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## **The bargaining practices of small states surrounding the European Green Deal and the characteristics which explain their efforts**

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*The bargaining practices of small states surrounding the European Green Deal and the characteristics which explain their efforts*

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## Abstract

Modern international institutions allow small states to increase their voices whilst restricting personal autonomy. Rational Choice Institutionalism expects small states to participate in institutions such as the European Council to avert possible security risks which result from climate change (i.e. through Green Deal negotiations). This thesis delves into the bargaining behaviour of small states and what factors can explain their efforts. In particular, it expects them to use different strategies to address what makes them differ from their larger counterparts. In short, this work examines if administrative capacity cleavages and institutional power asymmetries drive them to use different shaping and capacity-building strategies. Institutionalised learning, prioritisation, coalition-building and agenda-setting efforts are studied using relational content analysis. While institutionalised learning and coalition-building efforts (are found to) correlate with administrative capacity and institutional leverage (respectively), additional external influences remain of consequence to this study. Prioritisation and agenda-setting efforts appear to be influenced more by factors such as the Council Presidency and domestic political factors.

## List of abbreviations

BE	Belgium
DE	Germany
EMU	Economic Monetary Union
EU	European Union
FA	France
IT	Italy
MFF	Multiannual Financial Framework
MS	Member State(s)
NL	Netherlands

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## 1. Introduction

Historically, smaller states across Europe have often found themselves at the mercy of more powerful actors within the same arena. In such projections, small states would have limited means or influence to alter this relationship (i.e. caused by power asymmetries) (Baldacchino & Wivel, 2020). Ultimately, such states would be dependent on either international alliances with other great powers or their neutrality to safeguard their continued existence (Crump & Erlandsson, 2019).

### 1.1 Modern institutions affecting small states

This historical perspective has been subjected to change in the current era. Modern international organizations such as the European Union are filled with institutions and other mechanisms, which allow for smaller Member States to ‘punch above their weight’ more often and effectively (Panke, 2011). For instance, countries such as the Netherlands and Belgium are seen acting as ‘pace-setters’ and ‘gate-keepers’ in international policy negotiations (e.g. at the creation of the EMU) (Maes & Verdun, 2005). Such behaviours indicate a movement away from these aforementioned neutral or alliance-based stances, whilst also signalling a movement towards more active roles within international negotiations (Panke, 2012; Crump & Erlandsson, 2019).

### 1.2 Relevance and research question

Due to these institutions, smaller states have attained ‘bigger voices’ in international negotiations whilst restricting their own ‘autonomy’ (Baldacchino & Wivel, 2020). This raises the question of why small states participate in modern international decision-making and what drives them. Earlier research suggests that small states accept cases of ‘diminished autonomy’ as a consequence of ‘unconventional security risks’ (Baldacchino & Wivel, 2020). For instance, in order to address security risks stemming from climate change, small states should prove willing to increase vulnerabilities and dependencies on other states.

This thesis will analyse small-state behaviour in the case of the European Green Deal (European Council, 2024b). It will explore how small states navigate European Council negotiations to address threats stemming from climate change. Special attention will be paid to the different bargaining strategies employed by these states and what factors could help explain their prevalence (Panke, 2011; Panke, 2012).

All in all, this thesis answers the following research question:

*How do smaller Member States conduct EU Green Deal negotiations and what characteristics explain their efforts?*

### 1.3 Structure

This thesis will start by addressing the academic debate surrounding the topic (i.e. small-state behaviour) and contextualising the main arguments. It will then introduce the theoretical dimensions of this thesis by defining the concepts and theoretical arguments used. Subsequently, the research design, hypotheses, cases, methodology, data and timeline used, will be discussed. Furthermore, an analysis of the results will be put forward. Ultimately, ending with a fitting conclusion and discussion.

## 2. Literature

The following chapter intends to examine the academic debate surrounding two topics: 1) the definition of a small state; and 2) the different types of small state bargaining strategies.

### 2.1 Defining small states

In order to study small-state behaviour during Green Deal Council negotiations this work must first define what constitutes a small state. Earlier literature has addressed different dilemmas in establishing a singular definition. For instance, issues persist surrounding the identification of small states as either ‘non-great powers’, ‘political constructs’ or by comparing their ‘relative material capabilities’ (Baldacchino & Wivel, 2020).

Each of these definitions presents its hardships. The first fails to address how the vast majority of states can be described as ‘non-great-powers’ (i.e. states other than established powers during the First World War) and consequently unnecessarily marginalises their existence (Neumann & Gstöhl, 2006). The second definition risks overemphasizing the freedom of action and opportunities of small states. It does so without properly addressing what makes small states as ‘political constructs’ differ from larger states or other small states. For instance, Norway and Lebanon can both claim to be small states, yet their opportunities in the international arena can be vastly different (Baldacchino & Wivel, 2020).

The third contains problems in categorizing a cut-off point between state types. Small states are expected to lack certain power capabilities, most notably military or economic means (Baldacchino & Wivel, 2020). Nevertheless, the Netherlands is often described as a small state, yet in terms of GDP it (1,010.19 billion U.S. dollars) borders states such as Saudi Arabia (1,108.15) and Turkey (905.84) in the G20 (Statista, 2023). Therefore, blurring the line of ‘relative material capabilities’ as ‘the biggest of the small states’ (Wivel, 2020, p.100).



## 2.2 Synthetic approach

In addressing the aforementioned shortcomings of other methods, a ‘synthetic definition’ can be utilized to define what constitutes a small state (Baldacchino & Wivel, 2020). It borrows different concepts from various sources, which may help define relevant characteristics of such states. In short, the following aspects will be focused on: 1) statehood, sovereignty and varying autonomy; 2) administrative, economic and political capacity cleavages; and 3) institutional power asymmetries.

### 2.2.1 Statehood and sovereignty

The first important characteristic is statehood (i.e. as established at the Montevideo convention) (Pan American Union, 1936; Maass, 2017). Any (small) state included in this study should have a defined territory, population, government and be able to participate in international relations (Maass, 2017). The latter is especially relevant for this thesis on international negotiations by small states.

Furthermore, these aforementioned characteristics derived from statehood should grant the state a sense of legal sovereignty. This sovereignty over international relations means that a state can independently choose to partake in modern international institutions. Small states are able to decrease their autonomy via international institutions in order to increase their influence (Baldacchino & Wivel, 2020). In other words, small states are legally sovereign whilst their level of autonomy may vary.

### 2.2.2 Capacity cleavages

The second important attribute of small states is their limited political, economic and administrative capacities (Armstrong et al., 1993). Moreover, these capacity cleavages may express themselves in reduced competition in the ‘marketplace of ideas’, the national economy, as well as the race for administrative or political offices (Armstrong et al., 1993; Murray, 1981). As a consequence, such cleavages can end up limiting the effectiveness of small states in international negotiations (Baldacchino & Wivel, 2020).

In practice, these capacity cleavages force small states to ‘prioritise’ their limited means whilst maximizing their utility via (international) institutions (Panke & Gurol, 2018). Here, ‘selective engagement’ and a high level of ‘prioritisation’ are important factors for small-state success (Laffan, 2006; Bunse, 2009). In the case of negotiations in international organizations, this work expects them to concentrate their efforts on a limited number of issues. Ultimately, small states are expected to select certain issues with great care to become influential political forces (Panke & Gurol, 2018).

### *2.2.3 Power asymmetries*

A third defining aspect can be identified in the form of ‘institutional power asymmetries’ (Archer et al., 2016). These asymmetries occur when an actor or group of actors finds themselves unable to alter the nature of an institution on their own (i.e. due to a lack of institutional leverage). As the weaker party in such an ‘asymmetrical relationship’, the small states are caught in a ‘power configuration’ as well as in its subsequent institutional customs (Baldacchino & Wivel, 2020).

In order to address these asymmetries, small states find themselves reliant upon ‘coalitions’ or other (more informal) strategies to alter international institutional arrangements (Archer et al., 2016). This text is able to identify such asymmetries in several formal institutions within the EU, such as the Council voting procedures (EUR-Lex, 2021). The exact nature of this asymmetrical relationship between smaller and larger states will be put forward in the research design section of this thesis.

### *2.3 Other approaches*

Despite the characteristics stressed in the synthetic approach section, historical and geographical factors remain important as well. Some small states possess certain cultural or institutional backgrounds that allow them to take different roles than their counterparts (Maass, 2020). For instance, some Western European small states (e.g. Austria, Belgium or Portugal) were themselves colonial or imperial centres of power (Baldacchino & Wivel, 2020). Another instance, are the geostrategic differences between small states (e.g. Norway and Estonia). One state may be rich in resources and have favourable geostrategic surroundings whilst another might lack these and find itself in a more turbulent geopolitical neighbourhood (Baldacchino & Wivel, 2020, p. 6; Goryashko & Ngendakumana, 2024).

### *2.4 Small state bargaining strategies*

In essence, small states are able to employ the same strategies as their larger counterparts. For instance, framing (i.e. including issue-linkage), coalition-building or other forms of bargaining (i.e. demands or concessions backed up by threats or package deals) can be employed by both types of actors. Ultimately, this allows them to influence both negotiation conditions and outcomes (Panke, 2012).

However, certain strategies are of increased importance to smaller states, due to their reduced administrative resources and institutional leverage (Panke, 2016). These limits result in states being less active in international negotiations whilst having fewer resources to develop

arguments (i.e. framing strategies) and fewer staff members to approach other actors during negotiations (Panke, 2012).

Nevertheless, small states are not eternally condemned to hold subordinate roles within international institutions. For example, they can address their shortcomings by setting priorities and investing their (limited) resources in issues of high importance (Laffan, 2001). Therefore, this thesis will focus on strategies which allow small states to address their shortcomings (i.e. what makes them differ from larger states) (Panke, 2012; Baldacchino & Wivel, 2020).

Existing literature on the behaviour of small states in international negotiations has focused on various bargaining strategies and behaviours. It points out how different direct (i.e. ‘shaping’) and indirect (i.e. ‘capacity-building’) strategies, can be employed by small states to improve bargaining conditions as well as outcomes (Panke, 2012). Meanwhile, other sub-strategies can be based on: ‘institutionalised learning’, ‘prioritisation’, ‘coalition-building’ and ‘agenda-setting’ (Panke, 2011; Panke, 2012; Baldacchino & Wivel, 2020; Panke & Gurol, 2020). This thesis will group these sub-strategies under two categories, assigning each bargaining behaviour as being either a ‘direct’ or ‘indirect’ strategy.

#### *2.4.1 Indirect strategies*

‘Capacity-building’ or indirect strategies can help smaller states improve bargaining conditions in international negotiations. However, they do not directly influence negotiation outcomes as ‘shaping strategies’ do (Panke, 2012). These improved conditions can be achieved by contacting secretariats and praesidiums or cooperating with other contacts (e.g. the Commission, Council Presidency or NGOs) (Panke, 2012). These behaviours are relevant for smaller states, as they allow them to improve their negotiation position by increasing their expertise, knowledge and administrative capacity. In other words, by applying ‘capacity-building’ strategies, small states can bridge capacity cleavages (Baldacchino & Wivel, 2020).

By applying indirect sub-strategies such as ‘institutionalised learning’, small states find themselves able to increase their ‘cognitive capacities’ (Panke, 2012). Institutionalised learning can be accomplished in multiple ways: by gathering information through contact with other actors (i.e. chairs, praesidiums and NGOs) or by cooperating directly with other actors (e.g. NGOs or EU agencies). With these additional insights, small states are better able to dedicate their limited resources (e.g. policy experts) towards issues of personal interest (Panke, 2011). In other words, by increasing issue-related expertise and knowledge (e.g. about the position of other actors), small states can decrease capacity-related gaps (Baldacchino & Wivel, 2020).

A second sub-strategy is identified in the form of ‘prioritisation’ (Laffan, 2006; Bunse, 2009). As another aspect of ‘capacity-building’, small states can practice ‘selective engagement’ in order to increase bargaining success (Panke, 2012; Panke & Gurol, 2018). They can increase their (political) influence despite being limited in terms of (administrative) capacity by concentrating their efforts on certain key issues.

#### *2.4.2 Direct strategies*

As stated earlier, ‘shaping strategies’ are meant to directly influence bargaining outcomes. In practice, they can focus on ‘agenda-setting’ and ‘coalition-building’ (Panke, 2012). These behaviours are important as they allow small states to address ‘power asymmetries’ (Archer et al., 2016). For instance, by forming (issue-specific) coalitions, states are able to alter the institutional balance of power in their favour. Furthermore, allowing them to increase their influence and subsequent bargaining success (Panke & Gurol, 2020).

Small states can be seen shaping international negotiations and subsequent outcomes via ‘agenda-setting’ efforts (Panke & Gurol, 2018). For instance, when taking up the EU Presidency, small states have to present a detailed six-month programme (European Council, 2024d). This role allows them to combine their ‘prioritised’ policy ‘niches’ (i.e. fields of expertise) (Panke & Gurol, 2018) with their newfound agenda-setting powers. Ultimately, this helps them attain an active role in a policy cycle and maximizes their political influence (Panke & Gurol, 2020).

Another ‘direct’ sub-strategy employed by small states is ‘coalition-building’. This strategy allows small states to increase their collective leverage over other actors within an institution (Panke, 2012). An example of a small state utilizing coalition-building can be seen when the Netherlands and later Ireland used ‘regional groups or coalitions’ to assist their agenda-setting efforts in the case of human rights violations in Myanmar (Panke & Gurol, 2020). These coalitions were given extra strength since both the Dutch and Irish used their EU Presidencies to put certain issues on the agenda and lead the coalition (Panke & Gurol, 2020).

#### *2.5 Other bargaining approaches*

Various other shaping strategies can be put forward: 1) (re-)framing (including issue-linkage); 2) causal arguing/technical arguing; 3) moral arguing (including shaming); 4) legal arguing; 5) bargaining; and 6) value-claiming (Panke, 2012). These allow for both smaller and larger states to improve bargaining outcomes but are harder to link directly to small-state characteristics (i.e. administrative capacity and institutional leverage). Therefore, these will not

take centre stage within this thesis. Instead, the four bargaining strategies discussed above will be put at the heart of the research.

Another important approach outside the ‘direct’ and ‘indirect’ strategies is presented in the nationalist vs. cosmopolitan dilemma. In their quest for bigger voices in the international arena (Panke, 2012), small states are faced with the following dilemma: they must decide between promoting the national values and characteristics of their society at home to secure a strong mandate for (inter)national policy negotiations and promoting more ‘cosmopolitan’ values internationally, intended to curb nationalist challenges from other (more nationalistic) actors (Baldacchino & Wivel, 2020). Thus, this work is observant of whether small states display nationalistic or cosmopolitan ideals in their bargaining strategies. For instance, do they welcome Commission proposals and cooperate constructively or do they reject these whilst citing domestic interests.

### 3. Theoretical framework

According to the literature, autonomy bargains, administrative capacity cleavages and institutional power asymmetries can all influence a small state’s role in international negotiations (Baldacchino & Wivel, 2020). Meanwhile, different direct and indirect bargaining strategies can be used to mitigate or help address these influences (Panke, 2012).

The following section will describe relevant theories from the academic debate in order to formulate a suitable theoretical approach and conceptualize the main concepts used. Both the necessary theoretical arguments regarding the definition of a small state and their respective bargaining strategies will be put forward.

#### 3.1 Theoretical approach

This thesis will employ ‘Rational Choice Institutionalism’ (RCI) as an approach to studying the different bargaining strategies displayed by small states in EU Green Deal Council negotiations. Rational choice institutionalism is a theoretical approach that focuses on the use of institutions by different actors (North, 1990; Ostrom, 1990). Ultimately, actors are said to take advantage of these institutions to maximize their respective ‘utility’ (Weingast, 2002).

Meanwhile, these institutions are also able to influence what is considered to be rational behaviour by an actor or a group of actors (Dowding, 1994; Shepsle, 2008). There are two common understandings of such institutions. The first describes them as an external influence which governs or dictates behaviour. The second implies how the rules of the game can be supplied by the players themselves. These players (i.e. relevant actors) may decide to adhere to the pre-established institutional arrangements or they may embrace them as a starting point. A

starting point from which they are able to govern their interactions and adapt the institutions to certain preferences or circumstances (Shepsle, 2008).

European Council negotiations can be seen as an example of formally structured and ‘exogenously’ imposed institutions (Shepsle, 2008). Here, the Member States are part of a pre-planned institutional arrangement which demands specific behaviour (i.e. policy debates and voting procedures) (European Council, 2024c), especially when it comes to the topic of environmental negotiations surrounding the Green Deal (European Council, 2024b). Such structured institutions can be characterized by the following: a high degree of ‘formalization’ (North, 1990) as well as the prevalence of ‘norms’, ‘cooperative arrangements’, ‘coordinated activities’ and ‘collective action’ (Shepsle, 2008).

Nevertheless, when observing small-state bargaining behaviour, it can become apparent how negotiations in the European Council are not infinitely ‘structured’ and how they can be used to fulfil personal interests or preferences (Ostrom, 1990). In greater detail, rational actors can use the ‘unstructured’ parts of institutions (Shepsle, 2008) to maximize their ‘utility’ (Weingast, 2002). Member States may try to lobby the Commission directly to alter proposals before they reach the Council. For instance, France lobbied the Commission in an attempt to include nuclear energy in the EU’s Net Zero Industry Act (Lynch & Vela, 2023). Therefore, bypassing (structured) policy discussions in the Council to effectuate the direct inclusion of personal policy preferences within a Commission proposal.

Meanwhile, limits exist in the degree to which institutions and their ‘rules’ can be twisted by an actor. In other words, institutions cannot be left entirely ‘unstructured’. Otherwise, both sides would be incentivised to deviate from them, further undermining their (perceived) legitimacy and effectiveness (Shepsle, 2008). As a means to curb this, institutions rely upon an ‘equilibrium’. In an equilibrium, both parties agree to take part and follow certain norms (Shepsle, 2008). Additionally, a third party might be necessary in some cases to enforce institutions and their structures (North, 1990). For example, secretariats such as the European Commission can fulfil this role (i.e. as an informal adjudicator) (Kleine, 2013).

### *3.1.1 Limitations of RCI*

The limits of rational choice institutionalism are centred around the assumptions and abstractions it presents of the world (Ostrom, 1991; Shepsle, 2008). For example, RCI assumes that actors will (always) behave in rational manners and therefore be able to make rational decisions. Consequently, this approach struggles to explain cases where the results of certain actions are unknown to an actor before making a decision. This can be seen in the rise of

populism in the EU (Gozgor, 2021), growing illiberalism in Eastern Europe (Krastev, 2019) and a state's withdrawal from the European Union (Kalaitzake, 2020).

Instead, these cases can be linked to irrational expressions of human behaviour. For example, one of such behaviours is 'individualism'. Here personal aspirations, emotions, or rules of thumb can influence an actor's perception of an issue (North, 1990; Ostrom, 1990). Moreover, considerations made by actors on the transaction costs of their actions may also be tainted by their interpretations of agreements and circumstances (North, 1990; Shepsle, 2008). Having stated the above, RCI continues to be a responsive approach which can help cover relevant issues such as growing international cooperation (Snidal, 2012) and increasing European integration (Schneider & Ershova, 2018).

### 3.2 Conceptual framework and expectations

This section will explain the theoretical concepts used as well as the hypotheses which can be drawn up surrounding these. The two main variables of this thesis are small-state characteristics (i.e. the independent variable) and small-state bargaining behaviour (i.e. the dependent variable).

#### 3.2.1 *Small-state characteristics*

As derived from the synthetic definition of small states, they can be characterised by three dimensions: 1) autonomy bargains; 2) administrative capacity cleavages; and 3) power asymmetries. The first has to do with small states taking part in international institutions as a means to increase their influence (Maas, 2017). This is especially important in the case of security risks stemming from environmental or climate-based threats, as these are generally cross-border issues and cannot be addressed independently (Baldacchino & Wivel, 2020).

In short, this thesis expects small states to trade in a degree of autonomy by committing to international institutions as a means to increase their influence and address climate-based threats. In the end, no hypothesis will be drawn up for this characteristic, since it presents assumptions based on small-state influence, which is outside the scope of this thesis. Whereas the other two characteristics can theoretically be linked to specific bargaining behaviours, which does concern the topic of this thesis.

The second focuses on the relative administrative cleavages between small states and their larger counterparts (Armstrong et al., 1993; Baldacchino & Wivel, 2020). When it comes to the case of Green Deal Council negotiations, this work expects MS to concentrate their efforts on a limited number of issues, as well as practice 'institutionalised learning' (Laffan, 2006;

Bunse, 2009; Panke, 2012; Panke & Gurol, 2018). This should allow them to compensate for relative capacity cleavages.

The following hypothesis can be drawn up in accordance with these expectations:

*H1: The lower the administrative capacity of a state, the more it will prioritise issues and practise institutionalised learning.*

The third requires small states to address the institutional power asymmetries between themselves and larger states (Baldacchino & Wivel, 2020). Leverage can be gained both via coalitions or over the policy agenda (Archer et al., 2016). Therefore, this thesis can expect small states to utilize different strategies based on ‘coalition-building’ or ‘agenda-setting’, as a means to address power asymmetries within Green Deal negotiations (Panke & Gurol, 2018; 2020).

These expectations give way to the following hypothesis:

*H2: The lower the institutional leverage of a state, the more it will engage in coalition-building and agenda-setting efforts.*

### *3.2.2 Small-state bargaining behaviour*

As stated before, the bargaining behaviour of small states can be assigned towards two categories: 1) shaping strategies (i.e. direct); and 2) capacity-building strategies (i.e. indirect) (Panke, 2012). Both of these are relevant in addressing the aforementioned characteristics of small states. More specifically, administrative capacity cleavages and institutional power asymmetries.

Capacity-building strategies allow for small states to improve the conditions under which they bargain (Panke, 2012). These improved conditions can be attained via ‘institutionalised learning’. Such indirect strategies are either focused on gathering information through contact with other actors (e.g. Commission, Presidency) or by cooperating directly with other parties as a means to increase expertise (e.g. NGOs or agencies) (Panke, 2012). Another capacity-building strategy can be formed through issue-prioritisation. By practising ‘selective engagement’ (i.e. by concentrating their limited means such as expertise on key issues), small states may increase their relative (political) influence (Panke & Gurol, 2018).

As mentioned before, shaping strategies can be enhanced by capacity-building efforts through reduced costs in ‘arguing, framing or other bargaining strategies’ (Panke, 2012). In contrast, these direct strategies allow small states to (directly) improve bargaining outcomes (Panke, 2012). This thesis will focus on ‘agenda-setting’ and ‘coalition-building’ strategies. When it comes to first, this work expects small states to combine ‘prioritised’ policy niches



with agenda-setting efforts to maximize their political influence (Panke & Gurol, 2018). In the second, this work may observe small states forming coalitions as a means to increase their collective leverage over other actors (within an institution) (Panke, 2012).

## 4. Research design

This chapter will be dedicated to explaining the different data sources used for research as well as the methods by which this data is to be analysed.

### 4.1 Case selection and study design

This thesis will examine three Member States and their bargaining strategies during Green Deal negotiations in order to assert claims on the effects of small-state characteristics on bargaining behaviours. In greater detail, this study will focus on the following EU Member States: 1) the Netherlands; 2) Belgium; and 3) Germany. Ultimately, this design will be carried out via two (horizontal) comparative case studies. Such a qualitative design allows for a more in-depth analysis of the different bargaining strategies employed by these three states. In other words, allowing this work to capture information which is not as easily attained using quantitative methods (Lowndes et al., 2017).

In the first comparison, NL and BE will be compared and treated as small states of differing sizes. This first analysis intends to establish how bargaining behaviours can differ between small states. Here, variations in their administrative capacities and institutional leverage should help to explain these differences. In contrast, the second qualitative comparison will contain NL and DE. This comparison is intended to examine whether bargaining behaviours differ between smaller and larger states in meaningful ways. In short, the case of Germany will function as a control case.

Findings from the double comparison described above are strengthened by a ‘most similar system design’ (MSSD) (Lowndes et al., 2017, pp. 279 - 280). In such a design, cases are selected which are as similar as possible in the most important factors. Consequently, differences in the dependent variable are explained by variations in the independent variable (i.e. what differs between cases). All in all, such a comparative design aids the ability of this thesis to make claims about the independent variable (i.e. small-state characteristics) and how it influences the dependent variable (i.e. bargaining strategies) without the analysis being disturbed by external factors (i.e. sizeable differences between cases) (Lowndes et al., 2017). The following similarities between these smaller EU Member States can be observed: their high GDPs per capita (Eurostat, 2023b), longstanding EU membership (Panke, 2011; European Council, 2024g), and high welfare spending (Eurostat, 2023c).

**Table 1: Most similar system design**

<i>Country</i>	<b>Netherlands (NL)</b>	<b>Belgium (BE)</b>	<b>Germany (DE)</b>	<b>EU (average)</b>
<i>Citizen count (x1000)</i>	17.811	11.743	84.359	16.621 (tot: 448.754)
<i>Total GDP (billion euros)</i>	1.034.086	584.699	4.121.160	628.507 (tot: 16.969.695)
<i>GDP per capita (in euros)</i>	57.840	49.720	48.750	37.620
<i>EU membership</i>	1958	1958	1958	-
<i>Expenditures on social benefits</i>	27,9%	28,6%	30,6%	28,7%

*Sources: Eurostat, 2023a, 2023b, 2024; Destatis, n.d..*

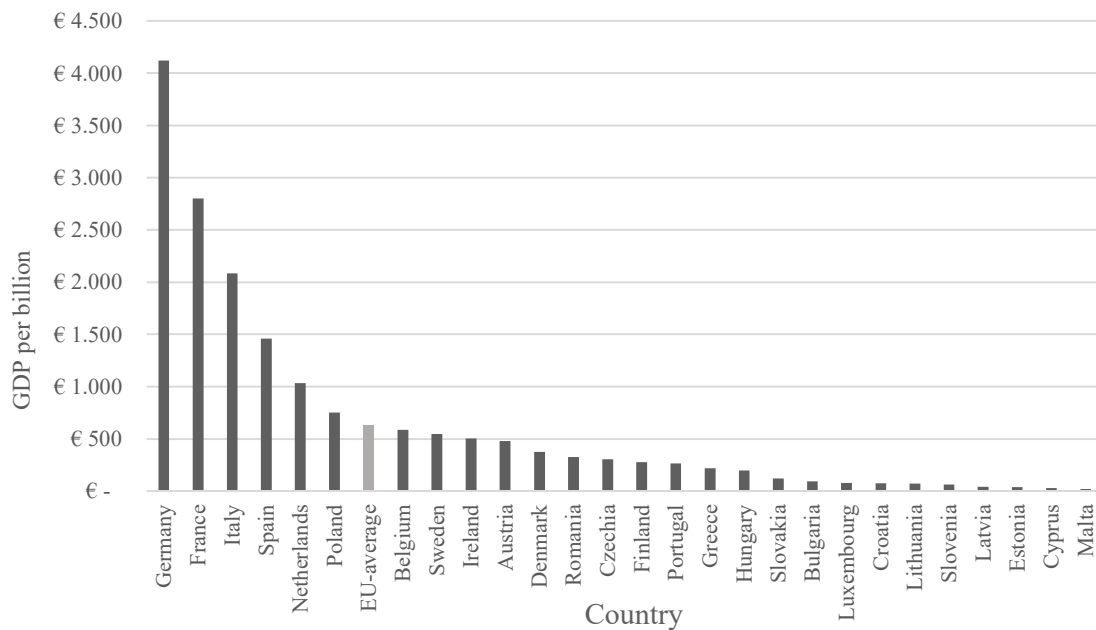
## 4.2 Methods of operationalisation and data collection

### 4.2.1 Capacity and power

The independent variable of this thesis focuses on the central characteristics which states address in their bargaining strategies: 1) administrative capacity cleavages and 2) institutional power asymmetries. Administrative capacity is operationalised by taking into account the respective ‘size-additive’ of each state observed (Panke, 2011). This means the more financial capacities a Member State has to engage in negotiation strategies, the more active it can be in Council negotiations (Panke, 2011). In short, administrative capacity can be derived from the total GDP per state. The data for this translation of administrative capacity will be taken from publicly available datasets (see appendix A: “GDP per EU Member State”) (Eurostat, 2023a).

When examining the administrative capacity (using the size-additive), this work observes how Germany is the largest economy in the European Union (4.121 billion). In comparison, the Netherlands takes up the fifth place (1.034 billion) whilst Belgium comes in seventh (585 billion) below the European average (629 billion). The consequences of these variations in the independent variable will be discussed further in the analysis section of this thesis.

**Graph 1: GDP per EU Member State**



*Source: Eurostat, 2023a.*

Institutional power asymmetries can be operationalised by closely examining different EU institutions. Through the adoption of different features mentioned in the literature and theoretical framework sections, this thesis distinguishes different power asymmetries within the EU Green Deal Council negotiations (Archer et al., 2016). Special attention will be paid to instances where small states are unable to alter these institutions on their own and larger states benefit by default (Archer et al., 2016; Baldacchino & Wivel, 2020).

Through the examination of the institutional framework of the European Union and the institutions surrounding the creation of the European Green Deal (Cuyvers, 2017; European Council, 2024b), this thesis identifies ‘power asymmetries’ in the following venues: 1) the presidency of the Council; 2) the Council voting procedures; and 3) the role of the Commission. The most important findings on asymmetrical relationships in the Green Deal negotiations can be found in ‘table 2: Green Deal power asymmetries’. An in-depth analysis of these venues and their effects on bargaining behaviour will be provided in the analysis section of this thesis.

**Table 2: Green Deal power asymmetries**

Venue	Asymmetry	Nature
<i>Council presidency</i>	Agenda-setting influence	Each MS can wield the presidency during a six-month period (European Council, 2024d). Granting them considerable influence over the policy-agenda of the Council compared to other members. Allocation is not based on the (administrative or population) size of a country. Thus, larger states do not benefit by default (Archer, et al., 2016). However, the smaller a country is, the more selective it must be in picking issues to prioritise. That is, in order to increase negotiation success (Panke, 2011). In the case of the EU Green Deal, Belgium has held the presidency during the first six months of 2024 (Belgium24.eu, n.d.) and Germany from July through December 2020 (eu2020.de, n.d.).
<i>Council voting</i>	Qualified majority voting	To pass a proposal, 55% of members (i.e. 15 out of 27), representing at least 65% of the total EU population, must be in favour. Moreover, a ‘blocking minority’ can be formed by at least 4 MS which represent more than 35% of the EU population (EUR-Lex, 2021). Circa 80% of all proposals are adopted using this system (European Council, 2024a), thus larger countries hold more influence during most votes. This signals an asymmetrical institutional relationship between smaller states and their larger counterparts (Archer et al., 2016).
<i>Commission’s role</i>	Right to propose	Relevant to this thesis is the power of the Commission to formulate policy proposals and introduce them towards the Council and Parliament (Cuyvers, 2017). This right to propose new legislation is not based on country size. Therefore, this ‘power asymmetry’ between the Council Members and the Commission does not benefit larger states by default (Archer et al., 2016). However, states might address this asymmetrical relationship differently. For instance, the lobbying efforts of smaller and larger states may vary (Panke, 2011). Here states can aim to include their personal interests or viewpoints in the latest proposal.

#### 4.2.2 Bargaining behaviour

The dependent variable of this thesis regards the different bargaining strategies used by smaller states during Green Deal negotiations (Panke, 2012, Baldacchino & Wivel, 2020). In this thesis capacity-building strategies will contain behaviour by small states which improves the conditions under which they negotiate, allowing for increases in knowledge surrounding an

issue and available or added expertise devoted to a certain topic. These results may be achieved independently or by cooperating with other actors (e.g. secretariat, praesidium or NGOs).

Moreover, shaping strategies will contain behaviour by small states, which improves negotiation outcomes, allowing for institutional leverage to be increased (via coalitions) and prioritised issues to be raised (via agenda-setting). These results can be channelled through cooperation with other actors (e.g. fellow small states or larger counterparts). Possible agenda-setting efforts can be directed towards the Commission or EU Presidency.

The four different sub-strategies, as discussed in the theoretical framework are: 1) institutionalised learning; 2) prioritisation; 3) agenda-setting; and 4) coalition-building. The first contains behaviour which increases a small state's knowledge or expertise regarding a certain issue. The following signals can indicate such behaviour: information gathering (requests), research (activities) and adopting or borrowing expertise (from other actors). For instance, institutionalised learning can be practised by small states through cooperation with EU agencies in order to increase personal expertise on a certain issue.

The second includes behaviour by small states, in which they concentrate their efforts (i.e. expertise and other resources) on a limited number of issues. This can be indicated by: claiming an issue to be a personal priority, raising (and stressing) certain issues (over others) and shifting resources towards a limited number of issues. For example, in addressing an issue government representatives can stress how a certain policy solution has their utmost attention.

The third contains efforts dedicated towards increase influence over the contents of the policy agenda. These efforts can be signalled when small states: affirm intent to raise a certain issue, lobby the Commission or Presidency (directly) or by wielding the EU Presidency. Such behaviour can take the form of small states wielding the agenda-setting power of the EU Presidency, allowing them to raise certain issues.

The fourth aims to increase the collective leverage (wielded by a small state) over an institution or other actors. Such leverage bargains can be signalled through: the formation of frontrunner groups, issue-based coalitions and support-gathering. Such behaviour is observed when a small state mentions their intention to participate in a frontrunner group of other ambitious Member States regarding a certain policy issue.

The next section on the methods of data analysis will delve into relational content analysis and the data types which are consulted to locate the bargaining behaviours discussed above.

**Table 3: Overview of small-state bargaining strategies**

Capacity-building strategy		
Sub-strategy	Aim	Signals
<i>Institutionalised learning</i>	Increase knowledge or expertise regarding a certain issue.	Information gathering (requests); research (activities); adopting or borrowing expertise (from other actors).
<i>Prioritisation</i>	Increase attention and dedicated resources to fewer/certain issues.	Claiming an issue to be a personal priority; Raising (and stressing) certain issues; shifting resources to a limited number of issues.
Shaping strategy		
Sub-strategy	Aim	Signals
<i>Agenda-setting</i>	Increase influence over the contents of the policy agenda.	Affirming intent to raise a certain issue; lobbying the Commission or Presidency (directly); wielding the EU Presidency.
<i>Coalition-Building</i>	Increase the collective leverage over an institution or other actors.	Frontrunner groups; issue-based coalitions; support-gathering.

#### 4.3 Methods of data analysis

This thesis will engage in relational content analysis to observe, capture and analyse the behaviours put forward in Table 3 (Vromen, 2017). This type of analysis allows for the identification of the intentions of an individual, group or institution. Moreover, it can help establish the meaning of certain findings as well as the relationship between them (e.g. expertise gathering and institutionalised learning). Content analysis allows a broad range of data types to be used and combined (Lowndes et al., 2017). Meaning that arguments, assessments and other forms of communication by governments or their representatives may be examined to infer whether or not bargaining practices differ between cases.

For instance, communications may contain written or verbal briefings by ministers or ministries (towards their respective parliaments or the general public). In these briefings, a government can address new proposals by the Commission, including their respective positions on them. Such documents allow for a government to (openly) state which parts it does and does not support. Moreover, they can mention how a state plans to address these interests in

upcoming negotiations. Examples can be found in the Dutch BNC procedure (Eerste Kamer der Staten-Generaal, n.d.).

Government communications based on enquiries made in parliament can also be used. During plenary or commission-based sessions leading up to or after Green Deal negotiations, ministers might be asked to explain their negotiation stances and efforts. For instance, debriefings to the Belgian Federal Advisory Committee on European Affairs can be consulted (Kamer van volksvertegenwoordigers, 2024). Here the rhetoric by government representatives may contain details on negotiations stances towards the latest phase of Green Deal negotiations.

#### 4.4 Timeline

This thesis will not be studying the effects of small-state characteristics on the bargaining strategies of small states over a (prolonged) period of time. In other words, changes in the independent and dependent variables over time will not be analysed. Nevertheless, data entries will be based on the official timeline presented by the European Council (2024e). The period during which EU Green Deal negotiations by small states will be analysed contains entries from the tenth of December 2019 until the eighth of April 2024. Due to size constraints and data availability (i.e. based on the case selection), this thesis will thoroughly analyse specific Council meetings, conferences and the preparation of certain Commission proposals, rather than detailing each entry on this timeline.

## 5. Results

### 5.1 Bargaining data

This thesis has managed to capture the following behaviours from various government communication sources (*see appendix B for the full recordings of behaviour by NL, BE and DE*). The following tables 4, 5 and 6 can be consulted for the most important findings on the bargaining practices and stances of the three cases.

#### 5.3.1 Dutch governmental communications

**Table 4: Dutch governmental communications**

Capacity-building strategy		
Sub-strategy	Count	Themes
<i>Institutionalised learning</i>	22	Knowledge building through assessments and studies (e.g. Green Deal, MFF and Sustainable European Investment Plan). Expertise gathering (i.e. through the exchange of best practices and dialogues) in cooperation with Benelux, BE, DE and other actors on various issues (e.g. energy transition, critical raw materials and climate policy).
<i>Prioritisation</i>	37	Affirming main priorities in the European Council (e.g. 55% by 2030 and climate neutrality by 2050). Stressing certain issues (e.g. affordability, achievability and energy security). Mentioning sub-priorities (e.g. international rail as part of the sustainable mobility transition and low-CO2 hydrogen as part the energy transition).
Shaping strategy		
Sub-strategy	Count	Themes
<i>Agenda-setting</i>	9	Contacting and lobbying the Commission (directly) (e.g. emission reduction target of 55% by 2030).
<i>Coalition-Building</i>	10	The formation of frontrunner groups on certain issues (with similar economies) (e.g. 55% by 2030 and sustainable aviation). Taking part in ambition coalitions (e.g. sustainable mobility and the energy transition).

Sources: Tweede Kamer der Staten-Generaal, 2019a, 2019b, 2019c, 2020a, 2020b, 2020c; Rijksoverheid, 2020, 2022, 2023; Bundesregierung & Rijksoverheid 2023.



### 5.3.2 Belgian governmental communications

**Table 5: Belgian governmental communications**

Capacity-building strategy		
Sub-strategy	Count	Themes
<i>Institutionalised learning</i>	21	Knowledge building through assessments and discussions (e.g. on sustainable energy infrastructure and the European Green Agenda Beyond 2040). Expertise gathering through the creation of non-papers and dialogues, in cooperation with Benelux, NL, the ‘trio’, Commission and other levels of government (e.g. Flanders & Walloons) on various issues (e.g. budgetary flexibilities, critical raw materials and the energy transition).
<i>Prioritisation</i>	42	Affirming main priorities in the European Council (e.g. budgetary flexibilities and competitiveness of BE). Stressing certain issues (e.g. funding absorption capacity and purchasing power). Mentioning sub-priorities (e.g. Horizon Europe regarding R&D or energy security and affordability).  During the Belgian Presidency, it prioritised the energy and climate transition, with sub-priorities being circular economy, climate adaptation & mitigation, as well as sustainable water management. A variety of policy proposals were prioritised as well (e.g. Green Claims, Urban Wastewater Treatment Directive, etc.).
Shaping strategy		
Sub-strategy	Count	Themes
<i>Agenda-setting</i>	13	BE has put many of its priorities on the agenda by including them in its Presidency programme (e.g. various other ‘critical files’). It has also advocated certain issues in the Council (e.g. budgetary flexibilities regarding climate investments) by bringing them up in discussions or through non-papers.
<i>Coalition-Building</i>	4	Limited instances of Belgian coalition-building are found. BE describes itself as part of the realist camp which is focused on cost-effectiveness and achievability, yet is not part of one coalition in particular.

Sources: *Federaal adviescomité voor de Europese Aangelegenheden, 2020a, 2020b, 2020c, 2022, 2023; Premier.be, 2020; Belgium.be, 2022, 2023; Rijksoverheid, 2022; Belgian Presidency of the Council of the European Union, 2023.*

### 5.3.3 German governmental communications

**Table 6: German governmental communications**

Capacity-building strategy		
Sub-strategy	Count	Themes
<i>Institutionalised learning</i>	13	Stating to constructively cooperate with the Commission and other MS on the Green Deal. Especially, during the German Council Presidency (e.g. through dialogues on Joint Renewable Projects Framework). Consulting with domestic industries to assess proposals and identify measures to support them (e.g. climate neutrality by 2050 and the German automotive stakeholders).
<i>Prioritisation</i>	50	Underlining main priorities in the European Council (e.g. 55% by 2030 and EU/German competitiveness). Stressing certain issues (e.g. a Green Deal which balances industrial, economic and social consequences). Introducing sub-priorities (e.g. energy security & industrial transition). During the German Presidency, it prioritised the creation of a more sustainable economy in overcoming the COVID-19 pandemic by focusing on ‘ambitious climate, environmental and biodiversity policy’. Specific policy proposals were prioritised as well, such as the European Climate Law.
Shaping strategy		
Sub-strategy	Count	Themes
<i>Agenda-setting</i>	13	Germany has put various priorities on the Council agenda by including them in its Presidency programme (e.g. European Climate Law and minimum carbon pricing). It has also advocated for certain issues in the Council (e.g. 55% by 2030 and climate neutrality by 2050) by raising them in discussions or by contacting the Commission.
<i>Coalition-Building</i>	6	Limited instances of coalition-building are observed. DE cooperates with both the European Authorities as well as neighbouring countries such as NL, FA, IT, etc. on various issues (e.g. industrial policy and a frontrunner group on sustainable aviation).

Sources: *Deutscher Bundestag, 2019, 2020; Bundesregierung, 2020, 202, 2023; German Presidency of the Council of the European Union, 2020; Bundersregiering & Rijksoverheid, 2023; BMWK, 2024a, 2024b, 2024c;*

## 6. Analysis

### 6.1 Dutch-Belgian comparison

#### 6.1.1 *Administrative sizes and capacity-building*

Despite being categorized as a small state, the Netherlands (1.034 billion) scores above the EU average (629 billion) in terms of expected administrative capacity. Meanwhile, Belgium scores below the European average (585 billion) (Eurostat, 2023a). In terms of capacity, this work expects the Netherlands to be more active than Belgium in Green Deal Council negotiations (Panke, 2011). As per the first hypothesis, this thesis expects Belgium to be active on fewer issues (i.e. seen through amplified prioritisation) (Panke & Gurol, 2018) whilst also focusing more efforts on expertise-building, knowledge-gathering and cooperation efforts (i.e. institutionalised learning), in order to bridge the capacity-related gap between itself and larger MS (Panke, 2011; Baldacchino & Wivel, 2020).

By analysing the results on Dutch bargaining behaviour this work has identified 22 cases of institutionalised learning and 37 instances of prioritisation. Dutch institutionalised learning efforts can be identified in the form of knowledge building through assessments and other impact studies of Commission proposals (e.g. on the Multiannual Financial Framework and Sustainable Investment Plan) (Tweede Kamer der Staten-Generaal, 2019b, 2020a; Rijksoverheid, 2020). Moreover, NL has been seen gathering expertise through cooperation with BE and DE. For example, by exchanging best practices and through dialogues on the energy transition and critical raw materials (Rijksoverheid, 2022; Bundersregiering & Rijksoverheid, 2023).

Furthermore, Dutch prioritisation efforts concentrate on the emission reduction targets of 55% by 2030 and climate neutrality by 2050, in favour of other sub-targets (Tweede Kamer der Staten-Generaal, 2019b, 2020a). NL also focuses its attention on affordability and achievability when discussing Green Deal proposals (Tweede Kamer der Staten-Generaal, 2019a, 2019c, 2020a). Lastly, Dutch actors mention several sub-priorities, such as international rail connectivity and low-CO2 hydrogen industry/market policy (Tweede Kamer der Staten-Generaal, 2019b, 2020b).

Dutch efforts can be contrasted with Belgian bargaining behaviour. This work finds 21 instances of institutionalised learning and 42 cases of prioritisation. Belgian institutionalised learning efforts concentrate on assessments and discussions on sustainable energy infrastructure and the European Green Agenda beyond 2040 (Belgian Presidency of the Council of the European Union, 2023). Moreover, BE is seen gathering expertise through cooperation efforts

with the ‘trio’, Commission, NL and domestic levels of government (i.e. Flanders & Wallonia). Cooperation takes place on issues such as budgetary flexibilities, critical raw materials and the energy transition (Federaal Adviescomité voor de Europese Aangelegenheden, 2020a, 2023; Rijksoverheid, 2022).

In terms of prioritisation, Belgium prioritises budgetary flexibilities and its competitiveness in the European Council. Moreover, BE stresses the topic of transition funding absorption capacity and the purchasing power of citizens. Lastly, it displays sub-priorities in the form of Horizon Europe (regarding R&D) and the security & affordability of energy (Federaal Adviescomité voor de Europese Aangelegenheden, 2020a, 2020b, 2020c; Belgian Presidency of the Council of the European Union, 2023).

All in all, the nature of capacity-building-related efforts displayed by the Netherlands and Belgium remains comparable. Despite the sizeable difference in administrative capacity (in the form of the size additive), both states can be seen practising similar forms of institutionalised learning (i.e. 22-21). Nevertheless, a difference between these cases can be found in the prioritisation efforts uncovered during research: BE displays 42 instances of this behaviour whilst NL indicates 37 of these. At first glance, these findings partially affirm the first hypothesis which states that the lower the administrative capacity of a state, the more it will prioritise issues and practise institutionalised learning.

However, this thesis believes that this explanation does not reflect the whole truth. A secondary explanation could be derived from the EU Presidency, which was held by Belgium during the first six months of 2024. Due to the increased responsibilities of the Presidency, Belgium had to draw up various presidency priorities in the form of issues, topics and critical files. These added priorities warp our findings. In short, two of the sources analysed (i.e. on the preparation of the Belgian Presidency) contain 16/42 instances of prioritisation and 11/21 of institutionalised learning (Belgian Presidency of the Council of the European Union; 2023; Federaal Adviescomité voor de Europese Aangelegenheden, 2023). If this thesis controls for the EU Presidency between these two ‘most similar’ cases, BE is left with fewer capacity-building behaviours than NL. These corrected findings refute the first hypothesis of this thesis.

### *6.1.2 Power asymmetries and shaping strategies*

In operationalising power asymmetries, three possible venues were introduced: 1) the Council Presidency’s agenda-setting powers; 2) qualified majority voting weights; and 3) the role of the Commission. In terms of institutional leverage (surrounding Green Deal negotiations in the European Council), both the Netherlands and Belgium are smaller actors. For instance,

in qualified majority voting, they represent 3,79% and 2,62% of EU citizens, respectively. These figures do not ease their access to the formation of a blocking majority of 35% (in contrast Germany represents 19,69%) (Eurostat, 2024). Subsequently, this work expects them to use shaping strategies to increase institutional leverage, with Belgium holding less institutional leverage in the Council than the Netherlands (Archer et al., 2016).

As per the second hypothesis, this thesis expects Belgium to focus more attention on putting personal issue on the Council agenda compared to the Netherlands (Panke & Gurol, 2018). Moreover, this work predicts that Belgium will focus more efforts on building issue-specific coalitions to address the institutional power asymmetries between themselves and larger Council Members (Archer et al., 2016; Baldacchino & Wivel, 2020).

The other asymmetric venues mentioned are not directly linked to the size of a country. However, these can influence the behaviour of a state. For instance, Belgium held the Presidency of the Council during the first six months of 2024. Therefore, this work must take into account a possible increase in agenda-setting efforts linked to its Presidency (Panke, 2011). Furthermore, this thesis must also take into account how states deal with the institutional leverage of the Commission (Cuyvers, 2017). Commission proposals can be influenced before they reach the Council, leaving room for lobbying attempts (i.e. agenda-setting) by both small and larger states (Panke, 2011).

In terms of Dutch shaping strategies, this thesis establishes nine instances of agenda-setting and ten examples of coalition-building behaviours. These agenda-setting efforts are concentrated around lobbying the Commission (directly) (e.g. emission reduction target of 55% by 2030) (Tweede Kamer der Staten-Generaal, 2019b, 2019c, 2020b), while coalition-building behaviour is identified through the formation of frontrunner groups on several issues (e.g. 55% by 2030 and sustainable aviation) as well as ambition coalitions (e.g. on sustainable mobility and the energy transition) (Tweede Kamer der Staten-Generaal, 2019a; Bundersregering & Rijksoverheid, 2023).

Meanwhile, Belgian shaping strategies can be identified through thirteen instances of agenda-setting and four cases of coalition-building, with the first being promoted as ‘critical files’ in the Belgian Presidency Program (Belgian Presidency of the Council of the European Union, 2023). Moreover, BE also advocated for budgetary flexibilities regarding climate investments by bringing them up in Council discussions or via non-papers directed at the Commission (Federaal Adviescomité voor de Europese Aangelegenheden, 2020a, 2020b). The coalition-building efforts of Belgium are limited, with it describing itself as part of ‘no camp’.

Instead, BE stresses the need for MS to reach a consensus and for states to compromise (Federaal Adviescomité voor de Europese Aangelegenheden, 2020b).

In taking these findings at face value, this work finds that Belgium displays more agenda-setting behaviour than the Netherlands (i.e. 13-9) while putting less effort into coalition-building (i.e. 10-4). However, in controlling for the Council Presidency, 10/13 agenda-setting instances and 0/6 cases of coalition building are found to be derived from communication sources linked to the Belgian Presidency (Belgian Presidency of the Council of the European Union; 2023; Federaal Adviescomité voor de Europese Aangelegenheden, 2023). These findings leave Belgium with fewer instances of both sub-strategies in comparison with the Netherlands. Ultimately, this leads to the rejection of the second hypothesis, which states that the lower the institutional leverage of a state, the more it will engage in coalition-building and agenda-setting efforts.

## 6.2 Dutch-German comparison

### 6.2.1 *Administrative sizes and capacity-building*

The control case of Germany has almost four times the ‘size additive’ of the Netherlands. Although, this translation of administrative capacity is not expected to result in proportional differences in the dependent variable, this work can reasonably assume that DE will be more active in negotiations than smaller players such as NL (Panke, 2011). Moreover, this thesis predicts that NL will prioritise a smaller number of issues than DE (i.e. seen through amplified prioritisation) (Panke & Gurol, 2018), as well as put more effort into institutionalised learning to bridge the capacity-related gap (Panke, 2011; Baldacchino & Wivel, 2020).

As stated before, the results on Dutch capacity-building behaviour consist out of 22 cases of institutionalised learning and 37 instances of prioritisation, while the findings on German capacity-building strategies contain 13 examples of institutionalised learning and 52 instances of prioritisation. Despite being similar in various ways, German institutionalised learning efforts display some differences from those of the Netherlands. For example, Germany stresses the need to consult and assess the impact of Commission proposals together with domestic industry stakeholders (Deutscher Bundestag, 2019). Moreover, DE appears to cooperate and support the Commission by sharing its expertise instead of gathering it (Bundestag, 2019).

The priorities of the Netherlands largely align with those of Germany (e.g. 55% by 2030 and climate neutrality by 2050) (Bundersregiering & Rijksoverheid, 2023; Bundesregierung, 2023). This can be explained by the strong bilateral relations and economic ties between the

two states (Zunneberg, 2017; Bundesregierung & Rijksoverheid 2023). DE also attaches great importance to the issue of EU and German competitiveness (BMWK, 2024a, 2024b, 2024c). During the German Presidency, it prioritised the creation of a more sustainable economy in overcoming the COVID-19 pandemic (e.g. through the adoption of the European Climate Law) (German Presidency of the Council of the European Union, 2020).

This thesis finds that the German capacity-building efforts outweigh those of the Netherlands in terms of prioritisation (i.e. 50 vs. 37) but not when it comes to institutionalised learning (i.e. 13 vs. 21). Moreover, if this thesis controls for the EU Presidency between these ‘most similar’ cases, this work would find that 22/52 instances of prioritisation and 3/13 examples of institutionalised learning can be linked to the German Presidency preparations (German Presidency of the Council of the European Union, 2020). DE would therefore contain fewer instances of both capacity-building strategies. In short, these findings affirm the first hypothesis which states that the lower the administrative capacity of a state, the more it will prioritise issues and practise institutionalised learning’.

#### *6.2.2 Power asymmetries and shaping strategies*

As stated before, the institutional leverage of Germany (far) outweighs that of the Netherlands in Green Deal negotiations. For example, in cases of qualified majority voting in the European Council, Germany represents 19,69% of EU-citizens, whereas the Netherlands represents less than 4 percent of the European population (Eurostat, 2024). This makes the formation of a blocking minority substantially easier for Germany, especially in comparison to the Netherlands (EUR-Lex, 2021). Subsequently, this thesis predicts NL to use shaping strategies to increase its institutional leverage (Panke, 2012; Archer et al., 2016).

According to the second hypothesis, this work predicts that the Netherlands will dedicate more attention to agenda-setting attempts than Germany (Panke & Gurol, 2018). Moreover, this work predicts that NL will focus more efforts on building issue-specific coalitions to address the institutional power asymmetries between themselves and other (larger) Council Members (Archer et al., 2016; Baldacchino & Wivel, 2020). Lastly, this thesis must take into account other asymmetrical venues, which can influence its findings. For instance, the rotating Council Presidency can increase agenda-setting behaviour despite not being directly linked to the size of a country. In other words, this work has to control for a possible increase in agenda-setting efforts due to the German Presidency during the last six months of 2020.

To sum up the findings discussed earlier, the Netherlands can be seen practising agenda-setting efforts in nine instances and coalition-building in ten. Meanwhile, German shaping

efforts contain thirteen agenda-setting efforts and six coalition-building efforts. In greater detail, Germany puts various priorities on the Council agenda through its Presidency programme (e.g. European Climate Law) and by advocating personal issues to the Council or Commission (e.g. 55% by 2030 and climate neutrality by 2050) (Deutscher Bundestag, 2019, 2020; German Presidency of the Council of the European Union, 2020). Moreover, DE spends limited attention on coalition-building efforts in the Council. However, it does cooperate closely with the surrounding economies on European industrial policy (Bundersregering & Rijksoverheid, 2023; BMWK, 2024c).

This thesis finds that NL displays less agenda-setting behaviour compared to DE (i.e. 9-13) whilst spending more attention on coalition-building (i.e. 10-6). In controlling for the German Council Presidency, this work finds that 8/11 of agenda-setting and 1/6 of coalition-building instances can be linked to the Presidency preparations (German Presidency of the Council of the European Union, 2020). NL is thus left with more instances of both shaping strategies in comparison to Germany. These findings affirm the second hypothesis, which states that the lower the institutional leverage of a state, the more it will engage in coalition-building and agenda-setting efforts.

### 6.3 Disclosing conflicting results

This work has sought to explain the differences in negotiation practices between two smaller Member States based on the relative differences in their administrative capacity and institutional leverage. The findings point out how the nature of Dutch and Belgian bargaining behaviour is relatively comparable: for example, with both sides using similar knowledge and expertise-gathering practices through cooperation with other actors. In controlling for the Belgian Council Presidency, this work has found that the Netherlands displays both more capacity-building and shaping behaviours. This has led to the initial rejection of the first and second hypotheses.

The second comparison was meant to review whether negotiation behaviour differs in meaningful ways between a large and small state. If this was not the case, a possible confirmed hypothesis from the first comparison could still be rejected. In controlling for the German Council Presidency, this work has found that there do exist meaningful differences in the bargaining behaviour of the Netherlands in comparison to that of Germany. Although these two countries cooperate closely on a variety of issues, their bargaining efforts still differ sizably, with NL displaying more capacity-building and shaping behaviours. In contrast with the earlier comparison, these findings underline and confirm the first and second hypotheses.



In reviewing the conflicting results of the two comparisons, this thesis suggests that the following explanations are key to better understanding them. This work indicates that the capacity-building strategy of institutionalised learning can be linked to the small-state characteristic of administrative capacity. The Netherlands puts far more attention to cooperation in knowledge and expertise gathering in comparison to Germany. Meanwhile, the capacity-building strategy of prioritisation appears to be influenced by factors beyond administrative capacity, such as the Presidency of the Council of the EU. In this research, the additional priorities of the German and Belgian Presidencies influenced the findings on prioritisation. Overall, the first hypothesis has to remain rejected for now as it fails to account for additional influences.

A similar argument can be made in regard to the second hypothesis. In controlling for the Council Presidency, this thesis finds that NL outweighs BE and DE in terms of shaping strategy usage. Interestingly, this work finds that the Presidency has a large influence on agenda-setting behaviour and little to no influence on coalition-building. Therefore, this thesis finds that the small-state characteristic of institutional leverage can be linked to the shaping strategy of coalition-building since the Netherlands puts far more attention into coalition-building compared to Germany. Meanwhile, Belgium has its own domestic and political reasons for being less active in coalition-building (Federaal Adviescomité voor de Europese Aangelegenheden, 2020b; Belgium.be, 2023). Overall, the second hypothesis has to remain rejected as well, since it fails to cover the additional influences discussed above.

## 7. Conclusion

All in all, this thesis has aimed to address the following research question: ‘How do smaller Member States conduct EU Green Deal negotiations and what characteristics explain their efforts?’. Through the use of relational content analysis, a variety of Dutch, Belgian and German governmental sources have been examined. Ultimately, this was done to see whether differences exist between the bargaining practices of smaller Member States and how these might be linked to or even caused by small-state characteristics.

This thesis concludes that the current research design and hypotheses fail to account for additional factors as it finds that bargaining behaviour can be influenced by more than administrative capacity and institutional leverage. The following section will expound on how these conclusions came about and what can be done in future to address these shortcomings.

In greater detail, two comparisons were key in this research. The first compared the results between Belgium and the Netherlands. This comparison was intended to examine if differences in administrative capacity or institutional leverage between two smaller states can help explain differences in bargaining behaviour. The second comparison between Germany and the Netherlands was meant to help assert whether bargaining behaviours differ in meaningful ways between larger and smaller states (i.e. Germany as a control case).

These comparisons were held between the most similar cases to examine whether differences in administrative capacity could explain the prevalence of institutionalised learning and prioritisation efforts (i.e. capacity-building strategies). Moreover, differences in institutional leverage were also examined, regarding their ability to explain the usage of coalition-building and agenda-setting practices (i.e. shaping strategies).

Everything concluded, this thesis has found the following. In controlling for the Presidency of the European Council, this work found that the Netherlands displays more capacity-building and shaping strategies than Belgium and Germany. These conflicting results have led to the rejection of the two hypotheses. Instead, this thesis concludes that the current phrasing of the theoretical dynamics (between these concepts) fails to cover additional influences, such as the rotating Presidency or other domestic political factors. Although, institutionalised learning efforts can be linked to administrative capacity, prioritisation is found to be more contested by influences outside the current research scope. The same is the case for coalition-building, which can be linked to institutional leverage, while agenda-setting appears more dependent on other factors. All in all, further refinements will have to be made towards these dynamics and the subsequent hypotheses.

Lastly, this thesis addresses its shortcomings and produces recommendations for future research. This work has used relational content analysis to study the influence of small-state characteristics on bargaining behaviour. The nature of content analysis limits its ability to produce objective and replicable conclusions which can be projected onto other subjects or countries (beyond those studied in this thesis). These shortcomings can be addressed by transferring to a more in-depth interview-based design in future studies. Interviews with diplomats and other civil servants could offer more concrete and broader insights into the bargaining strategies of a state. It would also ease the replicability of research (onto other cases).

Furthermore, this alteration would address an additional issue, as this work has experienced difficulties locating the exact bargaining positions (i.e. priorities) of states, as these are generally not broadcasted before negotiations are to take place. In conducting interviews, a more targeted search for the negotiating positions and strategies can be administered, as well as enquire into personal factors that may explain them.

Finally, this thesis suffers from operationalisation issues, with the definitions of certain bargaining behaviours further complicating the analysis. For instance, the signals for prioritisation may have resulted in warped findings. If prioritisation efforts should cover an actor being active on fewer issues, then the operationalisation needs to reflect this. Instead, the current operationalisation works to signal any issue stressed or raised. Future works could address these issues by further honing the signals used and narrowing the definitions of each bargaining sub-strategy, leading to a better understanding of the effects of small-state characteristics on negotiation behaviour.

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## Appendix A

### GPD per EU Member State

<b>Country</b>	<b>Total GDP (in euros)</b>
<i>Germany</i>	4.121.160.000.000
<i>France</i>	2.803.100.000.000
<i>Italy</i>	2.085.375.600.000
<i>Spain</i>	1.461.889.000.000
<i>Netherlands</i>	1.034.086.000.000
<i>Poland</i>	750.800.700.000
<i>Belgium</i>	584.698.900.000
<i>Sweden</i>	548.373.200.000
<i>Ireland</i>	504.619.700.000
<i>Austria</i>	477.248.800.000
<i>Denmark</i>	373.754.700.000
<i>Romania</i>	324.578.200.000
<i>Czechia</i>	305.966.500.000
<i>Finland</i>	277.625.000.000
<i>Portugal</i>	265.503.000.000
<i>Greece</i>	220.302.600.000
<i>Hungary</i>	196.391.400.000
<i>Slovakia</i>	122.812.800.000
<i>Bulgaria</i>	93.948.000.000
<i>Luxembourg</i>	79.309.600.000
<i>Croatia</i>	76.471.700.000
<i>Lithuania</i>	71.986.200.000
<i>Slovenia</i>	63.089.600.000
<i>Latvia</i>	40.348.000.000
<i>Estonia</i>	37.682.400.000
<i>Cyprus</i>	29.807.200.000
<i>Malta</i>	19.381.900.000
<i>European Union – 27</i>	<i>16.969.694.500.000</i>
<i>(countries after 2020)</i>	
<i>EU-average</i>	<i>628.507.203.704</i>

*Source: Eurostat, 2023a.*

## Appendix B

### European Green Deal communications by the Dutch government

Behaviour	Citations
<p><b>1) Prioritisation:</b> stressing the need for innovation in the financial framework</p>	<p>[Parliamentary debate with Mark Rutte, Prime Minister - 10-12-2019] [Tweede Kamer der Staten-Generaal, 2019a]</p>
<p><b>2) Prioritisation:</b> stressing the issue of not increasing Dutch monetary contributions, whilst maximizing modernization</p>	<p><b>Debate on the European summit on 12 and 13 December 2019</b></p> <p><b>Minister Rutte:</b> Then I will start with a topic that is on the agenda this week and that, of course, has to do with the Multiannual Financial Framework. Looking at the current MFF and what is there now, there is a lot of modernisation in the Finnish proposals. We are also committed to modernising the MFF and we will continue to do so. <b>We want to move towards an ambitious modernised MFF and make room for new priorities, such as innovation, research, climate, security and migration. Indeed, as far as we are concerned, it is not just a matter of more or less budget. It is, of course, also about substantive modernisation of the common agricultural policy, the Common Agricultural Policy and cohesion policy, for instance, with a stronger focus on innovation.</b><sup>1</sup> This does not mean that we necessarily want to arrive at 1%, as is suggested here and there. What we want to achieve is no increase in payments. That is the agreement. So it may well be that the 1% is a bit higher, but then ultimately the correction will also have to be larger.</p>
<p><b>3) Prioritisation:</b> stating utmost intent to reach a collective agreement on 2050</p>	<p><b>Minister Rutte:</b> That is, of course, stating the obvious. <b>What I just said is that the coalition agreement is clear: no remittance increase. Two: the coalition agreement is also clear that we must do everything we can to modernise.</b><sup>2</sup> Verhoeven is absolutely right about that. What Verhoeven then accuses me of is that I am not talking about that enough. I deny that; I do talk about that. I will raise a few points in this debate in a moment, also invited by Mr Verhoeven, for instance the geopolitical issues that are emerging and to which Europe does - I agree with him - have to have an answer. The only thing I find objectionable is that D66 does not go for part of the signature on the coalition agreement, namely: no remittance hike. It would have been classy if they did.</p>
<p><b>5) Institutionalised learning:</b> referring to release of appreciation by the Dutch government on the new proposal</p>	<p><b>Minister Rutte:</b> Verhoeven and Van Ojik both rightly drew attention to <b>the importance of reaching an agreement on climate neutrality 2050 in this European Council. We will do our utmost to achieve that.</b><sup>3</sup> Whether that will succeed, I cannot guarantee. Indeed, three countries still have concerns about this. Last week we also had a consultation in Madrid in a European club, on the margins of COP25, with the European countries present and Von der Leyen and Michel, who were just starting at the time. We know, of course, that there are concerns. The prime minister of Poland and others were also there. Every effort is being made to see if we can bridge those and succeed in getting Poland, the Czech Republic and Hungary on board as well. Slovakia from V4 is already participating. Estonia also initially had doubts about climate neutrality 2050, but is now following suit. We are going to do our utmost for that. I cannot say much more about it. <b>There have also been many bilateral talks. I myself have talked to a number of people about it. Of course, the JTM, the proposal for a just transition mechanism, which has been talked about in the Commission, might also help with that. For that, of course, the real substance of that should again depend on the MFF discussion. This summit does not yet lend itself to talk about size and modality. I hope that, all in all, we can still come a long way.</b><sup>4</sup></p>
<p><b>4) Coalition-building:</b> reporting on past efforts in the form of bilateral meetings regarding climate neutrality by 2050</p>	
<p><b>6) Prioritisation &amp; autonomy bargains:</b> stressing personal priorities on international rail, as well as the need to for solutions in a European context</p>	
<p><b>7) Institutionalised learning:</b> will assess the contents of the proposal in greater detail on a later date</p>	
<p><b>8) Autonomy bargains:</b> stating the need for common agreement in order to increase commitments and decrease autonomy</p>	
<p><b>9) Coalition-building:</b> working in a group of like-minded countries to attain 55%</p>	



**10) Prioritisation:** stressing affordability and achievability of efforts (and impacts on citizens)

**11) Position-sharing:** citing how domestic support, a step-by-step approach and a frontrunners position relate to each other

**12) Position-sharing:** affirming intent to not increase Dutch contribution to the MFF

**13) Institutionalized-learning:** stating intent to study the coming Green Deal proposals and their monetary impacts

**Minister Rutte:** A lot of questions have been asked about all the rumours about the Green Deal. I would like to refer to my first answer. We will try to give an appreciation of that on Monday in outline and later in more detail.<sup>5</sup> The question from some of you was whether I am still aware of the urgency of that issue. Yes indeed. I brought that out again last week in my contribution at COP25.

**Minister Rutte:** Then the train. In response to Verhoeven: we don't yet know what the Commission will propose in the Green Deal on railways. But it is known from the cabinet and this coalition that we want to strengthen the international rail system. That has to be done in a European context. The cabinet is working on that. In addition, the cabinet wants to promote investments in rail infrastructure through European funds, linked to the removal of barriers. We will see what they come up with, but it is clear to the cabinet that we consider this important.<sup>6</sup>

**Minister Rutte:** There were a number of questions from Ms Leijten and others about all kinds of rumours about the Green Deal. I don't really want to go into that now, because then I will be responding to a moving target. I would prefer the cabinet, as I just promised, to have a structured outline on Monday and then respond in detail to the proposals later.<sup>7</sup> But I have taken good note of what Ms Leijten and others have said about the rumours going around about the Green Deal. I don't want to respond to that myself yet, because then I will be responding to initial rumours again.

**Minister Rutte:** Well, I think the Dutch people are also begging to be able to continue living their lives, and that they hope that we are not going to adopt everything Mrs Ouwehand proposes tomorrow. What is the cabinet doing? We have arrived at a Climate Agreement, with broad support. This leads to a 49% reduction in CO2 emissions by 2030 compared to 1990 levels. We would like the ambition to be higher in Europe, but then other countries would have to join in. Ultimately, we are going to do what becomes the European ambition. That is currently at 40 per cent reduction.<sup>8</sup> If you were to implement all European plans, you would already be at 45%. So I think that reduction will also be higher than 45%. And again, we hope we can raise it to 55%. We are working together in a coalition with surrounding countries with similar economies, also competitively, to reach a higher target. That is the Cabinet policy.<sup>9</sup> Within that, we are doing everything we can to ensure that it is affordable and achievable, and so people can continue to live their lives. They should not have to get out of their car tomorrow, cancel their holidays or sell their house.<sup>10</sup>

**Minister Rutte:** We have to make sure that we do it step by step, across a broad front with broad support. That is the cabinet's view and that is our national Climate Agreement. And in Europe, of course, we strive for a climate approach that is maximally supportive of our ambitions. The Netherlands is really seen internationally as one of the frontrunners in both the approach, with broad support, and in our ambitions.<sup>11</sup> And I wouldn't quite identify with what Ms Ouwehand is saying here.

**Minister Rutte:** No, for the Netherlands, we contribute through the MFF. We've just had that discussion. We do not want an increase in our costs compared to the current MFF.<sup>12</sup> Of course, we do take inflation into account, but we don't want a further increase. That is the coalition agreement. In addition, we have the Climate Agreement in the Netherlands and the amounts are also known from that.

**Minister Rutte:** It concerns 28 member states. I don't know how exactly those amounts are broken down according to the Commission. We will study the proposals carefully when that Green Deal is in place,<sup>13</sup> but for the Netherlands, we

	<p>have a Climate Agreement. That puts us at 49% in 2030. We have the ambition to be climate neutral 20 years later. And we now have a whole plan in place for the next 10 years with a knock-on effect to the 20 years after that, with broad support here in society and among civil society organisations, but I think that since we managed to rectify the somewhat messy picture from March into a broadly supported Climate Agreement in May/June, you can say: also with broad support in society.</p>
<p><b>1, 3 &amp; 5) Position-sharing:</b> welcoming proposals which align with personal stances</p> <p><b>2) Autonomy bargains:</b> stressing European cooperation as a solution</p> <p><b>4) Agenda-setting &amp; prioritisation:</b> stating intent to raise a certain issue</p> <p><b>5) Institutionalised learning:</b> stating intent to increase knowledge on certain issue</p> <p><b>6) Position-sharing:</b> without elaborating on bargaining strategy</p> <p><b>7) Institutionalised learning:</b> knowledge gathering stressing the assessment of future Green Deal proposals and their implications</p>	<p>[First Appreciation Green Deal - 16-12-2019] [Tweede Kamer der Staten-Generaal, 2019b]</p> <p><b>European Council report of 12 and 13 December 2019 and first Green Deal appreciation</b></p> <p>The Cabinet welcomes this broad and ambitious approach,<sup>1</sup> which fits well with the Cabinet's commitment to future EU policy as described in the State of the Union 2019. The cabinet has committed to this in Brussels in recent months. In outline, the Green Deal seems to fit well with the national climate agreement, the cabinet's commitment to a circular economy, protecting air and water quality, the initiated transition to circular agriculture and strengthening biodiversity. It is important for the Netherlands to face these major challenges together with European Union member states.<sup>2</sup> Only by working together can Europe respond effectively and play a leading role on the world stage. In doing so, the Green Deal creates a more level playing field in the EU, which is good for competitiveness.</p> <p>The government welcomes the Commission's proposal to raise the EU's 2030 greenhouse gas reduction target to 50-55%,<sup>3</sup> compared to 1990, in summer 2020. As is well known, the cabinet aims for 55% reduction in 2030. The government will continue to press for the discussion on the 2030 target to start in time for it to be finalised ahead of COP26 in Glasgow.<sup>4</sup> The EU should, in line with the Paris Agreement, submit a new Nationally Determined Contribution (NDC) at COP26. Based on the 2050 climate neutrality target and the 2030 reduction target, the Commission will come forward in 2021 with proposals to strengthen instruments such as the European Emissions Trading Scheme (ETS), legislation for the non-ETS sectors and source-based policies.</p> <p>The transition requires mobilising public and private resources. The cabinet supports the Commission's commitment to greening the EU budget.<sup>5</sup> The cabinet will take a close look at the announced Sustainable Europe Investment Plan.<sup>5</sup> Decision-making on financing this transition will have to take place in the context of the MFF negotiations. For the cabinet, this means that at least 25% of MFF budget for the period 2021-2027 must be spent on climate-related expenditure and that the entire budget must be in line with the Paris Agreement.<sup>6</sup> In addition, the Commission will propose a Just Transition Mechanism (JTM) offering support to the regions hardest hit by the transition. The European Investment Bank has also increased its climate ambition. Two key components of this are supporting investments worth €1,000 billion from 2021 to 2030 and increasing the share of investments in climate action from around 30% today to 50% by 2025. This general initial appreciation does not alter the fact that the cabinet will thoroughly assess the Commission's proposals, including on the basis of subsidiarity and proportionality (parliamentary paper 21 501-20, no. 1504 dated 10 December 2019), as well as on mutual consistency, feasibility and budgetary implications.<sup>7</sup> The government will provide a further assessment of the communication through the BNC fiche. The same applies to the pending proposals announced in the communication.</p>

- 1) Position-sharing:** stressing how current efforts are in-line with the proposal (*Green Deal*)
- 2 & 3) Prioritisation:** stressing interest in cost-effectiveness in implementing the Green Deal
- 4) Institutionalised learning:** stating openly to examine and assess the impact of proposals (knowledge gathering)
- 5) Prioritisation:** stressing personal priority regarding 55% as well as the aspiration to influence EU
- 6) Agenda-setting:** stating past lobbying activities regarding increases in CO2 reduction targets
- 7) Institutionalised learning:** government will expand on their position once they have made a full assessment of the proposal
- 8) Autonomy bargains:** EU foreign (climate) policy: stating intent to lead other parts in the world in addressing climate change, in cooperation with European colleagues

[Parliamentary debate with Eric Wiebes, Minister of Economic Affairs and Climate - 17-12-2019] [Tweede Kamer der Staten-Generaal, 2019c]

**The next item is the debate on the Climate and Energy Outlook (KEV) 2019.**

**Mr Kops (PVV):** Surely this is worrying, because this European Green deal is going to cost 260 billion euros a year, just like that. That's quite a lot: 260 billion euros a year. Surely the minister should then at least have an idea of how on earth that is going to fall on households in the Netherlands?

**Minister Wiebes:** We had that calculated for our Climate Agreement, which is already largely in line with the Green deal.<sup>1</sup> That really does not come out with amounts like that by a long shot. We have taken the most cost-effective route.<sup>2</sup> Then the costs, which go up to 2030, are limited even in 2030 to considerably less than 0.5% of our gross domestic product, but considerably less.

**Mr Kops (PVV):** Mr Timmermans said in an interview on Nieuwsuur that as a result of that Green deal, member states do have to start contributing more. He then said, "You are asking us for more and more policies." Yes, we in the PVV don't think so, mind you. He says: "If you think that should happen on a European scale, there should also be money in return." So how much on earth is that going to cost?

**Minister Wiebes:** I have just answered that as far as our Dutch Climate Agreement is concerned. I also said that the European Green deal is already in line with our Climate Accord to a large extent. We will see it in the elaboration, but we are among the parties that are already doing a lot but have also managed to keep the costs low.<sup>3</sup> Incidentally, not every other country can say that.

**Ms Agnes Mulder (CDA):** Talking about those costs. I asked for an impact assessment. The European Union itself advocated that. We also heard Frans Timmermans say so in Madrid last week. Can the minister promise that we will get that on all those plans? We do want to know that if we invest money, it will be in a way that we achieve our goals. My party is not waiting for us to just be free to top up in Brussels.

**Minister Wiebes:** I would have checked with the various spokespersons, so I would have come back to this. But now that Ms Mulder asks: yes, that impact assessment is being carried out. That will follow as early as the beginning of February and will then provide insight into what the impact is. That in turn will be the basis for further decision-making. There will also be further appreciations from the cabinet in the Netherlands on the Green Deal. These will follow, I think also in February.<sup>4</sup>

**Minister Wiebes:** Mr Van Raan also asked when we will convert our 55% ambition into policy. With the policy around 55%, we want to try to convince Europe to raise the ambition. Two years ago, nobody felt at all in favour of that. We now have a Green deal, which says 50% to 55%. That is, among other things, the work of the Netherlands.<sup>5</sup> We have not said that we are already raising the ambition from 49% to 55% after that, ahead of the rest. We have said that as soon as the European ambition is raised, we will of course take our share. That is still exactly the intention. We have made huge progress, because two years ago everyone still thought we were stuck at 40%. Then there was a glimmer of hope for 45% and now we are at 50% to 55%. The Netherlands has been very actively, very actively lobbying for that.<sup>6</sup> That applies not only to the cabinet, but also to many people in this room, I say in all honesty. And that is nice.

**Mr Sienot (D66):** I was still missing this answer to my contribution. Namely, I asked: how will the minister contribute to the Green deal actually becoming a success? Because the Green deal is not yet a done deal. Following on from that: the lessons we have learned to get the European countries along to something like climate neutral by 2050. How can we apply those to other continents, for example, so that we start getting them along at a higher level? What is the seduction strategy? So it's about those two points: successful Green deal and the seduction strategy for other countries.

**Minister Wiebes:** Let's discuss this further when the assessments of the Green deal are shared. Then the government share its commitments via a briefing, but I also expect a letter to be shared as well<sup>7</sup>; I think that would be useful. Then we can talk at length with each other about what is the way from now on towards the other countries. I didn't want to do that tonight, but when we have those documents on the table.

Then about the strategy towards other regions of the world. That is actually what Mr Sienot is asking about. That is the most high-overhead question of this whole debate, but it is a very interesting question. I really think so. I said in Madrid, but also the year before: there is only one region in the world that can take the lead in this and that has the knowledge, the wealth and the will to do something in this, and that is Europe. There are no other regions in the world of any size that want to take this lead in that way. So we are leading. But that is only attractive if you can get the rest to come along quickly. I won't go into the details, but there is extensive thinking by my climate colleagues at European level, in cooperation with the Commission, about what strategies we use towards which regions to get them on board. This is considerably more promising in some directions than in others. The word "temptation" is complicated there, but let's say that there, in balancing interests between regions of the world, parties must be encouraged to make climate choices.<sup>8</sup> May I keep it that cryptic?

**1) Position-sharing:** welcoming proposals on issues which align with personal stances

**2) Prioritisation:** stressing/raising the importance of proportionate, implementable and cost-effective legislation

**3) Autonomy bargains:** Stressing the need for European cooperation

**4 & 6) Institutionalized-learning:** Information gathering by advocating for impact assessments

**5) Prioritisation:** advocating for the

[Briefing towards Parliament on the European Green Deal - 31-01-2020] [Tweede Kamer der Staten-Generaal, 2020a]

b) Assessment + commitment to this proposal

The government supports the Green Deal's broad and ambitious approach.<sup>1</sup> The Netherlands supports the Commission's high ambitions, but considers it important that it is translated into proportionate, implementable and cost-effective legislation and policy measures, as it will have an impact on the policies of all levels of government.<sup>2</sup> The government sees the transition to sustainable growth of the economy to strengthen EU competitiveness as an opportunity. It is important that the Netherlands does not face these challenges alone, but together with other EU member states.<sup>3</sup> By working together, the Netherlands can bring about change on these major challenges - also on the global stage. In doing so, the Green Deal aims to ensure a more level playing field in the EU. The government therefore looks forward to the Commission translating the ambition into specific policy measures in the coming months. In addition, the broad societal consequences should be carefully considered in the elaboration. With the broad and ambitious approach, it is important to always carefully consider the support of citizens, governments and market players so that the elaboration is accompanied by stable social support. The government therefore also expects the European Commission to provide future proposals from this Green Deal with well-substantiated impact assessments.<sup>4</sup>

inclusion of 2030 as a goal post

**7) Prioritisation:** distinguishing headline targets from sub-goals (increase to 55% CO2 reduction)

**8, 9, 10 & 12) Position-sharing:** adopting proposals on issues which align with personal stances

**11) Position-sharing:** stressing similarities between Green Deal and own ambitions in the form of national climate agreement

**13) Issue-linkage:** commitment to mainstreaming climate adaptation topic by linking to other issues

**14) Coalition-building & agenda-setting:** stating the formation of a front-runner group of MS who have contacted the Commission via a letter.

*Below is an initial description of the Dutch position per policy area. The Chamber will be informed in more detail once the Commission comes up with detailed proposals.*

### Climate

The government is positive about the European Climate Act and would like to see the 2030 target included in addition to the 2050 target.<sup>5</sup> The government advocates a timely Impact Assessment that will have to provide insight into the consequences of raising the 2030 reduction target.<sup>6</sup> The government supports an increase to 55% and ideally wants to reach agreement prior to COP26 in Glasgow in late 2020 so that the EU can submit a more ambitious Nationally Determined Contribution (NDC) to the UN. To focus on a cost-effective approach to the transition, the Netherlands favours steering towards central headline targets, such as CO2 reduction in the climate and energy transition. Sub-goals set to achieve the main goal may be important, but should not stand in the way of a cost-effective approach, focusing as much as possible on one central main goal.<sup>7</sup> The Netherlands is therefore in favour of raising the target to 55% and will emphasise cost-effectiveness and sufficient public support in its elaboration. The government sees the proposals for revision of European instruments as a logical consequence of raising the European targets. In doing so, the government will pay attention to mutual consistency and feasibility. The government is in favour of tightening the ETS for aviation.<sup>8</sup> The government would prefer to see this accelerated phase-out of free allowances for aviation as part of the general evaluation of ETS aviation, partly in relation to the implementation of CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation). The cabinet supports the Commission in examining various measures, including extending EU ETS to shipping, to achieve emission reductions in the sector.<sup>9</sup> In doing so, it is mindful of the global level playing field, carbon leakage effects and the competitiveness of the European maritime sector. The government is cautious about extending the ETS to built environment and road transport, because it is unlikely to lead to the necessary innovation, partly because of too low-price elasticity in those sectors. Given the importance of a global level playing field, the government is positively curious about the announced proposal for a carbon tax at the external border (Carbon Border Adjustment Mechanism).<sup>10</sup> In doing so, the government favours a step-by-step approach, in which thorough examination of WTO compliance, a carbon accounting system, administrative burden and feasibility are important, as well as consideration of the geopolitical context. The government is curious to see how the Commission will shape the climate pact, is positive about involving society and sees similarities with the national Climate Agreement.<sup>11</sup> Finally, the government welcomes the announcement of an ambitious EU climate adaptation strategy.<sup>12</sup> In doing so, the government is committed to mainstreaming climate adaptation in relevant EU policy, such as by linking it to biodiversity, energy transition and sustainable finance policy.<sup>13</sup>

#### (c) Initial assessment of force field

The Green Deal was received mostly positively by member states. The day after publication, the European Council agreed to the goal of a climate-neutral Union in 2050 (with one member state being given extra time to commit to this goal). With this, the Green Deal made a good start. There seems to be broad support for including the 2050 target in a climate law. There also seems to be support for the Green Deal's integrated approach. The notion that relevant legislation needs to be adapted to achieve the higher ambition is widely recognised, although the exact details of adapting all current legislation will still be a serious negotiation with a

	<p>divided field of forces, including when raising the 2030 target. Raising the 2030 target to 55% emissions reduction does not yet enjoy broad support. There is a group of member states that opposes any increase and a group of member states that specifically cannot support an increase to 55% but wishes to find a middle way. <b>The Netherlands, through the front-runner group of nine member states, is in favour of a 55% increase and sent a letter to the Commission on behalf of this group at the end of last year.</b> Several member states have asked the Commission to include in the announced Impact Assessment not only the implications of an increase at EU level, but also what an increase would mean for individual member states. For the Green Deal's other goals such as biodiversity and the circular economy, the force field is less sharply visible but predominantly positive.</p>
<p><b>1) Prioritisation:</b> stating Dutch priority in modernizing MFK</p> <p><b>2) Prioritisation:</b> stressing interest in proportionality, achievability and cost-effectiveness as part of European Green Deal Investment Plan</p> <p><b>3) Institutionalised learning:</b> stressing the need for impact assessment regarding EGDIP</p> <p><b>4) Prioritisation &amp; agenda-setting:</b> stressing longer commitment on MFF spending as well as mentioning targeting of the Commission</p> <p><b>5) Institutionalised learning:</b> stating intent to write assessment of next proposal</p> <p><b>6) Position-sharing:</b> supports 30% of MFF to be spent on EU Climate objectives</p> <p><b>7) Coalition-building:</b> lobbying the Commission together with other MS on climate assessment</p> <p><b>8) Institutionalised learning:</b> calling for both knowledge and expertise gathering on EIB-issue. E.g. in the form of</p>	<p>[Appreciation Commission communication European Green Deal Investment Plan - 14-02-2020] [Rijksoverheid, 2020]</p> <p>[Dutch position on the communication/recommendation]</p> <p><b>a) Essence of Dutch policy in this area</b></p> <p>Making the Netherlands sustainable is one of the pillars in the coalition agreement. Climate change and sustainability also require cross-border solutions and cooperation between EU member states. The government is of the opinion that the private and public sectors have an important role to play in facilitating the sustainability transitions needed, among other things to realise the international climate and environmental goals, as laid down in the Paris Agreement, the Sustainable Development Goals (SDGs) and the European Green Deal. This transition will require large-scale investments, most of which will have to be privately financed, with public funds acting as boosters. <b>In addition, the government is committed to a modernised MFF in Europe, with a stronger reflection of new priorities such as climate, which remains equal in size to 1% of total EU GNI. For this, it is essential to make sharp choices on EU spending in the coming period.</b><sup>1</sup></p> <p><b>b) Assessment + commitment to this proposal</b></p> <p>The government supports the broad and ambitious approach of the Green Deal, and the EGDIP as part of it. <b>The Netherlands supports the Commission's high ambitions, but considers it important that it is translated into proportionate, enforceable and cost-effective legislation and policy measures, as it will have an impact on the policies of all levels of government.</b><sup>2</sup> The government sees the switch to sustainable growth of the economy to strengthen EU competitiveness and create a level playing field in Europe as an opportunity. <b>In addition, the broad societal consequences should be carefully considered in the elaboration.</b><sup>3</sup> Below is an initial description of the Dutch position per policy area.</p> <p><b>Mobilising sustainable investments</b></p> <p><u>MFF</u></p> <p><b>In the MFF negotiations, the government has long been committed to spending at least 25% of the EU budget on climate-related expenditure. In the negotiations and towards the Commission, the government advocates improving tracking and monitoring in order to be able to properly measure progress towards this goal.</b><sup>4</sup> In addition, the government is committed to ensuring that the entire MFF is in line with the Paris targets. The cabinet is cautious about the proposals for new own resources to finance the EU budget<sup>3</sup>. The cabinet wants more clarity on possible double counting in the 1,000 billion euros of investments to be mobilised.</p> <p><u>Innovation and Modernisation Fund</u></p>

cooperation with financial institutions.

**9) Institutionalised learning:**

welcoming the mapping of practices around green budgeting and stressing further international cooperation

**10) Prioritisation:** stressing interest in keeping budgeting instruments intent on economic and labour market policy

**11) Prioritisation:** stressing issue of state aid in climate measures

**12 & 13) Agenda-setting:** lobbying the Commission by pleading with them on clarity regarding state aid in climate measures

Both funds will be reviewed in the planned ETS review (proposal expected in 2021). A BNC fiche will be prepared for this review in due course.<sup>5</sup>

Invest-EU

The use of Invest-EU investments for projects in the field of sustainability fits in with the cabinet's ambitious goals in this respect. In the negotiations on the next MFF, the cabinet supports a high contribution (30%) from Invest-EU to the European climate objectives.<sup>6</sup> In addition, the cabinet committed to excluding investments that are not in line with the Paris targets. Together with other member states, the Netherlands pleaded with the Commission to improve climate and environmental tracking and sustainability assessment in the short term and to use criteria from the EU taxonomy.<sup>7</sup> Through an expert network, the Invest-EU Advisory Centre will support the development of regional transition plans, elaboration of individual project plans and ensure information exchange between member states, regions and implementing (intermediary) organisations of Invest-EU.

EIB

It is positive that the Commission mentions in the proposal that it wants to ensure high added value of EIB investments. This is in line with the Dutch commitment within the EIB. The EIB is expected to finance EUR 600 billion of investments within the EU (excluding EU mandates) during the implementation of the EGDIP. The EIB has an annual lending volume set at EUR 63 billion with the aim of using 50% of that for climate investments by 2025. For the government, it is important to get more clarity on the EIB's role within the EGDIP as the plans are further elaborated, in order to be able to estimate its financial consequences and to assess how these relate to the EIB's priorities and lending ceiling. In addition, the government favours cooperation with other international and national financial institutions on the European Green Deal.<sup>8</sup>

**Facilitating framework for public and private investment**

Public sector

The Cabinet supports the mapping of practices around green budgeting and believes that this should be considered in conjunction with similar initiatives internationally.<sup>9</sup> Regarding a role for national green investments in the SGP, the government emphasises that sound public finances are the primary goal of European budget rules. Proposals to adjust the SGP, including a possible role for green investments, will therefore have to be assessed on their contribution to better achieving this goal. The government welcomes the focus on sustainability in the country reports, but considers it important to maintain the Semester's focus as a coordination instrument for economic and labour market policy.<sup>10</sup>

State aid

The adjustment by the Commission of the relevant EU support frameworks (in particular the Environmental and Energy Support Framework 2014 -2020) in 2021 instead of an adjustment in later years is supported. It is important for the Netherlands and other member states that it becomes clear as soon as possible whether and how the (new) national climate and environmental measures needed for the transition to a climate-neutral economy can be supported with state aid.<sup>11</sup> The government has already actively pleaded for such clarity with the Commission, taking as its starting point that state aid may be necessary for the transition to a climate-neutral economy, but that fair competition within the internal market must remain safeguarded.<sup>12</sup> At the same time, it is important for European industry to remain internationally competitive.

	<p>It is also positive that, in the areas indicated, the Commission indicates that more flexibility is being shown for state aid within the existing EU state aid frameworks. For the implementation of the Dutch Climate Agreement, the government - where proportional state aid is needed for measures - is in favour of flexible application. State aid rules should support not only renewable energy and energy efficiency measures in the built environment but also climate-neutral production and CO2 reduction in industry.</p> <p>The government will continue its efforts to get more clarity from the Commission on what exactly is meant by flexibility in the elaboration of support measures, and in the coming year it will also actively push for new EU state aid frameworks that enable the transition to a climate-neutral economy while maintaining fair competition between companies.<sup>13</sup></p>
<p><b>1) Position-sharing:</b> reaffirming 55% by 2030</p> <p><b>2) Prioritisation:</b> stressing feasibility and cost-effectiveness</p> <p><b>3) Agenda-setting:</b> stating lobbying success, 55% has made it into the Commission proposal</p>	<p>[Answers to parliamentary question by the Commission on General Affairs by Mr Stef Blok, Foreign Minister - 07-10-2020] [Tweede Kamer der Staten-Generaal, 2020b]</p> <p><b>Report of a general consultation, held on 7 October 2020, on General Affairs Council dd 13 October 2020 (minus Brexit)</b></p> <p><b>Minister Blok:</b> I come to the questions asked about climate. Mr Bosman and Mr Bouali asked about the motion adopted in the European Parliament with the request to increase the CO2 reduction target for 2030 from 55% to 60%, what the Dutch commitment is. The Dutch commitment has always been 55%.<sup>1</sup> Quite frankly, we have been successful in that too. Let me mention successes again anyway, because that was not a given from the beginning, not at all. It is really not realistic to expect that the adopted motion will now lead to support in the European Council, because 55% was an enormously difficult task, without any certainty that it would succeed.</p> <p>Mr Bisschop pointed out the resistance that there had certainly been in some Eastern European countries. He asked what then were the arguments of those countries. That there is a huge increase in the concentration of CO2 in the atmosphere, we can all measure. It is scientifically known that this can lead to a greenhouse effect. At exactly what rate is not quite easy to determine, but that some effects are already occurring is visible. Those are some of the starting points. I don't want to say that 100% of people share them, but a lot of people do. At least the Dutch government does too. Against that premise, you enter into negotiations with each other about what measures we can take now and at what pace, and for that matter, how we can help. Not for nothing is the use of the new financial framework, and for that matter also of the Recovery Fund, largely focused on that transition. That whole package together - the fact that we have a real problem, that we therefore have to take steps, that these have to be feasible and that this also costs money - has led to the fact that we were able to reach agreement on the 55%, but it also leads to the fact that I do not see an increase happening at the moment.<sup>2</sup> Mr Bosman further asked.</p> <p><b>The Chair:</b> Mr Bouali, a very brief interruption.</p> <p><b>Mr Bouali (D66):</b> A clarifying question. Did I hear the Minister correctly now say that this 55% is now by the Council? I had not noticed that myself.</p> <p><b>Minister Blok:</b> As a Commission proposal. Yes, sorry, I was going too fast there. We have realised that it is a Commission proposal.<sup>3</sup> Good that you asked about that.</p>
<p><b>1 &amp; 2) Position-sharing:</b> stating how personal and</p>	<p>[Report of a written consultation on the Energy Council by the Minister of Economic Affairs and Climate- 23-12-2020] [Tweede Kamer der Staten-Generaal, 2020c]</p>



Commission conclusions and proposals match

3 & 4)

**Prioritisation:**

Dutch EU commitment surrounding low-carbon hydrogen, NL will support the creation of a certification and classification system

**5) Coalition-building:**

the Netherlands will initiate the necessary bilateral contacts to make concrete agreements on setting up import chains, e.g. see MoU with Portugal and talks with neighbouring countries

**6) autonomy bargains:**

focusing on consensus in the Council and achievability.

**7) agenda-setting:**

advocating for 55% by 2030

**8) Institutionalised learning:**

a study group is meant to examine the consequences of the new proposal

**9) Prioritisation:**

in favour of subsidies for Green and Low-carbon hydrogen, but against grey hydrogen

**Question 1:** *These members ask what the force field around low-carbon hydrogen is. Does the Minister expect that the adequate wording in the Council conclusions will adequately reflect the Dutch commitment?*

**Answer:** These Council conclusions contain an adequate and balanced formulation that assumes the development of both renewable and low-CO2 hydrogen. In the government's view, space should be created for all types of low-CO2 hydrogen in the first phase of hydrogen scale-up. This approach is also part of the Council conclusions and thus has support from member states.<sup>1</sup> Within the EU, however, there are some member states that advocate promoting green hydrogen development only. This group of member states is free to choose to do so domestically. However, this is an approach that the government does not favour.

**Question 5:** *The members of the CDA group noted that the Netherlands, together with some other member states, favoured space for low-CO2 hydrogen. The Minister therefore indicated that the Netherlands will ensure that adequate wording is used in the council conclusions for hydrogen that also leaves room for low-CO2 hydrogen. These members ask the Minister to indicate whether and to what extent, in his opinion, the wording chosen in the Council conclusions leaves sufficient room for low-CO2 hydrogen.*

**Answer:** The Council conclusions explicitly state that there are several safe and sustainable low-CO2 technologies to produce hydrogen that will contribute to rapid CO2 reduction within the EU. This sufficiently addresses the wishes of the Netherlands, among others, to leave room for the development of multiple forms of low-CO2 hydrogen.<sup>2</sup>

**Question 6:** *Members of the CDA Group also have some questions about hydrogen imports. These members ask the Minister to explain what the Netherlands' commitment in the European context is in this area,<sup>3a</sup> also in light of the Netherlands' ambitions as a hydrogen hub for Europe. Can the Minister also explain how a supported legislative and regulatory framework can be created at European level in the short term to facilitate the import of hydrogen and what the Netherlands' commitment will be?*

**Answer:** The government's vision on hydrogen indicates that imports of hydrogen will play an increasingly important role, as the global market develops. In relation to setting up a liquid (global) market for CO2-free hydrogen, work will be done at European level to develop a classification and certification system and a system of guarantees of origin. The elaboration of this will take place, among other things, in the context of the planned revision of the EU Renewable Energy Directive (2018/2001/EU).<sup>3b</sup>

**Question 15:** *Members of the D66 Group noted that renewable energy legislation and regulation is largely determined by European policy. The motion of member Sienot et al. called on the government to exploit the opportunities of imported green hydrogen. Following on from this, these members ask if the minister can explain what the Dutch commitment in the European Union is in terms of importing green hydrogen in the light of the Netherlands' ambitions as a hydrogen hub for Europe. These members also ask whether the Minister can clarify whether the European Union will soon arrive at a supported legislative and regulatory framework to facilitate the import of green hydrogen, and what the Netherlands' commitment will be in this regard.*

**Answer:** The government's vision on hydrogen indicates that imports of hydrogen will play an increasingly important role, as the global market develops. In relation

to setting up a liquid (global) market for CO<sub>2</sub>-free hydrogen, work will be done at European level to develop a classification and certification system and a system of guarantees of origin.<sup>4</sup> The elaboration of this will take place, among other things, in the context of the planned revision of the EU Renewable Energy Directive (2018/2001/EU). In addition, the Netherlands will initiate bilateral contacts with relevant member states to make concrete agreements on setting up import chains. The Memorandum of Understanding recently concluded with Portugal and talks with neighbouring countries are examples of this.<sup>5</sup> In response to the Sienot c.s. motion (35 570 XIII no.39), I undertook to elaborate on this topic within the framework of the national hydrogen programme.

**Question 16:** *Members of the D66 Group expect the European Council on 10-11 December 2020 to take a decision on raising the European Climate Target to 2030. These members advocated in the House of Representatives for an increase of this target to 55%. These members ask the Minister whether the Dutch government will insist in the European context that the 55% target in 2030 is a net target, which does not include the so-called "carbon sink", since the agreement in the coalition agreement is a commitment to 55% CO<sub>2</sub> reduction target in Europe.*

**Answer:** In September, the European Commission proposed a net target of 55%, which includes "carbon sinks". The cabinet has so far committed to a 55% emission reduction target. However, given the balance of forces, this may not be achievable. There seems to be a lot of support for the Commission's proposal. Committing too high and sticking to this particular component could greatly complicate a decision on a higher 2030 target. If necessary for consensus, the Cabinet may also support the Commission's proposal for a net target. Indeed, this is also in line with how the 2050 climate neutrality target is shaped (also a net target). In addition, the scope of the 2030 target may also be adjusted.<sup>6</sup> The Commission proposes to include intra-EU shipping in the new 2030 target and, depending on global developments, also global aviation and shipping. In the future, this may then involve a higher absolute number of emissions being included in the at least 55% net reduction. The government assesses this as positive.

**Question 19:** *These members ask the Minister what follow-up steps will be taken by the Dutch government to meet a higher Climate Target. These members also ask when the results of the official study group led by Laura van Geest are expected.*

**Answer:** The members of the D66 Group ask me what follow-up steps will be taken by the Dutch government to meet a higher Climate Target. In recent years, the government has actively advocated raising the European 2030 greenhouse gas reduction target to 55% compared to 1990.<sup>7</sup> To be prepared for this, an official study group led by Laura van Geest was launched earlier this year to identify measures to fulfil an additional task nationally. I informed your Chamber about this by letter on 19 June (Parliamentary paper 32 813, no. 534). The members also ask when the results of the official study group are expected. The study group's aim was to complete the report by the end of 2020; I now understand this will be early 2021.<sup>8</sup>

**Question 38:** *Is the Minister willing to advocate for subsidising within Europe green hydrogen and reducing and/or stopping subsidies of grey and blue hydrogen?*

**Answer:** The government will advocate at EU level for room to subsidise both green and other forms of low-CO<sub>2</sub> hydrogen, but against subsidising CO<sub>2</sub>-intensive, grey hydrogen.<sup>9</sup>

<p>1) <b>Stating common priorities on European emissions reduction target</b></p> <p>2) <b>Issue-linkage:</b> linking geopolitics to energy security</p> <p>3) <b>Coalition-building:</b> stating intent to lead Europe in the transition as frontrunners</p> <p>4) <b>Common position:</b> stressing the role of Schelde-Maas delta in the transition</p> <p>5) <b>Common sub-priority:</b> committed to pioneering just and sustainable transition</p> <p>6) <b>Common sub-priority:</b> committed to trade missions as a means of increasing sustainability and prosperity</p> <p>7) <b>Coalition-building:</b> ambition coalition on CO2 standards for cars and vans, and alternative refuelling and charging infrastructure.</p> <p>8) <b>Institutionalised learning:</b> knowledge exchange in Benelux on zero emission vehicle policy and alternative fuel infrastructure</p> <p>9) <b>Institutionalised learning:</b> developing Benelux roadmap for cycling</p> <p>10 &amp; 11) <b>Issue-linkage:</b> linking energy security and the energy transition</p> <p>12) <b>Institutionalised learning:</b> knowledge gathering by</p>	<p>[Thalassa summit - final declaration by Belgian and Dutch governments - 19-04 2022] [Rijksoverheid, 2022]</p> <p>[Diplomatic statement: 19-04-2022]</p> <p><b>Sustainability</b></p> <p>The recent IPCC and IPBES reports remind us of the urgency of the climate and biodiversity crisis. We must limit global warming in line with the Paris Agreement to aim for no more than 1.5°C warming. <b>The goal should be, at the European Union level, to reduce greenhouse gas emissions by at least 55% by 2030 (compared to 1990) and be climate neutral by 2050.</b><sup>1</sup> <b>The geopolitical context reinforces the importance of drastically reducing our dependence on fossil fuels, while keeping in mind what other dependencies this may create.</b><sup>2</sup></p> <p>We therefore take our responsibility and will arrive at quick, effective and responsible solutions. <b>As knowledge-intensive and high-tech regions, our countries are in a strong position in terms of energy transition and there are opportunities to be frontrunners in Europe.</b><sup>3</sup> <b>As Europe's industrial and logistics gateway, the ports of the Schelde-Maas delta are a powerful lever to realise the sustainability transition.</b><sup>4</sup> <b>Together, we want to be pioneers on the road to sustainable and equitable transition, leaving no one behind and focusing on the affordability of energy for our families and businesses.</b><sup>5</sup></p> <p><b>We are also committed to a more sustainable future for prosperity and well-being, both in our own countries and elsewhere in the world. Organising trade missions, such as the planned Dutch mission on circularity in May 2022, can make an important contribution to this.</b><sup>6</sup></p> <p><b>Better and sustainable mobility</b></p> <p><b>Within the EU, the Netherlands and Belgium often pull together in the pursuit of ambitious legislation on sustainable mobility, such as CO2 standards for cars and vans, and the realisation of alternative refuelling and charging infrastructure in the EU.</b><sup>7</sup> <b>Knowledge exchange in the Benelux and bilaterally is taking place in the field of zero emission vehicle policy and alternative fuel infrastructure.</b><sup>8</sup> <b>There is also good Benelux and bilateral cooperation in the field of cycling policy. For instance, the Benelux countries and North Rhine-Westphalia are jointly developing a cross-border roadmap for bicycle stimulation.</b><sup>9</sup></p> <p>The ports of the Scheldt-Meuse delta are the main gateway for our industrial and logistics hinterland. They must remain so in the future. That is why our countries are intensifying consultations, together with North Rhine-Westphalia and the German Federal Government, on future cross-border infrastructure, including the 3RX project. We will conclude the work of the two working groups involved, one specifically on the cost-benefit analysis of the 3RX project and the other in the context of a broader mobility approach, in early 2023, so that the basis can be laid for a political decision. Thus, we will try to diversify the connections of our delta ports to diversify and realise the missing links with the rest of Europe.</p> <p><b>Towards energy independence</b></p> <p><b>Russia's invasion of Ukraine makes crystal clear how important it is that we reduce our energy dependence on Russia as soon as possible and irreversibly. We must focus on accelerating the diversification of oil and gas suppliers, accelerating the energy transition by, among other things, raising our ambitions in the development</b></p>
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<p>mapping the flow of critical raw materials</p> <p><b>13) Issue-linkage:</b> linking accelerated transition with climate change/heavy weather event</p> <p><b>14) Common sub-priority:</b> early adoption of Fit-for-55</p> <p><b>15) Institutionalised learning:</b> knowledge &amp; expertise sharing on energy transition and sustainable building</p>	<p>of offshore wind farms and green hydrogen. Together, we will emphatically work on this also in an EU context.<sup>10</sup></p> <p>Securing gas supplies for the next winter season and the high energy prices not only spur the search for new suppliers but also make it clear that renewable energy must be rolled out faster. Integrating more renewable energy into the energy mix is necessary to reduce the use of fossil fuels. Energy efficiency of buildings and electrification of energy demand in buildings and transport are important levers in this regard.<sup>11</sup></p> <p>A key concern for the progress of the energy transition is the availability of critical raw materials. In this light, we will work together to map raw material flows from both countries to the Union.<sup>12</sup> Circular economy processes, including for feedstock for renewable energy technologies, should support this.</p> <p><b>Environment and Climate</b></p> <p>To meet climate targets, we will accelerate the transition of our economies. The recent devastating floods in our countries in summer 2021 have once again demonstrated the need for this.<sup>13</sup> We will strengthen our mutual cooperation on climate adaptation, especially on the insurance gap, and integrate the impact of climate change into our macro-fiscal policies. We are also determined to fully implement the EU climate adaptation and mitigation strategy to be climate-proofed by 2050 at the latest.</p> <p>To provide policy certainty to our businesses, investors, citizens and policymakers at all levels as soon as possible and keep the 1.5°C within reach, we seek the early adoption of an ambitious and balanced "Fit for 55" package that fully implements the European Climate Law.<sup>14</sup></p> <p>We will exchange knowledge and experience around energy transition in and sustainability of the built environment.<sup>15</sup> Our countries have similar starting points and can learn a lot from each other.</p>
<p><b>1) Stating support for the Commission and welcoming the proposal</b></p> <p><b>2) Prioritisation:</b> stressing personal priorities (not included in proposal) strengthening internal market, innovation policy (circular economy)</p> <p><b>3 &amp; 4) Position-sharing:</b> welcoming proposal, especially for simple and appropriate regulatory framework</p> <p><b>5) Agenda-setting:</b> stating to advocate industrial sustainable transition</p>	<p>[Appreciation Commission communication Green Deal Industrial Plan for the Net-Zero Age - 08-02-2023] [Rijksoverheid, 2023]</p> <p><b>Cabinet appreciation General announcement</b></p> <p>The Cabinet welcomes the European ambition to remain at the forefront of the climate transition and in clean (energy) technologies (clean technologies) and appreciates the European Commission's initiatives to this end.<sup>1</sup> The cabinet supports many of the elements in the plan, such as speeding up procedures, new initiatives in the field of international partnerships, the creation of a backbone for hydrogen (European hydrogen infrastructure), the EU's commitment to standards for green and digital transition, the upcoming Critical Raw Materials Act, the commitment to skills, improving access to private financing and the commitment to better use of existing resources. The plans presented also offer opportunities for NL to accelerate the energy transition and making our industry more sustainable.</p> <p>The government would have liked to see initiatives on other important aspects for EU competitiveness and the green transition, such as strengthening internal market, innovation policy, and in the field of circular economy, included.<sup>2</sup> Strengthening our long-term competitiveness starts with a strong economic foundation for which we need to continue our commitment. This includes sectors that contribute to the digital transition and open strategic autonomy.</p> <p><b>Regulatory framework</b></p>

<p><b>6) Institutionalised learning:</b> raising issue of impact assessment of new proposal</p> <p><b>7) Prioritisation:</b> stressing personal interest in energy security and safeguard consumers</p>	<p>The government welcomes the focus on a simple and appropriate regulatory framework to accelerate the green transition in order to bring European climate goals - as set out in the EU Green Deal, among others - closer.<sup>3</sup> A Net-Zero Industry Act fits into the cabinet's commitment to long-term strategies for strategic value chains, in which the Commission makes a thorough problem analysis and in which the entire EU toolbox of instruments is involved. The cabinet supports the ambition to drive the production of clean technologies in the EU. In doing so, the government advocates looking at opportunities across the entire breadth of making industry more sustainable, including (the application of) technologies such as biorefinery and recycling.<sup>4</sup> In its elaboration, the government considers it important that a thorough problem analysis and impact assessment underpin the possible use of new instruments.<sup>5</sup></p> <p>The government is cautious about specific production targets as these can be disruptive to the market.<sup>6</sup> NL supports the intention to further speed up permitting processes for renewable projects, also considering the coherence of various European initiatives on environmental and nature legislation.</p> <p>For NL, when reforming the electricity market, it is important that investments in renewable energy continue to be encouraged, security of supply and affordable energy are safeguarded and consumers are adequately protected.<sup>7</sup></p>
<p>[institutionalized-learning: 3x]</p> <p>[Prioritisation: 10x]</p> <p>[Coalition-building: 3x]</p> <p>[Framing (incl. issue-linkage): 1x]</p>	<p>[Joint declaration – Government Consultations Netherlands &amp; Germany - 27-03-2023] [Bundersregiering &amp; Rijksoverheid, 2023]</p> <p>[For data see table on German government communications]</p>

*Note: text elements between brackets, i.e. “[ ]” exist to help identify the sources of citations; Moreover, translations are aided via DeepL (n.d.); Lastly, citations unrelated to the Green Deal have been removed, for the full documents see the references.*

## European Green Deal communications by the Belgian government

Behaviour	Citations
<p><b>1) Prioritisation &amp; agenda-setting:</b> arguing in the Council in favour of altering budget rules, stressing issue of personal interest</p> <p><b>2) Prioritisation:</b> stressing the role of the private sector within the climate transition and the need for a coherent legal framework</p> <p><b>3) Prioritisation:</b> stressing the need for technical assistance and regulatory flexibility</p> <p><b>4) Sub-priority:</b> stressing how the transition should not be too drastic or undermine purchasing power</p> <p><b>5) Institutionalised learning:</b> cooperating with other levels of government, borrowing expertise to lobby more effectively</p> <p><b>6) Agenda-setting:</b> stating efforts to lobby for budgetary flexibilities via a non-paper.</p> <p><b>7) Prioritisation:</b> stressing issue of climate investment and budgetary flexibilities</p>	<p>[Debriefing of the European Council by Prime minister, Ms Sophie Wilmès towards Belgian Federal Parliament in the form of the Federal Advisory Committee on European Affairs - 17-12-2019] [Federaal Adviescomité voor de Europese Aangelegenheden, 2020a]</p> <p>Regarding the Belgian position, the prime minister argued for European budget rules that would allow member states to really invest in the climate transition.<sup>1</sup> Belgium also defended the idea that ambitious measures are obviously necessary,</p> <p>The prime minister also warned against competition between "old" and "new" policies. She stressed the role of the private sector in the climate transition and the need for a coherent and credible legal framework.<sup>2</sup></p> <p>Finally, on behalf of Belgium, the prime minister defended the idea that, in addition to financial resources, technical assistance and regulatory flexibility are needed, in the framework of a Just Transition Mechanism that the Commission is working on.<sup>3</sup></p> <p>[Answers to parliamentary questions directed to Prime minister, Ms Sophie Wilmès by the Federal Advisory Committee on European Affairs]</p> <p><b>Climate change</b></p> <p>Parliament has voted a resolution on Belgium's contribution to financing the fight against climate change. A government, ongoing or otherwise, will listen to the majority in parliament. The "green deal" is a big step forward. Youth demonstrations, scientific reports and election results echo the call to take climate challenges into account.</p> <p>The "green deal" starts from a positive approach. The climate challenges are a means to generate growth. The approach offers economic and public health benefits. The hope for change deserves respect, but the decisions should not be too radical. Indeed, the election results showed concern that environmental measures would undermine purchasing power. The "green deal" seeks balances.<sup>4</sup></p> <p>The prime minister quoted the European summit conclusion: "In light of the latest scientific evidence and the need to step up climate action worldwide, the European Council reaffirms the goal of a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement. As far as it is concerned, one member state cannot commit to implementing this target at this stage, and the European Council will come back to this in June 2020." So there is no exemption with regard to Poland.</p> <p>The "green deal" is a positive challenge that requires the commitment of resources that can be raised in various ways through the MFF, through various programmes and through the Just Transition Fund. It has not yet been determined who will have access to this fund. The fund is currently being worked out. Besides the fund, there is the Just Transition Mechanism, which provides technical and financial assistance to certain States in addressing energy transition and climate challenges.</p> <p>The Federal State and the regions,<sup>5</sup> through a non-paper, have initiated a request to the European authorities for more budgetary flexibility.<sup>6</sup> There are problems with the budget, but at the same time there is a need for large public investments in the coming years. There have been calls for more flexibility. If a State does not invest in the future, that State impoverishes. The climate agenda intensifies the need for investments. Belgium wants to invest in climate, but must be given the opportunity</p>

	<p>to do so. The flexibility criterion provides an opportunity to do so. However, there is no agreement within the Council to allow this additional flexibility, but the impetus seems to have been given.<sup>7</sup></p> <p>The private sector will also deliver on these projects. The Invest-EU programme has an important role to play in leveraging private investment for transition. The questions about the Belgian position in some areas of the green deal can only be answered if the European Commission implements the green deal in more detail.</p>
<p><b>1) Prioritisation:</b> BE sees Horizon Europe as a 'lifeline' for open and competitive BE economy, follows the issue with keen interest</p> <p><b>2) Prioritisation:</b> BE stresses the issue of climate funding absorption capacity and administrative simplifications as well as flexibility in implementation</p> <p><b>3) Coalition-building:</b> BE sides with the 'realists' focused on cost-effectiveness and achievability.</p> <p><b>4) Autonomy bargains:</b> BE chooses to belong to no camp/coalitions instead looking for allies to reach consensus or compromise</p>	<p>[European Council of 19 June 2020 pre-briefing by Prime minister, Mr Alexander De Croo - 16-06-2020] [Federaal Adviescomité voor de Europese Aangelegenheden, 2020b]</p> <p>[Part of the Prime Minister's first reply]</p> <p>Finally, the European Union's strategic priorities, namely the Green Deal and the Digital Agenda, should also guide the recovery, while allowing Member States some flexibility to ensure an appropriate level of ownership. According to this approach, Member States should be allowed some leeway to set national priorities - which may change over time - in order to increase their ownership. However, it goes without saying that this should always be done in consultation with the European Commission.</p> <p>[Part of the Prime Minister's second reply]</p> <p>And then there is <b>Horizon Europe. This topic is the lifeline for the future of an open and competitive economy such as the Belgian economy. Investing in research and development, and in innovation is fundamentally important for everyone and for us in particular. So we are very keen to see this heading emerge stronger from the negotiations.</b><sup>1</sup></p> <p><b>Belgium also questions both the absorption capacity, and the administrative burden of the different programmes. The first three-four years of the EU multiannual budget will show a high concentration of investments. That is of course the intention, but we also want to pay attention to the capacity of member states (and regions) to accelerate all this. So the necessary administrative simplification as well as flexibility in implementation do seem to us to be necessary</b><sup>2</sup>.</p> <p>[Part of the Prime Minister's third reply]</p> <p><b>Belgium is in the European camp of realists. We are not in the camp that expects to achieve more with less money. Nor are we in the camp of Member States who believe that additional contributions should be requested that result in subsidies without anything in return. We ask certain countries to carry out reforms in order to make joint progress at European level. Belgium is voluntaristic, pragmatic and reasonable.</b><sup>3</sup></p> <p>The European Green Deal represents an opportunity to invest and offer prospects for employment. The Green Deal aims at the future and shows a positive dynamic that encourages. The Green Deal is not an obstacle. Belgium is at a high R&amp;D level. <b>Belgium is always looking for allies, and does not want to belong to one camp or the other. After all, this is not the way to reach consensus or compromise.</b><sup>4</sup></p>
<p><b>1) Prioritisation:</b> stressing personal goal of 55% by 2030</p> <p><b>2) Institutionalised learning:</b> intent on improving</p>	<p>[Government agreement: For a prosperous, inclusive and sustainable Belgium – 30-09-2020] [Premier.be, 2020]</p> <p><b>3.1.1. Climate</b></p> <p>In the Green Deal and its climate law proposal, the European Commission calls for reducing greenhouse gas emissions by at least 55% by 2030 and climate neutrality</p>

coordination between levels of government

**3) Institutionalised learning:** intent on gathering knowledge and expertise via climate tables with various actors

**4) Institutionalised learning:** intent on studying Commission recommendations

**5) Prioritisation:** stressing commitment on climate financing

**6) Sub-priority:** stressing energy security and affordability

**7) Coalition-building:** cooperating with neighbouring countries and regions on issue

**8 & 9) Sub-priorities:** stating commitment on two issues in European context

**10) Sub-priority:** stressing circular economy interests as part of European Green Deal implementation

**11) Sub-priority:** stressing intent participating on product passports

**12) Institutionalised learning:** cooperating with other actors to improve policy-making

**13) Agenda-setting:** intent on advocating impact deforestation

**14) Autonomy bargains:** stressing European solution to guarantee a level playing field

by 2050. The federal government resolutely supports these European ambitions. It has set itself the goal of reducing greenhouse gas emissions by 55% by 2030 and is taking the measures for which it is competent to do so.<sup>1</sup>

In order to achieve these targets, coordination between the federal government and the Länder must be improved, with the intention that the policies of the different levels can reinforce each other.<sup>2</sup>

The climate targets will be cast in intermediate objectives and will be subject to an objective review each year. To this end, climate tables will be used, in consultation with the federated entities, involving civil society, research institutes and the various sectors of society.<sup>3</sup> Based on the operational recommendations of the European Commission, the federal government, together with the regions, will set up an ambitious inter-federal investment plan in line with the European Green Deal.<sup>4</sup>

The government is committed (via DGD) to an increasing contribution to international climate financing,<sup>5</sup> separate from the development cooperation budget. The intra-Belgian distribution of this effort will be finalised as soon as possible.

### 3.1.2. Energy

Pursuing an ambitious climate policy goes hand in hand with the transition to a sustainable energy system. Here, it is crucial that supply, sustainability and affordability remain guaranteed.<sup>6</sup>

To secure future supplies, we support the further elaboration of the capacity compensation mechanism in line with the EU Clean Energy Package.<sup>7</sup>

### 3.1.5. Aligning taxation with the ecological transition

In close consultation with neighbouring countries and Länder, the federal government will support the debate on how the 'polluter pays' principle can be better applied in the shipping and aviation sectors, taking into account the impact on the economy and without disturbing the level playing field.<sup>7</sup>

The government is committed at European and international level to reviewing the current tax exemption on paraffin.<sup>8</sup> The government will argue at the European level against very short-haul flights.<sup>9</sup>

### 3.2. Circular economy

Belgium will actively participate in the creation and implementation of European measures, including in the context of the Green Deal. We encourage reuse and recovery within the circular economy.<sup>10</sup>

Belgium will also actively participate in the debates on the "product passport" at European level.<sup>11</sup> The aim is that products are made sustainably and correctly from origin

### 3.3. Environment and biodiversity

The Government, in consultation with the federated entities, is aligning the National Strategy for Biodiversity with the European Biodiversity Strategy and the Green Deal. To this end, the government is actively seeking synergies with other policies.<sup>12</sup>

In the context of European free trade agreements and ongoing European legislative initiatives, the federal government will advocate that these take into account the negative impact of (illegal) deforestation, including by imposing the necessary environmental and sustainability standards.<sup>13</sup>



	<p>Through its Plastics Strategy, the European Commission is actively developing regulations on plastics, including microplastics. The government will ambitiously transpose the directives. However, given the importance of the internal market in this matter, the federal government endorses the regulation of this at European level in order, among other things, to guarantee a level playing field with other member states.<sup>14</sup></p>
<p><b>1) Prioritisation:</b> stressing the issue of ambition and relative competitive advantages</p> <p><b>2) sub-priority:</b> stressing the importance of Belgian innovative industries</p> <p><b>3) Prioritisation:</b> stressing solidarity among member states, cost-effectiveness and innovation in addressing climate change</p> <p><b>4) Position-sharing:</b> elaborating on national climate policy, stating intent to reach 55% by 2030</p> <p><b>5) Position-sharing:</b> elaborating on national climate policy, stressing the need for cost-efficient burden sharing to reach 100%</p> <p><b>6) Prioritisation:</b> stating the need to take the lead within the European climate transition, contrasting to Poland and Hungary</p> <p><b>7) Prioritisation:</b> stating intent to keep up with Scandinavian MS and NL</p> <p><b>8) Prioritisation:</b> taking charge in the European Climate transition as an issue of strategic importance and 'by all means'</p>	<p>[Debriefing of the European Council by Prime minister, Mr Alexander De Croo towards Belgian Federal Parliament in the form of the Federal Advisory Committee on European Affairs - 28-10-2020] [Federaal Adviescomité voor de Europese Aangelegenheden, 2020c]</p> <p>The discussion at this Council around European climate policy, and more specifically how Europe can achieve climate neutrality by 2050, was limited to an initial exchange of views. The intention is to reach concrete decisions at the December 2020 Council.</p> <p>Overall, the principle of increasing the European climate target to 2030, as proposed by the European Commission last September, was welcomed by the vast majority of member states. However, most of the interventions focused on implementation and economic and social consequences: the legal framework to accompany the increase in the climate target, the need for solidarity, the importance of taking into account national circumstances, the principle of technological neutrality and the preservation of the EU's competitiveness as an engine for the relaunch of based on new technologies.</p> <p>A realistic climate policy is, by definition, an ambitious climate policy. A successful relaunch from the COVID-19 crisis can only be realised if climate policy is part of our broader growth strategy. This is a critical moment. After all, a number of countries with an economic structure similar to ours have already resolutely opted for the ambition of reducing greenhouse emissions by 55 per cent. We cannot afford to miss this train, otherwise we risk developing a competitive disadvantage in the long run on the basis that we missed that turn.<sup>1</sup></p> <p>We see in Europe that those countries with economic resilience by which we measure ourselves are clearly making this choice. We also see outside Europe that several countries, such as Canada, Japan and South Korea, are making the same move. Belgium alone will not slow down, let alone stop, climate change. But our technology does have that potential. We developed a successful wind energy sector out of nothing, helping to set European and international benchmarks. We can realise this again today in other areas, including hydrogen.<sup>2</sup></p> <p>For his part, in the Council discussions, the Prime Minister pointed out that there is still a political debate going on within Belgium about the level of increase in the European 2030 climate target. In this context, the prime minister stressed the importance of maintaining competitiveness, the principle of cost-effectiveness and solidarity among member states, as well as the role of new technologies, where Belgium and the European Union could indeed play a key role in the fight against climate change.<sup>3</sup></p> <p>[Answers to parliamentary questions directed to Prime minister, Mr Alexander De Croo by the Federal Advisory Committee on European Affairs]</p> <p><b>Climate policy</b></p> <p>The coalition agreement states that Belgium aims to reduce greenhouse gas emissions by 55 per cent by 2030.<sup>4</sup> After that, there must be burden sharing, with cost efficiency as an important element.<sup>5</sup> In terms of technology, our country must</p>

	<p>be able to take the lead, as it already did for wind energy. If our country does not set that target, we will be on the same line as Poland and Hungary, among others.<sup>6</sup> However, the government's ambition is to keep up with the Scandinavian countries and the Netherlands.<sup>7</sup> It is true that the political discussion on this is still ongoing.</p> <p>Regarding the carbon tax, the European Commission has yet to formulate a proposal. The tax is part of climate policy, so a decision will have to be made. However, the issue also has a strategic side. There is the question of the impact of this economic transition. Belgium should take the lead in that transition by all means.<sup>8</sup></p>
<p>[institutionalized-learning: 4x] [Prioritisation: 3x] [Coalition-building: 2x] [Framing (incl. issue-linkage): 3x]</p>	<p>[Thalassa summit - final declaration by Belgian and Dutch governments - 19-04-2022] [Rijksoverheid, 2022]</p> <p>[For data see table on Dutch government communications]</p>
<p>1) <b>Cooperation on sustainability</b></p> <p>2) <b>Prioritisation:</b> stressing common commitment to a just transition</p> <p>3) <b>Issue-linkage:</b> linking energy transition towards energy security</p> <p>4) <b>Technological cooperation:</b> hydrogen and carbon capture</p> <p>5) <b>Joint ambition:</b> on energy efficient building</p> <p>6) <b>Cooperation:</b> on national implementation of hydrogen infrastructure</p>	<p>[Thalassa summit - final declaration by Belgian and Dutch governments- 19-04-2022] [Belgium.be, 2022]</p> <p>At a joint government consultation in Ghent today, the Belgian and Dutch governments made agreements to cooperate more closely on security, sustainability<sup>1</sup> and cross-border cooperation. The Belgian-Dutch government consultation illustrates the particularly close relationship between the Netherlands and Belgium and the will of both countries to act together on a European and international level.</p> <p>It is the fourth time that the Belgian and Dutch governments have held an extensive joint government consultation. The Thalassa consultation owes its name to the ship where the consultation first took place in 2003.</p> <p><b>Renewable and affordable energy</b></p> <p>Together, the Netherlands and Belgium expressed their determination to be pioneers on the road to sustainable and equitable energy transition, leaving no one behind and focusing on the affordability of energy for families and businesses.<sup>2</sup> Moreover, an accelerated energy transformation strengthens our strategic autonomy and makes us less dependent on foreign countries, especially Russia.<sup>3</sup></p> <p>As knowledge-intensive economies, Belgium and the Netherlands want to further accelerate the energy transition to renewable energy by expanding new technologies, such as energy production from hydrogen and carbon capture and storage.<sup>4</sup> There is also a joint ambition to make buildings more energy efficient.<sup>5</sup> Electrifying energy demand for both buildings and transport is one of the key levers in combating climate change.</p> <p><b>Jobs and economic leaders</b></p> <p>Belgium and the Netherlands will also coordinate their national plans for hydrogen infrastructure rollout, which will include looking at the need for transnational infrastructure.<sup>6</sup> As high-tech regions, the Netherlands and Belgium realise that the energy transition is an important opportunity for new jobs and strengthening the industrial base to remain economic leaders in Europe. The ports of the Scheldt-Maas delta are a powerful lever to realise this sustainability transition.</p>

<p><b>1) Issue-linkage:</b> linking energy crisis to need for accelerated sustainable transition</p> <p><b>2) Sub-priority:</b> stressing major concerns of citizens and businesses</p>	<p>[Debriefing by the Belgian Government on the European Council of 23 &amp; 24 June 2022 - 26-07-2022] [Federaal Adviescomité voor de Europese Aangelegenheden, 2022]</p> <p><b>Questions From Members</b></p> <p>On gas imports, the Union is working on an energy agreement with Israel and Egypt. From the former, they want to transport gas via pipelines to Egypt, where the gas will be converted into liquid gas to be transported to Europe. Where does the government stand on these plans?</p> <p>Where does the government stand on German plans to mine coal again to replace Russian gas? How is this compatible with the new Green Deal the EU wants to roll out? Will this also be discussed at the upcoming European Council?</p> <p><b>Prime Minister's answers</b></p> <p>The energy crisis and the situation we currently find ourselves in undoubtedly have a major impact on the new Green Deal that the EU has wanted to roll out. <b>The Prime Minister believes that this should lead to an acceleration of some things.</b><sup>1</sup> The more we can rely on renewable energy we produce here, the more control we have over our own future. <b>On the other hand, there are the major concerns of businesses and citizens. A lot of industrial sectors can no longer produce responsibly. Caution is needed there and more nuance is needed in the implementation of some things (e.g. the introduction of ETS).</b><sup>2</sup></p>
<p><b>1) Institutionalised learning:</b> stating intent to coordinate with European partners and institutions</p> <p><b>2) Institutionalised learning:</b> cooperating with all levels of government and Belgian actors to increase success</p> <p><b>3) Institutionalised learning:</b> consulting Belgian institutional actors to priorities major dossiers and high-level events for all Council policy areas</p> <p><b>4) Prioritizing:</b> highlighting certain issues (over others)</p> <p><b>5) Issue-linkage:</b> linking environmental transition and energy crisis, EU competitiveness</p> <p><b>6) Institutionalised learning:</b> cooperating closely with other actors on logistics and</p>	<p>[Debriefing by the Belgian Government on the Preparation of the Belgian Presidency of the European Union In 2024 - 29-03-2023] [Federaal Adviescomité voor de Europese Aangelegenheden, 2023]</p> <p>[Presentation By The Minister For Foreign Affairs, European Affairs And Foreign Trade, And Of The Federal Cultural Institutions]</p> <p><b>Belgian presidency of the Council of the European Union in 2024</b></p> <p>The minister indicated that at the European level there is a momentous event, as our country will assume the rotating presidency of the Council of the EU during the first half of 2024. Belgium will assume that important role for the 13th time fulfilling this important role; the previous time was in 2010. Belgium will hold the presidency together with Spain and Hungary as a trio.</p> <p>The Presidency of the Council of the EU will require a considerable effort from our country. <b>Indeed, it is a work of long duration, with meticulous preparation and a great deal of coordination both within Belgium and with our European partners and with the European institutions.</b><sup>1</sup></p> <p><b>It will be a collective exercise of the federal government and the 'gewesten' (i.e. federated states), all of whom will be mobilised to make this presidency a complete success. Good cooperation between all involved Belgian actors, respecting each one's competences, will therefore be essential.</b><sup>2</sup></p> <p><b>Programme</b></p> <p>What will be the focal points of the Belgian presidency? How is the government preparing the presidency programme? <b>Since April 2022, the FPS Foreign Affairs has been organising consultations with all relevant Belgian institutional actors to prioritise, for each sector of the Council, the major dossiers and high-level events for all Council policy areas.</b><sup>3</sup> This stocktaking is necessary to provide a strong basis for, on the one hand, the preparation of the trio programme Spain-Belgium-</p>

programme  
preparations

7, 8 & 9)

**Institutionalised  
learning:** forming a  
common agenda  
with other  
Presidencies,  
coordinating and  
preparing policy  
issue collectively

Hungary and, on the other hand, to prepare the calendar and programme of the Belgian presidency determination.

Those consultations are already in their third cycle; the aim is to finalise a first draft political programme to be finalised for all sub-areas under the Council's control has a say. The final programme will be adopted in the autumn determined and will be officially presented by the prime minister in December, just before the start of the Belgian presidency, will be officially presented by the prime minister.

The minister is therefore not yet able to provide details about the Belgian programme, but can already touch on some priorities. It is no surprise that geopolitical themes will be at the heart of the European work will occupy. Energy, strategic autonomy, security architecture, defence, crisis management, enlargement and neighbourhood will be ubiquitous themes in 2024.<sup>4</sup> However, Belgium wishes to attach equal importance to the EU's internal assets: its values based on the rule of law and democratic institutions, as well as the deepening of the single market, which is of essential.

These themes can be structured around three main themes structured: 1. prosperity and sustainability; 2. security and stability; 3. values and democracy.

With the first pillar, prosperity and sustainability, it emphasises the importance of strategic autonomy and the EU's pioneering role in the dual digital and environmental transition. This pillar covers several key geopolitical and trade issues (energy crisis, competitiveness of our companies and industry, deepening of the internal market, trade policy).<sup>5</sup>

[Replies From The Minister Of Foreign Affairs, European Affairs And Foreign Trade, And Federal Cultural Institutions]

The minister thanked the members of the Federal Advisory Committee for their many questions. They testify to the great interest in European issues and in the preparation of the Belgian Presidency in particular.

### **The Belgian Presidency**

Thematic design of the Presidency The Minister will first address the Presidency's programme and progress on it, as well as the work in trio. She points out that the federal level is working closely with the regions and communities in terms of logistics and programme preparations.<sup>6</sup>

### **Status of the trio programme**

The member states holding the presidency will work closely together in a "trio". Belgium will be in trio with Spain and Hungary.<sup>7</sup>

The aim of the trio presidency is to set long-term goals through an 18-month joint programme. This should ensure that important political issues do not disappear from one presidency to the next.<sup>8</sup> On this basis, each of the three countries will then draw up its own more detailed six-month programme.

Preparations for the joint programme have started at the political level (visits to Budapest and Madrid in early February 2023). At the technical level, preparations are mainly driven by the Council Secretariat, with the help of Belgium's Permanent Representation to the EU.<sup>9</sup> The idea is to have a common agenda with very general political items as close as possible to the current legislative agenda at the European level. A first draft will have to be submitted to the Council Secretariat in early April 2023. The aim is to have a joint programme by mid-May 2023.

<p><b>1) Common agreement:</b> between all levels of Belgian government on emission reduction target</p> <p><b>2) Citing frustration:</b> in persuading Flemish government to cooperate</p> <p><b>3) Institutionalised learning:</b> stressing how the evaluation of climate policies can help strengthen them</p> <p><b>4) Policy making troubles:</b> citing (regional) governmental division of power as limiting policy integration</p> <p><b>5) Prioritisation:</b> essence of policy making is making climate solutions attractive for Belgian families and businesses</p>	<p>[Press release: Government agreement on climate ambition: Belgian climate plan leaves for Europe - 23-11-2023] [Belgium.be, 2023]</p> <p>The consultation committee on 22 November found an agreement based on a proposal by the federal government so that the preliminary National Energy and Climate Plan (NEKP) can be sent to the European commission. All governments take responsibility for Belgium's emissions reduction target of -47% by 2030.<sup>1</sup> Negotiations for a cooperation agreement on effort sharing and more than €6 billion of Belgian revenue for the period 2023-2030 have thus been unblocked. The consultation committee also stipulates that revenues from new European carbon pricing (ETS BRT) should go to households and SMEs from 2027, with a special focus on the most vulnerable.</p> <p><i>Zakia Khattabi responds with relief:</i></p> <p>"For three frustrating years, we tried to convince the Flemish government to take the climate crisis seriously. Today we are taking an important step forward.<sup>2</sup> The federal and regional governments recognise that only together can they achieve the ambitious climate target of -47% by 2030, but that they are also jointly responsible for it. Now the Belgian climate plan can finally leave for Europe and we will avoid an infringement procedure. We will use the European Commission's evaluation to further strengthen the plan."<sup>3</sup></p> <p>Belgium's presidency of the European Union starts on 1 January. Belgium risked a false start in the Environment Council if it had not delivered its preliminary climate and energy plan to the Commission beforehand. The European Commission reviews all member states' climate plans for 2024 so that member states can prepare a final plan by 1 July 2024. The national climate and energy plans not only describe how Member States will achieve binding targets for emission reductions, energy efficiency and renewable energy. It also includes sections on the internal energy market and security of supply.</p> <p>The Belgian plan comprises more than 900 pages. It is composed of four sub-plans for the entities and the federal government and an umbrella text negotiated between the governments, under the Brussels presidency.</p> <p>"Belgium's division of powers makes drafting a climate plan a tough job with endless meetings in which integration is unfortunately limited.<sup>4</sup> As a result, the essence sometimes gets out of the picture: how do we make it attractive and advantageous for every family and every business in Belgium to opt for climate solutions.<sup>5</sup> The federal government is deploying tax cuts and other levers to scale up climate solutions such as heat pumps, electric cars and rail transport. With the federal climate bill now before parliament, I am ensuring that we will strengthen federal climate policy every year."</p> <p><i>Decision Zakia Khattabi</i></p>
<p><b>1) The triple planetary crisis:</b> climate change, biodiversity loss and pollution</p> <p><b>2) Prioritisation:</b> on the Just transition stressing holistic transition with</p>	<p>[Belgian Presidency programme presented on 08-12-2023, during "Kick-off event"] [Belgian Presidency of the Council of the European Union, 2023]</p> <p>[This topic (i.e. "Pursuing a green and just transition") is ranked as the third priority of the Presidency (3/6), behind 1) Defending Rule of Law, Democracy and Unity; and 2) Strengthening Our Competitiveness]</p> <p><b>Pursuing a green and just transition</b></p> <p>The EU's ambitious transition agenda is driven by the urgent need to address the triple crisis of climate change, biodiversity loss, and pollution.<sup>1</sup> The Belgian</p>

<p>“leaving no one behind”</p> <p><b>3) Prioritisation:</b> energy and climate transition ‘at the heart of the priorities’ of the Presidency.</p> <p><b>4) Agenda-setting &amp; sub-priorities:</b> circular economy, climate preparation and sustainable water management.</p> <p><b>5) Issue-linkage:</b> geopolitics as accelerating the (inclusive) energy transition</p> <p><b>6) Sub-priority:</b> secure and sustainable energy transition for both citizens and companies</p> <p><b>7) Sub-priority:</b> increasing investments into flexible and integrated European energy network</p> <p><b>8) Agenda-setting &amp; sub-priority:</b> stating to work on more sustainable medicine production</p> <p><b>9) Issue-linkage:</b> introducing health in all policies</p> <p><b>10) Issue-linkage:</b> linking consumer empowerment to climate related goals (e.g. circular economy and climate-neutrality to efforts on Green Claims).</p> <p><b>11 &amp; 12) Issue-linkage:</b> linking the climate crisis and the role of R&amp;D and innovation. Including the topic of space in climate mitigation</p> <p><b>13) Prioritisation:</b> claiming modal shift to be personal focus</p>	<p>presidency underscores the importance of decisive and holistic action, leaving no one behind.<sup>2</sup></p> <p>Carrying on with the Green Deal, the presidency will place the energy and climate transition at the heart of its priorities.<sup>3</sup> To reduce vulnerabilities to climate change, the presidency will strive to enhance the Union’s circular economy and adaptive and preparedness capacities. It will also promote sustainable water management.<sup>4</sup></p> <p>Geopolitical and extreme climate events have highlighted the need for an accelerated and inclusive energy transition.<sup>5</sup> This transition should deliver affordable energy to citizens and companies, ensure strong and reliable security of supply, and contribute to the objective of climate neutrality.<sup>6</sup> The EU must fully leverage its energy efficiency potential across the entire economy and rapidly advance the development of renewable and low-carbon energy sources and carriers. Increased investments to deliver a flexible, integrated European energy network are essential to this end.<sup>7</sup></p> <p>[Health]</p> <p><b>Protection</b></p> <p>The Presidency will continue the work on the revised pharmaceutical legislation to provide faster access to high-quality, safe, affordable and greener medicines in all Member States.<sup>8</sup> This will also contribute to supporting innovation and boosting the EU’s competitiveness and attractiveness in the pharmaceutical sector. Beyond legislative endeavours, the Presidency will seek to strengthen the EU’s health security by moving forward new proposals to effectively address medicines shortages. More broadly, the Presidency will focus on enhancing the EU’s strategic autonomy concerning medicines.</p> <p><b>Health in all policies</b></p> <p>Taking a cross-cutting approach, the Presidency will highlight the significance of health in all policies:<sup>9</sup> among others, mental wellbeing at work, equitable access to health care and health products, global health and research and development for pandemic preparedness will be topics addressed in different formations of the Council under the Belgian Presidency.</p> <p>[Internal Market And Industry]</p> <p><b>Empowering Consumers</b></p> <p>Empowering citizen-consumers is crucial to achieving a circular economy and a climate-neutral society. To that end, the Belgian Presidency will finalise the Directive on common rules promoting the repair of goods. To reduce the risk of false green claims and greenwashing, the Presidency will also finalise the framework requiring companies to substantiate their environmental claims.<sup>11</sup> Furthermore, the Belgian Presidency will take forward the revision of the Travel Package Directive. Those efforts will ensure that consumers have the information and protection they</p> <p>[Research, Innovation and Space]</p> <p>Research and innovation play a pivotal role in achieving the overarching objectives of the EU and are essential for addressing urgent societal, global and economic challenges such as climate crisis,<sup>12</sup> health, and the digital transformation. The Belgian Presidency will therefore prioritise the contribution of research and innovation as our foremost catalyst for achieving greater open strategic autonomy for Europe, while focusing on better valorisation of research results and reinforcing the role of research and innovation in society to overcome key industrial and</p>
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**14) Agenda-setting & institutionalised learning:** to assess current institutions meant for advancing sustainable energy infrastructure

**15) Agenda-setting, prioritisation & issue-linkage:** linking food security and autonomy to sustainable food production and consumption, as core objectives of the Presidency

**16) Position-sharing:** stating intent to carry work on all Green Deal policy initiatives

**17) Agenda-setting & prioritisation:** stating priority to conclude legislation to enable swift implementation of Green Deal objectives. With relevant sub-priorities being: Fit-for-55, heavy duty vehicles.

**18) Agenda-setting & prioritisation:** intent to work on “critical files”: Regulation on Packaging and Packaging Waste, Air Quality Directive, Urban Wastewater Treatment Directive.

**19) Agenda-setting & sub-priorities:** Green Claims Directive, Waste Framework Directive and Regulation on End-of-Life Vehicles

**20) Agenda-setting & sub-priorities:** Soil Monitoring Law, Chemicals Strategy for Sustainability and microplastics/PFAS

**21) Agenda-setting & institutionalised**

societal challenges. The Belgian Presidency acknowledges the importance of space activities as a strategic asset, particularly in domains such as security, defence, climate change mitigation,<sup>13</sup> and the empowerment of New Space actors. It will aim to advance cybersecurity and secure connectivity and to promote the safe, sustainable, and secure use of space. In dealing with these challenges, including also responsible international cooperation, the commitment to nurturing the EU’s open strategic autonomy will run as a common thread.

[Transport]

### Green Transport

The EU is pursuing an ambitious environmental agenda, in line with the objectives set by the Paris Agreement and the Green Deal. With the green transition as the cornerstone of its approach to transport, the Belgian Presidency will place particular emphasis on advancing and finalising files crucial to realising the EU’s ambition, such as the Greening Freight Transport Package. Specifically, the Presidency will focus on initiatives regarding the promotion of the modal shift, including active and non-motorised mobility, international rail transport, intermodal connectivity, and the reduction of air pollution and greenhouse gas emissions.<sup>13</sup>

[Energy]

### Advancing Sustainable Energy Infrastructure

This involves a particular emphasis on cross-border and cross-vector energy flows relying on a predictable and robust market design, as this has proven crucial in securing supplies. Transitioning to a sustainable energy system in a cost-efficient manner necessitates both existing and new infrastructures, including grid infrastructure, facilities for hydrogen import and CO2 transport. The Belgian Presidency will assess the current European framework’s effectiveness in planning, building, and financing infrastructures.<sup>14</sup>

[Agriculture And Fisheries]

The Belgian Presidency will promote a holistic approach to agriculture and fisheries. Ensuring food security and autonomy will be core objectives of the Presidency, as well as further enhancing the sustainability of food production and consumption. The Belgian Presidency will also pay particular attention to animal health and animal welfare, and to the need for resilient forests.<sup>15</sup>

[Environment]

The EU’s green transition agenda is driven by the urgent need to address the triple crisis of climate change, biodiversity loss, and pollution, coupled with the necessity to achieve a fair, resilient and circular society. With these crises having underscored the importance of decisive and holistic action, the European Green Deal has placed the green transition at the heart of all EU policy proposals. In this context, the Presidency will carry on the work on the EU’s Green Deal policy initiatives, ensuring that all policies are crafted and executed in line with environmental and climate objectives, all while embracing the ‘One World, One Health’ approach and taking forward this endeavour in the next Strategic Agenda.<sup>16</sup>

### Pursuing The European Green Deal’s Objectives

The Belgian Presidency will primarily focus on concluding essential legislative files to enable the swift implementation of the objectives of the European Green Deal. To this end, at least two files will complement the work of the Fit for 55 package, which will support the EU’s efforts towards achieving climate neutrality

**learning:** stating intent to study and explore the European green agenda beyond 2040. As well as, facilitate the debate on this to stimulate reflection on the future of EU climate and environmental policies

22)

**Institutionalised learning:** fostering discussions, debates and dialogues on various efforts

23) **Agenda-setting & prioritisation:** every effort will be made towards a just transition

24)

**Institutionalised learning:** intent of identifying additional European means to enable a just transition

25 & 26)

**Prioritisation:** striving for high degree of ambition in addressing global challenges (e.g. working towards ambitious legal instruments on plastic pollution)

by 2050. As such, the Presidency will finalise interinstitutional negotiations on the proposal for a Union certification framework for carbon removals and the review of CO<sub>2</sub> emission standards for heavy duty vehicles.<sup>17</sup> In addition, the Belgian Presidency will advance interinstitutional negotiations on critical files, including the proposed Regulation on Packaging and Packaging Waste, the review of the Air Quality Directive and of the Urban Wastewater Treatment Directive.<sup>18</sup> The Presidency will also continue to work on the proposed Green Claims Directive, the revision of the Waste Framework Directive concerning food waste reduction targets and textile rules, and the ongoing revision of the Regulation on End-of-Life Vehicles.<sup>19</sup> Moreover, the Presidency will make every effort to advance negotiations on the Soil Monitoring Law, pursue the sound implementation of the Chemicals Strategy for Sustainability, and foster discussions on some of its aspects, such as microplastics and PFAS.<sup>20</sup>

### Driving The Debate On Europe's Green Future

The Belgian Presidency will stimulate the debate on the European green agenda beyond 2024. In doing so, it will explore suitable approaches to address the climate change, circular economy, biodiversity and pollution nexus beyond 2024. In this regard, the Presidency will facilitate the debate on the forthcoming European Commission communications on an EU climate target for 2040 and on climate-related risks, as well as on the Industrial Carbon Management Strategy and the mid-term review of the 8th Environmental Action Programme, to stimulate reflection on the future of EU climate and environmental policies.<sup>21</sup> The Presidency will also strive for sustained progress in enhancing the Union's adaptive and preparedness capacities, in strengthening resilience, and in reducing vulnerability to climate change. In this regard, the Presidency will facilitate discussions about the critical role of nature, ecosystems, and nature-based solutions, including those in urban areas, in delivering benefits for climate adaptation. Furthermore, the Belgian Presidency will foster dialogue about the future of the transition to a circular economy, including ways to enhance sustainable resource management and further reduce the material footprint of European consumption and production.<sup>22</sup> This effort will need to be multifaceted, but a key aspect of it will be to establish a process to assess, consolidate and further develop its governance and monitoring systems.

### Ensuring The Just Transition

The Belgian Presidency will make every effort to build towards a just transition to a climate-neutral and resilient society, shaped by and for the benefit of citizens.<sup>23</sup> For this transition to leave no one behind, it will need to ensure a high level of well-being for all, especially taking into account the needs of citizens and workers most impacted. It will also be necessary to give special consideration to the role of SMEs in the just transition, given their importance in greening the economy. These considerations will be at the heart of the Presidency's approach to discussions and reflections on the further implementation of the European Green Deal and the future of EU environmental and climate policy. In parallel, the Presidency will work to identify additional European policy initiatives, investments, coordination mechanisms, appropriate support measures, and tools necessary to ensure that the green transition is inherently a just transition.<sup>24</sup>

### Promoting Europe's Green Ambitions On The Global Stage

In international negotiations, the Belgian Presidency will strive for a high degree of ambition in addressing global and cross-cutting challenges, including at the 6th United Nations Environment Assembly. It will also work to make progress towards an ambitious, legally binding international instrument to tackle plastic pollution at



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the 4th Meeting of the International Negotiating Committee.<sup>25</sup> Concerning international climate policy, the Presidency will follow up on the commitments made at the 28th Conference of the Parties (COP28) of the UNFCCC, and particularly the outcome of the global stocktake driving the ambition cycle of the Paris Agreement. On that basis, it will start preparing for COP29 as well as for the next EU Nationally Determined Contribution, following all legal requirements as prescribed by the European Climate Law. As regards biodiversity, the Presidency will maintain the EU's high ambition in the follow-up to both the agreement on Biodiversity Beyond National Jurisdictions, as well as the commitments made at COP15 of the Convention on Biological Diversity (CBD), and coordinate preparations for CBD COP16. The Belgian Presidency will ensure constructive inputs within the Intergovernmental Working Group on Drought in the lead up to COP16 of the United Nations Convention to Combat Desertification (UNCCD). The Presidency will also ensure an ambitious and constructive role in the COP Convention on Migratory Species.<sup>26</sup> Finally, it will support the European Commission with the implementation of the recommendations of the Aarhus Compliance Committee.

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*Note: text elements between brackets, i.e. “[ ]” exist to help identify the sources of citations; Moreover, translations are aided via DeepL (n.d.); Lastly, citations unrelated to the Green Deal have been removed, for the full documents see the references.*

## European Green Deal communications by the German government

Behaviour	Citations
<p><b>1) Prioritisation:</b> stating primary concern EU-wide climate neutrality by 2050 (<i>not stressing 55% by 2030</i>)</p>	<p>[Opening speech by Angela Merkel - German Bundestag meeting - 18-12-2019] [Deutscher Bundestag, 2019]</p> <p><b>Dr. Angela Merkel, Federal Chancellor:</b> Mr. President, ladies and gentlemen. I would like to report on the European Council which took place last week on Thursday and Friday. It was the first Council to be held with the new Council President Charles Michel and Commission President Ursula von der Leyen. Our discussion focused on climate protection issues. The Commission had informed the Commission President, in-person, the day before the European Parliament about the so-called Green Deal. This is an entire work program with which The Commission will now propose at least 60 individual measures in ascending order, so to speak.</p> <p>During Thursday's discussions, <b>we were primarily concerned with reaching a commitment that the Member States of the European Union and the European Union as a whole want to be climate-neutral by 2050.</b><sup>1</sup> We were able to agree on this goal, even though Poland has not yet been able to spell it out in detail. We will therefore have to return to this topic in June.</p>
<p><b>2) Position-sharing:</b> stating support for EU-wide emissions trading system (<i>per sector solution</i>).</p>	<p>[Parliamentary question: directed towards Angela Merkel - 18-12-2019]</p> <p><b>Dr. Anja Weisgerber (CDU/CSU):</b> Dear Chancellor, Germany is setting a good example worldwide with its climate package. We are now the first European country to introduce emissions trading for the heating and transport sectors. How can we work towards extending emissions trading to these sectors at European level or creating separate emissions trading systems for them? are formed and created for these sectors?</p>
<p><b>3) Prioritisation:</b> stressing ambitions higher than original Commission proposal (<i>55% by 2030 instead of 40%</i>)</p>	<p><b>Dr. Angela Merkel, Federal Chancellor:</b> I think that in any case, if you make it European, which is what I would like to see, you still have to keep these areas, these sectors separate from the industrial sector. But the President of the Commission - and this has now been mentioned again in the Green Deal - says that the Commission is thinking about expanding emissions trading, and <b>I have already told her personally that personally told her that I would very much support this,</b><sup>2</sup> because I believe that it would be better for all of us if we had a Europe-wide trading system for the transport and buildings sectors as well.</p>
<p><b>4) Autonomy bargains:</b> stressing the need for common solutions and agreements</p>	<p><b>President Dr. Wolfgang Schäuble:</b> Question? - Mrs. Weisgerber.</p> <p><b>Dr. Anja Weisgerber (CDU/CSU):</b> With the European Green Deal, the European Union has significantly raised its level of ambition. I would be interested to know how Germany is pursuing the implementation of this European Green Deal and how we can work towards ensuring that the other EU states also follow suit, because with our 55 percent reduction by 2030 is already very ambitious.</p> <p><b>Dr. Angela Merkel, Federal Chancellor:</b> One facet of the Green Deal is also to look again at the climate targets for 2030. The EU has set a 40 percent reduction target here, and <b>we in Germany have set a 55 percent reduction target. So that shows that we are more ambitious here</b><sup>3</sup>. <b>We said in the European Council that we would like to discuss the 2030 targets together. We have done this with previous targets. The advantage of this is that all countries have to agree and individual</b></p>

countries cannot be outvoted.<sup>4</sup> In this respect, the discussions will be very exciting.

**5) Position-sharing:** welcoming the Green Deal: containing environmental and climate measures

[Parliamentary question 19: directed towards Parliamentary State Secretary Thomas Bareiß - 18-12-2019]

**Daniela Kluckert (FDP):** How does the Federal Government assess the impact of the Commission's Green New Deal on the German economy and in particular on the German automotive industry?

**6) Institutionalised learning:** stating intent to support the Commission and its work on the Green Deal. Especially in the lead up to its own presidency

**Parliamentary State Secretary Thomas Bareiß:** The German government welcomes the fact that, immediately after taking office, the EU Commission has specified its ideas on environmental and climate protection with the communication on the European Green Deal.<sup>5</sup> The communication is comprehensive and includes the presentation of numerous individual proposals for climate and environmental protection.

**7) Institutionalised learning:** carefully examining the consequences of each proposal especially in terms of industrial, economic and social outcomes and policies

The German government will support the EU Commission in its work on the European Green Deal and the further process closely and constructively, particularly during the German Council Presidency in the second half of 2020.<sup>6</sup>

The various proposals that are dealt with in the communication still need to be carefully examined in detail for their consequences.<sup>7</sup> The necessary far-reaching changes will only be successful if they are balanced in terms of industrial and economic policy and are socially acceptable.

**8) Position-sharing:** stating awareness of Green Deal challenges towards domestic automotive industries

The effects on the automotive industry in particular cannot yet be estimated. The German government is aware that the structural change towards climate-neutral mobility poses major challenges for the automotive industry.<sup>8</sup>

**9) Institutionalised learning:** consulting with the sector to assess impact of proposals

As part of the Concerted Action on Mobility, we are consulting with representatives of companies, trade unions and associations as well as representatives of the automotive industry, and representatives of the federal states that are particularly affected,<sup>9</sup> on possible further measures and instruments to support structural change in the automotive industry.

**10) Position-sharing:** reaffirming ambition of 55% by 2030

[Parliamentary question 48: directed towards Parliamentary State Secretary Rita Schwarzelühr-Sutter - 18-12-2019]

**Lisa Badum (BÜNDNIS 90/DIE GRÜNEN):** Does the German government support the EU Commission's proposal to increase the EU climate targets for 2030 to 50 to 55 per cent?, and, if not, why not?

**Parliamentary State Secretary Rita Schwarzelühr-Sutter:** The German Federal Government has announced its position on the EU Commission's proposal to increase the EU climate targets for 2030 to 50 to 55 per cent has not yet been finalised. Germany has set itself the target of reducing greenhouse gas emissions by at least 55 per cent by 2030.<sup>10</sup>

**1) Prioritisation:** framing coming presidency as positive and necessary. Stating intent to improve and shape Europe

[The Federal Chancellor makes a government statement on the German EU Council Presidency and the European Council on June 19, 2020] [Deutscher Bundestag, 2020]

**Dr Angela Merkel, Federal Chancellor:**

Honourable Mr President, ladies and gentlemen. Ladies and gentlemen! Germany's EU Council Presidency begins on 1 July. This is a task that I am very much looking forward to and that the entire Federal Government is very much looking forward to, because Europe needs us, just as we need Europe: not just as a historical legacy that we have been given, but as a project that will lead us into the future. Europe is

**2) Prioritisation:** claiming the pandemic as the

greatest challenge in European history

**3) Issue-linkage:** linking the future of the EU to climate and digitalisation related issues

**4) Sub-priorities:** stressing action on the role of competitive private sectors and sustainable job security

**5 & 6) Franco-German efforts:** proposing 500 billion fund in order to support the regions most affected by the pandemic and help them invest in their future (non-Green Deal)

**7) Agenda-setting:** stating how the Commission proposal includes many aspects of the France-German initiative

**8) Sub-priority:** stating intent to reach agreement on MFF including Franco-German initiative

**9 & 10) Prioritisation:** claiming the first priority of the presidency to be climate protection

**11) Sub-priority:** stating intent to work on the European Climate Law, intent on reaching common position among MS

**12) Prioritisation:** climate neutrality by 2050 and adjust 2030 accordingly (55%)

not simply something that we possess. It is something that we can and must shape. Europe is an open, dynamic order of peace and freedom that we can and must constantly improve.<sup>1</sup>

We are taking on this responsibility at a time when the European Union is facing the greatest challenge in its history. And that is why this German Council Presidency in the middle of the pandemic is such a great challenge for the German government.<sup>2</sup> On the one hand, we have to deal with the consequences of the crisis, but at the same time we also have to make Europe more resilient and fit for the future.

But the task is even greater, because it is twofold. After all, we are living in a time in which, quite independently of the pandemic, our way of living and doing business is undergoing a profound upheaval, driven by two developments: climate change, which we must counter with a low-carbon and, in the future, CO2-neutral way of life, and digitalisation, which is fundamentally changing the way we work and live together, and at a rapid pace.<sup>3</sup>

And from this follows: The response to the economic and social consequences of the pandemic must not be a return to conventional work and economic activity, but must strengthen and accelerate the transition to a new way of working and doing business. It depends on whether we have creative, competitive companies and sustainably secure jobs after the pandemic. And we know that others in the world are not resting on their laurels, but are taking decisive and robust action.<sup>4</sup>

In this spirit, in mid-May, together with French President Emmanuel Macron, I proposed a 500 billion euro fund for Europe's economic recovery.<sup>5</sup> This is intended to strengthen the new EU financial framework in its first years and, above all, support the regions of Europe most affected by the pandemic by investing in their future viability.<sup>6</sup>

I very much welcome the fact that the European Commission has presented its economic recovery plan together with the proposal for the next medium-term financial framework, which also includes many aspects of the Franco-German initiative.<sup>7</sup> The current figures show the dramatic decline in economic activity and economic strength in Europe, which is why we must now act decisively and quickly.

I will therefore endeavour to ensure that we reach an agreement in the European Council as quickly as possible on both the multiannual financial framework and the recovery fund.<sup>8</sup> The starting position is anything but simple. But I hope that all Member States will now act in a spirit of compromise in view of this unprecedented situation.

This fund is an urgent necessity in order to enable a sustainable economic recovery of all affected regions and sectors in Europe. This is the only way to ensure convergence, competitiveness and cohesion in Europe in the long term.

Ladies and gentlemen, the expectations of the German EU Council Presidency are high; we must be aware of this. That is why we have specified our priorities because of the pandemic, but at the same time we have our sights firmly set on the other major challenges of our time. I would like to mention three areas here today.<sup>9</sup>

Firstly, climate protection and with it the transition to a climate-neutral economy. Because climate change and digital progress are fundamentally and profoundly changing the way we do business, work and live, we have clearly prioritised the promotion of green growth and digital progress in both our national package for

	<p>the future and the European recovery fund, building on last year's climate resolutions. The strategy for a Green Deal presented by the European Commission offers a central guideline for the recovery of the European economy and also a great opportunity, especially for European companies with high innovative strength.<sup>10</sup></p> <p>With a view to Europe's future viability and the future of generations to come, we will also continue to work intensively on a European climate protection law with the aim of achieving a common position among the Member States.<sup>11</sup> Our goal, which we have struggled hard to achieve, is to make Europe's climate neutrality legally binding by 2050 and to adjust the targets for 2030 accordingly.<sup>12</sup></p>
<p><b>1) Issue-linkage:</b> linking Covid-19 recovery to sustainable economic transition</p> <p><b>2) Agenda-setting &amp; Sub-priorities:</b> an ambitious climate, environmental and biodiversity policy, a focus on the United Nations 2030 Agenda for Sustainable Development and sustainable agriculture</p> <p><b>3) sub-priority &amp; coalition-building:</b> stating intent to ensure "Member States continue to fulfil their role as ... active players in the area of climate diplomacy, sustainability and European values"</p> <p><b>4) Sub-priority:</b> "do everything in its power" regarding the economic, technological and social transformation necessary. With success (of environmental and climate policy) being dependent on balanced economic and social support.</p> <p><b>5) Agenda-setting &amp; prioritisation:</b> intent on adopting conclusions on the Commission's new Circular Economy</p>	<p>[German Presidency of the Council of the European Union presented on 01-07-2020, titled "Together for Europe's recovery"] [German Presidency of the Council of the European Union, 2020]</p> <p>[This topic (i.e. "a sustainable Europe") is ranked as the fourth priority of the Presidency (4/6)]</p> <p><b>IV. A sustainable Europe</b></p> <p>Our goal is to overcome the economic and social consequences of the COVID-19 pandemic sustainably and inclusively and thereby help shape the transition to a sustainable economy.<sup>1</sup> Our priorities to this end are an ambitious climate, environmental and biodiversity policy, a focus on the United Nations 2030 Agenda for Sustainable Development and sustainable agriculture.<sup>2</sup> The German Presidency of the Council of the EU will also work to ensure that the European Union and its Member States continue to fulfil their role in the international arena as ambitious and active players in the area of climate diplomacy, sustainability and European values.<sup>3</sup></p> <p><b>Ambitious climate and environmental policy</b></p> <p>The economic, technological and social transformation process necessary for such an ambitious climate and environmental policy can only be successful if it is both economically balanced and socially fair, and if the whole of society is behind it. The German Council Presidency intends to do everything in its power to help shape this transformation process.<sup>4</sup></p> <p><i>Our goal is to overcome the economic and social consequences of the COVID-19 pandemic sustainably and inclusively and thereby help shape the transition to a sustainable economy.</i></p> <p>The European Commission has rightly presented the European Green Deal as a comprehensive and ambitious strategy. It combines climate, environmental and biodiversity protection with crucial stimuli for growth and includes measures in all relevant policy areas. We will provide broad-based support for the implementation of the Green Deal and to this end ensure close coordination between all Council configurations involved. We will work to ensure that the Green Deal helps overcome the consequences of the COVID-19 pandemic and promotes a sustainable and competitive economy. In the Council we also intend to adopt conclusions on the Commission's new Circular Economy Action Plan and its implementation.<sup>5</sup> During our Council Presidency we plan to commence negotiations on the EU's 8th Environmental Action Programme.</p> <p>Furthermore, we want to launch Council conclusions on the new EU Biodiversity Strategy in order to halt the advancing loss of biodiversity and preserve the benefits of the ecosystems that are so important for human life,<sup>6</sup> also in view of the relationship between biological diversity and human health. The strategy is a key</p>

Action Plan and its implementation

**6) Agenda-setting & prioritisation:** intent on reaching Council conclusion on Biodiversity strategy

**7) Agenda-setting & prioritisation:** intent on concluding deliberations and reaching first draft on European Climate Law

**8) Sub-priority:** stating intent to work towards climate-friendly, sustainable and affordable transport sectors

**9) Agenda-setting & prioritisation:** intent on formulating Council conclusion,

**10 & 11) Institutionalised learning:** discussions and dialogues on EU framework on joint renewable projects

**12 & 13) Sub-priorities:** specifying international climate efforts

**14) Institutionalised learning:** mentioning work on the SDGs agenda and how this might help improve climate policymaking

**15) Agenda-setting & prioritisation:** intent on reaching General Approach on the CAP, reach conclusions on the “Farm to Fork” strategy, reach conclusions on animal welfare and food labelling, lead

element of the Green Deal to overcome the consequences of the COVID-19 pandemic and forms the basis for the EU to play an active role in a rescheduled 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15).

During our Council Presidency we want to work towards concluding the deliberations on the draft of a European Climate Law which will specifically write into law the goal for the European Union to become climate-neutral by 2050.<sup>7</sup>

Moreover, we want to agree on the extent to which the European Union can increase its nationally determined contributions (NDC) for the year 2030 – also taking our economic performance and global competitiveness into consideration. We welcome the European Commission’s announcement of a proposal to increase the EU’s greenhouse gas emission reductions target for 2030 to 50 to 55% compared with 1990 levels. The impact assessment conducted by the EU Commission will form the basis for further discussions, particularly with regard to the effects on the competitiveness of the European economy and on the social security system, and with a common understanding of sector-specific contributions.

In order to achieve the European Union’s ambitious climate goals, we intend to continue to work towards climate-friendly, sustainable and affordable mobility in the transport sector.<sup>8</sup>

In the energy sector, the Commission has announced major strategies for 2020. The rapid development of offshore wind energy will play a key factor in achieving the European Union’s challenging goals in the area of renewable energies and ensuring supply security. We aim to formulate Council conclusions on the European framework conditions for joint renewable energy projects by the Member States, particularly in the area of offshore wind power.<sup>9</sup>

Europe also has a vital interest in a secure and sustainable supply of carbon-neutral and preferably carbon-free gases, such as hydrogen derived from renewable energies, which also has the potential to drive forward decarbonisation. During our Council Presidency, we therefore wish to engage in pertinent discussions on the necessary market design with the aim of fostering the development of the relevant markets and infrastructure within the EU.<sup>10</sup> In the Council we also want to discuss European approaches to achieving the climate and energy goals, particularly the expansion of carbon pricing to cover all sectors and the introduction of a moderate minimum carbon price within the context of the European emissions trading system (EU ETS).<sup>11</sup>

*The economic, technological and social transformation process necessary for such an ambitious climate and environmental policy can only be successful if it is both economically balanced and socially fair, and if the whole of society is behind it.*

The European Union and its Member States also need to make an international contribution to environmental and climate protection through ambitious and dedicated climate diplomacy. To overcome the COVID-19 pandemic in the long term in a way that is climate friendly and environmentally viable, we therefore intend to work in a strategic and coordinated manner towards raising the climate goals worldwide in cooperation with our international partners, as set down in the Paris Agreement.<sup>12</sup> We will strive also to bring about progress on improving national climate contributions. At international level we will work to establish a level playing field in the prevention of CO2 emissions, taking account of the principle of joint but differentiated responsibility, as well as striving as far as possible to avoid the creation of incentives for carbon leakage to third countries. In addition, we intend to flank the European Green Deal with an active external energy policy. The EU Energy Diplomacy Action Plan is to be updated, for example in

negotiations on fishing opportunities

**16) Agenda-setting & sub-priority:** intent on driving forward sustainable and balanced urban development

order to attract new partners for green energy imports and raise awareness among fossil fuel exporters of the opportunities presented by a new energy world.<sup>13</sup>

### A sustainable Europe

The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) are guiding principles for Germany's Presidency of the Council of the EU. We are working towards the submission of the concept announced by the Commission for the comprehensive implementation of the 2030 Agenda, so that the relevant Council consultations can begin in the second half of the year. The concept should be flanked by regular progress reports from the Council on how the SDGs are being achieved in the European Union. These reports should also indicate the areas in which additional policy measures are required. In the context of our Council Presidency, we intend to highlight the cultural dimension of sustainable development by focusing on the relationship between culture, climate change and the preservation of cultural heritage, for example.<sup>14</sup>

### Sustainable development in agriculture and fishing and sustainable rural areas

The COVID-19 pandemic has made us more aware of the significance of regional food security. We want to do our part to implement the SDGs through a modern and sustainable agricultural and fishing industry. The opportunities presented by the spread of digital technology harbour particular potential in this area. In the negotiations on the common agricultural policy (CAP) after 2020, we are aiming for a general approach of the Council. The European Commission's "Farm to Fork" Strategy, on which we will be striving to reach conclusions, is closely based on the common agricultural policy. In addition, we intend to present conclusions on animal welfare issues and food labelling. With regard to fishing, we will, among other things, lead the negotiations on fishing opportunities in 2021.<sup>15</sup>

In the spirit of sustainable development, the common agricultural policy and other policy areas ought to make a greater contribution to safeguarding the future of rural spaces, tapping the development potential of rural areas and preserving and developing them as attractive places to live and work. In future, the Member States will have to shoulder greater responsibility in this area for elaborating support measures to strengthen rural development. In addition, we intend to drive forward sustainable and balanced spatial and urban development by adopting the 2030 Territorial Agenda in the Council and updating the Leipzig Charter on Sustainable European Cities (2007).<sup>16</sup>

**1) Position-sharing:** confirming personal aspirations (55% by 2030)

**2) Prioritisation:** pursuing alignment of European and German aspirations

**3) Position-sharing:** stating support for the European Commission in its efforts to make 2050 legally binding

**4) Prioritisation:** stating how climate

[German government website answers the question: "what is the German government doing for the climate?"] [Bundesregierung, 2020]

### Climate policy

We intend to cut national greenhouse gas emissions by 55 per cent of the 1990 levels by 2030.<sup>1</sup> To this end, we have drawn up our Climate Action Programme. The Climate Action Act obliges us to comply with emission reduction targets in the individual sectors.

In early 2021 the first review under the Climate Action Act will take place. The annual review mechanism is an integral part of the law, because we have to be able to take corrective action swiftly, if the annual CO2 reduction target is missed in one sector.

Basically, we pursue the goal of Germany and Europe becoming climate neutral by 2050.<sup>2</sup> Europe wants to act as a trailblazer in the field of climate action. The

<p>action is one of the priorities of the German EU presidency</p> <p><b>5) Issue-linkage (framing):</b> linking climate action to Covid-19 recovery efforts</p>	<p>European Commission’s European Green Deal is an important guideline. We are supporting the Commission in its work on a European Climate Law that is to make the goal of climate neutrality by 2050 legally binding.<sup>3</sup> Climate action is an issue that will shape our future and is one of the priorities of Germany’s Presidency of the Council of the European Union.<sup>4</sup> Our economic stimulus and future package to address the consequences of the COVID-19 pandemic is also linked to investment in climate action.<sup>5</sup></p>
<p><b>1) Cabinet meeting to intensify cooperation towards climate neutrality</b> (by increasing cooperation on energy and climate policy)</p> <p><b>2) Issue-linkage:</b> linking the need for increase climate and energy policy cooperation towards the energy crisis and climate change</p> <p><b>3) Issue-linkage &amp; common priority:</b> linking energy crisis to accelerating climate neutrality and security</p> <p><b>4) Institutionalised learning:</b> knowledge gathering regarding renewables in North Sea</p> <p><b>5) Position-sharing</b> cooperation regarding hydrogen outside the Council</p> <p><b>6) Common foreign climate policy priorities:</b> stressing common priorities on Green Deal and Fit for 55 as well as similar positions for COP-27</p> <p><b>7) Institutionalised learning:</b> maintaining dialogue via G7 Climate Club and sharing best practices on national climate policies</p>	<p>[German-Dutch climate cabinet: “Together on the path towards climate neutrality”, released on 4 October 2022] [Bundesregierung, 2022]</p> <p><b>Together on the path towards climate neutrality</b></p> <p>The governments of Germany and the Netherlands met for a climate cabinet in the Chancellery. The aim of the discussions between Federal Chancellor Scholz and Prime Minister Rutte: <b>to intensify cooperation between the two countries on the path towards climate neutrality.</b><sup>1</sup></p> <p>“Germany and the Netherlands are neighbours, close partners and friends – both in our bilateral relations and in our common efforts within the European Union and NATO,” said Federal Chancellor Olaf Scholz after consultations between the Federal Government and the Dutch government. This partnership proved its special significance particularly in these times of great challenges, he said, calling it a friendship which proves its value on a daily basis. “After all, it is the task of the century if we want to stop the climate crisis,” said Scholz.</p> <p><b>Through the climate cabinet, Germany and the Netherlands aim to further intensify their relationship in terms of climate and energy policy – because, alongside the energy crisis, climate change is the greatest challenge of our age.</b><sup>2</sup> In addition, both countries want to intensify their cooperation, particularly in the areas of offshore wind power and hydrogen. This was stressed by Federal Chancellor Scholz and Dutch Prime Minister Mark Rutte in the Chancellery.</p> <p><b>Reducing greenhouse gas emissions</b></p> <p>National climate policy measures to reduce greenhouse gases are fundamental in the fight against climate change. The development of renewable energies and the withdrawal from fossil energy sources play an essential role in this. <b>The current energy crisis can also be understood as an opportunity to achieve climate neutrality more quickly. At the same time, both Germany and the Netherlands are keeping energy supply security in view as a top priority.</b><sup>3</sup></p> <p><b>Alongside solar power, wind power plays an important role in developing renewable energies. Both Germany and the Netherlands will examine the potential for new, hybrid offshore wind parks in the North Sea.</b><sup>4</sup> Such “energy hubs” provide green electricity to several states and contribute to supply security.</p> <p><b>Developing the hydrogen infrastructure</b></p> <p>The climate cabinet also offered the opportunity to discuss specific examples of closer cooperation between the two countries in climate and energy policy. This included presenting a joint call to promote innovations in the area of “electrochemical materials and processes for green hydrogen and green chemistry”. The funding amount envisaged is around ten million euros, which will be provided in equal parts by Germany and the Netherlands.</p> <p><b>The Federal Chancellor and Prime Minister Rutte emphasised that they would accelerate the market ramp-up of green hydrogen together. The Dutch government is planning to participate financially in the “H2Global” initiative, which originated</b></p>



	<p>in Germany. Its aim is to give this key technology an investment boost by bundling the purchasing of hydrogen at regulated conditions.<sup>5</sup></p> <p>In addition, the leaders of both governments, with the involvement of political decision-makers and transmission system operators, agreed to intensify cooperation to develop a hydrogen infrastructure between Germany and the Netherlands.</p> <p><b>Accelerating international climate protection</b></p> <p>Germany and the Netherlands share many of their priorities for negotiations at the EU level on the “Green Deal” and “Fit for 55 package”, as well as having similar positions with regard to the upcoming climate negotiations in Egypt in November. Both countries will argue on the international stage in favour of accelerating the reduction of greenhouse gases and supporting vulnerable states in adapting to climate change and in coping with climate change-related losses and damage.<sup>6</sup></p> <p>At the G7 Summit in July 2022 in Elmau, the G7 heads of state and government had already resolved on accelerating the climate-friendly transformation of the industrial sector at an international level by an association of ambitious states.</p> <p>“We need to be more ambitious if we want to meet our climate targets,” Federal Chancellor Scholz had stressed at the G7 Summit. At the Federal Chancellor’s suggestion, an open and cooperative climate club is to be founded by the end of 2022. Germany and the Netherlands will maintain a close dialogue within this context. In addition, the transfer of ‘best practice’ experiences between the German and Dutch national climate policies is to be further intensified<sup>7</sup></p>
<p><b>1) Common position (DE-NL):</b> striving for climate neutrality whilst balancing economic interests</p> <p><b>2) Prioritisation:</b> stating importance of combined economic efforts: to generate stronger (green) growth</p> <p><b>3) Prioritisation:</b> of German-Dutch cooperation, stating intent to increase cooperation regarding energy, industry, innovation and infrastructure</p>	<p>[German-Dutch governmental consultation, released on 27 March 2023] [Bundesregierung, 2023]</p> <p><b>Determination on the path towards climate neutrality</b></p> <p>The fight against climate change also played an important role in the consultations. “We are pursuing the path towards climate neutrality with determination, while still maintaining our industrial basis as the foundation of our countries’ prosperity,” the Federal Chancellor highlighted.<sup>1</sup> With its industry plan for the “Green Deal” the EU Commission had laid the foundations for this debate, Scholz explained and added: “The transformation requires funding.” This was why a further consolidation of the capital market union was key, Scholz said: “If we harness our combined forces, including those in the private sector, this will enable us to generate stronger growth.”<sup>2</sup></p> <p>Scholz emphasised that Germany and the Netherlands wished to cooperate even more closely in the areas of energy, industry, innovation and infrastructure, and that this had also been addressed in the conversations with the ministers.<sup>3</sup></p>
<p><b>1) Issue-linkage:</b> claiming commitment regarding effective economic governance including green transition</p> <p><b>2) Prioritisation:</b> stating intent to lead the EU in future-proofing the</p>	<p>[Joint declaration – Government Consultations Netherlands – Germany, released on 27 March 2023] [Bundersregiering &amp; Rijksoverheid, 2023]</p> <p><b>A stronger Europe</b></p> <p>We agree that strengthening the open strategic autonomy of the European Union is necessary to cope with current challenges and priorities, but also with future issues, especially in those areas where joint answers under changing geopolitical circumstances are needed, such as increasing the European Union’s economic competitiveness and resilience and ensuring its economic security, including through finding common strategies to face shared geo-economic challenges while</p>

economy, as well as cooperate with other MS or partners.

**3) Position-sharing:** stressing importance of EU's technological sovereignty and leadership (industrial competitiveness)

**4) Common sub-priorities:** various cooperation efforts surrounding Net-Zero Industry Act

**5) Common sub-priorities:** Cooperate on Critical Raw Materials Act

**6) Common sub-priorities:** on the role of funding in the transition of private actors

**7) Common sub-priorities:** Cooperation surrounding Capital Markets Union intent on mobilizing green transition funding

**8) Coalition-building:** cooperation on EU climate and energy policy (EU Group of Friends for an Ambitious Climate Foreign Policy), Fit-for-55-package, REPowerEU and EU climate neutrality by 2050

**9) Coalition-building:** cooperation on foreign climate policy cooperation via Climate Club

**10) Common sub-priority:** cooperation on EU electricity market design

**11) Common sub-priority:**

ensuring sustainable and prudent fiscal policy, making best use of existing means. Germany and the Netherlands are acting together to achieve these goals and aim for a modern EU budget. With regard to the Stability and Growth Pact our countries are committed to aim for an effective economic governance framework based on transparency, predictability and equal treatment that safeguards debt sustainability, strengthens economic growth, investments in the green and digital transition and enhances compliance and enforcement.<sup>1</sup>

### **An Innovative and Future Proof Economy and Infrastructure**

The Netherlands and Germany stand for a resilient and future-proof European economy. Therefore, our governments will play a proactive, constructive and leading role in the EU by working with other member states and international partners.<sup>2</sup>

The Netherlands and Germany attach great importance to strengthening the EU's technological sovereignty and leadership, and the EU's industrial competitiveness.<sup>3</sup> To that end, we agreed to cooperate on the Net-Zero Industry Act to promote the scale-up and reduction of red-tape for clean technologies, to further streamline, speed up and facilitate IPCEIs, to continue to strengthen the internal market, and to facilitate permitting for green energy projects.<sup>4</sup> Furthermore, we agreed to cooperate on the Critical Raw Materials Act to improve raw materials' monitoring and knowledge sharing, to accelerate the development of strategic mining, refining and recycling projects in the EU, and to diversify strategic supply chain dependencies.<sup>5</sup>

EU businesses must invest on an unprecedented level for the success of our transition to a green and digital economy. Enabling them to raise the necessary funding from private sources is paramount to foster European competitiveness, open autonomy and sustained growth.<sup>6</sup>

The Netherlands and Germany are committed to building a deep and fully functioning Capital Markets Union that serves our citizens and businesses and fosters the private investment necessary to address the challenges of the green and digital transitions.<sup>7</sup> We believe that Europe's capital markets remain below their full potential and that a stronger and more integrated EU capital market is vital. Besides our efforts to implement the 2020 CMU Action Plan and contribute to swift progress on current proposals, we will cooperate to ease capital market access for businesses, including start and scale-ups, and mobilize new investment from institutional and private investors. To this end, we will also strive to find joint solutions that improve the European exit market for Scale-ups.

With the recent German-Dutch Climate Consultations (October 2022) in mind, we reaffirmed the close cooperation on EU climate and energy policy, including within the EU Group of Friends for an Ambitious Climate Foreign Policy, and will continue our efforts in ensuring a swift and ambitious implementation of the Fit-for-55-package and REPowerEU and in setting the EU on track to climate neutrality by 2050 at the latest.<sup>8</sup>

In the run up to COP28, we agreed to work together with the objective to raise climate ambitions worldwide, such as through the Climate Club.<sup>9</sup> We reaffirm our commitment to align international public support towards the clean energy transition and phase out of fossil fuels in line with a 1.5 °C warming limit. We will work together to ensure implementation in both countries.

<p>cooperation on energy security</p>	<p>The Netherlands and Germany will work together on EU electricity market design that should make the system fitter for a decarbonized, resilient, flexible and affordable energy system based on high shares of renewables.<sup>10</sup></p>
<p><b>12) Common sub-priority:</b> increasing cooperation on H2Global initiative</p>	<p>We emphasized the importance of the extra LNG supply capacity realized the past year and the current high gas storage levels in the Netherlands and Germany. We will continue our close cooperation regarding the security of gas supply, both bilaterally and at EU-level.<sup>11</sup></p>
<p><b>13 &amp; 14) Institutionalised learning:</b> on hydrogen via common vision and joint roadmap, including follow-up meeting</p>	<p>We agreed on the next steps for the participation of the Netherlands in the H2Global initiative<sup>12</sup> and will develop a common vision on hydrogen import policies as well as a joint roadmap along the value chain.<sup>13</sup> We have agreed to cooperate more closely towards a synchronized coupling of our hydrogen grids with the involvement of transmission system operators and large prospective hydrogen off takers. Political decision-makers from both sides will strive to enable and deepen the ongoing cooperation efforts. Key areas for dialogue have been identified in a joint session on hydrogen infrastructure. A follow-up meeting at the end of 2023 will serve to take stock of the progress made and to discuss the way forward.<sup>14</sup> We emphasized the relevance of a well interconnected infrastructure between both countries for the decarbonisation of the industry and mobility sector. We will jointly facilitate all projects aimed at establishing cross-border hydrogen corridors including the Delta Rhine Corridor and identify necessary steps to come to an ambitious implementation.<sup>15</sup> The first two interconnections could be realized by 2027.</p>
<p><b>15) Common sub-priority:</b> cooperation on cross border hydrogen corridor</p>	<p>Our two governments are – together with TenneT – in the process of exploring and negotiating a potential full sale/acquisition of TenneT Germany (onshore and offshore), aimed at creating strong mutually independent national transmissions systems operators (TSOs) well-equipped to meet the ambitious goals for the Dutch and German energy transition, respectively.<sup>16</sup> The joint objective is to establish in the course of this summer whether a mutually beneficial agreement can be reached. The Netherlands and Germany recognize that, to achieve these goals, it is of great importance that a potential transaction safeguards the continued cooperation between the TSOs. The Dutch and German governments commit to supporting the cooperation between the TSOs and to further strengthening their ability to meet the challenging demands of the energy transition.</p>
<p><b>16) Common sub-priority:</b> cooperation on energy transportation and transition</p>	<p>To safeguard the role of aviation in a sustainable future and to enhance its transitions, both countries have agreed to step up cooperation and take part in a European frontrunner group with a number of like-minded countries.<sup>17</sup> This group will develop strategies and politics with regard to the ramping up of the production and the further incentivization of the use of sustainable aviation fuels as well as to supporting disruptive innovations in the aerospace industry.<sup>18</sup> We are cooperating closely in the field of aviation security technology. A cooperation agreement for research and development projects was signed in 2013 and extended in 2020. Aviation security checks are facing enormous technology-driven changes. The introduction of automatic cabin baggage screening systems could significantly increase the security of these checks and reduce personnel costs at the same time. We are driving forward the necessary changes in EU legislation and are conducting joint studies and trials. The Netherlands and Germany will exchange knowledge and facilitate cooperation in the field of digitization and automated navigation/autonomous driving. Furthermore, knowledge will be exchanged on cross-border use cases in the field digitization of freight transport, logistics and</p>
<p><b>17) Coalition-building:</b> via Frontrunner group on sustainable aviation</p> <p><b>18) institutionalised learning:</b> developing strategies and policies in group to accelerate aviation transition</p>	

	<p>mobility. To this end, a roundtable with experts from both countries will take place before summer 2023.</p>
<p><b>1) Prioritisation &amp; Issue-linkage:</b> stresses the importance of EU competitiveness and links it to a successful Green Deal</p> <p><b>2) Agenda-setting:</b> stating intent to lobby issue towards the next Commission</p> <p><b>3) Institutionalised learning:</b> stating intent to exchange views with business representatives at the Council and Ministry</p> <p><b>4) Coalition-building &amp; agenda-setting:</b> lobbying the Commission together with NL on strategy for the European maritime industry</p> <p><b>5) Coalition-building:</b> stressing cooperation with five other MS on maritime strategy initiative</p> <p><b>6) Position-sharing:</b> stating support for proposal, with partial reservations</p>	<p>[Federal government takes initiatives at the COMPET Council, press release by German Federal Ministry for Economic Affairs and Climate Action - 07-03-2024] [BMWK, 2024a]</p> <p><b>Strengthening European industrial competitiveness</b></p> <p>State Secretary Sven Giegold is in Brussels today representing the Federal Government at the EU Competitiveness Council. Now that the most important legislative projects of this parliament are close to completion, discussions about the priorities for the next parliament and the necessary measures to be taken are now beginning at the meeting of the Competitiveness Council. The Internal Market and Competitiveness Report of 14 February provides the basis for the debate.</p> <p>State Secretary Sven Giegold said: “We can only strengthen Europe’s competitiveness if our actions go hand in hand with the Green Deal. We can only realise the Green Deal with a competitive industry.”<sup>1</sup> Almost 600 leading business representatives from 20 sectors made it clear in the Antwerp Declaration that competitiveness must go together with the Green Deal. This needs to be made a priority for the next European Commission. We need decisive action against unnecessary bureaucracy and more incentives for green lead markets and investments.<sup>2</sup> I proposed today that the initiators of the Antwerp Declaration be invited to an exchange of views at the next Competitiveness Council. I will also invite the initiators and signatories from Germany for an exchange of ideas at the Federal Ministry for Economic Affairs and Climate Action.”<sup>3</sup></p> <p>Germany has also launched a joint initiative with the Netherlands to ensure that the European Commission presents an industrial strategy for the maritime industry at European level in the next legislative period.<sup>4</sup> The maritime industry is a strategically important sector that contributes significantly to the expansion of renewable energy and the transformation of the economy as a whole. There is a particularly high level of dependency on Asian countries in this area. The last strategy for the maritime industry dating from 2013 needs to be adapted to current geopolitical developments and pursue a new strategic direction so as to strengthen the competitiveness of the sector and the strategic sovereignty of the EU. Denmark, Finland, Portugal, Spain and Italy have joined the maritime industrial strategy initiative.<sup>5</sup></p> <p>The Council plans hold a debate with the Member States on the draft regulation on combating late payment in commercial transactions, which is to replace the current Late Payment Directive. The draft was presented by the Commission as part of the SME relief package of September 2023. According to the draft, companies are required to always pay invoices within 30 days and are no longer allowed to negotiate payment terms. An authority is to take care of collecting payments due at the creditor’s request. Germany supports the objective of the proposal, which is to protect SMEs from late payments. However, the Federal Government, together with many other Member States, has major fundamental reservations about the Commission’s proposal and has expressed its views on this matter in the orientation debate today. It criticises, for example, the replacement of the directive by a regulation, the rigid payment deadline and the enforcement of payment claims by administrative authorities.<sup>6</sup></p>
<p><b>1) Position-sharing:</b> 88% by 2040 as per</p>	<p>[EU Member States discuss climate target for 2040, press release by German Federal Ministry for Economic Affairs and Climate Action - 25-03-2024] [BMWK, 2024b]</p>

<p>Federal Climate Change Act</p> <p><b>2) Prioritisation:</b> stressing competitive EU and coherent framework</p> <p><b>3) Prioritisation:</b> stating priority for next government</p> <p><b>4) Sub-priority:</b> stressing the need for a just transition</p> <p><b>5) Position-sharing:</b> stating stance on the just transition without elaborating on bargaining efforts</p>	<p><b>Giegold: “We need to move further ahead with the Green Deal”</b></p> <p>The EU Member States are holding their first debate on the 2040 climate target today. Recently, the European Commission had recommended a 90% cut in emissions by the EU between 1990 and 2040. <b>Unlike many other EU countries, Germany has already set itself a target for greenhouse gas reductions in 2040. According to the Federal Climate Change Act, greenhouse gas emissions are to fall by 88% between 1990 and 2040.</b><sup>1</sup> If reductions from natural climate change mitigation are added, i.e. the natural absorption and storage of carbon dioxide in soils, forests and wetlands, Germany’s intended reduction in emissions increases to 91% in 2040.</p> <p>State Secretary Sven Giegold said: “We are seeing all around the world how extreme weather events and new record temperatures are becoming more frequent. So if we realistically intend to tackle the climate crisis and to safeguard the future of our children and grandchildren, we must stick rigorously to our climate targets. <b>The EU climate target for 2040 also offers a clear framework for orientation and planning by our companies. In order to make our industry more competitive, we need a clear path for the transition. We need to avoid uncertainties for investors and false incentives for investments, whilst also making it possible to invest in our infrastructure and in clean technologies.</b><sup>2</sup> This is crucial if the EU is to keep pace with its global rivals. Climate change mitigation and competitiveness are two sides of the same coin. It is vital for us to understand the Green Deal as a European growth strategy and to develop it accordingly in order to strengthen the competitiveness of our industry and to expand and restructure our energy supply on a climate-friendly basis. That has to be a priority for the next government.<sup>3</sup> <b>At the same time, we need to ensure that the transition is backed by social measures and to protect citizens from high energy prices.</b>”<sup>4</sup></p> <p>On 6 February, the European Commission presented its communication on an EU climate target for 2040. It recommends a net reduction of 90% from the 1990 level. The Commission published an impact assessment along with its communication. This shows that, if net greenhouse gas emissions are to be cut by 90%, the EU’s residual greenhouse gas emissions should amount to less than 850 million tonnes of CO2 equivalents in 2040, and that the sequestration of CO2 (from the atmosphere by means of land-based and technical sequestration) should amount to up to 400 million tonnes of CO2. The proposed legislation for the new climate target will come from the new Commission. <b>Germany is in favour of clear consideration being given to the social and societal consequences of climate policy.</b><sup>5</sup></p>
<p><b>1) Institutionalised learning:</b> intent on reaching common understanding with FA and IT</p> <p><b>2) Prioritisation:</b> stressing urgent action regarding European competitiveness</p> <p><b>3) Prioritisation:</b> intent on working on ambitious EU growth agenda</p>	<p>[France, Italy and Germany call to foster the development of green and digital technologies to enhance European competitiveness and productivity, press release by German Federal Ministry for Economic Affairs and Climate Action - 08-04-2024] [BMWK, 2024c]</p> <p><i>Bruno Le Maire, France’s Minister for Economy, Finance and Industrial and Digital Sovereignty, Robert Habeck, German Minister for Economic Affairs and Climate Action, and Adolfo Urso, Italian Minister of Enterprises and Made in Italy discussed today perspectives on the development of green and digital technologies to enhance technological leadership, productivity, competitiveness and economic growth in Europe, with the European Council’s Strategic Agenda for 2024-2029 in mind. Representatives from the industry attended the meeting, located in Meudon at Hangar Y, and enriched the debate.</i></p>

- 4) **Sub-priority:** strengthen EU infrastructure funding for green transition
- 5) **Sub-priority:** stressing the importance of secure, sustainable and affordable energy
- 6) **Sub-priority:** Strengthen Net Zero Industry Act
- 7) **Issue-linkage:** linking sustainability to EU trade policy
- 8) **Prioritisation:** take competitiveness of EU into account before expanding CBAM
- 9) **Sub-priority:** secure critical raw materials via coordinated purchases, recycling and circularity, cross-investments and practices sharing between European countries
- 10) **Prioritisation:** intent on boosting European competitiveness

Against the backdrop of accelerating climate change and significant geopolitical challenges, including Russia’s war of aggression against Ukraine, the European Union adopted with the Green Deal an unprecedented policy agenda to become the first climate-neutral continent in the world, build resilience, reduce strategic dependencies and improve European long-term competitiveness. **As the European Union nears the end of the 2019-2024 cycle, the three Ministers built common understanding of the opportunities and challenges ahead, in particular those raised by the ‘twin’, green and digital transition.**<sup>1</sup>

While European economies have been lagging behind other major economies coming out of the pandemic **Bruno Le Maire, Robert Habeck and Adolfo Urso recognised that urgent action is needed to unlock the technological and innovation potential of European firms.**<sup>2</sup> They agreed that EU industrial policy should combine a well-targeted support to strategic industries while fostering a high level of competition in the single market and reducing the bureaucratic burden. Such support shall help industrials, entrepreneurs, SMEs and researchers get access to the exceptional talents, research & innovation capacities, cutting-edge industrial equipment and state-of-the art processes they deserve. Europe must remain an industrial powerhouse.

**The three ministers committed to continue to build on the Green Deal and the Green Deal Industrial Plan to achieve an ambitious growth agenda for the next five years in the EU for which the following points are crucial:**<sup>3</sup>

**2. Boost private and public investment to strengthen innovation, productivity and competitiveness**

**Strengthen EU funding for European public goods and infrastructures for digital and green transitions including cross-border when relevant.**<sup>4</sup> The European Investment Bank (EIB) has a role to play with a view to supporting the necessary investments and helping to address critical challenges. By adding a broad mix of new own resources, we will first be able to reimburse Next Generation EU (NGEU) and should enable the EU to live up to the strongly increased expectations for common action; e.g. to fund innovation technological projects, especially for clean and net zero technologies, artificial intelligence from chips to computing capacity and large models, semiconductors, quantum, high-performance computing and cybersecurity.

**3. Pursue the green and digital transitions further with a strong and resilient economic basis**

Following the Versailles declaration of March 2022, the Granada declaration of October 2023 highlighted that significant progress has been achieved in a record time to reduce our dependencies, diversify and strengthen our economic base. They agreed to continue the work on the resilience and global long-term competitiveness of the European Union, making sure that the EU has all the necessary tools to secure sustainable and inclusive growth and global leadership in this crucial decade. In this spirit, the three Ministers recognised the relevance of the Antwerp Declaration in which European industry stakeholders promoted a European Industrial Deal.

**Bring security, sustainability and affordability of the energy sector supply as well as the efficiency of the internal energy market are crucial for industry.**<sup>5</sup> Further steps need to be taken in this direction.

**Boost measures to strengthen EU resilience for key technologies, building inter alia on the list in the Net Zero Industry Act to foster decarbonization of our industry.**<sup>6</sup> Anticipate future risks of dependency on emerging technologies,

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including quantum computing, semi-conductors, robotics, biotechnologies, space and aeronautics.

**Pursue an ambitious EU trade policy, based on openness and assertiveness in order to promote diversification, resilience, social standards and sustainability.**<sup>7</sup>

**Before expanding Carbon Border Adjustment Mechanism (CBAM) to indirect emissions,** ensure that the de-carbonization trajectory and competitiveness of energy-intensive industries notably exposed to international trade are not hampered and CBAM can fully prevent carbon leakage.<sup>8</sup>

**Secure further the supply of critical and strategic raw materials,** inter alia by fostering coordinated purchases, recycling and circularity, cross-investments and practices sharing between European countries.<sup>9</sup>

**Dr. Habeck, Federal Minister for Economic Affairs and Climate Action said:**

"We need to boost European competitiveness. In order to unleash the economic power of companies it is essential to eliminate unnecessary administrative burden and speed up authorisation procedures without sacrificing necessary protection standards. Innovative technologies such as biotechnology and green technologies in wind, solar and transformation industries are key to economic growth, climate neutrality and our technological sovereignty in the near future and therefore need a favourable investment environment.<sup>10</sup> Our exchange also underlined the need for greater European synergies in our defence industries, which is crucial in my view."

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*Note: text elements between brackets, i.e. "[ ]" exist to help identify the sources of citations; Moreover, translations are aided via DeepL (n.d.); Lastly, citations unrelated to the Green Deal have been removed, for the full documents see the references.*