

The background image shows three white wind turbines standing on a hillside. In the foreground, there are several dark blue solar panels. In the distance, a city skyline is visible under a warm, golden sunset sky with scattered clouds. A teal decorative shape is in the top-left corner, and a dark blue vertical bar is on the right side.

Report
Navigating the
European Green Deal:

Business and the
sustainability transition

BRUNSWICK

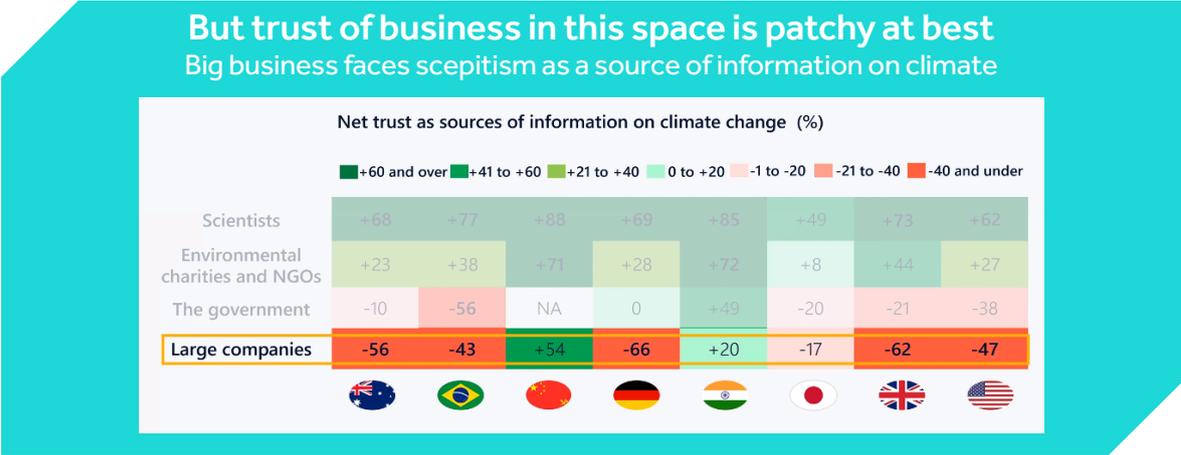
On 7 April 2021, Brunswick and Europe Jacques Delors organised the second instalment of their webinar series dedicated to the question how businesses can navigate the European Green Deal.



The series is designed to bring together senior leading experts from EU institutions, national governments, the private and not-for-profit sectors to discuss the many aspects of today's global sustainability transition in front of and together with a pan-European audience.

For the second event, **Pascal Canfin**, MEP (Renew, France) Chair of the European Parliament's Environment Committee, and Francesco Starace, CEO of Enel, discussed how Europe could recover from the pandemic in a sustainable way in line with the objectives of the European Green Deal. The event was launched by **Phil Drew**, who

set the scene by summarizing the findings of a recent in-depth climate perception research study on public attitudes toward climate change and the expectations of businesses, which Brunswick conducted earlier this year in several key national markets. The study showed that while there was broad agreement about the urgent need to tackle climate change also in the context of the pandemic and that businesses should act beyond their own operations to reduce emissions, trust of business in this space is patchy at best. In particular big businesses face skepticism as a source of information on climate and the green transition.



Following this initial input on public attitudes and expectations in the time of Covid-19 and the run up to COP 26, **Pascal Canfin** and **Francesco Starace** discussed with Europe Jacques Delors' moderators **Pascal Lamy** and **Geneviève Pons** how Europe and businesses can recover sustainably

under the European Green Deal. Both guests agreed that the implementation of the Green Deal through dozens of new legislative proposals, tweaks, and changes as well as the implementation of the agreed European recovery package through real projects on the ground will pose serious and

complex challenges to all stakeholders. A coordinated and cooperative approach is therefore key.

Francesco Starace also made the case that having concrete and legally binding targets to switch to greener and more sustainable forms of electricity is essential for the industry, as such concrete signals would spur the development of new sectors and markets. Using the examples of the continued lack of electric buses on Europe's streets, he explained that if Europe were able to mandate that 20% of its fleet would need to be electrified "you will give clarity to investors that Europe has a large business case to establish a manufacturing industry for buses." Without such minimum quota, the green transition would never be able to really take off, leaving the field to Europe's competitors.

Using the example of the current debate in Brussels on the new EU taxonomy for green investments, **Pascal Canfin** noted that the political discussions on how to implement the objectives of the Green Deal have the potential for "religious debates." He stressed the need for a pragmatic approach to help unlock investments in the transition. As a legislator his goal is to "remain consistent and pragmatic" to ensure that at the end of the day, legislation needs to be confirmed by a democratic vote. Instead of insisting on something that is perfect that will never be adopted, Canfin is looking for compromises that are consistent, applicable, and acceptable.

Francesco Starace further commented on the important incentives that policymakers can set for the industry in the sustainability transition, a power that is "always underestimated" and which can stimulate innovation. And it's always encountering resistance from existing industries and established systems, because they force change. But that is sometimes necessary, for the better."

The EU's recovery efforts & the European Green Deal

In response to the unprecedented economic crisis resulting from the Covid-19 pandemic, the European Union agreed the largest stimulus package ever agreed in Europe. "NextGenerationEU" is a €750bn temporary instrument to boost Europe's recovery and to "build back better." Coupled with the EU's 7-year budget cycle (2021-2027), a total of €1.8tn will be available for the EU and its Member States over the next few years. National governments are currently drafting individual "recovery and resilience" spending plans to gain access to some specific funding mechanisms.

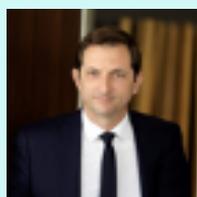
To ensure the recovery is in line with the EU's Green Deal objectives, EU leaders, the European Parliament and the European Commission agreed that at least 37% of each plan's allocation has to support the green transition. The current timetable foresees that first grants and loans will be issued by summer.

After the initial discussion, **Thomas Pellerin-Carlin**, Director of the Jacques Delors Energy Centre in Paris, compared the EU's current efforts with how the continent reacted to the financial and sovereign debt crisis of 2008/09. He opined that while today's response so far is a clear improvement compared to the aftermath of the previous crisis, the individual recovery plans of EU Member States cannot be considered fully green. On the EU level this lack of national ambition could be mitigated by undertaking a deep transformation of the EU's regulatory framework that would push companies towards clean energy innovation, Pellerin-Carlin argued.

Lastly, **Pascal Canfin** also commented on the EU's relationship with the U.S. and the new Biden administration. The time when Europe was the only one moving forward on climate issues have come to an end, Canfin is convinced – but because of the shared tradition for cooperation between the EU and the U.S. there is a lot of room for joint initiatives now that “the U.S. are back.” At the same time, he cautioned that the U.S. would want to lead again also on climate, which could lead to new issues regarding who becomes the de-facto standard setter, for example on green finance. Canfin believes that this very question also relates to European sovereignty and the bloc's soft power in the global economy. So, while he considers it good to “have the U.S. back in the mix,” this should not come “at the expense of our own capacity to lead this process.”

Geneviève Pons then concluded the launch event and previewed the third entry of the webinar series, which will take place on 2 June 2021: European Commissioner for Justice **Didier Reynders, and Paul Lister**, Legal Council and Board Member of Associated British Foods, will discuss another important aspect of the European Green Deal agenda – EU trade policy. They will consider how the EU could use trade policy to export the European Green Deal in general, and upcoming new policy initiatives regarding supply chain due diligence in particular.

Overview



Launch event
17 February 2021

 Navigating the European Green Deal: Business and the sustainability transition



7 April 2021

 Growing green: How can businesses recover sustainably under the European Green Deal?



Next
2 June 2021

 Greening EU Trade: How can the EU successfully export the European Green Deal?

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