

The Importance of Compatible Beliefs for Effective Climate Policy Integration

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Abstract

European climate policy faced increasing constraints during the economic and Eurozone crises (2008-14). The European Commission subsequently re-focused policymaking towards integrating climate objectives into other policy areas such as energy and the 2014-2020 EU budget. The conditions for successful climate policy integration (CPI) are analysed, focusing on the compatibility of key actors' beliefs. In renewable energy policy, CPI was successful as long as the co-benefits and related policy-core beliefs of energy security, rural economic development and climate action co-existed harmoniously. Once conflict among these policy-core beliefs emerged during the biofuels controversy, CPI was weakened as actors with competing economy-focused beliefs controlled the decision-making process. The case of EU budget climate mainstreaming illustrates how actors can add climate objectives into legislation despite meaningful discussion being 'crowded out' by other priorities. The findings highlight the importance of low conflict between departments, compatible beliefs and policy priorities for successful CPI.

Key words: Climate Policy Integration, European Commission, Policy Change, Renewable Energy, EU Budget, Learning, Climate Governance

Introduction

The European Union (EU) took an internationally leading position as a laboratory for developing progressive climate policies (Wurzel and Connelly 2011) between 2005 and 2010. The EU designed a number of climate policies such as the European Emission Trading Scheme (EU 2003) and pledged to reduce greenhouse gas emissions by 20% by 2020 (compared to 1990 levels), increase the share of renewable energies to 20%, and improve energy efficiency by 20% (European Commission [EC] 2008). Yet, in the wake of the Financial/ Economic/ Eurozone crises 2008-2013, European leadership on climate change evolved into a more moderating role (Slominski 2016, Skovgaard 2014) as economic concerns began crowding-out political support for stronger climate policies. Key actors at the European Commission, especially the Cabinet and Directorate General [DG] for Climate Action [CLIMA] (until 2010 part of DG Environment), saw declining opportunities to strengthen climate action via policies solely focused on addressing climate change. At the same time, there was increasing pressure from the United Nations Framework Convention on Climate Change (UNFCCC) negotiations to honor Europe's leadership role by legislating and implementing ambitious climate action (Lindenthal 2014, Wurzel and Connelly 2011). Civil servants at Cabinet/DG CLIMA subsequently focused their attention on integrating climate change objectives into other policy areas such as energy, agriculture, transport or the EU budget. We can understand this 'climate mainstreaming' as Climate Policy Integration (CPI) (Rietig 2013).

We have a limited understanding of when, why and under what conditions CPI can be effective, i.e. strengthen climate action, and when it is more likely to remain lip-service and unsuccessful in reducing emissions or improving societies' climate adaptation capabilities. Here, I argue that the successful integration of climate objectives into other policy areas (i.e. CPI) requires that CPI meets a number of conditions on policy coherence and coordination. However, our understanding of the conducive conditions for effective CPI remains limited, requiring a better understanding of the conditions for CPI to emerge as policy outcome. Especially in times of economic austerity, when the political agenda can potentially be pre-occupied with other issues and pays little attention to climate policies, actors can facilitate climate action via CPI by focusing on areas requiring few additional financial resources and providing co-benefits for both achieving the sectoral policies' objectives and addressing climate change. Here, I analyse the conditions for CPI to emerge when political support for cli-

mate policies is slipping away. The central research questions are: what role can CPI play in advancing climate action; and what conditions determine whether climate objectives are integrated into other policy areas?

Answering these questions furthers our understanding of the underlying factors driving policy change in European environmental policy, addressing wider questions concerning the degree to which environmental policy has significantly changed, the key external and/or internal drivers for policy change and its implications for environmental policy and EU studies (Zito *et al.* 2019 – this volume). To answer the two research questions, I focus on two illustrative case studies that the Barroso Commission negotiated during the Economic Eurozone crises (2008-2013): the 2009 European Renewable Energy Directive (RED); and dedicating 20% of the €959.99 billion 2014-2020 EU budget (the Multiannual Financial Framework MFF) to policy measures co-benefitting climate action. These cases are particularly relevant as they are important elements of the EU's climate policy, especially the RED, which was a key component of the 20-20-20 Climate Package. The European Commission also reformed the biofuels aspects of the 2009 Renewable Energy Directive (EU 2009), which shares its sustainability criteria with the 2009 Fuel Quality Directive. The RED and MFF cases exemplify key CPI challenges: Cabinet/ DG CLIMA was not in control of the policy proposals but needed to negotiate with other Cabinets/DGs, while both pursued their own objectives. The next section reviews the conditions for successful CPI. The empirical section examines the policymaking dynamics during the RED (2008/09) and MFF (2011-13) negotiations. Key actors at Cabinet/DG CLIMA refocused their strategies towards 'climate mainstreaming' to continue to advance their climate action agenda despite reduced political attention and support. I subsequently discuss the conditions for CPI to occur, and finally present the key finding about compatible underlying beliefs.

Conditions for successful Climate Policy Integration

Climate Policy Integration is distinct from Environmental policy integration (EPI). The literature defines EPI as a governing process or policy outcome that integrates environmental objectives into all other policy areas across policymaking stages, including planning, implementation and evaluation (Jordan and Lenschow 2010, Lenschow 2002, Lafferty and Hovden 2003, Nilsson and Eckerberg 2007). CPI is a governing process or policy outcome that integrates climate change objectives into non-climate change policy areas across all stages of the

policy cycle, while CPI and EPI ideally overlap in ‘sustainable CPI’ (Rietig 2013), so that three EPI objectives are also applicable to CPI: the achievement of sustainable development and preventing damages to the environment, removing contradictions within and between policies and the realization of mutual benefits (Collier 1997, p. 36).

There is no consensus in the literature on whether CPI is an element of EPI or whether they are related but distinct concepts (Dupont 2016, Runhaar, Diessen and Uittenbroek 2014, Humalisto 2015). I conceptualize CPI as related but separate from EPI. CPI and EPI overlap in many regards and ideally sustainable CPI is as similar to EPI as possible (Rietig 2013). However, although climate change is an environmental challenge, it differs from most geographically limited environmental problems. CPI also has no status of principled priority, nor is it enshrined into EU treaties (Adelle and Russell 2013). Climate change is especially difficult to address effectively due to financial, technological, institutional, behavioral, governance and collective action-related challenges, requiring coordinated efforts across policy areas and governance levels (Jordan *et al.* 2010). Subsequently, objectives to address climate change via mitigation and/or adaptation cannot be integrated, or ‘mainstreamed’ (Remling 2018) into all policy sectors with the same success. The central determinant for successful CPI is the level of synergies between the sector’s policy objectives and climate objectives (Koch and Lindenthal 2011). Synergies can exist in terms of policy objectives, technology, innovation and infrastructure. They depend on the potential for climate change mitigation/ adaptation and how easily climate objectives and the other policy sector’s objectives can be harmonized via regulatory instruments. Furthermore, there is no consensus about how to conceptualize climate change as an environmental problem. The complex interdependencies of policy areas require coordination and constructive collaboration to effectively address climate change and develop integrated policies (Cohen *et al.* 1998).

The ‘wicked’ nature of climate change and the cross-sectoral approach of CPI warrant a closer analysis of the conditions conducive to achieving policy change in the form of ‘successful’ CPI. I define CPI as successful if the policy outcome has co-benefits both for achieving the objective of the sectoral policy (e.g. energy provision, food security) and reducing greenhouse gas emissions (climate mitigation) and/or improving climate change adaptation. The public policy literature identified policy entrepreneurs, the coherence of underlying beliefs among key actors and the co-benefits of policy objectives as central conditions for policy change (Baumgartner and Jones 1993, Kingdon 1995, Weible and Sabatier 2009). Policy entrepreneurs play an important role in affecting policy change and subsequently facilitating or

hindering CPI. They are dedicated and highly skilled actors who define problems, are well connected with relevant networks, build coalitions to further their cause and take on central leadership roles to influence the political decision-making process (Braun 2009, Mintrom and Norman 2009, p. 651).

Actors hold different beliefs guiding their preferences and behavior, which authors differentiate into deep-core, policy-core and secondary beliefs (Weible and Sabatier 2009). Deep-core beliefs describe very stable fundamental worldviews, e.g. political left/ right orientations or green beliefs about the intrinsic value of nature. Policy-core beliefs result from the normative interpretation of a policy problem taking into account an actors' deep-core beliefs, e.g. whether one should address climate change using market-based policy instruments. They tend to be relatively stable and also unlikely to change quickly. Secondary beliefs describe actors' preferences for specific policy instruments (e.g. emission trading versus taxes among market-based instruments and actions in line with their fundamental worldviews/deep-core beliefs). They change over time as additional scientific evidence becomes available, societal preferences evolve or political framework conditions shift. Different actors advocate certain 'solutions' to the problem addressed in the policymaking process (Weible and Sabatier 2009).

While there may be countless different perspectives, actors tend to cluster together in groups and collaborate in a coordinated way with other actors sharing similar normative and causal beliefs to leverage power in the democratic political process dominated by the need for (voting) majorities. Membership in such coalitions advocating certain policy solutions is open to all actors holding similar beliefs including interest groups, government representatives, legislators and members of expert networks (Mintrom and Norman 2009). They use different strategies to win over groups with competing interests and achieve decisions by governmental authorities in line with their beliefs. In the case of conflict, it is useful to understand interest groups as coalitions, whereby the policy outcome ultimately depends on which of these coalitions hold more political power (Nohrstedt 2011). Policy change can result from varying actor constellations, depending on how beliefs are aligned and compatible. Interest groups either collaborate as one group's policy-core/secondary beliefs shift to match with the other groups' policy-core/secondary beliefs (Lodge and Matus 2014, Weible and Sabatier 2009). This creates co-benefits between two previously unrelated policy areas. It is also possible that groups of actors who previously cooperated due to seemingly aligned policy-core/secondary beliefs on policy instruments can begin to oppose each other due to changes in policy-core or secondary beliefs (e.g. resulting from new scientific evidence removing previously perceived co-benefits between policies), while the deep-core beliefs remain unchanged (Rietig 2018). This

is particularly relevant for policy integration where policy objectives are integrated into another groups' policy domain. Depending on how well the integrated objectives fit with the beliefs of the 'receiving' policy area, policy integration can be either successful, resulting in strengthened policy outputs, or remain weak, involving lip-service without achieving policy change that matches the integrated policy's objectives (Koch and Lindenthal 2011; Rietig 2018). Wider framework conditions also influence the success of CPI. These include societal demands, sudden external shocks, public opinion (Baumgartner and Jones 1993, Kingdon 1995) and how policymakers perceive and interpret voter demands with regards to current policy initiatives. Examples include rising public concern on climate change and the March 2011 Fukushima nuclear disaster that resulted in Germany's abandonment of nuclear energy (Jahn and Korolczuk 2012).

This discussion suggests two central conditions for CPI to be successful: underlying beliefs of policymakers matter for the level of conflict; and secondary and policy-core beliefs among key policymakers and their organizations must align for co-benefits to be identified and realized. The following sections trace these conditions in the empirical case studies on integrating climate objectives into European energy policy and the EU budget during the Barroso Commission and Financial/ Economic/ Eurozone crises (2008-2013). The energy case study focuses on developing the European Renewable Energy Directive (RED) during the Barroso Commission at the peak of the economic and Eurozone crisis as European flagship legislation on CPI. The EU budget case study examines the 'climate mainstreaming' approach of dedicating 20% of the 2014-2020 Multiannual Financial Framework MFF to measures with climate action co-benefits. The MFF case is highly relevant since we can view it as a policy innovation that, if successfully transferred to national budgets, could significantly strengthen climate action also during times of financial or economic crises. The RED is an important part of Europe's flagship policies to address climate change, but developed out of 'classic' energy policy. The impetus came from the 1970s policy objective to improve Europe's energy security with 'alternative' energies and to support rural economic development with increased use of biofuels. The biofuels component also closely links to the EU's Common Agricultural Policy and subsidies (Sharman and Holmes 2010). The RED is particularly relevant to better understand the conditions for successful CPI in the EU: its three core objectives of energy security, economic development and climate action provide an illustrative case of the opportunities and challenges faced when integrating climate objectives into other sectoral policies, especially once the objectives no longer co-benefit each other but start to compete, and key actors prioritize them differently.

Methodology

The data set underpinning the empirical analysis includes 43 elite interviews with key actors involved in both case studies, and numerous policy documents including legislative proposals, directives, white/ green papers and communications from the European Parliament (EP), Council and Commission. The interview questions encouraged actors to identify their beliefs (deep-core/policy-core and secondary beliefs), clarifying whether beliefs changed and why. Following transcription, I coded the interviews along the belief typology and analyzed the data with a process-tracing approach that followed the negotiation process of the RED and MFF (Hall 2013) using the qualitative analysis software program NVivo. The key respondents work(ed) in the European Commission, European member state governments and representations, the EP and stakeholder organizations such as environmental NGOs and industry. The interviews include the civil servants working at the Directorates General and Cabinets for Energy (until 2009 DG Transport and Energy [DG TREN]), Environment [split in 2009 into DG Environment and DG Climate Action [CLIMA]] and Agriculture and Rural Development [DG AGRI]. All four DGs (Energy, Environment, CLIMA and Agriculture) were involved in the EU MFF negotiations and multiple aspects of EU renewable energy via the RED (led by DG Energy/ TREN). The biofuel aspects illustrate the complicated nature of CPI in practice. This case study allows us to trace in-depth conditions for policy integration. While it is not possible to generalize from a limited number of case studies, the MFF negotiations and the RED development nevertheless offer an insight into the conditions that matter for CPI to emerge as a policy outcome (and thus as policy change).

Integrating climate objectives into energy policy during the Barroso Commission

Negotiating the Renewable Energy Directive: aligned policy-core beliefs

Motivated by the oil shocks of the 1970s, the EU increased research and development into ‘alternative energies’ to improve energy security. The energy security benefit of renewables was reframed in the 1990s as the double objective of energy security and economic development with the added benefit of improving European integration via advancing the integrated electricity market. Following the rise of climate change on the international agenda, especially via

the 1992 Rio Summit and the 1997 Kyoto Protocol, climate change emerged as a third objective. The means for addressing this objective was via an increased share of renewable energies (see Hildingsson, Stripple, and Jordan 2012). This triangle of energy security, economic development and climate action proved a ‘magic formula’ aligning with member states’ different domestic interests, as well as cities and other stakeholder’s objectives (Kalafatis 2018). Actors’ policy-core beliefs across different interest groups were aligned (interview European Commission [EC]2), as priorities guiding their focus in political decision-making matched their ‘material’ interests for these three priorities. The RED adoption in the areas of electricity and heating/ cooling was relatively straightforward as policy-core beliefs were aligned in the ‘magic formula’ of energy security, economic development and climate change (Rietig 2018). Actors focused on deep-core beliefs regarding the priority of economic development held the policy-core belief that the RED should improve rural economic development and energy security. Simultaneously, actors with climate change and environmental priorities (and corresponding deep-core beliefs) saw the RED as central climate policy instrument within the EU Climate Package (Rietig 2018).

There was an alignment of policy-core beliefs in the form of a general consensus among European-level decision-makers on the desirability of increasing the share of renewables. This prompted the development of the 2001 Renewable Electricity Directive, which required member states to set national indicative targets (EU 2001, Art. 3). The overall consensus (via aligned policy-core beliefs among stakeholders and decision-makers) was that alternatives to fossil fuels should play a larger role in the European energy mix, facilitating the Directive’s adoption (EC1, EC3, Member State [MS]3). The March 2006 Council meeting set the overall rationale for developing a renewable energy strategy (Council 2006, pp. 13-15) that matched the three policy-core beliefs – the need to improve energy security, address climate change and accelerate the uptake of renewables for an integrated energy market benefitting economic development. The EP passed a resolution requesting the European Commission to submit a legislative proposal for concrete measures on renewable energies for heating and cooling by 31.7.2006 (European Parliament 2006). Shortly thereafter the European Commission received a request to prepare a proposal that integrated all three aspects of renewables, resulting in the Renewable Energy Road Map (EC 2007). The Road Map already contained the landmark targets on renewable energy adopted at the March 2007 Council meeting (Council 2007, EC2) in the form of a legally binding 20% renewable energies target including a mandatory minimum 10% target for biofuels in 2010 (Rietig, 2018). Achieving these targets required substantial strengthening of the EU regulatory framework (EC 2007, p. 18), i.e. a new directive. The Jan-

uary 2007 Renewable Energy Road Map had significant impact on the Council decisions and the Commission's subsequent 2008 RED proposal, which passed unusually quickly (EC2, EC3). Part of the large Climate Package, which all the involved actors, its central motivation was the need to deliver on the EU's Kyoto Protocol commitments and to demonstrate leadership in the upcoming climate change summit in Copenhagen 2015 (EC1, EC3). This allowed an unusually quick decision before the window of opportunity, facilitated by economic prosperity and EU enlargement, closed with the 2008/ 09 economic crisis:

We had an incredible political momentum (...) [The RED] enjoyed support from the Council, from Barroso personally and so it was part of a bigger vehicle that was very hard to stop. (...) It [was] pushed through as one of their prizes of the French Presidency, so it was agreed actually some months after the big crisis (EC3).

Nevertheless, among Cabinet/ DG Environment/ CLIMA and Cabinet/ DG Energy/ TREN, key secondary beliefs were conflicting especially regarding how to achieve the target and what commitments it would require from member states. The political debate focused on whether targets should be indicative or mandatory, and on member states' share of renewable energies (MS1). The RED also experienced an unusually quick adoption due to the Commission's successful pre-negotiation process prior to publishing the official proposal containing a formula acceptable to the member states (EC6, EC9, Member of European Parliament [MEP] 2). Interview data across actor groups suggests that the European Commission and, in particular, DG TREN, which was responsible for the proposal, were key drivers and policy entrepreneurs behind the renewable energy targets. For example, in the 1990s/2000s the Commission established and promoted networks supporting the uptake of renewable energies on the local level, such as FEDEREN and the Covenant of Mayors (EC1). These local initiatives facilitated mutual learning and enabled local authorities to play a more active role in climate action (Domorenok forthcoming).

In conclusion, several factors explain why the 2009 RED was adopted unusually quickly and how it became a central policy for successfully integrating climate change objectives into energy policy. The policy-core beliefs of actors were aligned as long as they were able to focus on the co-benefits of renewable energies for addressing climate change and thus delivering on international commitments (excluding the biofuels controversy discussed in the next section), improving energy security and strengthening economic development. It was the result of a four-decade long EU-internal development process that started with the 1970s oil shocks and worries about energy security, and continued with the adoption of two previous

EU directives on renewable electricity and biofuels. It was also part of the larger 20-20-20 Climate Package (EC 2008), which increased the political pressure to reach agreement.

Ineffective CPI when co-benefits are challenged and competing beliefs emerge

The RED legislative proposal also contained three aspects that became the subject of major disagreement among actors involved. While the question regarding individual member state targets was resolved before the proposal was published (EC2, EC6), the issue regarding trade in green electricity certificates (guarantees of origin) was subject to major disagreement between European Commission DGs, member states, environmental NGOs and industry lobbying groups (Toke 2008) due to their negative implications for stable investment decisions. While these disagreements concerned distributive issues among member states, the controversy regarding the mandatory 10% target on renewable energies in transport (EC9, EC11, EU 2009) was more fundamental.

The role of beliefs is particularly central to understanding how the biofuels controversy resulted in weakened CPI. Policy-core beliefs regarding the importance of economic development and energy security guided central actors at DG Energy, in the member states and the biofuels industry when they designed renewable energy policy (EC1, EC2, EC8, EC9, MS2, Industry 2). This also reflects the historic path-dependence generated by the 1970s alternative energy objective and using biofuels for transport to improve energy security and reduce energy dependence from non-EU countries (EC1, MS3, Industry 3). DG Environment/ CLIMA, environmental NGOs and some actors in the EP and member states held deep-core beliefs in the principled priority of environmental protection and climate action (EC5, EC9, EC10, EC11, MEP4, MEP5). As long as all actors shared the policy-core belief that all renewable energies, including biofuels, were beneficial for addressing climate change, both the environment-focused and the economic development-focused coalitions (Rietig 2018) were pursuing the same policy objectives. They were united in their policy-core belief about increasing the share of renewable energies, including biofuels. As the DG responsible for the RED, representatives of DG Energy/ TREN played a central role in getting the European Council to agree to the renewables targets (EC2, EC8, EC9, Sharman and Holmes 2010). They used policy entrepreneurial strategies, such as taking on strong leadership roles advocating the importance of the policy proposal for delivering on existing policy commitments; they ultimate-

ly convinced the Council, to request a Commission proposal containing a 10% biofuel target (EC3, Sharman and Holmes 2010). DG Energy/ TREN thus pre-committed to this target, making it difficult later to change course, lobbying central actors in member states for their support and selectively using and commissioning supporting scientific evidence (Palmer 2015). Once competing adverse scientific evidence on the negative climate impacts of food-crop-based biofuels and their negative indirect land use change effects emerged (Searchinger et al. 2008), both coalitions re-focused on their deep-core beliefs in support of energy security and economic development in the case of DG Energy, and on the priority of climate action in the case of DG Environment/ CLIMA (Rietig 2018). As DG Energy remained responsible for the RED, the biofuels target effectively remained in the form of 10% of renewable energies in transport, given the limited alternatives to food-crop based biofuels (Palmer 2015, Sharman and Holmes 2010). DG Environment/ CLIMA succeeded in integrating a limited number of environmental safeguards into the RED via the Fuel Quality Directive in the form of the sustainability criteria for biofuels and the requirement for a review of the biofuels content, especially with regards to indirect land use change effects (EC9, EC10, environmental [E]NGO1, ENGO2).

The biofuels controversy explains why CPI can result in major controversies and, depending on the power that the involved coalitions exercise, even in ‘green-washing’ or adverse effects for climate action and environmental protection. CPI is full of institutional pitfalls once disagreements emerge between actors based on incompatible beliefs and political objectives. The central reason for the biofuels controversy over the positive or negative climate impacts of food-crop-based biofuels was the contestation over scientific knowledge at the time of policymaking. Policy lock-ins exacerbated this controversy once the Council agreed to the target (Council 2006), allowing for only incremental steps to ‘correct’ the policy outcomes that were made under scientific uncertainty. Furthermore, in the meantime member states invested in an industry focusing on food-crop biofuels. Later reforms of biofuels policy limiting further increases in the share of food-crop based biofuels came with significant economic costs and loss of trust in policymaking, especially for the ‘Central and Eastern European countries, they haven’t had the same boom in (...) wind, but biofuels they’ve done really well in so I think it’s quite frustrating then to have the rug sort of swept out from under their feet’ (MS4). The policy proposal on indirect land use changes put forward in 2012 and legislated in 2015 mitigated the worst consequences, but did not take a strong precautionary approach to biofuels as environmentally-focused actors inside and outside the European Commission, in particular DG Environment/ CLIMA, demanded. It rather continued with incre-

mental changes to the business-as-usual *status quo*. In particular, the European Commission proposed limiting the amount of food-crop-based biofuels and bioliquids that can be counted towards the 10% target to the existing consumption level of 5% (EC 2012, Article 2(2c)ii). This effectively meant that the remaining 5% of renewable energies in transport would have to come from second-generation (non-food-crop based) biofuels or they would not count towards the overall target. It also included incentives for electric cars and especially second/third generation biofuels with no or low indirect land use change effects. These included a focus on longer types of straw, different types of waste and algae (EC 2012, EC4, Industry1). This outcome can be regarded as resembling CPI, although CPI could have been strengthened by reducing the existing share of food-crop based biofuels.

The policy-core beliefs of Cabinet/ DG Energy/ TREN and Cabinet/ DG Environment/ CLIMA conflicted as it became clear that the policy-core beliefs of Cabinet/ DG Energy/ TREN prioritized energy security and rural economic development, while Cabinet/ DG Environment/ CLIMA's policy-core beliefs prioritized environmental protection and climate action. This conflict between the Cabinets/ DGs subsequently hindered successful CPI. The shared competencies between Cabinet/ DG Environment/ CLIMA, which was responsible for the Fuel Quality Directive, and Cabinet/ DG Energy, with a lead on the RED, meant that, once cooperation was difficult, it came down to Cabinet/ DG Energy to make use of the existing leadership position and 'ownership' of the policy proposal (EC3), including the use of policy entrepreneurial strategies to get its policy proposal adopted (Palmer 2015, Sharman and Holmes 2010). Energy Commissioner Piebalgs (2005-2009) strongly supported mandatory biofuels targets in the RED (EC6). The 2010-2014 Energy Commissioner Günther Öttinger further weakened CPI; he advocated an indicative renewable energy target for 2030 instead of using the opportunity to push for a stronger mandatory target (Bürgin 2015):

There is some discontinuity, that is the new Commissioner has different ideas from the previous Commissioner. What I can see [is that the] policy approach is changing with the person. (...) What we have now is (...) [the] Commissioner [for Climate Action] openly advocating a renewable energies target for 2030 and [Energy] Commissioner Öttinger not going as far (EC6).

The institutional reorganization, following the change in leadership of the European Commission, further weakened CPI after 2014. The 2014 Juncker Commission reorganized both the Environment and Climate Action portfolios, integrating Climate Action with Energy, and Environment with Maritime Affairs and Fisheries. In both cases the policy-core beliefs

and corresponding organizational priorities of economic development and energy security stood at odds with organizational priorities of environmental protection and climate mitigation. Where actors cannot identify or where they contest co-benefits, environmental protection and climate mitigation are likely to take a back-seat to the declared priority of economic recovery and addressing external security challenges (Čavoški 2015).

Mainstreaming climate action into the EU budget during the Eurozone crisis

In response to reduced political support for stronger climate policies during the Financial/ Economic/ Eurozone crises (Bürgin 2015, Slominski 2016), Cabinet/ DG CLIMA focused on mainstreaming climate action into other sectoral policy areas. In 2011 the European Commission introduced the proposal to dedicate 20% of the EU 2014-2020 budget to CPI measures (EC 2011), as it saw this form of CPI as the best option to mirror the 20-20-20 Climate Package in the EU budget (EC15). This corresponded with Cabinet/ DG CLIMA's policy-core beliefs in strengthening climate action and making use of opportunities across the European Commission to achieve the corresponding climate action objective.

Coordination and cooperation between Cabinet/ DG CLIMA and other Cabinets/ DGs was crucial (Koch and Lindenthal 2011) as CPI was not a policy proposal in its own right, but consisted of interventions into other DGs' policy domains. When CPI conflicted with sectoral policy-core beliefs on what policies to prioritize, the attempt to integrate climate objectives frequently resulted in resistance on the policy-drafting levels (EC14). These were not resolved between DGs within the Commission due to incompatible policy-core beliefs about the relevance and importance of CPI (EC10, EC11, EC15), but also due to the lack of agreement in consultations between DGs carried 'up the hierarchy' into the College of Commissioners meeting. Cabinet/ DG CLIMA ultimately made use of the political opportunity and the Commissioner for Climate Action succeeded at persuading the other Commissioners, so that "it was literally in the College meeting where it was decided" (EC15) to include the 20% climate mainstreaming objective. This illustrates how CPI entered a policy proposal due to policy entrepreneurial activities of actors holding climate action-focused deep-core and policy-core beliefs. Cabinet/ DG Climate Action did not however change the beliefs of other actors; other actors across the Commission did not engage in learning that CPI is important, but used conventional bargaining and negotiation tactics (Rietig and Perkins 2018).

Consequently, the European Commission's MFF proposal contained the 20% climate-mainstreaming objective, which however remained a policy-core belief only a limited number of actors within the European Commission shared. Other than the biofuels target in the RED, the 20% mainstreaming objective again attracted little attention during the negotiations between the Commission, Parliament and Council. It rather 'slipped through' with little discussion as member states, MEPs and other stakeholders were more concerned with economic development issues and the funds dedicated to agriculture, transport and cohesion. As several actors involved in the negotiations emphasized:

In all the discussions, the EU, I don't think I ever really heard anybody in the CAP [Common Agricultural Policy] reform negotiations refer to the 20% [climate mainstreaming]. I mean I think it's clear that in the process member states were very good at saying 'yes we all need to deliver real environmental benefit', but then we spent a lot of time actually trying to limit the impact of the greening proposals. (MS10)

DG CLIMA understands the 20% climate mainstreaming objective as a set of indicators helping to determine the extent to which a sectoral policy such as the CAP also meets climate change objectives in addition to food security as key objective:

The real revolution of the CAP reform might be totally invisible. It's the [climate mainstreaming] indicators. Measuring the CAP's success by indicators means we have to look for certain results and we have to put them in figures (...). Maybe these indicators will play a much bigger role. (EC19)

Successful CPI would have required reflection by member states and DGs about how to implement or strengthen this approach in national budgets. Yet, there was no discussion of mainstreaming in the MFF negotiations. Such discussion would have required member states to form a position on the issue by reflecting on their national interests and determining to what extent the climate mainstreaming objectives matched their deep-core, policy-core and secondary beliefs. It would have raised the awareness of policymakers who usually do not deal with climate change and also presented an opportunity to learn (Rietig and Perkins 2018). However, by occupying a more prominent place in the budget negotiations, the climate mainstreaming objective might have suffered deletion or having its percentage target reduced; this was a major concern among key actors at Cabinet/ DG CLIMA in the run up to the MFF EU

budget negotiations in the Parliament and Council after their difficult experiences with other Cabinet/ DGs during the European Commission internal MFF proposal negotiation process.

I do really feel there is a conservatism [against increasing climate action] in the mentality of the Ministers of Finance and the EU budget is primarily determined by them, but equally the conservatism exists in the Ministries of Agriculture and Cohesion, you know we've got to change thinking and that is a difficult job, but we keep working at it. (...) We did extremely well. But it was the high point. I think 2011 was an extremely good year for mainstreaming in the Commission. But I also used a lot of political capital getting it. And I am now the most unpopular guy in Brussels. (...) Because I am interfering with other people's portfolios, telling them how to do their job. People don't like that. So it's difficult (EC15).

This reflection from a high-ranking policymaker at the center of the negotiations on climate mainstreaming in the EU budget points to the core challenge and dilemma of successful CPI: if secondary or especially policy-core beliefs of policymakers in the 'receiving' policy area are less sympathetic towards climate action, then achieving climate objectives rests upon political power, bargaining tactics, policy entrepreneurial strategies and political 'horse-trading'. If, however, economic/ financial or other crises elevate other policy objectives such as economic development, food and energy security above climate change concerns, it is difficult for CPI to be successful. CPI either gets 'watered down', as was the case in the RED and biofuels controversy, or receives little attention in the negotiation phase as the 20% climate mainstreaming in the EU budget case illustrated. In this case the underlying beliefs of sectoral policymakers and climate-focused policymakers did not clash openly as the sectoral policymakers hardly noticed that CPI had occurred. Instead, it 'slipped' into the European Commission's MFF proposal due to policy entrepreneurial tactics in the College of Commissioners meeting; the negotiations between the Parliament and Council did not remove it as policymakers' attention was focused on more immediate and 'important' economic and financial aspects. Subsequently, CPI made it into the policy outcome (i.e. the MFF), but the implementation of climate action became more difficult when it rested upon integration into sectoral policies that went beyond easily achievable co-benefits. This opened new areas of potential conflict once incompatible policy-core beliefs emerged (Koch and Lindenthal 2011).

Discussion and conclusion on the conditions for CPI

I have discussed and illustrated the underlying factors for changes in EU environmental policy in the area of CPI. There has been a change in EU environmental policy, but it has been incremental; EU-internal factors relating to the extent to how well underlying beliefs among central actors were aligned (i.e. how actors view and assess the world) have driven this process (Zito *et al.* 2019). Which actors dominate in turn determines the political decision-making arena and how it changes over time.

The empirical sections traced the conditions for successful CPI in the example of the RED and the EU budget. Both case studies showed that for CPI to be successful, underlying beliefs of policymakers mattered for the level of conflict, and that secondary/ policy-core beliefs among key policymakers and their organizations needed to be aligned for co-benefits to be identified and recognized. The findings have implications for our wider understanding of EU environmental policy and the ease of using CPI to address climate change (Zito *et al.* 2019). The RED case examined how climate objectives were integrated into energy policies by emphasizing co-benefits in terms of energy security, rural economic development and addressing climate change. The co-benefits also matched the deep-core and policy-core beliefs of the policymakers involved that prioritized either energy security and economic development (Cabinet/ DG Energy/ TREN) or climate action (Cabinet/ DG Environment/ CLIMA). The RED catered to the corresponding policy-core and secondary beliefs (i.e. maximizing the amount of renewable energies). It is important to note that factors other than climate mitigation initially motivated renewable energy policy in the 1970s. Only in the 1990s and early 2000s, as climate change became a strong global concern and the EU needed to implement the Kyoto Protocol that entered into force in 2005, actors both inside and outside the European Commission re-framed renewable energy as a contribution to climate mitigation via low emission energy production and increasing green vegetation as a carbon sink. In combination with an internal desire to advance renewable energies for energy security and rural development reasons, the European Commission used policy entrepreneurial activities to promote renewable energies. At the same time, the European Commission, MEPs, member states and non-state actors regarded the economic situation as favorable enough to allow ‘low politics’ such as climate change to enter the political agenda. The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC 2007) provided the scientific and economic evidence to act on climate change earlier rather than later, and the upcoming United Nations

Framework Convention on Climate Change negotiations in December 2009 in Copenhagen added external political pressure. These framework conditions facilitated CPI, but only as long as the actual co-benefits between climate action, energy security and economic development were present and the underlying deep-core/ policy-core beliefs of policymakers were not conflicting (as the RED catered to all three benefits). Once new scientific knowledge, competing institutional competencies and objectives challenged these beliefs, CPI was weakened as incompatible underlying deep-core and policy-core beliefs emerged. This points towards the importance of compatible underlying deep-core/ policy-core beliefs between representatives of the climate and sectoral policy area. As long as secondary/ policy-core beliefs matched, there was a consensus in favor of the RED. Once the beliefs did not match, as climate action-focused actors changed their beliefs on the climate benefits of biofuels, secondary/ policy-core beliefs between actors and Cabinets/ DGs were no longer aligned, and CPI co-benefits could not be identified and recognized. Even more, the subsequent conflict between key policymakers resulted in a weakening of CPI in negotiations for the 2030 targets (Bürgin 2015). This matches the picture of varying ambition of actors involved in EU environmental policy and their respective constituencies ranging from policy entrepreneurial activities to decreased ambition and potential dismantling throughout the policy cycle (Hofmann 2019 – this volume, Schönefeld and Jordan 2019 – this volume, Steinebach and Knill 2017, Wurzel *et al.* 2019 – this volume).

The second case study on mainstreaming climate action into the MFF by earmarking 20% of the MFF expenditures for climate objectives adds an additional element to the two conditions for successful CPI. Within the European Commission, the focus on economic issues and conflicting policy-core beliefs crowded CPI out of the MFF proposal until it was included at the College of Commissioner level due to policy entrepreneurial acumen. In the Parliament and Council negotiations, more ‘important’ issues again crowded CPI out, but it ‘slipped through’ into the final MFF policy outcome due to a lack of political attention and debate. Although climate mainstreaming emerged as a policy outcome, there was a lack of compatible beliefs about the importance of climate action. This can be understood as a missed opportunity for policy learning (Rietig and Perkins, 2018) as more prominent discussions would have given member states the option to reflect on climate mainstreaming and its co-benefits – which subsequently could have resulted in policy transfer to national budgets.. The second case study thus illustrates that CPI can remain weak when there is a lack of attention and discussion in the negotiations – actors therefore need to reflect on a policy proposal first to determine its compatibility with their policy-core beliefs. If there is a high compatibility,

the level of conflict remains low and CPI can become a policy outcome with good prospects of being implemented (i.e. successful CPI).

These findings resonate with the drivers for policymaking emphasized by empirical studies concerning the importance of compatible deep-core and policy-core beliefs, e.g. between DGs within the European Commission in the area of Environmental Policy Integration (Koch and Lindenthal 2011) and transport (Palmer 2015). Many interviewees stressed that the opportunity to strengthen climate policies such as the European Emission Trading Scheme (Skjærseth and Wettestad 2010) waned with the economic and Eurozone crisis as member states were pre-occupied with more immediate economic concerns including increasing unemployment, resulting in a strengthening of the economic development-minded coalition (see, on the UK, Carter and Jacobs 2014).

This resulted in a lower priority for climate change concerns as they were less tangible for many policymakers and voters confronted with threats to the survival of (environmentally polluting) industries and higher costs associated with integrating climate objectives. Deeper into the economic and Eurozone crises the overall priorities of the European Commissions' leadership changed when new Energy Commissioner Öttinger (Bürgin 2015) and the 2014 Juncker Commission more strongly emphasized economic recovery (Čavoški 2015). Climate policy enjoyed high attention while there were few pressing economic or security problems. Sectoral policymakers were willing to integrate climate objectives into their policy areas as long as their primary objectives (i.e. policy-core beliefs) were not contested. However, political support, and especially attention, diminished with the economic/ Eurozone crises and emerging security/ migration crises between 2013 and 2015. In addition, there was a stronger shift in member states to right-wing parties with a focus on economy and security at the expense of climate/ environmental policy (e.g. Poland, Hungary) (Wurzel *et al.* 2019). Given the European Commission's objective to publish policy proposals with a realistic chance of being accepted with minor changes, the diminishing appetite for seemingly costly climate-related policies, particularly in Eastern and Southern European member states was a major hindrance (EC3, EC9, MS1, MS3, MEP5). Furthermore, the Juncker Commission offered little endorsement of the importance of environmental and climate policy at the expense of urgent 'high politics' security challenges in the geographic neighborhood of the EU (Čavoški 2015).

However, both cases also illustrate possibilities for 'saving' climate action throughout difficult political times when problems, which political decision-makers perceive to be more urgent, threaten to crowd out climate policies. Integrating climate objectives using policy

windows when policy-core and secondary beliefs are aligned or, in their absence, resorting to policy entrepreneurial strategies in the decision-making process can ultimately facilitate and strengthen policy stability until political framework conditions are more favorable and windows of opportunity allow for further increasing climate action ambitions. By attracting little political attention throughout the MFF negotiations, the climate-mainstreaming element remained in the MFF proposal and was adopted. This provides climate mainstreaming with the political legitimacy required for implementation (because it is part of the EU budget). It also allowed for innovative approaches such as developing climate mainstreaming indicators to account for co-benefits between sectoral policies and climate action. Once such indicators make financial and policy-related co-benefits between climate action and sectoral policies tangible, they can contribute to changing sectoral policymakers' policy-core beliefs towards a higher awareness of climate action and willingness to tolerate CPI in their policy areas. This can ultimately result in changing beliefs towards a higher level of compatibility and thus more successful CPI.

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