Istituto Affari Internazionali

EU Reform and Climate Policies: Two Birds with One Stone

by Nils Meyer-Ohlendorf and Sebastian Oberthür

This Thursday, 9 May, the European Council will meet in Sibiu, Romania. Not long ago, this meeting was billed as an important milestone in the ongoing EU reform process. Some even called it "the Sibiu Process". This seems to be a long time ago. Today, expectations are much lower and most predict only a vague outcome, at best. Avoiding controversy is the first order of business – as the meeting will take place only a few weeks before the European Parliament elections on 23–26 May.

Yet – no matter the outcome – the core question pertaining to the future of Europe will not go away: how to maintain and develop a strong EU that is capable of helping member states address problems that they cannot solve alone? This question will stick with us, and will keep the new Parliament and Commission busy in the months and years ahead.

Climate policies can help find the right answers to this question.¹ Maintaining a strong EU and implementing effective climate policies go hand in hand with one another. Indeed, they are pretty much the best of friends. A stable, prosperous and climate-resilient Europe requires effective climate action; and effective climate action needs a strong EU.

When addressed from this angle, there is a lot of agreement among EU policymakers, who often speak about the importance of climate action when addressing the future of the EU. However, there is more to it than general agreement. Climate policies

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¹ Recent work of the Ecologic Institute – in cooperation with the Istituto Affari Internazionali (IAI), the Institute for European Environmental Policy and the Climate Strategy Institute 2050 – provide more detailed analysis: The Future of the EU – the Role of Climate and Energy Policies. Conclusions, Berlin, Ecologic Institute, 2019, https://www.ecologic.eu/16455.

and the future of the EU can reinforce each other in concrete ways.

For one, climate builds bridges between member states in times of tension. Endless controversy about the rule of law, migration and the Euro make the EU look divided and paralysed. These conflicts make headlines, but there is more to the EU. The EU works together on many issues that do not make it to the front page, but are essential for the continent.

EU climate and energy policies are a prime example. In 2017 and 2018, for instance, the EU adopted important reforms in its climate and energy laws: emissions trading was reformed, a new Climate Action Regulation was adopted and the energy acquis was overhauled. Although insufficient for the implementation of the Paris Agreement, these reforms showed what the EU can achieve when member states work together – much more than the sum of individual member states.

As a second contribution, climate policies can induce a sense of a common challenge, giving direction and purpose to the EU. In this regard, and in light of the extent of the climate challenge and related need to decarbonise Europe's economies, climate action can help define a positive EU agenda for decades to come.

Climate policies can also offer support on a less visible but equally important front: slogans like "more or less Europe", "reinventing or restarting Europe" have framed much of the debate on the future of the EU. This framing is a problem. It incorrectly suggests that the EU is dysfunctional while many of its daily routines and outputs prove the opposite.

It distracts attention from the *raison d'être* of the EU: to solve practical and vital problems that require institutionalised cooperation between member states over long periods. For a meaningful reform process, it is important to reframe these debates and to refocus on issues that require cooperation at the EU level. A number of policy fields can serve this purpose, but climate policies are particularly well positioned since they provide a strong rationale for institutionalised European cooperation.

The fourth contribution of climate policies to the future of the EU is about transparency and participation. Climate and energy policies are more transparent and participatory than other EU policy fields. The new Governance Regulation for the Energy Union and Climate Action, for example, requires member states to establish permanent multilevel dialogue on energy policies with stakeholders and the public. The new EU energy legislation also facilitates citizen energy projects. It grants citizens and communities the right to set up their own energy projects, and to consume, store and sell the energy produced.

As two complementary strands of policy, EU reform and climate action, are not a one-way street. Climate action can help strengthen the EU, but it also works the other way around: the EU's ongoing reform process can also support improved climate action in various ways. Such an approach should acknowledge that climate action is a hallmark of an evolving EU.

What is more, the process on the future of the EU that began in the wake of Brexit, and is also known as the socalled Bratislava Process, should start a discussion on expanding majority voting in climate action. Some issues of great significance for climate action are still subject to unanimity: energy taxation, energy mix and spatial planning. In these areas, the European Parliament has only consultative status; it is not an equal legislator. This set-up has impeded progress, in particular on effective energy taxation, where one member state can and has vetoed meaningful changes to energy taxation in the EU. Because of Parliament's limited role, this weakens also democracy in the EU.

As another important contribution to improving EU climate policies, the future of Europe process should agree that the EU's international climate policy can be decided by a qualified majority – as set out in the treaty, but in contrast to today's practice. Last but not least, the process is an opportunity to clarify the role of the European Council *vis-à-vis* legislative processes and climate action.

In the past, the European Council has occasionally intervened in the details of climate law making, which has hampered progress – because the European Council decides by consensus. This practice has also raised constitutional issues because interference with the details of law making by the European Council undermines majority voting and the mandate of the EU's two legislators – the European Parliament and the Council of Ministers.²

On 16 April, after another exhausting round of Brexit negotiations, Jean-Claude Juncker begged to return to a "positive agenda".³ Climate action represents such a positive agenda.

Climate action is about the future and it provides a genuine opportunity to improve the life of Europeans. It is contested but it does not have the dividing effect of migration and it lacks the backward and inward-looking touch of Brexit. It is constructive, not destructive.

In short: EU reform and climate action are pretty much the best of friends. Sibiu should make this point.

7 May 2019

² Detailed discussion of this matter can be found in Nils Meyer-Ohlendorf, "Can the European Council Impose Consensus on EU Climate Policies?", in *Ecologic Institute Discussion Papers*, 12 March 2015, https://www.ecologic. eu/11905.

³ Opening statement by Donald Tusk, President of the Council, on the conclusions of the European Council meeting of 10 April 2019 on the withdrawal of the UK from the European Union, Strasbourg, 16 April 2019, http://www.europarl.europa.eu/sides/getDoc. do?pubRef=-//EP//TEXT+CRE+20190416+ITEM-004+DOC+XML+V0//EN&language=EN.

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