

Climate Policy Integration

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Abstract

Climate policy integration (also known as climate mainstreaming; hereinafter referred to as CPI) refers to the systematic incorporation of climate change considerations and objectives into various policy areas and decision-making processes at different levels of government. The aim of CPI is to ensure that climate change is not treated as an isolated issue; climate policy must be integrated across sectors and policies to promote synergies and holistic approaches to addressing climate challenges. CPI also requires collaboration and coordination between different government departments, agencies, and stakeholders to address climate change challenges comprehensively. This paper aims to take stock of climate policy integration as part of procedural climate governance in the EU and provide recommendations for further strengthening CPI so as to ensure that the EU achieves its climate neutrality objective.

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Abbreviations

CPI	Climate Policy Integration
DNSH	Do No Significant Harm principle
ECL	European Climate Law
EGD	European Green Deal
ESABCCC	European Scientific Advisory Board on Climate Change
EU	European Union

Executive summary

Climate policy integration (also known as climate mainstreaming; hereinafter referred to as CPI) refers to the systematic incorporation of climate change considerations and objectives into various policy areas and decision-making processes at different levels of government. The aim of CPI is to ensure that climate change is not treated as an isolated issue; climate policy must be integrated across sectors and policies to promote synergies and holistic approaches to addressing climate challenges. CPI also requires collaboration and coordination between different government departments, agencies, and stakeholders to address climate change challenges comprehensively. In this report, we aim to take stock of climate policy integration as part of procedural climate governance in the EU.

We find that the European Climate Law (2021/1119) has strengthened the status of CPI in EU procedural climate governance. It has done so by introducing the first CPI-related legal obligation, requiring the European Commission to screen the consistency of its policy and budget proposals with the objectives of the European Climate Law. However, there is scope to further strengthen these requirements in the context of the review of the European Climate Law, mandated to take place within six months of the first Global Stocktake under the Paris Agreement. We identify the need to consider legal codification of the Do No Significant Harm -principle included in the European Green Deal (EGD) Communication. Overall, we find further scope for strengthening legal requirements for CPI in the EU procedural climate governance framework. Here, the report aligns with the recent recommendation by the European Scientific Advisory Board on Climate Change in January 2024 that achieving climate neutrality by 2050 requires removing policy inconsistencies.

1. Introduction

1.1 Objectives and structure

Climate policy integration (also known as climate mainstreaming; hereinafter CPI) refers to the systematic incorporation of climate change considerations and objectives into various policy areas and decision-making processes at different levels of government. The aim of CPI is to ensure that climate change is not treated as an isolated issue; climate policy must be integrated across sectors and policies to promote synergies and holistic approaches to addressing climate challenges. CPI requires collaboration and coordination between different government departments, agencies, and stakeholders to address the multifaceted challenges of climate change effectively.

CPI is widely perceived as crucial for the EU to achieve climate neutrality by 2050, as also required by the European Climate Law. The need to remove policy inconsistencies (and hence strengthen CPI) is also identified as one of the key recommendations in the January 2024 report by the European Scientific Advisory Board on Climate Change (ESABCCC).¹

This paper outlines the concept of CPI, examines its status in the EU procedural climate governance framework, first in light of the new legal requirements introduced by the European Climate Law (ECL), then in the context of EU institutional arrangements, and finally in the context of EU climate policy development. It concludes that while important steps have been taken to strengthen CPI in the EU, its further development seems necessary. The report highlights the need to further examine the relationship between CPI and the environmental integration principle, and consider codifying the closely related Do No Significant Harm (DNSH) principle included in the European Green Deal (EGD).²

1.2. Introducing the concept of climate policy integration

CPI as a concept entered academic and policy discussions in the 2000s. The idea builds on extensive research on policy integration and environmental policy integration.³ In the literature, policy integration is often understood as a policy objective or outcome, for example, the goal of

¹ European Scientific Advisory Board on Climate Change, *Towards EU Climate Neutrality. Progress, Policy Gaps and Opportunities. Assessment Report*. January 2024.

² These issues are being developed in more detail in an academic article, which is why this paper is published under embargo until the article is approved [when publishing, include citation to the article].

³ Katharina Rietig, *Learning in Governance: Climate Policy Integration in the European Union* (MIT Press 2021), 50.

ensuring that the EU's climate objectives are effectively integrated into various sectors and policy areas.

However, policy integration has also been conceived as a dynamic, multidimensional *process*.⁴ In this sense, it is linked to *polycymaking processes*, requiring the consideration of climate policy objectives with the aim of ensuring that various policies are aligned with climate objectives and do not lead to results that contradict them. This, then, relates to institutional arrangements and coordination. The procedural understanding of policy integration sheds light on how and why integration happens; what prevents it; and also why policy disintegration can take place.⁵ Against this background, CPI is understood in this report both as a *policy objective*, and as the *policy process* through which the objective is achieved.

CPI has played an important role in the EU climate governance literature. CPI has previously been identified as a key function of *procedural climate governance*.⁶ However, until recently, CPI had no legal basis in the EU. Against this background, it has been argued that CPI in the EU:

(...) remains merely a theoretical idea. Given the lack of a legal basis in national or European law, there are no provisions for implementation. It remains unclear who should oversee, evaluate, and carry out the integration of climate policies, let alone have appropriate legal, policy, and administrative instruments available for enforcement.⁷

The emergence of CPI as a legal obligation in EU climate change law is therefore a new phenomenon. The next section focuses on describing how CPI has evolved from a theoretical concept into a specific legal requirement for the Commission under the 2021 European Climate Law (2021/1119).⁸

⁴ Jeroen J. L. Candel and Robbert Biesboerk, 'Toward a procedural understanding of policy integration', *Policy Sci* 49, 211–231 (2016). <https://doi.org/10.1007/s11077-016-9248-y>.

⁵ Ibid.

⁶ Kati Kulovesi, Sebastian Oberthür, Haro van Asselt and Annalisa Savaresi, 'Assessing the European Climate Law: Strengthening EU Procedural Climate Governance?' (2024) *Journal of Environmental Law*.

⁷ Rietig, n. 3, at 51.

⁸ Parliament and Council Regulation 2021/1119 of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') [2021] OJ L243/1 (ECL).

2. Assessing Climate Policy Integration in the EU

2.1 Climate Policy Integration and EU Procedural Climate Governance

The European Climate Law was adopted in April 2021. It enshrines in law the goals for the EU to become climate neutral by 2050 and to reduce its net greenhouse gas (GHG) emissions by at least 55% from 1990 levels by 2030. The ECL—alongside the Regulation on the Governance of the Energy Union and Climate Action (Governance Regulation)⁹—establishes a regulatory framework for the implementation and further development of climate policy in the EU, with a view to achieving the Union’s mid- to long-term climate targets. Work under the 4i-TRACTION project has argued that the ECL bears the hallmarks of ‘procedural climate governance’.¹⁰ Procedural climate governance comprises the instruments, institutions and processes that shape substantive climate policies and their implementation.¹¹ It consists of elements, such as target-setting, planning and monitoring and evaluation.¹² In addition to CPI, it also includes features related to the quality of climate governance, such as access to justice, inclusiveness and public participation, and independent scientific advice.¹³ The European Climate Law includes all of these features, apart from planning.¹⁴

Notably for the present purposes, the European Climate Law has introduced a new legal obligation concerning CPI. It requires the Commission to review the compatibility of all its legislative and budgetary proposals with the objectives of the European Climate Law.¹⁵ This is an important development in EU climate governance, marking the emergence of CPI as a legal obligation. In view of the cross-sectoral nature of the climate change challenge, the EU climate neutrality objective cannot arguably be achieved without strengthening CPI and adopting a whole-of-government approach across the EU.¹⁶ A whole-of-government approach has been described as including the ‘aspiration to achieve horizontal and vertical coordination’, ‘eliminate situations in which different policies undermine each other’ and create ‘synergies by bringing together different stakeholders in a particular policy area’.¹⁷ Overall, the requirement that the Commission evaluate its budget and policy proposals in light of climate policy objectives is well aligned with the

⁹ Parliament and Council Regulation (EU) 2018/1999 of 11 December 2018 on the Governance of the Energy Union and Climate Action [2018] OJ L328/1 (‘Governance Regulation’)

¹⁰ Kulovesi et al. n. 6 at 2.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ The European Climate Law, Article 6.4.

¹⁶ Kulovesi et al. n. 6 at 4.

¹⁷ Tom Christensen and Per Laegreid, ‘The Whole-of-Government Approach to Public Sector Reform’ (2007) 67 Pub Admin Rev 1059, 1060.

procedural view of policy integration and the view that climate policy considerations should be taken up during the policymaking process.¹⁸

While the European Climate Law has advanced CPI in the EU in important ways, it also includes significant shortcomings and “falls short of requiring ‘principled priority’ for climate policy”.¹⁹ The Commission’s impact assessments will continue to be made public only at the stage when the measure or proposal in question is published.²⁰ Hence, the public will have no opportunity to comment on the impact assessment before the Commission has finalised its proposal or measure.²¹ Furthermore, the European Climate Law lacks criteria for assessing the consistency or alignment of legislative proposals with the climate-neutrality and adaptation objectives.²² It provides no safeguards for preventing legislative or budgetary proposals from being inconsistent with the objectives of the European Climate Law.²³

Also relevant for CPI in the context of the European Green Deal is the DNSH principle, which entails that activities creating significant harm from the perspective of the EU’s climate change objectives should not be carried out. The principle is included in the EU Taxonomy Regulation aiming to promote sustainable investments. Otherwise, the principle as included in the EGD has been described as ‘ambiguous’ and as a ‘concept that is to be translated at the level of a legislative proposal’.²⁴ Hence, it has been recommended that further strengthening climate policy integration in the EU requires strengthening the status of the ‘do no harm’ principle, anchoring it firmly in EU law and complementing it by a ‘maximise synergy’ principle.²⁵

Overall, the European Climate Law has taken important steps towards strengthening CPI in the EU by turning it into a legally binding obligation. Still, further steps to strengthen CPI will be needed for the EU to achieve climate neutrality by 2050.

2.2 CPI and EU institutional arrangements

As described in Section 1.2, a key aim of CPI is to ensure that climate policy is not considered as an isolated issue. Achieving this objective requires collaboration and coordination between different government departments to address the multifaceted challenges of climate change

¹⁸ Harro van Asselt, Tim Rayner and Åsa Persson, ‘Climate Policy Integration’, in K. Bäckstrand E. Lövbrand (eds.) *Research Handbook on Climate Governance* (Edward Elgar 2015).

¹⁹ Kulovesi et al n. 6 at 13.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ Alicja Sikora, ‘European Green Deal – Legal and Financial Challenges of Climate Change’, ERA Forum 21, 681–697 (2021). <https://doi.org/10.1007/s12027-020-00637-3>.

²⁵ Kulovesi et al. (n 6). See also Kati Kulovesi and Sebastian Oberthür, ‘The EU Needs to Constitutionalise Climate Policy to Stabilise Climate Transition’, GreenDeal-Net Op-ed, 20 June 2023, at: <https://sites.uef.fi/cceel/the-eu-needs-to-constitutionalise-climate-policy-to-stabilise-the-climate-transition/>

effectively. This means that institutional arrangements are highly relevant for advancing CPI. The academic literature has developed different concepts with a view to expanding ‘the traditional ‘silo’ approach in public sector organizations, an approach which typically does not consider issues across traditional responsibilities’.²⁶ The main conceptual approaches include the ideas of holistic government, joined-up government as well as the whole-of-government approach²⁷ Instruments commonly recommended to advance policy integration include inter-departmental plans, task-forces, regulatory impact assessments, mission statements, and interaction guidelines.²⁸ Looking at CPI from the perspective of EU-level institutional developments, two trends appear relevant. The first relates to the distribution of powers between the EU and its Member States, and the second to arrangements within EU institutions, most notably in the Commission, which plays an important role in the EU’s climate policy process.

Looking at the evolution of EU climate policy, more power has been gradually transferred from the Member States to the Commission. Notably, the 2009 Climate and Energy Package shifted power from the Member States towards the EU institutions, for instance, by setting an EU-wide emissions cap for the ETS that replaced national allocation plans drawn up by each Member State.²⁹ The Governance Regulation gave the Commission the authority to review and propose revisions to climate plans prepared by the Member States and issue recommendations to Member States that were making insufficient progress towards the EU’s 2030 targets. The European Climate Law has given the Commission similar powers with respect to Member-State level progress towards the 2050 climate neutrality objective.

Looking at arrangements within EU institutions, especially within the Commission, the Directorate-General for Climate Action (DG CLIMA) was created in 2010 by separating climate issues from the Directorate-General for the Environment. While this, on one hand, strengthened the status of climate policy, it also increased the risk of creating a climate-policy silo. The Juncker Commission (2014–2019) improved the institutional design from the perspective of climate policy mainstreaming, including by having a joint Commissioner for Energy and Climate. It introduced a stronger role for vice presidents and centralized decision-making toward the political leadership of the European Commission at the level of the president and vice presidents of the European Commission, as well as the European Commissioners and their cabinets.³⁰

During the Ursula von der Leyen Commission (2019–2024), climate change has featured strongly on the Commission agenda and the relevant institutional arrangements have been described as follows:

²⁶ Jale Tosum & Achim Lang, ‘Policy Integration: Mapping the Different Concepts’, 38 *Policy Studies* (2018), 553–570 at 560.

²⁷ *Ibid.*, at 557.

²⁸ *Ibid.*, at 562.

²⁹ Kati Kulovesi & Harro van Asselt, ‘Three Decades of Learning-by-Doing: The Evolving Climate Change Mitigation Policy of the European Union’ in: S. Weishaar et al. (eds.) *Climate and Energy policies in the EU, China and Korea – Transition, Policy Cooperation and Linkage* (Edward Elgar 2024).

³⁰ Rietig, n. 3, at, 49.

(...) the Commission's capacity to promote coherent climate policy has certainly been strengthened through organizational reforms, including the stronger hierarchical steering of the President, the special role of an Executive Vice President and Climate Commissioner, stronger levels of horizontal coordination, and the more interventionist coordinating role of the Secretariat General.³¹

2.3 CPI and development of EU climate policy

This section provides a brief overview of the evolution of EU climate policy from the point of view of CPI. In general, EU climate policy has evolved mainly through target-setting by the European Council, followed by Commission proposals for large packages of implementing measures.³² The 2009 Climate and Energy Package strengthened climate policy integration in the EU by creating stronger alignment of the EU's climate and energy policies and taking steps towards integrating climate objectives more strongly with transport policies.³³ The need *for comprehensive and deep integration of climate policy with all relevant sectors* and policy areas was clearly discernible, for the first time, in the Commission's 2018 Clean Planet for All communication, which examined possible pathways for the EU to reach climate neutrality by 2050.³⁴

The Clean Planet for All communication and underlying impact assessment, paved the way for the European Green Deal (EGD), a blueprint for the EU's fundamental economic and societal transformation by 2050 which made it explicit that all key sectors and policy areas would need to play a role in the climate neutrality transformation and that this required 'deeply transformative policies'. To deliver the EGD, there is a need to rethink policies for clean energy supply across the economy, industry, production and consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits.³⁵ The EGD communication also stressed that all areas "are strongly interlined and mutually reinforcing" and that the Green Deal's implementation would "make consistent use of all policy levers: regulation and standardisation, investment and innovation, national reforms, dialogue with social partners and international cooperation".³⁶ Overall, the European Green Deal has accelerated legal and policy change in the EU, aiming for a comprehensive transformation of Europe's economies and societies in a way that also has the effect of strengthening CPI in the EU. Important steps in this direction have also

³¹ Tim Rayner, Kasper Szulecki, Andrew J. Jordan & Sebastian Oberthür, 'The EU: towards Adequate, Coherent and Coordinated Climate Action?', in T. Rayner & al. (eds.), *Handbook on European Climate Change Policy and Politics* (Edward Elgar 2023), 384-401, at 385.

³² Claire Dupont, Brendan Moore, Elin Lerum Boasson, Viviane Gravey, Andrew Jordan, Paula Kivimaa, Kati Kulovesi, Caroline Cuzemko, Sebastian Oberthür, Dmytro Panchuk, Jeffrey Rosamond, Diarmuid Torney, Jale Tosun & Ingmar von Hoymer, 'Three decades of EU climate policy: racing towards climate neutrality?', *Wires Climate Change*, 2024.

³³ For a comprehensive overview, see Kati Kulovesi, Elisa Morgera and Miquel Munoz, "Environmental Integration and Multifaceted International Dimensions of EU Law: Unpacking the EU's 2009 Climate and Energy Package", 48 *Common Market Law Review* (2011), 829-891.

³⁴ European Commission, Clean Planet for All, COM(2018).

³⁵ European Commission, 'The European Green Deal' COM(2019) 640 final, 11 December 2019, at 4.

³⁶ Ibid.

been taken through the European Climate Law and the new legal requirement for CPI, as well as through the DNSH principle. The concluding section below argues, however, that important further steps are still needed to make the EU climate governance framework fit for the climate neutrality transition.

3. Looking forward: Strengthening climate policy integration in the EU?

While CPI has been strengthened in the EU over the years, it is clearly not yet at the level required for the EU to achieve a holistic transformation toward climate neutrality. Other recent studies have also come to the same conclusion:

(...) many sectors [in the EU] remain relatively unaffected by specific climate policies, such as agriculture, regional and economic development, trade and parts of the transport sector. Examples of the integration of climate objectives into other policy sectors include energy efficiency, the use of renewable energy, and the conditionality of regional development funds upon prioritizing low-carbon technology and infrastructure.³⁷

The recent report by the ESAB-CC has also emphasized the need for stronger CPI in order to ensure that the EU is on the right path towards climate neutrality. According to the ESAB-CC assessment, energy infrastructure and markets, finance, industrial emissions as well as competition and state aid as key areas requiring further attention to better align EU policies with the climate neutrality objective.³⁸ The ESAB-CC has also highlighted shortcomings in the implementation of the CPI requirement in the ECL, indicating that the Commission has done the required checks 'on many, but not all, relevant measures and proposals' whereas such checks should be done on all measures related to the implementation of the EGD and Fit for 55, as well as all other relevant measures.³⁹

Overall, the above analysis points to a clear need to further strengthen requirements and arrangements supporting CPI in the EU framework for procedural climate governance. Concrete opportunities to do so include the reviews of the Governance Regulation and the European Climate Law, mandated to take place in 2024.⁴⁰ Other ideas meriting further consideration include the legal codification of the DNSH principle, as well as conceptualising the link between the DNSH principle and a 'synergy principle' (i.e., that other policies should contribute to climate objectives to the extent possible) as specifications of the environmental integration requirement enshrined

³⁷ Rietig, n. 3 at 50.

³⁸ ESABCC n 1 at 10.

³⁹ Ibid.

⁴⁰ Kulovesi et al. 6 at 20.

in Article 11 of the Treaty on the Functioning of the European Union and the principle of sustainable development in Article 3.3 of the Treaty on the European Union.⁴¹

⁴¹ Sebastian Oberthür et. al., *Review of the Governance Regulation and the European Climate Law: Upgrading the EU's procedural climate governance*, GreenDeal-Net Policy Options Paper (forthcoming, 2024).

About the project

4i-TRACTION – innovation, investment, infrastructure and sector integration:
TRANSformative policies for a ClimaTe-neutral European UnION

To achieve climate neutrality by 2050, EU policy will have to be reoriented – from incremental towards structural change. As expressed in the European Green Deal, the challenge is to initiate the necessary transformation to climate neutrality in the coming years, while enhancing competitiveness, productivity, employment.

To mobilise the creative, financial and political resources, the EU also needs a governance framework that facilitates cross-sectoral policy integration and that allows citizens, public and private stakeholders to participate in the process and to own the results. The 4i-TRACTION project analyses how this can be done.

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