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# The New Green Deal

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RYAN JACOBSEN

[WWW.POLITIKASPOLECNOST.CZ](http://WWW.POLITIKASPOLECNOST.CZ)

[OFFICE@POLITICSANDSOCIETY.CZ](mailto:OFFICE@POLITICSANDSOCIETY.CZ)

# The New Green Deal

Policy Brief – Ryan Jacobsen, May 2020

On December 11, 2019, the president of the European Commission, Ursula von der Leyen, revealed her new *European Green Deal*. The first and foremost goal of this deal is to have Europe “become the world’s first climate-neutral continent by 2050”<sup>1</sup> and lays out a roadmap on how to achieve this goal. This is a lofty and expensive goal.

The first major benchmark of the deal is to reduce carbon emissions to 50% of 1990 levels by 2030. The European Commission has unveiled a plan to mobilize €1 trillion of public and private investments over the next 10 years for the Green Deal (Figure 1), which averages out to €100 billion per year. The European Commission estimates that the actual cost of achieving the 2030 goal is approximately €260 billion per year.<sup>2</sup> This is over double the amount the investment plan will generate. Where the other €160 billion per year will come from is unclear, but likely the new Green Deal will implement new forms of taxation that will contribute to the missing €160 billion. Much of this taxation will be generated from goods and services that are considered *unsustainable*. The Green Deal states that “at national level, the European Green Deal will create the context for broad-based tax reforms, removing subsidies for fossil fuels, shifting the tax burden from labour to pollution”.<sup>3</sup>

The Green Deal is a monumental decision by the European Commission. If it is to meet its goals, the EU can expect drastic changes across the board. The transition to carbon-neutrality will be especially difficult for several EU member states, including the Czech Republic.

This paper will first go over the reasons for the Green Deal and pollution in the EU. Next, it will discuss possible taxes that could be implemented to help the Green Deal meet its goals. The next two topics are particularly important for the Czech Republic, those being nuclear power and the impact on the Czech Republic specifically the country’s number one export: cars. The last topic is dedicated to the Green Deal and COVID-19 recovery.

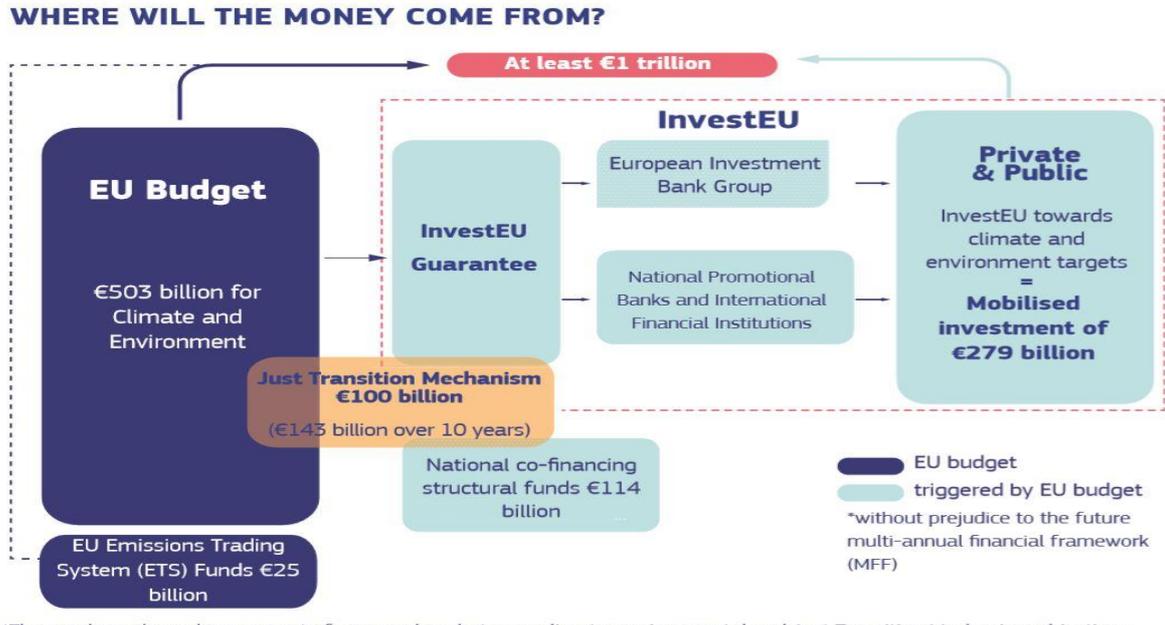
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<sup>1</sup>European Commission. “The European Green Deal”. Brussels, 2019  
[https://ec.europa.eu/info/sites/info/files/european-green-deal-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf)

<sup>2</sup> European Commission. “Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions” 2019  
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0285>

<sup>3</sup>“European Green Deal”, pg 17

**Figure 1:** Where will the money for the EU Green plan come from



\*The numbers shown here are net of any overlaps between climate, environmental and Just Transition Mechanism objectives.

**Source:** European Commission<sup>4</sup>

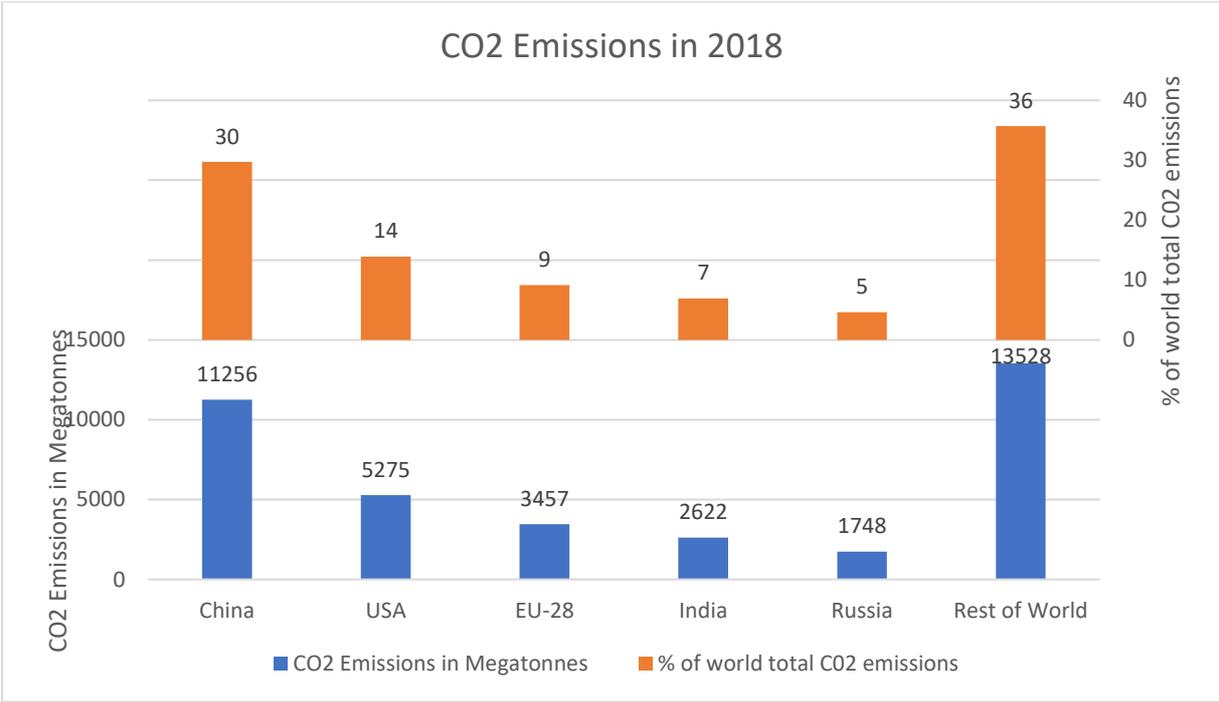
**Pollution in Europe**

Climate change is perhaps the biggest global threat to our future. Keeping the global average temperature to no more than 2 degrees Celsius higher than the pre-industrial era, is seen as the key benchmark at the present time to combatting climate change. This 2C threshold was the main priority of the Paris Agreement. The EU, realizing how important this topic is, decided to implement the Green Deal to help with meeting the Paris Agreement goals. The EU as a whole (including the UK) make up roughly 9% of total CO<sub>2</sub> worldwide, behind only the US and China<sup>5</sup> (see figures 2 and 3). The Green Deal is meant to bring this 9% number down significantly, eventually reaching 0%.

<sup>4</sup>European Commission, *The European Green Deal Investment Plan and Just Transition Mechanism Explained* Brussels: 2020 [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_24](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24)

<sup>5</sup>Joint Research Centre. “Fossil CO<sub>2</sub> and GHG Emissions of all world countries, 2019 report”. 2019 <https://edgar.jrc.ec.europa.eu/overview.php?v=booklet2019&sort=desq>

**Figure 2:** CO2 emissions in 2018



**Source of figures:** Joint Research Centre<sup>6</sup>

**Possible additional taxes**

While nothing has yet been confirmed, there are plenty of ideas of what sort of taxes could be implemented. One of the more adventures ideas is a carbon border tax (also known as a border carbon adjustment). A carbon border tax has never been implemented, and so there is no precedent for the EU to follow meaning it is likely going to be difficult to come up with a working plan quickly. Essentially, the carbon border tax would charge imports from foreign countries an extra fee based on the CO<sub>2</sub> emitted in the making of the imported products. This would help prevent “carbon leakage” where the polluters in the EU move their companies to a foreign country with less strict emissions regulations and then export their products back to the EU. It would also protect EU companies from foreign companies in said countries with less strict regulations; however, at the same time it would increase the cost of exports from the EU, making EU companies less competitive in the international market. One of the trickier parts of implementing a carbon border tax involves World Trade Organization rules, which require equal treatment of similar products between domestic and foreign producers.

Another possible tax would be applied to aviation fuel which is currently exempted from most forms of taxation. The Green Deal states “the price of transport must reflect the impact it has on the environment and on health”.<sup>7</sup> Currently there are no taxes whatsoever on aviation fuel for intra-EU flights, and the Netherlands is the only EU member to implement a tax on fuel for domestic flights; however, it should be noted that domestic flights do not operate in the Netherlands.<sup>8</sup> At a rate of €0.33/litre, the EU energy tax minimum, of fuel, this aviation

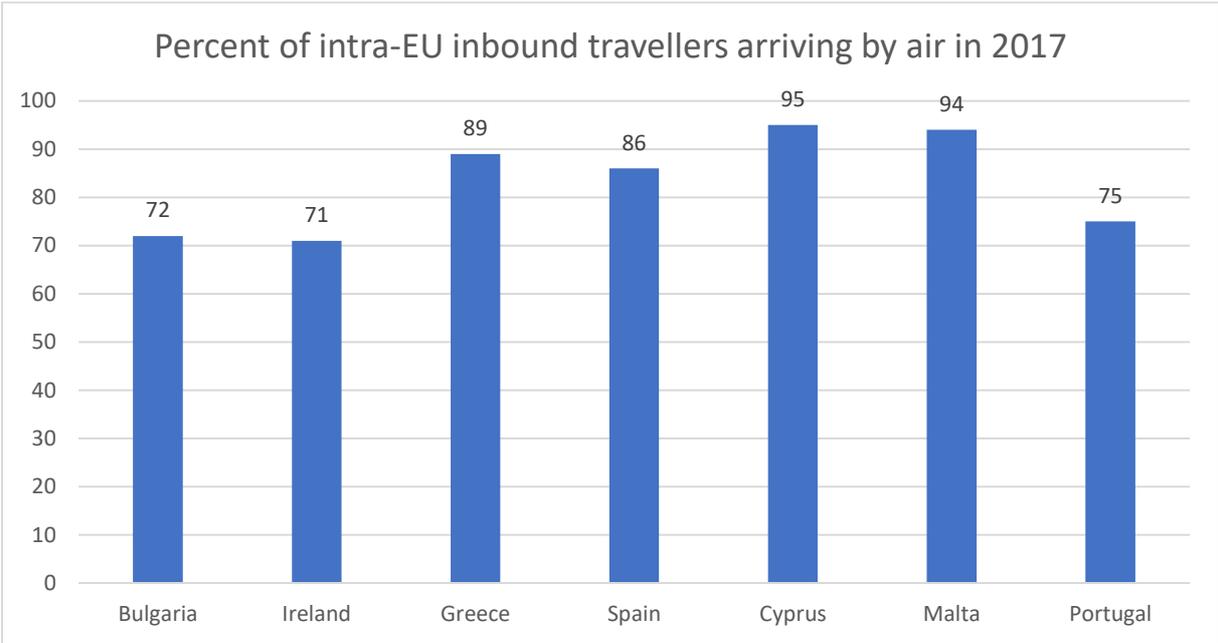
<sup>6</sup>Ibid

<sup>7</sup> European Green Deal, pg 10

<sup>8</sup>Hemmings, Bill. *Domestic Aviation Fuel Tax in the EU*, Transport & Environment, 2019 [https://www.transportenvironment.org/sites/te/files/publications/2010\\_01\\_Briefing\\_domestic\\_fuel\\_taxation\\_briefing.pdf](https://www.transportenvironment.org/sites/te/files/publications/2010_01_Briefing_domestic_fuel_taxation_briefing.pdf)

fuel tax could generate up to €27 billion per year.<sup>9</sup> At this rate, the cost of tickets would rise an estimated 10% and the number of people flying would fall approximately 11%.<sup>10</sup> While this would lower CO<sub>2</sub> emissions, some countries would likely suffer a loss in money generated from tourism. 95% of EU resident travelers to Cyprus, 94% to Malta, 89% to Greece, and 86% to Spain arrive via air (see figure 3).<sup>11</sup> These countries, in particular Cyprus and Malta, as they are not reachable by road or rail, would likely see a significant loss in the number of tourists visiting and thus lose out on a substantial amount of revenue from tourism (see figures 4 and 5).

**Figure 3:** Percent of intra-EU inbound travellers arriving by air



**Source:** Eurostat<sup>12</sup>

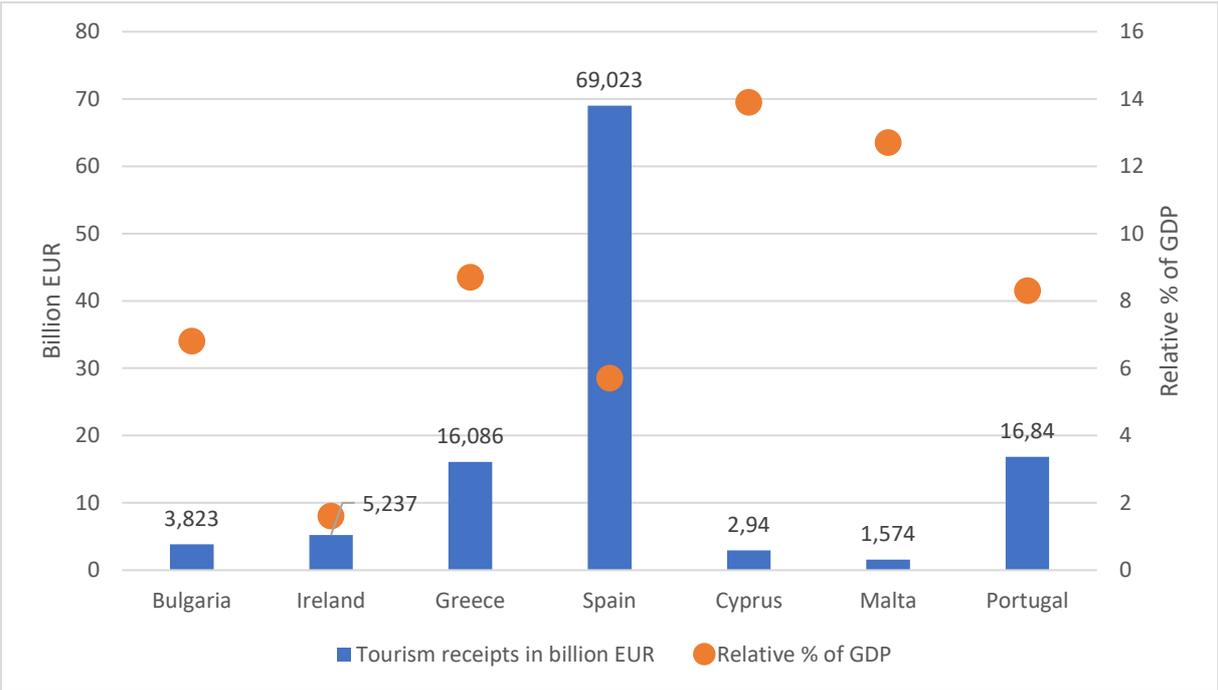
<sup>9</sup>Murphy, Andrew. *Leaked study shows aviation in Europe undertaxed*. Transport & Environment, 2019 [https://www.transportenvironment.org/sites/te/files/publications/2019\\_05\\_Tax\\_report\\_briefing\\_web\\_o.pdf](https://www.transportenvironment.org/sites/te/files/publications/2019_05_Tax_report_briefing_web_o.pdf)

<sup>10</sup>Murphy, 2019

<sup>11</sup>Eurostat, *Tourism statistics – intra-EU tourism flows*, 2019 <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/34962.pdf>

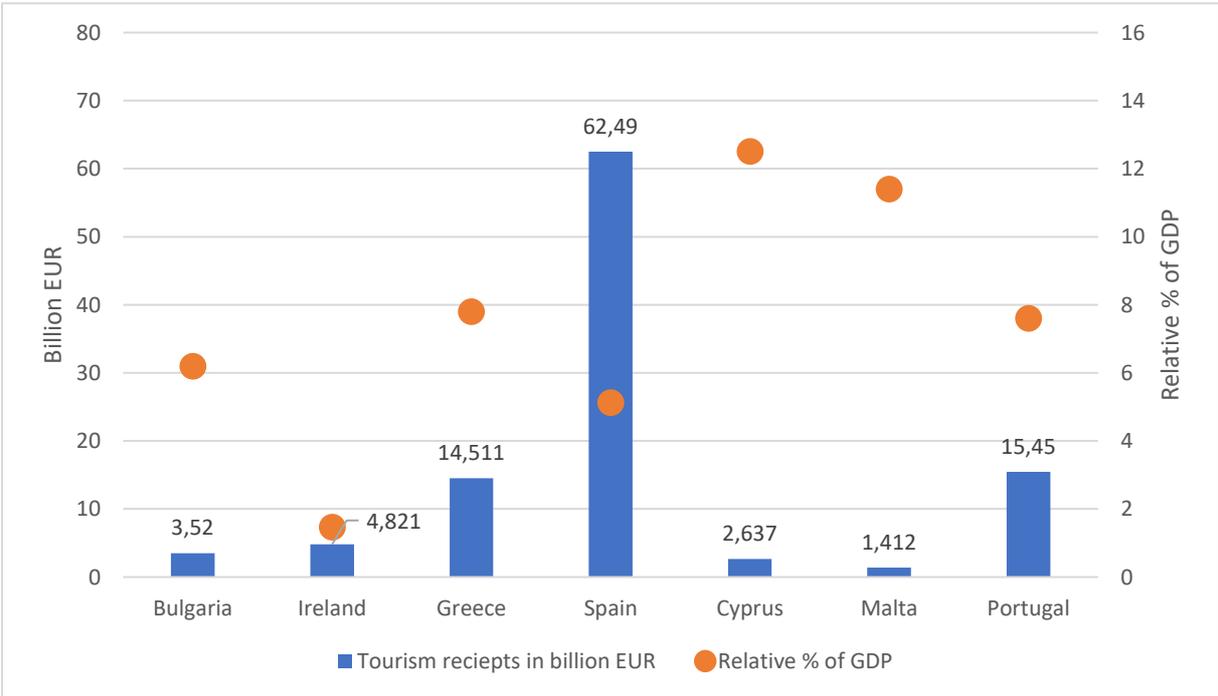
<sup>12</sup>Ibid

**Figure 4:** Tourism receipts in billion EUR and as relative % of GDP in 2018



**Source:** Eurostat<sup>13</sup>

**Figure 5:** Tourism receipts in billion EUR with relative % of GDP factoring in an 11% loss in number of passengers flying



**Source:** Self calculation

<sup>13</sup>Eurostat. *Tourism Statistics – statistics explained*. 2020 <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/1171.pdf>

More pertinent for the average consumer is an additional taxation on meats which is being considered. The meat industry is widely considered to be one of the largest producers of pollutants in the world, and this tax aims to reduce the amount of meat consumed in the EU. The proposal called for an increase of €0.47/100g of beef, €0.36/100g of pork, and €0.17/100g of chicken.<sup>14</sup> The increase is based on a €0.10 tax on all types of meat, plus a tax based on the environmental impact of the production of the meat. This will gradually increase to €0.20/100g for chicken and €0.57/100g for beef.<sup>15</sup>

This would have a significant effect on the majority of people in the EU. According to a 2014 UN study<sup>16</sup>, the average person in the EU eats 43kg of meat per year. If all 43kg of this meat is chicken, with this proposed tax on meat, the average person in the EU will spend €73.10 per year more on meat, if it is all beef than it would be €202.10 more per year. This is a significant increase in cost, especially for lower and medium income citizens. As with many of the potential taxes from the Green Deal, it would be the less well-off citizens and countries who would feel the effect the most.

## Nuclear Energy and the JTM

Many countries in the EU use nuclear power, as roughly 25% of energy generated in the EU comes from nuclear power plants. Nuclear energy is low-carbon energy source, and for many countries a clean alternative to coal. For these countries there is a large kink in the chain of the Green Deal in the form of the *Just Transition Mechanism* (JTM). The JTM is a €100 billion investment over the course of 2021-2027, part of the €1 trillion plan mentioned above, to be used to assist states in the transition to becoming carbon neutral. States who use more carbon intensive energy sources will receive a larger portion of the JTM. So, what's the problem? The money from JTM is not allowed to be used for the construction of nuclear power plants. Currently Slovakia is in the process of building two new nuclear reactors, at the end of 2019 the Czech Republic unveiled a plan for a new nuclear power unit, and Hungary is expecting two new reactors to come online at the end of this year.

After a meeting with Austrian Chancellor Sebastian Kurz, Czech Prime Minister Andrej Babiš said “we are not able to achieve carbon neutrality without nuclear energy... of course we want to close our coal-fired plants at some point, but we can't do that without nuclear power”.<sup>17</sup> Hungary's Innovation Minister Laszlo Palkovics made a statement, similar to that of Babiš, at a solar power station launch event: “without atomic energy, there is no climate neutrality”.<sup>18</sup> What this all means, is countries, like the Czech Republic and Hungary, that are attempting to replace their high-carbon coal generated energy with low-carbon nuclear energy will not be

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<sup>14</sup>Keating, Dave. *EU Urged to Put Climate Tax on Meat*. Forbes: 2020 <https://www.forbes.com/sites/davekeating/2020/02/03/eu-urged-to-put-climate-tax-on-meat/#3fc52605c758>

<sup>15</sup> TAPPC. 2020. “Aligning food pricing policies with the European Green Deal” <https://drive.google.com/file/d/1TuFb2z75vacNpLR97Nx-Gb15PnxEvQKH/view>

<sup>16</sup>Ritchie, Hannah and Max Rose. “Meat and Dairy Production” 2017 <https://ourworldindata.org/meat-production>

<sup>17</sup>Quoted in The Local, “Austria fails to win over neighbours for nuclear phase-out”, 2020 <https://www.thelocal.at/20200117/austria-fails-to-win-over-neighbours-for-nuclear-phase-out>

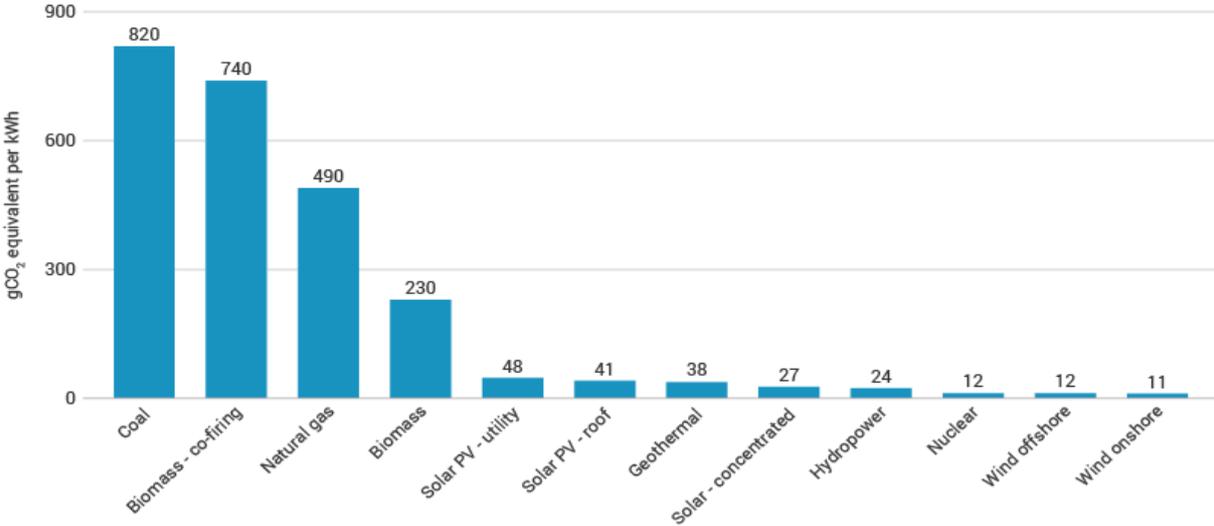
<sup>18</sup>Quoted in Sam Morgan, “Hungary backs 2050 climate neutrality goal, bringing EU total to 22”, 2019 <https://www.euractiv.com/section/energy-environment/news/hungary-says-no-climate-neutrality-without-nuclear-but-backs-eu-target/>

able to use JTM money to help cover the costs. They are stuck footing the bills themselves or seeking an alternative to nuclear energy that would net them the JTM money.

Why the JTM does not include nuclear power is a bit perplexing. Nuclear power plants are very expensive to build, but once built require less fuel to produce more energy than most other forms of energy. The CO<sub>2</sub> produced by a nuclear power plant over its lifetime is comparable to wind energy, and much lower than solar energy (see Figure 6). Currently, there is enough on land uranium to supply the world for close to 100 years, more than enough time to perfect the technique for extracting uranium from seawater, which would supply the world for hundreds of thousands of years if uranium in seawater did not replenish itself.

However, it does replenish itself effectively making nuclear energy a renewable resource. The cost of extracting uranium from seawater is presently higher than traditional land-based mining, but the technology is rapidly developing, and the cost of seawater extraction has dropped significantly.<sup>19</sup> Having nuclear energy alongside wind, solar, and hydro energy would drastically assist the EU in achieving their green deal goals.

**Figure 6:** Average life-cycle CO<sub>2</sub> equivalent emissions



**Source:** World Nuclear Association<sup>20</sup>

Another large-scale critique of the JTM and the Green Deal is about where the money will come from. Much of the money, is going to be allocated from existing EU programs; only €7.5 billion is going to be fresh, new, money. One of these programs is the Cohesion Fund which 15 countries benefit from, including the Czech Republic. The Cohesion Fund allocates money to states whose gross national income per inhabitant is below 90% of the EU average. The money from the Cohesion Fund is for use in infrastructure, particularly in trans-European transport and environmental developments.<sup>21</sup> If the JTM is going to be partially funded by money, that would otherwise go to the Cohesion Fund, then 15 Friends of Cohesion are going to see a cut in this infrastructure funding. On February 1, 2020 the Friends of Cohesion made a joint

<sup>19</sup>Canadian Nuclear Association, “There’s uranium in seawater. And it’s renewable” 2016 <https://cna.ca/news/theres-uranium-seawater-renewable/>

<sup>20</sup>World Nuclear Association. “How can nuclear combat climate change”. 2018 <https://www.world-nuclear.org/nuclear-essentials/nuclear-energy-and-climate-change.aspx>

<sup>21</sup>European Commission, *Cohesion Fund*, [https://ec.europa.eu/regional\\_policy/en/funding/cohesion-fund/](https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/)

statement calling “any cuts in the investment capacity of Cohesion regions would be unacceptable” and that “no member state should suffer a sharp and disproportional decrease of its Cohesion allocation”.<sup>22</sup>

## Impact on the Czech Republic

What does this all mean for the Czech Republic? To begin, the carbon border tax would cause many of the goods imported to the Czech Republic to become more expensive. The top three importers to the Czech Republic in 2018, that are not EU members and thus would be subject to the carbon border tax are China, Russia, and the USA. The top three imports from these countries are electronic equipment, machinery (including nuclear reactors), and mineral fuels. China is the second largest importer overall to the Czech Republic (\$26.05 billion USD imported from China in 2018)<sup>23</sup>, and is not known for having very stringent environmental protection policies. Likely, most of the goods imported from these countries would be subject to a significant increase in pricing due to the carbon border tax. Additionally, the Czech Republic must either abandon its plans for nuclear energy or pay for new nuclear power plants itself with no help from the JTM which would be an extremely costly endeavour.

### Škoda in the Future

One of the most immediately noticeable impacts in the Czech Republic would be the pricing of vehicles. As part of the EU Green Deal, by 2030 it is expected that all new vehicles being produced must be zero emission vehicles. Electric vehicles are significantly more expensive than their traditional petrol counterparts due to the cost of the complicated battery systems.

Czech car company Škoda offers one electric car – the Citigo eV. The Citigo eV starts at 479,900CZK. The regular Citigo starts as low as 199,900CZK and the top model is just 309,900CZK. The Czech consumer looking to purchase a new vehicle in the future should expect to pay more than they have paid in the past, unless there is significant development in the building of electric car battery systems. Škoda has recently revealed its second electric vehicle, the Enyaq. While the official price has not been announced, it is expected to have an entry-level MSRP of close to 900,000CZK.<sup>24</sup> The Enyaq can be compared to the Škoda Kodiaq which has a price of 871,900CZK for the top model. Electric cars are the way of the future, but for now they are much more expensive than conventional cars.

Cars are also the Czech Republic’s largest export, thanks almost entirely to Škoda. In 2019 Škoda exported 88,600 cars to Russia, 1000 to Kazakhstan, 6200 to Ukraine, 15,100 to India, and 282,000 to China.<sup>25</sup> None of these 393,100 vehicles were electric. If Škoda is obligated to change from producing petrol vehicles to only producing electric vehicles, it will likely significantly impact the number of cars they are able to export; while electric cars are popular

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<sup>22</sup>Friends of Cohesion, *Joint Declaration*, 1 February 2020, Beja, Portugal <https://www.portugal.gov.pt/download-ficheiros/ficheiro.aspx?v=c6825828-42dc-4090-8378-929c760c58a3>

<sup>23</sup>Trading Economics, *Czech Republic Imports by Country 2018*, <https://tradingeconomics.com/czech-republic/imports-by-country>

<sup>24</sup>Burgess, Rachel, *New Skoda electric SUV to be called Enyaq*. 2020 <https://www.autocar.co.uk/car-news/motor-shows-geneva-motor-show/new-skoda-electric-suv-be-called-nyaq>

<sup>25</sup>Škoda, “Škoda delivers 1.24 million vehicles in 2019” <https://www.skoda-auto.com/news/news-detail/sales-december-2019>

in Ukraine, there were only 353 sold in Russia in 2019<sup>26</sup>, 1309 in India<sup>27</sup>, in Kazakhstan there are only 7 registered electric vehicles in the entire country as of June 2019<sup>28</sup>, and the car market in general in China is on a decline.<sup>29</sup> If these countries do not adopt their own law requiring the switch from gasoline powered vehicles to electric vehicles, it should be expected that Škoda's exports will drop.

Škoda is already significantly outsold by its competitors in the international market, and forcing them to produce only electric cars, thereby increasing the price, will only make it more difficult for Škoda to compete. For example, in Russia the Škoda Rapid (the most popular Škoda in Russia) starts at 829,000₰ (299,370CZK). Two of its main competitors, the Kia Rio and the Hyundai Solaris, start at 664,110₰ (239,830CZK) and 756,000₰ (272,980CZK) respectively. The Kia Rio and Hyundai Solaris already greatly outsell the Rapid in Russia (the Rio alone sells more than all Škoda models combined in Russia), a lot of which is likely due to the price point.<sup>30</sup> If Škoda is forced to produce only electric vehicles, the electric Rapid (or whichever vehicle is made to replace the Rapid) would likely increase in price (as we see with the Citigo and its electric version) making it even less competitive against the Rio and Solaris causing Rapid sales in Russia to drop. The same can be applied to all the Škoda models sold abroad. If the EU green deal does not require exported vehicles to be zero-emission, then the prices abroad will of course not increase. However, this would completely go against the whole point of the Green Deal as it would lead to a major form of carbon leakage.

## Temelín and Dukovany

Currently roughly 30% of electricity in the Czech Republic is from nuclear energy. This comes from 6 power units at two different nuclear power plants – Temelín and Dukovany. In 2019, the Czech government announced that it plans on building a fifth power unit at the Dukovany power plant. Construction of this unit would begin in 2029 (with a construction contractor selected before the end of 2022), and the unit is expected to come online in 2036. At the same time, the existing units, which were originally expected to be decommissioned between 2035 and 2037 have been extended to 2047.<sup>31</sup> ČEZ, the majority state-owned company that operates the nuclear power plants in the Czech Republic, has estimated the cost to be 140-160 billion CZK (roughly €6 bn).<sup>32</sup>

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<sup>26</sup>Kireeva, Anna. *While the number of electric cars sold in Russia is on the upswing, they remain a rare sight.* 2020, Bellona <https://bellona.org/news/transport/2020-02-while-the-number-of-electric-cars-in-russia-is-on-the-upswing-they-remain-a-rare-sight>

<sup>27</sup>Das, Malnik. *Only 1309 electric cars sold in India during April-November 2019.* 2019, ETAuto <https://auto.economictimes.indiatimes.com/news/passenger-vehicle/cars/e-cars-in-india-sold-only-1309-units-during-april-nov-2019-merely-0-07-of-total-pv-sales/73007605>

<sup>28</sup>KazAutoProm. *Спрос За Электромобили в Казахстане Сократились в 5 Раз.* 2019 Press Release <http://kazautoprom.kz/press-releases/125>

<sup>29</sup>Collins, Jim. *China's Car Market Is Heading From Recession to Depression.* 2019, Forbes <https://www.forbes.com/sites/jimcollins/2019/09/11/chinas-car-market-is-heading-from-recession-to-depression/#6b9e5b176b55>

<sup>30</sup>Association of European Businesses in the Russian Federation, <https://aeburus.ru/en/media/press-releases/sales-of-cars-and-light-commercial-vehicles.php>

<sup>31</sup>World Nuclear News. "Dukovany expansion agreement expected soon, says minister" 2020 <https://www.world-nuclear-news.org/Articles/Dukovany-expansion-agreement-expected-soon-says-mi>

<sup>32</sup>World Nuclear News. "Czechs to commission Dukovany unit by 2036, says PM" 2019 <https://world-nuclear-news.org/Articles/Czechs-to-commission-Dukovany-unit-by-2036.-says-P>

Minister of Industry Karel Havlíček has said that if the Czech Republic wants to avoid becoming dependent on electricity imports, that this one new unit at Dukovany is not enough. More need to be built at Dukovany and Temelín. While phasing out coal, the Czech Republic will need to increase the amount of electricity nuclear energy provides and aims to increase this amount to 40% of electricity in the Czech Republic by 2040.<sup>33</sup>

Without assistance from the EU and JTM, the task of building the new reactor at Dukovany, and possible three additional units at Dukovany or Temelín (as foreseen in the 2015 energy policy)<sup>34</sup> will be very straining financially on the Czech Republic – if each unit costs €6 bn, that would total €24 bn. The cost of phasing out coal will be quite high for the Czech Republic, and up to €24 bn spent on nuclear energy without JTM assistance is a hard pill to swallow. Although an official agreement has yet to come to fruition, the Dukovany expansions seems inevitable as Havlíček said of the expansion “it is an immutable fact that cannot be reversed”.<sup>35</sup>

## COVID-19 recovery

The Green Deal along with almost everything else in the world has been temporarily overridden the ongoing COVID-19 pandemic, but as the pandemic begins to wind-down in Europe the European Commission is attempting to plan how to help the EU economy recover. Von der Leyen has suggested that the Green Deal will be a centrepiece in this recovery.<sup>36</sup> A supposed draft of the recovery plan was leaked, and the so-called “green recovery plan” lays out how the European Commission plans to revive the economy in a green way. The draft has 4 parts: renovation (of buildings), acceleration of renewables and hydrogen, clean mobility, and modernisation of waste management.

The renovation section focusses on updating buildings to be more energy efficient and clean. According to the draft, buildings account for 36% of greenhouse gas emissions in the EU.<sup>37</sup> The Commission plans to launch a €91 billion per year *European Renovation Financing Facility* to help EU members improve building infrastructure to become more green friendly. The plan calls renovating the existing, outdated, buildings “a must for a net climate neutral EU and a clear win-win investment priority for green, digital and fair recovery”.<sup>38</sup>

On renewable energy, the document claims that the solar and wind market in Europe will drop 20% to 33% this year as a result of the COVID-19 pandemic. Without growth in the renewable energy market “there is no growth for clean hydrogen in Europe”.<sup>39</sup> Hydrogen is viewed as an essential alternative fuel to become carbon neutral. The document claims that without stimulus, the transition to renewable energy will be slowed significantly and the 2030 goal will become difficult to reach, and so it proposes a €25 billion over two years investment into renewable electricity projects and an additional €10 billion over two years into national renewable energy schemes.

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<sup>33</sup>Ibid

<sup>34</sup>Ibid

<sup>35</sup>World Nuclear News, 2020

<sup>36</sup> Rios, Beatriz. “Von der Leyen unveils details of EU’s upcoming COVID-19 recovery plan”. 2020 <https://www.euractiv.com/section/economy-jobs/news/von-der-leyen-unveils-details-of-eus-upcoming-covid-19-recovery-plan/>

<sup>37</sup> European Commission. “Green Recovery Plan Draft” 2020 [https://www.euractiv.com/wp-content/uploads/sites/2/2020/05/Green\\_recovery\\_plan.pdf](https://www.euractiv.com/wp-content/uploads/sites/2/2020/05/Green_recovery_plan.pdf)

<sup>38</sup> Ibid

<sup>39</sup> Ibid

The last two sections focus on transportation (both personal vehicles and trains) and waste management and circular economy. On waste management and circular economy, it emphasises the importance of digitalisation and recycling. For cars the plan calls for doubling the investment package for electric vehicle recharging stations, a *Clean Automotive Investment Fund* of €40 to €60 billion, and an EU-wide *Purchasing Facility for Clean Vehicles* (€20 billion over two years).<sup>40</sup> Finally, the plan calls for a “renaissance of rail”<sup>41</sup> which aims to replace short-haul passenger flights with high-speed trains and for a shift from freight shipping to rail shipping where possible.<sup>42</sup>

While the Green Recovery Plan is not official, and the leaked document has been neither confirmed nor denied to be legitimate, it gives a good look into how the European Commission could possibly be thinking of an environmentally friendly recovery from the COVID-19 pandemic. If the Green Deal allows to both work towards sustainability and environmental goals and recover towards a more sustainable economy, there is no real reason to not do it. The argument could be made that there are faster ways to recover the economy, but then supporters of the Green Deal could argue that it is not desirable to recover unsustainable economic patterns. Furthermore, this would set the Deal back even further than the pandemic already has. If properly implemented, using the Green Deal to help revitalise the economy after the COVID-19 pandemic is a best of both worlds type solution.

## Conclusion

The Green Deal is the EU's answer to the most pressing question of the century: what to do about climate change. While it is a step in the right direction, it has many flaws and issues. The issue of nuclear power needs to be addressed. As a clean alternative to coal, money from the JTM should be allowed to be used in the building of nuclear power plants. Without nuclear power many countries will struggle to become carbon-neutral. Tax increases on goods and services such as meats, imports from outside the EU, and aviation fuel could cut down on the amount of CO<sub>2</sub> emissions significantly, but they need to be offset in some way to try and avoid a situation like we saw with the *Yellow Vest Movement* in France. This offset can include allocating the money to infrastructure or having tax breaks in other areas. In the Czech Republic, due to the likely increase in the pricing of personal vehicles with the switch from conventional to electric an incentive should be offered. This could include tax exemption on said electric vehicles, rebates, or free/discounted parking for example.

Despite all of this, the tax increases, mandatory electric vehicles, clean energy transition, the Green Deal will likely fall short of its ultimate goal: protecting the earth's climate. The planet is on track to see a global temperature increase of 1.5 degrees more than the pre-industrial era by 2040, and a 2 degrees increase as early as 2055 and almost certainly before the end of the century. The Green Deal will not stop this if the rest of the world does not follow suit. At this point in time, the Green Deal is like putting a band-aid on a bullet wound.

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<sup>40</sup> Ibid

<sup>41</sup> Ibid

<sup>42</sup> Ibid



## RYAN JACOBSEN

### Analyst

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Born and raised in Victoria, British Columbia, Canada. He completed his honours undergraduate degree at the University of Victoria. As part of his undergrad he spent a semester studying at Saint Petersburg State University in Russia. Currently, he is a dual master's degree student at the Moscow State Institute of International Relations (MGIMO) in Russia, and the Middlebury Institute of International Studies at Monterey (MIIS) in California.

His fields of study at MGIMO and MIIS are focused on nuclear non-proliferation, nuclear policy, and nuclear energy. Formerly an intern, currently an analyst, at the Institute for Politics and Society in Prague, he also completed an editorial internship in the summer of 2019 at Liden & Denz in Saint Petersburg.

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