The big takeaway from the European Parliament elections: the centre has held, but a trend in far-right gains continues. This means that Europe’s fight against climate change can go on but is faced with a trickier political landscape at a time when big decisions need to be taken. A fair and green industrial / competitiveness deal still looks within reach in the negotiations for the incoming European Commission. However, EU leaders will face a major test on securing enough financing to make it a reality.

In the coming weeks, the newly elected European Parliament, European Council and incoming Commission President have an opportunity to take stock and commit to the green transition as the cornerstone to Europe’s strategic puzzle.

This orientation briefing makes sense of the new political order taking shape in Brussels and what it can mean for climate action. We set out what is needed for the next phase of the green transition and what the elections tell us about the EU’s ability to meet these needs.
A new – and shakier – majority of pro-EU, pro-climate politicians takes office

Climate change was not the top electoral issue at a time when wars, geopolitical tensions and the cost-of-living crisis persistently capture headlines. Nevertheless, most Europeans voted for pro-European parties that are committed to Europe’s clean transition. However, gains on the far-right and losses for liberal and green parties spell uncertain implications for climate action.

The conservative EPP was the only party underpinning the current Von der Leyen Commission to make electoral gains and remains Europe’s largest bloc (Figure 1), making it the “king” of any future coalition. As the EPP is Commission President hopeful Ursula von der Leyen’s own political group, the European Green Deal (EGD) and its continuation is part of its DNA. Indeed, the EPP first coined the idea of the EGD as Europe’s “growth strategy” and led the formulation of key measures such as revisions to the Emissions Trading System, Renewable Energy Directive and Effort Sharing Regulation.

Figure 1: Most Europeans voted for pro-European parties that are committed to the green transition. However, with losses for the liberals and greens, pro-climate parties are projected to be on weaker footing in the European Parliament.

1 Reuters, 10 June 2024, Economy, migration, war top voters’ concerns in EU election – survey
2 E3G, April 2024, 2024 EU election manifestos and climate action
On the other hand, the EPP has recently undermined key elements of the EGD, for example by leading a campaign against the Nature Restoration Law. With green and liberal parties having sustained the biggest losses in the election, progressive blocs are no longer numerous enough to override such efforts.

Meanwhile, the far-right have made the biggest gains. This result was strongly fuelled by voters from Europe’s two largest countries, France and Germany, where national dynamics had a delayed spillover into EU politics. Far-right parties now occupy a quarter of parliamentary seats, and while they are not a cohesive bloc, many are hostile to climate action.

Much therefore hinges on the outcomes of the coalition negotiations. The EPP is expected to turn to its traditional partners: the centre-left S&D and liberal Renew. This would provide a core of pro-European parties, whose manifestoes explicitly accept green transition policies as the foundation for a new and more resilient European economic model. And while climate will not be a top priority for all parliamentarians, one in two S&D voters found climate a very important factor when deciding who to vote for.

But the EPP will have to court additional partners to secure a comfortable majority, given the centrist bloc’s diminished majority and the fact that MEPs do not always toe the party line. Von der Leyen has already made overtures to the far-right ECR, but in fulfilling her wish to work with “those who are pro-European, pro-Ukraine, and pro-rule of law”, she might find more reliable partners in the Greens.

External factors will also continue to favour climate action. The European Central Bank, European Investment Bank, and International Energy Agency are clear that decarbonised energy is better for long-term competitiveness as it will lower energy prices, limit exposure of the EU economy to fossil price shocks and create new clean energy industries. Meanwhile, severe climate risks and impacts are already affecting economic stability and competitiveness in Europe, the fastest-warming continent. With these facts firmly on the table, energy security,

---

3 E3G, April 2024, 2024 EU election manifestos and climate action
4 Reuters, 10 June 2024, Economy, migration, war top voters’ concerns in EU election – survey
5 IEA, 2023, IEA, ECB and EIB highlight importance of an accelerated clean energy transition for Europe’s industrial competitiveness and financial stability
6 European Environment Agency, October 2023, Economic losses from weather- and climate-related extremes in Europe
competitiveness, and stability will remain strong drivers of future climate ambition.

So overall the direction of travel is set. Contentious debates will persist, though, on the pace and types of measures to implement.

Securing climate action in the new political context

Climate action in the EU is at an important inflection point. With the European Green Deal now launched, the challenge ahead is to make it more effective, socially palatable, and politically and geopolitically sustainable.

Developments that are already in train include the implementation of the crucial Fit for 55 package, which is necessary for the EU to achieve its legally binding 2030 emissions target. Additionally, the EU will have to set an ambitious 2040 target and UNFCCC 2035 Nationally Determined Contribution in order to signal clarity and commitment while also fulfilling its international and domestic obligations.

Meanwhile though, the EU is seen to be lagging in the international cleantech race due to a number of structural obstacles outlined in analyses such as Enrico Letta’s influential report on the EU Single Market.7

Achieving meaningful climate action in this context depends on the bloc’s ability to fulfil five key benchmarks, the achievability of which has been influenced by the elections in different ways.

1. A stable and predictable regulatory framework and climate trajectory

*Types of policies needed:* Ambitious 2040 target, EGD continuation.

*Post-election grade:* mixed

Businesses and civil society are united in their call for regulatory predictability.8 Setting an ambitious, fair and feasible 2040 target can ensure that future policies build on the EGD and create precisely the stable outlook that is being called for. Notwithstanding the strong majority in support of the European Green Deal in the new parliament, this prospect faces some hazards. The EPP is now responsible for delivering the long-term stability that businesses are strongly

7 Letta, April 2024, Much more than a market (PDF)
8 E3G, May 2024, Joint Open Letter to EU Leaders on the Strategic Agenda 2024-2029
calling for, but reliance on far-right groups would bring regulatory uncertainty. With Renew’s leadership uncertain following a loss of French seats, a new cohort of S&D politicians from Italy, Spain and France can try to counterbalance risks posed by the far-right.

2. A resilient, fair, and green “industrial” or “competitiveness” deal

Types of policies needed: A pan-European industrial plan supported by adequate new EU-level funding, green lead markets and strong environmental and social conditionalities; integrated infrastructure planning such as grid expansion, electrification and a plan for hydrogen use and gas phase-down.

Post-election grade: has potential

Calls for a European industrial policy to boost competitiveness have emerged loudly from political and expert debates among heads of state, industry, think tanks, and civil society. EU leaders are hence likely to call for an “Industrial” or “Competitiveness” Deal at the upcoming European Councils, to be picked up by the next European Commission. Having demonstrated his political resilience in the EU elections, Spanish PM Sánchez can call for strong environmental and social conditionalities, something that the S&D at large is demanding.

3. A just and green EU social model

Types of policies needed: Just Transition Policy Framework; social, including distributional, impact assessments of industrial/strategic projects; bolstered social protection, access to quality public services, funding bump for the Social Climate Fund and Just Transition Fund and environmental and social conditionalities tied to public funding; code of conduct for stakeholder participation.

Post-election grade: mixed

With concerns about the cost of living remaining a top issue for many voters, all parties made “leaving no one behind” central to their campaigns, including the far-right. However, the latter has an appalling record on workers’ rights and social issues. This is an opportunity for the EPP to translate its campaign pledges into a tangible reality by making the transition ahead a source of optimism rather than fear for the many Europeans who voted them into power. This requires a shift in the approach to just transition from narrow compensation for lost carbon-intensive jobs to a broader approach ensuring all affected stakeholders have a fair share and say in the transition.

---

9 E3G, May 2024, Building a New European Competitiveness Deal
10 EESC, March 2024, Unmasking the far right anti-worker agenda
4. Funding and investment at the scale that’s required

**Types of policies needed:** Fresh EU-level money, single transition plan for companies, green public procurement, fossil subsidies phase-out.

**Post-election grade:** deadlock

Investment is the critical enabling thread that runs through every other benchmark outlined here, and the EU’s funding gap has been well documented.\(^\text{11}\) Yet this scale of importance is matched by an almost equal level of deadlock and competing demands at EU-level. The EU election doesn’t fundamentally shift this. French President Macron’s likely preoccupation with his national campaign will mean that a formerly strong voice for advancing the debate will be comparatively weaker. Securing a deal on finance will be a major test for the next European Council President.

5. Europe as a credible and reliable leader internationally

**Types of policies needed:** Partnerships with G20 countries that seize clean economy opportunities, strengthen human and labour rights, and foster resilience; enhanced clean investments abroad; a credible and ambitious 2035 NDC ahead of COP30; reform of global trade and financial systems to support climate action.

**Post-election grade:** mixed

The war in Ukraine and persistent geopolitical instability has elevated voters’ concerns about security and the international landscape. But the balance between EU and national action, free markets and protectionism, remains contested. The increase in far-right policymakers risks a steer towards internal security and curbing immigration at the expense of strengthening the EU’s international leadership and credibility. Pro-European parties have the numbers to course-correct towards an updated global strategy that strengthens key partnerships, boosts the EU’s strategic autonomy, and sets a path towards a stable and climate-safe future for all.

---

\(^{11}\) European Commission, July 2023, [2023 Strategic Foresight Report](#); E3G, ShareAction, WWF, March 2024, [Investing in Europe’s prosperity](#); ETUC, NEF, April 2024, [Navigating Constraints for Progress](#)
What’s next?

**Parliament will take shape over June and July.** In June, parliament’s political groups will form, with MEP’s (many of whom are currently non-affiliated) joining either existing or new groups. This will determine the final size of each group, leading national delegations within them, and possible reconfigurations of the far right. In the first plenary session on 15–18 July, the President of the European Parliament, as well as the chairs, vice-chairs, and group coordinators in each committee, will be chosen.

**Leaders will finalise the EU Strategic Agenda.** At an informal meeting on 17 June they will discuss the Strategic Agenda for the next five years and candidates for top positions: President of the Commission, President of the European Council itself, and High Representative for Foreign Affairs. They will formally adopt these decisions on 27–28 June. If no agreement is reached, an extraordinary meeting will be held in July.

**An endorsement vote on the next President of the European Commission is expected on 18 July.** After being nominated by the European Council, the candidate will seek support from political groups. She/he must develop priorities aligning with European leaders’ guidance while gaining the support of a majority of newly elected MEPs. The candidate is expected to present their “Political Guidelines” for the next five years in early July.

**A new College of Commissioners is established.** National governments nominate Commissioners once the European Commission President is formally elected. The Commission President assigns each of them a portfolios and “mission letter” outlining policy tasks for the next five years. Each nominated Commissioner must pass hearings in their respective European Parliament Committees for endorsement, allowing new MEPs to make specific demands to the next Commission. Once completed, a final vote on the College of Commissioners will take place in the European Parliament.
About E3G

E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

More information is available at www.e3g.org

Copyright

This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 License. © E3G 2024