## UNBUNDLING THE EUROPEAN ENERGY POLICY – FROM SUPRANATIONAL FRAMEWORKS TO TAILORED NATIONAL ROADMAPS IN MEMBER COUNTRIES

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Abstract: Aiming to provide sustainable policy implementation frameworks, the European Union has been constantly advancing in-depth and aggregated strategies suitable for the needs existing amidst Member States. Nevertheless, the national actors continue to act in accordance with their own specific challenges; thus, on the long term, national strategies morph into different implementation roadmaps. Similar to the rest of the European policies, the European Energy Policy has been subjected to an approach akin to building a European puzzle. Starting with the Directives for Gas and Energy (initiatives modified and updated repeatedly so that they could better encompass the technological and economic progress) and leading to the European Green Deal (striving to build a more sustainable environment for the consumers and for the energy environment), the measures taken at the European level enabled more direct national efforts. Taking into consideration the aforementioned aspects, the European Green Deal, one of the latest pieces of the European energy puzzle, is likely to be subjected to different national responses and efforts: from being regarded as a generic framework to being implemented and translated in efficient and measurable national approaches. Based on a qualitative research, based on document analysis, this article aims to provide an overview of the European Green Deal's impact (including of the possible scenarios of implementation) at the Member State level.

Keywords: European Energy Policy, supranational and national policies, energy roadmaps, sustainable development, European Green Deal

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**Rezumat:** Într-un efort de a furniza cadre sustenabile de implementare a politicilor comunitare, Uniunea Europeană a dezvoltat de-a lungul timpului strategii elaborate și comprehensive menite să răspundă nevoilor existente la nivelul fiecărui Stat Membru. Cu toate acestea, actorii naționali continuă să acționeze în conformitate cu provocările specifice, ceea ce duce, pe termen lung, la dezvoltarea unor strategii naționale diferite. Având un parcurs similar cu cel al altor politici europene din perspectiva modului în care a fost implementată, Politica Energetică Europeană poate fi privită drept un puzzle comunitar. În implementarea sa, primii pași s-au constituit în Directivele pentru Gaz și Energie (inițiative modificate și revizuite de-a lungul timpului astfel încât să poată

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reflecta progresul economic, cât și cel tehnologic), urmați mai târziu de Pactul Verde European (inițiativă prin care se dorește dezvoltarea unui mediu sustenabil atât pentru consumator, cât și pentru sectorul energetic în sine); aceste inițiative supranaționale europene au condus la acțiuni directe și imediate la nivel național. Pornind de la argumentele antemenționate, putem preconiza că și în cazul Pactului Verde European (una dintre cele mai noi piese din puzzle-ul energetic European), se vor formula răspunsuri naționale distincte: pornind de la a fi înțeles ca fiind doar un model generic, până la a beneficia de o implementare cuantificabilă la nivel național. Acest articol își propune să studieze impactul (alături de posibile scenarii de implementare) Pactului Verde European din perspectiva parcursului statului pe baza unei cercetării calitative, mai exact a analizei de documente.

**Cuvinte cheie:** Politica Europeană a Energiei, politici supranaționale și naționale, foi de parcus pentru domeniul energetic, dezvoltare sustenabilă, Pactul Verde European

## I. Introduction

This article aims to investigate to which extent the newest initiative in the European energy field, The Green Deal, represents a comprehensive action plan that harnesses previous efforts undertaken in this sector. The main research hypothesis investigated within this article regards whether a European initiative in the energy sector (such as The Green Deal) can be relevant and truly impactful for all Member States when all the lever mechanisms and pillars for implementation at national level are taken into consideration? Subsequently, in order to better understand the mechanics of policy building, this article aims to analyze if some Member States are more suitable candidates for efficiently implementing the newest European initiatives in the energy field, based on their national capabilities and previous experience with complementary supranational endeavors.

The research undertaken in this article relies on a qualitative approach and specifically on document analysis. The documents reviewed include: Action Plans drafted at European level, Directives, official press releases and official European Union platforms as well as data from EUROSTAT. I have selected these sources as they represent the foundational elements needed to understand the national policy-making efforts, as well as the likely internal decision-making processes. In addition, the sources on European data tell a story about the development process that a Member State undertook within a certain period and also help depict a better image of their capabilities in a given sector. To better contextualize the information collected, in this article I will apply the principles of grounded theory, seeking to explain why systematic differences among Member States appear in the implementation of European frameworks, even though, in theory, these supranational structures should reduce part of the existing disparities. The first part of this article examines the previous efforts conducted in the energy sector (for example, the Directive 2012). By reviewing market realities such as national roadmaps, as well as investigating how the concept of "efficiency" is understood and measured at the European level, the article builds a framework for evaluating current initiatives through the lenses of past results. Furthermore, the analysis evaluates the achieved results in light of existing national realities by addressing how European quotas have been achieved in the energy field of national consumption. The second part of the article is dedicated to The Green Deal and, in particular, to the levers designed to enable support at the micro level of the Member States (for example, with selected categories from the civil society).

# II. The European approach towards policy making and the national implementation strategies

#### II.1. European energy frameworks – building for the future

Over time, developed on the pillars of cooperation and inclusive policymaking, the European Union has aimed to harmonize the existing national disparities under the European umbrella of know-how and good-practices transfers. The result of different enlargement waves, the European Union has drafted various supranational initiatives and policies for Member States with different patterns for development; part of them had existing capabilities which enabled a more rapid progress in terms of implementation, whilst others needed to build the needed mechanisms to reduce existing disparities.

Similar to most European mechanisms and frameworks that are implemented at national level, the European Energy Policy needs to be evaluated as regards its intended objectives and results at the micro-level. For a better understanding of the progress achieved so far, such an evaluation ought to address the response at the national level and focus on the breakthroughs made by the Member States relative to the European targets. Moreover, the evaluation should correspond to the supranational strategy: it should account for the European targets predefined in the respective policy and, where available, also review the tailored roadmaps. In direct relation with certain aspects at the market level, this key policy has been advanced through various energy strategies, making the European Energy Policy a complex and comprehensive initiative based on multiple objectives and targets that build towards a sustainable scope.

In order to better understand the long-term impact of such a strategic European initiative, I consider that findings from a similar initiative may provide useful insights for the current analysis. In this regard, and for comparison purposes, the energy efficiency desiderate and the communication pertaining to this subject serve as an optimal starting point to understand the future implications of the newest energy initiative: the European Green Deal. Both initiatives are part of the broader European Energy Policy framework which aims to develop a competitive and sustainable market as well as to empower the consumers by enabling better consumption patterns.

The issue of planning for the future as a means of ensuring sustainable and efficient practices was addressed in 2012 when energy efficiency targets were set at European level. Under the efforts of the Energy Efficiency Directive, the European Union once again built on the foundations of past supranational initiatives<sup>1</sup> and tailored the national pathways so as to achieve a more strategic and viable consumption. The document mentioned that the European Union had significant energy import needs but also lacked the necessary resources in terms of energy consumption<sup>2</sup>; subsequently, these shortages were paired with an increased need in addressing climate change<sup>3</sup>. These arguments set the scene for the creation of a supranational framework that the Member States had to adapt to. The analysis focused on the European level, it did not address national specificities, and specifically, that some countries depended on imports more than others. In this sense, Article 1 of the communication set the objectives (20% energy efficiency by 2020 at every Member State level) and referred to market specific situations in the field of supply or consumption<sup>4</sup>. Even though the objectives seemed to be set as national standards, by maintaining the market attributes and ramifications, an harmonized initiative was secured: all countries had to take measures that could have been harmonized in the European framework.

Correspondingly, the document outlined the extent to which the countries could adapt the European strategy; more exactly, it was supportive of extra-national measures as long as they were in accordance with the European Union law, respectively if, in addition, the Commission was announced in advance about them<sup>5</sup>. This opportunity for further improvements at the national level could be explained by the various national particularities that were determinative for the different patterns of implementation. For some countries

<sup>&</sup>lt;sup>1</sup> In this article, past supranational initiatives refer to all of the pre-existing attempts towards building a European functional market at the European level but also of a better environment for consumers. Among such initiatives, we can mention: the Directive 96/92/EC concerning electricity production and transport or the 2006 Action Plan, a document advocating for energy efficiency.

<sup>&</sup>lt;sup>2</sup> European Parliament, "Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/ EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC", *Official Journal of the European Union*, November 2012, accessed 9<sup>th</sup> of July 2020. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012L0027&from=EN

<sup>&</sup>lt;sup>3</sup> European Parliament, "Directive 2012/27/EU".

<sup>&</sup>lt;sup>4</sup> Ibid., 10.

<sup>&</sup>lt;sup>5</sup> Ibid.

it may have been easier to achieve the European objectives, whilst for others, the existing capabilities – relative to their economic and technological development – may determine a slower pace of implementation. After explaining the background leading to the document as well as the definitions that the initiative uses in relation to the Action Plan drafted for Member States, Article 3 described the reasoning for setting the European targets. Enabled to take into account their own specificity, Member States were empowered to tailor how the European action plan would be implemented<sup>6</sup>. More specifically, each Member State could set a national energy efficiency target based on how the energy environment was set at the national level<sup>7</sup>.

By allowing for flexibility in implementation and by mentioning the areas which required a closer consideration<sup>8</sup>, the initiative set the grounds for a more optimal implementation; for this purpose, supranational directives and guidelines would steer the Member States in the correct direction since the states would be required to align the national roadmaps to the European blueprint. In consolidating the European strategy, the national roadmaps needed to be paired with national energy efficiency action plans covering a three year period but also with annual progress reports<sup>9</sup>. This type of documentation made possible two things: 1) enable sustainable monitoring initiatives to take place; and 2) allow national roadmaps to be implemented in accordance with the European framework. In other words, National Energy Efficiency Action Plans were documents that needed to be drafted at country level every three years and they aimed to provide besides energy consumption estimates, long-term strategies and other measures needed to achieve the European targets<sup>10</sup>. In setting a three years timeframe during the implementation process, the European Union allowed the supranational levers to be consolidated and adapted on the go, thus minimizing the possible negative effects which would arise in the event that the initial planning was found to be incorrect or inadequate for the Member State.

<sup>&</sup>lt;sup>6</sup> European Parliament, "Directive 2012/27/EU", 12.

<sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> The document mentions the following strategic fields: billing and metering, consumer information, energy systems including audit and management, purchasing and renovation of existing buildings. The previous components are more than just branches of a national energy policy, as they can act as "spillovers influencers" for other national sectors. For example, by applying efficient billing and metering policies, both the consumers and the suppliers benefit on the long term because the consumption environment becomes more regulated and sustainable for both parties.

<sup>&</sup>lt;sup>9</sup> European Commission, "EU 2020 target for energy efficiency", accessed 10<sup>th</sup> of July 2020, https://ec.europa.eu/energy/topics/energy-efficiency/targets-directive-and-rules/eu-targets-energy-efficiency\_en.

<sup>&</sup>lt;sup>10</sup> European Commission, "National action plans and annual progress reports", accessed 10<sup>th</sup> of July 2020, https://ec.europa.eu/energy/topics/energy-efficiency/targets-directive-and-rules/nat ional-energy-efficiency-action-plans\_en?redir=1.

#### II.2. European responses towards a generic framework – monitoring the objectives

With predefined targets that were split *per* various funnels and designed to achieve the projected energy efficiency at the European level, this branch of the European Energy Policy would require to be revaluated in order to better assess what were the desired outcomes relative to the national realities. In July 2020, the European Commission released a report on the progress made by the Member States in relation to the energy targets that had been set for 2020. More exactly, the report aimed to assess the efforts done at national level prior to 2018, using data from official European statistics<sup>11</sup>.

The document was built on the idea that different national capabilities lead to diverse national roadmaps. As concerns the progress made by the Member States by 2018, the report stated that 12 states had been successful in reducing the consumption levels, or in maintaining the consumption, below the presumed thresholds<sup>12</sup>. Based on these observations, the document outlined the following mentions concerning the state of the national roadmaps in 2018<sup>13</sup>:

- 13 Member States were capable to maintain the primary energy consumption (or reduce it) below the 2020 targets;
- 11 Member States situated themselves below the 2020 objectives;
- none of the Member States had revised their national energy efficiency targets.

These figures tell us that the European Union consists of two regions: one able to adapt to the European supranational requirements and integrate them at the national level; the other one struggling even to draft and maintain a strategic roadmap. Adopting an inclusive approach, the report mentioned that the Member States had a close relation with the European Commission. This level of cooperation was built on monitoring initiatives which ensured that the European Directive was implemented at the national level<sup>14</sup>. In this regard, the implementation of the European framework at the national level was made possible by maintaining an open-line policy between the parties.

<sup>&</sup>lt;sup>11</sup> European Commission, "Report from the Commission to the European Parliament and the Council 2019 assessment of the progress made by Member States towards the national energy efficiency targets for 2020 and towards the implementation of the Energy Efficiency Directive as required by Article 24(3) of the Energy Efficiency Directive 2012/27/EU", COM(2020) 326 final, accessed 2<sup>nd</sup> of July 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0326&from=EN.

<sup>&</sup>lt;sup>12</sup> European Commission, "Report from the Commission", 4.

<sup>&</sup>lt;sup>13</sup> Ibid.

<sup>&</sup>lt;sup>14</sup> European Commission, "Report from the Commission", 10.

When analysing the national profile of the 13 Member States<sup>15</sup> that managed to reduce (or maintain) the energy consumption below the 2020 targets, we notice that they differ in terms of their economic development and of their available energy resources. To better explain the energy consumption shares, a complementary approach that would describe the existing energy resources mix within the different Member States is needed. The European Environment Agency reports that in terms of energy sources, the share of lignite and coal use decreased in 2012 by 7.3% at the European level compared to 2005<sup>16</sup>. The main two factors identified in the document that would explain these differences were, on the one hand, the economic recession and, on the other, the improvements made in the energy sector (reflected by an increase of energy from renewable sources)<sup>17</sup>. This consumption trend was maintained and a similar decrease was again visible in 2017, when the consumption levels dropped to 14.4% from 18% in 200518. This decrease in the use of nonsustainable energy resources reflected the energy ambitions of the European Union which aimed to promote a more safe and efficient consumption. Though not as high as for coal, lower consumption trends were also registered for natural gas (decreasing by 0.6% in 2017 compared to 2005) and oil (reaching a quota of 31.6% in 2017 versus 33.9% in 2005)<sup>19</sup>.

The initial consumption patterns may help explain why 13 Member States managed to hit their energy targets set for primary energy consumption. In particular, they reflect the fact that a European tendency which sought to utilize more sustainable and efficient sources in the final energy mix was pursued in some Member States. This trend was maintained in 2018 as well, when as noted by EUROSTAT, the European production of primary energy was 1.1% smaller compared to 2017<sup>20</sup>. Some Member States have been more capable than others in adapting their energy mix to the European requirements because their national capabilities (specifically, their available energy resources) were suitable to the European approach in this sector<sup>21</sup>. For example, at the European level, only 4 countries (Estonia, Finland, France and Sweden) had a share of non-sustainable sources that was smaller than 50% of their gross inland

<sup>&</sup>lt;sup>15</sup> The report names the following states: Czech Republic, Croatia, Estonia, Finland, Greece, Italy, Latvia, Lithuania, Luxembourg, Romania, Slovakia, Slovenia, and The United Kingdom.

<sup>&</sup>lt;sup>16</sup> European Environment Agency, "Primary energy consumption by fuel in Europe", accessed 15th of October 2020, https://www.eea.europa.eu/data-and-maps/indicators/primary-energy-consumption-by-fuel-5/assessment.

<sup>17</sup> Ibid.

<sup>&</sup>lt;sup>18</sup> European Environment Agency, "Primary energy consumption by fuel in Europe", accessed 16th of October 2020, https://www.eea.europa.eu/data-and-maps/indicators/primary-energy-consumption-by-fuel-7/assessment.

<sup>&</sup>lt;sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> EUROSTAT, "Energy statistics – an overview", 1, accessed 16th of October 2020, https://ec.europa.eu/eurostat/statistics-explained/pdfscache/29046.pdf.

<sup>&</sup>lt;sup>21</sup> EUROSTAT, "Energy statistics – an overview", 8.

energy consumption<sup>22</sup>. In other words, a more efficient consumption based on sustainable sources can explain why countries like Estonia and Finland were among the 13 Member States.

The Report from the Commission on the progress of the Member States ended by mentioning the specific differences at sector level. It identified the transportation sector as being a high consumer and greenhouse gas lever even though, improvements had been made in this area<sup>23</sup>. Being a high-impact sector, initiatives from third party actors (such as innovation players) could play a bigger role in the future, thus paving the way for cross-policy frameworks. The direct effects of the monitoring activities translated in future funding that the Commission allocated for the implementation of smart digitalisation practices and digital solutions<sup>24</sup>. Based on this action plan that sought to build sectors capable of generating efficient energy consumption levels, sustainability could have empowered both consumers and suppliers on the long-term.

## III. The European Green Deal: from ideation to framework

At the end of 2019, the European Commission published a document introducing the European Green Deal – an initiative that was supposed to strategically enhance the existing efforts in the energy sector. According to the documents, the end goal was to attain a sustainable economy and effective consumption levels. The document described the existent European environment as an enabler of opportunity and long-term results, providing all necessary steps were taken<sup>25</sup>. Like with previous efforts, the Commission took into consideration the micro-levels of the initiative that, specifically, concerned the consumers<sup>26</sup>. By addressing the micro-realities of the consumers, the Commission sought to ensure that the supranational initiative will be tailored made at national level. Described as a growth initiative and strategy, the European Green Deal aims to harness and safeguard the existing capabilities of the Member States as well as to protect the health and comfort of the European citizens (in relation to environmental risks)<sup>27</sup>. In analysing this framework, we

<sup>&</sup>lt;sup>22</sup> The variables analyzed in terms of share were petroleum, natural gas, crude oil or solid fuels.

<sup>&</sup>lt;sup>23</sup> European Commission, "Report from the Commission", 14

<sup>&</sup>lt;sup>24</sup> Ibid.

<sup>&</sup>lt;sup>25</sup> European Commission, "Communication from the Commission to the European Parliament, The European Council, The Council, The European Economic and Social Committee and the Committee of the Regions The European Green Deal", COM(2019) 640 final, December 2019, accessed 15th of July 2020, https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC\_1&format=PDF

<sup>26</sup> European Commission, "Communication from the Commission", 2 27 Ibid.

can observe that the strategy for implementation starts from the supranational level (the European capabilities) and advances towards the national contexts (the health of the citizens). Of course, in order to ensure an in-depth implementation, the initiative ought to take into account each country's specificities: Member States have different individual capabilities and economic constraints and these factors directly impact the health and comfort of the European citizens.

Given the heterogeneous environment of the European Union (similar to a puzzle in which the Member States act as pieces), the Commission underlined the necessity of a step-by-step approach, putting an emphasis on the following actions<sup>28</sup>:

- create a sum of policies designed to reframe existing realities;
- promote sustainability throughout the European policies;
- continue existing efforts and secure the European Union as a global leader;
- enhance cooperation through a European Climate Pact.

These steps can be regarded as milestones of the supranational framework. Based on their immediate effect, two of them can be regarded as macro-economic levers: the European Climate Pact and the promotion of sustainability within the existing policies. Thus, by leveraging the future and laying the necessary building blocks so that Member States are able to better implement the European agenda, the Green Deal initiative seeks to harness the lessons from previous efforts (or the capabilities built in the earlier initiatives) and frameworks (in terms of resources and country roadmaps) in order to provide a more sustainable direction.

Again, the discussion must take into consideration the capabilities of the Member States, such as their ability to access funding, when analyzing what are the most suitable opportunities that meet a country's specific needs.

#### III.1. The Green Deal Roadmap: levers for a better implementation

In aiming to create a sustainable implementation framework in the member countries, the European Green Deal was equipped with a strategic roadmap – a document that aids with the implementation by providing, among other things, quantifiable key performance indicators. These indicators depict what actions should be taken and act as status reports, laying the groundwork for future monitoring activities. Similar to the document discussed in the previous section, the Green Deal Roadmap was designed to address the existing disparities at the European level<sup>29</sup>:

<sup>28</sup> Ibid.

<sup>&</sup>lt;sup>29</sup> European Commission, "Annex to the Communication from the Commission to the European Parliament, The European Council, The Council, The European Economic and

- *Climate ambition*: advancing climate neutrality through supranational levers such as European legislation and measures;
- *Clean, affordable, and secure energy*: a strategic approach toward better integration and transformation of the existing systems;
- *Industrial energy in light of the economic aspects*: the need of a European strategy for industrial sectors both at macro level (the sector itself) as well as at micro level (the resources needed);
- Long-term impact: referred to in the Roadmap in terms of sustainability and smart transportability;
- Implications for the Agricultural Policy and biodiversity at the European level: since this article focuses solely on the energy framework, these aspects will not be further analyzed. Similar considerations are applied to the zero-pollution section of the Roadmap;
- A sustainable European framework of policies: with various levels of implementation ranging from the ideation and mapping stage, to reviewing and harmonizing the existing policies;
- The spearheading role of the European Union and the working-alongside approach: building on notions of diplomacy and mutual effort.

Being mapped on the European Green Deal document, the Roadmap provides clear deadlines (specific months and years) for implementing certain courses of action. For other activities, the document only mentions the year they should start. Despite some ambiguity where certain milestones are concerned, the document provides clear requirements regarding the level of implication expected from the Member States and a timeframe. Additionally, quantifiable aspects of the Roadmap can be traced at the end of each cycle (be it in months or years) and reflect the number of activities that have been initiated, implemented or finished, providing data for likely monitoring activities.

Given their European dimension, the steps mentioned above need to be evaluated and implemented in direct relation to the monitoring of adjacent European policies. For example, by disregarding the degree of innovation present in various sectors (industry, transportation), bottlenecks may develop when pursuing the long-term impact of the initiatives conducted under the banner of the European Green Deal. In this sense, by coordinating existing capabilities, the idea of smart systems and scenarios can be advanced without leaving any of the Member States behind.

Social Committee and the Committee of the Regions The European Green Deal", COM(2019) 640 final, December 2019, accessed 16<sup>th</sup> of July 2020, https://ec.europa.eu/info/sites/info/file s/european-green-deal-communication-annex-roadmap\_en.pdf.

#### III.2. Financing mechanism for sustainable implementation

In order to ensure a sustainable implementation as well as a coherent approach within the Member States, the proposed financial mechanisms need to be tailored in order to account for the existing gaps. Thus, after the European Green Deal strategy was launched, the European Commission also presented two proposals that aimed to sustain the further effort required by this long-term initiative.

One of the two support pillars is called The European Green Deal Investment Plan (or The Sustainable Europe Investment Plan) and it aims to drive accomplishments by means of public investment and private funding with the added support from the financial instruments at the European level<sup>30</sup>. In the press release that announced these adjacent support proposals (the second being the Just Transition Mechanism), the notion of Member State was presented as being a result of the existing realities at the European level<sup>31</sup>. Namely, the arguments in support of such a mechanism presented the macro-level (supranational attributes); identified the differences between Member States and regions, both separate parts of the European environment<sup>32</sup>. Moreover, the document also addressed the micro-realities: delineating national categorizations and identifying the sectors as being a direct contributor to the new approach, specifically related to a sustainable transition and transformation<sup>33</sup>. The document signaled that all the actors which were to participate in the new initiative were subjected to different challenges<sup>34</sup>. The existence of significant differences amidst various actors can be explained if we account for the fact that their profiles and capabilities are subjected to different variables: economic capabilities; level of innovation and digitalization; existing resources; and the degree of effectiveness in harnessing them.

The objective of the Just Transition Mechanism is to enable support (financial or otherwise directed towards workers) in a tailored manner for the receiver that will lead to a need for further investments<sup>35</sup>. The Just Transition Mechanism is based on a supranational approach that focuses on identifying the ways for institutions or other capable actors in the strategic areas to absorb the financial support. In referencing workers, this instrument also contains a micro-layer approach, cluster similar<sup>36</sup>.

<sup>&</sup>lt;sup>30</sup> European Commission, "Financing the green transition: The European Green Deal Investment Plan and Just Transition Mechanism", *European Commission*, accessed 17<sup>th</sup> of July 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_17.

<sup>&</sup>lt;sup>31</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> Ibid.

<sup>&</sup>lt;sup>33</sup> Ibid.

<sup>&</sup>lt;sup>34</sup> Ibid.

<sup>&</sup>lt;sup>35</sup> Ibid.

<sup>&</sup>lt;sup>36</sup> Ibid.

In order to better understand how these levers complement one another in terms of helping to implement the stated objectives, the mentioned document provides a systematic overview of both mechanisms. In this regard, the Just Transition Mechanism promotes the idea of a climate-neutral economy that would neither further enhance the disparities nor leave certain categories of actors at a disadvantage<sup>37</sup>. An approach designed to advance a greater goal by addressing the numerous disparities found at the national level, the Just Transition Mechanism will be in effect for a period of a six years (from 2021 until 2027) and will have a budget of €100 billion targeted at regions that may find themselves overwhelmed by the planned transition<sup>38</sup>. In this regard, the mechanism functions as a supranational instrument capable of diminishing the pre-existing imbalances at the national level. In order to better advance the proposed objectives, the Just Transition Mechanism was built on three pillars of financing<sup>39</sup>:

- 1. A Just Transition Fund: consisting of on top financing in total of €7.5 billion;
- 2. A public sector loan facility: sponsored from the European Union budget and with the aid of the European Investment Bank, it seeks to drive more than €25 billion in the investment sector;
- 3. A scheme dedicated to just transition: with up to €45 billion dedicated to investment, it aims to stimulate private investments.

When evaluating these three financing pillars, one of their main objectives seems to be the range of investment with support from on-top funding (which makes the mechanism only a budget "transmission relay"). Moreover, the three pillars are equipped with strategic mechanisms to dispense the funds. Additionally, there are provisions for how to set in motion various improvements at the national level. For example, the Just Transition Fund requires that Member States and the Commission establish direct lines of dialogue and relations of collaboration in order to determine and classify which areas are eligible for funding<sup>40</sup>. Where the use of the European funds is concerned, there are further advancements made that include: a pledge to match any funding taken from the Just Transition Fund with an equivalent amount as well as to ensure national on-top participation<sup>41</sup>. This amount would come from various European funding mechanisms, such as the European Social Fund Plus and the European Regional Development Fund<sup>42</sup>. Through this type of cooperation, further implementations at the national level have the chance to be

- <sup>38</sup> Ibid.
- <sup>39</sup> Ibid.
- <sup>40</sup> Ibid.
- <sup>41</sup> Ibid.
- <sup>42</sup> Ibid.

<sup>&</sup>lt;sup>37</sup> Ibid.

more successful as they are paired with local efforts and complementary European aid resources. The first pillar allows for good and sustainable practices to be created at national level by targeting the energy sector through investment initiatives designed to attain energy efficiency and sustain the transition to clean energy<sup>43</sup>. When addressing energy efficiency, only by creating an environment suitable for sustainable consumption and resources delivery can this goal be achieved. Having in mind that at the national level, there are pre-existing differences, in order to secure this objective, an analysis of the Member States' current capabilities and necessities is needed.

The European Green Deal Investment Plan aims to advance a climateneutral and inclusive economy. This goal encompasses three action areas<sup>44</sup>:

- 1. *Enabling*: unlocking and redirecting private and public investments in a sustainable manner by using different incentives;
- 2. *Financing*: private funding related aspects are addressed by making available an investment fund of more than €1 trillion projected on a ten years' horizon; the European Investment Bank will also provide support;
- 3. *Practical support*: the Commission is involved in assisting project advocates as well as public authorities in project managing areas such as planning, designing, and execution.

By putting in place a complex support mechanism which is designed to have a significant impact in different national sectors, the European Union is addressing the various challenges that Member States struggle with. In other words, these mechanisms become opportunities for growth. In this way, the three dimensions analyzed are supposed to sustain growth when implemented together, but there is also the risk that further gaps may appear were they implemented as a singular, *clustered* initiative. For example, absent an initial practical support without which a Member State's capabilities could not be built, projects may be wrongly implemented, or, may fail to meet the requirements of the sustainable framework. Even with existing capabilities, the advocates and authorities would still depend on existing financial support instruments in order to implement the ongoing initiatives. Subsequently, by reducing disparities, agents from different settings are empowered and the public and private sectors are brought together.

In order for all this to become possible, the European Green Deal initiative must take into consideration previous European efforts (such as the energy efficiency plan) that have paved the way for more inclusive supranational frameworks. In order to reduce further disparities and decrease the existing gaps amidst Member State, the European Union ought to maintain a clear and

<sup>&</sup>lt;sup>43</sup> Ibid.

<sup>44</sup> Ibid.

systematic approach. This approach might translate into continuous cycles of monitoring focusing on current initiatives and from which good practices could be identified that will help in the development of future initiatives. Given that they represent such a comprehensive effort, the two mechanisms aiding in the implementation and the advancement of the European Green Deal have the means to secure in-depth public and private partnerships. This way, good practices transfers should be enabled and tailor-made mechanisms that respond to specific national necessities should be put in place. In case, these mechanisms are implemented without harnessing previous findings (such as why certain Member States failed to maintain a steady energy efficiency path), the initiative may be subjected to bottlenecks.

## IV. Conclusions

This article aimed to investigate to which extent The Green Deal – the newest initiative in the European energy field – can truly make an impact for all Member States. For a better understanding of its possible impact, the article reviewed the existent supranational efforts by analyzing the disparities among Member States through the lenses of previous energy initiatives (see the Energy Efficiency).

Even though previous initiatives had sought to empower Member States to become more active actors (for example by setting national energy efficiency targets), due to the existing national capabilities, some of them have remained behind the European targets (this was the case with the primary energy consumption quotas).

Presented as a strategic approach whose purpose is to enhance the existing efforts to attain effective consumption levels and to arrive at a sustainable economy, The Green Deal needed specific levers and mechanisms. One of these mechanisms is the Green Deal Roadmap, a document that addresses the current disparities in the energy sector. Of course, its success will be dependent on how thorough the market analysis will be done. Another mechanism designed to ensure an efficient implementation is the Just Transition Mechanism – a lever which promotes the principles of a climate-neutral economy by seeking to prevent the apparition of further gaps at market level, between the existing actors.

This enterprise – of building for the future by transforming the market sector – requires that the existing disparities be reduced. This is the case, for example, with the absence of green energy or the lack of resources in certain Member States. A truly in-depth transformation would imply that: the existing gaps within Member States are addressed; energy practices are harmonized by increasing the shares of green energy production and consumption; and the country roadmaps and Member States achievements are constantly monitored. As we have recommended in the final section, potential bottlenecks should be avoided if in the implementation of these mechanisms, the actors involved will take into account the lessons from previous initiatives. In the future, the European Energy Policy may, more than ever, act as a pillar for a sustainable economy and as a sector in which the evolving consumption capabilities will not be at the expanse of the consumers.

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## AUTHOR'S NOTE

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The historical approach of Energy Efficiency has been analyzed as well in two previous articles: entitled "The European Energy Policy – a framework for decreasing the gap between member states. Is the energy market liberalization a sustainable approach or an ongoing risk?" (published in Europolity, 2017, vol. 11, no. 1) and "Understanding the European Economic Environment: Is the Energy Market Liberalization Policy a Vote for Development or a Vulnerability Waiting to Arise?" published in the volume *Governance and Europeanization as a framework for understanding the European society* (Bucharest: Tritonic, 2015).

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