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Tracking the European Green Deal

Ambitions meet growing resistance

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Summary

- The European Green Deal (EGD), an extensive roadmap for the EU's low-carbon transition, was launched by the European Commission in 2019. In addition to cutting emissions, the EGD called for reforms to rules across whole sectors, including transport, industry, and agriculture.

- Six years on, considerable progress has been made in adopting legislation and strategies concerning energy and climate policy, transport, industry, and the circular economy. Progress has been much slower when it comes to greening agriculture, protecting biodiversity, and reducing the use of chemicals and pollutants. Corporate lobbying and political dynamics have blocked key legislation in these areas.

- The EGD now faces three sets of urgent challenges: mounting opposition from centre-right and right-wing parties, an increasingly confrontational geopolitical context, and tightening financial constraints heading into 2026.

- The ongoing policy shift towards competitiveness and security, bolstered by arguments about the presumed "high cost" of the low-carbon transition, risks undermining important aspects of the EU's sustainability agenda.

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Introduction

At its launch in 2019, European Commission President Ursula von der Leyen presented the European Green Deal (EGD) as a far-reaching and transformative agenda for the EU's economy and society. Together with a climate neutrality target for 2050, it sought to mobilize industry for a clean and circular economy, preserve and restore ecosystems and biodiversity, promote an environmentally friendly food system, and shift to smart, sustainable mobility. These changes were to be implemented in a "just" manner, "leaving no one behind", and by mobilising billions in private investments alongside public funds. Internationally, the EGD would make the EU a "model" for green energy transition and protect it from carbon leakage through an ambitious, world-first Carbon Border Adjustment Mechanism (CBAM).

The Commission swiftly proceeded to prepare roadmaps, strategies and legislative proposals across the full range of relevant policy areas. The EGD proved resilient amid the Covid-19 pandemic and the energy and economic crises unleashed by Russia's full-scale invasion of Ukraine in February 2022. The EU's immediate responses to these crises – the NextGenerationEU financial instrument and the REPowerEU plan – further emphasized the urgency of the green transition and allocated additional funding to it. The first half of the 2020s saw some landmark achievements, such as the codification of the climate neutrality target in the European Climate Law, the expansion of the Emissions Trading System (ETS), and the creation of both the Just Transition Mechanism and the Social Climate Fund to facilitate a fair transition.[1]

Despite these early achievements, serious challenges have since emerged. The protracted economic crisis revived arguments portraying sustainability as costly and as a threat to the Union's competitiveness, fuelling industry calls for "deregulation", namely laxer environmental rules. As the EGD turned to the fields of biodiversity and food sustainability in 2023–2024, the agricultural and chemical sectors mounted strong resistance. Relatively small but highly vocal lobbies managed to reach deep into the EU's decision-making processes, de facto blocking or subverting the EGD agenda.

Furthermore, the continuation of the Russo-Ukrainian war, rising tensions with China, and deteriorating relations with the US have led to the prevalence of arguments that shift attention away from the EGD agenda towards security issues. On the one hand, these arguments tend to deprioritize the green agenda by depicting it as a less urgent issue; on the other hand, they promote mercantilist green strategies in lieu of broader international cooperation, which would normally be better suited to tackling the global challenge of the low-carbon transition. Securitization has been accompanied by a shift in policy focus and spending, epitomized by the Commission's 2025 proposal for the ReArm Europe/Readiness 2030 plan in 2025, with an expected investment of €800 billion in defence.

1 On energy justice, see Buchanan Ponczek, Cordelia and Marco Siddi (2024) "Energy justice through policy: A comparison of US and EU approaches". FIIA Working Paper 139. The Finnish Institute of International Affairs. https://fiia.fi/wp-content/uploads/2024/12/WP139_Energy-justice-through-policy.pdf.

This Briefing Paper broadly reviews the current state of the EGD agenda and assesses its current domestic and international challenges. The main argument is that, despite its early resilience, the EGD agenda now faces serious obstacles that could derail it or considerably reduce its effectiveness. Further strategic and legislative initiatives risk being diluted or blocked altogether. As many aspects of the EGD move into the implementation phase, the political deprioritization of the green transition, criticism of its presumed costs, and the securitization of the EU's political debate provide compelling arguments for EU institutions and member states to deviate from the original EGD plans.

"Despite its early resilience, the European Green Deal agenda now faces serious obstacles that could derail it or considerably reduce its effectiveness."

European Green Deal implementation until 2025: an overview

In order to assess its implementation, the complex EGD framework can be divided into five policy areas: 1) energy and climate; 2) transport; 3) circular economy and industry; 4) pollution and chemicals; and

The European Green Deal: summary of main achievements, failures and challenges

Main achievements				
European Climate Law with higher 2030 emission reduction targets and 2050 climate neutrality target	Reformed Emissions Trading System (ETS)	Just Transition Mechanism	Introduction of Carbon Border Adjustment Mechanism (CBAM)	Nature Restoration Law
Failures				
Biodiversity agenda scaled down/halted (limits on use of pesticides, chemicals)	Very little progress in greening European agriculture	Energy taxation outdated	No prioritization among net-zero technologies	Anti-deforestation law postponed
Challenges				
Rise of climate-sceptical populist right, growing opposition from the European People's Party to the green agenda	Economic crisis, policy shift to competitiveness and deregulation	Growing geopolitical tensions and protectionism, securitization of policy agendas, less multilateral cooperation on energy transition	Decarbonization of transport is meeting resistance, remains major challenge	

Table 1. Main achievements, failures and challenges of the European Green Deal

5) biodiversity, ecosystems and agriculture.[2] Due to the relatively 'young age' of the EGD and the fact that most of the targets are set for 2030 onwards, an assessment of its implementation largely revolves around the formal adoption of key measures and the level of commitment required from the EU and its member states (with a legally binding nature marking strong commitment), rather than on actual policy implementation. Delays and scaling down ambition compared with initial Commission plans, or worse, the scrapping of key measures, are clear examples of negative development.

Energy and climate

As of 2025, progress has been notable in the energy and climate policy area, with numerous legislative initiatives already adopted or under discussion according to schedule. In 2021, the European Climate Law converted the achievement of climate neutrality into a binding target and set a 55% emission reduction target for 2030. The ETS has been reformed, with expanded scope and ambition,[3] and a new system (ETS 2), covering inter alia fuel combustion in buildings, will be launched in 2027. Revenues from the auctioning of emission allowances under ETS 2 will be allocated to the Social Climate Fund, which was created to support the vulnerable groups most affected by the costs introduced through ETS 2 itself, notably households experiencing energy or transport poverty.

A new binding target of at least 42.5% renewable energy in the EU's final energy consumption by 2030 was introduced, while amendments to the Energy Efficiency Directive stipulate that energy consumption should be reduced by 11.7% compared with the 2020 reference scenario. Targets were also set to reduce energy use in residential buildings.[4] Furthermore, the regulation establishing CBAM was adopted, which will impose a carbon tariff on imports of energy-intensive goods starting in January 2026. While CBAM could raise between €14 and €18 billion annually by 2030, it has drawn criticism from trade partners and faced accusations of "green protectionism".

Not all developments in this policy area were positive. For instance, the EU Taxonomy Regulation, adopted in 2020, classified gas and nuclear power plants as transitional sustainable technology. Some analysts have also argued that targets for improving energy efficiency in buildings were made too vague in the adopted legislation.[5] Furthermore, a key revision of the 2003 Energy Taxation Directive – intended to align it with current EU energy and climate policies, promote clean technologies and remove exemptions incentivising the use of fossil fuels – met fierce opposition from some member states. The revision remains stalled in the EU Council, more than four years after the Commission first proposed it.

Transport

Transport accounts for nearly 30% of the EU's greenhouse gas emissions, with road transport responsible for three-quarters of these.[6] This makes it a crucial area for the EGD. The sector is expected to reduce its emissions by 90% from 1990 levels by 2050. For this purpose, the Commission's 2020 Sustainable and Smart Mobility Strategy advocated electrification, a modal shift from road to rail, and the phase-out of internal combustion engine vehicles. Since 2024, the revised ETS has been extended to cover all large ships entering EU ports; all aviation allowances are set to be auctioned by 2026, and ETS 2, covering road

2 D'Amato, Alessio, Andrea Pronti, Susanna Paleari, Giulio Romaldi, Stefan Speck, Simone Tagliapietra, and Roberto Zoboli (2024) Investment needs and gaps for the sustainability transition in Europe: Rethinking the European Green Deal as an EU industrial strategy, European Environment Agency, ETC CE Report 2024/8. https://www.eionet.europa.eu/etcs/etc-ce/products/etc-ce-report-2024-8-investment-needs-and-gaps-for-the-sustainability-transition-in-europe-rethinking-the-european-green-deal-as-an-eu-industrial--strategy.

3 European Commission (2025) About the EU ETS. https://climate.ec.europa.eu/eu-action/carbon-markets/eu-emissions-trading-system-eu-ets/about-eu-ets_en.

4 Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401275&pk_keyword=Energy&pk_content=Directive.

5 D'Amato et al. 2024, p. 12.

6 European Environment Agency (2024) Greenhouse gas emissions from transport in Europe, 31 October. https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-transport.

transport, will apply from 2027. The Commission also aims to achieve zero emissions from all new cars and vans (light-duty vehicles), beginning in 2035.[7]

A major problem is that the industrial systems of several member states and the lifestyles of numerous Europeans continue to rely on fossil fuel-powered private cars. Some new EU legislation has been delayed; most notably, Germany blocked legislation on CO2 emission performance standards until a provision was added allowing new cars with internal combustion engines to continue being sold on the EU market after 2035, provided they run on carbon-neutral fuels. According to some interpretations, however, "carbon-neutral technologies" in this area may end up including those that reduce emissions by only 70% compared with fossil fuels.[8] Furthermore, several member states successfully lobbied to water down standards for pollutants in light- and heavy-duty vehicles within the Euro 7 emission standards legislative proposal. Progress in the modal shift has also been slow.

Circular economy and industry

Key initiatives in the field of the circular economy and industry include a Circular Economy Action Plan, a revised Waste Framework Directive, and other measures aimed at substantially reducing non-recycled municipal waste, plastic litter at sea, and microplastics released into the environment. Achieving more circular and sustainable management of textile waste is another important objective.[9] Several directives focusing on specific waste streams are being revised and transformed into comprehensive regulations, with provisions covering the entire value chain. The best example is the new regulation on packaging and packaging waste, which introduces environmental sustainability requirements and labelling for the entire life cycle of packaging. However, both the Council and the European Parliament have considerably weakened the Commission's original proposal through reduced targets, derogations and exemptions. There are also substantial delays to the planned schedule of legislative initiatives in this policy area.[10]

The Critical Raw Materials Act (CRMA), which, together with the Net-Zero Industry Act (NZIA), forms part of the Green Deal Industrial Plan launched by the Commission in 2023, sets a 25% recycling target for critical raw materials (CRMs).[11] However, the consistency of the Act with the spirit of the EGD is questionable. The driving force behind the CRMA is geopolitical, rather than environmental – namely, the EU's ambition to reduce its dependence on foreign suppliers. Moreover, the CRMA provides no additional funding and focuses mainly on accelerating the approval of extraction projects, which could cause environmental issues and provoke social backlash.

Likewise, the NZIA does not provide new funding, but focuses instead on accelerating bureaucratic procedures and on using public procurement processes more strategically. The main goal is to expand EU clean technology manufacturing to cover at least 40% of annual deployment needs by 2030. The Commission's original proposal to differentiate between strategic and non-strategic net-zero technologies was removed from the final text agreed by the Council and the European Parliament. This resulted in a list of 19 net-zero technologies with no clear priorities. Similarly, the Clean Industrial Deal (CID), unveiled by the Commission in February 2025, lacks dedicated resources and a true strategic vision. Its main feature is a framework to accelerate state aid and thereby subsidize the decarbonization of energy-intensive industries.[12]

The CID reflected the Commission's willingness to prioritize corporate interests over decarbonization. Further evidence of this was provided by the

7 European Commission (2025) Light-duty vehicles. https://climate.ec.europa.eu/eu-action/transport-decarbonisation/road-transport/light-duty-vehicles_en.

8 D'Amato et al. 2024, p. 13.

9 European Commission (2025) Waste Framework Directive. https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en#ref-2023-amendment-to-the-waste-framework-directive.

10 D'Amato et al. 2025, pp. 10–11.

11 For a more detailed analysis of the CRMA and NZIA, see Siddi, Marco and Federica Prandin (2023) "Governing the EU's Energy Crisis: The European Commission's Geopolitical Turn and its Pitfalls". *Politics and Governance* 11 (4): 286–296.

12 See also Prandin, Federica (2025) "Clean Industrial Deal: The challenges of aligning industrial ambition, economic growth and climate policy". TEPSA Commentary, 22 April. https://tepsa.eu/analysis/clean-industrial-deal-the-challenges-of-aligning-industrial-ambition-economic-growth-and-climate-policy/.

Omnibus package of legislative proposals, which have been discussed (and partly approved) by EU institutions throughout 2025.[13] The package is intended to 'simplify' certain sustainability-related legislation, most notably the Corporate Sustainability Reporting Directive, by delaying reporting deadlines and easing compliance requirements. It is worth noting that reporting is a key aspect of EU climate governance, and that reducing it could have adverse consequences that extend well beyond 'simplification'.

Pollution and chemicals

In the area of pollution and chemicals, the Commission proposed halving the use of chemical pesticides and antimicrobials for farmed animals, restoring EU soils on a large scale, and reducing air pollution. However, many of these targets have not been made legally binding. The European Parliament rejected the revision of the regulation on the sustainable use of plant protection products, which included a 50% reduction target for 2030, and also rejected the proposal to halve pesticide use.

Likewise, a proposed revision of the REACH Regulation met with fierce opposition and was eventually shelved. The Commission had intended the revision to provide better protection for human health and the environment against the risks posed by chemicals. Corporate lobbying was particularly intense in this policy area. Environmental NGOs reported coordinated lobbying by global pesticide corporations and European farming association Copa-Cogeca, involving millions of euros, which aimed to delay, block or remove important provisions from the proposed legislation.[14] The European People's Party (EPP), the largest group in the European Parliament, has largely endorsed the campaign to stop green legislation in this area and in the agricultural sector, arguing that it imposes excessive costs at a time of crisis.

"The proposed Sustainable Food Systems Law was intended to serve as a flagship initiative, but it has made no progress."

Biodiversity, ecosystems and agriculture

Closely related to the previous policy area, biodiversity, ecosystems and agriculture have seen the least progress in terms of adopted legislation. The proposed Sustainable Food Systems Law was intended to serve as the flagship initiative of the Farm to Fork Strategy (the EGD's main strategy to green European agriculture), but it has made no progress. Despite strong opposition from agricultural lobbies, the Regulation on Nature Restoration was adopted in 2024, although some of its provisions were watered down during the legislative process. According to the Regulation, EU members are required to restore at least 30% of habitats in poor condition by 2030, 60% by 2040, and 90% by 2050. Overall, the EU is required to restore at least 20% of its land and sea areas by 2030. This will involve restoring forests and drained peatlands used in agriculture and removing barriers to free-flowing rivers. The Regulation prioritizes Natura 2000 sites, a network of protected areas at the heart of EU conservation policy, which host vast biodiversity and cover nearly one quarter of EU land area.

Provisions requiring that a percentage of agricultural land be dedicated to features beneficial to biodiversity were excluded from the final text of the Regulation. The requirement for farmers and private landowners to restore wetlands was made voluntary, with a clause encouraging member states to make such practices financially attractive. The Regulation also gives member states considerable leeway in their choice of implementation pathways.[15] Meanwhile, implementation of the EU's anti-deforestation law has been postponed for two consecutive years.

13 European Commission (2025) Omnibus I package, 26 February. https://finance.ec.europa.eu/publications/omnibus-i-package-commission-simplifies-rules-sustainability-and-eu-investments-delivering-over-eu6_en.

14 Friends of the Earth Europe (2025) "How the agroindustry brought down the EU pesticide law", 14 January. https://friendsoftheearth.eu/wp-content/uploads/2025/01/FRI-24-pesticides-brochure.pdf.

15 Sanchez Manzanaro, Sofia (2024) "Nature Restoration Law, myths and facts for farmers". *Euractiv*, 9 October. https://www.euractiv.com/news/nature-restoration-law-myths-and-facts-for-farmers/; Grabbe, Heather, Bas Heerma van Voss, Camille Mehlbaum and Sjoerd van der Zwaag (2025) "Implementing the EU Nature Restoration Law: exploring pathways for member states". Bruegel Working Paper 11/2025. https://www.bruegel.org/working-paper/implementing-eu-nature-restoration-law-exploring-pathways-member-states.

Main challenges to the EGD

Beyond hostile lobbying and technical complexities, the EGD faces three sets of urgent challenges that warrant closer attention: rising right-wing populism, an increasingly confrontational geopolitical context, and financial constraints.

Right-wing populism

European right-wing populist parties have long exhibited various forms of climate scepticism, such as downplaying scientific evidence, putting the blame for climate change on other global actors, or dismissing climate action because of its alleged excessive costs.[16] These parties have seen a surge in popularity at both EU and national levels. In the 2024 European Parliament election, far-right parties won over a quarter of the seats for the first time ever. This was a notable shift compared with the 2019 election, when Green parties performed well in several member states and climate action featured prominently in the political debate.

Right-wing parties critical of the EGD agenda currently lead national governments in some member states (such as Italy and Hungary), are part of coalition governments (for example in Finland), or support them (as in Sweden). This issue adds to the longer-term trend of sceptical attitudes towards the EGD in East-Central EU member states, where such views are also shared by centrist political parties. Furthermore, the far right has gained strength in large member states such as France and Germany, influencing the political debate even while remaining in opposition.

The most impactful change in terms of EU policymaking has been the recent shift of the centre-right EPP against the EGD agenda, particularly its provisions concerning biodiversity, agriculture and green rules for business. This makes the passing of relevant legislation at EU level extremely difficult.

The geopolitical context

Geopolitics weighs heavily on the EGD and feeds the securitization of policies in the EU. Abandoning Russian pipeline gas required investment in liquefied natural gas (LNG) terminals, and hence in fossil fuels. Growing competition with China has led to efforts to constrain Beijing's strong presence in the European green sector, as shown by the CRMA and the NZIA. While these efforts make sense from the strategic perspective of boosting the EU's own green industry, they may also lead to higher prices for critical materials and low-carbon technologies in the EU. This, in turn, may feed domestic criticism of the EGD.

The return of Donald Trump to the White House in 2025 posed a further challenge. President Trump's climate denialism has emboldened European right-wing populists and undermined transatlantic and international cooperation on the energy transition. In his address to the United Nations General Assembly in September 2025, Trump dismissed climate change as a "con job" and criticized renewable energy as a costly endeavour pushing countries towards "destruction". He also pressured the EU to buy more fossil fuels from the US. This pressure led to the EU–US trade deal of July 2025, in which the EU expressed its intent to buy €700 billion worth of US oil, gas and nuclear energy until 2028 – an amount that far exceeds EU needs and contradicts EGD goals.

Furthermore, the EU's quest for CRMs, green energy and hydrogen imports from the Global South needs to be accompanied by political and economic pledges to advance the transition in partner countries. The EU and European actors have already faced criticism for adopting predatory practices, green colonialism and protectionism.

Financial constraints

Arguments portraying the EGD as too costly could have a negative impact on the allocation of future resources for the green transition. The Recovery and Resilience Facility, the main source of EU grants for the transition, is set to end in 2026. This will leave a major funding gap, potentially reducing European funding for the green transition from €50 billion to less than €20 billion per year.

Moreover, the EU's reformed fiscal framework, which came into effect in April 2024, mandates member states to keep their budget deficits within 3% and their public debt within 60% of GDP, with no exception for investments in the green transition. This makes green financing at a national level more difficult, especially for countries with high debt and deficits. It could also end up strengthening the

16 Vihma, Antto et al. (2020) "Climate Change and Populism: Comparing the populist parties' climate policies in Denmark, Finland and Sweden". FIIA Report 64. The Finnish Institute of International Affairs. https://fiia.fi/en/publication/climate-change-and-populism.

economic case against the EGD. The issue is particularly relevant in countries where the climate-sceptical right is in power, and where governmental support for green spending is already weak.[17]

Conclusions

Many of the developments outlined in this paper point to a crisis in Europe's green policies in key areas. Efforts to reduce emissions, increase the share of renewables and improve energy efficiency have nevertheless continued. Important legislation has been introduced or amended – for example, to reduce emissions from transport and buildings. The EU has also become more active in promoting green industrial policy and circularity, even if the economic effectiveness of these initiatives remains questionable.

However, the EU's political debate and legislative process are increasingly shaped by the imperatives of competitiveness and security, often in ways that contradict the green agenda. This is a result of the worsening geopolitical context, Trump's return to power, and the protracted stagnation of the European economy. Meanwhile, the rise of climate-sceptical parties in Europe – and the mainstreaming of their arguments within centrist circles – presents another major challenge. This is most visible in the areas of biodiversity, pollution and agriculture, where the original EGD agenda has been delayed or even subverted, not least by vested interests and corporate lobbying.

As we enter the second half of the 2020s, several risks loom large for the EU's green agenda. Having lost much of its earlier support in the political centre and parts of the corporate sector, the EGD now risks being abandoned by the Commission itself, which appears to be shifting focus towards other priorities. This, in turn, raises questions about future funding allocation. While costs are often cited as a reason to scale down climate ambition, inaction or insufficient commitment could prove far more costly over time due to unabated climate change.

17 Pisani-Ferry, Jean and Simone Tagliapietra (2024) "An investment strategy to keep the European Green Deal on track". Bruegel Policy Brief, 2 December. https://www.bruegel.org/policy-brief/investment-strategy-keep-european-green-deal-track.

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