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CLIMATE GOVERNANCE & NEGOTIATION: THE CASE OF THE EU GREEN DEAL

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OUTLINE

1. What is climate leadership ?
2. Historical role of the EU as an environmental and climate leader
3. The EU Green Deal
4. The challenges of delivering this policy agenda over time
5. Conclusion

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**I/ What is climate
leadership ?**

« AN ACTOR QUALIFIES AS A 'LEADER' IN GLOBAL
CLIMATE GOVERNANCE IF IT IS MORE AMBITIOUS THAN
OTHERS IN THE PURSUIT OF THE COMMON GOOD »
(OBERTHÜR & DUPONT 2021)

Climate leadership implies the ability to influence others toward climate action.

Example : Brazil and the Amazon (2004-2012)

- During the Lula and early Rousseff administrations, Brazil reduced Amazon deforestation by roughly 80% while maintaining economic growth.
- Brazil became an example frequently cited in international climate and biodiversity negotiations.
- Its influence came not only from reducing its own emissions but from demonstrating that large-scale forest protection was politically and economically feasible.

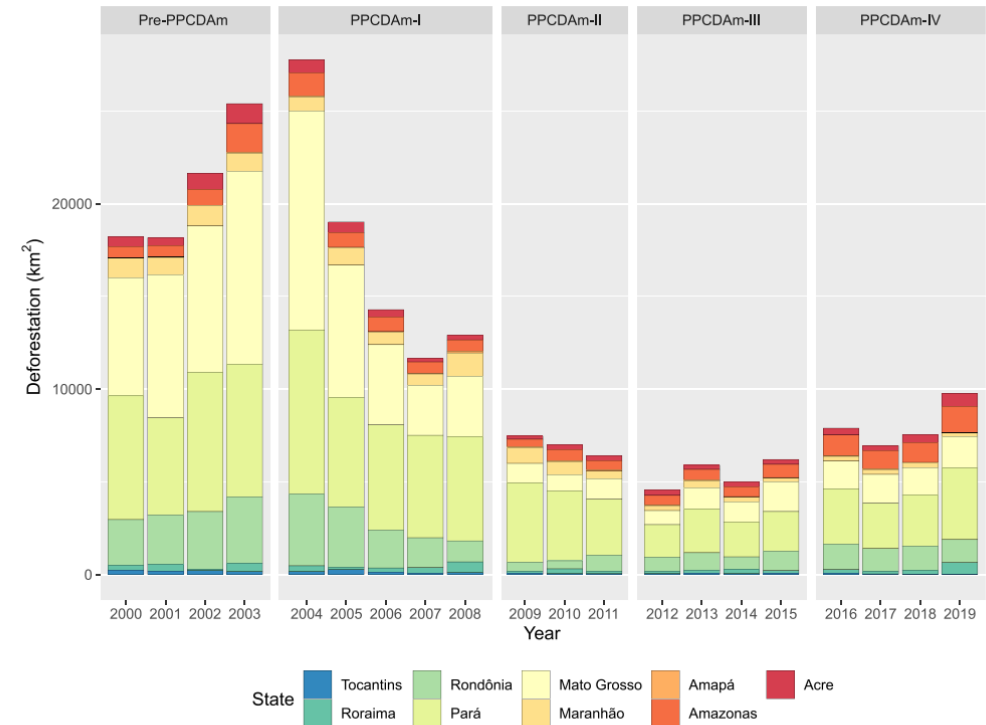
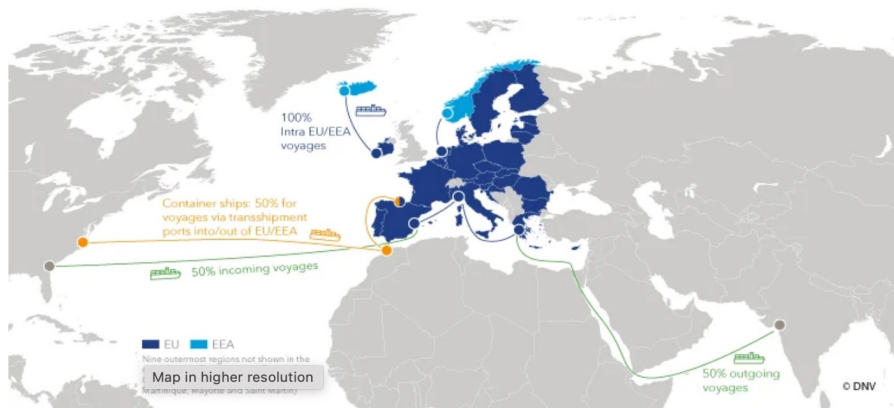
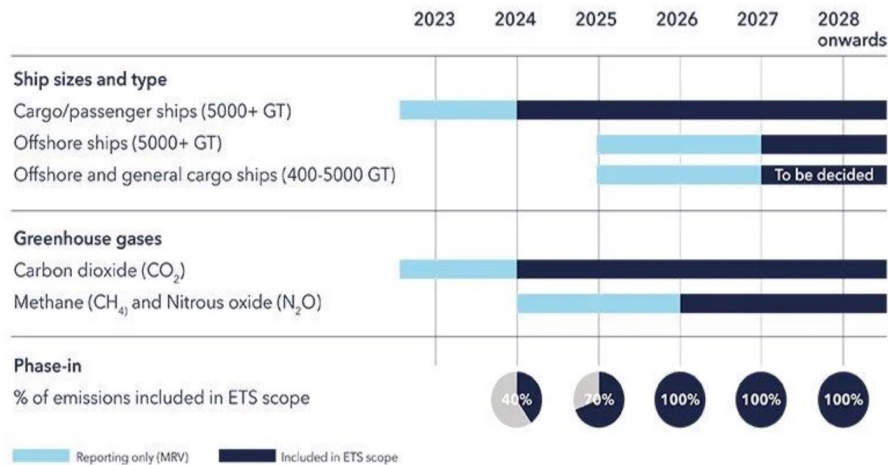


Fig. 1. Brazilian Legal Amazon deforestation pre-PPCDAm and during PPCDAm-I, II, and III (INPE, 2020).

©T.A.P. West and P.M. Fearnside, Land use policy 2021.
<https://doi.org/10.1016/j.landusepol.2020.105072>

EU ETS introduction timeline



Leadership is relational: leaders need followers.

- Leadership only exists if others recognize, emulate, support, or follow the leader's initiatives. Self-proclaimed leadership is not enough.
- **Example: The EU Emissions Trading System (ETS)**
 - Created in 2005, the ETS was the world's first large-scale carbon market.
 - Other jurisdictions later developed similar mechanisms or drew lessons from it, including parts of China, South Korea, and several subnational governments.
 - The significance lies not simply in EU innovation but in policy diffusion
 - Examples from maritime transport

Different types of leadership (Tobin et al 2023)

Structural leadership - Influence through economic or geopolitical power.

- Example : China and clean technologies (solar panels, batteries, electric vehicles) - Influence derives less from diplomacy than from its central position in global supply chains.

Directional leadership - leading by example, rests on credibility and domestic performance (despite limited geopolitical power)

- Examples : Denmark and wind energy, New Zealand and early adoption of climate targets

Instrumental leadership – through negotiation, diplomacy and coalition-building

- Example : US during the Paris agreement negotiations

Idea-based or cognitive leadership - shaping norms and ideas, change how people think before changing what they do

- Examples : Sweden and fossil fuel free welfare state ; Bhutan and Gross National Happiness

The possibility of negative climate leadership (Tobin et al., 2023)

- Where actors influence others in less ambitious directions

Example 1: United States under Trump (2017-2021)

- Withdrawal from the Paris Agreement signalled that climate commitments could be reversed.
- The move encouraged climate sceptics elsewhere and weakened international momentum.

Example 2: Saudi Arabia

- Saudi Arabia has frequently been identified as seeking to slow or dilute climate commitments in international negotiations.
- Its influence derives from its central position in global oil markets.

Example 3: Brazil under Bolsonaro (2019-2022)

- Rising Amazon deforestation generated concern among governments and NGOs worldwide.
- The situation became an example used by actors resistant to stronger environmental protections.

Example 4: United States under Trump 2 (since 2024)

- second U.S. withdrawal from the Paris Agreement and ending U.S. climate finance commitments under the UN climate framework.
- Symbolic influence; Diplomatic influence; Policy diffusion

Main takeaway :

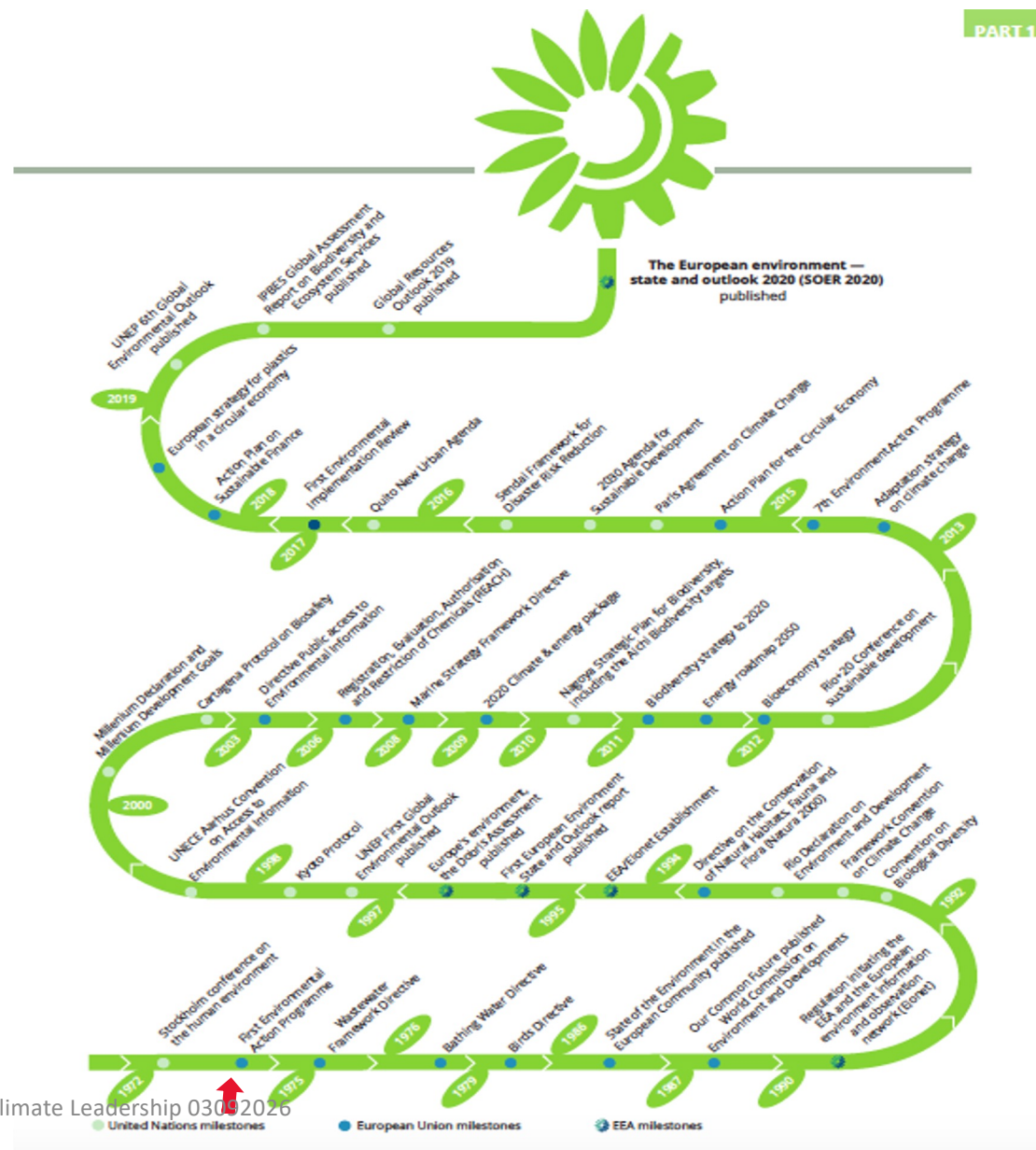
- Leadership is not inherently positive
- A relational and dynamic process, not a permanent attribute of a country

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II/ The EU as a historical climate leader

Not covered by the treaties until 1986 ... But first policies in 1972.

Since then, the EU became **an undisputed political authority** in this field and environmental / climate action is one of its most dynamic areas of intervention.



BRIEF OVERVIEW

- An area of shared competence between the EU and the Member States, with the principle of subsidiarity determining the most effective level of action.
- The Treaties of the European Union established that EU environment policy should contribute to pursuing the objectives of ‘preserving, protecting and improving the quality of the environment, protecting human health, [promoting] prudent and rational utilisation of natural resources, [and] promoting measures at international level [...] and [...] combating climate change’ (EU, 2007).

Characterising EU climate and environmental leadership

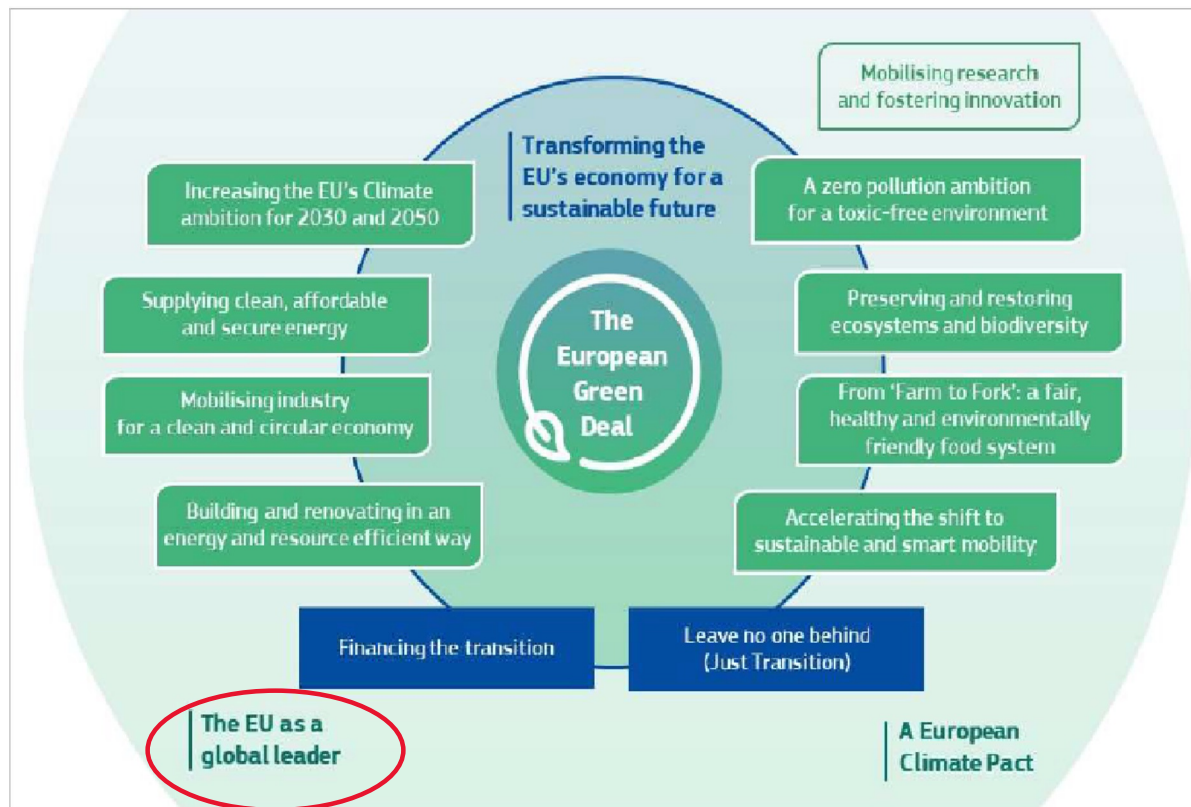
- 1 Leadership was not built over night – ex. Early leadership; defining role in EU identity
- 2 « Brussels effect » - shape global standards through the EU's market power – ex. environmental regulations
- 3 Climate diplomacy - ex. Kyoto Protocol, Paris Agreement
- 4 Domestic policy innovation – ex. Emissions Trading System

Distinction between internal and external dimensions of climate leadership (Tobin et al. 2023) – the case of the EU

Domestic leadership	International leadership
Ambitious targets	Climate diplomacy
Climate legislation	Coalition-building
Policy innovation	Influence in UNFCCC negotiations
Emissions reductions	Diffusion of norms and standards

THE EU GREEN DEAL: RENEWING EU CLIMATE LEADERSHIP

THE EUROPEAN GREEN DEAL: A NEW GROWTH STRATEGY



- Goal: becoming the world's first climate-neutral continent by 2050
- Published by the EU Commission, December 2019
- By the late 2010s, climate leadership increasingly depends on demonstrating the capacity to transform economies (rather than diplomacy only)

*“We need an ambitious Green New Deal for Europe, **which shapes the future for our children and ensures their health, prosperity and security** on a green and thriving planet.”*

Frans Timmermans, S&D, Exec VP for the EU Green Deal 11 September 2019



*“ The European Green Deal is **our new growth strategy** – it is a strategy for growth that gives more back than it takes away. [...] We want to be the **frontrunners in climate friendly industries, in clean technologies, in green financing.** But we also have to be sure that **no one is left behind.**”,*

Ursula Von Der Leyen, EPP, President of the EU Commission 11 December 2019

Overview of major EU Green deal policies

Objective	Key instrument
Net zero by 2050	European Climate Law
55% reduction by 2030	Fit for 55 package
Industrial transition	Green Deal Industrial Plan
Just transition	Just Transition Fund
Carbon leakage prevention	Carbon Border Adjustment Mechanism (CBAM)
Decarbonisation	Extended ETS

A FOREIGN POLICY ISSUE & GREEN DIPLOMACY



« As a global leader, the EU will continue to lead international efforts, and **in conjunction with our partners**, address environmental challenges and promote the implementation of ambitious environment, climate and energy policies across the world. **Through bilateral efforts**, we will accompany partners to transition towards more sustainable development pathways. »

From ambition to implementation: delivering the Green Deal

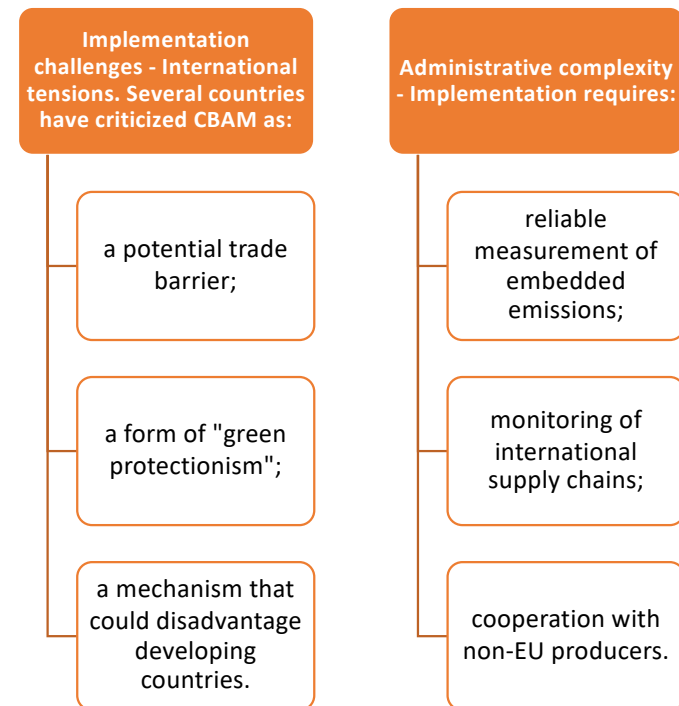
- A model of climate leadership, which combines ambitious targets with a wide range of policy instruments.
- Yet implementation has proven politically and economically challenging.
- Three issues are particularly important:
 1. maintaining international credibility while protecting competitiveness;
 2. transforming industrial systems;
 3. managing the distributional consequences of decarbonization.
- These challenges reveal the tensions that emerge when climate leadership moves from goal-setting to implementation.

Case 1: International leadership and competitiveness

- Policy objective: The EU seeks to reduce emissions while preventing carbon leakage, that is, the relocation of carbon-intensive production outside Europe.
- Main instrument : Carbon Border Adjustment Mechanism (CBAM) - The CBAM requires imports of products such as steel, cement, aluminium and fertilizers to face a carbon price broadly equivalent to that paid by European producers through the ETS – Its a climate policy, an industrial policy and a trade policy.
- Why it matters for leadership: The EU is attempting to export climate standards through its market power

Case 1 ..

- Leadership dilemma
 - The EU wants to lead globally, but leadership becomes more difficult if trading partners perceive climate measures as coercive rather than cooperative.
- Key message: The challenge is no longer setting ambitious targets. It is maintaining support for those targets beyond Europe



Case 2: Decarbonising industry: from ETS to industrial transition

- Policy objective: The Green Deal seeks to transform the productive basis of the European economy.
- Key instrument: Emissions Trading System (ETS)
 - Net-Zero Industry policies
 - Industrial decarbonisation strategies
 - Green hydrogen and electrification initiatives
- Which industries are involved ? Those that remain difficult to decarbonize: Steel, cement, chemicals, transport.
- They are simultaneously:
 - major employers;
 - strategic sectors;
 - important exporters.
- Leadership dilemma: The EU seeks to demonstrate that decarbonisation can reinforce competitiveness. Yet many firms argue that climate ambition will only remain politically sustainable if industrial competitiveness is preserved.

Implementation challenges - Cost pressures firms face:

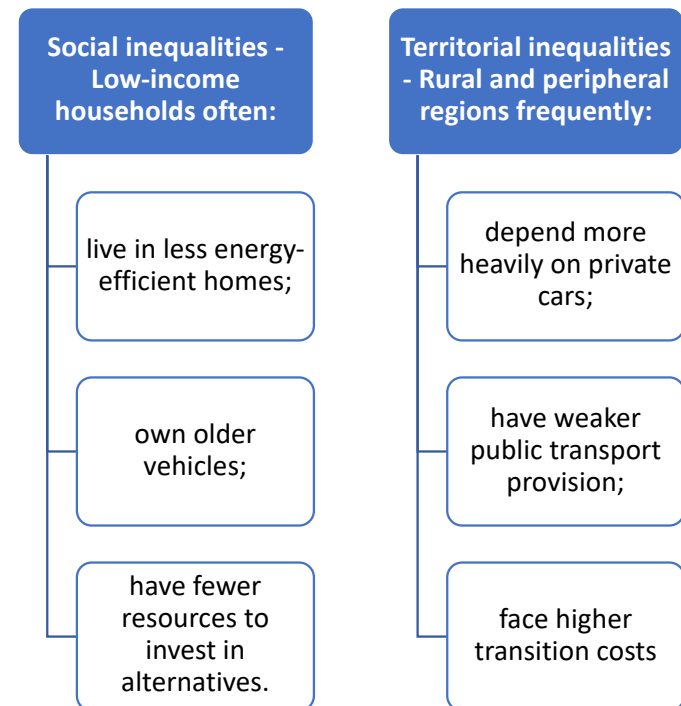
- rising carbon prices;
- investment requirements;
- increasing international competition, particularly from China and the United States

Investment needs - The transition requires massive investments in:

- electricity infrastructure;
- grids;
- hydrogen networks;
- new production technologies

Case 3: ETS2 and socio-spatial inequalities: who pays for the transition?

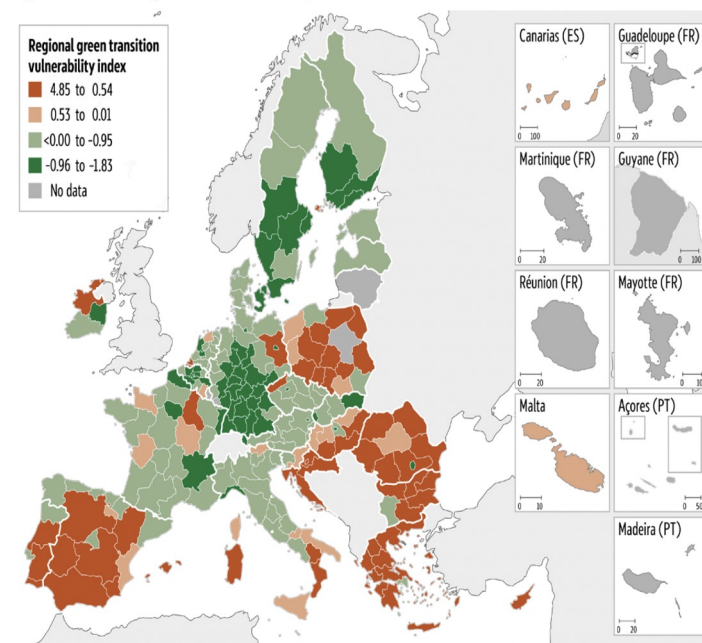
- Unlike the original ETS, which focused largely on industry and electricity production, ETS2 affects everyday life:
 - heating homes;
 - driving cars;
 - household energy consumption.
- Why this is politically sensitive - if emissions become more expensive, households and firms will have incentives to reduce them.
- The main challenge resides in socio-spatial inequalities - The costs of transition are not distributed equally.



Case 3: ETS2 and socio-spatial inequalities: who pays for the transition?

- The French Yellow Vest movement is frequently interpreted as demonstrating how climate policies can generate resistance when citizens perceive costs as unfairly distributed.
- To address these concerns, the EU has developed mechanisms such as:
 - the Just Transition Fund;
 - the Social Climate Fund;
 - support for vulnerable regions and households.
- Leadership dilemma: The challenge is not merely decarbonizing. The challenge is ensuring that decarbonization is perceived as fair.

Figure 1 – EU regions vulnerability index



Source: Compiled by the authors, based on European Commission data: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, [Regional vulnerability to the green transition](#), 2023.

© Briefing note European Parliament, 2023
https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/774668/EPRS_BRI%282025%29774668_EN.pdf

The Green Deal as a common banner for a diverse range of prior EU initiatives (Verdolini et al 2024)

Sector and regions with dominant coal and fossil fuel production

- Since 2017
- The Coal regions in transition platform – 240.000 workers, 41 regions across 12 member states

Workforce development

- Longstanding action since 1957
- European Social Fund – open to all EU regions, provided that 20% of funds support actions to combat poverty and discrimination
- Youth employment initiative (2013) ; Employment and Social initiative (2019), etc.

Businesses

- Longstanding action since 1957
- European regional Development Fund
- Based on regional GDP per capita
- Specific funds for SMEs, Investment Plan for Europe, Green action plan, Entrepreneurship Plan (2020)

Infrastructures

- Central to EU cohesion policy (1986)
- Cohesion Fund, targeting Member States with GNI per capita below 90% of the EU average
- Connecting Europe Facility, targeting peripheral and economically lagging regions (since 2010)

Research and development

- generate knowledge and innovative solutions, not just tech-based but also social, policy and business model.

Alleviate energy poverty

- Since 2009
- Third energy package

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THE CHALLENGE OF DELIVERING THIS POLICY AGENDA OVER TIME

Jansen & Jäger (2025)

Curb your enthusiasm: How do countries feel about the Green Deal?

Which EU members are walking the walk in the fight against climate change.

By KALINA OROSHAKOFF and KARL MATHIESEN



The politics of the Green Deal, Politico, 2020. Available [here](#)

Challenge 1: Competitiveness and industrial transformation

- Initially conceived in a context where the EU sought to align climate leadership with economic competitiveness.
 - Today EU industry faces growing pressure from
 - Chinese technological leadership in clean technologies
 - A less predictable US policy environment, where climate commitments, industrial subsidies and trade relations may shift rapidly under the Trump administration.
 - The challenge is no longer simply decarbonization, but maintaining political support and economic competitiveness while pursuing ambitious climate objectives.
 - Example
 - The Carbon Border Adjustment Mechanism (CBAM) seeks to prevent carbon leakage by ensuring imported products face a comparable carbon cost to EU producers.
 - At the same time, European firms face increasing international competitive pressures:
 - uncertainty surrounding US climate policy and the future of green industrial incentives under the Trump administration;
 - a more protectionist US trade agenda, including the risk of tariffs and trade disputes affecting European exports;
 - Chinese dominance in batteries, electric vehicles, solar technologies and other clean-tech value chains.
- **Climate policy is increasingly inseparable from industrial policy.**

Challenge 2: Political contestation and changing political dynamics

- Growing political contestation surrounding the Green Deal and climate policies more broadly.
 - Across Europe, farmers' mobilizations in 2023-2024 highlighted concerns about the costs, administrative burdens and competitiveness implications of environmental regulations.
 - Several governments responded by postponing, revising or weakening certain environmental measures, illustrating the political sensitivity of the transition.
 - The 2024 European Parliament elections strengthened conservative, nationalist and far-right parties that have been more critical of parts of the Green Deal agenda.
 - National elections in several Member States have also produced governments facing stronger domestic pressures to prioritize competitiveness, energy security and cost-of-living concerns alongside climate objectives.
- **Climate leadership depends not only on ambitious policies, but also on the ability to build and sustain political coalitions behind them. Social mobilizations and changing electoral dynamics can significantly reshape climate governance.**

Challenge 3: Securitisation of climate policy

- Several developments since 2022
 - Climate leadership today depends not only on environmental ambition, but also on the ability to deliver energy security, industrial competitiveness and strategic autonomy.
- **Is climate policy still primarily about reducing emissions, or has it become a broader strategy for economic and geopolitical security?**

Energy security

- Russia's invasion of Ukraine exposed Europe's dependence on imported fossil fuels.
- Accelerating renewables became a climate objective and a security objective.

Industrial resilience

- Competition with China and the United States has shifted attention toward batteries, critical raw materials, semiconductors, hydrogen and clean technologies.
- Climate policy increasingly supports industrial competitiveness and supply-chain resilience.

Strategic autonomy

- Instruments such as CBAM, the Net-Zero Industry Act and Critical Raw Materials Act seek to reduce strategic dependencies.
- Decarbonisation is increasingly linked to geopolitical influence and economic sovereignty.

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CONCLUSION

Beyond the EU, rethinking
Climate Leadership

Rethinking Climate Leadership

- Climate leadership as the ability of an actor to influence others and contribute to more ambitious climate action (Tobin et al., 2023)
- Leadership can take different forms: policy innovation, diplomacy, market power, or the diffusion of ideas
- Today, leadership appears increasingly fragmented:
 - EU: regulation, standards, and climate diplomacy.
 - China: industrial scale and clean technology deployment.
 - US: innovation and investment, but also policy volatility.
 - Others: cities, firms, and financial actors are increasingly influential.
- Climate leadership is not defined by ambitious targets alone. It ultimately depends on the ability to deliver and sustain climate action while navigating economic competition, social pressures, and geopolitical uncertainty.

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THANKS !

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