



# **European Green Deal: 8 reasons why it matters for the Western Balkans**

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**11 May 2021**

# Agenda

- **What is European Green Deal?**
- **8 reasons why European Green Deal matters**

# What is European Green Deal ?



- ‘Reset commitment to tackle **climate change**’
- Prove that ‘**climate neutrality**’ can be done **in practice**
- Climate policy has ‘**economic benefits**’

The Green Deal as political strategy: robust and extensive technical and political preparation

- Based on Nov 2018 Long-term Strategy (‘One Planet for All’)
- Successor to Energy Union
- **New:** a) Social dimension (‘just transition’), b) more industrial policy, c) EU climate diplomacy



# Aligning all EU policies to climate objectives



*'Shake up of all policies'*

Begin of economic transformation over one generation (30 years) ....

# Green Deal: Does it matter for the Western Balkans?

## 1. Well-prepared logical next step for EU climate, energy and industrial policy

- From Energy Union to European Green Deal
- From (Nov 2018) EC Long-Term Strategy to Climate Neutrality

## 2. EU is not alone

- Other EU member states: UK, France, Finland, Sweden, etc.
- Japan, Canada, China (2060)

## 3. More and more laws to push climate neutrality in practice: sustainable finance taxonomy, carbon pricing, product standards/technical standards

- Competitiveness: High carbon/GDP becomes a liability, e.g. Russia, China
- Trade: carbon border adjustment mechanism (CBAM)
- Key is energy: solar PV, wind, biomass etc.

## 4. More and more methodologies to monitor and account for carbon (in energy and in products, embedded)

- Once developed, they will be used in trade, in competition, by investors, Central Banks, etc.

# Green Deal: Does it matter for the Western Balkans?

5. **Investors (financial markets, private investors) less and less finance carbon assets – or at a premium fee.** Insurance companies will less and less underwrite high-carbon projects or carbon-related risks (“risk and resilience”).
6. **EU support in all areas will depend on alignment with EDG objectives *without* political discretion;** ex. EIB lending, all EU Funds
7. **EU Climate Diplomacy will focus on EGD objectives**
  - ‘Green Deals’ with key partners
  - Governments leading on Paris Agreement leaders will converge around similar objectives
8. **Covid-19 recovery is green:** a minimum of 37% for ‘green’ objectives + ‘do no harm principle’ (‘National Recovery and Resilience Plans’); EU Budget: 30% for climate.

# Conclusion





**Thank you**

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