Shared Goals, Divergent Approaches: The EU Ahead of COP27 and COP28

Killian Wirthwein Vega

www.fikerinstitute.org

INTRODUCTION

The 2021 United Nations Climate Change Conference (COP26) in Glasgow, Scotland witnessed important multilateral climate deals that were initiated by a number of European countries. Following the end of COP26, however, one crucial factor will determine the trajectory of the European Union's green policy: the electoral processes of Germany and France. Germany has recently formed a new government in a "traffic-light-coalition,"[1] consisting of the Social Democrats, the Greens, and the Liberals. The Greens have obtained relevant ministries in this process, including the powerful Ministry of Economic Affairs and Climate (led by Robert Habeck) and the Federal Foreign Office (led by Annalena Baerbock).[2] France, on the other hand, is holding general and presidential elections in April 2022. The polls are predicting the re-election of Emmanuel Macron,[3] whose administration saw France become the only European country not to reach its target on renewable energy in 2020.[4] As the two major powers in the European Union, the new German-French relationship, in terms of climate objectives, will be a core determinant of the EU's trajectory on green policy, including at international climate conferences such as the upcoming COP27 in Egypt and COP28 in the United Arab Emirates.

At present, there have been diverging approaches to the French and the German positions around the best ways to fulfil the EU's climate targets. While the respective positions of the two European powers seem to be competing, this issue brief argues that Germany and France's pursuance of complementary strategies is to be expected, with each nation focusing on its comparative advantage, domestic demands, and specialization. In other words, there will be agreement on the final climate objectives, while the paths contributing to such objectives will differ.

BACKGROUND

The European Commission led by Ursula von der Leyen started by proposing a very strong consensus on the future of climate policies, however, over the first two years of her administration, several obstacles have stood in the way of the European Green Deal. First, the COVID-19 pandemic rapidly shifted European priorities from environmental conservation efforts to more immediate crisis management.[5] This led to missed opportunities on green policies for the German Presidency of the EU Council in 2020,[6] although the Commission managed to use the crisis to propose an ambitious recovery investment called Next Generation EU, where over 37 percent of the total investments were earmarked for projects that would facilitate the European ecological transition.[7]

Second, another hurdle emerged from the legal disputes between the European Commission and member states such as Poland and Hungary. Several judicial processes remain open between the Commission and the mentioned countries around Rule of Law recommendations and judicial independence issues, which are making full agreement on core policy decisions difficult at the EU level, including those related to climate policies. This trend also influenced the reasons why the EU was not fully united during COP26 in Glasgow, as Poland and Hungary have repeatedly opposed the EU's climate objectives.

Third, there have been competing visions between various European Commissioners who have sustainability matters as part of their portfolio, including disparities in the positions held by the President of the Commission and the Commissioner for the Internal Market. From January to June 2022, France is holding the Presidency of the EU Council, meaning it will be able to exert influence over the trajectory of EU green policy, marking important path dependencies for the remaining three years of the von der Leyen Commission. Therefore, the EU is in a critical moment regarding the success of its green policy initiatives, which built the cornerstone of the current administration's objectives.

In addition to EU-level governance dynamics, the national politics of member states will also affect the future of the bloc's green policy. As opposed to the German parliamentary system, the semi-presidential French system foresees a majoritarian executive where post-electoral coalitions are not needed to govern. Therefore, unlike in Germany, green policies in France will have to find their way into the agenda without the presence of green ministers that would push for more ambitious approaches than politicians from non-green parties. This will be part of the reason why the French and the German positions will differ on how to best attain European climate goals.

FRANCE, GERMANY, AND NUCLEAR ENERGY

Over the last decades, French and German attitudes regarding ecological transition have diverged around the question of how to approach the role of nuclear energy, which will be the core difference between the two countries' respective plans to reach net-zero. France favours nuclear technology, whereas Germany is more sceptical of it, and proposes to phase out nuclear energy plants due to public security concerns and waste treatment considerations. These opposing approaches have recently been reflected at the EU level when the French Commissioner openly opposed the German anti-nuclear position. He has stated that Europe would need to invest 500 billion euros over the next decades in nuclear technology in order to reach the EU's carbon emissions targets for 2050.[8] The new German

government, on the other hand, is determined to phase out nuclear plants in its territory,[9] and has put forward a coalition agreement where core technologies such as wind energy will occupy a vital place in the government's plans to restructure the German economy to meet climate targets in time.[10]

Therefore, in the current political climate, it is unlikely that German and French political actors will reach a full agreement on the means to achieve the EU climate goals. Instead, each will pursue its own path, specialising in different technologies that help to reduce carbon emissions: France will continue to develop nuclear energy, and Germany will focus on renewable energy sources like wind and solar power. As such, German and French actors are likely to leave aside procedural questions and concentrate on the carbon reduction goals rather than the means, translating divergence of opinion into diversification of energy sources. The current EU focus on reducing energy dependency and increasing the EU's strategic autonomy is also likely to leverage the described dynamic.

WHAT DO COMPLEMENTARY STRATEGIES MEAN FOR COP27 AND COP28?

The European position at COP27 in Egypt and COP28 in the United Arab Emirates will be critical to the success of the climate conferences, as the French-German relationship on green policy will have a profound impact on the unity of the EU on the international stage. If France and Germany maintain their joint climate objectives but pursue different means to fulfil those objectives (such as diverging positions on nuclear energy), it might be easier to align on key policies at a pan-European level and overcome important deadlocks. Therefore, paradoxically, this difference of opinion between France and Germany might enable a stronger voice for the European Commission at COP27 and COP28.

The reason why this may occur is related to the processes whereby consensus at the EU level is achieved. Differing French and German positions on the means utilised to meet climate targets would lead EU actors to create more space for national actors to pursue their own climate strategies in fulfilling common EU climate goals. In this way, each national actor can adjust to domestic pressures, and adopt an approach tailored for their national context. As a result, important deadlocks at the EU level could be resolved through a *margin of appreciation*, while leaving the principles and final obligations intact. Furthermore, this margin of appreciation would help to decouple climate talks from the current conflicts that the EU has with some of the member states on other issues, and create the necessary environment for

a more united voice globally. The initial divergence in national strategies, exemplified by France and Germany's respective positions on nuclear energy, might pave the way for greater EU consensus at global climate talks.

However, there are a series of important risks associated with the adoption of this complementary approach. First, the lack of a pan-European harmonised strategy may lead to difficulties in measuring the overall progress made by individual EU member states towards the joint carbon emissions targets. Different strategies would make the monitoring of success significantly more complex, creating unequal standards and expectations as well as creating detrimental effects on the level of trust and transparency. Different strategies across EU member states may create a situation where expectations are less clear and where some states feel that they are not carrying out the same efforts as others.

This mentioned increase of complexity and the decrease of transparency might build incentives for some actors to adopt a strategy of free-riding on the efforts of leading actors in the process towards a non-carbon economy. If strategies are different across the EU and the progress monitoring process becomes more challenging, then, according to public choice theory, some actors may bear higher burdens to create a carbon-free economy than others.

Second, the lack of a harmonised approach in the means utilised to reach climate targets constitutes a missed opportunity to advance the long-term project of European integration. This could reinforce some actors' view that EU membership is based on unilateral pragmatism, rather than common values and a multilateral desire to form a supranational political union.

Lastly, being closely connected to the latter described effects, there would be a considerable risk that a multi-paced and multi-layered reality would be created in Europe, like what happened during the establishment of the Eurozone. If each nation decides on a different approach, some strategies will be more successful and more ambitious than others. This would create a complex situation where each member state may have a different speed at moving towards a carbon-free economy. At the EU level, it would also become increasingly difficult to put forward recommendations on the problems that emerge in implementing national plans, as each strategy would necessitate different technical expertise and a multiplicity of monitoring efforts.

The current decisions by countries such as Germany and France on the means to reach EU climate targets could set important precedents. There is an important balance to be struck between the overall willingness to adopt harmonised action and the necessity to unblock the hesitance of certain EU member states to fully agree on the joint climate agenda. However, the concept of balance is tricky since it will produce multilateral effects and impact climate governance structures both at the

national and the supranational contexts, profoundly affecting the balance of power at the EU level, as well as the EU's capacity to act with a clear voice at international climate conferences.[11]

RECOMMENDATIONS

In the absence of harmonised positions across the EU, it would be recommendable for the Commission to seek a balanced approach when mediating across member states on the EU's climate plans. As such, the Commission could be adopting a position where differences across member states are utilised to generate complementarities, translating potential divergences in the technologies used to abate climate change into opportunities that are consistent with the bloc's goals.

First, the Commission should support the harmonisation of interests across the EU and the reduction of tensions between member states in order to leverage its position vis-à-vis COP27 and COP28. If procedural divergences between member states persist, such as the question of nuclear power between France and Germany, the Commission could focus on diversification of approaches and aim to sustain strong coherence at the EU level by adopting a narrative based on the principle of subsidiarity. In effect, the logic behind a proportional adoption of subsidiarity functions would be similar to the idea of leaving space for a margin of appreciation across the EU.

Second, given the long-term risks that this strategy might have, the margin of appreciation for divergent strategies in each member state should be kept at what is strictly necessary to sustain overall consensus; otherwise, undesirable hurdles to future European integration might arise. As such, if the pursuance of different means to meet common climate goals continues across EU member states, the Commission should develop a system to coordinate and supervise divergent strategies. This system can be developed within the framework of the EU's already-existing Climate Monitoring Mechanism, however, monitoring tools and systems of accountability should be adapted to support heterogeneity between member states' approaches, timeline, as well as the proportional advancement of climate goals. Relatedly, all monitoring data should be made publicly available. This can help increase trust and transparency within the EU.

Third, the EU should institute financial support mechanisms for member states whose economies depend on fossil fuel-related industries in order to disincentivize free-riding in the effort to achieve net-zero. A European Net-Zero Fund can be established to provide funding for lower-income countries to diversify their economies and establish carbon-neutral energy production

facilities, such as wind turbines and solar panels. Differently from the EU Modernization Fund, the European Net-Zero Fund can coordinate bilateral funding schemes between member nations, and appoint experts from countries leading carbon neutrality to other countries within the EU in order to encourage trading know-how within the Union.

Overall, different strategies in the fulfilment of climate goals across the EU may facilitate EU agreement vis-à-vis their global climate diplomacy. The EU could utilize a situation of complementary strategies to reduce tensions across member states, and gain stronger consensus internationally, eventually leading to a more united position at COP27 and COP28.

CONCLUSION

If diverging strategies across EU member states cannot be avoided, the Commission may be well-advised to ensure that the threats deriving from a lack of harmonisation can be transformed into opportunities, such as the ones resulting from the paradox described above. Thus, a dialectic across member states, such as is expected to occur between France and Germany, may produce counterintuitive positive spillovers. However, a dialectic can only be bridged if there is a strong synthesis, that is, a strong vision that the different strategies can be complementary and serve the same goal at both the EU and the international levels.

About the Author

Kilian Wirthwein Vega is a non-resident fellow at Fiker Institute's Europe Programme. He is also a Consultant, covering EU politics at Teneo. He holds a BA in International Relations from the Rhine-Waal University, an MSc in Conflict Studies from the London School of Economics, and an MSc in Global Governance and Diplomacy from the University of Oxford.

ENDNOTES

1. Noyan, O. (2021, November 24). *German Parties Seal Deal on New 'Traffic Light' Coalition*. Euractiv. https://www.euractiv.com/section/elections/news/german-parties-seal-deal-on-new-traffic-light-coalition/

2. Posaner, J., Gehrke, L., Weise, Z., Von der Burchard, H., Nostlinger, N., Zimmermann, A. (2021, December 8). *Meet Germany's New Government*. Politico. https://www.politico.eu/article/meet-germany-new-government-scholz-cabinet/

3. Politico. *France – 2022 Presidential Election Voting Intention.* https://www.politico.eu/europe-poll-of-polls/france/

4. Nussbaum, A. (2022, January 26). *France's Macron Failing to Tackle Climate Change, Report Says*. Bloomberg Green. https://www.bloomberg.com/news/articles/2022-01-26/france-s-macron-failing-to-tackle-climate-change-report-says

5. Von der Burchard, H., Mischke, J. (2020, April 30). *German 'Corona Presidency' Plan Pivots to Crisis Management*. Politico. https://www.politico.eu/article/germany-angela-merkel-coronavirus-covid19-european-council-presidency-seeks-to-master-crisis-management-and-eu-reform/

6. Schulz, F. (2020, April 15). German EU-Presidency: Empty wording on the Green Deal. Euractiv. https://www.euractiv.com/section/energy-environment/news/german-eu-presidency-empty-wording-on-the-green-deal/

7. European Commission. (2022, February 2). *Recovery Plan for Europe*. https://ec.europa.eu/info/strategy/recovery-plan-europe_en

8. Euractiv. (2022, January 10). *Europe Nuclear Plants 'Need €500bn Investment by 2050': EU Commissioner.* Euractiv. https://www.euractiv.com/section/energy/news/europe-nuclear-plants-need-e500bn-investment-by-2050-eu-commissioner/

9. Guillot, L. (2021, December 30). *Germany Powers Down 3 Nuclear Plants*. Politico. https://www.politico.eu/article/germany-powers-down-3-nuclear-plants/

10. SPD. (2021, November 11). Mehr Fortschritt wagen – Koalitionsvertrag zwischen SPD, BÜNDNIS 90/DIE GRÜNEN und FDP. https://www.spd.de/fileadmin/Dokumente/Koalitionsvertrag/Koalitionsvertrag_2021-2025.pdf

11. Kahler, M. (2017). Regional Challenges to Global Governance. Global Policy, 8(1), 97-100. https://www.cfr.org/sites/default/files/book_pdf/Discussion_Paper_Series_Kahler_et%20al_Global_Regional_Governance_OR%20%281%29.pdf#page=5

Shared Goals, Divergent Approaches: The EU Ahead of COP27 and COP28

March 2022

Author: Killian Wirthwein Vega
The statements made and views expressed are solely the responsibility of the author.

Email: info@fikerinstitute.org