

ΚΕΔΙΣΑ  ΚΕΔΙΣΑ

**ΚΕΝΤΡΟ ΔΙΕΘΝΩΝ ΣΤΡΑΤΗΓΙΚΩΝ ΑΝΑΛΥΣΕΩΝ
CENTER FOR INTERNATIONAL STRATEGIC ANALYSES**

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Introduction: What is the European Green Deal?

Contemporary challenges such as climate change, the Russian-Ukrainian war and environmental degradation threaten the existence of Europe and the world in general. How can these challenges be addressed? By the EU Green Deal which aims to transform Europe into a modern, resource-efficient, and competitive economy (Union 2022). The initiatives ensured by this action are net zero greenhouse gas emissions by 2050, economic growth that is not related to the use of resources and no one around the world is left behind (Union 2022). Also, the green European deal is a dead end from the COVID-19 pandemic. This is because a third of the €1.8 trillion investment from the Next Generation EU recovery plan and the seven-year EU budget will finance the EU Green Deal. As the timetable of the EU Green Agreement shows, as early as December 2021, efforts have been made to implement the plan until today and also in the future. The Green Deal is an integral part of this Commission's strategy for the implementation of the United Nations 2030 Agenda and the Sustainable Development Goals, and the other priorities announced in President von der Leyen's political guidelines (Commision 2022). As part of the Green Deal, the Commission will refocus the process of the European Semester macroeconomic coordination to integrate the sustainable development goals of the United Nations, to put sustainability and the well-being of citizens at the center of economic policy and the sustainable development goals that are at the heart of EU policymaking and action. To achieve the European Green Deal, there is a need to review policies for clean energy supply across the economy, industry, production and consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits (PWC n.d.). To achieve these goals, it is important to increase the value placed on protection and the restoration of natural ecosystems, the sustainable use of resources and the improvement of human health. This is where transformative change is most needed and potentially most beneficial for the EU economy, society,

and natural environment. The EU should also promote and invest in the necessary digital transformation and tools, as these are essential enablers of change (Thegreentank 2022). While all these areas of action are closely related and mutually reinforcing, particular attention should be paid when there is potential trade-off between economic, environmental and social objectives. The EU Green Deal will make consistent use of all policy levers: regulation and standardization, investment and innovation, national reforms, dialogue with social partners and international cooperation. The European Pillar of Social Rights will guide action to ensure that no one is left behind. However, new measures alone will not be enough to achieve the European Green. The objectives of the agreement. In addition to launching new initiatives, the Commission will work with Member States to step up EU efforts to ensure that existing legislation and policies related to the Green Deal are effectively enforced and implemented. Europe and Green Deal (REUTERS 2021). But in this paper I am firstly going to present what does this European Green Deal offers to Europe and I am going focus more on the case study of Greece.

What does the EU aim to achieve with his European Green Deal?

With this Green Deal, the EU wants to be the first climate-neutral continent and in this way, the European Union should no longer contribute to global warming through the emission of greenhouse gasses (EuropaNu 2021). Europe aims to reach climate neutrality by 2050. In this way, a roadmap has been drawn up with different kinds of series. Within the EU Green Deal sectors such as economy, transport, energy, agriculture, and infrastructure have been covered (EuropaNu 2021). Therefore, an estimated 260 billion Euros have been invested annually (EuropaNu 2021). Moreover, Europe has presented a package that need to be achieved. This package consists of many laws and will eventually change the European economy and society (EuropaNu 2021). Some examples are that fossil fuels will be more expensive and until 2035 petrol cars will no longer be made. Furthermore, the European emissions trading system or ETS (Emission Trading System) would expand and strengthened even more. The reasons behind the creation of the plan are based on environmental issues such as climate change, loss of biodiversity, ozone depletion, water pollution, urban stress, waste generation and more (Pollet 2020).

The European Green Deal is the EU's response in this and at the same time, confirmation of its historically recorded vanguard in dealing with climate change and the Russian-Ukraine War. In addition to its significant contribution to the formation of the Paris Agreement during the Conference of the Parties (COP21) in 2015, which it collectively signed immediately after its finalization, the Emissions Trading System is already going through its 4th phase of implementation. At the same time, the E.E. presented in 2018 the Clean Planet for all policy frameworks on how to achieve climate neutrality by 2050 (CNNGreece 2021).

To achieve the goal of the Green Deal, the EU it is called upon to implement a multidimensional framework of reforms in areas with strong interaction between them. A determining factor for success is the climate ambition of the EU. to be combined with ensuring the competitiveness of the industries that bear the ever-increasing costs of reducing GHG emissions and the entire supply chain (CNNGreece 2021). It is obvious that the European Union alone cannot solve a global problem. Internationally, the Paris Agreement, the first global climate agreement, entered into force in 2016 with much fanfare and no tangible results so far. The countries that signed the Paris Agreement participated in the UN Climate Change Conference (COP25) in December 2019, after the end of which the disappointment of a large part of the participants was evident. Close cooperation with the big polluters: USA, India, China, Brazil and Russia are therefore required. An International Cooperation Network must be created to save the environment and stop climate change. The global challenge of climate change requires just that, a global response in the form of effective, proactive, and innovative measures. But more specifically the European Green Deal has affected drastically Greece as well.

Moreover, regarding COP26 over 40,000 people registered to attend the UN Climate Change Conference in Glasgow (COP26), including 120 world leaders, 22,274 party delegates, 14,124 observers, and 3,886 media representatives. The science, the solutions, the political will to move, and the obvious signs of action were all the topics of the world for two weeks. The outcome of COP26, the Glasgow Climate Pact, is the result of two weeks of intense discussions involving almost 200 countries, months of laborious formal and informal work, and nearly two years of ongoing participation both physically and online.

The annual Conference of the Parties (COP), according to the United Nations Framework Convention on Climate Change (UNFCCC), has two main goals: to evaluate how the Convention, Kyoto Protocol, and Paris Agreement have each been put into practice. Furthermore, in this agreement it is included: i) worldwide net zero by the middle of the century and limit warming to 1.5 C by: increasing the transition to electric vehicles, reducing deforestation, hastening the phase-out of coal, and supporting investment in renewable energy. ii) Adapt to save local populations and ecological systems. iii) raise an annual minimum of \$100 billion in climate money and iv) work together to complete the Paris Rulebook and quicken the pace of the fight against the climate problem (Parliament 2022).

The EU Green Deal and Greece

The EU Green Deal is presented and analyzed as an important issue for the business community, and shares the ambitions of the EU, supporting the objectives in practice and participating in the public debate with documented opinions. Specifically, as the link states, in 2009 the first event on "Sustainable Development and Climate Change" was implemented with Sir Nicholas Stern as the main speaker and in 2010 the first Symposium on "energy efficient buildings" (CNNGreece 2021). In 2011, the results of the study on the prospects for reducing Greenhouse Gases in Greece were presented, while in December 2015, it participated in the decisive climate COP 21, from which the Paris Agreement emerged.

Dealing with climate change and the impact of planet's overheating has created the need for a new growth strategy to reduce greenhouse gases emissions in Europe. At the end of 2019, the European Commission announced the EU Green Deal, deliberately and essentially integrating all the three dimensions of sustainable growth (social, environmental, and economic) (EuropeanParliament 2022).

While the global economy is moving at the pace of the Fourth Industrial Revolution, Europe is already moving based on a sustainable policy which guarantees common benefits and collaborations in tackling climate change, protecting nature and biodiversity, improving air quality as well as water resources condition and environment in general, in response to the new global division of labor, aiming to the creation of a just and social green Europe and a better future for everyone (EuropeanCommision n.d.).

On a solid basis, it promotes sustainability by radically transforming the Greek economy, society and the environment with clean energy, expansion of emissions' trade, enhancement of circular economy and conservation of biodiversity as its central lines. Thus, it activates the Member States to be extroverted, produce high quality products, and have highly skilled workforce (Metavasis 2022).

The EU Green Deal is already affecting companies and organizations in Greece, in both private and the public sector, steadily leading the economy to new paths. It also leads to sustainable production and consumption models based on the transition to a climate neutral society consolidating the principles of the circular economy. Primary target is the integrated, interconnected, and well-functioning EU and Greek energy market that would provide sustainable, secure and affordable energy while fully respecting the right of Member States to decide on their energy mix (B2GREEN 2019).

At the same time, COVID-19 pandemic has proven how vulnerable societies and economies are in times of crisis and natural disasters and, in combination with the measures for Europe's 'green recovery', it has set new priorities for societies to return to a normal pace while focusing on protecting the environment and ensuring public health. After all, the management of the transition alone inevitably leads Greece to significant structural changes in regional and local economies with a development of new activities that can maintain and strengthen the economic and social structure so that the transition is fair and socially sustainable (Rijksoverheid n.d.). The Greek society is preparing itself for this radical change in its economy, including the sectors of electrical energy, industry, transport, buildings, agriculture, and forestry, each of them playing its part both separately and with delignification and the achievement of new energy and environmental targets as central lines, a true opportunity to design a better sustainable lignite-free and pollution-free future, the country is creating the conditions for the development of activities that will attract significant green investments in order to carry out, in a short period of time, the necessary radical restructuring of the local and national economy while strengthening the social cohesion by retraining affected workers and young people for future innovative jobs (DR2CONSULTANTS n.d.).

In addition, the Greek government is taking measures that support the circular economy and the reduction of carbon dioxide emissions while targeting to a zero-waste policy, a difficult project and, at the same time, a great challenge as part of the restart of Greek economy after the pandemic. Priority is given, rightfully, to reusing and recycling of all waste (both solid and liquid) which contain valuable nutrients, by using the funding of EU long-term budget on green projects and investments and the ones addressed to public authorities and market participants for identification and development of such projects. While adjusting its policy to all sectors contributing to the EU Green Deal implementation, Greece should be fully reconciled to the idea that it must also take preventive measures that incorporate the threat of climate change and consider the resistance to external hazards, such as natural disasters. The integration of the climate change in the design of new infrastructures means the selection of those that will meet the needs arising decades later (e.g. in areas where water supplies are estimated to be depleted), thus giving the opportunity for radical actions, including long-term planning that will last, so that we can hope for a new climate-neutral economy (switch2green n.d.). On its way to a climate-neutral economy, Greece must be able to set its 2050 growth target, its roadmap for 2050 and its intermediate targets. It must also design, as soon as possible, its plans for adaptation to climate change of several sectors such as agriculture, tourism, energy and transport as well as the areas in the country that are already experiencing the effects of climate change or are estimated to be hit hardest in the coming decades by structural changes (like lignite areas). Greece can be benefited by the Recovery Plan that supports actions in favor of 'just transition' by utilizing the "Sustainable Europe" investment plan of the EU Green Deal which mobilizes public investments and releases private capital through EU financial instruments and especially the Invest EU that will lead to investments of up to 1 trillion euros. In addition, the Just Transition Mechanism will give adjusted financial and practical support to help the workforce and make the necessary investments in the areas that will be particularly affected and will undergo a profound economic and social transformation (Karavasili 2021).

Greece can emerge as one of the countries that will lead the energy transformation in Europe by 2030, estimates Bloomberg NEF (BNEF). According to BNEF's minimum cost analysis, the Greek electricity system will change rapidly in the current decade, increasing in size by 55% by 2030. It is already more economical in Greece to

produce electricity from new wind or photovoltaic plants compared to new natural gas or lignite plants, according to BNEF. *"The conclusions drawn from the BNEF report are in perfect agreement with the main pillars of our new strategy. The ever-increasing competitiveness of renewable energy sources also confirms from an economic point of view our choice to restructure our portfolio and transition our production towards renewable energy sources"* said PPC president and CEO Giorgos Stassis (Kathimerini 2020).

In the context of EU rules and Directives and in accordance with its directions, the EU Green Deal, Greece immediately developed its action plan for energy and the climate. The National Plan for Energy and Climate (ESEK) is the road map of policy and measures in the energy sector, with specific quantitative ones and quality goals for the year 2030. This is essentially a long-term design of the national energy and climate policy aimed at reconstructing and forming the national economy of the future (Karamoukas 2021). The national energy targets, as reflected in the ESEK, were established to achieving a wide range of strategic objectives. The main concern of the plan is first the conception and then the application of an integrated development model in each economic sector and its inextricable connection with environmental welfare. It is about for a mixture of dynamic policies and measures, since its establishment will be varied in a targeted manner, which will ensure the optimal cost-benefit ratio in the country's path to energy transition and sustainability. It extends to every aspect of the country's economic activity, with a focus on the principles of circularity economy and sustainable development, the development of infrastructure and the expansion of domestic networks, energy security and its emergence as a strategic energy hub for Europe. At the same time, it focuses on innovation and the way in which the new technologies will bring jobs with citizen recipients.

The tools for achieving the goals are not limited to national capabilities and resources but make the most of Community support mechanisms. National energy and climate planning is making a major splash of change for national politics and the economy as a whole. As for each long-term plan, as well as for the ESEK, some should be adopted assumptions, which will either strengthen or limit the effort to achieve the goals that have been set. These sizes are determined based on the data so far of the energy market and the Greek economy in general and concern one period economic crisis. However, any variation in size applied as assumptions in the above two models will

bring about different results from the appreciated. The factors influencing the development of national planning are:

1. The economic activity by sector;
2. The population and the number of households, as an important factor formation of final consumption;
3. The international prices of liquid and solid fuels;
4. The prices of GHG emissions rights;
5. The investment cost, where in this case differences are found in some applications, such as the reduction of PV and wind development costs of facilities on the plot, with a simultaneous increase in the cost of building PV systems;
6. The potential of RES projects, which is determined by their share of participation in the energy consumption mix, as well as from the stability in production and existence of adequate storage systems or not;
7. The rate of development of energy infrastructures, in particular those of natural energy of gas due to its strategic use as a transition fuel, initially, and alternative medium term (ecopress 2022).

Conclusion

To sum up, in order to perform and achieve the goals of the EU Green Deal, Greece has to monitor continuously and adapt the Greek economy to the energy market developments. At the same time, horizontal cooperation between involved bodies will be required to evaluate and update the measures and objectives in the course of climate change. For Greece, climate change is an opportunity for innovation and economic growth after the long recession of previous years. The opportunities presented are not exclusive to its energy, but the entire national economy, while Greece is already showing significant steps progress and change (CNNGreece 2021). As a part of the EU, it wants to contribute to the EU Green Deal and help reaching the goal in order to help not only the sectors of Greek economy but also our planet.

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