

Navigating the EU's sustainability transitions in a polycrisis world

EVENT REPORT



ANOTHER FUTURE
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POSSIBLE

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Co-funded by the
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Europe is navigating a complex landscape of interconnected crises—economic, social, geopolitical and environmental—posing systemic risks to its sustainability transitions. On the occasion of the launch of the European Environmental Agency (EEA) new report, Friends of Europe convened experts to discuss strategies for maintaining the EU's momentum towards sustainability amid these challenges.

The EEA's *Sustainability Transitions Outlook* (STO) report highlights the polycrisis context which significantly impacts Europe's food, water and energy security as well as its macroeconomic and social stability. **Alexandr Hobza**, Chief Economist at the Directorate-General for Research & Innovation of the European Commission, highlighted the enduring nature of these challenges, stating, "We are living in this public crisis world, which some people actually call a perma-crisis world. Not only are we dealing with many crises, but we are bound to face a permanent crisis in the future." This perspective underscores the concept of a polycrisis, where multiple, overlapping crises create a complex and persistent state of emergency. The same [report](#) emphasises that progress towards environmental goals must align with justice and equity—a sentiment echoed throughout the event. **Leena Ylä-Mononen**, Executive Director of the EEA, noted, "Justice is not only limited to economics. Health inequality is made worse by climate change and environmental hazards emphasising the need for adaptation policies which prioritise equity, redistribution, and protection of the most vulnerable in society." The report also advocates for strategic foresight to anticipate risks, identify opportunities, and inform policy decisions amidst uncertainty. **Ylä-Mononen** elaborated, "Strategic foresight is at the core of the report. [...] It is a conceptual tool to anticipate risks, identify opportunities and inform policy decisions in a context of uncertainty." "If Europe wishes to ensure high quality care for all citizens, it must find ways to not only recruit more professionals but also retain the talented staff it already has. In this regard, coordinating training standards and skills recognition across borders could help boost workforce numbers.

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Alexandr Hobza, Chief Economist at the Directorate-General for Research & Innovation of the European Commission

Another critical insight from the event was the need for a holistic approach to climate policy. **Lorenzo Benini**, co-author of the STO Report, emphasised, "We think that this is a fundamental point [for the] the next policy cycle. But again, this can be in jeopardy given the emerging priorities." This means addressing climate change in conjunction with other priorities such as competitiveness, security, and fairness. **Eero Yrjö-Koskinen**, Executive Director of the Institute for European Environmental Policy, highlighted, "It's about introducing price mechanisms that give a preference to products that have fewer negative impacts on the environment

and the climate. It's a matter of taxation; we've talked about environmental fiscal reform that can adjust these decisions that both the industry and consumers make every day." **Vadim Kononenko**, co-author of the STO Report, added, "Sustainability can be really looked at as a strategy to manage the crisis as they come up, in a transformative way so that with every new crisis we generate the resilience and the kind of potential to transform." Environmental policies should be seen as enablers of a resilient and competitive Europe rather than as obstacles. The interconnectedness of environmental health, social equity, and economic resilience was a recurring theme. For instance, enhancing security and resilience in Europe can be achieved by addressing the nexus between climate change and other critical areas like migration, water resilience, and food systems. **Benini** highlighted, "We can have increased security resilience in Europe by looking at the many nexuses between climate and migration, water resilience, and food systems."

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Leena Ylä-Mononen, Executive Director of the EEA

Social fairness and equity were also highlighted as necessary elements of effective climate action. Policies must ensure that vulnerable groups are protected and that the benefits of sustainability transitions are widely shared. Inequalities can be reduced by leveraging access to a clean environment and nature, which directly impacts citizens' health. Moreover, taxation policies that make polluters pay while protecting livelihoods were suggested as a means to achieve fairness. During the event, **Dzhordzhio Naldzhiev**, Head of Science at Plan A, shared a compelling story that underscored the importance of considering the real-world impact of sustainability metrics. He illustrated how a flawed ESG rating system nearly led a major fashion company to cut ties with a socially impactful supplier in Lebanon, highlighting the need for nuanced and informed decision-making. **Naldzhiev** emphasised, "I believe that we have a common responsibility, not only as Europeans but as citizens of the world, to ensure that the policies we create and the decisions we take actually help create a more equitable society." This call to action resonates with the broader theme of integrating social equity into environmental policies, ensuring that sustainability efforts also foster social justice and support vulnerable communities globally.

Participatory governance was another important topic of discussion. Engaging diverse stakeholders and fostering inclusive dialogue can enhance the effectiveness of environmental policies and build public support for climate action. **Claire Dupont**, Research Professor of European and international governance at Ghent University, stated, "We need those whose voices have not been heard. And this is also something

that a lot of research has looked at for decades; it's not a new idea that we need to create spaces where those voices who are not usually able to access the system and who are the losers of the current system." An example cited was the widespread protests by farmers in Europe, which underscored the need for inclusive dialogue to avoid unintended consequences of policy decisions. **Dharmendra Kanani**, Chief Operating Officer at Friends of Europe, added, "Engaging diverse stakeholders and fostering inclusive dialogue can enhance the effectiveness of environmental policies and build public support for climate action." This approach helps in making policies more effective and resilient to opposition, ensuring that all voices are heard and considered in the policy-making process.

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Eero Yrjö-Koskinen, Executive Director of the Institute for European Environmental Policy

The event also explored the concept of strategic imagination, a methodology used in the STO report to create scenarios that explore the implications of prioritising different aspects like competitiveness, security, or fairness over sustainability.

This approach helps policymakers understand the risks and opportunities associated with different strategies, ensuring that environmental goals remain integral to policy decisions. By combining hard data with foresight methodologies, the report provides a nuanced understanding of how to navigate the current uncertainties.

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Dzhordzhio Naldzhiev, Head of Science at Plan A

From a security perspective, the STO report recommends broadening the understanding of security to include ecological and societal resilience. This comprehensive approach links security with sustainability, offering opportunities to reduce climate-related migration and dependency on fossil fuels. The report emphasises boosting anticipation and preparedness, transformative resilience in key systems like agri-food, and linking sustainability with strategic autonomy through reduced consumption. It also suggests integrating sustainability into EU diplomacy and trade policies to extend global leadership. **Joachim Spangenberg**, member of the Scientific Committee at the EEA, stressed: "What we need to do very urgently is to make very tangible the cost of inaction."

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Claire Dupont, Research Professor of European and international governance at Ghent University

In terms of competitiveness, the STO report advocates for a renewed narrative that aligns competitiveness with high environmental standards and just transitions. Recognising these standards as strategic investments essential for economic development and resilience is crucial. Highlighting the co-benefits of investing in climate health and nature protection can enrich traditional GDP-centric economic thinking. The report calls for public financing mechanisms to align fully with sustainability objectives, leveraging private investments, and ensuring quality jobs and environmental protection.

In conclusion, the discussions emphasised the importance of a holistic and integrated approach to sustainability transitions in the EU. By aligning environmental goals with broader societal priorities and leveraging strategic foresight, Europe can navigate the polycrisis and achieve a resilient, fair, and sustainable future. The event highlighted that sustainability is not just a long-term goal but also a strategy for managing current crises in a transformative way. This approach ensures that each crisis response contributes to building resilience and sustainability, reinforcing the broader European narrative of democracy, peace, prosperity, and environmental stewardship.

Recommendations:

- **Implement integrated policies:** Develop policies that address environmental, economic, and social goals simultaneously to create synergistic effects and avoid trade-offs.
- **Enhance strategic foresight:** Invest in foresight tools and methodologies to anticipate future risks and opportunities, ensuring sustainability goals are resilient to emerging challenges. Support the development of a common EU Industrial Strategy, and potentially explore the capacity of supporting critical industries through public funding.
- **Promote social equity:** Ensure that climate policies prioritise equity, protecting the most vulnerable and ensuring a fair distribution of costs and benefits.
- **Foster participatory governance:** Involve a wide range of stakeholders in the policy-making process to incorporate diverse perspectives and enhance the legitimacy and effectiveness of climate action.
- **Strengthen communication:** Develop a compelling narrative around sustainability that highlights its role in addressing current crises and promotes public engagement and support.

By maintaining an open and collaborative approach, Europe can navigate the challenges posed by the polycrisis and build the widespread support needed to achieve its urgent mission to curb global warming.



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