

Gap Assessment of the European Green Deal

**REAL
QDEAL**

RESHAPING CITIZENS'
DELIBERATION FOR THE
EUROPEAN GREEN DEAL

PROJECT SUMMARY

REAL DEAL will stimulate a pan-European debate to reshape citizens' and stakeholders' active participation through deliberative processes around the European Green Deal (EGD). It brings together researchers and practitioners of deliberative democracy from a wide range of disciplines including environmental rights and the law of public participation, ethics and responsible innovation, gender studies and ecofeminism, psychology, geography, urban planning, and sustainability studies. It includes the EU's largest civil society networks advocating on the environment, climate, sustainable development, local democracy, and the European movement. It teams up with youth climate, social justice and women's organisations, SMEs, universities and research institutes, mobilising networks with thousands of CSOs, uniting millions of citizens and activating contacts to thousands of policymakers. In a large co-creation exercise, REAL DEAL will develop, test, and validate innovative tools and formats to propel deliberative democracy to the next level. It will test its innovations at citizens assemblies for the transition in at least 13 countries. We will scrutinise pan-European formats ranging from digital deliberation through our online platform www.realdeal.eu to in-person processes such as an Assembly for a Gender-Just Green Deal and a pan-European Youth Climate Assembly. REAL DEAL will co-create a comprehensive protocol for meaningful citizens' participation and deliberation to work towards the objectives of the EGD. It will validate recommendations on how to design such processes and how they can be applied by European institutions, Member States, and civil society alike. Gender equality will be embedded into the project's DNA. It pays specific attention to the leave-no-one-behind principle, fostering the engagement of disenfranchised groups that are disproportionately burdened by environmental damage. REAL DEAL will develop a new model of environmental citizenship across Europe.



REAL DEAL has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101037071. The contents of this publication are the sole responsibility of the authors and can in no way be taken to reflect the views of the European Commission.

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INTRODUCTION

The European Green Deal (EGD) is currently the broadest and most ambitious policy framework of the European Union, aiming to transform the EU into the first climate-neutral region of the world by 2050 and to achieve the objectives set in the 2030 Agenda and the Sustainable Development Goals (SDGs).

In times of multiple economic, political, and social crises, it is crucial that these bold transformations benefit all of society, and that the costs do not fall upon the least privileged.

Ensuring such profound change requires active engagement and meaningful participation of citizens and stakeholders to shape and take part in the design, implementation and evaluation of policies and strategies surrounding the EGD.

Civil society organisations have been fostering civil and social dialogue throughout the political life of the EGD, as crucial means to guarantee both the appropriateness and the acceptance of transformative and impactful environmental and social policy.

In this context, and against the backdrop of current developments of shrinking civic space, it is urgent to provide a space for collective action where civil society organisations can gather to assess the participatory dimension of the EGD, to be able to build on their synergies to influence policies and share good practices and concerns.

Only then will it be possible to reshape and rethink civil dialogue to strengthen citizens' and stakeholders' active participation and deliberation in the green and just transition for all.

THE CIVIL SOCIETY FORUM FOR SUSTAINABILITY: SHAPING THE EUROPEAN GREEN DEAL

More than 50 civil society organisations, including some of Europe's largest civil society networks, have joined the Civil Society Forum for Sustainability: Shaping the European Green Deal, which was launched in June 2022.

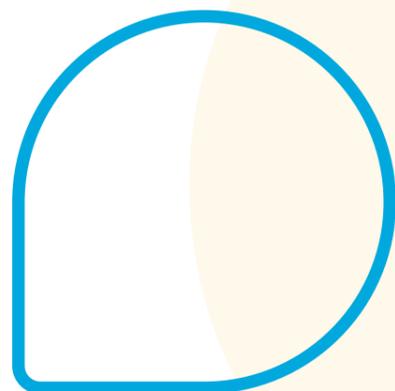
Organised by SOLIDAR and the European Environmental Bureau (EEB) with the support of SDG Watch Europe and the European Alliance for a Just Transition, The Civil Society Forum for Sustainability serves as an informal agora for discussing democratic participation in relation to the topics, policies, and processes of the European Green Deal (EGD). It gathers civil society organisations and other key stakeholders from all over Europe working in the areas of the EGD and participatory democracy.

The main objective of the Civil Society Forum is to provide a space to discuss, build synergies and deliberate on how organised stakeholders' or civil society organisations with different interests and concerns can collectively contribute to achieving the goals of the EGD at Member State as well as EU level through processes of civil dialogue and in a way that benefits all of society. It meets three times a year.

Topics discussed by the Forum include the gaps and recommendations for a transformative European Green Deal, presented in this gap assessment, but also the current state of play of the European Union's democratic and participatory policy-making mechanisms, particularly on those topics linked to the EGD. The Forum, therefore, aims to contribute to overcoming silos and bringing together relevant civil society stakeholders working on citizens' participation and deliberation on the one hand, and sustainable development on the other.

The Real Deal team would like to thank all civil society organisations who actively contributed to the Forum discussions, the results of which are presented in this report.

METHODOLOGY OF THE GAP ANALYSIS



COMPLEMENTARITY WITH POLICY PROCESSES AND FRAMEWORKS, MONITORING AND ACCOUNTABILITY

The objective of this first Forum was to:

- **Analyse the gaps of the EGD** towards achieving the SDGs and the United Nations 2030 Agenda
- **Identify the EGD's shortcomings** and disconnections from other relevant processes and exchange views on how to address these issues and strengthen the Green Deal.

Six different working groups were formed in order to analyse the gaps. These groups focused on:

- **Complementarity with policy processes and frameworks, monitoring and accountability**, which focused on the missing links with other governance and policy frameworks, such as sustainability, the human rights framework, and the SDGs.
- **Bringing the EGD closer to the citizens**: civic education and citizen participation, which delved into the limitations of involving citizens in the EGD, as well as its top-down approach.
- **International dimensions of the EGD**, which touched upon topics such as trade, spill over effects and the impact of green growth in the Global South, as well as on geopolitical issues and the lack of involvement of candidate countries and non-EU member states.
- **Economic models for a just transition**, which focused on the economic model of “green growth” behind the EGD, and explored alternative concepts and systems such as degrowth, care or sustainable lifestyles.
- **A social Green Deal**, which explored the social dimension of the EGD, and how to ensure that it is considered further in the design, implementation, and monitoring of EGD policies to support groups most impacted by such policies.
- **Equality and anti-discrimination in the EGD**, with a special focus on gender equality and intersectionality. It discussed the way in which equality and antidiscrimination can be put at the centre of the EGD.

Each section of this report provides an analysis of the main gaps and recommendations for the area covered. In addition, recommendations towards civil society organisations are identified, providing a pathway to help civil society organisations strengthen their involvement in environmental and social policymaking, and act together for a transformative green deal.

What are the missing links with other governance and policy frameworks, such as sustainability policies, human rights frameworks, the SDGs, or the gender equality strategy? How do we ensure that these complex policy processes are made accessible for citizens, allowing their involvement in monitoring processes and in ensuring the accountability of our policymakers?

Many of the gaps identified below seem to be caused, or compounded, by a poor flow of information within the EU and between its institutions, a lack of engagement of citizens and priority given to consultation with corporate interest groups. There is a lack of effort to build a common understanding and no joint commitment to solving problems, whilst inaccessible language is often used.

Main gaps

- There is **no overarching strategy at the EU level to promote the SDGs**. Although the Von der Leyen Commission has acknowledged the relevance of the Goals, it has not authored a comprehensive framework that could create a narrative and provide a reference for the implementation of policies and adequate monitoring systems. Therefore, there is a lack of policy coherence even in programmes that notionally go in the direction of accomplishing the SDGs – for example, the Green Deal and the Porto Social Commitment.

- Like sustainability in general, **SDGs implementation is carried out with a silo approach** by various institutional actors, with a lack of evaluation of the interlinkages and points of contact. Thus, there have been limited efforts to build a mutual understanding of the key challenges, nor a coordinated EU response to addressing them. Europe continues to give with one hand and take with the other.
- **There is no ex-ante evaluation of policies regarding the effects on the SDGs**, but only ex-post, which makes it difficult to assess policies while they are being debated. Similarly, there is no general “checklist” allowing us to evaluate what remains to be done, and in what fields, making it difficult to monitor the policies.

- There is **no coherent way to deal with inter-related policies that affect member states** in very different ways, therefore exacerbating differences and inequalities among states – although different outcomes are to be expected in various policy fields within the Union.
- **There are significant data gaps at the EU level when it comes to monitoring SDG progress**, as there are specific areas that Eurostat cannot evaluate (particularly SDG 6, or SDG 14 and 15) for all states. This leads to difficulties in providing accurate EU-wide assessments.

Main recommendations

- **The SDGs must become an overarching strategy to deliver on a just, fair, and green transition** to supplement the EGD. The EGD will not function sufficiently as the overarching strategy to reach the SDG's – a political reset and adequate sustainable development strategy is needed, alongside meaningful civil society involvement. The EU should therefore introduce an overarching strategy and a costed action plan to achieve the SDGs by 2030.
- **The EU should take the complementarity between the EGD's other policy processes seriously**, as well as the SDGs and the 2030 Agenda. The EGD must be part of a wider strategy of Policy Coherence for Sustainable Development (PCSD).
- A more **horizontal approach to sustainability** must be adopted, by looking at interlinkages and connections between SDGs, as well as at existing silos.
- **Reduce the multiplicative growth of new tools, policies and mechanisms.** A review of existing ones would reduce the growth of burdens and complexity. This would include improving regulations for key actors, institutional and non-institutional, to align their roles and responsibilities with their capacities when it comes to implementing the SDGs.
- **Evaluations and assessments need to become a routine ex-ante activity** when it comes to public policies, allowing a more complete assessment of their expected impacts. To this end, data availability, including time series data for all EU Member States, is invaluable. This will require a great effort, especially by Eurostat,

but could be a cornerstone of a more open and transparent system when it comes to sustainable development.

- **A lack of participation by non-institutional actors** worsens the ability of institutions to act and react effectively. To further enhance the participation of the private sector, CSOs and civil society, incentives should be devised, either economic or in kind (visibility, data access etc.). This should be accompanied by a commitment to the systemic involvement of CSOs in processes.
- **Communication by institutions among themselves and towards the public should be improved**, both to encourage participation and to guarantee transparency.

Civil Society Organisations

- CSOs can help **with targeted awareness raising** and in making important connections between various stakeholders by facilitating knowledge sharing.
- CSOs have the tools to **bridge existing gaps by sharing good practices**, know-how and experience. Furthermore, they can work with citizens and the private sector to find solutions to challenges, providing mutual benefits.
- **CSOs must improve coordination on different policy agendas** with the European Parliament and with other key partners, work more closely on shared policy interest areas, and coordinate strategic campaigns.

BRINGING THE EGD CLOSER TO THE CITIZENS: CIVIC EDUCATION AND CITIZEN PARTICIPATION

Citizen engagement is crucial at all stages of the European Green Deal (EGD). This section will explore some limitations regarding the involvement of citizens in the EGD, as well as its top-down approach. This will include the lack of multilevel engagement, the lack of focus on civic education and cultural differences.

In the context of shrinking civic space in Europe, erosion of rule of law and diminishing trust of citizens towards its governments, there is a need to engage citizens and rethink democratic participation in Europe. Bringing the EGD closer to citizens is a crucial task to ensure that policies are successful and inclusive of all citizens' needs. For this, processes of citizen engagement have proved to be crucial to allow citizens to have their say at different stages of the policymaking process.

Main gaps

- **There is no agreed comprehensive definition of meaningful participation and the way that this should be implemented.** There is a lack of standardised guidelines for institutions to follow when they engage with citizens to ensure the quality of the process and no systematised approach towards it.
- This often results in **processes that lack accountability and opportunities for citizens to meaningfully engage in policy processes**, reducing citizen engagement to a tick-box exercise or a mere consultation without real agency to shape policy agendas. The risk of tokenisation becomes even higher when it comes to engaging marginalised communities.

- **Processes of citizen engagement have sometimes failed to ensure representativeness, inclusiveness and equality of opportunities.** This is due to the design of the process and the methodology for the selection of participants, which sometimes fails to integrate disaggregated data (for example, by gender or other criteria) and ensure diversity of citizens.
- There is a tension between **highly complex and technical processes, and the lack of information, awareness or educational opportunities that make them accessible to citizens.** Other barriers include highly bureaucratised processes, lack of transparency and lack of access to information and justice, language barriers, methods of participation that privilege citizens with higher levels of education and

literacy, lack of conciliation measures and lack of accessibility for people with disabilities. This also undermines the legitimacy of the process.

- **The lack of cohesion** between different EU policies, institutions and DGs in the European Commission in relation to the implementation of different files of the EGD further hinders the engagement of citizens who struggle to understand the policies, processes and competences of each institution.
- On the local level, there is a **lack of capacity of the local authorities** to implement such activities to feed into the policy cycle and engage local communities directly. This lack of systemic approach also diminishes the effectiveness of the implementation of the EGD policies.
- **The lack of follow-up mechanisms in many processes** and accountability, reduces the likelihood of participants taking part in future participatory processes.

Main recommendations

- **Developing guidelines for meaningful participation**, that are focused on mainstreaming citizen engagement at all stages of the policy cycle. Such definitions and guidelines for citizen engagement should consider principles of equality and intersectionality. Moreover, guidelines should put a strong emphasis on researching citizens' attitudes towards participation in certain topics before setting frameworks for consultation.
- **Ensuring the inclusion of and outreach towards marginalised and underrepresented groups**, as well as youth, considering their needs and preferences at all stages of process design, and engaging in citizen engagement processes that are less bureaucratic and more flexible. This includes using diverse methods and creative tools for participation and always ensuring accessibility and transparency.
- **Implementing follow-up and accountability mechanisms with specific timelines**. Such follow-up mechanisms should be set up since the beginning of the process and be transparent. A good example can be the Youth Climate and Sustainable Roundtable initiative, where it should be ensured that all youth engagement mechanisms contain a follow-up

mechanism whereby EU policymakers or decision-makers involved in the processes respond to youth demands within a given period, for example 8 weeks with a clear yes or no answer and rationale behind them.

- **Strengthening the capacity of citizens to engage in these processes** when the files are highly technical. This includes organising awareness-raising campaigns or workshops, investing in life-long learning programmes around the EGD and the just transition, building competencies of environmental citizenship through both formal and informal education, and promoting bottom-up forms of civic participation, to increase citizens' empowerment through their involvement in policymaking. Similarly, **strengthening the capacity of policymakers who are involved in organising, overseeing, and reporting back from these processes of citizen engagement**. This should include trainings on communication to avoid highly jargonised processes.
- **Ensuring that these processes allow for spaces and processes of co-learning and co-creation involving all actors**. This means consulting and taking into consideration citizens' needs and preferences when designing a process for citizen engagement, as well as building space for evaluation, critical reflection and reimagining of the processes after they are held. This is crucial to avoid a top-down approach to citizen participation.

Civil Society Organisations

- **Strengthening the role of CSOs in providing assistance to citizens**, especially in knowing their rights and understanding policies and opportunities to engage.
- **CSOs should also be leaders in connecting the discussion to communities and local action**, and they should be supported and funded by institutions to do so.

ENVIRONMENTAL AND CLIMATE ACTION: THE GOOD, THE BAD, AND THE UGLY

The European Green Deal (EGD) commits the EU to carbon neutrality, zero pollution and the protection and restoration of the environment. It was launched as Europe's "man on the moon" moment to deliver a set of deeply transformative policies that would "reconcile the economy with our planet, to reconcile the way we produce, the way we consume, with our planet and to make it work for our people". Covid-19 risked derailing the EGD and its environmental and climate ambition, but instead the EGD became a guiding principle for the economic recovery efforts – even if the practice often does not live up to the principle. Russia's illegal invasion of Ukraine has been instrumentalised by some powerful interest groups to weaken and postpone stronger environmental and climate action, with attacks on the Farm to Fork Strategy, delays in bringing out crucial new legislation, such as on chemicals and pesticides, and a weakening of environmental safeguards. The invasion of Ukraine and resulting supply chain shock and energy crisis should give reason to double down on the ambition of the EGD if we are to become less dependent on fossil fuels and imported resources.

The EGD to date includes a range of clearly good commitments that support a transformative agenda towards its environmental and climate objectives, many still progressive but weaker initiatives, and some missed opportunities. At the same time, there are some bad and even harmful developments that fly in the face of its environmental and climate ambitions and show that its principles have not been fully mainstreamed.

Main gaps

The EGD has been good on vision, strategies, transformative narrative and long-term commitments and set in motion important legislative reforms that need to be continued. It has been considerably weaker on the pace of actual change and where it concerns actual measures that translate into money and real

constraining measures – reflecting considerable efforts by industry and political groupings and other vested interests who want to maintain the status quo to hollow out the measures. The weak Common Agricultural Policy (CAP) and the political imposition of biomass, gas and nuclear in the taxonomy undermine the confidence that carbon neutrality, zero pollution and nature restoration are truly the number one priority.

Strategic Vision

- A **reduction target for greenhouse gas (GHG) emissions of 55%** (or 57%) by 2030 is not aligned with what science requires. The EU needs to achieve a 65% reduction by 2030 compared to 1990 levels.
- **Gas and nuclear in the Taxonomy** delegated act and biomass in the climate delegated act have demonstrated that political interests can trump science-based approaches and undermine the confidence in both the taxonomy (despite some positive features in other chapters more reflective of the original positive ambition) and the EGD.
- **Mandatory due diligence obligations** proposed under the Corporate Sustainability Due Diligence Directive (April 2022) are weak when it comes to assessing adverse environmental and climate impacts.
- The **Raw Materials Strategy** comes with a focus on short-term economic gains of mining for virgin raw materials without fully considering long-term environmental and social impacts. Demand-side solutions to reduce the need for raw materials are not at all considered within the strategy.
- Better Regulation's core commitment to the **one-in-one-out approach** is both in itself bad regulatory practice (laws should be decided on their merits and not on their number) and creates a political signal to slow legislative progress.

Climate

- The **Climate Neutrality target** is only binding at EU level, and it contains no phase **out date for fossil fuels use**, is weak on governance, lacks binding targets for renewable energy and energy efficiency at national level, is weak on the polluter pays principle (ETS review), and misses opportunities on animal numbers, nutrient management and meat consumption.
- The **Fit for 55 package** is a comprehensive package with many good elements, but it is **insufficient to push the EU onto a pathway to a 1.5°C limit** and has a range of weaker elements, including the limited scope of the aviation Emission Trade Scheme proposal, insufficiently stringent 2030 cars and vans CO2 targets, and lack of access to justice provisions.

- The reviewed **Industrial Emissions Directive (IED)** proposal is not yet fit for climate protection, performance indicators for making the instrument forward looking are missing and key aspects are left to be resolved later.
- The revision of the **Energy Performance of Buildings Directive (EPBD)** is still too focused on energy in use stage and neglecting the potential emissions saving linked to sufficiency and circularity.
- The **Methane Strategy missed the opportunity** to effectively address the EU's biggest source of GHG and air pollution, the agricultural sector. The Methane Strategy also failed to promote decisive action to cut emissions from the second biggest source in the EU, the waste sector.
- The **Adaptation Strategy** recognised the need to speed up adaptation efforts across the EU, including through the faster uptake of nature-based solutions and achieving climate-resilient water management, but failed to set targets and proper governance mechanisms to ensure that the EU becomes climate-resilient by 2050.

Pollution

- The **reform of the EU's chemical policy REACH** was nearly taken off the EC's Work Programme for 2023 due to industry pressure. While civil society outrage resulted in a commitment to step up REACH with a proposal in 2023, the phase out of hazardous chemicals, in particular from consumer products, is too slow and more oriented at industry interests rather than human and environmental health.
- **Air pollution** remains the most serious environmental health concern in the EU. The EU needs to align with the World Health Organisation's standards for ambient air quality. Moreover, many member states are unwilling to fully implement EU air quality legislation.
- There was no update on the Environmental and Outdoor Noise Directives. Both noise **and light pollution are not sufficiently tackled**.
- The proposal for an **Industrial Emissions Portal Regulation** does not make best use of available information for e.g. benchmarking and compliance promotion, the list of pollutants remains unchanged, and arbitrary and counter-productive reporting thresholds are kept.

Nature and sustainable agriculture

- Instead of tackling the real barriers to the upscaling of renewables, through the REPowerEU package, the Commission proposed a **roll-back of nature protection legislation**, failing to propose synergistic solutions to the intertwined climate and biodiversity crises for nature-positive renewables.
- The **Forest Strategy was watered down** following industry pressure.
- **Sustainable Use of Pesticides:** The excessive use of pesticides is a main driver of biodiversity loss, but also soil degradation and water pollution in the EU. However, the chemicals lobby is fighting back against strong reduction targets of pesticides use. What is needed are legally binding reduction targets of the use and risk of chemical pesticides at EU and member state level.
- The **Recovery and Resilience Fund (RRF)** and the new budget missed the opportunity to change practices in agriculture, forestry and fishing sectors that drive biodiversity loss.
- The **Farm to Fork Strategy** is a welcome first step towards a Common Food Policy and a sustainable farming sector; however, it **falls short on promoting a shift towards healthy and sustainable diets**.
- The **Common Agricultural Policy** will continue funding **harmful intensive farming practices** and will not deliver on the European Green Deal, despite some positive elements such as eco-schemes.

Main recommendations

- The EU needs to **agree on binding targets at EU and member state level** wherever they are missing or not aligned with science. This includes the commitment to a 65% reduction of GHG by 2030.
- While many progressive new laws have been adopted, we need an **urgent review of regulation that runs against the objectives of the EGD** such as the Common Agricultural Policy.
- **Environmental issues that have not yet been tackled sufficiently** such as noise or light pollution, hazardous chemicals in consumer goods, etc. need to be addressed with progressive legislation.
- We need to **step up the enforcement capacity**, funding and action to ensure that old and new legislative initiatives are properly implemented on the ground and the European Commission performs its role as Guardian of the Treaty around its environmental and climate ambition.
- The EU needs to **step up institutional capacity**: the EC services (especially DG ENV) have been overstretched with the scale of the EGD and staffing levels have not been aligned with the needs of the EGD.

Civil Society Organisations

- CSOs should work together to **maintain the political pressure to stick to the EDG environmental and climate ambitions**. It needs to be defended against attacks from powerful industry lobby groups who use crises such as the pandemic and Russia's war in Ukraine to halt progress on environmental regulation.
- CSOs **should begin preparing for the "next" Green Deal** with even higher environmental and climate ambition to achieve carbon neutrality, zero pollution and nature restoration.
- CSOs must hold European Member States accountable when it comes to the **implementation of environmental and climate legislation** and the use of EU funds such as through the Recovery and Resilience Fund.

INTERNATIONAL DIMENSIONS OF THE EUROPEAN GREEN DEAL: THE EXTERNAL DIMENSION

The European Green Deal (EGD) does not sufficiently consider and address how the European economy affects the rest of the world through spillover effects of Europe's policies and practices. Also, the greening of the European economy can have negative effects on other countries, for instance, where the EU sources more raw materials. The EGD should also set new standards for international trade and cooperation and work to ensure that we expect the same level of dedication to a green transition from European companies inside and outside the European Union.

Main gaps

An overarching gap is the **weak external dimension** of the EGD. A core problem with the EGD is that it mostly focuses on how to green the economy within the EU, without considering the impact on the planet and on other countries, notably countries in the global South. The discussion on the EGD must be widened to take account of the negative externalities outside Europe's borders, for example, by adequately measuring the spill over effects of Europe's policies, such as the relocation of resource intensive production and the increased need for raw materials.

Strategic Vision

- The EGD is a growth strategy that is focused primarily on economics and **lacks an overarching global socially just strategy**, or a global green deal, that facilitates a green transition not just within the European Union, but also globally. The link between the EGD and the SDGs, which provides a multilateral framework at the global level, must be strengthened.
- **A global climate justice framework is lacking within the EGD.** Rather, the EGD keeps a focus on Europe's climate neutrality at the expense of other countries. This is evident for example in Europe's efforts to 'secure access' to raw materials for the green transition and for its low carbon infrastructure, which it continues to roll out through a market-based system, rather than to reduce material extraction, throughput, and consumption.

- **Without a significant reduction in energy demand and an emphasis on energy sufficiency, renewable energies are an add on to existing fossil fuel infrastructure and the total energy used increases**, rather than truly replacing energy from fossil fuel sources or nuclear energy with renewables.
- The EGD sets targets for emissions but there are **currently no binding targets for resource use**, therefore it relies on a strategy of decoupling which has been disproved by the empirical scientific literature on degrowth.
- **The EGD doesn't take indigenous people's human rights into account in its implementation.** Further it also has serious shortcomings when it comes to fighting discrimination and promoting women's rights. A rights-based approach to environmental justice is therefore lacking in the EGD.

Trade

- The EGD perpetuates **unequal global patterns of trade.** European consumption patterns have huge consequences upon the rest of the world by destroying ecosystems, biodiversity loss, human rights violations (for example labour rights in supply chains) and at present Europe is failing to ensure a sustainable global model for consumption, production, and waste management.
- Regarding trade, **there is a clear sustainability gap in trade agreements.** Europe depends very heavily on agricultural imports. Trade deals dictating terms for Europe's imports should contain enforceable sustainability chapters. The EGD should work as a framework that ensures that the resources required for products on the European market do not contribute to ecological degradation. Harmonised standards and monitoring need to be strengthened.
- Carbon Border Adjustment Mechanism (CBAM), which aims to avoid carbon leakage and establish carbon pricing, **remains inadequate to address negative externalities** as it applies only to a selected range of industries, does not count indirect emissions in production, nor does it fully acknowledge that social, economic, or ecological externalities differs from country to country. Many developing countries have criticised the CBAM for non-compliance with the Paris Agreement and

denounced the fact that they will need to pay more despite Europe's historical responsibility for emissions.

Finance

- Regarding financial flows, the EGD does nothing to avert a **net flow of materials and wealth from the global South to the global North**, despite the historical responsibility of Europe and the global North for emissions due to industrialisation and globalisation. The EGD therefore perpetuates a framework of outsourcing and fails to address the root causes of hegemonic oppression and injustice.
- A significant gap in the EGD is that it doesn't identify a suitable framework to ensure that European investments beyond the EU comply with the same social and environmental standards as inside the European market. **The capital mobilised for the EGD relies heavily on private sector investment** and the monitoring and accountability of the spending, spearheaded by the EIB, is not transparent.
- **The EGD does not yet include a framework for European companies' activities outside of the EU.** For example, in relation to waste management in the Balkans, where Europe continues to fund and support the continued use of fossil fuels and extractivist activities such as mining, which are foreseen to be used to support Europe's growth, whilst the impact of this activity is not counted in Europe's sustainability monitoring.

Main recommendations

- The EU should reduce its material consumption **by introducing a target to reduce material use by 70% across the whole of the EU by 2050**. This will allow Europe to live well and prosper within planetary boundaries, meet climate objectives while reducing energy demand, and improve the EU's strategic autonomy, all while improving the wellbeing of workers worldwide and the wellbeing of EU citizens.
- **Improved due diligence, improved supply chain controls** (for all sizes of companies and all sectors) beyond voluntary commitments and **geo-localisation of imports** are tools that may minimise the negative externalities that impact on the rest of the world because of imports and trade.
- **The EU must invest in the green transition outside the EU's member states**. Revenues from CBAM and other climate policies, as well as redistributive mechanisms, could be used to achieve this goal.
- **We need to make sure that green standards within the European Union inherent to EGD and other regulation**, e.g., waste management standards, **also apply outside the EU**. By using EGD standards and other EU standards as frameworks for new trade agreements, such standards could also be implemented into existing trade agreements, where it is beneficial to local populations. Regarding the type of regulation required, hard law regulation stands out as it is arguably stronger on accountability than other mechanisms.

Civil Society Organisations

- CSOs should work together to **put real regulation of global finance onto the political agenda**. Global debt amnesty, elimination of fossil fuel subsidies, and wealth taxes can raise the necessary funds required to implement the SDGs.
- More work should be conducted on a global **circular economy**, a global **wellbeing economy**, (such as new indicators) **degrowth** and **postgrowth policies to make global trade sustainable**.
- CSOs **should begin preparing for the "next" Green Deal** by accumulating good practices from around the world and start bringing them in to the discussions with stakeholders.
- CSOs must hold European member states and the European Commission accountable when it comes to **climate reparations and climate debt**. CSOs could engage in joint actions with CSOs from the global south on climate debt.

NEW ECONOMIC MODELS FOR A JUST TRANSITION AND GOVERNANCE: A CLIMATE-JUST EUROPEAN GREEN DEAL

Despite the European Green Deal (EGD) being proclaimed as Europe's 'man on the moon' moment, the economic model of 'green growth' continues to underpin it. What alternative concepts and systems - such as degrowth, a care economy, new measures of wellbeing, sustainable business models, or new ways of living - could counter this? The way that progress in our society is measured has been called into question, changing the way we think about wellbeing and a good life, including the suitability of GDP as an indicator, or the necessity of economic growth. The economic model can be considered from other, more holistic perspectives, integrating topics such as historical responsibility, colonialism, and a critique of capitalism. Reforms of the labor market and working conditions are also a key route to facilitate the green and just transition. This section discusses the main gaps and recommendations from civil society organisations on the topic of new economic models.

Main gaps

- There is **no recognition of the colonial past** in the economic model nor the institutions of the European Union. The EGD is blind to colonialism and colonial exploitation of resources from a historical standpoint, which is fundamental to understanding the current economic model. Adequate comprehension of the reality of many non-European countries, that continue to suffer the consequences of colonialism today in social, economic and environmental terms, is not often expressed nor taken into account by European policymakers.
- The financial model behind the EGD continues to reflect a **market and technological logic** that evaluates a country's growth only in economic terms. The economic model generates over-production, prioritises consumption over waste and does not take into account planetary boundaries.
- The EGD **does not take into account social rights**, and social and security systems are generally approached from the market system. The EGD also proposes market based solutions to climate change and the championing of economics over social rights is evident. If cost-benefit models take only the financial side into account, over social and environmental

concerns, the risk of damage to local communities is higher.

- The EGD **does not include an energy sufficiency analysis**. The current model encourages the overproduction of energy, as existing renewable energy capacity will not replace fossil fuel or nuclear, but will be in addition due to growth of total energy output by 2030 or 2050. The EGD should focus more on what we need to maintain a wellbeing economy, rather than on consuming more and more energy. Moreover, individual responsibility and incentives towards leading sustainable lifestyles is not included or promoted within the EGD as a possible solution towards sustainable production and consumption patterns.

Employment and the labour market

- The model and **structure of many businesses generate high inequalities**, due to differences in pay ratios and shareholder capitalism. The structure of the firm and firm ownership is a crucial component to create a more equal society, for example through the cooperative and the social and solidarity economy.
- There is **no clear definition of what a green job means**, or what will qualify for a green and 'sustainable' job and industry under the green and just transition. Moreover, there is no reskilling programs that would enable adaptive readiness and response to the societal and economic needs in relation to effects of climate change.
- The Stability and Growth Pact relies heavily on private investments and capital.
- The success of a country is only measured by **Gross Domestic Product (GDP), a woefully inadequate measure of wellbeing**. Such measurements fail to capture rising inequalities and a net flow of wealth from poor to rich due to rentier capitalism, which increases the gap between wealthy and the poor to unseen levels, especially during and after the pandemic occurred.
- Access to funding **does not take into account realities for smaller and local small entrepreneurs**, the EGD works better for big companies who can more easily obtain funding.

Main recommendations

- As a society, we should aim for **sustainable and decent jobs** which include a labor hour reduction (less working hours, more time for convivial activities, care and sustainability work) and an adequate remuneration for unseen and unpaid labour care work, particularly in the household.
- We have to **reframe what it means to have green jobs**, move beyond the concept of value beyond the simply fiscal value, and implement a universal basic income and global social welfare policies.
- Regarding energy, there should be **more locally owned renewable energy for local use**. The creation of more local energy communities (e.g. energy cooperatives) and the possibility to become independent of the large energy companies should be prioritised. Local communities are best placed to manage how much energy is needed for their use and to reduce their consumption towards a self sufficiency and renewable model.
- We need **more funds for local governments** to provide good governance and universal services. This is particularly important for sustainability because many local services can facilitate the shift towards a green and just transition. Regional and local government need further powers to tailor responses to their local needs.
- **Investment positions foreseen by the EGD need to be policy coherent**. For example, the decision on the taxonomy to include gas and nuclear as green is a step in the wrong direction. Investment sources must be channeled to energy sources that are more sustainable.
- **A recognition of the colonial past** within EU institutions and economic justice is fundamental. Along with this recognition, it is important to work on reparations of past abuse in the countries affected by colonialism, particularly on economic reparations.
- **Develop new indicators for wellbeing** – its important to use other ways to understand and monitor how well a state is doing in terms of social rights rather than simply economic gains, not only providing the bare minimum for subsistence but also going beyond it. Many alternative indicators already exist.

- **Implement limits on wealth**, such as taxes on wealth, multinationals, internet companies, and properties among others. Wealth taxes can alleviate pressure on the worlds poorest and fund the SDGs.
- Instead of financing multinationals, the EGD should **value more local small entrepreneurs and aim for local empowerment**. Focus on the development of the cooperative and social solidarity economy over capitalist shareholder businesses.

Civil Society Organisations

- **Increasing capacity building for civil society organisations**, who should be able to understand the economic model and fully engage in discussions related to it.
- **Citizens must also be educated on economic matters** to guarantee active participation in the legislative process. CSOs should participate in an advisory role that can support the European institutions in developing policies for new economic models.
- **National governments and the EU must invest heavily in social protection and in reducing inequalities**, by supporting the most vulnerable populations. Civil society organisations should not have to take the place of governments on social issues.
- CSOs should report and monitor EGD funding and collect, analyse and aggregate **new data comparing investments** by the EU in projects linked to the EGD; as well as Europe's actions beyond its borders.
- **CSOs should continue to report and monitor on the EU's progress on the EGD** through the lens of the SDGs. This would support the development of a vision of a new economic model that puts people before profit.

A GREEN AND SOCIAL DEAL

The successful implementation of the European Green Deal (EGD) inside and outside the EU relies on a recognition of the interconnections between environmental, social and economic policies.

A social Green Deal must recognise and tackle the socioeconomic inequalities that pervade our societies and that contribute to both causing and worsening the climate and environmental emergency. Priority should be given to adequately supporting those individuals and groups that are more impacted by climate policies.

What is the social dimension of the EGD? And how do we ensure that this dimension is better considered in the design, implementation and monitoring of EGD policies, this way advancing both climate action and social justice?

Main gaps

- The **definition of social dimension under the EGD only focuses on the economy** missing other aspects of social rights, such as quality education or good health and wellbeing. The central focus is industrial with a narrow definition of prosperity, for example by providing tools and training for people who are primarily viewed through the lens of employment. Health, education, access to essential services, living standards and households are crucial aspects of social rights and directly relevant for EGD.
- In its current form, the EGD is arguably a weak instrument as an overarching strategy to implement the SDGs, because **the EGD does not adequately take the social dimension into account**. Growth and market mechanisms, for example energy market liberalisation, remain unquestioned as main tools for the green transition, alongside technological optimism.

- **Policies relating to the EGD are not effective in addressing the main challenges of the just transition**. It has a reductionist approach towards inequalities and the concept of social justice, focused primarily on the economic effects of inequality, rather than on its root causes and the intersection of different types of discrimination, as well as the lack of appropriate policy mechanisms to address such inequalities.
- **The EGD is missing a commitment to implementation from the European Commission**. It is up to the Member States (MS) to implement aspects relevant for their countries. The lack of commitment leads to a lack of ensured accountability or follow-up mechanisms. This means that the social measures that should accompany policy processes of the EGD are being left up to Member States and might spark strong levels of inequality within and between Member States.

Main recommendations

- The EGD must be **redefined from a human rights-based, intersectional and participatory approach**. The EGD should place people and society in the center considering a human's life and therefore just transition as an eco-system of our social life, including health, education, access to essential services, living standards and households, culture, career, and employment.
- **Strengthen the links between the social and environmental dimensions of the EGD**. The social dimension of the environmental crisis cannot be treated as a second priority or as 'an impact' of the EGD. Instead, the environmental and social crises should be seen as going hand in hand and require a holistic approach that understands them as deeply interrelated. The European Pillar of Social Rights should play a real role as 'guide' of all policies under the EGD.
- **The EGD requires a strong scientific evidence base to support policies**. So far, environmental policies are heavily based on technical innovation. While new technologies are crucial, a just transition requires both social and technical innovations. Therefore, it is crucial that knowledge and experience from scientists in social sciences and humanities (SSH), including human rights, is also considered when strategies, action plans and policies are being developed.
- **A transdisciplinary and multi-sectoral approach** with transparency towards society, where policy makers and scientists ensure proper science communication and exchange with stakeholders.
- Deliberative democracy involves bringing 'big science' closer to the people. Therefore, one key element is a need for **better education on aspects of the EGD** so that citizens can discuss relevant topics with sufficient knowledge.
- For long-term solutions **a real commitment from the EC as well as MS is required**. To this end, a revision of treaties and a commitment to ensuring a real link between the EGD and SDGs.
- **There is a need to change the origin of funding for the EGD**, instead of cutting the social dimension. These changes should be based on science, including SSH sciences.

Civil Society Organisations

- **CSOs must have structural participation in EGD policies**. They play a crucial role in engaging citizens and translating and monitoring policies. There needs to be an agreement on the active role of CSOs and their co-ownership. Having a structural permanent board of CSOs with a variety of CSOs & NGOs with different backgrounds for civic dialogue with policy makers could be one solution.
- **Better consultation practices with civil society are crucial**. The current practice is one of no consultation or of consultation with civil society given 5-10 days to provide comments. Some of the policies are complex and require extensive research.
- **CSOs must be granted a meaningful and systematic participation process, with sufficient time to provide input**. There should be sufficient time to provide comments and prepare for providing such comments. The timeline of consultation should be clearly communicated, as well as what steps and policy decisions will be taken. In this way CSOs and NGOs can plan their engagement and allocate time and resources.
- **The active engagement of CSOs can contribute to successful implementation of the EGD by providing targeted and context-specific solutions**. Local contexts are very important. The national level is not always the most favorable level for civil society participation, because civic space may be limited. Policy makers must also consider local and regional levels of governance, as well as the knowledge and potential of the actors that are operating at that level. Engagement must occur at all levels of governance, be it local, regional, national, European, or international.

EQUALITY AND ANTI-DISCRIMINATION IN THE EGD

Despite the push from Von der Leyen's Commission for the equality agenda through its equality strategies, the European Green Deal, the Commission's most ambitious policy package, remains gender blind for the most part. In this context, it is crucial that the EGD adopts an intersectional, gender transformative approach at all stages of policy design, implementation, and evaluation, including engaging with underrepresented citizens and communities that are marginalised or in vulnerable situations. Only then will it be possible to deliver on both climate and equality objectives.

Main gaps

- **There is a very narrow definition of equality and diversity in the EGD.** Both concepts are integrated in some policies from a very limited standpoint (usually reduced to economic inequalities), that does not account for many dimensions of discrimination (namely its systemic or historical dimensions), nor the intersection between different structures of discrimination. This reductionist approach only addresses some of the effects of inequalities, rather than looking into the root systemic causes behind them and is unable to offer a real transformative approach that truly contributes towards equality. Moreover, such definitions often lack a policy translation and adequate follow-up.
- **There is a lack of meaningful engagement with those marginalised and underrepresented communities who are vastly affected by the policies of the EGD.** This lack of consideration of the needs of these groups and lack of inclusion in policies, is partly due to the narrow definition of (in)equalities. This becomes evident in the

lack of consideration of gender in the Social Climate Fund.

- **Marginalised communities are systemically excluded from decision making.** When organising processes of citizen engagement, such groups of people and communities are often left out of the cocreation processes given the inadequate process and outreach design (methods, accessibility, etc.), and the overly complex or bureaucratic processes that systematically leave out certain groups of people (such as refugees, travellers, Roma, etc.).
- This results in a **lack of meaningful engagement and lack of agency to shape and co-lead policy processes and processes of citizen engagement**, and a missed opportunity to change the access of marginalised communities to decision making, which ultimately end in their tokenisation.
- **The lack of equality data disaggregated by country hinders policy responses and understanding.** On the one hand, this causes a limited understanding of the needs of marginalised and underrepresented communities and, on the other, hinders the ability to develop

adequate policy responses to them. CSOs are usually tasked with acting as intermediaries and having to gather the data for institutions to realise the multiple and intersecting dimensions of inequality behind it. This data, coming from the grassroots CSOs and marginalised communities, is sometimes not quantitative but qualitative instead. The lack of consideration for diversified data sources by decision makers can hinder CSOs in their advocacy objectives, while reducing the likelihood of more transformative and just political responses to climate and environmental challenges

Main recommendations

- **Equality and non-discrimination are a cornerstone of EU law and policymaking, the EGD must also include them.** There should be a redefinition of the concepts of equality and discrimination to include the multiple and intersecting categories, as well as the historical, systemic, and institutional dimensions of oppression and discrimination.
- Considering justice and equity is also crucial for a real equal and anti-discriminatory EGD. **This redefinition of such principles must translate into policy and be mainstreamed throughout the EGD and all its policy packages.**
- **Research is key.** There should be systematic equality data collection, disaggregated by countries and regions, followed by accountability and follow-up impact assessments that allow having a real understanding of the impact of EGD policies on marginalised and underrepresented communities on the ground.
- **Engage pro-actively and systematically with underrepresented and marginalised groups.** These groups are often left out of processes of decision-making and lack the resources to actively approach institutions with their concerns. It is crucial that institutions organise processes of citizen engagement, actively reaching out to such communities and transforming decision-making processes to make sure that EGD policies are more equitable for all.

Civil Society Organisations

- **Ensure long-term and sustainable funding for CSOs at European, but also national and grassroots level.** CSOs have knowledge, expertise and outreach capabilities, but require the funding to use them, and to be able to act as co-leaders, together with institutions, in delivering policy that is accessible and equitable.
- Many grassroots organisations are filling the gap of EU institutions to soften the effects that some of the EGD policies have on marginalised and underrepresented groups. **Institutions should ensure that these organisations are supported and have access to reliable long-term funding.**

CONCLUSIONS

In the six areas of analysis, several key recommendations are highlighted by civil society to address the gaps identified in the EGD. **This conclusion briefly summarises some of the main recommendations in each category.**

To ensure complementarity with policy processes and frameworks and adequate monitoring and accountability of the EGD, we see a clear need for a long term and horizontal strategy to implement the SDGs, providing the overarching framework for the EGD policies. Participation by citizens and non-institutional actors must be encouraged, alongside the principle of Policy Coherence for Sustainable Development.

In ensuring that the EGD is citizen led, it is important to prioritise meaningful participation, as well as inclusion and outreach towards marginalised and underrepresented groups. Further, strengthening the capacity of CSOs and citizens to participate in policy-making processes in a meaningful manner supports and guarantees co-learning, as well as the co-creation of the EU policies.

There is a huge need to address the unsustainable impacts of production and consumption beyond the EU's borders. An overarching recommendation is that the EU should reduce its material consumption by introducing a target for reduced material use of 70% across the whole of the EU by 2050. This will allow us to prosper within planetary boundaries, meet climate objectives and reduce energy demand, as well as improve the EU's strategic autonomy.

To ensure that the EGD is climate just, new economic models should be prioritised above extractive, accumulative and highly inefficient economic systems which do not meet human needs. Green jobs are the jobs of the future, and new approaches to the world of work will be needed, including improved social welfare, and working time reduction. Investment decisions must be coherent with environment and sustainability policies, twinned with more local investment in sustainable activities, as well as supporting the development of the cooperative and social and solidarity economy, including renewable energy communities.

Regarding the social dimension, the EGD must be redefined with a human rights-based approach at the forefront, making it intersectional and participatory, with a strengthening of its social and environmental interlinkages. A transdisciplinary and multi-sectoral approach, alongside a strong scientific evidence base for policies, can improve public trust in EU policymaking and foster broad support for the ongoing societal transition.

To ensure more equality and prevent discrimination within the EGD, there is a need to redefine these concepts to include multiple and intersecting categories of identity, as well as the historical, systemic, and institutional dimensions of oppression and discrimination. It is also crucial to engage pro-actively and systematically with underrepresented and marginalised groups who are often locked out of processes of decision-making

and lack the resources to participate. The European institutions must therefore actively reach out to such communities and transform their decision-making processes to make sure that EGD policies are more equitable and inclusive for all.

The gap analysis also included several recommendations for civil society organisations, which can be summarised into three broad categories.

Firstly, there is the issue of how to strengthen the existing capacity of civil society networks for various activities, such as providing support and assistance to citizens, and the capability of CSOs to meaningfully contribute to different processes. A healthy civil society contributes to the health of civic participation in a democratic society and a diversity of opinions. To do that successfully, independent CSOs need the support of governments to protect and defend civic space.

Secondly, there is the role of monitoring and reporting on the EGD and holding the European Union to account on its commitments. Often there are grand promises made, but rarely does Europe truly walk the talk on environmental social and sustainability commitments. Civil society organisations will be crucial actors in holding the EU to account, though they cannot do it alone.

Thirdly, there are recommendations to strengthen civil society participation in decision-making. Participation should be meaningful and conducted in a systemic and structural manner. Clear transparent communication and sufficient time to participate is paramount to ensuring that civil society participation goes beyond a box ticking exercise, moving instead towards an institutionalisation of deliberative and democratic participation in European politics.

In times of permacrisis, governments are responding reactively with quick, short-term fixes. Europe must boldly embark on policy-making that is guided by the long-term vision and objectives of the European Green Deal, facilitating a just transition that truly leaves no one behind. In the face of adversity, civil society organisations will continue to support and strengthen their involvement in environmental and social policymaking, and act together for a transformative Green Deal.



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