EMEA WEBINARS FALL CYCLE

THE EU GREEN DEAL: HOW DOES IT CONTRIBUTE TO ENERGY TRANSITION IN THE MEDITERRANEAN AND AFRICA?

Thursday 10 December - 15:00 CET

The panel was moderated by **Professor Rym Ayadi**, President of the Euro-Mediterranean Economists Association (EMEA). The panellists were:

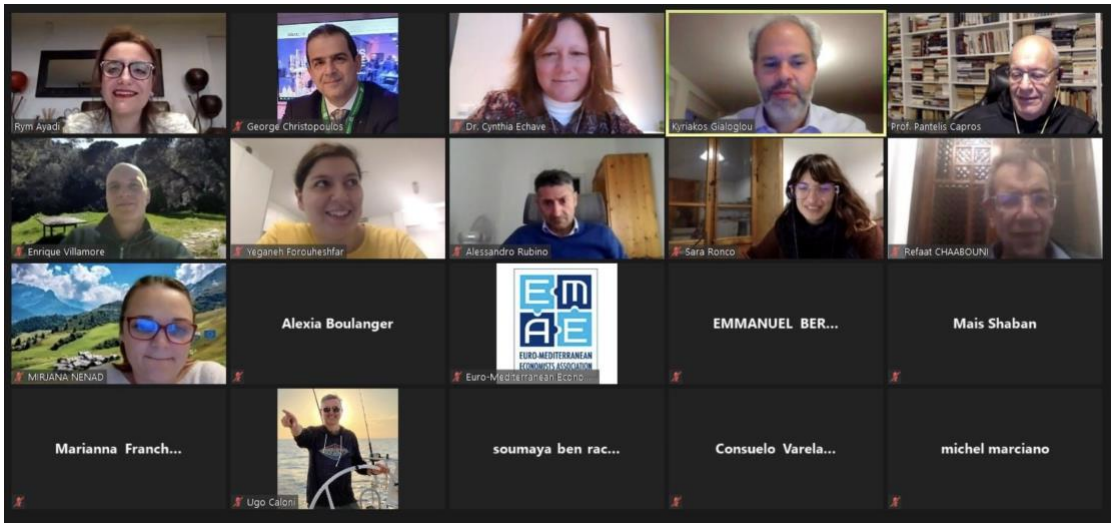
- ***Grammenos Mastrojeni,*** Deputy Secretary General, Energy and Climate Action, Union for the Mediterranean
- ***Prof. Pantelis Capros,*** Head of E3MLab of ICCS, Professor of Energy Economics and Operation Research at the Department of Electrical and Computer Engineering of National Technical University of Athens, Greece
- ***Jorn Verbeeck,*** Head of Research and Innovation Global Covenant of Mayors (GCOM), Belgium
- ***Enrique de Villamore,*** Director of Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC) of the UNEP/Mediterranean Action Plan, Spain
- ***Kyriakos Gialoglou***, Director of European Government Affairs for Seawind Ocean Technology, Brussels

The Discussant was:

Dr. Cynthia Echave, Project Coordinator-Senior Researcher, Euro-Mediterranean Economists Association, Spain

Rapporteur: Cynthia Echave – EMEA Project Coordinator- Senior Researcher

THE EXTERNAL DIMENSION OF THE EU GREEN DEAL: HOW DOES IT CONTRIBUTE TO A CLEAN ENERGY TRANSITION IN MEDITERRANEAN AND AFRICAN COUNTRIES?



Introduction

Professor Rym Ayadi opened the web seminar on the external dimension of the EU's Green Agreement and analysed how this policy will contribute to the transition towards clean energy in the countries of the Mediterranean and Africa. Climate Change is one of the main worldwide challenges and the EU's Green Deal expects a set of integrated policies to be established in all Member States, implementing measures with a cross-sectoral approach to face the challenge. Economic growth should change the path, providing an opportunity to integrate economies towards a more inclusive perspective.

The EU Green Deal sets the major goal of achieving EU climate neutrality by 2050. This objective will also involve the creation of the EU Climate Law which, although currently only a political commitment, will become part of EU law in the mid-term. However, the green economy transition will require the contribution of multiple actors: from industry, business, governments to citizens, but it will also require significant investment supported by adequate financial tools. One of the main actions to move from a brown to a green economy is the decarbonisation of the energy sector. The investments needed to adapt and improve buildings and transport are very costly. To this end, it is planned to help EU countries to develop all actions through the Just Transition mechanisms, which will mobilise financial support of about 100 billion € between 2021 and 2027.

The EU Green Deal, therefore, represents a challenge internally for the EU but also an opportunity for global leadership, in alliance with the international community committed to the Paris Agreement. The green growth model proposed can inspire the EUROMED and EU African Partnership to benefit all countries aligning with the Paris Agreement targets, thus positioning the EU Green Deal as a global reference point.

Panellist presentations

Grammenos Mastrojeni, Deputy Secretary General, Energy and Climate Action, Union for the Mediterranean

Regional Integration perspective

Grammenos began his speech with an interesting statement: *"... there is no Green Deal without an external Green Deal";* emphasising that this was not an ideological position but a structural necessity. He stressed the importance of international cooperation and the need for a more contextualized integration of the policies proposed within the EU Green Deal. Grammenos emphasised the connection between North and South, otherwise it would be difficult for Europe to achieve its objectives set out, if it maintained an isolated policy, regardless of the externalities this EU Green transition would have in the region and also on a global level. The costs were not only those generated internally within the member states, but also those that were imported, the resources would not always be there and it was to be expected that the global economy would also have to be gradually readjusted. In the case of energy, he stressed the need for a more distributed renewable energy network, thus highlighting the potential factor of interconnection between the countries of the South and the North. For example, the clean energy model would need both the Southern sun and the Balkan wind to provide a fair market for all.

Finally, he also stressed that the countries of the South could educate the countries of the North. As an example, the traditional constructive systems of climate adaptation in the countries of the South was knowledge accumulated in the countries of the South that could potentially be useful to those of the North. Grammenos described it as reinforcing knowledge that would allow the creation of new types of jobs and new development opportunities from the cooperation arising between the countries of the region.

Jorn Verbeeck, Head of Research and Innovation Global Compact of Mayors (GCOM), Belgium

The urban planning approach

Jorn began his speech by highlighting the concept of interconnection, mentioned above by Mastrojeni. e commented that this was one of the most talked-about topics at the moment and how the economic recovery would begin and how to work together. Europe had perhaps been more dedicated to implementing mitigation measures and in other regions of the world the focus was more on adaptation. For example, what had the COVID-19 crisis left behind and what could be learned from this pandemic and from adapting to shocks. We shared many things, culture and common challenges.

The intervention focussed on cities and their relevance as centres for recovery. The role of energy transition and also of urban planning was right now a key element in achieving the objectives of emissions reduction. Talking about a green economic recovery meant, as Grammenos also mentioned, the opportunity that technology offered in the creation of new jobs, knowledge, skills and, in short, innovation. Urban planning had a very important role in the energy and resource consumption model. He exemplified this by comparing Atlanta and Barcelona, which had the same population but a different occupation of territory, which had an impact on their emissions footprint mainly linked to the mobility model: Atlanta 7.5 T CO2/ha/year, Barcelona 0.7 T CO2/ha/year.

African cities were about to become involved, so it was important to transfer as much knowledge as possible, so that they could guide their development based on criteria aligned with adaptation and the green economy, relying on the contributions made by research and development projects, linking them to the challenges of each territory and region.

Jorn concluded his speech by stating that we were not looking for a great solution or recipe. He stressed that it would surely be the sum of small things that would generate real change. In a way that built a joint and comprehensive strategy that considered both investment and lifestyles. The dichotomy between rural and urban also presented a challenge in order to have a good balance between the appropriate scale and solution in each context, always taking advantage of already accumulated knowledge.

Prof. Pantelis Capros, Head of ICCS E3MLab, Professor of Energy Economics and Operations Research at the Department of Electrical and Computer Engineering, National Technical University of Athens, Greece

Prime model scenarios for the EU's Green Deal

Prof. Pantelis focussed his intervention on the models and quantifications that are behind the philosophy of the EU Green Deal and that support the proposed objectives. Based on the studies carried out, a 40% reduction in GHGs by 2030 would be insufficient to achieve carbon neutrality by 2050 although a 55% reduction was needed. The instruments needed for this would l be an increase in renewable energies, energy efficiency and a strengthened transport policy. The aim was to adjust the 2030 targets to effectively achieve carbon neutrality by 2050.

The decade from 2020 to 2030 would be crucial for achieving this, not only from the creation of the necessary infrastructure but also from the adaptation of markets and user consumption profiles, which would entail an unprecedented economic investment.

The challenges were not only to reduce emissions by 55% but also to increase RES by 40% and EE by 39%. In the long term, the integration of the infrastructure and the energy model would be needed. This was not only about electricity, but also about greening the energy market. The important thing would be to promote a systemic integration of renewable energy sources, especially for countries in Africa for example. Therefore, this also implied a geopolitical action that allowed for the restructuring of the current energy market and the implementation of new ideas and technologies for the extraction of resources and the distribution of energy.

The scenario for 2030 should reduce the use of gas and increase renewable energies and also e-fuels. Greening gas and liquid fuels were a major endeavour in the long-term. The new energy model should also respond to a decentralised model, where the energy sources were closer to the final end-user. That's why it was necessary that this type of technology was available especially for remote areas. Managing green gas system reliability, infrastructure and storage required a very different approach to managing the security of the supply of supported gas. The backup gas would push the drive towards the security of importing gas and should be decentralised. Then there would be new sources of supply nearby to the final end users right across Europe.

Prof. Pantelis ended his speech by highlighting the importance that infrastructure would have in the transition towards a cleaner energy model and its role in the distribution and also in the markets that linked Europe with its neighbouring countries in the South and the Middle East.

Enrique de Villamore, Director of the Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC) of the UNEP/Mediterranean Action Plan, Spain

The vision from the circular economy

Enrique began his speech by emphasising the importance of a transversal vision of the energy transition, which was not only a question of energy flow but also involved the cycle of materials and land use. The energy used in economic activities would have an impact on energy consumption and the life cycle of materials.

UNEP is an organisation that had worked for the Mediterranean region on an action plan that was also oriented towards the promotion of the circular economy. Within the framework of the Barcelona Convention, the analysis of consumption and production in the region had been fundamental in the definition of policies and recommendations. For example, the policy to reduce marine litter, putting within the same plan the convergence of fishermen, experts and authorities through a consultation process to evaluate the plan between different countries.

The Barcelona Convention had a legal impact and, therefore, the impact on the conduct of policy in each of the member countries was important. In this process, the countries had also found in the group a strength to be able to advocate the implementation of the proposed measures. Enrique mentioned that the consultation was still open to receive contributions.

SCPRAC had given special support to start-ups, SMEs and entrepreneurs in the green economy sector through training and capacity building of incubators and accelerators in North African countries. Enrique concluded his speech by talking about the relevance of cooperation to enhance regional development through international bodies and multi-stakeholder processes.

Kyriakos Gialoglou, Director of European Government Affairs for Ocean Winds Technology, Brussels

Vision from innovation and businesses

Kyriakos' contribution to the panel first focussed his remarks on what the external dimension of the EU Green Deal would involve, stressing that it would not have the same impact on the Mediterranean as on the rest of Africa, since there was already a complex reality in the exploitation and distribution of resources. Kyriakos highlighted the special features of the EU Green Deal, from the perspective of new business models and financing instruments.

He also mentioned the role of other countries such as China, Russia in the Mediterranean and African green transition. The EU Green Deal hadn’t fully considered how these other key players would have engagement in the transition process towards a green economy in the global context.

Kyriakos showed an example of a sea wind turbine installation in the Mediterranean and the potential of this viable technology to respond to the physical conditions that can be exploited in response to certain tourist areas with a higher intensity of energy consumption. This example was part of an innovative proposal to be submitted under the H2020 call. As far as rural and urban areas were concerned, he stressed the need to think of strategies that were also appropriate for each territory, always safeguarding energy efficiency and the protection of biodiversity from the mainland to the sea.

Discussion

Dr. Cynthia Echave, Project Coordinator - Senior Researcher, Euro-Mediterranean Association of Economists, Spain

Ecosystemic Transition Unit Model (ETU)

Finally, Cynthia presented the Ecosystemic Transition Unit model developed within the framework of the EU capitalisation project, Interreg MED Renewable Energy. This was a governance model aimed at supporting municipalities in defining their roadmap towards a cleaner and more equitable energy transition. To this end, the structured model was based on an ecological approach by defining four components and pillars: a) Pillar 1: Energy planning, the territorial component; b) Pillar 2: Energy infrastructure, the technological component; c) Pillar 3: Community and energy, the social component and d) Pillar 4: Energy governance, the organisational component. Based on the four pillars, the ETU model structures, on the one hand, the incorporation of tools and methodologies provided by other projects or initiatives and, on the other hand, the connection with the various local planning instruments and multilevel policies, such as Agenda 2030 and the SDGs or the EU Green Deal.

With this model, the project sought to provide a support mechanism especially for small municipalities in rural and island areas, since they were more limited when it came to developing local energy plans.

The project launched the ETU initiative as a capitalisation strategy, as a platform for transnational transfer and cooperation in the Mediterranean. This initiative intended to promote a clean and resilient energy transition based on:

- Green response to the climate crisis
- Territorial equity, allowing a balance between urban and rural
- Social innovation, which allowed for the strengthening of collaboration, based on knowledge
- The Green economy, which allowed territories to be revitalised in an environmentally sustainable way
- Cooperation and commitment, reinforcing effective multilevel coordination

The ETU initiative organised its transfer on the ground and mainstreaming policy actions through regional groups in the five partner countries of the project: Spain, Italy, Slovenia, Croatia and Greece. The promoted capitalisation strategy included interaction with the rural and island contexts of the southern Mediterranean, in order to identify potential transferring actions in the region.

Concluding remarks

Prof. Rym extended the question to the panellists about their opinion of the model, to which each one responded as follows:

- Kyriakos Gialoglou stressed that the model had a logical structure, which must also be seen from the perspective of the participation of companies and the private sector.

- Enrique de Villamore was also positive about the approach and mentioned that it was interesting and that the SCPRAC invited in-depth discussions.
- Pantelis Capros expressed doubts about the approach and highlighted the need to value it from the principles of the economy, to be able to validate its operation. Quantifying the economic impact was fundamental.
- Kyriakos Gialoglou also suggested the idea of creating an advisory group with business experts to discuss the improvements that the model could offer.

As a general conclusion, Prof. Ayadi highlighted the need to invest more in technology and that models with structural logic had a great potential to advance in innovation. Therefore, EMEA would seek to apply and give the maximum extension of the model, in the context of the EU Green Deal and its external dimension in the Mediterranean and Africa.

