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GREEN HYDROGEN AND THE EU'S STABILITY

Prof. Dr. Rana ATABAY KUŞÇU

Creating and running a Jean Monnet Module requires understanding and assimilation of the European Union vision. The efforts that started right after the Second World War paid off as the EU.

Unfortunately, the climate crisis caused by the use of fossil fuels and irresponsible consumption occurred during the same period. Now, we are working all together to overcome the problem. Transition to renewable energy and especially green hydrogen are among the primary goals of the European Union.

European Parliament and the Council address stronger legislation. EU's new provisional agreement aims to reinforce the EU Renewable Energy Directive. This deal brings the EU one step closer to completing the "Fit for 55" legislation to deliver the European Green Deal and the REPowerEU objectives. The agreement raises the EU's binding renewable target for 2030 to a minimum of 42.5%, up from the current 32% target and almost doubling the existing share of renewable energy in the EU. EU aims to reach 45% of renewables by 2030.

The agreement reaffirms the EU's determination to gain its energy independence through faster deployment of home-grown renewable energy and to meet the EU's 55% greenhouse gas emissions reduction target for 2030.

Industry and transport are the first target areas and these targets support the EU's ambitions for renewable hydrogen roll-out.

Accelerating and increasing the deployment of renewables by the end of the next decade is crucial to Europe. European Green Deal is a must reality and green hydrogen is the master key.

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Problems in European Energy Policies and Strategy Recommendations for Türkiye

Assoc.Prof. Serhat YÜKSEL, PhD
Business School, Istanbul Medipol University

Industrial development in European countries is quite high. As can be understood from this situation, energy has a very important role for European countries. Very large amounts of electricity are used in these production processes. For this reason, energy is considered as the most important raw material of industrial production. To protect industrial development and increase this amount of production, it is vital that Europe can provide sufficient energy. Otherwise, disruptions will occur in the production process due to unavailable energy, which will adversely affect the economic development of European countries.

Today, it is seen that European countries are experiencing exactly these problems mentioned above. Especially the war between Russia and Ukraine had a very negative impact on European countries. In this process, the European countries' condemnation of Russia was very effective. As a result, Russia has significantly reduced the amount of gas supplied to Europe. Therefore, European countries are likely to experience some economic problems. As stated before, unavailable energy leads to a decrease in industrial production in European countries. As a result, there is a possibility of contraction in the economy of European countries.

In addition to the issues mentioned, it is clear that this process will increase inflation in European countries. When energy could not be obtained from Russia, European countries started to look for other sources to import energy. In this process, it has come to the fore to import more expensive energy from countries that are far away in location. As emphasized before, it is one of the most important raw materials of energy production processes. Therefore, the increase in energy prices will cause the costs of products to increase. As a result, producers will have to sell their products at higher prices to maintain their profitability. Consequently, the increase in energy prices will cause European countries to experience significant cost inflation problems.

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REVIEWS Cont.

As can be understood from these processes, European countries are very affected by the war between Russia and Ukraine. The main reason for this is the faulty energy policies implemented by European countries in the pre-war period. European countries focused on renewable energy projects and closed many nuclear power plants in this process. On the other hand, long periods are required for renewable energy projects to fully meet the energy needs of countries. The closure of nuclear reactors in Europe before this period was completed has made European countries dependent on foreign energy for energy. The Russia-Ukraine war that took place in this process also caused this problem to deepen. In summary, European countries have implemented an erroneous energy policy by shutting down nuclear reactors too early.

Considering the issues highlighted above, it is possible to develop effective energy investment policies for Türkiye as well. Türkiye is a country dependent on foreign energy in terms of energy. This situation causes Türkiye to experience a significant current account deficit problem. This situation causes the country's economy to become even more fragile. This situation can be considered as one of the weakest aspects of Türkiye's energy policies. On the other hand, Türkiye has given great importance to national energy policies, especially in recent years. In this process, substantial financial incentives are provided by the government to renewable energy policies. In addition, Türkiye can conduct natural gas exploration with its own ships. Finally, the nuclear reactor to be established in Mersin contributes to Türkiye's independence in terms of energy.

When these issues are examined, it is possible to present the following energy investment strategies for Türkiye.

1) It would be appropriate for Türkiye to invest in renewable energy technologies. In this way, it will be possible to reduce the costs of renewable energy investments. This will contribute to the increase of clean energy projects.

2) Türkiye should focus more on nuclear energy policies. In this context, the establishment of new nuclear reactors in different locations of the country will help reduce the dependence on foreign energy.

3) Türkiye should resolutely continue its energy exploration activities in the Eastern Mediterranean region. Owing to the energy that can be obtained from this region, it will be possible to significantly reduce Türkiye's energy imports.

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EU NEWS

European Green Deal: EU agrees stronger legislation to accelerate the rollout of renewable energy

The European Parliament and Council have reached a provisional agreement to reinforce the EU Renewable Energy Directive, bringing the EU closer to completing its "Fit for 55" legislation. The deal raises the EU's binding renewable target for 2030 to a minimum of 42.5% and aims to reach 45% of renewables by 2030, in line with the EU's 55% greenhouse gas emissions reduction target for 2030.

The agreement also simplifies and accelerates permitting procedures, particularly in areas with high renewables potential and low environmental risks, while strengthening annual renewables targets for the heating and cooling sector and for renewable energy used in district heating systems.

For the first time, the industry sector is included in the directive, with indicative targets to increase renewable energy use and a binding target to reach 42% of renewable hydrogen in total hydrogen consumption by 2030. The directive also reinforces the regulatory framework for renewable energy use in transport, including targets for advanced biofuels and renewable fuels of non-biological origin. The agreement strengthens the bioenergy sustainability criteria, including applying these criteria to smaller installations and ensuring that forest biomass is not sourced from certain areas with importance from a biodiversity and carbon stock perspective. Financial support for energy produced through the use of certain types of woody biomass will be banned. The deal also contains provisions to support energy system integration and improve consumers' information.

For more detail

EU and international donors' pledge €7 billion in support of the people in Türkiye and Syria following the recent devastating earthquakes

A total of €7 billion were pledged by the international community at the 'Together for the people of Türkiye and Syria' International Donors' Conference, co-hosted by the President of the European Commission, Ursula von der Leyen, and by the Prime Minister of Sweden, Ulf Kristersson, for the Swedish Presidency of the Council. More than 60 delegations from the European Union, its Member States and partners, including the UN, international and European financial institutions such as the EIB and the EBRD and other relevant stakeholders met in Brussels to mobilise support for the people in Türkiye and Syria after the devastating earthquakes of February 2023 and to coordinate the response in the affected areas in both countries.The total pledge of this International Donors' conference amounts to €7 billion, of which €6.05 billion in grants and loans for Türkiye and €911 million in grants for Syria. The funds for Türkiye will be used to cover humanitarian needs and help the reconstruction of the affected regions. The preliminary damage assessment in Türkiye demonstrates very large needs above $100 billion with a lot of damage to public infrastructure and residential buildings. The reconstruction efforts will ensure that all international standards for construction in seismic regions are taken into account and also the priorities of the Turkish Green Deal.

For more detail

European Hydrogen Bank

The European Hydrogen Bank Communication (COM (2023)156), published on 16 March 2023, explains its concept, functions and structure. The main objective of the facility is to unlock private investment in hydrogen value chains, both domestically and in third countries, by linking renewable energy supply to EU demand and addressing initial investment challenges. It will create an initial market for renewable hydrogen that offers new growth opportunities and jobs, and will launch an auction (as part of the Innovation Fund) supporting renewable hydrogen production for European consumers in the fall of 2023.

For more detail

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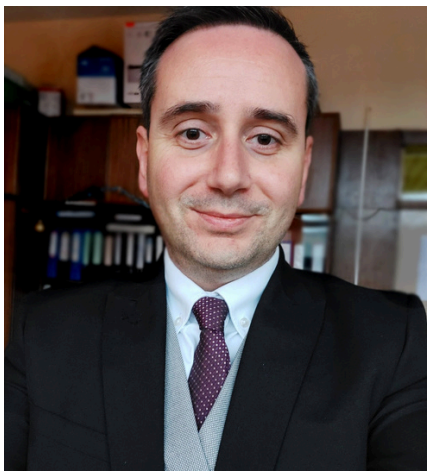
INTERVIEW



Assist.Prof. Georgi ALEXIEV, PhD

He is the Assistant Prof. at the Management Department in the Faculty of Economics, Trakia University. He has research in Agricultural economics, Sustainability, Competitiveness, Bioeconomy, and Energy transition. Also, he has more than 20 publications in the same field. He has been leading lectures and exercises on the **Competitiveness of Products, Quality Management, E-commerce, and research on Organic agriculture, Sustainability, Digitalization of agriculture, Bioeconomy, and food supply**. One of his projects is titled ''Production capacity and local consumption of organic products from livestock breeding in Southeast Region".

What are the "keywords" of the content you present within the scope of the Jean Monnet module? How would you interpret its relationship with the European Green Deal?

The keywords for the content of my contribution to the course are "green supply chains". By presenting the process of greening the supply chains and its key components, the students of the Jean Monnet module are better prepared to face the real world business challenges. Presenting this topic in the context of the European Green Deal was paramount for the full reveal of its impact on organizations of all sizes and fields. Greening the supply chain can be broadly described as a process of incorporating environmental criteria or concerns into organizational purchasing decisions. There are three main approaches to this process: environmental, strategic, and logistical. The European Green Deal designed new models for each of these approaches alongside the mechanisms for their adaptation, support, and regulation.

Could you please tell us what being a Jean Monnet Module lecturer contributed to your academic career?

Participation in the Jean Monnet Module as a lecturer is a very positive experience. This new research path – the greening of the supply chains in the context of the European Green Deal has allowed me to participate in numerous local and international events focused on the environment preservation in the context of green economy transformations. The opportunity to present the theme of greening the supply chains in the context of the European Green Deal in front of students in Business School of Istanbul Medipol University has positively contributed to the improvement of my lecturing abilities.

From the perspective of your field of study, how do you evaluate the roadmap for Türkiye's integration/harmonization process with the European Green Deal?

Türkiye has made huge strides on its path to harmonize its national goals with those of the European Green Deal. The Green deal action plan that the country presented in July of 2021 is quite detailed including 81 actions, 32 objectives and 9 main headings. Although moving in the right direction Türkiye still lags behind when it comes to the specific plans required to field all of the 81 actions in this plan. The European Union on its part needs to find a place for Türkiye in its Carbon Border Adjustment Mechanism, as a candidate country and a Custom's Union partner. Turkish economy will feel the impact of EU's CBAM in the near future, as 32% of its exports will fall under some kind of regulation base on that mechanism. With the small businesses being the backbone of Türkiye's economy there needs to be an implementation of easy to access mechanisms for support with less administrative burden in order for those businesses to continue the path of their green transformation.

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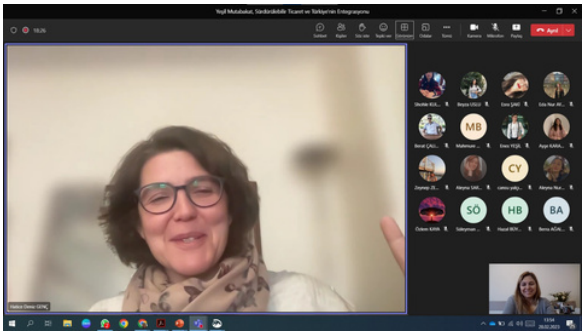
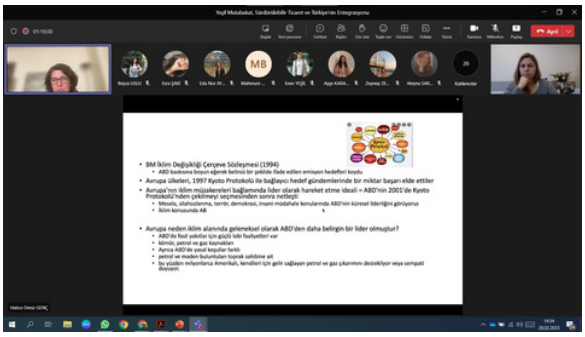
WHAT WE HAVE DONE SO FAR?

Climate Change and EU Policies

In the course where the EU's policies to reduce carbon emissions by 55% until 2030 and to be the first carbon neutral continent in 2050 are discussed; EU policies in the fight against climate change and the developments that emerged after the United Nations Framework Convention on Climate Change in the EU and the world, which have a large share of global emissions, were evaluated.





"The Green Industrial Revolution and the Future of the Customs Union"

The seminar in the scope of the EU-(TR)ADE Jean Monnet Module was held with the contribution of **Bahar Güçlü**, *Republic of Türkiye Ministry of Trade Deputy Director General, International Agreements and European Union.*

The seminar entitled **"The Green Industrial Revolution and the Future of the Customs Union"** is moderated by the module coordinator Prof. Dr. Rana Atabay Kuşçu. Bahar Güçlü made her speech on Customs Union, Türkiye's integration and its potential, EU's indsutrial targets, the effects of European Green Deal.

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Energy - EU Goals

The European Green Deal is a comprehensive project aimed at making the European Union more sustainable and climate-friendly. Energy is a critical component of this plan as it accounts for a significant portion of greenhouse gas emissions. With the Green Deal, it is aimed to switch the EU to a more renewable, efficient and carbon-free energy system.

Dilara TÜRK
Project Team
Medipol Business School, Economics and Finance

The European Union has three main objectives while realizing its energy policy. The first of these is to **contribute to the competitiveness of the community**. In this way, the EU aims to ensure that energy markets are competitive and energy prices are affordable for consumers and businesses. The second is to **ensure energy supply security**. The EU aims to provide a stable and secure energy supply for its citizens and businesses by diversifying energy sources, improving energy efficiency and reducing its dependence on imported fossil fuels. Finally, it is to **contribute to the protection of the environment on the basis of sustainable development**. The EU is committed to achieving a low-carbon energy system and reducing greenhouse gas emissions.

The European Union has established clear energy-related targets for 2020, 2030, and 2050 to monitor its progress systematically. It demonstrates the EU's global leadership in the energy sector by establishing a stable policy framework for GHG emissions, renewable energy sources and energy efficiency with targets, while providing investors with a clear understanding of the relevant issues. In this context, the EU set energy and climate targets for 2020 in 2009. These targets are to reduce greenhouse gas emissions by at least 20%, to increase the share of renewable energy in the EU's energy consumption to at least 20% and to increase energy efficiency by at least 20%. For 2030, EU Member States have agreed to reduce greenhouse gas emissions by 40% compared to 1990 levels, ensure that at least 27% of the energy consumed in the EU is obtained from renewable sources, and increase energy efficiency by at least 27%. The EU also aims to reach a 15% electricity interconnection target among member countries and complete the internal energy market by advancing infrastructure projects.

REPower EU: Affordable, Secure and Sustainable Energy for Europe

Fatma Melike AŞCI
Project Team
Medipol Business School, Economics and Finance

REPowerEU Plan is represented by the European Commission to build the independent, sustainable, and clean energy infrastructure and system that Europe needs on 18 May 2022.
This plan is based on three key objectives:
saving energy, producing clean energy, and diversifying our energy supplies.
The REPowerEU plan was established to provide natural and sustainable energy sources from Russian fossil fuel to Europeans before 2030.With this plan, the Commission targets that Europeans will have a more resilient, green, and sustainable energy system based on diversifying, accelerating clean energy and savings. Furthermore, with the clean energy transition, households, businesses, and industries will use cheaper and future-wide energy. From an industrial perspective, the energy transition will bring more competitiveness and effectiveness.

When industries transform from oil, gas, or coal to clean and renewable energy, it will also translate into a better future. Because they will have a huge transformational impact on other industries around the world. Therefore, the transition to clean energy will not be limited to the European region but may spread to other countries as well. In addition, transforming to clean energy sources is the cheapest, safest, and most sustainable way for the future. Besides the transition to clean energy, saving these sources is also an important and crucial point for the future. On the other hand, when dependency on energy reduces, the EU's economy will be more resilient and sustainable as well. The energy transition is not just affecting the environment and social life, it also will affect economic outcomes. To achieve the objectives of the REPower EU Plan, a collaboration of international organizations and authorities is essential to identify and promote the most effective energy-saving actions. Increasing liquified natural gas (LNG) deliveries from the US and Canada and pipeline and LNG gas from Norway, Intensify Cooperation with Azerbaijan, especially on the Southern Gas Corridor, can be seen as a few examples of these actions.

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FROM OUR STUDENTS

Nazlı ALIŞKAN
Medipol Business School,
Banking and Insurance Dept., 4th class

"This course allowed us to become conscious of various possibilities."

I am Nazlı Alışkan, a 4th-year student at Istanbul Medipol University, Department of Banking and Insurance. At the same time, I am in the 3rd year of the International Trade and Finance department with the Double Major Program. I took and successfully completed the "Green Deal, Sustainable Trade and Turkiye's Integration" course offered at our school as part of the Jean Monnet Module.

This course allowed us to become conscious of various possibilities. Listening to different topics from different professors with different styles of expression each week allowed us to actively participate in the lesson and not leave the lesson. In the last two weeks of the lesson, we divided into several groups and performed Role-Playing with our friends. My role (SDG5) was the relationship between Gender Equality and Sustainable Trade. I chose this topic because I think that we can go a long way in trade in line with their knowledge/work, as there is no place where women's hands do not become beautiful when they touch them, as in most fields.

I would like to thank all my professors who helped open this course and helped in the course, especially I would like to thank Prof. Dr.Rana Atabay Kuşçu as course professor.

Action Plan on Critical Raw Materials

The EU announced the draft Critical Raw Materials Action Plan in March 2023.

In the fight against the climate crisis, the transition to net zero emission systems, clean energy applications and the development of green technologies are increasing the importance of the 'critical' raw materials needed in systems with strategic shelves such as the defense industry and space. In particular, the access and storage life of the raw materials in these systems is critical importance.

The pandemic and Russia's occupation of Ukraine clearly reveal the need for the EU to use itself in areas where it is dependent on imports. Accordingly, the provisions that stand out as the main target for the plan to reduce raw material consumption and minimize supply risks as required by law. Because most of the EU's critical raw material customers are third-world countries and are dependent on imports. It has far-reaching implications to ensure that the open-plan EU has access to a safe, diversified, affordable and sustainable supply of critical raw materials. We can describe the main components as follows:

- Identifying clear attributes to create a list of raw materials with strategic deadlines
- Diversifying raw material transmission chains and reducing possible risks in chains, transmission chains; increase circularity and sustainability,
- Help develop extraction and processing capabilities, including skill development for critical raw materials with "The Global Gateway" joint products.

The Critical Raw Materials Act is based on the Electricity Market Design Reform and the Net Zero Industry Act, as well as the Green Reconciliation Industry Plan, which strengthens the competitiveness of a green and digital economy fit European industry. Five strategic regions (renewable energy, electromobility, industrial, digital and demand/space/defense) analysis studies were conducted for the strategic technologies and industries supply chain in the EU, whose law was finalized with scientific evidence. The analysis evaluated critical raw material demand and supply chain attrition up to 2050 costs. The study provides a baseline view to help identify the strategic raw materials and parts of the transmission chain required for key technologies and applications. The EU Commission also describes the contents of its global network to make the most of its own reserves of critical raw materials and develop win-win partnerships with reliable partners in order for the EU to have a net zero economy and eliminate imports. It is very important for this strategic partnership to reach the targeted basic principles.

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Research Assistant, Medipol Business School, International Trade and Finance

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