17. Climate policy integration and climate mainstreaming in the EU budget

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INTRODUCTION

The European Union has championed the integration of climate change objectives into other policy areas through Climate Policy Integration (CPI), but has had varying degrees of success in implementing CPI across policies, programmes and sectors (Dupont & Jordan, 2021; Jordan & Lenschow, 2010).

CPI emerged in the 2000s especially in the areas of energy, agriculture and transport policy as well as in the form of climate mainstreaming into the EU budget from 2014 onwards (Rietig, 2021). It is conceptually embedded within broader ideas of policy integration and environmental policy integration (EPI), which, for decades, were rather more conceptual exercises than efforts towards a practical policy reform agenda. CPI gained traction with policymakers in the EU in the 2000s with attempts to make integrated and coherent policies across several sectors. With the publication of the European Green Deal in 2019, which highlights that all projects and policies must contribute to its overarching objective of achieving climate neutrality by 2050 and of building climate resilience, there is some potential to advance CPI in practice even further (Dupont, Oberthür & von Homeyer, 2020; European Commission, 2019).

In this chapter, we first discuss the conceptual development of CPI, including how it can be operationalized. Second, we highlight factors that can influence the success or failure of CPI in practice, drawing on previous literature. Third, we discuss an illustrative case study of CPI in the EU budget, incorporating research interview data. Finally, we conclude with some reflections on the evolution of CPI in the EU in general, and prospects for continued/advanced CPI in EU budgetary processes and outcomes.

WHAT IS CLIMATE POLICY INTEGRATION?

CPI has its conceptual origins in broader literature on policy integration (Underdal, 1980), but it most closely builds upon literature on Environmental Policy Integration (EPI). EPI brought attention to the environmental dimension of sustainable development, with a clear objective to ensure that environmental objectives were (at least) taken into account in policy decisions in other policy fields (Jordan & Lenschow, 2010; Persson, 2007). The push for EPI stemmed from the observation that environmental objectives tended to be downgraded or sidelined in policymaking in favour of economic objectives (Lafferty & Hovden, 2003).

A body of literature on the theory and practice of EPI bloomed. However, there has been little agreement among scholars or policymakers on what EPI precisely means or on how it should be recognized and assessed. Policy integration also connects to many related concepts, such as mainstreaming, policy coherence and policy coordination, adding to the conceptual

complexity. At its most basic, EPI requires that environmental objectives are at least taken into account in the policy design and policymaking processes (e.g. through policy coordination processes) and in the policy output (i.e. resulting in coherent policies). This amounts to 'weak' EPI. 'Strong' EPI requires that environmental objectives are central or even take precedence, or priority, in the development of policies in other domains (Dupont, 2016; Dupont & Jordan, 2021; Jordan & Lenschow, 2010; Lafferty & Hovden, 2003).

The EU has long supported EPI in principle, and much empirical research on EPI has focused on developments within the EU (Jordan, 2002; Jordan & Lenschow, 2010; Lenschow, 2002). The idea of EPI was embedded in the EU's first Environmental Action Programme in 1972, and was later written into Article 130r(2) of the Single European Act (1986) and all future Treaty reforms. In Article 11 of the Treaty on the Functioning of the EU (the Lisbon Treaty), which entered into force in 2009, it is written that 'environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities'.

But, although the EU established EPI as a principle in its founding Treaties, it remained a challenge to implement in practice (Dupont & Jordan, 2021), partly because of differing interpretations of what EPI is or should be. How could EPI be defined and operationalized; how could EPI be recognized in practice? EPI has been defined variously as an overarching principle of good policymaking; or as a legal requirement for programmes and policies; or as process of making policy; or as a desired policy outcome, i.e., an improvement in the quality of the environment from policy decisions taken even outside the environmental policy field (Persson, 2007). Whether the aim in practice is to implement EPI so that an environmental objective is simply taken into account in policymaking (weak EPI), or so that a policy field is reoriented to make environmental protection the priority (strong EPI) is often unclear. Evaluating the policy efforts towards EPI therefore requires an understanding of whether policymakers view weak or strong interpretations of EPI as their reference points. Finally, evaluating the efforts to implement EPI based on outcomes is particularly challenging – connecting a change in the quality of the environment to a specific effort to implement EPI in a specific way is methodologically challenging, also since the 'environment' encompasses myriad data points along multiple ecosystems (Dupont, 2016; Persson, 2007).

The EU has implemented several tools or instruments of policy integration, which can be categorized as: (1) administrative instruments; (2) budget and financing instruments; and (3) assessments and evaluations (Dupont & Jordan, 2021). Administrative instruments are particularly useful in the policy process, and in coordination efforts. Inter-service consultations in the European Commission, for example, serve such a purpose, and have been strengthened over time (Candel, Princen & Biesbroeck, 2021; Rietig & Dupont, 2021). Budget and financing instruments aim to earmark funds for environmental objectives, and have become ever-more important instruments for EPI and CPI in the EU (Dupont, Oberthür & von Homeyer, 2020; Rietig & Perkins, 2018; Rietig, 2021, see below). Both *ex ante* and *ex post* assessments and evaluations are useful for EPI: through an impact assessment procedure, policy proposals are checked for potential environmental impacts, and policy evaluations can highlight the degree of success of mitigating efforts (Dupont & Jordan, 2021). Even with all of these instruments being deployed in the EU context, EPI has still remained challenging to implement.

Studies of CPI build on this rich scholarship on EPI, both conceptually and empirically. Methodologically, the majority of research has been either conceptual with illustrative examples (e.g. Adelle & Russel, 2013), or qualitative with a focus on in-depth case studies mostly

on the EU and/or countries in Europe or the OECD (e.g. Dupont, 2016; Nilsson & Eckerberg, 2007; Rietig, 2021a). This approach has allowed researchers to identify several factors and framework conditions that facilitate successful CPI or hinder CPI (see next section). At the same time, the overwhelming majority of CPI research and practice has focused on integrating climate *mitigation* objectives across other policy domains. While several studies have lamented the lack of attention to climate adaptation, we continue in this chapter with a focus on mitigation, recognizing the need for further work in theory and practice on how to implement climate adaptation integration (see, for example, Rayner & Jordan, 2013; Runhaar et al., 2018).

CPI for climate mitigation has been easier to identify, implement and assess in theory and in practice than EPI, mostly because of the clear mitigation-reduction benchmark that makes assessing the degree of CPI far more straightforward: if climate objectives were considered in the policymaking process and if this led to policy outcomes that reduced emissions of greenhouse gases, then CPI is likely to have been successfully implemented. The degree of CPI (or whether climate objectives were given priority) can be assessed based on the depth of policy change and the scale of emissions reductions achieved, compared to what is scientifically required and achievable in that sector (Adelle & Russel, 2013; Dupont, 2016; Dupont & Oberthür, 2012). In practice, CPI can be measured along a scale identifying no evidence of CPI through various levels to high CPI. At the same time, by analyzing the strength of CPI, we can identify whether or not policies are being tweaked to account for climate objectives or whether they are being fundamentally reoriented to achieve climate neutrality and long-term objectives for sustainable transformation (Dupont & Oberthür, 2012). The more policymakers implement CPI in a way that recognizes the long-term impacts of climate change, i.e., implementing the equivalent of 'strong' CPI, including building resilience and integrating adaptation objectives across domains, the more likely that policy outcomes will prove transformative for achieving sustainability.

UNDERSTANDING OR EXPLAINING LEVELS OF CPI: FACTORS INFLUENCING THE SUCCESS OF CPI

Much like the development of literature on how to recognize and assess CPI, scholarship identifying explanatory factors for understanding the levels or strength of CPI found in empirical studies builds on EPI scholarship. With longstanding support for EPI and CPI, and steps taken to formalize EPI in the EU Treaties, understanding or explaining the historically poor record of the EU on implementing EPI in practice forms the basis of several studies. These studies have identified institutional, political, policy and legal constraints and opportunities for EPI and have drawn on insights from theories of European integration, policy studies, public administration, political science and legal analysis. Research explaining empirical practice on EPI has highlighted the role of institutional capacity, policy framing, political commitment, institutional structure, path dependency, policy learning, and more (Domorenok, Graziano & Polverari, 2021; Dupont & Oberthür, 2012; Gabler, 2010; Nilsson, 2007; Nilsson et al., 2007; Rietig & Dupont, 2021; Schout & Jordan, 2008).

Building on these explanatory insights, we find several categories of explanatory factors that are relevant for understanding CPI. These include knowledge-related, administrative, policy and political aspects, and can be summarized as follows: (1) political commitment to

overarching climate objectives and to the necessity of implementing CPI; (2) recognition of functional overlaps between policy objectives and compatible beliefs for implementing CPI among policymakers; (3) an opportunity and institutional structure for innovative policy development and policy entrepreneurship based on learning (e.g. through evaluation) among key actors; (4) meaningful coordination and consultation mechanisms; and (5) interactions among interests and path dependency of past institutional/policy developments that push or constrain further CPI (Capoccia, 2016; Dupont, 2016; Dupont & Oberthür, 2012; Gabler, 2010; Nilsson et al. 2007; Mintrom & Norman, 2009; Rietig, 2019; Rietig & Dupont, 2021; Runhaar et al., 2018; Steinebach & Knill, 2017; Svensson, 2019).

All of these explanatory variables interact with each other in efforts to understand or explain the strength of CPI. Political commitment to climate action and to CPI is regularly considered a necessary, but insufficient, basis for CPI to be implemented in practice. Evidence for such commitment is sought in the highest political level of decision making, but must also be translated into commitment at the policymaking and organizational level. Such political commitment is highly dependent upon external framework conditions such as the policy environment, public opinion, and external pressures to react, such as crises. International pressure from other countries and the need to 'save face' based on commitments made in international negotiations can be a powerful driver for countries to advance their domestic policies. Crises, in particular, can crowd out CPI from the political agenda and leave policymakers with the impression that they need to safeguard economic and social interests at the expense of environmental and climate change objectives (Burns & Tobin, 2018). This in turn can result in innovative and unconventional approaches pursued by those tasked with strengthening climate action (Rietig, 2021). The empirical case study in the next section on integrating climate objectives into the EU budget offers an illustrative case of how reacting to external crises can result in policy innovation and facilitate learning among policymakers despite difficult framework conditions.

Path-dependency is an important factor (Duit, 2007) that helps to explain how certain policies can be strengthened over time despite starting from a relatively low level of ambition. Once a policy exists with a target to be achieved, there is an opportunity for policymakers to further strengthen the target in subsequent negotiations or policy reform processes by making use of a window of opportunity when public opinion and political support are favourable (Bernstein & Cashore, 2012; Carter & Jacobs, 2014; Levin et al., 2012; Rietig, 2021b).

In addition, the recognition of the overlaps among policy fields, and the compatibility of beliefs on the importance of CPI in a policy field are highly relevant for CPI in practice. Without an opportunity structure and institutional set-up that emphasizes policy learning and provides room for policy entrepreneurship to implement CPI, its practice is likely to remain patchy, even with high political commitment to its implementation. Through meaningful coordination and consultation mechanisms, the strength of CPI can be increased, if overlapping favourably with the opportunity structure, recognition of overlaps, compatibility of beliefs and high level of political commitment. Finally, all these explanations interact with the constraints placed upon policymakers that come from established political interests and any constraints that exist as a result of past decisions (Dupont, 2016; Rietig, 2021; Rietig & Dupont, 2021).

At the same time, the usefulness of the different theoretical perspectives or explanatory factors can depend on the focus of study. For example, studies on the extent of CPI into energy policy reveal a relatively high degree of political commitment to the integration of climate and energy policies, and focus more on the explanatory value of other factors (Dupont, 2016). Research on the integration of environmental and climate priorities into agricultural policy

show how interests and path dependency, for example, are actually major barriers to increasing the strength of CPI since the political commitment in these fields to overcome them is lower (Alons, 2017; Gravey & Jordan, 2020; see also Matthews, Chapter 19 in this volume). In the next section, we discuss the case of CPI into the EU budget, which also clearly shows the interactions among explanatory variables and how the usefulness of these factors in understanding CPI can vary depending on the context.

CASE STUDY ON INTEGRATING CLIMATE OBJECTIVES INTO THE EU BUDGET

The EU budget has evolved, in both its process and output, since the 2000s to advance CPI to various degrees. The case is an illustrative example of how policy entrepreneurship, policy innovation and also path dependency can usefully explain advances of CPI in practice.

The climate policy of the EU in the late 2000s was characterized by the 2009 Climate and Energy Package with the objective of reducing greenhouse gas emissions by 20 per cent (compared to the baseline of 1990), increasing the share of renewable energies in final energy consumption to 20 per cent and improving energy efficiency by 20 per cent by 2020, compared to business-as-usual scenarios (EU 2009), with the flagship policy of the European Emission Trading Scheme (Braun, 2009; Skærseth & Wettestad, 2009). Given the then upcoming 2009 climate change summit of the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen, the EU was under political pressure to demonstrate ambitious climate policies. This also increased the political willingness of the EU Member States to agree to the Climate and Energy Package. In combination with the overall positive economic climate, there was 'incredible political momentum … [making it] part of a bigger vehicle that was very hard to stop' (Interview European Commission Directorate General for Climate Action no. 1 [EC Clima 1]).

By 2010/11, the political environment had changed dramatically. In the depths of the financial crisis and economic crisis, with a corresponding preoccupation of the European institutions and the EU Member States with economic and financial priorities, a crowding out of climate change concerns from the political agenda occurred (Rietig, 2021b). This meant that the window of opportunity for ambitious climate policies, from which the 2009 Climate and Energy Package had benefited, was closed (Carter & Jacobs, 2014). The financial and economic crises affected the climate action approach within the European Commission and especially the strategy of the Directorate General (DG)/Cabinet Climate Action, as it was seen as reducing the willingness of Member States to agree on ambitious climate policies:

> It is less evident that the way forward now is a binding target [for the 2030 share of renewables]; there are many different views about it, while back in 2007, there were still many people who were not entirely happy about it, but the vast majority of people were very happy to go with a binding target by 2020. Today it is slightly more tricky (Interview EC Clima 2).

Consequently, the European Commission and especially DG/Cabinet Climate Action adopted a policy entrepreneurial strategy (Mintrom, 2013) in support of CPI especially into transport, economic competitiveness, agriculture and energy policy as the most promising approach. CPI was seen as 'being extremely useful and we are trying to mainstream [i.e., advance CPI] everywhere' (EC Clima 3).

The CPI approach in this case was thus a policy innovation that emerged as a direct reaction to the EU's multiple crises, out of the perceived necessity of continuing to pursue DG/Cabinet Climate Actions' primary mission of developing ambitious policy proposals that address climate change despite low political commitment. In 2012/13 there were increasing worries that the Eurozone crisis was not only impacting policy ambition, but was also reducing Member States' willingness to support CPI. This lowered the expectations of central actors in the European Commission who were pursuing the approach of CPI in the EU budget to the point that they expected several Member States to resist the proposal of earmarking, as it would limit their leeway in deciding how the EU funds would be used and ultimately that 'the Commission's proposal will be adopted as we proposed it' (Interview EC Clima 1). Environmental NGOs shared this assessment of limited climate ambition among the Member States, also with regard to the negotiations on greening the Common Agricultural Policy, which remained one of the EU's major expenditures. They pointed out the lack of financial capabilities among Member States given that they were 'in the middle of the budget crisis but also it's a feeling that the EU is going to fall apart because of this. They wonder will greening be staying, will greening not be staying in the budget proposal' (ENGO 2).

A central issue around CPI in the EU budget was the suspicion of 'window dressing' or 'greenwashing' with regard to the additionality of the proposed measures. In particular, the 'ex-post' accounting method used in both the 2014–2020 and the 2021–2027 EU budgets to track climate-related expenditures was considered problematic as it only identified existing climate mainstreaming as opposed to increasing incentives and offering steering mechanisms for more ambitious climate mainstreaming (ENGO 1).

Overall, the policy innovation of dedicating 20 per cent of the EU's 2014–2020 Multiannual Financial Framework (MFF) to co-benefit climate action can be understood as a direct reaction to the various crises facing the EU. DG/Cabinet Climate Action identified CPI in the form of mainstreaming climate objectives into the EU budget as an additional policy strategy to further their mission of addressing climate change via ambitious policies. The high degree of autonomy enjoyed by the European Commission when making proposals for the EU budget and its ability to further exert influence on the negotiations between the European Parliament and Council once the proposal was published (Goetz & Patz, 2016) contributed to the adoption of CPI in the EU budget.

Policy Innovation by Policy Entrepreneurs and Learning in 2014–2020 EU MFF

The influence of strong policy entrepreneurs was a determining factor that allowed the addition of CPI in the EU budget. This meant overcoming veto points in the College of Commissioners and the trilogue negotiations between the Council, the European Parliament and the European Commission (Rietig, 2021b). Learning also played a role in the process, albeit to a lesser extent (Rietig & Perkins, 2018).

There was a strong policy entrepreneurial drive in Cabinet/DG Climate to make use of the opportunity presented by the MFF for increasing climate action beyond single purpose policies and to counter the possibility that climate action was crowded out from the political agenda due to Member States' preoccupation with crisis-related problems that were perceived as more pressing. A central policy entrepreneur who succeeded in gathering the political support for the new 20 per cent CPI target in the EU budget was Connie Hedegaard in her role as European Commissioner on Climate Action. This was based on the work of a policy officer in

DG Climate Action, who had pioneered the idea that the EU budget offered the opportunity to advance CPI, and convinced the European Commissioner as well as continuing to play a role in the background throughout the negotiations (Rietig, 2021b). Following initial opposition in a meeting among the Heads of Cabinets of EU Commissioners, Hedegaard was successful in getting the proposal adopted as an official European Commission proposal due to her convincing arguments and personal capacity to persuade her colleagues (Rietig & Perkins, 2018):

> I suspect that every time there has been an MFF, there has been some attempt to grab some money or influence … but what I think perhaps has made the difference this time is that the Commissioner herself [Connie Hedegaard] has been so persistent and she pushed … It was not that the DG [Climate Action] has prioritised it a lot … they were [actually] ignoring the issue until very late, and then the Commissioner [for Climate Action] really insisted and kept asking for things, and then they had to gear up … [The Policy Officer in charge of the proposal and who initially developed it based on environmental policy integration] still was basically alone on this, although it was a very big issue, a very big priority that the Commissioner put on. (EC Clima 1)

Learning among central actors also mattered, but to a lesser extent. The 20 per cent CPI target was hardly discussed in the trilogue negotiations, which would have offered an opportunity for reflection and learning about this policy innovation. However, reflection on the failure of the COP-15 climate summit in Copenhagen 2009, which was chaired by Hedegaard in her role as Danish Presidency (Monheim, 2014), is widely considered as an important factor for her policy entrepreneurial drive and dedication in her subsequent role as European Commissioner (Rietig, 2021b; Rietig & Perkins, 2018). Therefore, the policy entrepreneurial activities of Hedegaard and several other individuals within the European Commission and in the trilogue negotiations were crucial to getting the CPI target into the 2014–2020 EU budget. Those involved within the European Commission considered it to be a stepping-stone towards increasing ambitions in the subsequent 2021–2027 EU budget negotiations.

Path Dependency in the EU Budget Proposal for 2021–2027

The European Commission built upon the success of the 20 per cent CPI target when proposing a new target for the 2021–2027 EU budget. The prevalence of external and internal crises to the EU had continued in the years between 2012 and 2018 with the Eurozone crisis, the migration crisis and ongoing negotiations around the form and shape of the exit of the United Kingdom from the EU (see Moore, Chapter 23 in this volume), and an overall rise in populism across several Member States (Von Homeyer, Oberthür & Jordan, 2021). This combination of factors resulted in a reduced willingness of EU Member States to support ambitious climate action and its implementation (Burns, Eckersley & Tobin, 2019).

In 2018, this meant a preoccupation with these multiple crises and recognition of the importance of addressing climate change in combination with external pressure to implement ambitious commitments under the 2015 Paris Agreement. Climate action subsequently still played an important role, but had been somewhat crowded out by the more pressing and immediate economic and political crises (Rietig, 2021b). There was a lack of policy entrepreneurship in support of strong climate action at the top level of the European Commission. At the same time, the strong policy entrepreneurial activity on the lower levels within the European Commission such as by policy officers or heads of units in DG Climate Action was blocked by an administrative reform of the Juncker Commission that introduced powerful Vice Presidents

with a top-down administrative leadership style (Bürgin, 2015; Bürgin, 2019; Bürgin, Chapter 2 in this volume; Rietig & Dupont, 2021).

The implementation of the 20 per cent CPI target in the 2014–2020 EU budget was successful through the development of indicators that allowed tracking of the climate-related and co-beneficial expenditures. Some €206 billion or 19.3 per cent of the 2014–2020 EU budget was spent on measures that were considered to be co-beneficial for climate action (EC 2018a), especially in the areas of transport (Connecting Europe Facility), greening agriculture (Common Agricultural Policy) and economic development (Cohesion Funds) (EC 2018b). The 'ex-post' accounting method allowed for the identification of CPI and opened up the opportunity for future 'ex-ante programming' in the form of actively directing budget to expenditures that are relevant for addressing climate change:

> It's a play of numbers and the use is very limited actually when you look at it in terms of result and this was also I think a criticism of the court of auditors anyway that they think too much expenditure-based and less result-based. That's why the real revolution of the CAP reform might be totally invisible. It's the indicators. Measuring the CAP's success by indicators, which mean we have to look for certain results … The new thing is that not only the Second Pillar [of the EU Common Agricultural Policy] is now measured in indicators but the First Pillar too and we have some climate-related indicators there too and maybe these indicators will play a much bigger role than just expenditure targets, which is just part of the whole puzzle, so it's a good tool. (DG Clima 5)

It is important to recognize that the European Commission did not drop CPI in the 2018 proposal for the 2021–2027 EU budget despite its preoccupation with numerous crises and the lack of strong policy entrepreneurship in favour of climate action at the top level of the European Commission. A central explanation is that it was locked in to a certain degree of policy path-dependency based on the 2014–2020 EU budget, which contained the 20 per cent CPI target. In addition, there was some pressure to save face and maintain its leading role in international climate action based on the leadership ambitions of the late 2000s as well as the need to implement the Paris Agreement on climate change. Consequently, the options were limited to a minimum of maintaining a 20 per cent target of CPI in the 2021–2027 EU budget proposal and increasing the target in line with the approach of mirroring targets with years such as the 20-20-20 target by 2020 from the 2009 EU Climate and Energy Package. Thus, the European Commission proposed a 25 per cent target for CPI worth €320 billion (EC 2018c).

In the underpinning commissioned analysis of the climate mainstreaming/CPI approach, DG Climate Action acknowledged that there were a number of areas that would benefit from improvement such as a differentiation between mitigation and adaptation. It also pointed out that the ex-post tracking of climate-relevant expenditures contained the risk that the targets were not being met and that having achieved 20 per cent of climate mainstreaming/CPI in one area meant, perversely, that efforts to go beyond the target are discouraged in that area given that the minimum requirements have already been fulfilled – which could in turn encourage emission-increasing expenditures with the remaining 80 per cent of funds (Forster et al., 2017: 12).

The scope for higher ambition than 25 per cent was illustrated by the call from the European Parliament to increase the share of climate mainstreaming/CPI to 30 per cent and the calls of environmental NGOs, especially the Climate Action Network, to increase the share to 40 per cent (CAN, 2018). The initial proposal of 25 per cent climate mainstreaming indeed reflected low ambition.

Following the increasingly strong public pressure from Fridays for Future and other protest movements (see Parks et al. Chapter 7 in this volume), climate action rose to the top of the Commission's agenda in between 2018 and 2019. This also coincided with a new Presidency of the European Commission in 2019 and an overall strong recognition that the EU's climate ambition needs to be increased in line with the objective of achieving net-zero emissions by 2050. The Von der Leyen Commission initiated a review of the 2030 targets in 2019. The public pressure and increasing occurrence of climate disasters forced the issue of climate change back to the top of the political agenda in 2018 and 2019, which resulted in a revision of the original climate targets for 2050. Instead of aiming for an 80–95 per cent decrease in greenhouse gas emissions, the new target shifted towards carbon neutrality by 2050. Consequently, the interim targets for 2030 required revision towards an increase in ambition, which in turn allowed for adapting the CPI approach with its 25 per cent target via increasing the percentage target in line with the more ambitious goals of the European Green Deal. Subsequently, the European Commission revised its proposal to 'at least' 25 per cent climate mainstreaming/CPI; eventually, in finalizing the terms of the MFF 2021–2027, negotiators for the European Parliament, Council and Commission agreed to a 30 per cent target, mirroring the European Parliament's proposal and the earlier strategy of aligning targets of policies with the overall strategy and its target year, in this case 2030.

DISCUSSION AND CONCLUSION

The European Green Deal, published in 2019, advances climate policy integration in the EU, calling on all policies and programmes to contribute to achieving the overarching goal of climate neutrality and of building climate resilience in the EU by 2050 (European Commission, 2019). Past studies show that implementing CPI in practice is far from certain. Moving towards a holistic, systemic approach to climate governance is undoubtedly the transformative approach that is required to respond to the scale, scope and urgency of the climate challenge. But as the European Green Deal moves more into its implementation phase in 2021 and beyond, with the negotiations on a suite of policy proposals towards achieving the interim goal of reducing greenhouse gas emissions by at least 55 per cent by 2030, compared to 1990 levels, the lessons from studies of past efforts towards CPI should be highlighted.

In this chapter, we outlined some of the characteristics of scholarship on CPI, both conceptually and empirically. Although this body of literature has not provided a one-size-fits-all understanding of CPI in practice, and often builds on case study analysis, the knowledge that has been generated through these studies emphasizes several important points of focus. The summary of explanatory variables highlighted in this chapter, and the interactions among them, are points of attention in the development, implementation and assessment of CPI in the implementation phase of the European Green Deal. The variables can be summarized as follows: (1) political commitment to overarching climate objectives and to the necessity of implementing CPI; (2) recognition of functional overlaps between policy objectives and compatible beliefs for implementing CPI among policymakers; (3) an opportunity and institutional structure for innovative policy development and policy entrepreneurship based on learning (e.g. through evaluation) among key actors; (4) meaningful coordination and consultation mechanisms; and (5) interactions among interests and path dependency of past institutional/policy developments that push or constrain further CPI (Rietig & Dupont, 2021).

The case of integrating climate change objectives into the 2014–2020 and the 2021–2027 EU budgets by dedicating a 20–30 per cent share of the EU budgets to expenditures that are co-beneficial for addressing climate change illustrates the relevance of the variables identified above. The idea of CPI in the EU budget emerged during a phase of limited political commitment to addressing climate change due to the prevalence of various crises and a crowding out of climate action on the political agenda. As political commitment returned resulting from an increased public concern about climate change and new leadership in the European Commission, CPI was further strengthened from the path-dependent target of 25 per cent to 30 per cent earmarked funding in the MFF. Policymakers' beliefs were compatible enough to accept the climate mainstreaming/CPI proposals, although the proposal also benefited from a limited level of political attention in the 2014–2020 EU budget negotiation round given the focus on economic and social priorities (Rietig & Perkins, 2018). The central success factor in the EU budget case study was the combination of an opportunity in the form of the 2014–2020 EU budget negotiations, the conducive institutional structure for innovative policy development (i.e., the absence of veto points such as the later introduced Vice Presidents in the European Commission) and the presence of dedicated policy entrepreneurs who make use of these opportunity structures to develop their policy proposals, convince key actors and command a high level of political acumen to get the proposals adopted. This was the case in the form of the policy officer in DG Climate Action who developed the climate mainstreaming/CPI proposal and the European Commissioner for Climate Action as well as her staff who succeeded in adding the proposal to the EU budget draft text, which was facilitated by meaningful coordination and consultation mechanisms. Interactions among interests and path dependency of past institutional/policy developments that push or constrain further CPI were particularly relevant to maintaining the CPI approach during periods of limited political support and to allow for increased ambition during the 2019/20 EU budget negotiations that coincided with a very high level of political support and public pressure to address climate change (Rietig, 2021b).

Five future avenues for CPI research emerge. First, research on CPI emerged from case study-based qualitative approaches that focused on the European Union and European or OECD countries (e.g., Sweden, see Nilsson & Eckerberg, 2007). This means that the variables relevant for CPI assume the high level of institutional capacity and financial capabilities associated with OECD countries and the unique governance system of the European Union with its intergovernmental, supranational and federal elements. Do the variables identified within the European context maintain their relevance for other OECD countries, the Global South and contexts of transnational governance? Second, CPI studies themselves need to take an integrated view of the climate challenge. In other words, the exclusive focus on climate mitigation integration needs to be left behind, with climate adaptation receiving more attention in research. Third, what are the conceptual links and commonalities with the wider literature in policy integration that is focused on the integration of other policy areas such as gender? The above discussion highlights a certain distinctiveness of EPI and CPI that may influence which variables emerge as particularly relevant in the empirical case studies. Fourth, CPI (and EPI) research has predominantly focused on the integration of climate objectives into related and somewhat 'obvious' policy fields that play a central role in reducing greenhouse gas emissions such as energy, transport and agriculture. What are the implications for policy fields that have a more complicated relationship to CPI that could be characterized as 'enabling' or 'competing' conditioning variables such as digital technologies, gender and social implications of

transitions to carbon neutrality? Fifth, at the same time, it is crucially important for CPI scholarship to move beyond the case study and single policy focus, to be able to assess the strength of integration in systemic transformation. The European Green Deal aims for transformative action across systems: food, mobility, buildings, energy. To date, studies of CPI have hardly taken such a systemic view. At the same time, research on sustainability transitions has often focused on the technical aspects and feasibility of transitioning, while regularly underemphasizing the policy, governance and policy integration aspects of such transitions (Roberts et al., 2018; Turnheim et al., 2015). Bringing the policy integration and sustainability transitions literature together will reveal the policy, governance, political challenges that need to be the focus of research on the theory and practice of integrative, systemic approaches.

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