon Treaty? "New Deal"?)

- *(4) Is this "Green New Deal" an all-embracing, a holistic concept, as 'Sustainable Development' is? Is it about Sustainable Development? Or is it only "Green", i.e. oriented towards 'environment' (wide enough, but not holistic)? Or is it even less ambitious, aiming at stalling climate change: the overall objective is to make Europe the "first climate-neutral continent" in the world, by 2050?*
  - see Umweltbundesamt: Widening the European Green Deal's perspective towards a sustainable Europe. Aiming higher – with the right levers of change. October 2020 (appr. 70 pages): https://www.lag21.de/files/default/pdf/Portal%20Nachhaltigkeit/europa/portal-n-uberarbeitung/uba-2021-egd.pdf
  - see Frans Timmermans: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1551 (speech 1st September 2020):

    "Ten months ago, we presented the European Green Deal. A transformative agenda to combine policies to tackle climate change, to reverse biodiversity loss, and eliminate pollution by moving to a circular economy. – But it is more than that. – The Green Deal is Europe's new growth strategy. A strategy where environmental, economic and social sustainability go hand-in-hand. Because for too long, they didn't go hand in hand. For too long, different policies to boost sustainability had been uncoordinated or worse: at odds with each other. After working on this for quite some time now my main conclusion is that the green deal will be social or it will not happen. – That is why we are trying to bring it all together."

- *(5) How deep does this transition go? Is it affecting all EU policies, institutions, actions …? Or is it only a gradual, superficial, or sectoral shift?*

  Readings:
  - Speech from Frans Timmermans, Vice-President of the Commission, in charge of the Green New Deal:

https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1551

  - Von der Leyen qualifies Green New Deal as a "cultural project" (is this a hint to the Chinese concept of "ecological civilization"?), in her first State of the Union speech"; see the speech and the essentials commented:
    - https://ec.europa.eu/commission/presscorner/detail/ov/SPEECH_20_1655
    - https://euobserver.com/green-deal/149455
  - See above: critical assessments ("greenwashing"?) and Timmermans assessments

- *(6) Does the EU have all the political competences, is it entitled, empowered by the Lisbon Treaty, to act in all the relevant fields? When pretending to steer Europe towards Sustainable Development – an all-embracing concept, a holistic approach –, does the EU assume/claim the state-like right to attribute competences to itself ("Kompetenz-Kompetenz", in constitutional terms)?*

  Readings:
  - The competences of the EU - a systematic overview: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum:ai0020
  - An analysis of the EU's legal competences in the field of environment:
  - https://www.documents.clientearth.org/wp-content/uploads/library/2010-02-01-what-does-the-lisbon-treaty-mean-for-the-environment-in-europe-ce-en.pdf
  - See question 22 as well, with considerations on the legal basis for raising credits/debt and new taxes ("special legislative procedure")

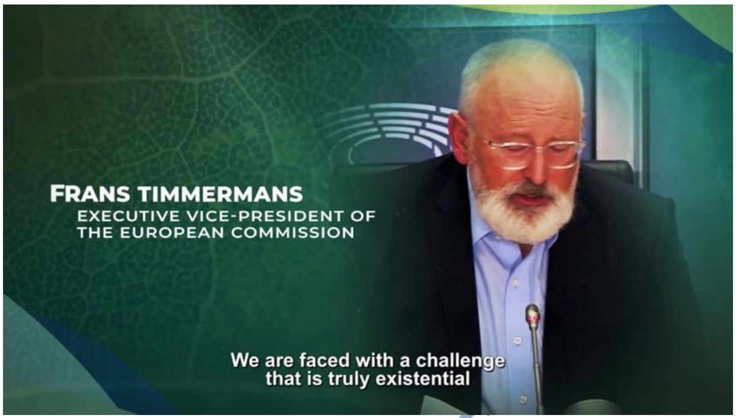
- *(7) Why was it called "Green New Deal"? What is a "New Deal"? Why should the "deal" be "green" this time? Is this a focus on environment, at the expense of the other components of Sustainable Development?*

  Readings:
  - "New Deal" historically – a very short introduction (5 min): https://www.youtube.com/watch?v=L7xGy9T6g50
  - "The Not-so-New Green Deal", by Dave Keating for Forbes: https://www.forbes.com/sites/davekeating/2020/01/28/the-not-so-new-green-deal/?sh=2630d50775df

1.2 The European Green New Deal, governance and finance

1.2.1 Governance: Frans Timmermans

- *Introduction: Frans Timmermans, speech European Parliament, 12 December 2019:*



  https://www.youtube.com/watch?v=nBhdk7olA2c

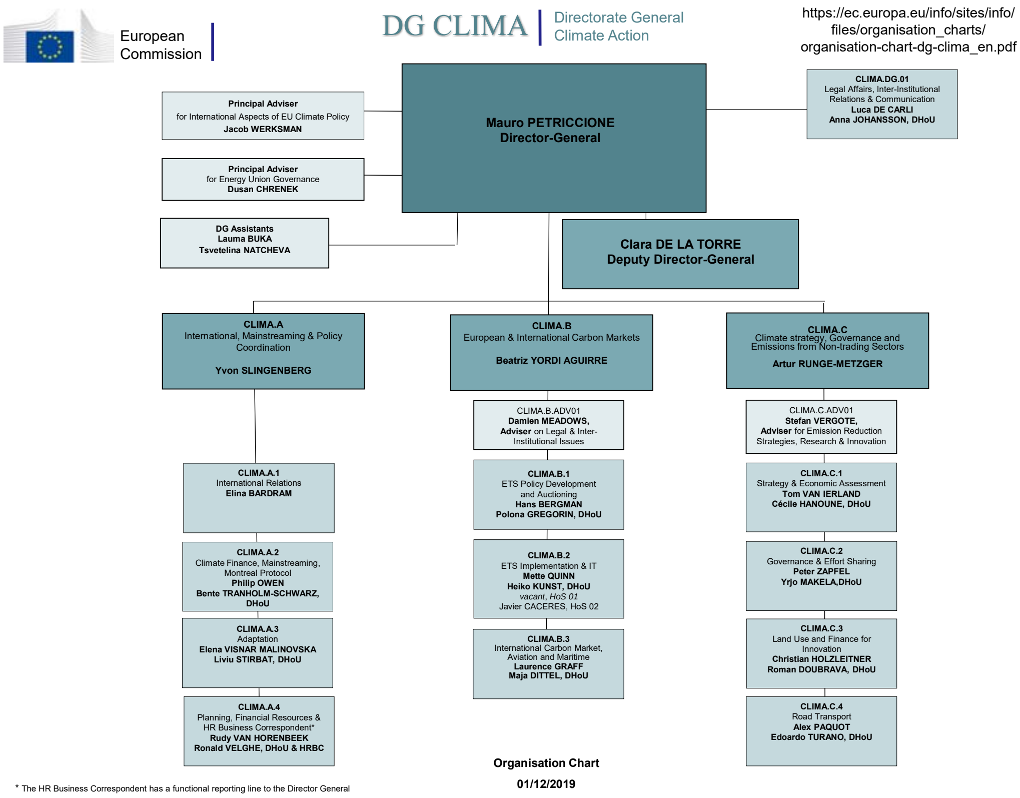
- *(8) Who, in the Commission, is responsible for the implementation of the Green New Deal?*

  Readings:
  - Frans Timmermans, Vice-President of the Commission, is responsible for the Green New Deal implementation; the links and cooperative structures in the Commission are spelled out in the Mission Letter for Timmermans (as similarly for the other Commissioners):
    - https://ec.europa.eu/commission/commissioners/2019-2024/timmermans_en
    - https://ec.europa.eu/commission/commissioners/sites/comm-cwt2019/files/commissioner_mission_letters/mission-letter-frans-timmermans-2019_en.pdf:

    "Your mission I would like to entrust you with the role of Executive Vice-President for the European Green Deal. Protecting our planet and our shared environment is our generation's defining task. It is an urgent moral, human and political obligation, which Europeans have resoundingly told us they want their Union to fulfil. It is also a long-term economic imperative: those who act first and fastest will be the ones who grasp the opportunities from the ecological transition. The European Green Deal should become Europe's hallmark. At the heart of it is our commitment to becoming the world's first climate-neutral continent. It will require collective ambition, political leadership and a just transition for the most affected. As Executive Vice-President, you will have a dual function. You will set the strategic direction and chair the Commissioners' Group on the European Green Deal. In addition, you will be responsible for the climate action portfolio. In leading the work on the European Green Deal, you will ensure all policy dimensions are fully taken into account. A European Green Deal To make a real step change, we must look at everything from how we use and produce energy, unlock private investment and support new clean

technologies, all the way through to the transport we use, the food we eat and the packaging we throw away."

Organisational Chart of the European Commission DG Clima:



- *(9) What is the role of the member states? How are they involved in the implementation, management, spending of the funds ("Green Deal Investment Plan" and "Just Transition Fund")?*

  Readings:
  - In fact, it is the member states who finally allocate and spend the money, as the government crisis in Italy (January 2021) illustrates:
    - https://www.euronews.com/2021/01/13/italy-s-government-close-to-collapse-amid-row-over-covid-recovery-cash
    - https://www.dw.com/en/political-turmoil-for-italy-comes-at-the-worst-possible-time/a-56215208

- *(10) Who controls the implementation?*

  Readings:
  - European Parliament's Resolution on the Green New Deal, 15th January 2020: https://www.europarl.europa.eu/doceo/document/TA-9-2020-0005_EN.html
  - *See above: schedule for legislative implementation*

1.2.2 Finance: the "European Green Deal Investment Plan

- *Introduction:*
  Werner Hoyer,
  speech at the
  Climate Ambition Summit
  12 December 2020

  https://www.eib.org/en/videos/eib-president-hoyer-s-speech-at-the-climate-ambition-summit-2020
- *(11) Which are the means and methods to implement the project? Which is the timeline?*

  Readings:
  - The governance relies on a regulation going back to 2018: https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L_.2018.328.01.0001.01.ENG
  - The European Investment Bank is responsible for the related investment, management of funds: https://www.eib.org/en/about/priorities/climate-action/index.htm
    Their planning is laid out in the EIB Group Climate Bank Roadmap 2021-2025 (November 2020): https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf
    (Excerpts from the Executive Summary:)

    "The European Investment Bank Group – the European Investment Bank and Fund – can help support the EU to deliver on the long-term goals of the European Green Deal and UN Sustainable Development Goals more broadly. The EIB Group is one of the largest global financiers of sustainable development in general, and climate action and environmental sustainability in particular. Through a wide spectrum of financial products and advisory services, it can work with partners to help support long-term green investment needs. Importantly, the EIB Group can support the entire spectrum of technological vi EIB Group Climate Bank Roadmap 2021-2025 innovation: from seed capital for very early-stage development through to senior debt for mature technologies. The decision of the EIB Board has two broad elements. Firstly, the EIB will increase its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025 and beyond, and thus help to leverage €1 trillion of investment by the EIB Group over the critical decade ahead. This new level of commitment is designed to accelerate the transition to a climateneutral, climate-resilient and sustainable economy. Importantly, this includes a commitment for a proposal regarding a just transition. The second core dimension of the EIB Board decision is to ensure that "all financing activities are aligned to the goals and

principles of the Paris Agreement by the end of 2020". As the EU climate bank, the EIB Group cannot support the Agreement with 50% of green finance if, at the same time, it undermines the goals with the remaining 50%. In line with the principles of sustainable finance, the EIB Group needs to ensure that all its activities do no significant harm to the low-carbon and climateresilient goals of the Agreement."

- The financial side is regulated under the "Sustainable Europe Investment Plan European Green Deal Investment Plan": [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0021:](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0021)

  - *„The Sustainable Europe Investment Plan will enable the transition to a climate-neutral, green economy across the following three dimensions:*

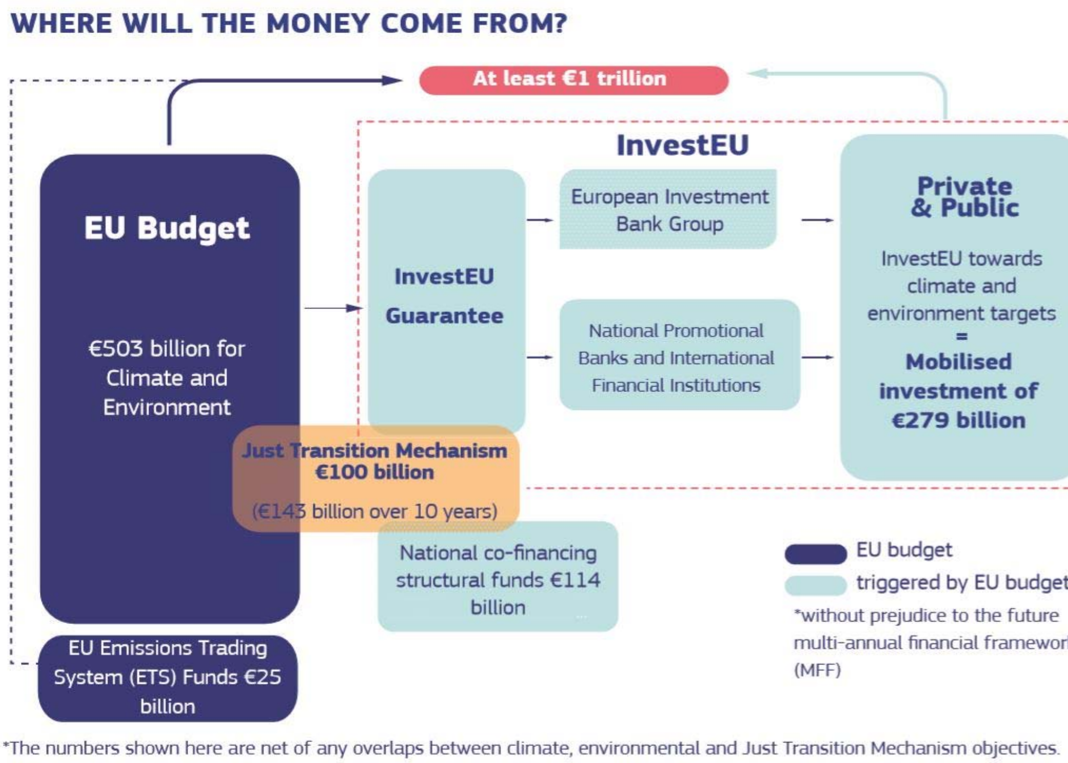
  1. *·First, the Plan will mobilise at least EUR 1 trillion of sustainable investments over the next decade through the EU budget. The EU budget will devote a greater share of public spending to climate and environment than ever before. It will crowd in private funding through guarantees and help make the transition a just one by facilitating public sector investments in the regions most affected by the transition through the Just Transition Mechanism.*
  2. *·Second, it will create an enabling framework for private investors and the public sector. It will aim to ensure a cost-effective, just, as well as socially balanced and fair transition. Financial institutions and private investors need to have the tools to properly identify sustainable investments. Notably, the EU taxonomy, the energy efficiency first principle and sustainability proofing will be key to leverage their firepower. For the public sector, the European Semester, the Environmental Implementing Review, the National Energy and Climate Plans under the Energy Union, and the plans required under the sectoral environmental legislation (e.g. on waste, water, biodiversity and air) will allow to properly identify investment needs.*
  3. *·Third, the Plan will provide tailored support to public administrations and project promoters in identifying, structuring and executing sustainable projects. Support for public authorities to assess the financial needs and plan the subsequent investment as well as direct support to public and private project promoters will be reinforced."*

- The schedule for legislative implementation, and the timeline of the European Council's deliberations on the "Green New Deal":
  - https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal

- Financing the Green New Deal: "A European Green Deal Investment Plan"; and a "Renewed Sustainable Finance Strategy"

- https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200108-financing-sustainable-growth-factsheet_en.pdf
- https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-renewed-sustainable-finance-strategy
- https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24:

  “Brussels, 14 January 2020 European Commission - Questions and answers What is the Green Deal Investment Plan?
  The European Green Deal Investment Plan (EGDIP), also referred to as Sustainable Europe Investment Plan (SEIP), is the investment pillar of the Green Deal. To achieve the goals set by the European Green Deal, the Plan will mobilise at least €1 trillion in sustainable investments over the next decade. Part of the plan, the Just Transition Mechanism, will be targeted to a fair and just green transition. It will mobilise at least €100 billion in investments over the period 2021-2027 to support workers and citizens of the regions most impacted by the transition.
  The European Green Deal Investment Plan has three main objectives: First, it will increase funding for the transition, and mobilise at least €1 trillion to support sustainable investments over the next decade through the EU budget and associated instruments, in particular InvestEU; - Second, it will create an enabling framework for private investors and the public sector to facilitate sustainable investments; - Third, it will provide support to public administrations and project promoters in identifying, structuring and executing sustainable projects.”



1.2.3 Balancing asymmetric transition shocks: the "Just Transition Fund"

- This shift of political objectives requires a transition all over the European Union – a transition, which meets different situations in different EU member states. In order to balance advantages and burdens, the Commission launched a "European Transition Fund", end of 2019.
  - o *(12) What is this Transition Fund? How much money is in the Fund? Who pays, who benefits, and why? What are the objectives, and when should they be met?*

    Readings:
    - EU Commission: The European Green Deal Investment Plan and Just Transition Mechanism explained: https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24:

      "What does the Just Transition Mechanism consist of and how will it be financed?

      While the European Green Deal Investment Plan looks at how to support the Green Deal as a whole, the Just Transition Mechanism is specifically targeted at the regions which will be most affected by the transition. This will make sure that the transition towards climate-neutrality works well for everybody.

      The Just Transition Mechanism is structured around three pillars of financing:

      - ***Just Transition Fund****: The new Fund will be equipped with its own envelope within the EU budget, which the Commission proposes to amount to €7.5 billion on top of its long-term budget proposal. The fund is covered by a new legislative proposal presented alongside the European Green Deal Investment Plan. Member States will match each euro from the Just Transition Fund with a minimum of €1.5 and a maximum of €3 from the European Regional Development Fund and the European Social Fund Plus. These resources from the EU budget will be further complemented by national co-financing according to cohesion policy rules. Taken together, the funding will reach between €30 and €50 billion over the period 2021-2027. The fund will provide primarily grants to regions where many people work in coal, lignite, oil shale and peat production or to regions that host greenhouse gas-intensive industries. It will for example support workers to develop skills and competences for the job market of the future and SMEs, but also new economic opportunities to create jobs in these regions. It will also support investments in clean energy transition, for example in energy efficiency.*
      - ***Dedicated just transition scheme under InvestEU*** *to mobilise up to €45 billion of investments. It will attract private investments that benefit those regions and help their economies find new sources of growth. For example, this could include projects for decarbonisation, economic diversification of the regions, energy, transport and social infrastructure. The scheme will operate according to the principles*

that define InvestEU, whereby a portion of the financing under InvestEU will be focused on the just transition objectives. The target of generating up to €45 billion of investments corresponds to a provisioning of around €1.8 billion from the EU budget for the InvestEU programme.

- ***Public sector loan facility with the European Investment Bank backed by the EU budget*** *to mobilise between €25 and €30 billion of investments. It will be used for concessional loans to the public sector, for example for investments in energy and transport infrastructure, district heating networks, and renovation or insulation of buildings. The loan facility will rely on a contribution of €1.5 billion from the EU budget and an EIB lending of €10 billion at its own risk. The Commission will table a legislative proposal to set up this new public sector loan facility in March 2020.*

The Just Transition Mechanism is about more than funding: relying on a Just Transition Platform, the Commission will also be providing technical assistance to Member States, regions and investors and make sure the affected communities, local authorities, social partners and non-governmental organisations are involved. The Platform will enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors. The Commission will also make it easier to invest in the transition by making sure that the regulatory framework provides the right incentives.“

- *(13) Who decides about distributing the Fund? Which are the mechanisms of governance provided for the management of the Fund?*

  Readings:
  - The European Investment Bank declared itself the "EU Climate Bank" and manages the investment of the Just Transition Fund, see a case in kind here: https://www.eib.org/en/press/all/2020-130-commission-proposes-a-public-loan-facility-to-support-green-investments-together-with-the-eib

1.3 The European Green New Deal: "Greenwashing"? Critical assessments

Readings:
- Green New Deal – only "greenwashing"? A critical assessment of the Green New Deal (Varoufakis and Adler for The Guardian): https://www.theguardian.com/commentisfree/2020/feb/07/eu-green-deal-greenwash-ursula-von-der-leyen-climate
- A half-an-hour round table discussion at TRTWorld about the virtues and shortcomings of the "Green New Deal": https://www.youtube.com/watch?v=vAi12Ehvtpw
- A critical analysis of "Green Deals" all over the world, and their lack of coherence, for the "degrowth" platform:

https://www.degrowth.info/en/2019/11/a-green-new-deal-for-an-ecological-economy/

1.4 The European Green New Deal in global context

1.4.1 The European Green New Deal and the UN Sustainable Development Goals

- How is the EU's Green New Deal positioned in the global context? What is the role of the United Nations in the "European Green New Deal"?
  - o *(14) How is this Green New Deal connected with the international commitments of the EU, namely the United Nations "Sustainable Development Goals" (to be reached in 2030), or the Paris Agreement on Climate Change (2015), or other international commitments, e.g. regarding biodiversity and development of poorer countries?*

    Readings:
    - UN Sustainable Development Goals, state of the art: "The Future is Now" (2019): https://sustainabledevelopment.un.org/content/documents/24797GSDR_report_2019.pdf

1.4.2 The European Green New Deal and the American one

- How do other countries understand and conceive their "Green New Deal" or however they call it? Three examples matter most, because of size (the first two) and/or quality (the third one):
  - o *(15a) What is the (US-)American "Green New Deal"? Who is the driver, manager, organizer? Which is the relation between civil society, states/federation?*

    Readings:

    Abstract
    The US Green New Deal (GND) resolution introduced by Congresswoman Ocasio-Cortez and Senator Markey is the first comprehensive program combining climate change mitigation and the elimination of economic inequality that could, conceivably, soon be adopted as policy in a major economy. We outline its main features, together with Senator Bernie Sanders'

more detailed, fully costed version, exploring its implications for policymaking and social science-based energy research. We focus on two of its most striking characteristics: its macroeconomics; and its inextricable linkage of climate change mitigation and the reduction of economic inequality. We find Sanders' GND economically credible and argue that the GND's use of Keynesian demand-side macroeconomics challenges governments, policymakers and citizens to think anew about the nature of money. We suggest social scientists need to challenge neoclassical economic assumptions, which, we argue, enable both climate destruction and inequality to continue. We find the GND's combining of climate protection and equality credible, and argue that shifting the debate away from neoclassical understandings of public debt to careful assessments of inflationary impacts and resource needs will generate more productive analysis. We offer these insights as a first look at the GND and challenge others to join in this research.
"State of Play on the "Green Deals" in the EU and US", webinar by EEFX (11/2019):
https://www.ecologic.eu/16993

- Ray Galvin, Noel Healy: The Green New Deal in the United States: What it is and how to pay for it. In: Energy Research and Social Science, September 2020, 101529:

  "Abstract - The US Green New Deal (GND) resolution introduced by Congresswoman Ocasio-Cortez and Senator Markey is the first comprehensive program combining climate change mitigation and the elimination of economic inequality that could, conceivably, soon be adopted as policy in a major economy. We outline its main features, together with Senator Bernie Sanders' more detailed, fully costed version, exploring its implications for policymaking and social science-based energy research. We focus on two of its most striking characteristics: its macroeconomics; and its inextricable linkage of climate change mitigation and the reduction of economic inequality. We find Sanders' GND economically credible and argue that the GND's use of Keynesian demand-side macroeconomics challenges governments, policymakers and citizens to think anew about the nature of money. We suggest social scientists need to challenge neoclassical economic assumptions, which, we argue, enable both climate destruction and inequality to continue. We find the GND's combining of climate protection and equality credible, and argue that shifting the debate away from neoclassical understandings of public debt to careful assessments of inflationary impacts and resource needs will generate more productive analysis. We offer these insights as a first look at the GND and challenge others to join in this research."

o *(15b) Which is the approach of the Biden administration to Sustainable Development/Climate change?*
  Readings:

- Biden nominated Gina McCarthy and John Kerry, for internal and external climate policy:

"WASHINGTON — One of President-elect Joseph R. Biden's loftiest campaign pledges was to reimagine the federal government to enforce new climate policies everywhere he can, while reclaiming the global climate leadership role abandoned by President Trump — objectives with few precedents and many barriers.

His choice this week of Gina McCarthy to lead a new White House office on climate policy firms up his strategy for achieving them, both domestically and on the world stage.

Ms. McCarthy, who, as head of the Environmental Protection Agency in the Obama administration, served as the architect of the nation's first climate change regulations, will take up an unusually powerful role, with authority to reach across the government to embed climate policies in virtually every federal agency. According to several people close to the Biden transition team, she will be expected to press cabinet secretaries to enact rules not requiring Congressional approval, be they stricter limits on auto emissions at the E.P.A., climate-friendly farming practices at the Agriculture Department, or requirements that corporations disclose their financial risk from climate change at the Securities and Exchange Commission, among others.

In foreign affairs, her counterpart is John Kerry, the former secretary of state who served as a key broker of the 2015 Paris Agreement, under which nearly every country in the world agreed to reduce planet-warming pollution. Mr. Biden last month named Mr. Kerry as his global climate envoy with a seat on the National Security Council, for the first time ever putting climate change at the center of every foreign policy decision that reaches the White House. Mr. Kerry has been asked to travel the world with the tricky task of prodding other nations to follow Washington's lead on climate policy, after four years during which President Trump shredded climate initiatives and mocked climate science."

New York Times, 16 December 2020:
https://www.nytimes.com/2020/12/16/climate/gina-mccarthy-john-kerry-climate-adviser.html

- President Biden's actions on climate policy over the first 10 days in office:

1. ***"Rejoined Paris Agreement**, the international pact to limit average global temperature rise to 1.5C*
2. *Directed agencies to review and reverse more than 100 Trump actions on climate and environment*
3. ***Executive Order to combat the climate crisis both at home and abroad**, including:*
4. *Establishing climate change as an essential element of US foreign policy and national security*
5. *Elevating climate in foreign policy with Special Envoy John Kerry sitting on National Security Council*
6. *Developing America's "Nationally Determined Contribution [NDC]" – each country's emission reduction target – ahead of US climate summit in April*

7. *Developing a climate finance plan*
8. *Directing the Director of National Intelligence to estimate the security implications of climate change*
9. *Directing State Department to prepare a transmittal package to the Senate for Kigali Amendment to the Montreal Protocol, which is aimed at reducing climate-warming chemicals hydrofluorocarbons*
10. *Directing all agencies to develop strategies for integrating climate considerations into international work*
11. *Establishing White House Office of Domestic Climate Policy, led by first-ever National Climate Advisor Gina McCarthy*
12. *Establishing "National Climate Task Force" across 21 federal agencies and departments*
13. *Directing federal agencies to procure carbon-free electricity and zero-emission vehicles*
14. *Ordering agencies to ensure jobs from climate funds have prevailing wage and choice to join a union*
15. *Directing each federal agency to make facilities and operations climate resilient*
16. *Pausing on entering into new oil and natural gas leases on public lands or offshore waters*
17. *Reviewing existing leasing and permitting of fossil fuel development on public lands and waters*
18. *Identifying steps to double renewable energy production from offshore wind by 2030*
19. *Directing agencies to eliminate fossil fuel subsidies*
20. *Identifying new opportunities for clean energy technologies and infrastructure*
21. *Committing to goal of conserving at least 30 per cent of US lands and oceans by 2030*
22. *Establishing a "Civilian Climate Corps" to put young people to work tackling climate change*
23. *Directing Secretary of Agriculture to consult rural America on how to use federal programs to encourage agricultural practices that reduce emissions*
24. *Establishing a working group on coal and power plant communities to help them transition*
25. *Setting up working group to advance projects that reduce methane emissions, oil and brine leaks, and other toxic harm from former mining and well sites*
26. *Formalizing commitment to make environmental justice part of the mission of every agency*
27. *Developing a "Climate and Environmental Justice Screening Tool" to identify disadvantaged communities, to inform equitable decision making*
28. ***Executive Order establishing the president's council of advisors on science and technology***

29. ***Scientific Integrity Presidential Memorandum -*** *Directing agencies to make evidence-based decisions guided by the best science and data, and prevent political interference in science*
30. ***Executive Order on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis****, including:*
31. *Cancelling the permit for the Keystone XL oil pipeline*
32. *Directing all executive departments and agencies to immediately review the rollbacks of climate and environmental regulations during the Trump era*
33. *Reducing methane emissions in the oil and gas sector*
34. *Establishing Fuel Economy Standards for vehicles*
35. *Revising Appliance- and Building-Efficiency Standards*
36. *National Emission Standards for Hazardous Air Pollutants from Coal- and Oil-Fired Electric Utility Steam Generating Units*
37. *Proposing new EPA regulations for methane and volatile organic compound emissions from existing operations in the oil and gas sector*
38. *Reviewing monument boundaries and conditions at Bears Ears National Monument, Grand Staircase-Escalante National Monument, and the Northeast Canyons and Seamounts Marine National Monument*
39. *Directing Office of Management & Budget director to develop recommendations to modernize regulatory review and undo Trump's regulatory approval process*
40. *Moratorium on oil and gas leasing in the Arctic National Wildlife Refuge*
41. *Restoring the original Obama withdrawal of certain offshore areas in Arctic waters and the Bering Sea from oil and gas drilling*
42. *Studying the social cost of carbon pollution via an interagency group*
43. *Revoking other Trump executive orders including on expediting environmental approvals for high priority infrastructure; promoting energy independence; review of designations under the Antiquities Act; and the America-First Offshore Energy Strategy*
44. *Climate change now recognized on the White House website as an "emergency" that will require meeting "the demands of science"*
45. *Hearings for key Cabinet posts with notable influence on climate action including Transportation Secretary nominee Pete Buttigieg*
46. *Janet Yellen approved as Treasury Secretary, who will assess the financial risks from climate change*
47. *Antony Blinken approved as Secretary of State, tasked with rebuilding US relationships around the world to tackle global issues including the climate crisis*
48. *Nearly 1,000 new administration appointees sworn-in via Zoom, who will play a role in "whole government" approach to crisis*
49. *Held a "climate day" at the White House on 27 January to focus on specific policy priorities*
50. *Announced a US climate summit on Earth Day - 22 April - by reconvening the Major Economies Forum*
51. *"Virtually" deployed John Kerry to Davos and first-ever UN Climate Adaptation Summit*

52. *Calls to allies including France's Emmanuel Macron, UK's Boris Johnson, Canada's Justin Trudeau, Germany's Angela Merkel and Japan's Yoshihide Suga where climate change was named as a priority*
53. *Call to Secretary-General Jens Stoltenberg of NATO to discuss priorities including climate change*
54. *"Buy American" executive order, closing loopholes and reducing waivers granted on federal purchases of domestic goods, aiming to ultimately replace 650,000 federal government fleet with electric vehicles."*

https://www.independent.co.uk/environment/climate-change/climate-change-biden-paris-agreement-keystone-trump-b1792404.html

1.4.3 The European Green New Deal and China's "Ecological Civilisation"

- *(16) What is the Chinese concept of an "Ecological Civilisation"? Is it comparable to the "Green New Deal" in Western understanding? Is it a Chinese translation/adaptation of Sustainable Development or an original concept?*

  Readings:

  - Mette Halskov Hansen, Hongtao Li, Rune Svarverud: Ecological Civilization: Interpreting the Chinese past, projecting the global future. In: Global Environmental Change vol 53, November 2018, p. 195-203; https://www.sciencedirect.com/science/article/abs/pii/S0959378018304448

    „Abstract
    Ecological civilization (shengtai wenming) has been written into China's constitution as the ideological framework for the country's environmental policies, laws and education. It is also increasingly presented not only as a response to environmental degradation in China, but as a vision for our global future. In this article, scholars from the disciplines of media science, anthropology and sinology analyse media representations of eco-civilization in order to explore which values and visions this highly profiled state project actually entails. The article argues that eco-civilization is best understood as a sociotechnical imaginary in which cultural and moral virtues constitute key components that are inseparable from the more well-known technological, judicial, and political goals. The imaginary of eco-civilization seeks to construct a sense of cultural and national continuity, and to place China at the center of the world by invoking its civilization's more than 2000 years of traditional philosophical heritage as a part of the solution for the planet's future. It is constructed as a new kind of Communist Party led utopia in which market economy and consumption continue to grow, and where technology and science have solved the basic problems of pollution and environmental degradation."

  - Berthold Kuhn, 2019, for Dialogue-of-Civilizations Research Institute: https://doc-research.org/2019/08/ecological-civilisation-china-berthold/

1.4.4 The European Green New Deal and the South Korean one

- *(17) How does the South Korean "Green New Deal" work? Why is it relatively advanced? Which are its features in terms of governance?*

  Readings:

  - South Korea's and the EU's Green Deal https://www.euractiv.com/section/energy/news/south-korea-mirrors-european-green-deal-with-net-zero-pledge-for-2050/
  - Jae-Hyup Lee and Jisuk Woo: Green New Deal Policy of South Korea: Policy Innovation for a Sustainability Transition; MDPI 6 December 2020; file:///Users/hartmutmarhold/Downloads/sustainability-12-10191.pdf:

    "Abstract: This paper explores the recently announced "Green New Deal" policy of South Korea as a sustainability transition strategy. Originally proposed as a post-COVID-19 stimulus plan, the Green New Deal is a sustainability-centered strategy for building a low-carbon and climate-neutral economy. The Green New Deal sets out eight targets to be accomplished under three strategic areas: green urban development, low-carbon decentralized energy, and innovative green industry. The Deal also takes measures to protect the people and sectors at a higher risk of being left behind in the process of the economic transition. It is an upgraded version of the "Green Growth" national policy, with more emphasis on sustainability in addition to the growth aspect. This paper will examine the accomplishments and challenges during the Green Growth policy era and argue why the transition to the new Green New Deal is necessary for a sustainability transition."

2. Next Generation EU (NGEU)

- The Corona Pandemic interfered with the Green New Deal programme, in the first semester of 2020. Another important challenge – the unequal preparedness of member states, their health systems, the resilience of their economic fabric, to meet the challenge of the pandemic – had to be addressed. In order to live up to the new challenge, the EU launched a recovery programme called "Next Generation EU", mid-2020.

2.1 Background

2.1.1 The challenge of the COVID-19 pandemic

2.1.2 The choice between "recovery first, greening later" or "green recovery": NGEU at the service of the European Green New Deal

- How Frans Timmermans, Executive Vice President of the Commission, sees the relation between the "Green New Deal" and the Pandemic Crisis:

  „But, to use a massive understatement, 2020 has not been what we were planning for. - Ten months ago, who was expecting the global health crisis that burst onto the scene a mere three months later? A crisis of such proportions that our immediate priorities had to change overnight as we reacted to the virus and its effects on our economies? - We put out the Green Deal to change the direction of growth in the long term but the virus turned growth negative in the shortest of terms. - We proposed the Climate Law to give European industries and investors predictability but the virus enveloped them in the thickest of fogs. - We set a course to make Europe the first

climate-neutral continent but the virus has thrown the world as we knew it off course. - It would have been easy and maybe even understandable to just drop everything on the spot, throw our green ambitions out the window. For who has time to think about what the planet needs ten years from now, when loved ones are ill or when you have to worry if you'll still have a job next week? People's priorities have changed. - As uncertainty grows, so does the pressure on governments to provide quick fixes. - Yet, here we are, not just maintaining our ambitions, but doubling down on the Green Deal. It was our growth strategy, and now it is also our roadmap out of this crisis, a lifeline to a better future. - We are in a very different place today from where we were and from where we expected to be, but the simple fact is thatthe Green Deal made sense then, and it makes even more sense now."

2.1.3 Lessons from the Financial, Economic and State Debt Crisis in 2008 ff.

- *(18) "Next Generation EU" builds on the experience of the financial, economic and fiscal crisis of 2008 etc. – how does "Next Generation EU" relate to the measures taken during the decade before, against the crisis of 2008? Is it a similar approach or a different one? In which features is it different?*

  Readings:
  - The European Court of Auditors analyses the measures taken between 2008 and 2012 and the lessons drawn in the Next Generation EU approach: https://www.eca.europa.eu/lists/ecadocuments/rw20_05/rw_financial_crisis_prevention_en.pdf
  - An assessment by Joel Jäger for "greenbiz"/"World Resources Institut": https://www.greenbiz.com/article/lessons-great-recession-covid-19-green-recovery
  - A comment from The Guardian (summer 2020): https://www.theguardian.com/world/2020/may/20/heed-lessons-of-2008-crisis-experts-warn-global-leaders

    - *NGEU consists mainly (390:360) of subsidies, and to a lesser extent of credits. This is to avoid a too deep dependence of receiving states from donators and to avoid a too important indebtment of the receiving states, which would finally prevent them from economic recovery, due to the burden of those credits. During the financial crisis, a similarly important rescue package was offered, but with just those inconvenients.*
    - *NGEU will for the first time finance the facility via credits. This is to avoid the much-criticized control of donators over receivers ("Troika" system), which triggered so much hostility on both sides and caused a problem with democracy, since national parliaments were marginalized in their right to decide over national expenditures.*
    - *The whole fund/facility will be used in line with and to serve European Green New Deal aims and objectives (30% directly serving climate*

policy, 7,5 and later 10% for biodiversity, a further share for digitalization – 70% at least not harming those aims) – at the difference of the post-2008 recovery, which was aiming at renewed growth first and green concerns second/later.

2.2 NGEU, emergence and essentials

2.2.1 From the Franco-German proposal to the December 2020 Council conclusions

- *(19) How did "Next Generation EU" come about? Who launched it, who was opposed, who in favour? Who succeeded in shaping the programme? How was an agreement finally reached?*

  Readings:
  - 17th May, France and Germany launched the initiative: https://www.bundesregierung.de/breg-en/news/dt-franz-initiative-1753890
  - 27th May, the Commission took over, by framing the legal act for the recovery plan: https://www.bundesregierung.de/breg-en/issues/wiederaufbauprogramm-europa-1755800
  - The decisive moment was the Special European Council meeting 17 to 21st of July 2020 (the longest EC meeting ever!), when they agreed on the financing of the plan: https://www.consilium.europa.eu/en/meetings/european-council/2020/07/17-21/

    See this policy brief on the outcome of the Council Meeting: https://track.uni-koeln.de/sites/track/user_upload/Track_Policy_Brief_European_Council_s_corona_crisis_management.pdf
  - 18th December, Council and Parliament reached an agreement on the plan: https://www.consilium.europa.eu/en/policies/eu-recovery-plan/

    - *The Franco-German initiative aimed at a 500 billion € strong recovery programme, all of which would have been subsidies (and no credits). The European Commission enlarged the scope to 750 billion €, adding 250 billion € of credits to the 500 billion € subsidies proposed by France and Germany (which is in particular for Germany a remarkable u-turn). Four countries, Austria, Denmark, Sweden, Netherlands (the "Frugal Four"), opposed the subsidies idea and insisted on the fund to be built exclusively of credits. A compromise was found at the European Council meeting in July, with an overall sum of 750 billion € for the fund, to be shared by 390 billion € as subsidies vs. 360 billion as credits.*
    - *In autumn, the negotiations had reached a detailed plan for implementation:*

„The German presidency and the European Parliament's negotiators today reached a provisional agreement on the Recovery and Resilience Facility. With a financial envelope of €672.5 billion, the facility is the centrepiece of the Next Generation EU recovery instrument. It will support public investments and reforms in member states, helping them to address the economic and social impact of the COVID-19 pandemic, as well as the challenges posed by the green and digital transitions. The Council adopted its position on the facility in October, building on the political guidance provided by the EU leaders on 17-21 July 2020 as part of the negotiations on the multiannual financial framework and the recovery package.
"Today's agreement with the European Parliament on the Recovery and Resilience Facility is the last key element of the EU's historic recovery package. With 672.5 billion euros the facility sends a strong signal of Europe's unity and determination to counter the COVID-19 crisis. It will give a strong boost to our economies and enable member states to shape a greener and more digital future for Europe's citizens and businesses. This agreement is a crucial step to ensure that the much needed money can start flowing next year." (Olaf Scholz, Germany's Federal Minister for Finance and Vice Chancellor)
The provisional agreement reached with the Parliament covers a number of elements, including the scope of the facility, horizontal principles, general eligibility rules for the national recovery and resilience plans, the elements to be provided in each plan and the assessment criteria used by the Commission. At least 37% of each plan's allocation has to support the green transition and at least 20% the digital transformation. Support will be closely linked to the recommendations of the European Semester, which identify central challenges for each member state to address to strengthen competitiveness as well as social and economic cohesion.
The governance arrangements have been confirmed as negotiated by the EU leaders. In addition, the European Parliament will be more closely involved throughout the lifespan of the implementation of the facility, including through a Recovery and Resilience Dialogue."
(https://www.consilium.europa.eu/en/press/press-releases/2020/12/18/recovery-and-resilience-facility-council-presidency-and-parliament-reach-provisional-agreement/)
(See as well question 22)

- *(20) What is this recovery programme? Which are its aims and objectives? What means "recovery" exactly – back to the pre-crisis economic performance? … or a shift towards other objectives, closer to the "Green New Deal" goals?*

  Readings:

  - The overall shape of the recovery programme, outlined by the European Commission: https://ec.europa.eu/info/strategy/recovery-plan-europe_en

- A comment/evaluation of "Next Generation EU" by one of the leading Brussels think-tanks, CEPS (https://www.ceps.eu/), July 2020: https://www.ceps.eu/next-generation-eu-2/

  - *"NextGenerationEU is a €750 billion temporary recovery instrument to help repait the immediate economic and social damage brought about by the coronavirus pandemic. Post-COVID-19 Europe will be greener, more digital, more resilient and better fit for the current and forthcoming challenges.*

    The Recovery and Resilience Facility: the centrepiece of NextGenerationEU with €672.5 billion in loans and grants available to support reforms and investments undertaken by EU countries. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. Member States are working on their recovery and resilience plans to access the funds under the Recovery and Resilience Facility.

    Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU): NextGenerationEU also includes €47.5 billion for REACT-EU. It is a new initiative that continues and extends the crisis response and crisis repair measures delivered through the Coronavirus Response Investment Initiative and the Coronavirus Response Investment Initiative Plus. It will contribute to a green, digital and resilient recovery of the economy. The funds will be made available to
    - the European Regional Development Fund (ERDF)
    - the European Social Fund (ESF)
    - the European Fund for Aid to the Most Deprived (FEAD)
    These additional funds will be provided in 2021-2022 from NextGenerationEU and in 2020 through a targeted revision to the current financial framework.

    NextGenerationEU will also bring additional money to other European programmes or funds such as Horizon2020, InvestEU, rural development or the Just Transition Fund (JTF)."

    (https://ec.europa.eu/info/strategy/recovery-plan-europe_en)

2.2.2 Credits, debts and EU taxes

- *(21) "Next Generation EU" is implemented via the "Recovery and Resilience Facility", the financial framework for the plan. How does that work?*
  Readings:
  - "The Commission proposed the Facility on 27 May 2020 as the centrepiece of Next Generation EU, a temporary recovery instrument that allows the

Commission to raise funds to help repair the immediate economic and social damage brought about by the coronavirus pandemic. The Facility is also closely aligned with the Commission's priorities ensuring in the long-term a sustainable and inclusive recovery that promotes the green and digital transitions. – On 21 July 2020, the European Council reached a political agreement on Next Generation EU, including the Facility, and the 2021-2027 long-term EU budget":
https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

- *The NGEU fund is a 750 billion € strong fund, 390 of which will be subsidies, 360 credits*
- *These 750 billion € will come from borrowing on the financial markets and be repaid by new own resources of the EU, to be created.*
- *The Commission will be empowered to borrow on the financial markets, i.e. to get the EU indebted, on the basis of a Council Decision (14 December 2020: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.424.01.0001.01.ENG&toc=OJ:L:2020:424:TOC). The borrowing should end in 2026 at the latest, the debt should be repayed between 2028 and 2058.*

- *(21a) Who (which member states) will benefit most from the Fund, and how will it be paid back?*

  Readings:

  - *Zsolt Darvas: The nonsense of Next Generation EU net balance calculations.*

  Executive summary.
  "The estimation of payments from the European Union's COVID-19 economic recovery fund, Next Generation EU (NGEU), to each EU country in 2021-2026 involves uncertainties, yet the overall magnitudes can be estimated with a reasonable degree of precision. In contrast, estimating member states' contributions to the repayment of EU debt (which will be issued to finance NGEU spending) is burdened with enormous difficulties, primarily related to the uncertainty of gross national income projections up to 2058. Some numerical scenarios can be put forward to illustrate the difficulties in estimating the amounts of such future contributions. Proposals to introduce new direct revenues to the EU budget ('own resources') are welcome because of their positive externalities, such as reducing harmful emissions or levelling the playing field in the single market. But ultimately, new revenue sources for the EU budget imply that such revenues will not accrue to national budgets. The EU's traditional way of calculating net balances in relation to the EU budget disregards the economic impact of the EU budget. This is a drawback for the standard sevenyear EU budget, but especially problematic for NGEU, which is a temporary instrument. A proper analysis should compare the scenario in which there is no NGEU with the NGEU scenario, in which increased incomes

arising from NGEU should also be considered in addition to direct cash flows between the EU budget and member states. Assessing the economic impact of NGEU is very difficult, while the European Commission's impact assessment seems greatly exaggerated. Even one-half of the estimated impact of the Commission's 'low additionality' scenario would make all EU member states net financial beneficiaries of NGEU. Instead of concentrating on net balances, NGEU should help to focus more on effective, efficient and fair ways of spending EU money and the long-term benefits countries can derive from it."
Recommended citation Darvas, Z. (2021) 'The nonsense of Next Generation EU net balance calculations', Policy Contribution 03/2021, Bruegel Policy Contribution Issue n°03/21 | January 2021 T [*https://www.bruegel.org/wp-content/uploads/2021/01/PC-03-2021-270121-1.pdf*](https://www.bruegel.org/wp-content/uploads/2021/01/PC-03-2021-270121-1.pdf)

2.2.3 Legal and constitutional aspects – NGEU in the framework of the Lisbon Treaty

- *This decision is based on Art. 311 TFEU, providing the EU with the possibility to create new own resources (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12008E311). Such a decision has to be taken by means of a "special legislative procedure", in opposition to the "ordinary legislative procedure". EUR-Lex: "Unlike in the case of the ordinary legislative procedure, the TFEU does not give a precise description of special legislative procedures. The rules for these are therefore defined on a case-by-case basis by the treaty articles that lay down the conditions for their implementation. - Under special legislative procedures, the Council is, in practice, the sole legislator. The Parliament is simply associated with the procedure." (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Aai0016; more details on the "special legislative procedure": https://www.consilium.europa.eu/en/council-eu/decision-making/special-legislative-procedures/)*
- *In this case, the Council considered what is at stake so important that they decided to let the national parliaments agree ("ratify") this European legal act.*
- *In more general, "constitutional" terms, this case is a proof of how open the Lisbon Treaty in fact is: It allows in many areas (like the potential shift from unanimity to qualified majority voting) evolutions, which in former times would have required treaty change or even a new treaty. The Lisbon Treaty is marked by the desire of the Heads of State and Government to make sure that further treaty change will not be necessary – so painful was the way towards this treaty, after five previous treaties (and the failed Constitutional Treaty) in twenty years. Eventually, the Lisbon Treaty is extendable and allows for a further shift of power from the nation states to the European level.*

However, the other lesson of this case is that the governments insist on their democratic institutions to agree, which equals a sort of step-by-step or incremental treaty change/treaty evolution.
On legislative acts under the rules of the Lisbon Treaty in general see Edward Best: Legislative Procedures after Lisbon: Fewer, Simpler, Clearer? 2008; https://ael.eui.eu/wp-content/uploads/sites/18/2014/05/Curtin-05-Background-02-Best.pdf
More on the flexibility introduced by the Lisbon Treaty in M. Patraus, D.D. Patraus: Brief Consideration on the European Legislative Procedures, with Particular Reference to Passerelle Clauses. In: AGORA International Journal of Juridical Sciences, http://univagora.ro/jour/index.php/aijjs ISSN 1843-570X, E-ISSN 2067-7677 No. 1 (2017), pp. 7-15; the key idea here is: "The Treaty of Lisbon has introduced passerelle clauses to be able to apply the ordinary legislative procedures to areas in which treaties have established a special legislative procedure. Moreover, these clauses allow qualified majority voting to be applied to acts which are to be adopted unanimously." In general, such flexibility of the Lisbon Treaty, which allows to allocate more political power (decision making competence) to the European Union, shifting power from the state to the Union level, is due to the fact that the Lisbon Treaty was so difficult to achieve and should therefore last for a generation, without any need for another treaty or treaty change. The power to apply such passerelle clauses brings the EU closer to the status of a sovereign state, since the definition of sovereignty may by the "competence-competence", i.e. the legitimate right to assume and allocate competences. This can now be done at the EU level, but only by the representatives of the member states (the Council), so that in the end it is still the member states (in an institution of the Union), who decide about the allocation of competences.

- *The new own resources should be:*
  - *a carbon border adjustment mechanism*
  - *a digital levy*
  - *the Emissions Trading System*
  - *or else a Financial Transaction Tax etc.*

- *(22) "Next Generation EU" has been qualified a "Hamiltonian Moment" for European integration, referring to the creation of a US Central Bank and the takeover of member states debts by the federal level, thus binding the states tightly into the Federation – is the historical comparison appropriate? Or what else does it mean for the EU to have this "Next Generation EU" fund?*

  Readings:

  Readings:
  - The role of the EIB is outlined in a FAQ document of the Commission:
    - https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_947

- About the meaning of a "Hamilton Moment":
  - See Scholz' quote by Redaktionsnetzwerk Deutschland (RND), 22 Mai 2020: https://www.rnd.de/politik/europas-hamilton-moment-das-mega-thema-dieser-zeit-3ACNMNNEDZGA3GDXW42V3Y6IYE.html: "Only slowly do experts and and non-experts recognize the revolutionary dimension of the recovery fund proposed by France and Germany", etc. (Translation HM). An English account of what Scholz said here: https://www.cnbc.com/2020/10/13/olaf-scholz-europe-economy-can-get-back-to-pre-crisis-level-by-2022.html
  - https://fedtrust.co.uk/what-is-a-hamilton-moment/
  - https://www.politico.eu/article/this-isnt-europes-hamilton-moment/

o "The German Constitutional Court has blocked the EU's recovery fund. What happens now?" (Jorge Liboreire for EuroNews, 30 March 2021):

- *„After its shocking ruling of May 2020 that threatened the participation of the German central bank in a vital bond-buying scheme of the European Central Bank, the tribunal has taken aim at another EU-wide initiative: the €750 billion coronavirus recovery fund, also known as Next Generation EU.*
- *In yet another surprising move, the German Federal Constitutional Court, based in the city of Karlsruhe, has paused the ratification process of the Own Resources Decision, the legislative instrument that would allow the European Commission to borrow money directly from the capital markets and repay it over the next decades.*
- *The Own Resources Decision must be ratified by all 27 member states before the Commission can set the recovery fund in motion and distribute the cash in the form of grants and low-interest loans. As of today, only 16 countries have submitted their ratification, with 11 still assessing and debating the bill.*
- *Last Friday, German President Frank-Walter Steinmeier was ready to sign off Germany's ratification of the legal text, which had received a large, cross-party support in both chambers of the Bundestag, the country's federal parliament.*
- *But the constitutional court prevented Steinmeir from rubber-stamping the text in order to examine first an emergency appeal filed by the far-right party Alternative for Germany (AfD) and a civic group named Bündnis Bürgerwille, or Citizens' Will Alliance. Both argue the recovery fund breaches the EU treaties.*
- *Reacting to the news, the European Commission reaffirmed its confidence on the legal validity of the Own Resources Decision. A spokesperson said on Monday that it was "crucial" that all ratifications are in place before the end of June and refused to suggest alternative routes if the deadline is not met in time.*
- *It is unclear how long the German court will take to examine the emergency appeal. It could take weeks or months, perhaps thwarting the Commission's schedule. For the time being, the process is on hold:*

Germany can't proceed with the ratification until Karlsruhe pronounces itself.

- https://www.euronews.com/2021/03/30/the-german-constitutional-court-has-blocked-the-eu-s-recovery-fund-what-happens-now

- Oliver Picek: Spillover Effects From Next Generation EU. In: Intereconomics. Volume 55 · September/October 2020 · Number 5
  Abstract: "In July 2020, the European Commission announced its €750 billion package to revive the postpandemic European economy, Next Generation EU. The programme comprises a number of loans and grants that will be funded by taking out European debt. Although the rules on liability sharing for Next Generation EU prevent a significant mutualisation of the debt, European leaders have taken the long-recognised significant first step towards European financial and political unification that stands in stark contrast to the misguided austerity programmes during the European sovereign debt crisis."
  https://www.intereconomics.eu/pdf-download/year/2020/number/5/article/spillover-effects-from-next-generation-eu.html

2.3 NGEU and the EU Multiannual Financial Framework (MFF)

- *(23) "Next Generation EU" itself came nearly at the same time, when the new seven years "Multi-Annual Financial Framework" (MFF) had to be elaborated, shaped, and decided upon (to be put into practice from 1/2021 on) – how were these two negotiations linked?*
- *(24) The combined decisions about the recovery programme ("Next Generation EU") and the MFF had to be taken in the second semester of 2021 – how did that work? How were the decisions made possible?*
  Readings:
  - How the Commission officially sees the link, when launching the plan (May 2020)/when the MFF was adopted (December 2020)
    - https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_935
    - https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/eu-budget-2021-2027_en

2.4 The Role of the European Central Bank

- *(24 a) Does the European Central Bank contribute to the recovery and if so, in which way?*
  Readings:
  - The ECB has launched the "PEPP" programme:
    "The ECB's pandemic emergency purchase programme (PEPP) is a non-standard monetary policy measure initiated in March 2020 to counter the

serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the coronavirus (COVID-19) outbreak.

The PEPP is a temporary asset purchase programme of private and public sector securities. The Governing Council decided to increase the initial €750 billion envelope for the PEPP by €600 billion on 4 June 2020 and by €500 billion on 10 December, for a new total of €1,850 billion. All asset categories eligible under the existing asset purchase programme (APP) are also eligible under the PEPP, as well as a waiver of the eligibility requirements has been granted for securities issued by the Greek Government.

In addition, the eligibility of non-financial commercial paper under the corporate sector purchase programme (CSPP) was expanded to include securities with a remaining maturity of at least 28 days. These securities can be purchased under both the CSPP and the PEPP. Previously, only commercial paper with a remaining maturity of at least six months had been eligible for purchase under the CSPP. The residual maturity of public sector securities eligible for purchase under the PEPP ranges from 70 days up to a maximum of 30 years and 364 days.

For the purchases of public sector securities under the PEPP, the benchmark allocation across jurisdictions will be the Eurosystem capital key of the national central banks. At the same time, purchases will be conducted in a flexible manner on the basis of market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation. The flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy.

The Governing Council will terminate net asset purchases under the PEPP once it judges that the COVID-19 crisis phase is over, but in any case not before the end of March 2022. The maturing principal payments from securities purchased under the PEPP will be reinvested until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary stance.

Weekly changes are reported below and in the Eurosystem weekly financial statement. Full historical data are available in the Statistics section under Data on daily liquidity conditions.

Securities purchased under the monetary policy portfolios are made available for securities lending to support market liquidity and collateral availability in the market."

https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html

2.5 NGEU, governance and finance

2.5.1 The European Investment Bank

Readings:

- The role of the EIB is outlined in a FAQ document of the Commission:

- https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_947

"What is the role of the EIB Group in the new proposal?

Given its role under the Treaties, its capacity to operate in all Member States and the existing experience under the current financial instruments and the EFSI, the European Investment Bank Group will remain a privileged implementing partner for the InvestEU. It will implement 75% of the EU guarantee. - The EIB Group will also play a central role in implementing advisory support under the InvestEU Advisory Hub. Moreover, it will advise the Commission and perform operational tasks in relation to the Hub.

Is the new window open to other implementing partners than the EIB Group?

Yes. The new window is open to other implementing partners than the EIB Group, including national promotional banks and institutions, as well as international financial institutions such as the European Bank for Reconstruction and Development or the Council of Europe Development Bank. - The Commission will continue the discussions with potential implementing partners to ensure a swift and efficient deployment of the instrument, which is even more crucial under the current circumstances.

Are there any changes to the InvestEU governance?

An Investment Committee composed of independent experts will remain responsible for approving the individual requests. As the Investment Committee will operate in different configurations corresponding to the InvestEU policy windows, a fifth configuration has been added to the proposal.

Are there any changes to the InvestEU eligibility criteria?

The policy areas eligible for financing and investment operations under the existing four windows remain the same as proposed and negotiated in annex II to the InvestEU Regulation. However, for the strategic European investment window, new intervention areas are introduced, as referenced above.- In case a financing or investment operation proposed to the Investment Committee falls under more than one policy window, it will be attributed to the policy window under which its main objective or the main objective of most of its sub-projects falls. The Investment Guidelines will specify the criteria for the allocation of financial products (under which financing and investment operations will be submitted) to specific windows."

For more see the EIB Investment Report 2020/2021, under the title "Building a smart and green Europe in the COVID-19 era": https://www.eib.org/attachments/efs/economic_investment_report_2020_2021_en.pdf:

Executive Summary: "Post-pandemic: Stagnation or transformation? Europe faces a choice. The recovery from the coronavirus pandemic provides a unique opportunity for transformation – the innovative retooling needed to thrive in the new, more digital world created by the pandemic, while also limiting climate change and preparing for its impact. It is an opportunity to set Europe firmly on a path to carbon neutrality by 2050 and shore up its global leadership in smart-green technology. It is an opportunity to repair the damage wrought by the pandemic and to strengthen social cohesion. Yet there is also a serious risk. The uncertainties and financial strains created by the pandemic could keep the EU economy from embarking on the necessary transformation. The dangers are numerous: massive public spending is too untargeted; Europe falls behind the new wave of digitalisation; it fails to make the transition fast enough; and it loses the advantages of its leadership in green technology. Failing to live up to these challenges means more than just a longer recovery. It means that Europe's sustainability, competitiveness and prosperity might be impaired for decades to come. This report is about the investment needed to achieve the smart and green transformation of the European economy. It is about progress so far – the fallout from the pandemic and what is needed to get back on track. It examines the state of investment and investment finance for climate change mitigation and for the adoption of digital technologies. It looks at how Europe is positioned at the critical intersection of green and digital innovation, the role of investment by municipalities, and the risks and opportunities of the twin digital and green transition1 for social cohesion. Throughout, the report examines the latest impact of the coronavirus pandemic and the urgent policy response needed."

2.5.2 The European Semester

Readings:

- The recovery plan will be implemented in the framework of the EU budget, under the European Semester mechanism, as outlined by Miguel Álvarez for "funcas" (https://www.funcas.es/en/home/) : https://www.funcas.es/articulos/eu-recovery-fund-timetable-and-links-with-eurozone-governance/:

    - *"An important aspect of the EU's coronavirus recovery plan is how countries will access the funding they are eligible for. The recovery plan is designed as an extension to the EU's regular budget, and its governance will be integrated within the European Semester process. Member states will submit multi-year recovery and resilience plans as part of the2021 European Semester, and progress against set milestones and targets will be assessed each year after that.*
      The main framework for this will be the member states' National Climate and Energy Plans. These were submitted in 2019, and were intended to guide government policy coordination over the period of 2021-2030. The main change to the EU's economic governance under the von der Leyen Commission was supposed to be a shift in focus to the EU's sustainable growth strategy, the European Green Deal. While the Coronavirus pandemic has distracted policy attention away from the climate and energy transitions, the European Green Deal remains the overarching framework of EU economic policy. The member states' recovery and resilience plans will need to be compatible with the green transition goals, already set by the member states in their National climate and Energy Plans for the coming decade."
    - *The "European Semester" is a control mechanism hastily established in 2010, after the 2008 Financial Crisis, and later on integrated in a set of legal acts ("Six Pack" and "Two Pack"), which regulate and extend the European control and supervision of national budget planning. Early every year, all member states (whether beneficiaries of rescue and recovery funds or not) have to submit their budget plans for the next year to the European Commission, all member states examine those plans and eventually emit "Country Specific Recommendations", at the end of the first six months of every year (therefore "European Semester"), aiming at redirecting national budget planning to meet the requirements of sound public finances and competitive economic development, with a very wide scope of such recommendations, including the whole range of welfare state policies.*
      Thanks to this wide scope, these Country Specific Recommendations have hardly been implemented by many

member states. In principle, the European Commission disposes of a tough sanction mechanism, armed with fees or denial of further financial help. But the decision over such sanctions is too tough to be applied: It passes by a "reversed qualified majority", i.e. the Commission's proposal passes not only if a qualified majority of the member states supports them, but already if there is no qualified majority against them. It is therefore doubtful, whether and how much impact the Commission will have on the use of the new funds, too.

- The control of the Recovery and Resilience Facility is exercised by the Commission, binding the funding and reforms together:

    - "The European Commission has a clear message for EU capitals in ongoing talks on the content of their recovery plans: unless you tackle some long-standing structural issues and commit to significant reforms, the money won't flow.

      The European Parliament Tuesday night approved the regulation for the Recovery and Resilience Facility, the pot of €672.5 billion in grants and low-interest loans to help fund the national recovery plans. EU countries should start receiving the money in the summer.

      The large-scale transfers under the facility — sometimes amounting to several percentage points of a country's GDP — justify a high level of scrutiny and the imposition of certain conditions from Brussels. But using the disbursal of the funds to prod governments to undertake politically unpalatable pension-system adjustments or labor-market reforms could backfire."

      https://www.politico.eu/article/brussels-recovery-bet-tying-funds-to-structural-reforms/

- An opinion on the role of the European Semester and its role in controlling the use of the recovery fund by the member states, by Thomas Wieser, Bruegel, for European Parliament: https://www.bruegel.org/wp-content/uploads/2020/10/IPOL_IDA2020651368_EN.pdf

- Stefanie Berendsen and Audrey Mathieu (Germanwatch): The European Semester's Key Role for a Green Recovery; Policy Brief, February 2021: https://germanwatch.org/sites/default/files/2021-02-15_PolicyBrief_EuropeanSemester%2BClimateTargets.pdf

- 10 of February 2021, the European Parliament approved the regulation on the Recovery and Resilience Facility:

https://www.europarl.europa.eu/news/en/press-room/20210204IPR97105/parliament-gives-go-ahead-to-EU672-5-billion-recovery-and-resilience-facility

See the regulation itself here:
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0241

2.6 How do the "Green New Deal" (with the "Just Transition Fund") and "Next Generation EU" (together with the MFF) relate to each other?

- *(25) Is there an official, conscious, articulated relation between the "Green New Deal" and "Next Generation EU"?*

  Readings:
  - The Commission is not explicit on the question, but addresses it in so far as the shares of the recovery fund dedicated to sustainability/environment are fixed; details in "Questions and Answers on the agreement on the €1.8 trillion package to help build greener, more digital and more resilient Europe" (November 2020): https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_2088

- *(26) Does "Next Generation EU" confirm the shift/transition towards Sustainable Development? Or does it emphasize the economic recovery, disregarding the means, direction, objectives?*

  Readings:
  - Andrija Erac:
    Aligning the European Recovery Plan and the European Semester with the SDGs (29 October 2020), for Sustainable Development Solutions Network (https://www.unsdsn.org/): https://www.unsdsn.org/aligning-the-european-recovery-plan-and-the-european-semester-with-the-sdgs

  - Swen Giegold, one of the leading German Greens in the European Parliament, assesses chances and limits of the Next Generation EU/Green New Deal: https://sven-giegold.de/en/agreement-eu-budget-green-deal-financing/

- *(27) What is the share of Sustainable Development objectives in "Next Generation EU" and the MFF for 2021-2027? What are the other sectors aiming at?*

  Readings:
  - See above FAQ Commission, November 2020, and Giegold
  - An outspoken critique of the Green New Deal before, and a pledge for a holistic Green New Deal after the pandemic, by GNDE ("Green New Deal for Europe", coalition from researchers and activists all over Europe): https://www.gndforeurope.com/covid

- *(28) How is the governance, management, implementation, control of the "Green New Deal" and "Next Generation EU" related? Is it the same structure/procedure for both or are there parallel governance files?*

  Readings:
  - See above, Timmermans' "Mission Letter"
  - Next Generation EU: See Conclusions of the European Council meetings in July and December 2020
    - https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf
    - https://www.consilium.europa.eu/media/47296/1011-12-20-euco-conclusions-en.pdf

3. Ratification and Implementation

3.1 Ratification, at EU and member state level

3.1.1 Climate Law and Climate Pact

- *(29) Which are the legal steps towards implementation of the climate objectives in the Green New Deal?*
  - Readings:

"EU climate action and the European Green Deal

The EU is fighting climate change through ambitious policies at home and close cooperation with international partners.

It is already on track to meet its greenhouse gas emissions reduction target for 2020, and has put forward a plan to further cut emissions by at least 55% by 2030.

By 2050, Europe aims to become the world's first climate-neutral continent.

Alongside reducing greenhouse gas emissions, the EU is also taking action to adapt to the impacts of climate change. By 2050, Europe aims to be a climate-resilient society.

European Green Deal

Climate action is at the heart of the European Green Deal – an ambitious package of measures ranging from ambitiously cutting greenhouse gas emissions, to investing in cutting-edge research and innovation, to preserving Europe's natural environment.

First climate action initiatives under the Green Deal include:

- *European Climate Law to enshrine the 2050 climate-neutrality objective into EU law*
- *European Climate Pact to engage citizens and all parts of society in climate action*
- *2030 Climate Target Plan to further reduce net greenhouse gas emissions by at least 55% by 2030*
- *New EU Strategy on Climate Adaptation to make Europe a climate-resilient society by 2050, fully adapted to the unavoidable impacts of climate change.*

By June 2021, the Commission will also review and, where necessary, propose to revise all relevant policy instruments to deliver additional greenhouse gas emissions reductions.

At international level, the EU will continue to lead international negotiations to increase the ambition of major emitters ahead of the United Nations climate change conference in Glasgow (COP26).

The Commission is also keen to reduce its environmental impact as an institution and employer. It will present a comprehensive action plan in 2021 to reflect the objectives of the Green Deal across all its sites and become climate neutral by 2030. A feasibility and scoping study Search for available translations of the preceding link••• for the Commission to become climate neutral by 2030 has been carried out to inform the action plan.

https://ec.europa.eu/clima/policies/eu-climate-action_en

Agreement reached between Council and Parliament on Climate Law:

"European climate law: Council and Parliament reach provisional agreement

A climate neutral EU - what does it mean?

The Council's and the European Parliament's negotiators reached a provisional political agreement setting into law the objective of a climate-neutral EU by 2050, and a collective, net greenhouse gas emissions reduction target (emissions after deduction of removals) of at least 55% by 2030 compared to 1990.

We are very happy with the provisional deal reached today. The European climate law is "the law of laws" that sets the frame for the EU's climate-related legislation for the 30 years to come. The EU is strongly committed to becoming climate neutral by 2050 and today we can be proud to have set in stone an ambitious climate goal that can get everyone's support.

With this agreement we send a strong signal to the world - right ahead of the Leader's Climate Summit on 22 April - and pave the way for the Commission to propose its "fit-for-55" climate package in June.

João Pedro Matos Fernandes, Minister of Environment and Climate Action Regarding the 2030 target, negotiators agreed on the need to give priority to emissions reductions over removals. In order to ensure that sufficient efforts to reduce and prevent emissions are deployed until 2030, they introduced a limit of 225 Mt of CO2 equivalent to the contribution of removals to the net target. They also agreed the Union shall aim to achieve a higher volume of carbon net sink by 2030.

Other elements of the provisional agreement include the establishment of a European Scientific Advisory Board on Climate Change, composed of 15 senior scientific experts of different nationalities with no more than 2 members holding the nationality of the same member state for a mandate of four years. This independent board will be tasked, among other things, with providing scientific advice and reporting on EU measures, climate targets and indicative greenhouse gas budgets and their coherence with the European climate law and the EU's international commitments under the Paris Agreement.

The negotiators agreed that the Commission would propose an intermediate climate target for 2040, if appropriate, at the latest within six months after the first global stocktake carried out under the Paris Agreement. It will at the same time publish a projected indicative Union's greenhouse gas budget for the period 2030-2050, together with its underlying methodology. The budget is defined as the indicative total volume of net greenhouse gas emissions (expressed as CO2 equivalent and providing separate information on emissions and removals) that are expected to be emitted in that period without putting at risk the Union's commitments under the Paris Agreement.

Negotiators also agreed that the Commission would engage with sectors of the economy that choose to prepare indicative voluntary roadmaps towards achieving the Union's climate neutrality objective by 2050. The Commission would monitor the development of such roadmaps, facilitate the dialogue at EU-level, and share best practices among relevant stakeholders.

The provisional agreement also sets an aspirational goal for the EU to strive to achieve negative emissions after 2050.

The provisional political agreement is subject to approval by the Council and Parliament, before going through the formal steps of the adoption procedure. The provisional agreement was reached by the Council's

Portuguese Presidency and the European Parliament's representatives, based on mandates from their respective institutions.

The text of the agreement will follow.

Background

The European Council, in its conclusions of 12 December 2019, agreed on the objective of achieving a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement, while also recognising that it is necessary to put in place an enabling framework that benefits all member states and encompasses adequate instruments, incentives, support and investments to ensure a cost-efficient, just, as well as socially balanced and fair transition, taking into account different national circumstances in terms of starting points.

On 4 March 2020, the European Commission adopted its proposal for a European climate law, as an important part of the European Green Deal. On 17 September 2020, the Commission adopted a proposal amending its initial proposal to include a revised EU emissions reduction target of at least 55% by 2030. The Commission also published a communication on the 2030 climate target plan, accompanied by a comprehensive impact assessment.

On 10-11 December the European Council in its conclusions, endorsed a binding EU target of a net domestic reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990.

The Council adopted a general approach on 17 December 2020, after which the Council and the Parliament launched a series of trilogue meetings with the aim of securing an agreement on the final text."

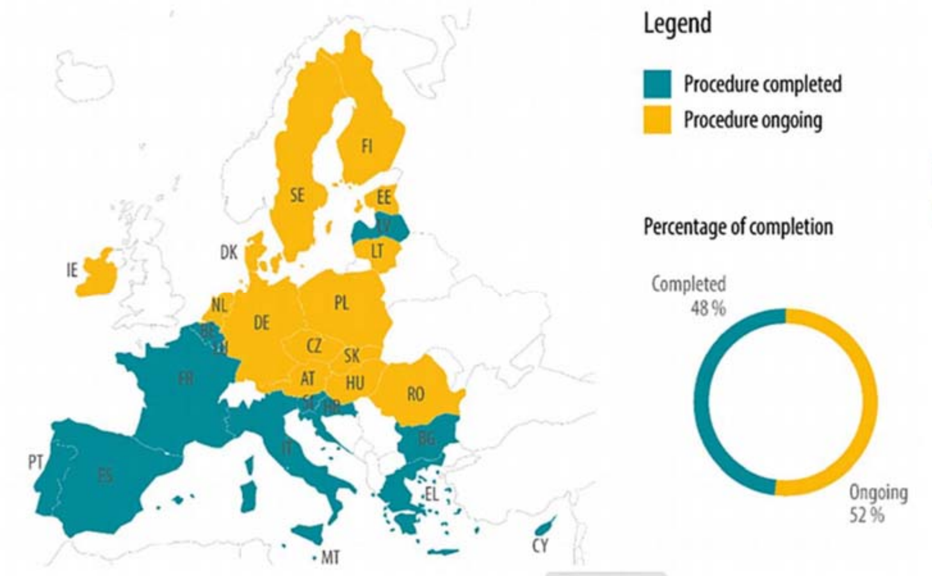
https://www.consilium.europa.eu/en/press/press-releases/2021/04/21/european-climate-law-council-and-parliament-reach-provisional-agreement/#:~:text=The%20Council's%20and%20the%20European,by%202030%20compared%20to%201990

Council of the EU, Press release, 21 April 2021

3.1.2 Recovery and Resilience Facility (NGEU Fund)

- *(30) Which are the obstacles, controversies, opposition to the ratification process?*

Ratification of the Own Resources Decision as of 18/3/2021



As of 18 March 2021, 13 out 27 EU countries have ratified [illegible] will set up the recovery fund © European Union 2021 -EP

- Survey of the ratification in the EU member states:

  "On Thursday, MEPs adopted one implementing and two operational regulations on which methods to use to collect or make available specific Own Resources, which constitute the revenue for the EU budget. The three laws work in conjunction with the key Own Resources Decision (ORD), approved by Parliament in September and by Council in December 2020. The member states are currently in the process of ratifying this decision, with 13 out of 27 having done so already as of 18 March (more information on the ratification here).
  The approved regulations include provisions on calculating and simplifying the EU's revenue, on managing cash flow, and on monitoring and inspection rights. These are needed to ensure the EU budget's reformed revenue side continues to function smoothly.

  Once member states have ratified the Own Resources Decision, the package adopted today will apply retroactively from 1 January 2021. It will introduce the new plastics levy as the first of various new streams of revenue that will be set up between now and 2026. The ORD will enable the EU to borrow €750 billion for the "Next Generation EU" recovery plan..

  https://www.europarl.europa.eu/news/en/press-room/20210322IPR00517/meps-clear-another-hurdle-for-the-covid-19-recovery-plan

The German Constitutional Court, after a lawsuit put forward by the founder of the right-wing AfD, Lucke, first prohibited the German President to sign (i.e. validate) the ratification law on the Recovery and Resilience Facility, and then (still in a preliminary decision) allowed him to do so:

Readings:

The interdiction:

- https://www.faz.net/aktuell/politik/inland/bundesverfassungsgericht-stoppt-corona-fonds-der-eu-17284001.html
- https://www.echo-online.de/panorama/aus-aller-welt/von-der-leyen-begrusst-entscheidung-zu-corona-fonds_23558574

The allowance:

- https://www.echo-online.de/panorama/aus-aller-welt/von-der-leyen-begrusst-entscheidung-zu-corona-fonds_23558574
- https://www.politico.eu/article/german-court-rejects-bid-to-block-eu-recovery-fund/

3.2 Implementation: allocating the funds (see 3.1; starts soon …)

The implementation is the affair of the member states: They establish Recovery Plans, which will be submit to an assessment in the process of the European Semester, from end of April 2021 on.

An overall reflection on the guidelines for recovery plans by EIPA, February 2021:

- *Marco Lopriore and Marina Vlachodimitropoulou : Recovery and Resilience Plans for the Next Generation EU: a unique opportunity that must be taken quickly, and carefully*
  Abstract
  "Exceptional times require exceptional resources. In December 2020 the EU finally agreed both a long-term EU budget (the Multiannual Financial Framework 2021-2027) and a new instrument called Next Generation EU, with a combined financial firepower of €1,820 billion. This package significantly reduces uncertainty in the European economy and is a sign of a new level of fiscal coordination at the EU level. Member States are now expected to deliver results through their national Recovery and Resilience Plans. It is a unique opportunity that no country can afford to miss, but they must take care to come up with appropriate and well-managed projects that are matched by adequate structural reforms."
  https://www.eipa.eu/wp-content/uploads/2021/02/EIPA_Paper_Recovery-and-Resilience-Plans-for-the-Next-Generation-EU_Digitaal.pdf

Shares for member states and more on Wikipedia:
https://en.wikipedia.org/wiki/Next_Generation_EU

Recovery Plan Italy, April 25:

- *https://www.politico.eu/article/italy-italian-prime-minister-mario-draghi-recovery-plan/*
  Italy promises greener, fairer society in Europe's biggest coronavirus recovery plan
  Prime Minister Mario Draghi and Commission President Ursula von der Leyen spoke to iron out final details. Prime Minister Mario Draghi revealed his plan for Italy's post-pandemic recovery | POOL / AFP; BY HANNAH ROBERTS; April 25, 2021 8:43 pm
  ROME — Prime Minister Mario Draghi has revealed his grand plan for Italy's post-pandemic recovery, centered on modernizing the country by fighting climate change and creating a more equal society. The Italian government published the European Union's most expensive national recovery plan Sunday with €222.1 billion allocated for investments tied to demanding reforms requested by the European Commission. Draghi and his collaborators had only weeks to rewrite the plan after coming to power in February. Disputes over an earlier draft's governance and quality brought down the previous government. The redrafting went right to the wire. Rewrites delayed a Cabinet meeting where the plan was to have been presented on Saturday, as Italy wrangled over details with Brussels. The Next Generation EU package of grants and loans will provide €191.5 billion for the recovery plan, making Italy the biggest beneficiary of the EU fund. Italy will borrow directly on the markets to raise a further €30.6 billion for complementary projects that don't fit neatly into the European Commission's criteria. Italy's parliament will scrutinize the plan this week, ahead of an April 30 deadline to submit it to the European Commission. First funds could be released as soon as July. In an introduction, Draghi wrote that the proposals "are part of a wider and more ambitious strategy to modernize the country." Italy "must combine imagination, competence and efficiency" to leave future generations in a better position, he added. Draghi and European Commission President Ursula von der Leyen spoke by phone to go over the final details, according to a government official, with Draghi seeking to leverage his experience and credibility as a former head of the European Central Bank to get Brussels to sign off on the plan. The Commission had concerns over complex competition and tax reforms, and some investments, which did not fit in with EU green transition priorities, such as motorways, the official said. The plan aims to address Italy's long-standing structural weaknesses, while spurring growth. It lists investments and structural reforms under six headings: ecological transition, digitalization, infrastructure, education and research, social inclusion and health. Ambitious projects include

> *bringing fast internet to the entire country, extending high-speed rail, earthquake proofing millions of homes and public buildings, along with far-reaching plans for digitalizaton and improved energy efficiency. Reforms include training the civil service in digital skills and cutting trial times in civil justice, which is considered essential for attracting investment. The biggest beneficiaries are women and the young, the prime minister's office said, in line with the plan's aim to create a more equal society. Forty percent of funds will be allocated to the poorer south. The plan includes some innovative projects like setting up experimental energy self-sufficient islands and the hiring of thousands of young, digital-savvy workers to train older people to use computers. Proposals such as earmarking €1.29 billion for "space economy and satellite technology" may raise eyebrows in Brussels. The government claims the plan will boost gross domestic product by an extra 3.6 percentage points by 2026.*

Recovery Plan France:
https://www.aft.gouv.fr/files/medias-aft/0_Page%20Accueil/PNRR%20-%20Summary%20(EN).pdf

Recovery Plan Spain:
https://www.mineco.gob.es/stfls/mineco/comun/pdf/201015_des_recovery.pdf

Recovery Plan Greece, as assessed by Friedrich-Ebert-Stiftung:
http://library.fes.de/pdf-files/bueros/athen/17268-20210312.pdf

Recovery Plan Poland, as assessed by Politico:
https://www.politico.eu/article/political-deal-allows-poland-to-move-on-eu-recovery-fund/

Recovery Plan Germany:
https://www.bundesfinanzministerium.de/Content/EN/Downloads/2021-01-13-german-recovery-and-resilience-plan.pdf?__blob=publicationFile&v=5

Transversal Questions

Who are the "Principal Actors" in the EU, responsible for the Green New Deal and Next Generation EU? … and which are the essential procedures for implementation and control?

- European Commission:
  - Commission President, von der Leyen
  - Commissioner charged with Green New Deal, Frans Timmermans
- European Investment Bank
- Member States
- "European Semester" (Commission plus Member States)

Timeline(s) of "Green New Deal" and "Next Generation EU"

- Timeline of the European Commission: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en#timeline
- Timeline of the European Council concerning Green New Deal: https://www.consilium.europa.eu/en/policies/green-deal/timeline-european-green-deal/
- European Parliament: "Legislative Train Schedule" https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-european-green-deal

Preliminary Conclusions

- Thanks to the positive link between “Green New Deal” and “Next Generation EU”, the COVID-19 pandemic accelerates the turn to Sustainable Development, at the EU level – a positive effect of a disastrous pandemic!
- The “Green New Deal”, together with “Next Generation EU” are a historical step towards an ecologically sustainable and more consolidated EU, with more solidarity, even if sustainability is unevenly defined.
- This historical step is taken at the EU level – and limited to this level, in a multilevel governance system in Europe; the nation states are more important at this historical turning point and less committed to this shift.
- Whether the combination of the Green New Deal and Next Generation EU is a change of paradigm, substituting itself to the neo-liberal one, is still an open question:

?????