



L&RS Note

The European Green Deal and its implications for Ireland

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Abstract

This *L&RS Note*, written in collaboration with the MaREI Centre for Energy, Climate and Marine and the Environmental Research Institute at University College Cork, presents an overview of the European Green Deal and considers some of its implications for Ireland. The Green Deal is one of the EU's flagship initiatives for the next five years and beyond as it acts to meet the goal of becoming the first climate-neutral bloc in the world by 2050.

14 May 2020



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This L&RS Note may be cited as:

Oireachtas Library & Research Service, 2020, *L&RS Note: The European Green Deal and its implications for Ireland*.

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Glossary:

Glossary	
CAP	Common Agricultural Policy
CCAC	Climate Change Advisory Council
Circular economy	An economic system aimed at eliminating waste and the continual use of resources
Citizens' Assembly	A body formed from the citizens of a State to deliberate on an issue of local or national importance
Climate Neutrality	Having no net greenhouse gas emissions
COP-26	Conference of the Parties (COP26) is a UN climate change conference that was to be held in Glasgow in November 2020
COVID-19	Corona Virus Disease 2019
EGD	European Green Deal
EPA	Environmental Protection Agency
ERDF	European Regional Development Fund
ESF+	European Social Fund Plus
ETS	Emissions Trading System
GHG	Greenhouse gases
JTF	Just Transition Fund
Kyoto Protocol	International agreement adopted in 1997 that set binding greenhouse gas emissions targets for developed countries for the period 2008-2012
LTS	Long-Term Strategy on Greenhouse Gas Emissions Reduction
LULUCF	Land Use, Land Use Change and Forestry
NECP	National Energy and Climate Plan
Paris Agreement	A global agreement to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.

Summary

This *L&RS Note*, written in collaboration with the MaREI Centre for Energy, Climate and Marine, coordinated by the Environmental Research Institute (ERI) at University College Cork, presents an overview of the European Green Deal (EGD) and considers its implications for Ireland. The Green Deal is framed as a new growth strategy and roadmap for making the EU's economy sustainable and enabling it to achieve its commitment under the Paris Agreement.

Rationale

Climate change remains a key national policy issue and similarly at EU level where the Commission has launched the European Green Deal. This is one of its flagship initiatives for the next five years and beyond as it acts to meet the goal of becoming the first climate-neutral bloc in the world by 2050.

Delivering the EGD will require a transformation of the EU's economy with sectors such as transport, the built environment, agriculture, industry, and energy all having to become more environmentally sustainable if the goal of decoupling economic growth from resource use is to be achieved.

The outgoing Government published their Climate Action Plan in June 2019, which built on the work of the Joint Committee on Climate Action and Citizens' Assembly, and also published the Draft General Scheme of the Climate Action (Amendment) Bill 2019 in January 2020.

It is likely that climate legislation will again feature as part of the new Dáil with Ireland also due to submit both its delayed National Energy and Climate Plan (NECP) and Long-Term Strategy (LTS) on Greenhouse Gas Emissions Reduction to the European Commission at some point in 2020.

Research questions

1. What are the key elements of the European Green Deal?
2. What parts of the Green Deal have the strongest implications for Ireland?
3. What is the current policy position on a 2050 greenhouse gas emissions target for Ireland and what might climate neutrality by 2050 look like?
4. What does the EU Climate Law mean for existing policies and the EU's greenhouse gas emission reduction target for 2030?

Key elements of the European Green Deal

The EGD provides a roadmap and overall policy agenda, setting out a schedule for delivery of key commitments for 2020-2021. Recognising the cross-cutting nature of climate change, it emphasises that the delivery of the Green Deal requires the EU to restructure policies across a number of different areas. This includes clean energy supply, industry, production and

consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits.

As well as setting out the policy and legislative programme for all key economic sectors to deliver on the EU’s climate ambition, the EGD also addresses the EU’s overall ambition on climate targets. It proposes increasing the EU’s emissions reduction targets for 2030 from 40% to at least 50% and towards 55% compared with 1990 levels. To protect the EU’s competitiveness against countries showing lower levels of climate ambition, a carbon border adjustment mechanism is proposed, for selected sectors, to reduce the risk of businesses relocating elsewhere.

Figure 1: Policy focus areas within the European Green Deal



The EGD also addresses environmental challenges beyond climate, including in relation to protection of biodiversity and policies tackling pollution to air, water and soils. The mainstreaming of sustainability will be pursued through measures to support a just transition, action on sustainable finance, greening national budgets, and reviewing relevant legislation and State aid guidelines. The Commission also launched a European Climate Pact in March 2020 focusing on societal engagement with a public consultation currently underway and due to last for a period of 12 weeks.

Box 1: Key elements of the European Green Deal

Legislative proposals

- European 'Climate Law' enshrining the 2050 climate neutrality objective.
- Revisions of relevant climate-related legislative measures such as the Emissions Trading System Directive; Effort Sharing Regulation; Land Use, Land Use Change and Forestry Regulation; Energy Efficiency Directive; and Renewable Energy Directive.
- Carbon border adjustment mechanism for selected sectors.
- Revision of the Energy Taxation Directive.
- More stringent air pollutant emissions standards for combustion-engine vehicles and a revision of CO₂ emission performance standards for cars and vans.

Strategies and Action Plans

- Plan to increase the EU 2030 climate target to at least 50% and towards 55%.
- New EU strategies on adaptation and forestry.
- Action Plans on the circular economy and zero pollution for air, water and soil.
- EU strategies on industry, chemicals, offshore wind, sustainable and smart mobility, 'Farm-to-Fork', and biodiversity.

Non-legislative initiatives

- Proposal for a Just Transition Mechanism and a Sustainable Europe Investment Plan.
- Initiatives to screen and benchmark green budgeting practices of the Member States and the EU.
- Launch of the European Climate Pact.

Implications for Ireland

The EGD has a number of potential implications for Ireland. Some of these which this Note addresses are considered below.

Revision of 2030 target

The EU's current binding target for 2030 is to cut greenhouse gas (GHG) emissions by at least 40% below 1990 levels. This target is split across the EU Emissions Trading System (ETS) and non-ETS sectors with consideration also for the Land Use, Land Use Change and Forestry (LULUCF) sector. The ETS covers 45% of current GHG emissions in the EU (but around 30% in Ireland) and applies to power plants, heavy industry and airlines operating between EU countries. The non-ETS sector largely includes transport, buildings, agriculture, and waste.

The EGD aims to increase the EU's reduction target for 2030 to at least 50% compared with 1990 levels. This will require revisions to the EU ETS, the non-ETS targets and the regulation on land use, land use change and forestry and the respective underpinning legislation. The Commission is

to present an impact-assessed plan on increased ambition for 2030 by September 2020 in advance of legislated proposals by June 2021.

According to the Environmental Protection Agency (EPA), in 2018 Ireland emitted 60.93 million tonnes of carbon dioxide (Mt CO₂) equivalent. Based on 2019 greenhouse gas (GHG) emission projections, Ireland is expected to miss its current 2030 non-ETS target of a 30% reduction on 2005 levels by 52 to 67 Mt CO₂ equivalent or reach 7% to 13% below 2005 levels by 2030.

Although these EPA projections are yet to factor in the policies and measures included in the Climate Action Plan and exclude use of certain flexibilities, it is clear that further action will be required to reduce emissions in Ireland if the EU increases its ambition for 2030. These could include increasing the electrification of heat and transport¹, improving the energy efficiency of buildings, reducing emissions from agriculture and developing better public transport options.

Climate Law and the 2050 targets

The Commission presented their proposal on the first European 'Climate Law' in March 2020 which will enshrine the 2050 climate neutrality objective in legislation. In Ireland, the Draft General Scheme of the Climate Action (Amendment) Bill 2019 (published by the outgoing Government in January 2020) also proposes establishing a 2050 emissions reduction target in law. The exact nature of this target is still to be determined, though the Irish Climate Change Advisory Council (CCAC) has advised that emissions of all GHGs (except biogenic methane) should reach net zero by 2050.

Meeting our 2050 target will have implications for several sectors such as agriculture, the built environment, energy, and transport. In some cases, these sectors will be required to fully decarbonise and deliver negative emissions through carbon sinks (such as forestry) or different technology options like carbon capture and storage.

Just Transition

In January 2020, the Commission presented proposals on a Just Transition Mechanism and the Sustainable Europe Investment Plan. This includes the establishment of a Just Transition Fund (JTF) to support the green transition and ensure that no one is left behind. Funding of €7.5 billion will be made available under the JTF and is to be targeted at specific carbon-intensive regions. An initial allocation of €30 million has been proposed for Ireland. This has positive implications where vulnerable areas, such as the Midlands with its peat workers or west Clare with its Moneypoint coal workers, will be able to avail of structured support.

¹ Electrification of heat and transport removes emissions from the non-ETS sectors and 'transfers' the emissions to the ETS sector.

1. Background and Context

This section provides general background information in relation to:

- National climate policy developments
- International climate change commitments
- EU climate policy action

1.1 National climate policy developments

The outgoing Government published its Climate Action Plan² in June 2019 which put forward a list of key measures required to meet our 2030 climate target and put us on a trajectory for net-zero emissions by 2050. This built on the work of the Citizens' Assembly and the Joint Oireachtas Committee on Climate Action. The Citizens' Assembly had identified a clear roadmap for climate action in Ireland³ and the follow-up Oireachtas report⁴, adopted with cross-party consensus, further identified the policy tools and options which can be used to make progress.

The policies and measures set out in the Climate Action Plan are now being incorporated into Ireland's National Energy and Climate Plan. This will include target penetration rates for the level of renewable energy and energy efficiency which will support meeting our 2030 greenhouse gas emissions target. The plan was due to be submitted to the European Commission by the end of 2019, but this has now been delayed until this year.

Ireland is also required to prepare a Long-Term Strategy on Greenhouse Gas Emissions Reductions. This strategy is to have a perspective of at least 30 years and shall include a range of emission reduction pathways in each of our key sectors. A public consultation has already been held by the Department of Communications, Climate Action and Environment and the strategy is due to be submitted to the European Commission this year having already missed the January 1st, 2020 deadline.

The Draft General Scheme of the Climate Action (Amendment) Bill 2019 was also published by the outgoing Government in January 2020 and proposes establishing a 2050 emissions reduction target in law. The exact nature of this target is still to be determined, though the Irish Climate Change Advisory Council has advised that emissions of all GHGs (except biogenic methane) should reach net zero by 2050 (CCAC, 2019)⁵.

² Department of Communications, Climate Action and Environment (2019), *Climate Action Plan 2019 to tackle climate breakdown*. [Available here](#).

³ The Citizens' Assembly (2018), *How the State can make Ireland a leader in tackling climate change*. [Available here](#).

⁴ Joint Oireachtas Committee on Climate Action (2019), *Climate Change: A Cross-Party Consensus for Action*. [Available here](#).

⁵ Climate Change Advisory Council (2019), *Advice on a suitable approach for preparation of multi-annual carbon budgets*. [Available here](#).

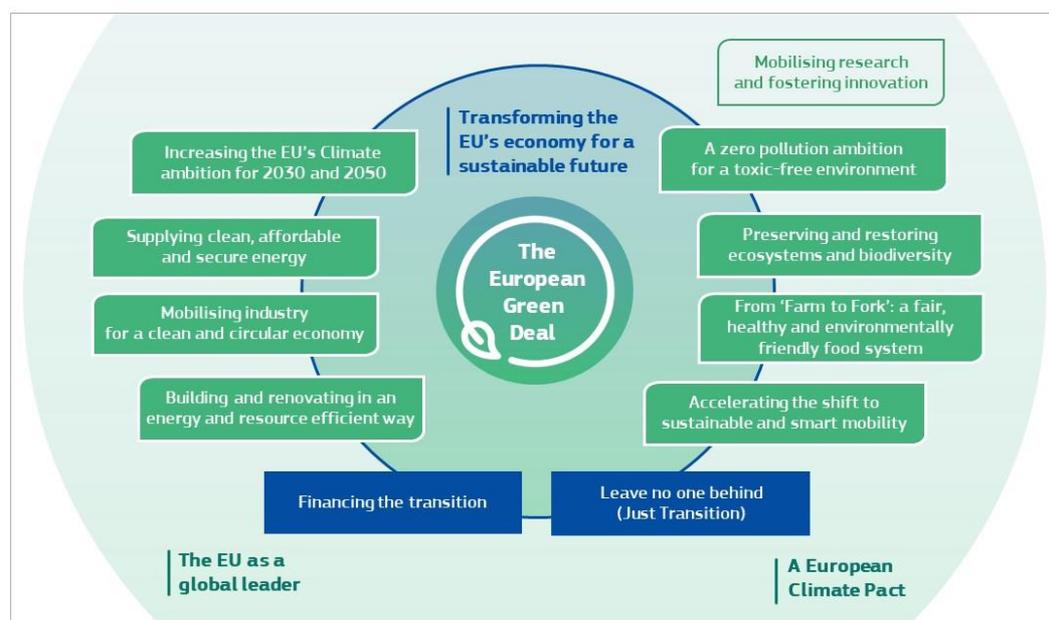
1.2 EU climate policy action

The European Commission set out its vision for a climate-neutral EU by 2050 in its communication 'A Clean Planet for all' in November 2018⁶. The in-depth analysis underlying the vision looked at all the key sectors and explored several pathways for the transition. It showed that it is technically possible for the EU to move to net-zero greenhouse gas emissions by 2050, using existing and emerging technological solutions, empowering citizens and aligning action in key areas such as industrial policy, clean energy, finance and research, while ensuring social fairness for a just transition. The emissions that will not be eliminated by 2050 will be removed e.g. via natural carbon sinks such as forests and carbon capture and storage technologies.

As it currently stands, EU policies are expected to reduce greenhouse gas emissions by 60% by 2050 compared to 1990 levels, meaning that much more remains to be done. In light of the scientific evidence, the increasingly severe negative effects of climate change, and citizens' demands for more action, it is recognised that additional measures need to be taken urgently.

The EU's ambition to become the first climate-neutral bloc in the world by 2050 is at the heart of the EGD presented by the Commission on 11 December 2019⁷. This is in line with the Paris Agreement objective to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C. The EGD aims to make Europe the first climate-neutral trading bloc in the world by 2050, while boosting the competitiveness of European industry and ensuring a fair and just transition for the regions and workers affected. The climate neutrality objective is also to be enshrined in legislation under the first European 'Climate Law'.

Figure 2: The European Green Deal



Source: European Commission (2019)

⁶ European Commission (2018), *A Clean Planet for all*. [Available here](#).

⁷ European Commission (2019), *The European Green Deal*. [Available here](#).

Due to the COVID-19 pandemic, international climate negotiations have now been delayed following the announcement that COP-26 to be held in Glasgow in November 2020 has been postponed. Under the Paris Agreement 2020 was to be an important year, with parties required to put forward new commitments to achieve the goal of holding temperature rises to no more than 2°C, and ideally 1.5°C, above pre-industrial levels. However, Frans Timmermans, the vice-president of the European Commission, has already vowed that “we will not slow down our work domestically or internationally to prepare for an ambitious COP-26”⁸.

⁸ European Commission 2020, *Press statement from Frans Timmermans, Executive Vice-President for the European Green Deal, on the announcement to postpone the COP26*. [Available here](#).

2. Main elements of the European Green Deal

The EGD provides a roadmap and overall policy agenda, setting out a schedule for delivery of key commitments for 2020-2021. Recognising the cross-cutting nature of climate change, it emphasises that the delivery of the EGD requires the EU to restructure policies across a number of different areas. This includes clean energy supply, industry, production and consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits.

As well as setting out the policy and legislative programme for all key economic sectors to deliver on the EU's climate ambition, the EGD also addresses the EU's overall ambition on climate targets. It proposes increasing the EU's emissions reduction targets for 2030 from 40% to at least 50% and towards 55% compared with 1990 levels⁹. To protect the EU's competitiveness against countries showing lower levels of climate ambition, a carbon border adjustment mechanism is proposed, for selected sectors, to reduce the risk of businesses relocating elsewhere.

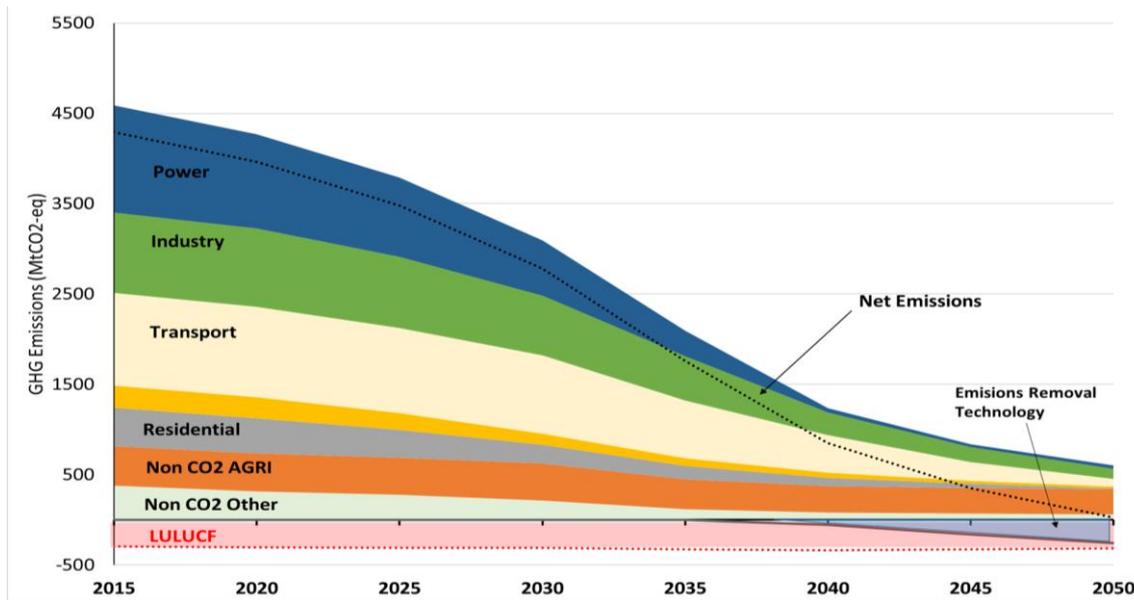
The EGD also addresses environmental challenges beyond climate, including in relation to protection of biodiversity and policies tackling pollution to air, water and soils. The mainstreaming of sustainability will be pursued through measures to support a just transition, action on sustainable finance, greening national budgets, and reviewing relevant legislation and guidelines. The Commission has also launched a European Climate Pact focusing on public engagement with citizens and communities¹⁰.

2.1 Climate Neutrality

The overall ambition of the EGD is for the EU to become climate neutral by 2050. This means no net emissions of greenhouse gases in 2050 as each sector is decarbonised as much as possible and where any remaining emissions are offset by removals such as carbon sinks or technology options like carbon capture and storage.

⁹ The European Commission has launched a public consultation on EU climate ambition for 2030. [Available here](#).

¹⁰ https://ec.europa.eu/clima/policies/eu-climate-action/pact_en

Figure 3: Stylized emissions reduction pathways by sector for climate neutral Europe

Source: Adapted from European Commission (2018)¹¹

This commitment to climate neutrality has been set out in an EU 'Climate Law' which enshrines the objective in legislation. The European Climate Law aims to complement the existing EU policy framework by setting the long-term direction of travel for EU climate policies, providing predictability for investors and businesses on the EU's commitment, and ensuring transparency and accountability.

The Law also aims to enhance efforts on adaptation to climate change. In spite of action to reduce greenhouse gas emissions, Europe will continue to face the negative effects of climate change. The upcoming EU Adaptation Strategy and Member States' adaptation strategies and plans will be essential to address these challenges.

¹¹ https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_analysis_in_support_en_0.pdf

Box 2: EU Climate Law

The EU Climate Law addresses the pathway to get to the 2050 target:

- Based on a comprehensive impact assessment, the Commission will propose a new 2030 EU target for greenhouse gas emission reductions. The Climate Law will be amended once the impact assessment is completed.
- By June 2021, the Commission will review, and where necessary propose to revise, all relevant policy instruments to achieve the additional emission reductions for 2030.
- The Commission proposes the setting of a 2030-2050 EU-wide trajectory for greenhouse gas emission reductions, to measure progress and give predictability to public authorities, businesses and citizens.
- By September 2023, and every five years thereafter, the Commission will assess the consistency of EU and national measures with the climate-neutrality objective and the 2030-2050 trajectory.
- The Commission will be empowered to issue recommendations to Member States whose actions are inconsistent with the climate-neutrality objective, and Member States will be obliged to take due account of these recommendations or to explain their reasoning if they fail to do so. The Commission can also review the adequacy of the trajectory and the Union wide measures.
- Member States will also be required to develop and implement adaptation strategies to strengthen resilience and reduce vulnerability to the effects of climate change.

2.2 Sectoral policies and measures¹²

Delivering the EGD will require a transformation of the EU's economy with sectors such as transport, the built environment, agriculture, industry, and energy all having to become more environmentally sustainable if the goal of decoupling economic growth from resource use is to be achieved.

¹² The European Commission is currently reviewing some of the deadlines for its work programme in light of COVID-19. The indicative timetable dates in the tables listed below are therefore subject to revision.

2.2.1 Clean energy

The EGD recognises that the energy system will play a critical role in supporting the move towards climate neutrality. This includes improving the energy efficiency of our homes and businesses as well as increasing the amount of renewable energy from sources such as wind, solar, and biomass. At the same time the use of fossil fuels must be significantly reduced, and protection provided for vulnerable households from the risk of energy poverty.

The Commission will review Member States National Energy and Climate Plans to assess whether they are ambitious enough in terms of national contributions to EU-wide targets. When these plans are updated in 2023, they are to reflect the new climate ambition. The Commission will also review the regulatory framework for energy infrastructure to ensure consistency with the climate neutrality objective.

Table 1: Clean energy – key actions

Actions	Indicative Timetable
Assessment of the final National Energy and Climate Plans	2020
Strategy for smart sector integration	2020
'Renovation wave' initiative for the building sector	2020
Evaluation and review of the Trans-European Network – Energy Regulation	2020
Strategy on offshore wind	2020

Source: European Commission

2.2.2 Industry

The Commission adopted an EU industrial strategy¹³ in March 2020 to address the challenge of both the green and digital transformation. It has also published a new circular economy action plan which prioritises reducing and reusing materials before recycling them¹⁴. Action is to focus in particular on resource-intensive sectors such as textiles, construction, electronics, and plastics.

Where waste cannot be avoided, the Commission is of the view that its economic value must be recovered and its impact on the environment and on climate change avoided or minimised. This will require new legislation, including targets and measures for tackling over-packaging and waste generation.

¹³ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_416

¹⁴ <https://ec.europa.eu/environment/circular-economy/>

Table 2: Industry – key actions

Actions	Indicative Timetable
EU Industrial strategy	March 2020
Circular Economy Action Plan, including a sustainable products initiative and particular focus on resource intense sectors such as textiles, construction, electronics and plastics	March 2020
Initiatives to stimulate lead markets for climate neutral and circular products in energy intensive industrial sectors	From 2020
Proposal to support zero carbon steel-making processes by 2030	2020
Legislation on batteries in support of the Strategic Action Plan on Batteries and the circular economy	October 2020
Propose legislative waste reforms	From 2020

Source: European Commission

2.2.3 Buildings

Member States are to engage in a ‘renovation wave’ of public and private buildings to address the twin challenge of energy efficiency and affordability. The Commission is to assess Member States national long-term renovation strategies and will also launch work on the possibility of including emissions from buildings in the EU emissions trading system.

In parallel, the Commission is proposing to work with stakeholders on a new initiative in 2020 to address the barriers to renovation. This will include innovative financing schemes under InvestEU which will seek to target renovation efforts into larger blocks to benefit from better financing conditions and economies of scale.

2.2.4 Transport

The Commission is to adopt a strategy for sustainable and smart mobility in 2020 and propose to increase the capacity of railways and inland waterways by 2021. In the context of the revision of the Energy Taxation Directive, the Commission will look at the current tax exemptions for aviation and maritime fuels and propose extending the EU emissions trading system to the maritime sector as well as consider applying it to road transport.

The Commission will support the deployment of public recharging and refuelling points for zero and low-emission vehicles and will launch a new funding call from 2020. It will also review the

Alternative Fuels Framework Directive and the TEN-T Regulation as well as propose more stringent air pollution and CO₂ emission performance standards for vehicles.

Table 3: Transport – key actions

Actions	Indicative Timetable
Strategy for sustainable and smart mobility	2020
Funding call to support the deployment of public recharging and refuelling points as part of alternative fuel infrastructure	From 2020
Assessment of legislative options to boost the production and supply of sustainable alternative fuels for the different transport modes	From 2020
Revised proposal for a Directive on Combined Transport	2021
Review of the Alternative Fuels Infrastructure Directive and the Trans European Network – Transport Regulation	2021
Initiatives to increase and better manage the capacity of railways and inland waterways	From 2021
Proposal for more stringent air pollutant emissions standards for combustion-engine vehicles	2021

Source: European Commission

2.2.5 Agriculture

The Commission is to present a 'Farm to Fork' strategy in spring 2020 which will formulate a more sustainable food policy. The common agricultural and fisheries policies remain key policy tools with the Commission proposing that at least 40% of the CAP's overall budget and at least 30% of the Maritime Fisheries Fund to go towards climate action.

Member States national strategic plans for agriculture are to fully reflect the ambition of the Green Deal and Farm to Fork Strategy. The Commission will identify measures to reduce the use and risk of chemical pesticides, as well as fertilisers and antibiotics, and will also propose actions to help consumers choose healthy and sustainable diets and reduce food waste.

Table 4: Agriculture – key actions

Actions	Indicative Timetable
Examination of the draft national strategic plans, with reference to the ambitions of the European Green Deal and the Farm to Fork Strategy	2020-2021
'Farm to Fork' Strategy Measures, including legislative, to significantly reduce the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics	Spring 2020 2021

Source: European Commission

2.2.6 Natural environment

The Commission is to present a Biodiversity Strategy in 2020 which will include commitments to address the main causes of biodiversity loss in the EU. The EGD also recognises the important role of forestry for the EU to reach climate neutrality and provide a healthy environment and so a new EU forest strategy is to be prepared.

A zero-pollution action plan for air, water and soil is to be adopted in 2021 and the Commission will present a chemicals strategy for sustainability by summer 2020. EU measures to address pollution from large industrial installations will also be reviewed.

Table 5: Natural environment – key actions

Actions	Indicative Timetable
EU Biodiversity Strategy for 2030	Spring 2020
Measures to address the main drivers of biodiversity loss	From 2021
New EU Forest Strategy	2020
Measures to support deforestation-free value chains	From 2020
Chemicals strategy for sustainability	Summer 2020
Zero pollution action plan for water, air and soil	2021
Revision of measures to address pollution from large industrial installations	2021

Source: European Commission

2.3 Mainstreaming sustainability

2.3.1 Green finance

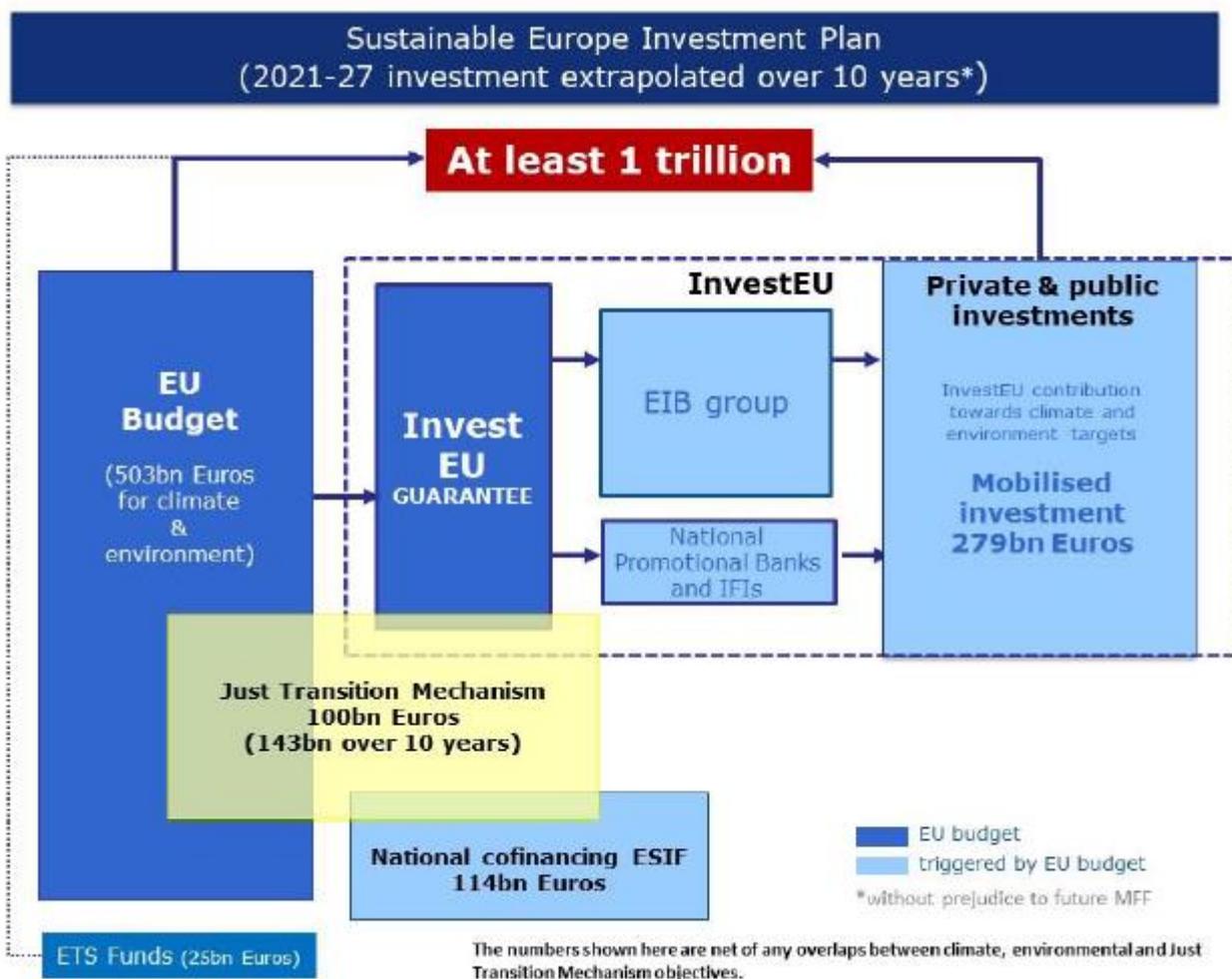
To finance the EGD, the Commission has presented a Sustainable Europe Investment Plan¹⁵. This is expected to mobilise at least €1 trillion of sustainable investments over the next decade from a combination of funds (see Figure 2 below). It has also proposed a 25% target for climate mainstreaming across all EU programmes as well as new potential revenue streams such as allocating 20% of the revenue from the auctioning of EU emissions trading system allowances to the EU budget.

The Commission will also work with Member States to screen and benchmark green budgeting practices. This will make it easier to assess to what extent annual budgets and medium-term fiscal plans take environmental considerations and risks into account. At a national level, the EGD is intended to provide the framework to encourage environmental taxation reform and removing subsidies for fossil fuels.

Current State aid guidelines are to be examined and will be revised by 2021 to support the objective of climate neutrality by 2050. This will include the environmental and energy State aid guidelines as well as addressing market barriers to the deployment of clean products.

¹⁵ https://ec.europa.eu/commission/presscorner/detail/en/fs_20_48

Figure 4: Financing the European Green Deal



Source: European Commission (2019)

2.3.2 Just transition

As part of the Sustainable Europe Investment Plan, the Commission has proposed a Just Transition Mechanism¹⁶ to support workers and regions affected by the transition away from fossil fuels. A Just Transition Fund of €7.5 billion has been announced and an initial allocation of €30 million has been proposed for Ireland.

Member States are to complement their JTF allocation from their resources under the ERDF and the ESF+ and will also provide co-financing from national resources. To access the funding Member States need to prepare just transition plans identifying the most impacted territories that should be supported.

¹⁶ https://ec.europa.eu/commission/presscorner/detail/en/fs_20_39

2.3.3 Research and education

It is recognised that new technologies and sustainable solutions are critical to achieve the objectives of the EGD. The Horizon Europe programme will be the key vehicle for this with at least 35% of its budget going towards funding new solutions for climate. Partnerships with industry and Member States will support research and innovation on transport, clean hydrogen, low-carbon steel making, circular bio-based sectors and the built environment.

The Commission will prepare a European competence framework to help develop and assess knowledge, skills and attitudes on climate change and facilitate the exchange of good practices in EU networks of teacher-training programmes. The proposed European Social Fund+ will play an important role in helping Europe's workforce to acquire the skills they need to transfer from declining sectors to growing sectors and to adapt to new processes.

Table 6: Mainstreaming sustainability in all EU policies – key actions

Actions	Indicative Timetable
Proposal for a Just Transition Mechanism, including a Just Transition Fund, and a Sustainable Europe Investment Plan	January 2020
Renewed sustainable finance strategy	Autumn 2020
Review of the Non-Financial Reporting Directive	2020
Initiatives to screen and benchmark green budgeting practices of the Member States and of the EU	From 2020
Review of the relevant State aid guidelines, including the environment and energy State aid guidelines	2021
Align all new Commission initiatives in line with the objectives of the Green Deal and promote innovation	From 2020
Stakeholders to identify and remedy incoherent legislation that reduces the effectiveness in delivering the European Green Deal	From 2020
Integration of the Sustainable Development Goals in the European Semester	From 2020

Source: European Commission

3. Implications for Ireland

The European Green Deal has a number of potential implications for Ireland. Some of these are now discussed below.

3.1 Revision of 2030 target

The EU's current binding target for 2030 is to cut greenhouse gas emissions by at least 40% below 1990 levels. This target is split across the EU Emissions Trading System (ETS) and non-ETS sectors with consideration also for the Land Use, Land Use Change and Forestry (LULUCF) sector.

The ETS covers 45% of current GHG emissions in the EU (but around 30% in Ireland) and applies to power plants, heavy industry and airlines operating between EU countries. A cap and trade system is applied at EU level. The cap is reduced over time so that total emissions fall. As part of the EU's current 2030 climate and energy framework, emissions from sectors covered by the EU ETS will be cut by 43% from 2005 levels.

The non-ETS sector includes transport, buildings, agriculture, non-ETS industry and waste, and account for almost 55% of total domestic EU emissions. EU Member States have binding annual greenhouse gas emission targets for these sectors. The national targets will collectively deliver a reduction of 30% by 2030, compared with 2005 levels. When combined, both the ETS ambition and non-ETS target deliver a 40% reduction in greenhouse gas by 2030 (see Figure 5 below).

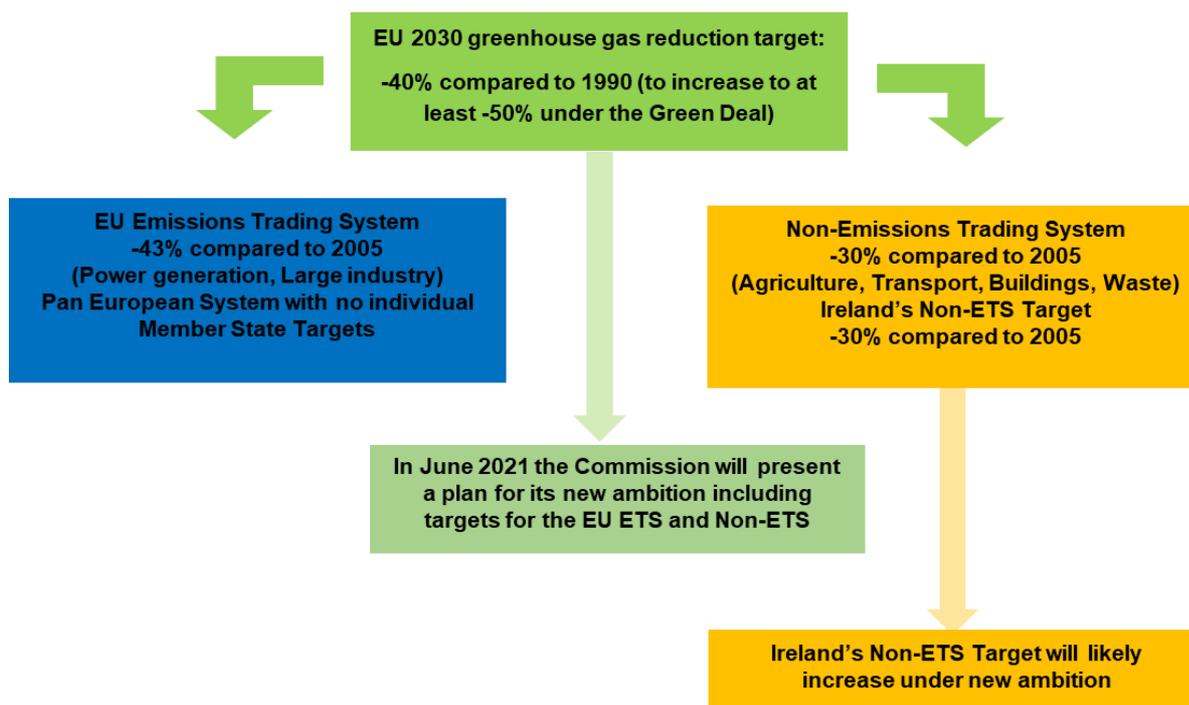
The EU included the Land Use, Land Use Change and Forestry sector in its domestic climate targets for the first time in its 2030 Climate and Energy Framework. Previously, the EU had only taken account of net emissions from elements of the land sector in its commitments under the Kyoto Protocol. Member States such as Ireland can use a limited number of credits over the entire period 2021-2030 to comply with national targets.

The proposal under the EGD is to increase the EU's reduction target for 2030 to at least 50% compared with 1990 levels. This will require revisions to the EU ETS and non-ETS targets and the respective underpinning legislation such as the land use and forestry regulation¹⁷. The Commission is to present an impact-assessed plan on increased ambition for 2030 by September 2020 in advance of legislated proposals by June 2021 and has also launched a public consultation. EU Member States may then have to update their national energy and climate plans in 2023, to reflect the new climate ambition.

The determination of Member State non-ETS targets is based on principles of cost effectiveness and economic fairness with a burden sharing component which requires Member States with higher GDP to commit to targets above what is cost effective. Due to Ireland's strong economic situation, it has received targets at the higher level of ambition. To date no analysis has been undertaken to estimate the impact of the EU moving to a higher overall emissions reduction target in 2030 but for Ireland it is likely to be at the higher end of ambition.

¹⁷ https://ec.europa.eu/clima/policies/forests/lulucf_en

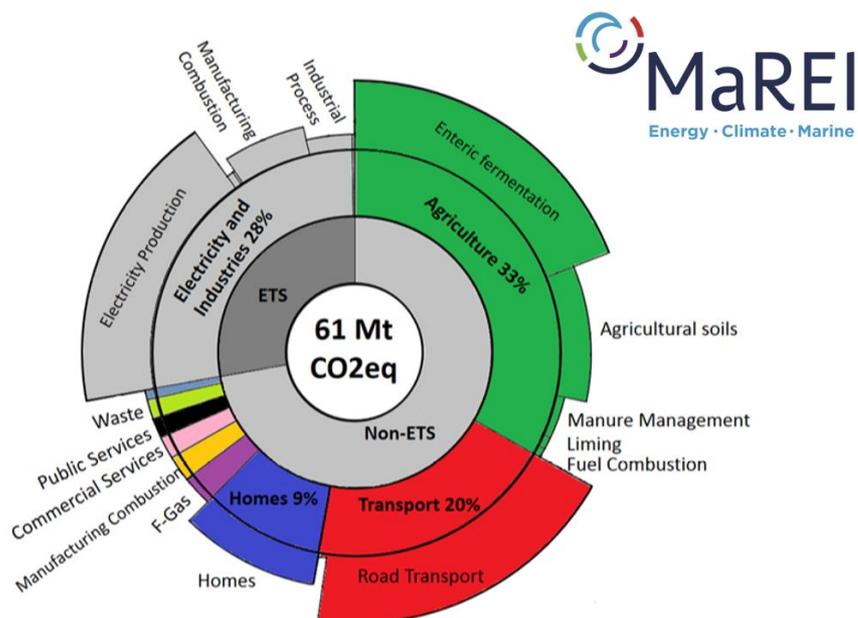
Figure 5: EU current and proposed 2030 target



According to the EPA, in 2018 Ireland emitted 60.93 million tonnes of carbon dioxide (Mt CO₂) equivalent¹⁸. Based on 2019 greenhouse gas (GHG) emission projections, Ireland is expected to miss its current 2030 non-ETS target of a 30% reduction on 2005 levels by 52 to 67 Mt CO₂ equivalent (EPA, 2019) or reach 7% to 13% below 2005 levels by 2030¹⁹.

¹⁸ Environmental Protection Agency (2019), *Ireland's Final Greenhouse Gas Emissions 1990-2018*. [Available here](#).

¹⁹ Environmental Protection Agency (2019), *Ireland's Greenhouse Gas Emissions Projections 2018-2040*. [Available here](#).

Figure 6: Ireland ETS and non-ETS by sector and source

Although these EPA projections are yet to factor in the policies and measures included in the Climate Action Plan and exclude use of certain flexibilities, it is clear that further action will be required to reduce emissions in Ireland if the EU increases its ambition for 2030. These could include increasing levels of renewable heat and transport, improving the energy efficiency of buildings, developing better public transport options and reducing emissions in agriculture.

3.2 Climate Law and the 2050 target

The Commission presented their proposal²⁰ on the first European 'Climate Law' in March 2020 which will enshrine the 2050 climate neutrality objective in legislation. In Ireland, the Draft General Scheme of the Climate Action (Amendment) Bill 2019²¹ (published by the outgoing Government in January 2020) also proposes establishing a 2050 emissions reduction target in law. The exact nature of this target is still to be determined, though the Climate Change Advisory Council has advised that emissions of all GHGs (except biogenic methane) should reach net zero by 2050.

Meeting our 2050 target will have implications for several sectors such as agriculture, the built environment, energy, and transport. In some cases, these sectors will be required to fully decarbonise and deliver negative emissions through carbon sinks (such as forestry) or different technology options like carbon capture and storage.

²⁰ https://ec.europa.eu/info/files/commission-proposal-regulation-european-climate-law_en

²¹ Department of Communications, Climate Action and Environment, *General Scheme Climate Action Amendment Bill*. [Available here](#).

3.3 Just Transition

In January 2020, the Commission presented proposals on a Just Transition Mechanism and the Sustainable Europe Investment Plan. This includes the establishment of a Just Transition Fund to support the green transition and ensure that no one is left behind. Funding of €7.5 billion will be made available under the JTF and is to be targeted at specific carbon-intensive regions. An initial allocation of €30 million has been proposed for Ireland.

In order to access this funding, Member States will need to prepare territorial just transition plans, providing an outline of the transition process until 2030, consistent with the National Energy and Climate Plans and the transition to a climate neutral economy and identifying subsequently the most impacted territories that should be supported. For each of these territories, the territorial just transition plans will set out the social, economic and environmental challenges and give details on needs for economic diversification, reskilling and environmental rehabilitation as appropriate.

This has positive implications for Ireland where vulnerable areas, such as the Midlands with its peat workers or west Clare with its Moneypoint coal workers, will be able to avail of structured support. The further identification of vulnerable workers and regions impacted by the transition to a low-carbon economy will be important in ensuring that future support is targeted at those most in need.

4. Conclusions

This *L&RS Note* has sought to outline the main features of the European Green Deal which is a flagship initiative for the European Commission over the coming years. While the COVID-19 emergency has required immediate attention and resources to deal with the public health and economic impacts, the Green Deal remains a key priority for the Commission. The EU roadmap framework²² for recovery from COVID-19 has already signalled the need to integrate green and digital aspects.

In Ireland, the current framework document for a coalition government includes a new green deal as one of its 10 new missions for a new government. It states:

“The climate crisis is the most pressing existential crisis. The response domestically and internationally to the Covid-19 Emergency illustrates our capacity to react comprehensively and imaginatively to fundamental challenges. We must utilise the radicalism of the response to this Emergency to tackle the climate and biodiversity crisis, and we shall do this through implementing a New Green Deal for Ireland and our commitment to the European Green Deal. Actions being taken across Government must align with this New Green Deal and carbon neutrality by 2050.”

The implications of the European Green Deal for Ireland were addressed in this research note and included consideration of a revision to existing greenhouse gas emission targets for 2030 as well as a new longer-term goal to achieving carbon neutrality by 2050. Meeting these targets will require significant investment and behavioural change across a number of sectors including energy supply, transport, agriculture, industry and the built environment.

The implementation of a green deal will also have an impact on regions and communities and the need to deliver a just transition which ensures that no one is left behind remains a key policy priority at a national and EU level.

²² <https://www.consilium.europa.eu/media/43384/roadmap-for-recovery-final-21-04-2020.pdf>



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