

EU's green shoots are at risk of withering

THE European Union turned green into its defining colour with the European Green Deal in December 2019, setting ambitious climate targets and proclaiming Europe's "man on the moon moment". The EU has been steaming ahead with its Green Deal for the past four years. Still, as it reaches the home stretch, a pushback on environmental legislation and shortcomings in industrial policy look set to slam the brakes on.

The initiative, which included reforming much of the EU's energy, climate and environmental policy, has weathered unexpected crises including an economic slump caused by the COVID-19 pandemic and Russia's military aggression in Ukraine, which caused energy prices to soar. If anything, the Green Deal seemed to survive these crises and emerge stronger from them.

Between 2019 and 2022, the EU enshrined its net zero goal into law for 2050 and further increased its planned targets on emissions reduction, renewable energy and energy efficiency in response to the Ukraine war, while strengthening its carbon market accordingly.

Despite this momentum, 2023 has seen a noticeable slowdown, with EU leaders calling for a halt to new green laws and the more conservative wing of the European Parliament turning against biodiversity legislation.

At the same time, the Commission's Green Deal mastermind, Frans Timmermans, has already left Brussels to campaign closer to home in the run up to Dutch elections. With him gone, the question is who – if anyone – can fill his shoes at a time when the Commission still has many Green Deal files to push over the finish line?

The initiatives that are most relevant for our sector are the sustainable food system law, mandatory front-of-pack labelling and the establishment of nutrient profiles. It is my feeling that they will never see the light of day.



Many of the important initiatives that have emerged from the Green Deal since 2019 are in danger of falling by the wayside, warns **Sebastian Emig**

DWINDLING APPETITE FOR GREEN LEGISLATION

This year, French President Emmanuel Macron called for a break from new green legislation, a sentiment that was quickly echoed by Belgian Prime Minister Alexander De Croo.

Earlier this month, European Parliament President Roberta Metsola – who is part of the same centre-right political grouping as Commission President Ursula von der Leyen (the European People's Party (EPP)) – voiced her concern, warning that the expanding list of climate and industrial regulations coming from Brussels is pushing voters toward populist and anti-EU parties ahead of next year's election. She suggested that the bloc's climate approach is already generating social unrest in some member countries and the EU should reconsider its approach.

The EPP recently called for a multi-year moratorium on regulation, a tougher stance on migration issues, more security for Europe's citizens and a clear focus on EU competitiveness instead of the renaturation

of peatlands. Meanwhile, Manfred Weber, CSU Vice-President (German EPP), announced that the EPP would challenge the present text for the pesticide regulation, especially against the background of the massive increase in food prices.

All this marks the beginning of a slowdown for the Green Deal, most clearly seen in the battle that raged over the Nature Restoration Law.

A pillar of the Green Deal's biodiversity objective, the Nature Restoration Law aimed to restore 20% of land and sea areas by 2030. But it became extremely contentious, with EU countries baulking at the impact on farmers, while the EPP launched a campaign to kill the proposal. While the law ultimately passed to the next stage of negotiations, the European Parliament and EU countries also significantly weakened the restoration actions contained in the proposal.

Interestingly, von der Leyen – usually a fervent defender of the Green Deal – remained notably low-key throughout this dispute. Despite the opposition from her political group in the European Parliament, she avoided publicly defending the proposal. Her silence potentially suggests that she was prioritising her political group's support for a second term as Commission president over the Green Deal.

The truth is that even if von der Leyen wants to preserve the integrity of the Green Deal, the political pressure may become too great to let her do so. Von der Leyen will need her party's support for a nomination (this time as Spitzenkandidat), yet the EPP now stands as one of the main opponents to implementing the green agenda. If she wants to stay in power, von der Leyen will most likely have to give at least the appearance that she is putting brakes on the Green Deal.

The first signs of this were visible during her recent State of the Union address that proposed a change in the agri-food debate. While she acknowledged farmers' challenges, she also emphasised the importance of ▶

balancing nature protection with food security. Though welcomed by many, this strategic dialogue has also faced criticism for not addressing key components of the EU's Farm to Fork Strategy, notably the Sustainable Food Systems Law. Either she maintains the Commission's climate ambition knowing it will likely leave her as a one-term president, or she backs off over the next year to support her political aspirations.

CHANGES IN THE EUROPEAN PARLIAMENT – LESS GREEN – MORE INDUSTRY?

As the 2024 European election approaches, a notable shift has been happening across major European Union countries: Voters are turning away from Green parties amid a rising tide of right-wing populism and anti-EU sentiment. With nearly 60% of new Members of the European Parliament (MEPs), there is a lot of opportunity for a significant change toward more industry-friendly policy-making because another green wave looks unlikely. Opinion polls consistently indicate substantial gains for right to hard-right parties in countries like Germany, Italy, Poland and the Netherlands, coinciding with losses for centrist factions. A significant portion of this shift can be attributed to voter dissatisfaction with the EU's climate transition policies.

The EU has consistently positioned itself as a global leader in the bid to curb climate change, advocating ambitious targets and endorsing green initiatives. However, effective climate action demands more than regulations – it necessitates strong incentives to drive behavioural change, foster industrial collaboration and instil a public understanding of the transition's advantages.

Well-intentioned EU regulations have inadvertently fostered a perception of excessive bureaucracy and regulatory burdens

for citizens and companies. Instead of emphasising the potential benefits of transitioning to a green economy through incentive schemes and initiatives, the Brussels policy machine has churned out fresh regulations and directives, triggering an unintended backlash that risks undermining Europe's climate agenda from within. Fueled by perceptions of overregulation, this growing discontent amplifies the discord between the bloc's climate aspirations and the practical realities faced by member countries.

In this scenario, dissatisfaction with climate policies and EU skepticism become two sides of the same coin. Discontented voters will likely abandon traditional centrist pro-EU parties and gravitate toward broader protest movements that harbour more sceptical attitudes regarding Brussels. This shift, in turn, threatens to weaken overall support for the EU's climate and biodiversity policies, which would be detrimental to Europe and the planet.

A GREEN FUTURE OR JUST A BAG OF AIR?

A key element of Europe's needed transformation is to refocus, shifting from regulations and directives to incentives, innovation and industrial collaboration. Member countries must be encouraged to take ownership of climate policies that align with their specific needs and priorities. Rather than framing EU climate regulations as imposed by a faraway elite in Brussels, governments should see them as frameworks and incentives for tailored green solutions. This would not only alleviate public resentment but also empower governments to proactively drive new measures and address the unique challenges their citizens face.

I believe this needs to be tackled by the next European Commission, which will take over at the end of next year. This could take the form of a Green Deal 2.0, focusing on concrete initiatives fostering the decarbonisation of Europe's economy in a way people understand and which provides economic and social benefits.

Europe's green agenda currently stands at a crossroads. Next year's election is a critical juncture, and the rise of Euroscepticism and discontent over these policies is a warning sign. So, if pro-European centrist parties wish to sustain momentum for the EU's climate transition, now is the time for thoroughly re-evaluating its climate strategy.

REMINISCING AND OUTLOOK

Looking back at 2023, I would like to take this opportunity to thank all ESA members who strongly supported the Secretariat in crucial regulatory topics, as well as helping us to increase the awareness of the challenges and strengths of our sector among policymakers and opinion formers.

Looking ahead, next year will be full of challenges but also a lot of opportunities. With new MEPs arriving in Brussels, we will be at the forefront of presenting our sector's success and challenges to create the right mindset for appropriate policy-making.


I would like to thank all my colleagues and our members for your commitment, professionalism, solidarity, and hard work – it is truly appreciated!

On behalf of the entire ESA team, to wish you and your families all the very best for the festive season and a happy and prosperous New Year. ■



Director General Sebastian Emig*

*in his capacity as permanent representative of Prime Consulting BXLBCN SL



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Kanchan Metals Pvt Ltd
D-9/3, Surajpur Industrial Area Site-V, Kasana,
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Raghav@snackfoodmachines.com +91-9831744709
Pankaj@snackfoodmachines.com +91-9830989555

www.snackfoodmachines.com