~~(C//REL) Eu~~rope: Addressing Climate Change Likely to Widen Political Fissures

~~(C//REL TO USA, FVEY)~~ (b)(1)(1.4)(c); (b)(1)(1.4)(d)
(b)(1)(1.4)(c); (b)(1)(1.4)(d)
Structural impediments in the EU also will work against finding timely solutions because member states have a high degree of autonomy on energy, taxation, and land-use policies, and hold veto power at key stages of EU legislation.

~~(C//REL)~~ Grand ambitions

~~(C//REL) Eu~~ropean leaders and EU officials have long recognized the need to reduce carbon emissions in order to stem the dangers of climate change. The year 2020 was the warmest on record across Europe, significantly breaking the previous high mark and more than 1.9 degrees Celsius above the long-term average between 1981 and 2010, according to the American Meteorological Society.[1] Wide majorities of publics across nine of the largest EU member states rate climate change as a major concern for their countries. On average, 70% of these publics say it is a major concern, ahead of other issues such as terrorism, the economy, nuclear proliferation, poverty, ethnic conflict, and migration.[2]

~~(C//REL) T~~he EU set an ambitious target to be carbon neutral by 2050, and this past summer, the European Commission proposed increasing its goal of renewables' share of energy consumption by 2030 from 32% to 40%.[3] The EU aims to reduce transportation emissions by 60% by 2050 compared to 1990 levels.[4]

~~(C//REL) To~~ reach these goals, EU lawmakers have framed their climate goals (the so-called European Green Deal) as an economic growth strategy, including for post–COVID-19 recovery. The legislation covers a range of sectors and issues: agriculture, food production, vehicle emissions, energy, construction, industrial production, waste management, biodiversity, trade, and finance. The EU plans to use its $2.2 trillion 2021-27 budget and COVID-19 recovery plan to build a greener and more resilient Europe, including a $121 billion fund to help the most carbon-intensive countries.[5] Many European companies are at the forefront of renewable energy technology, especially in the offshore wind sector.

~~(C//REL) Un~~even climate exposure amid questions of who should pay

~~(C//REL)~~ (b)(1)(1.4)(c); (b)(1)(1.4)(d)
(b)(1)(1.4)(c); (b)(1)(1.4)(d) Exposure to the anticipated effects of climate change varies across the continent, and member states have different energy dependencies; these differences will prove difficult to reconcile (see map, next page). Industrial energy consumers worry that the burden of adhering to climate regulations will make them less competitive globally, and they have lobbied to soften EU requirements.[6]

- ~~(C//REL) S~~outhern Europe probably will suffer from persistent urban heat waves, drought, and wildfires, straining budgets and the economy, according to climate simulations. Meanwhile, northern Europe could see a rise in land prices as arable land elsewhere in Europe becomes scarcer, which is likely to widen the income gap between the two regions, according to the same simulations.[7]

Unclassified

Boundary representation is not necessarily authoritative.

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- ~~(C//REL)~~ In October, Warsaw called for the EU to cancel or delay parts of "Fit for 55"—the European Commission's plan to reduce emissions by 55% by 2030—because of surging gas and electricity prices. Poland is one of several EU member states concerned about the cost of transitioning from fossil to renewable energy.[8]

- ~~(C//REL)~~ Hungarian Prime Minister Viktor Orban blamed the European Commission executive vice president in charge of the Green Deal, Frans Timmermans, for what Orban claimed were "wrongly designed" policies.[9] The two have previously clashed on rule-of-law issues.

~~(C//REL)~~ Structural impediments slow progress

~~(C//REL)~~ European environmental goals probably will run into the realities of EU and member-state fiscal rules. For example, there is a potential clash between climate objectives and the debt brake requirement governed by the German constitution, potentially limiting the debt financing options for some climate-related investments.[10]

- ~~(C//REL) A~~ push in July to add road transport to the Fit for 55 plan split the European Commission.[11] Both German Chancellor Angela Merkel and the European Commission president, German national Ursula von der Leyen, wanted to apply the EU's Emissions Trading System to road transport, which could affect consumers more than manufacturers. A third of the commissioners reportedly asked for their dissent to be noted in the official minutes.[12]

- ~~(C//REL)~~ Populist and radical political parties, rather than denying or obfuscating climate science, are shifting their criticism to the expected costs of the energy transition. French officials worry that another "Yellow Vest" protest movement (which began in response to climate policy–related fuel tax increases) will derail French President Emmanuel Macron's reelection bid in spring 2022.[13] (b)(1 [redacted]
(b)(1)(1.4)(c) [redacted]

- ~~(C//REL)~~ Other structural impediments in the EU also will work against finding timely solutions. Member states have substantial autonomy on energy, taxation, and land-use policies, and hold veto power at key stages of EU legislation.[15]

(U) Sources and notes

~~(C//REL)~~ (b)(1)(1.4)(c) [redacted] (b)(1)(1.4)(c) [redacted] INR/EUR prepared this Assessment.

(b)(1)(1.4)(c) [redacted]