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Pledge of Honesty

“On my honour as a student of the Diplomatische Akademie Wien, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.”

Evelyn Carolina Eglinton Moscoso

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Abstract

The Transatlantic relationship between the European Union and Canada has had a linear, but yet complex relationship due to their institutional differences that have prevented them from having a political relationship beyond bilateral agreements with individual European countries. From the 1976 Framework Agreement for Economic and Commercial Cooperation to the Comprehensive Economic and Trade Agreement, both regions have worked hard to sign a trade deal under the pressure of global challenges through the decades. In recent times, the Trump presidency, Brexit, the annexation of Crimea and the Russian invasion of Ukraine, along with the COVID-19 pandemic, has accelerated the need to establish a stronger transatlantic relationship between Canada and the EU. However, the biggest challenge for both regions in their transatlantic partnership comes in the form of establishing energy security in Europe. Through the European Green Deal (EGD), the EU is looking to completely change its political, economic, social, and institutional infrastructure to accommodate a zero-emission plan, where green energy is one of the central elements to tackle climate change and energy insecurity. Canada and Germany are already working to manufacture and export green hydrogen to help Germany with its transition in compliance with the EGD strategy of reaching zero-emissions. Knowing that Canada already possess an enormous capacity to produce green energy, the EU has recognized the potential to expand its relationship with Canada beyond the scope of the trade deals that are already in place. The question is: How will the EGD shape the EU's foreign policy with Canada?

Keywords: *European Green Deal, Canada, EU, U.S., energy, energy security, TIEA, CETA.*

Abstrakt

Die transatlantischen Beziehungen zwischen der Europäischen Union und Kanada waren seit jeher zwar linear, aber dennoch komplex. Dies ist dadurch begründet, dass es ihre institutionellen Unterschiede es unmöglich machten mit einzelnen europäischen Ländern, über bilaterale Abkommen hinaus, politische Beziehungen zu etablieren. Vom Rahmenabkommen für wirtschaftliche und kommerzielle Zusammenarbeit von 1976 bis zum umfassenden Wirtschafts- und Handelsabkommen haben beide Regionen im Laufe der Jahrzehnte unter dem Druck globaler Herausforderungen versucht, bilaterale Beziehungen aufzubauen. In jüngster Vergangenheit haben die Trump-Präsidentschaft, der Brexit, die Annexion der Krim und die russische Invasion in der Ukraine sowie die COVID-19-Pandemie die Notwendigkeit ans Licht gebracht, eine stärkere transatlantische Beziehung zwischen Kanada und der EU fördern. Die größte Herausforderung für beide Regionen in ihrer transatlantischen Partnerschaft besteht jedoch darin, Energiesicherheit in Europa zu schaffen. Mit dem Europäischen Green Deal (EGD) möchte die EU ihre politische, wirtschaftliche, soziale und institutionelle Infrastruktur vollständig ändern, um einen Null-Emissions-Plan zu ermöglichen. Dabei stellt grüne Energie eines der zentralen Elemente zur Bekämpfung des Klimawandels und der Energieunsicherheit dar. Kanada arbeitet bereits gemeinsam mit Deutschland an der Herstellung und der Exportvorbereitung von grünem Wasserstoff, um Deutschland bei der Umstellung auf die EGD-Strategie zur Nullemission zu unterstützen. Angesichts der Tatsache, dass Kanada bereits über enorme Kapazitäten zur Erzeugung grüner Energie verfügt, hat die EU das Potenzial für eine Ausweitung ihrer Beziehungen zu Kanada über die bereits bestehenden Handelsabkommen hinaus erkannt. Die Frage ist: Wie wird der Europäische Green Deal die Außenpolitik der EU gegenüber Kanada prägen?

Schlagwörter: Europäischer Green Deal, Kanada, EU, USA, Energie, Energiesicherheit, TIEA, CETA.

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Introduction

Energy, particularly energy security, has been an important driver that has shaped the foreign policy of the U.S, Canada, and Europe since World War II. These three regions have been intrinsically connected through similar ambitions, interest, and values, which were reinforced during the Cold War, when the world was divided by two ideological and economic blocks. Since then, Canada and Europe have operated under the economic and political leadership of the U.S., where both regions formed an integral part of the NATO security umbrella, and originally did not have the need to interact with each other individually. Yet, even before the Cold War ended, Canada began having concerns about being overdependent on the U.S.; a realization that came with Nixon's departure from the rather traditional foreign policy. The Nixon Doctrine, which can be summarized in very general terms as the U.S. decision to leave the Bretton Woods system, was the beginning of a long road for Canada, which sought to establish a strategic connection with international partners. This was known as the 'Third Option', where Europe was seen as the preferred partner for Canada, among other international candidates, to diversify its overly reliant economy and cultural ties from the U.S.¹ Europe would initially not show any interest in becoming Canada's partner or take part in its strategic plan of a 'Third Option', but things would change quickly once Europe entered its first energy crisis in the 1970's. The consequences of the oil crisis was not limited to Europe, but it was then when the European Economic Community (EEC), felt that it was time to find new partners internationally. From the 1976 Framework Agreement for Economic and Commercial Cooperation, to the Comprehensive Economic and Trade Agreement (CETA), Canada and Europe would be involved in a decades long effort to create an institutional understanding. The drive to interact with each other in a strategic manner would remain unchanging, since both regions would face the same issues, especially an overreliance on the U.S. economically, security wise, energy security problems (where Europe has been the most impacted region), and climate change. Over the decades, the intensity of these issues would fluctuate, but in the decade of 2010's Europe would

¹ Gordon Mace and Gérard Hervouet, "Canada's Third Option: A Complete Failure?" *Canadian Public Policy / Analyse de Politiques* 15, no. 4 (1989): 388. <https://doi.org/10.2307/3550355>.

face the deeper effects of these challenges. This would move the EU to prepare its institutional capabilities for a drastic change in order to solve the barrage of problems it had been confronted with so far. Brexit, which challenged the EU integration process and its legitimacy, the trade wars from Trump, that questioned the strength of the relationship between the EU and the U.S., and the energy crisis brought by Russia's attack on Ukraine, would all need a strategic solution.

The European Green Deal (EGD) unveiled in 2019 by the European Commission is an ambitious plan that encompasses a drastic change in economy, industry, and society in order to reach their net-zero greenhouse gasses emissions target by 2050.² The goals proposed by the EGD meant that the EU had to pursue energy transition plans and find international partners that could fulfill the green energy resources that Europe needs. This was especially true considering that the EU's main energy provider had been Russia, and with their invasion of Ukraine, Putin has weaponized the EU's energy dependence, in order to prevent the EU from intervening in its attack. From this energy crisis, there was the realization that the EU should not depend on dictatorships or authoritarian regimes for energy supply. Canada, a country with similar values to those of the EU, is a perfect candidate for investment of the technology needed to generate green hydrogen, for example. Yet the relationship between the EU and Canada has faced many obstacles since the Second World War, and both regions have only recently managed to bring CETA to reality. This trade agreement could potentially serve as a platform that could drive the foreign policy that is taking shape between the EU and Canada, which is deepened and driven in part by the need to find some economic independence in the case of Canada, and energy security for the EU. The goal of this thesis is to answer the question of how will the EGD will shape the EU's foreign policy with Canada in the context of the trade of green energy? In order to answer this question, it is important to look at what drove Canada and the EU to seek collaboration with each other, what obstacles they faced, and what variables catalyzed a quicker cooperation between both regions in the present, especially in

² European Commission, "A European Green Deal: Striving to be the first climate-neutral continent." https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

regards to the issue of energy. The role of both Canadian and European institutions is central to how the relationship between both regions have taken shape, and also has a central role in how European foreign policy with Canada will take shape in the quest for economic diversity and energy security. This thesis will begin with a literature review about the evolution of the relationship between Canada and the EU, and which variables affected their foreign policy towards each other. Then the theoretical perspective will provide a framework through the elements of rational choice institutionalism, which provides a guideline of the analysis of the empirical evidence. The next section, which deals with the methodology used in this thesis, will provide a comparative analysis of what motivated the EU and Canada with each other and how it shaped their foreign policy through the decades. This section also takes into consideration important variables, such as the influence of the U.S. on both regions, as well as the regional problems that Europe has faced recently.

The analysis of this thesis is comprised of four chapters that will look at three major time periods, where the milestones of the relationship between the EU and Canada are seen through their attempts to negotiate major trade agreements. The following table summarized these milestones and its impact in the relationship of both regions:

Time Period	Trade Agreements Between Canada and Europe	Impact in the Relationship Between Canada and the EU
1970s-1990s	◇ Framework Agreement for Economic and Commercial Cooperation	◇ Foundation of a dynamic relationship between the EEC and Canada

1990s-2010s	<ul style="list-style-type: none"> ◇ Trade and Investment Enhancement Agreement (TIEA) 	<ul style="list-style-type: none"> ◇ An attempt to further develop the Framework Agreement. ◇ EU is institutionally stronger politically to negotiate a trade deal such as the TIEA ◇ Ultimately fails due to Canada and the EU not understanding each other at an institutional level
2010-Present	<ul style="list-style-type: none"> ◇ Comprehensive Economic and Trade Agreement (CETA) ◇ European Green Deal (EGD)* <p style="font-size: small; margin-top: 10px;">*not a trade agreement but it involves the trade of energy resources</p>	<ul style="list-style-type: none"> ◇ The successful evolution of the Framework Agreement and the TIEA. ◇ Successful mutual institutional understanding between the Canada and the EU ◇ Informal expansion of substate diplomacy.

From this table the analysis of the case studies will begin with the time period between 1970s to the 1990s, where Canada first expressed a wish to move closer to Europe, in order to find greater economic independence from the U.S. In this time period the 1976 Framework Agreement for Economic and Commercial Cooperation became the foundations of future agreements to come between Canada and the EU. The motivation from both regions to become closer, as well as the institutional problems that both sides faced, that prevented an effective economic and political relationship with each other. The second chapter explores in more detail the institutional advancements of the EU, which allowed, as a supranational institution to have included in the Lisbon Treaty issues pertaining energy security and governance. This would be a crucial institutional advancement that would allow the EU to manage energy trade matters with third countries. As for Canada, this period is marked by the lack of an institutional framework in their federalist system, that allowed a proper dialogue between provinces and federal government, which ultimately caused the failure of the

Trade and Investment Enhancement Agreement (TIEA). In the third chapter, the various problems that the EU faced, such as Brexit, the Trump trade wars, and the Ukraine war, which are elements that are explored as catalysts that pushed the EU to seek a closer relationship with Canada. Canada for its part, also faced some of the similar problems of the EU when it came to president Trump's trade wars, reinforcing the decades long need to diversify its trading partners. This time, the EU and Canada were able to address their institutional problems that prevented them from signing a strategic agreement in the past and would successfully sign CETA, which could be expended in the future as a framework for the trade of green energy. In the last chapter, I will analyze the opportunities that COVID-19 brought to the EGD as a way to understand the impact of human activity on the environment, and also as an exit strategy to reach the net-zero greenhouse gasses emissions goals by 2050. Most importantly, the role that Canada could have in the EGD as a provider of green energy will be analyzed as well as the institutional capabilities of Canada, and its ability to keep on track with its own goals in battling climate change. Canada's stance in regards to climate change is important to note, since there has been a track record of Canada not taking seriously the challenges of climate. Lastly, I will conclude this thesis with the possible options for the future of EU and Canadian institutions regarding energy governance as they both prepare to enter into the era of green energy.

Literature Review

The relationship between Canada and the EU is a subject that has been analyzed by scholars since the end of the Cold War, especially in regards to energy, institutional development, and more extensively trade. Authors like Petra Dolata (2022) looks into the transatlantic relationship between both regions from a historical, global perspective in the context of energy, taking into consideration the global climate and the challenges that both regions faces. Amy Verdun (2021), also has a global and historical approach, that is focused on the challenges that Europe and Canada have faced in its attempts to strike a strategic trade deal, as well as the roadblocks they encountered when it came to their relationship with the U.S. Being both under the NATO security umbrella, and

with the U.S. acting as an energy broker between the EU and the Middle East during the 1990s and early 2000s, the EU could not afford to antagonize or sideline the U.S.

In more specific matters, relating to the Canadian interest to find a 'Third Option', authors such as Robert Boardman (1979), looks into how Canada considered Europe a third option and the reasons behind this preference. For Canada to get closer to the European Community (EC), was a learning curve about the current state of the institutions of the EC and the political immaturity of its institutions, a topic explored in depth by E. E. Mahant (1976) and Donald Story (1981). In topics related to the evolution of EU institutions and its preparedness to deal with dynamic and strategic aspects, as the Treaty of Lisbon consolidated the expansion and integration of these institutions, Frank Groome (2012) analyzes this subject and its pertaining legal foundations. Through the institutional transformation that the EU was undergoing, Canada, in its second attempt to strike a strategic agreement with the EU with the TIEA, faced its own internal institutional problems that hampered the efforts to make TIEA a reality. The problems, solutions, and lessons learned moments from the EU and Canada from their experience with the TIEA, was closely analyzed once CETA became a topic in the international relations forums. Stéphane Paquin (2018, 2022) and Christopher J. Kukucha (2013) evaluate the institutional shortcomings of the EU and Canada in relation to each other, and their ability to overcome them unconventionally to make CETA a reality. Simultaneously, the EU was including thought the Lisbon Treaty, important changes in how EU institutions expanded its energy governance and provided a political platform that would allow the EU to be more efficient in managing energy and its trade with third countries (Velichka Milina, 2013). The role of the EGD in EU institutions is a topic that is very recent, but has already gained the attention of researchers that analyze how it will affect Europe institutionally, economically, socially, and politically. Annette Bongardt and Francisco Torres (2022) have one of the most interesting views on how the EU uses a global issue, in this case COVID-19 as an exit strategy that supports the goals of the EGD. The COVID-19 pandemic provides a valuable insight for European researchers to understand better the impact of human activity on the environment and how to use technology in industries known to create the largest amount of greenhouse gasses, such as the farming industry. On the question of

implementation, Marco Siddi (2020) analyzes the internal challenges that could arise in the EU, such as member States not agreeing to the implementation of new policies, that in most cases requires a technological upgrade in several industries. Siddi also analyzed the feasibility of the EGD as a long term plan and how capable these strategies actually are in achieving their short and long term goals..

One of the most important aspects of the EGD is the need for the EU to obtain energy security. The EU has for decades suffered through energy crises caused by armed conflict in the Middle East, which was felt in the 1970s, and more recently the Russian invasion of Ukraine, where Russia has used the EU's energy dependence as leverage in an attempt to keep the EU out of the war. There are several aspects to energy security that include: energy as a source of national power (or lack of thereof in the case of the EU), energy as a driver of national interests and foreign policy, and energy as a source of domestic stability. Tom Cassier (2011) focuses on the definitions of energy security and its implications when it comes to economic and geopolitical issues. Cassier defines energy security as an issue that goes beyond whether the EU and its Member States will be able to obtain the necessary resources for its citizens, but explains how Russia, a country rich in energy resources, can weaponize energy and use it as a means to reach its goals. What is important about describing energy (in)security as a geopolitical problem, is that his arguments are very much valid 11 years after Cassier's article was published. From the tough spot in which the EU currently finds itself in with the gas shortage experienced since the winter of 2022, the EU is becoming an active actor in energy relations, particularly since the Russian annexation of Crimea. The increasing pressure that the EU has been under in its attempts to have security of energy supply, is analyzed by Zbyněk Dubský & Lukáš Tichý. While the scope of Dubský and Tichý falls within the EU's foreign policy with Russia, the concept of the EU as an energy actor can also be applied to the role it has with its push to make the EGD a reality. The concept of energy security as a geopolitical issue, with its different narratives (as presented by Cassier), is an important prelude to understand what are the aims of the EGD and what role Canada fulfills in helping the EU attain energy security. How will the EGD will shape the foreign policy between the EU and Canada, or the EU and other third countries, is something that still belongs in

the realm of speculation. Yet, considering how ambitious this plan is, it will not be long until more evidence becomes available for researchers

Methodology

In order to understand how the EGD will shape the EU's foreign policy with Canada, in the context of its institutions, it is important to understand how these institutions evolved, how well they interacted with each other, and how they reacted to external global pressures. The analysis of this thesis will look comparatively at the institutional development and interaction between Canada and Europe through three time periods: from 1970-1990, 1990-2010, and 2010 to the present day. These time periods were chosen because they represent a linear evolution of the institutions of the EU and Canada, as well as an increasingly stronger drive to interact with each other due to the political variables found in each time period. Canada's drive to obtain more economic independence from the U.S. and the EU's goal to achieve energy security are elements that are constant through the decades, and in the present converge in the EGD strategy.

Another important part in analyzing how the institutions evolved in the EU and what pushed Canada to adapt its own federalist structure to the EU, especially in the CETA negotiations, is to understand the global pressures and the role of the U.S. as a variable. The U.S. is a powerful driver that affects the foreign policy of both the EU and Canada, and has many times posed a challenge for both in their relationship, directly and indirectly. In the context of energy, the role of the U.S. is central, as securing its energy sources was a main driver of its global foreign policy, especially their presence in the Middle East, until the shale revolution. In the last decade, the Trump presidency and his trade wars, affected and temporarily damaged its relationship with Canada and the EU. Most importantly, it was the U.S. pivot to Asia that would cause a departure of interests for the EU, creating a new institutional concern regarding the future of EU security in the face of Russian threat. For Canada, it would be a case of changing values from the U.S., as Canada has for a long time been involved in many of the U.S.'s military endeavours, but had no wish to be part of their new security umbrella, which included nuclear submarines. These events played an important part in the changing

foreign policies of both Canada and the EU. In turn it forced them, and continues to prompt them to change and adapt its institutions to accommodate their strategies, central to the achievement of their goals.

The sources that will be used to analyze the institutional evolution and changes of the EU and Canada are mostly secondary scholarly sources, as it provides essential insight of the different aspects of institutional adaptation from both regions. Primary government sources from the Federal Government of Canada and the EU will be used for factual, descriptive purposes, mostly to understand the clear goals set by both regions, what they expect from their strategic relationship, and what role its institutions will play. Some sources from the media of official speeches from Canadian Prime Ministers and important EU institutional leaders will also complement, in a limited way, the empirical evidence provided by scholarly sources and official government publications.

Theoretical Framework

To understand how the creation and evolution of EU and Canadian institutions that govern energy policy internally and externally, I will apply the theory of rational choice institutionalism through the perspective of EU foreign policy. Rational choice institutionalism looks at the development of political institutions by making the assumption of behavioural characteristics based on preferences, that will maximize the “attainment of these preferences” in a strategic manner.³ One of the most important interpretations that rational choice institutionalism has for the purpose of institutions and the people who are part of them, is that it emphasizes in “the role of strategic interaction in the determination of political outcomes”.⁴ This theory explains in greater detail how EU institutions have grown and expanded from the challenges that it has faced during its integration period from the 1990’s to the 2010’s. There was a rational consensus from the Member States to collectively relinquish some power in certain jurisdictions in

³ Peter Hall, Rosemary C.R. Taylor. “Political Science and the Three New Institutionalism.” *Political Studies* 44, no. 5 (1996): 12.

⁴ Peter Hall, Rosemary C.R. Taylor. “Political Science and the Three New Institutionalism,” 12.

order to face its internal and external challenges as a unified unit, because together it would maximize common preferences. While to other countries, it might seem very complex to include 27 very different nations, for European countries to belong to a supranational entity, highlighted that they had common values and goals, that made the interaction with each other and countries outside of the continent more efficient. The EU is a unique organization that sets them apart from every other organization the world, and it has the advantage of becoming pioneers in this complex project of integration, but at the same time, it makes it difficult for other countries to understand its levels of complexity. Even for countries like Canada, which has very similar values and goals, it has been difficult to adapt their own institutions that deal with foreign policy, to the demands of the EU, especially in topic of trade.

Institutions are comprised by a set of rules, which grow and develop a “virtuous path”, where institutions and organizations develop each other to encourage growth, if they have the appropriate incentive structures.⁵ This has been the path that the EU has followed in its integration process, ever since Europe was part of the EEC. However, this concept of institutions growing and following a “virtuous path”, can also be expanded and applied to the foreign policy of Canada and the EU seen as well in the EU’s interaction with Canada, particularly during the CETA negotiations.⁶ In the CETA negotiations Canada has somewhat adapted its federalist way of operating in order to accommodate the needs and wishes from the EU, when the EU sought to have a closer relationships to the provincial level of government. Rational Choice Institutionalism has explained how the phenomenon of the EU integration process, as well as Canada’s will to adapt its own institutions to maximize its preferences, in this case a relationship with the like-minded EU. Yet Rational Choice Institutionalism can also predict how the EU will adapt and create new institutions in order to accommodate the mammoth project that is the EGD. The EGD and the creation and expansion of its institutions, can be considered an answer to the major challenges posed by climate change in an increasingly hostile international political environment.

⁵ Henry Farrell, “The Shared Challenges of Institutional Theories: Rational Choice, Historical institutionalism, and Sociological Institutionalism,” *In Knowledge and Institutions*, Springer: Knowledge and Space vol. 13 (2018): 29.

⁶ Henry Farrell, “The Shared Challenges of Institutional Theories,” 29.

In the case of Canada, dealing with the EU and being part of what fuels the EGD will also force the existing, albeit simpler, government institutions to evolve and accommodate an effective climate change policy. Canada's efforts and commitment to make its internal institutions more efficient when negotiating a trade agreement with another country, has been lagging. The use of substate diplomacy as a complementary negotiation resource has been particularly useful for the negotiation of CETA, yet the process is still slow and inefficient. The opportunities of technological investment and maker space that the EGD brings in including Canada in its rollout, could drive Canada to finally adapt and refine its rather outdated federalist structure to something efficient and dynamic. When it comes to Canada's climate initiative, the EGD could also make a quicker integration of changes of their own in order to align itself to the European values regarding internal climate policy. This issue is particularly important as the EU will be more reluctant to deal with a country that not only still relies majorly on fossil fuels to function, but also produces fossil fuels in the most contaminating way. The inclusion of green technology to produce green energy, such as clean hydrogen, is a variable driven by Canada's relationship with the EU. In this sense, rational choice institutionalism explains the driving forces for both regions to engage in a strategic partnership, where the institutions of both regions could change and adapt to each other.

One of the weaknesses of rational choice theory in explaining the drive for institutions to exist and evolve, is the "overly simplistic" assumption of the human motivation to shape the institutions in order to maximize the utility of their preferences.⁷ It is argued that it misses many of the important dimensions of human behaviour, and that it becomes difficult to distinguish whether the change and direction of institutions come from the institution itself or from the people in them.^{8 9} Many scholars have argued about how behaviour influences institutional change, or if the institution is what influences the behaviour of the individual, as well as a lack of distinguishing institutions from behaviour and motivation for institutional change.¹⁰ This weakness can be apparent if the stagnation of the EU integration process is considered, since it is difficult

⁷ Peter Hall, Rosemary Taylor, "Political Science and the Tree New Institutionalisms," 18.

⁸ Ibid., 18.

⁹ Ibid., 31.

¹⁰ Ibid., 31.

to distinguish whether it is an institutional issue or the actors within the institution failed to promote change.

When looking into the future, and what new institutions and institutional changes could come out of the strategic partnership between the EU and Canada, the theory of rational choice institutionalism is useful in explaining how successful or unsuccessful the partnership could be. If both parties manage to find a way to create institutions that maximize the utility of their preferences, then the new partnership can be built with an enduring foundation that is viable for continuity, creating a new path for the era of green energy.

I. Canada's Third Option.

Since the end of the 1950's there has been an energy relationship between Canada and Europe based agreements governing nuclear power and resources. When Canada signed an agreement to supply uranium to Europe for the peaceful use of nuclear power in 1959, with the European Atomic Energy Commission (EURATOM), it signalled the beginning of a relationship that was centered around energy supply and military security.¹¹ The agreement between Canada and EURATOM reflected the trust that both, European countries and the United States had in Canada in its role of supplying uranium, and cemented the importance of Canada as a producer of raw materials needed for new forms of energy. Yet, what would really initiate the complicated path for a stronger transatlantic relationship between Canada and Europe was the 1976 Framework Agreement for Economic and Commercial Cooperation. This agreement, as stated by Petra Dolata and other scholars, would be "the first of its kind between the EEC and an industrialized third country".¹² The 1976 Framework Agreement faced major hurdles that would still echo to the present, and share similar problems to what CETA faced in its negotiation process. In this chapter I will briefly look at the role of energy in high politics and foreign policy, as in this period of time energy security had a central role in politics. Energy security was not very institutionalized in the EEC, save

¹¹ Petra Dolata, "Canada, the EU and Energy Security: A Historical Perspective," *Canadian Foreign Policy Journal* 28, no. 3 (2022): 218. <https://doi.org/10.1080/11926422.2022.2125411>

¹² Petra Dolata, "Canada, the EU and Energy Security", 219.

the government entities that regulated the policy of the use of nuclear energy, unlike other types of energy resources, such as gas and oil. Therefore the major focus in this chapter will be the institutional challenges that Canada faced with the EEC in its proposal of the Framework Agreement. The focus will also be what brought forth the idea for Canada to create the Framework Agreement with the EEC. The stance of Europe in regards to this Agreement, the institutional immaturity that prevented the Agreement from getting traction, and its crucial importance in paving the relationship between Canada and the EU today in relation to the trade of energy will also be discussed.

The conception of the 1976 Framework Agreement with the EEC, was based on the realization that Canada needed to diversify its economic ties with other nations and regions in order to depend less on the U.S. The changes that brought alarm to the Canadian government began with the Nixon doctrine and the 'Nixon shock', which marked an end to the Bretton Woods system, as it was announced on August 15, 1971.¹³ This policy brought forth the realization, in a rather abrupt way, that Canada was too dependent on the U.S. economically, and the decisions from the neighbours to the South could threaten Canadian national interest, causing policy makers to be under pressure from the public.¹⁴ A White paper, which addressed the concerns of a constant "drift towards the United States", also provided the concept of pursuing a 'Third Option'.¹⁵ The 'Third Option', in a nutshell, can be defined as a call to the "lessening of U.S. economic and cultural influence on Canada", as stated in 1972 by Mitchell Sharp, Canada's Secretary of State for External Affairs.¹⁶ Sharp opted to promote the 'Third Option', after having analyzed and rejected two other options, which were to either follow the status quo and maintain Canada's relationship with the U.S. as it was, or have a policy of closer economic, and by default, political integration to the U.S.¹⁷

¹³ Office of the Historian, "Milestones: 1969-1976," Office of the Historian, State.gov. 2019. <https://history.state.gov/milestones/1969-1976/nixon-shock>.

¹⁴ E. E. Mahant, . "Canada and the European Community: The New Policy." *International Affairs (Royal Institute of International Affairs 1944-)* 52, no. 4 (1976): 554, <https://doi.org/10.2307/2616772>.

¹⁵ E. E. Mahant, "Canada and the European Community", 555.

¹⁶ Norman Hiller, "Third Option," *The Canadian Encyclopedia*, February 7, 2006. <https://www.thecanadianencyclopedia.ca/en/article/third-option>

¹⁷ Norman Hiller, "Third Option".

At the time, idea of the 'Third Option' was celebrated as a plan that should be pursued, but it became a problematic concept when it began to take shape as a strategic foreign policy conduct that lacked definition and was vague in its approach.¹⁸ Despite its lack of definition, there were two main implications, as identified by Gordon Mace and Gérard Hervouet (1989): there would have to be an expansion in the scope of foreign relations, and also an increase of partners across the globe.¹⁹ This was considered an important departure from its traditional foreign policy since World War II.²⁰ Yet it would prove to be a more complicated task to complete when it came to the EEC's institutional immaturity and the 1976 Framework Act's lack of definition in its scope.²¹ The 1976 Framework Agreement, had the goal to form a strategic relationship with the EEC and focus of three important subject areas of interest, which were a "framework provisions on industrial and economic co-operation, a non-preferential trade treaty and regular bilateral consultations".²² As a trade partner, the EEC did not consider Canada before except in specific circumstances such as the trade of uranium, but with the Framework Agreement, Canada highlighted to the EEC that there were shared interests in multilateral trade.²³ Canada presented itself as a developed nation that could offer the EEC raw materials and even energy, as Canada was a producer of oil and natural gas.²⁴ Canadian officials also, while offering their raw materials, did not lose the opportunity to make the offer seem a more necessary undertaking by warning the Europeans that a "North America dominated by the United States might deny Europe energy and raw materials".²⁵ In the future this would not necessarily be the case, but it would be a more individualistic outlook that would spark an interest for the European Union to look a 'Third Option' for themselves; this time considering Canada much more seriously than it did during this time period.

Initially, the EEC met with apathy the Canadian efforts of making the Framework Agreement an reality, as it seemed to them that the need for a 'Third Option' was a

¹⁸ Gordon Mace, Gérard Hervouet, "Canada's Third Option: A Complete Failure?," 388.

¹⁹ *Ibid.*, 388.

²⁰ *Ibid.*, 388.

²¹ *Ibid.*, 388.

²² E. E. Mahant, "Canada and the European Community", 553.

²³ *Ibid.*, 556.

²⁴ *Ibid.*, 556.

²⁵ *Ibid.*, 556.

uniquely Canadian problem.²⁶ There was also the issue of how a relationship with Canada would affect the already existing bilateral relationships between Canada and the Member States within the EEC, if the EEC decided to enter an agreement as a whole.²⁷ However, the issue of apathy would change and questions about the institutional capacity of the EEC to negotiate a trade agreement with Canada would come to the forefront, when Europe faced the oil price crisis during the 1970s. The situation about Europe's energy security and dependency on raw materials, as well as oil became evident after the Arab-Israeli war, the oil embargo, and the fact that the EEC was also importing 55% of its uranium from the Soviet Union.²⁸ A fact considered absurd by some European critics.²⁹ The idea of Canada, a developed country with a stable political institution, with a wide variety of raw materials that was fairly easy to trade with in terms of logistics, made the Framework Agreement attractive. This pattern of necessity, dependence on Russia for raw materials and energy, and confusion on how to proceed institutionally would also remain until the present.

The hopes of Canada to trade with the EEC as a whole, would have similar reasons than the ones that it is facing today with the EU, and yet are very different at the same time. The lack of a cohesive political institutional entity that the EEC had would be the main obstacle that Canada would face with the Framework Agreement, in contrast to today and CETA, which would face this time an obstacle from the political aspect of EU institutions. When the EEC took interest in the Framework Agreement, Canada faced the issue of presenting their approach to the EEC as a whole, since one of the main reasons for Canada to look to Europe was to avoid political dependence through their economic dependence on the U.S.³⁰ Yet with the motivation to get closer economically with the EEC, with the intention of also becoming politically involved meant that the EEC would, ideally, have the institutional capacity to manage both the political and economic aspects of the Framework Agreement.³¹ Canada, would soon

²⁶ Robert Boardman, "Initiatives and Outcomes: The European Community and Canada's 'Third Option'," *Journal of European Integration* 3, no. 1 (1979): 11. <https://doi.org/10.1080/07036337908428745>

²⁷ Robert Boardman, "Initiatives and Outcomes", 11.

²⁸ *Ibid.*, 16.

²⁹ *Ibid.*, 16.

³⁰ E. E. Mahant, "Canada and the European Community", 559.

³¹ *Ibid.*, 560.

realize that the EEC did not yet have the institutional political capacity to fulfill its expectations of creating closer political ties through trade, and as Mahant sums it up (by paraphrasing Ralf Dahrendorf, 1973), the EEC “was an economic giant and a political dwarf”.³² ³³ The EEC had a complex structure regarding the way in which they conducted foreign policy, comprised of “A Council of Ministers, some of whose many incarnations extended beyond the legal boundaries of the Community institutions” along with the competences of the nine Member States”.³⁴ The Canadian government, by understanding that they were not the first ones interested in trade agreements with Europe, would have seen that there would have been problems from other countries that came before Canada with the same interest of signing agreements with the EEC.³⁵ As the negotiations continued, and stalled, Prime Minister Pierre Trudeau came to understand that the development of the institutions of the EEC was a work in progress that would take a long time.³⁶ While Trudeau supported European integration, the plans for the Framework Agreement found the Canadians unprepared to wait.³⁷ The compromise from the EEC would follow, in May 1975, was that they would consider the framework agreement, and any further developments could be considered once the integration process continued and the Commission gained more competences to address further details from the Agreement.³⁸ For the time being, the EEC was still managing to consolidate economic integration, and at the time it was not clear whether it was even possible to achieve that, let alone the political integration of its current Member States.³⁹ Yet at the moment in which the Framework Agreement discussions were taking place, the EEC did not have any “wisdom to draw on” from dealing with an industrialized country, considering Canada’s status among the OECD countries and its closeness to the U.S.⁴⁰

³² E. E. Mahant, “Canada and the European Community”, 560.

³³ Ralf Dahrendorf, “Notes on the External Relations of the European Communities: So much to do so Little Done,” *The Round Table* 63, no. 249 (1973): 67-75.

³⁴ E. E. Mahant, “Canada and the European Community”, 560.

³⁵ *Ibid.*, 560.

³⁶ *Ibid.*, 561.

³⁷ *Ibid.*, 561.

³⁸ *Ibid.*, 561.

³⁹ *Ibid.*, 560.

⁴⁰ Robert Boardman, “Initiatives and Outcomes”, 10.

From the Canadian side, the Framework Agreement faced similar issues to that of the 'Third Option', which was an absence of clarity of its goals and aims. The scope of the Framework Agreement was very broad and the Canadian presented the EEC a "lengthy 'shopping list' of areas of co-operation which included almost every economic and technological field the two parties might engage in".⁴¹ This caused confusion from the European side of the negotiating table, not only due to the lack of precision from the Canadian initiative, but also because both parties feared that they would violate GATT rules by giving preferential treatment in trade.⁴²

The Framework Agreement was the first attempt by Canada to establish a closer transatlantic relationship with Europe. It may have not reached the closeness expected by Canada's idea of a 'Third Option', it certainly paved the long road towards institutional understanding from both sides. The success of the 'Third Option' was considered a failure for many, in the grand scheme of what was expected in the 1970's, since Canada's economy and politics, remained intrinsically linked to that of the United States, and very much dependent on it. From the perspective of Canada's ability to gain experience with a complex institutional setting, such as the EEC, the Framework Agreement enjoyed some success. It did not have the expected independence that the Canadian government hoped, but it opened the door for something bigger that would take shape in the future. The challenge from the negotiations of the Framework Agreement also taught Canadian politicians that when dealing with complex institutional settings, the goals and expectations had to be clear. From the perspective of the EEC, dealing with the Canadian proposal highlighted the fact that while the EEC's institutional economic capacities were evolving. It was also evident that these institutions were too immature to deal with the challenging requirements needed to negotiate and process the Framework Agreement. The Framework Agreement served, in a way, to recognize that there was already a very intricate economic relationship between the EEC and Canada, and it was an attempt to formalize it and make it more efficient in terms of trade.⁴³ It also served as a way to recognize the importance of the EEC as a growing

⁴¹ E. E. Mahant, "Canada and the European Community", 561.

⁴² Robert Boardman, "Initiatives and Outcomes", 9.

⁴³ Donald C. Story, "The Framework Agreement for Commercial and Economic Cooperation: A Political Act," *Journal of European Integration* 4, no. 3 (1981): 292. <https://doi.org/10.1080/07036338108428799>

institution, with increasing capacity and significance as Europe became more integrated, in a path that seemed at times, doomed to fail.⁴⁴ While the Framework Agreement was not have the expected results, as the EEC would chose to use multilateral institutions to meet energy, security, and economic challenges, rather than “direct transatlantic relations” with Canada.⁴⁵ However, with the Framework Agreement Canada would manage to consolidate its presence in the evolving European institutions.⁴⁶ Canada has managed to make its economic interest in Europe taken into account, respected and not overlooked, even if Canadian interests in regards to trade with Europe would not be a topic of great interest for the next two decades.⁴⁷

II. The European Union vs. Canadian Federalism: The Lessons of the Trade and Investment Enhancement Agreement During the Oil Wars.

The EEC went through a rapid transformation, expansion, and integration of its institutions to become the European Union since the 1990s up to the 2010s. While it is still an ongoing process, it is important to understand that the road towards its expanding institutions, which includes stronger political and executive power at Union level, has affected its foreign policy towards third countries. The creation of the Economic Monetary Union (EMU) changed the process of integration of Europe and solidified it.⁴⁸ The 1990s marked the transition from the Common Market era to the beginning of the Union era, and with the launching of the Euro in 1999 the integration process of the European Union gained credibility and it became binding.⁴⁹ In the 2000s the EU would undergo under further changes that translated into questioning and legalizing the political nature of the various areas of jurisdiction, and would organize the powers and competences to be bestowed to either the Member States, the EU, or both. The integration process of the EU would have profound changes in the way foreign policy was to be conducted, and this became especially evident when Canada and the

⁴⁴ Donald C. Story, “The Framework Agreement for Commercial and Economic Cooperation”, 292.

⁴⁵ Petra Dolata, “Canada, the EU and Energy Security”, 219.

⁴⁶ *Ibid.*, 219.

⁴⁷ Donald C. Story, “The Framework Agreement for Commercial and Economic Cooperation”, 292.

⁴⁸ Francesco Paolo Mongelli, Ettore Dorrucchi, Demosthenes Ioannou & Alessio Terzi, “Responses to the Euro Area Crisis: Measuring the Path of European Institutional Integration,” *Journal of European Integration* 37, no. 7 (2015):, 772. <https://doi.org/10.1080/07036337.2015.1079373>

⁴⁹ Francesco Paolo Mongelli et. al, “Responses to the Euro Area Crisis”, 772.

EU attempted to sign the TIEA. During the time the TIEA was being negotiated, Canada may have gained some experience in understanding the complexities of the EEC from the 1970s. However, the institutional changes that Europe underwent with the division of political competences when it came to trade deals, along with the political expansion of the EU, caused confusion. The EU also faced issues understanding the federalist system that operated in Canada, believing that it was more centralized than it actually was, and not grasping the competences that Canadian provinces had over decisions made by the federal government.⁵⁰ The negotiations of the TIEA would result in failure, but the lessons from that failure would prove to be of essential importance when it was time to negotiate the Strategic Partnership Agreement (SPA) and the renamed, new version of the TIEA, CETA. The context of this time is important as well, since the importance of renewable energy was becoming increasingly relevant in international forums, and began to take part in the political agenda of the EU as a whole. Energy matters, in general used to be a separate issue that belonged in the economic category in the EEC, while decarbonization was put in a separate agenda; it was only in 2008 when both became officially part of the same agenda in the EU, in part as a consequence of the Treaty of Lisbon.⁵¹ The negotiation of the TIEA would occur in a time where the U.S. was waging its 'war against terror' in the Middle East, and the shale revolution would change the importance of oil in the energy market. These events had an impact of how energy was considered, especially in the EU as it began to look for more secure, clean sources of energy in the face of climate change.

The Shale revolution marked a drastic change for the U.S. and the way it conducted its foreign policy, which was intertwined with their drive for energy security. Before the shale revolution, the U.S. concentrated its foreign policy in the Middle East to secure its sources of energy, which was primarily oil.⁵² Russia, during this time was the leader in energy resources, especially natural gas, but was displaced by the U.S. as an

⁵⁰ Amy Verdun, "The EU-Canada Strategic Partnership: Challenges and Opportunities." In *The European Union's Strategic Partnerships: Global Diplomacy in a Contested World*, ed. Laura C. Ferreira-Pereira, Michael Smith, Cham: Palgrave Macmillan (2021): 131.

⁵¹ Petra Dolata, "EU-US and EU-Canada Energy Relations." In *Handbook of Energy Governance in Europe*, ed. Michèle Knodt, Jörg Kemmerzell, 263-286. Cham: Springer International Publishing, 2022, 3.

⁵² Velichka Milina, "Energy Security: A Paradigm Shift." *Connections* 12, no. 4 (2013): 84

energy producer.⁵³ The U.S. originally imported 60% of its total oil imports in 2005, and by 2012, oil imports dropped to 46%.⁵⁴ The technology that allowed the U.S. extract shale oil and gas was another way in which the U.S. profited from the shale revolution, and once it was shared with Canada, it also became a major exporter of energy resources.⁵⁵ With Canada as a stable, trustworthy supplier of energy to the U.S., it became more independent from the costly stabilization effort in the Middle East.⁵⁶

The Shale revolution did not effectively change the energy situation in the EU or promise better prospects in terms of energy security. This was mostly because the technologies necessary for shale gas and oil were expensive and did not align with the goals that were enshrined in the Lisbon Treaty (particularly art. 194 TFEU).⁵⁷ From the 2000s to the 2010s the EU had to endure a gas crisis in 2006, once again reminding the Europe of its vulnerability due to energy dependence on other countries, especially Russia.⁵⁸ The dependence on Russia for natural gas, would already start prompting the EU to find alternatives to the total dependence for this resource.⁵⁹ While the shale revolution might have been a game changer for the U.S. and Canada, the EU began to look into their institutional capabilities for energy governance in order to draft strategies that could change the predicament of being dependent on Russia. The efforts to create a common energy policy for the EU was a complicated issue during this time period and it is still an ongoing effort that has slowly given more results in the present.⁶⁰ According to Milina (2022), in the late 2000s the EU was making the greatest efforts to create energy policies, but had the most inefficient results mainly because the mechanism of creating an energy policy contradicted each other.⁶¹

⁵³ Velichka Milina, "Energy Security: A Paradigm Shift." *Connections* 12, no. 4 (2013): 84

⁵⁴ *Ibid.*, 84-85.

⁵⁵ *Ibid.*, 85.

⁵⁶ *Ibid.*, 85.

⁵⁷ *Ibid.*, 92.

⁵⁸ *Ibid.*, 91.

⁵⁹ *Ibid.*, 91.

⁶⁰ *Ibid.*, 89.

⁶¹ *Ibid.*, 89.

The Legal Foundations of Energy Governance in the EU Under the Treaty of Lisbon

The Treaty of Lisbon clarified the division of competences between the EU and the Member states, where there are three main categories: exclusive competences of the EU, shared competences, and supporting competences.⁶² When it comes to areas regarding energy and the environment, the Treaty of Lisbon has classified them as a shared competence between the EU and the Member States.⁶³ The exercise of EU competences, is subjected by two principles, as it is stated by Art. 5 (TEU), which are the principle of proportionality and subsidiarity.⁶⁴ The principle of proportionality is concerned with the scope and content of EU action and may not “go beyond what is necessary to achieve the objectives of the treaties”.⁶⁵ The principle of subsidiarity is based on the ability of the EU to act on behalf of the Member States, if a proposed objective cannot be “sufficiently” obtained by the Member States, and if such objectives can be better achieved at EU level.⁶⁶ The principle of subsidiarity is used in the area of non-exclusive competences.⁶⁷ There is a loophole that creates a conflict of national interest vs. the common interests of the EU when Member States “delegate sovereignty to the supranational European Institutions”.⁶⁸ The numerous directives and regulations of the EU regarding a common energy policy that covers a wide range of areas, from energy diplomacy to energy infrastructure, are vital to the national interest of the Member States and will always face difficulty in reaching consensus with the EU.⁶⁹ Each Member State has had its own vital interests to pursue, which can be very different to another Member State, especially in areas dealing with national security and energy.⁷⁰ Therefore, the EU has given space for Member States to pursue their national policies

⁶² EUR-Lex, “Division of Competences Within the European Union,” European Union Law, February 24, 2022. <https://eur-lex.europa.eu/EN/legal-content/summary/division-of-competences-within-the-european-union.html>

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Velichka Milina, “Energy Security: A Paradigm Shift, 89.

⁶⁹ Ibid., 89.

⁷⁰ Ibid., 89.

regarding these vital areas.⁷¹ These issues are illustrated in the way that the Lisbon Treaty has been written in regards to the compromise of the EU in its competence under certain circumstances. In the Lisbon Treaty, the provisions that represent greater cooperation between Member States can be found in article 194 of the TFEU, which states that:

Such measures shall not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy source and the general structure of its energy supply, without prejudice to the article 192 (2)(c).⁷²

Art 122 of the TFEU, is in compliance with art 194 (TFEU), where the space needed for Member States to pursue its national goals is delineated, stating that:

1. Without prejudice to any other procedures provided for in the Treaties, the Council, on a proposal from the Commission, may decide, in a spirit of solidarity between Member States, upon the measures appropriate to the economic situation, in particular if severe difficulties arise in the supply of certain products, notably in the area of energy.⁷³

Article 122 (TFEU), or the 'solidarity clause' is an "effort to institutionalize the concept of European cooperation on energy security issues", considering that in the case of energy, the Member States would have the tendency to put their own interests over those of the EU as a whole.⁷⁴ Art. 194 (TFEU) (2) and (3) is an effort to balance the individual efforts of Member States vs. the objectives of the EU as a whole.⁷⁵ Through the European integration process there has been more expectations among EU citizens for a more prominent role from the EU in issues regarding energy supply and security.⁷⁶

⁷¹ Velichka Milina, "Energy Security: A Paradigm Shift," 89.

⁷² European Union. "Consolidated version of the treaty on the functioning of the European Union," *Official Journal of the European Union*, 2012.

⁷³ *Ibid.*

⁷⁴ Velichka Milina, "Energy Security: A Paradigm Shift, 90.

⁷⁵ *Ibid.*, 90

⁷⁶ Alex Benjamin Wilson, Alina Dobрева, "Energy Supply and Security," European Parliamentary Research Service, July 2019, 1.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/630275/EPRS_BRI\(2018\)630275_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/630275/EPRS_BRI(2018)630275_EN.pdf)

Through the process of energy transition from fossil fuels to renewable clean energy, the EU will keep its role in monitoring the security of supply.⁷⁷ Yet if the EU is to intervene directly in the energy supply of Member States, then the EU would need to make use of the special legislative procedure.⁷⁸ The special legislative procedure in the EU requires unanimity in the Council for decision making.⁷⁹ There is also a need for unanimity in the key areas stipulated by paragraph 2 of art. 194 (TFEU), which pertain to common energy taxation and the preference of use of energy technology and can weaken the effort of solidarity, because it provides Member States with veto powers.⁸⁰ However, in general, energy policies in the EU are adopted under the ordinary legislative procedure, where decisions are made through qualified majority voting.⁸¹ It is important to know that security of energy supply is an explicit EU competence, as stated in art. 194 TFEU.⁸²

The EU institutions that were found to be lacking in political ability in the times of the EEC, had a tremendous advance, especially after the Lisbon Treaty. The new Treaty addressed the ever present problems that Europe was facing in terms of its ability to provide EU Member States with energy security. The Lisbon Treaty, evidently did not provide any specific legal framework that deals with energy governance, but it did create a delicately balanced platform that allowed the EU to address various areas regarding the regulation of energy issues, such as technology and taxation. The expansion and the formalization of the institutional framework of the Lisbon Treaty, can be considered an answer to the problems that the EU was facing in terms of ensuring energy security for its Member States. In this sense, the EU was at this time an institution that was as successful as it could be, if the maximization of its preferences and goals served as the benchmark to measure how effective it had been internally.

⁷⁷ Alex Benjamin Wilson, Alina Dobрева, "Energy Supply and Security," 1.

⁷⁸ *Ibid.*, 1.

⁷⁹ *Ibid.*, 1.

⁸⁰ Frank Groome, "From Contradiction to Cooperation: A new Legal and Diplomatic Foundation for Energy Policy in the EU," *Journal of Energy Security*, (19 April 2012), http://www.ensec.org/index.php?option=com_content&view=article&id=343:from-contradiction-to-cooperation-a-new-legal-and-diplomatic-foundation-for-energy-policy-in-the-eu&catid=123:content&Itemid=389 , accessed April 19, 2023.

⁸¹ Alex Benjamin Wilson, Alina Dobрева, "Energy Supply and Security," 6.

⁸² *Ibid.*, 6.

Externally, the Treaty of Lisbon also served as a diplomatic platform so that the EU and its Member States could deal with third countries for trade of energy, as well as introducing some certainty in the direction of energy policy.⁸³ The new legal foundations has helped the EU to transcend from the classical “geo-diplomatic” initiative and move towards a policy that includes “procedural mechanisms for energy discussions of mutual interests”.⁸⁴ This legal platform is what Canada was hoping for in the 1976 Framework Agreement, but could not get the expected results due to the limited political institutional capacity that the EEC had at the time. With energy provisions included in the EU Treaties, the way towards creating an energy policy that included third countries was more viable at this point of time. Unfortunately, when Canada attempted to negotiate the TIEA, it was before the Lisbon Treaty and there were other institutional matters at play that became barriers to signing a comprehensive agreement between Canada and the EU. However, the Lisbon Treaty did cement the direction that the EU was taking in regards to renewable green energy. The Lisbon Treaty has also allowed the EU to pursue energy goals in a strategic manner rather than a reactive one.⁸⁵ This means that the Treaties enabled the EU to organize its institutions, such as having the EU Commission become the engine that drives energy policy, which facilitated the strategy to follow in order to comply with art. 194 (TFEU).⁸⁶

Lesson Learned : The Failed Negotiation of the TIEA

The TIEA, launched in 2004, was an agreement that was that had the aim of moving:

“beyond traditional market access issues to include areas such as trade and investment facilitation, competition, mutual recognition of professional qualifications, financial services, e-commerce, temporary entry, small- and medium-sized enterprises, sustainable development, and science and technology”.⁸⁷

⁸³ Frank Groome, “From Contradiction to Cooperation,” 2.

⁸⁴ *Ibid.*, 2.

⁸⁵ *Ibid.*, 5-6.

⁸⁶ *Ibid.*, 1.

⁸⁷ Global Affairs Canada, “Canada-European Union Trade and Investment Enhancement Agreement,” 2002, <https://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/eu-ue/tiea.aspx?lang=en>

This agreement was supposed to build on the basis of cooperation that was created through the 1976 Framework Agreement, and work with the EU to reach common objectives in the subjects that were mentioned.⁸⁸ At the time, the European Council showed specific interest in Canada, to create a strategic partnership in order to reduce regulatory barriers, yet even when the signing of the TIEA in 2005, it was later agreed by both parties to interrupt negotiations.⁸⁹ According to Verdun, there are studies that have indicated that the failure of the TIEA was due to “the lack of mutual understanding about the political structures of each of the political systems”.⁹⁰ The EU had problems understanding how the Canadian federal government and the provinces had shared competences when it was time to implement federal treaty laws into provincial laws. The process of treaty making in Canada has two steps: the first is that the conclusion of a treaty, which include negotiations, signature, and ratification falls under the jurisdiction of the federal government.⁹¹ The second step is its implementation, which consists of the passing of the necessary legislation that falls under the shared jurisdiction of the federal and provincial legislative branch.⁹² In a somewhat similar fashion to the incorporation of EU legislation through the national parliaments of their Member States, treaties in Canada “must be incorporated into domestic law by legislative action at the appropriate level”.⁹³ Paquin emphasizes that treaties cannot, and do not automatically override or apply themselves over existing laws, since if there is an issue regarding an treaty agreement, judges will base their rulings on the existing Canadian laws, and not any treaty in effect.⁹⁴

Since trade negotiations are led by the Canadian federal government, it may have seem to the Europeans that they had control over how the TIEA was to be

⁸⁸ Global Affairs Canada, “Canada-European Union Trade and Investment Enhancement Agreement.”

⁸⁹ Amy Verdun, “The EU-Canada Strategic Partnership: Challenges and Opportunities”, 131.

⁹⁰ *Ibid.*, 131.

⁹¹ Stéphane Paquin, “Multilevel Governance and International Trade Negotiations: The Case of Canada’s Trade Agreements.” *In Borders and Margins: Federalism, Devolution and Multi-Level Governance*, edited by Guy Lachapelle and Pablo Oñate, 1st ed., Verlag Barbara Budrich (2018): 158.
<https://doi.org/10.2307/j.ctvddzgdk.14>.

⁹² Stéphane Paquin, “Multilevel Governance and International Trade Negotiations”, 158.

⁹³ *Ibid.*, 158.

⁹⁴ *Ibid.*, 158.

implemented within the Canadian legal system.⁹⁵ Yet, since trade agreement treaties generally involve the economic jurisdiction of provinces, in order for legislation to be effectively passed into domestic law, the provinces and territories must agree and be on board with what is being negotiated.⁹⁶ This is an exclusive provincial/territorial jurisdiction, which means that there has to be intergovernmental negotiation between the federal and provincial government.⁹⁷ If there is no cooperation from the provinces to implement treaty laws into domestic law, then the federal government faces an impasse and cannot impose its will onto the provincial governments, making the cooperation of the provinces necessary and unavoidable.⁹⁸ Institutionally, there is a gap in the process of treaty making, where there is no framework that can make these negotiations more efficient, or that facilitates the consultations between the federal and provincial governments, making the process very inconsistent and noticeably so to the EU.⁹⁹ From this perspective, there is an institutional immaturity in Canada in its ability to efficiently connect the legal workings of these two governmental jurisdiction, in order to be able to maximize their interests in the creation of new institutions of cooperation with the EU. This is an issue that would become more pronounced in the negotiations of CETA, and the disorganized, inefficient way in which provincial negotiators were included in substate diplomacy with EU officials. Ironically, the EU would face similar mistakes that Canada made during the TIEA negotiations, when they did not allow the French speaking regions in Belgium to make its grievances known in a timely, efficient manner.

The Shale revolution marked a major change for the U.S., but it did not affect the problems of energy dependency that Europe had at the time. While its dependency on Russia for oil and natural gas remained unchanged, the EU underwent a major transformation regarding its institutional structures and capabilities with the Lisbon Treaty. The Lisbon Treaty gave the EU the institutional capability to pursue specific energy goals, which were becoming more centered on renewable green energy, since the concerns of climate change was more prominent issue that the EU wanted to tackle.

⁹⁵ Stéphane Paquin, "Multilevel Governance and International Trade Negotiations", 159.

⁹⁶ *Ibid.*, 159.

⁹⁷ *Ibid.*, 159.

⁹⁸ *Ibid.*, 159.

⁹⁹ *Ibid.*, 159.

The Lisbon Treaty also gave an important diplomatic platform to seek energy alternatives with third countries that were not Russia. Yet the Lisbon Treaty changes came too late for the TIEA, considering that the existing institutions in 2004 did not have the confidence to strike a deal that involved a strategic trade agreement with Canada.¹⁰⁰ The most important outcome from the TIEA were lessons that both sides learned from their experience, which would yield much more interesting results in the future.

III. The Straw that Broke the Camel's Back: Negotiating CETA During the End of the Long Peace.

The period from 2010-present brought some major changes to the relationship between Canada and the EU, and the way the EU conducted its foreign policy towards Canada. The conception of a strategic relationship conceived in the 1976 Framework Agreement, might have seem like an opportunity where many benefits could be reaped from a strategic relationship between Canada and the EU. However, both regions were comfortable with the U.S. as a nexus point that provided what was needed in terms of trade, and most importantly, security. However, the 2010's would challenge the conventional relationship that the EU and Canada had with the U.S. The relationship of the EU with the U.S., as its most important partner, drastically changed with Obama's announcement of the U.S. 'pivot to Asia'. The pivot to Asia was not well received by the EU and it could be considered the beginning of a divergence of goals between the U.S. and the EU, which became more pronounced with the Presidency of Donald Trump and his trade wars. The biggest concern form the EU was that the U.S. would divert its security resources out of Europe and into Asia-Pacific. These concerns were justified considering the increasingly aggressive attitude of Russia towards Ukraine, which began with the annexation of Crimea in 2014, and would culminate in the invasion of Ukraine in 2022. Internally, Brexit would put into question the direction and the future of the EU, as EU integration began to be scrutinized, challenged, and somewhat stagnated. Throughout all the political problems felt at the time, exacerbated by Trump,

¹⁰⁰ Amy Verdun, "The EU-Canada Strategic Partnership: Challenges and Opportunities", 132.

the EU, like Canada, decided to diversify its international partners, and both sides decided to make CETA, the successor of the TIEA, a reality. The beginning of a concrete strategic partnership between Canada and the EU, could be part of a bigger strategy regarding green energy, and it is paving the way to make part of the EGD a reality.

Weaponizing Energy Dependence: The U.S. Pivot to Asia and Russia's Attacks on Ukraine.

President Obama's announcement of the U.S. pivot to Asia, was an event that marked a new chapter in U.S. foreign policy and world politics. It was the end of the oil wars in the Middle East, as the region did not hold a central role for U.S. interests anymore, after having achieved self-sufficiency in energy matters with the shale revolution. It was now time to deal with its biggest rival: China. For Europe, this change of U.S. foreign policy brought a new wave of concern regarding security and losing its important place as a partner to the U.S. as the EU's interests began to differ from those of the U.S.¹⁰¹ The EU, while they did have some economic interests in the Asia-Pacific region, there was no major political interest that could justify a new, more comprehensive policy in regards to the region and China's influence in it.¹⁰² The European point of view in regards to security in the international arena also began to differ majorly from that of the U.S., as the U.S. was focused of creating military partnerships in Asia-Pacific with diplomatic and defence-centric alliances, the most prominent one being the 'Quad'.¹⁰³ The creation of the 'Quad' is part of the Indo-Pacific Strategy, and it is comprised of the U.S., Australia, Japan, and India.¹⁰⁴ While the Quad was created much after the announcement of the 'Pivot to Asia', under Obama's administration, it was still focused on strengthening the military capabilities of China's neighbours, such as the Philippines, in order to protect

¹⁰¹ Linda Basile and Pierangelo Isernia, "The US Rebalancing to Asia and Transatlantic Public Opinion," *The International Spectator* 50, no. 3 (2015): 105. <https://doi.org/10.1080/03932729.2015.1056582>

¹⁰² Julianne Smith, Erik Brattberg, and Rachel Rizzo, "Transatlantic Security Cooperation in the Asia-Pacific: Recommendations for the Next U.S. Administration," *Center for a New American Security* (2016): 4.

¹⁰³ Sung Chul Jung, Jaehyion Lee, and Ji-Yong Lee, "The Indo-Pacific Strategy and US Alliance Network Expandability: Asian Middle Powers' Position on Sino-US Geostrategic Competition in Indo-Pacific Region," *Journal of Contemporary China* 30, no. 127 (2021): 53.

¹⁰⁴ Sung Chul Jung et al., "The Indo-Pacific Strategy and US Alliance Network Expandability", 53.

their interests in the South China Sea.¹⁰⁵ The EU on the other hand, decided to support the U.S. in a way that it aligned to the values of the EU by taking a more active role in the normative aspect of security surrounding China's claim to the South China Sea, and supporting its neighbours when they sought the arbitration of United Nations.¹⁰⁶ The growing gap of interests and the realization that the U.S. was to divert its military resources from Europe, which made more evident that Europe's priority to the U.S. would decrease, caused much concern and some resentment from the EU.¹⁰⁷ The U.S. had made attempts to reassure the EU that the pivot to Asia was not a pivot away from Europe, yet recent developments in the Biden administration regarding the Indo-Pacific Strategy, is showing otherwise.¹⁰⁸ ¹⁰⁹ The AUKUS, a security partnership that has the aim of ensuring the stability of the Indo-Pacific region, which can be assimilated to NATO, makes evident the U.S. is planning to use its military resources in its strategy to counterbalance China.¹¹⁰

Canada, for its part, shares the sentiment of the EU of not wanting to be militarily involved in the pivot to Asia. While, throughout the decade, the tensions with China have increased and become more intense (and following U.S. lead in that regard), it has markedly shown that it does not plan to form part of the security umbrella that the Biden Administration is creating.¹¹¹ The main reason, given so far by Canadian government officials, is that the pact includes in some way, owning, manufacturing, or using nuclear submarines; the specific nature regarding the role that Canada would have regarding nuclear submarines has remained unsaid.¹¹² It was not made clear, by Prime Minister Trudeau, whether Canada was approached to form part of this alliance, but he has

¹⁰⁵ Kheng Swe Lim, "Back to the Front Burner: A Structuralist Approach to Analyzing the Shift in China's Behaviour in the South China Sea Between the Periods 2000-2008 to 2009-2014," *Asian Security* 13, no. 2 (2017): 156.

¹⁰⁶ Mason Richey, Sukhee Han, and Jangho Kim. "A Pivotal Shift: Europe's Strategic Partnerships and Rebalance to East Asia," *Political Science* 7, no. 1 (2019): 47.

¹⁰⁷ Julianne Smith et al., "Transatlantic Security Cooperation in the Asia-Pacific," 2.

¹⁰⁸ *Ibid.*, 4.

¹⁰⁹ Jim Garamone, "AUKUS Plan Looks to Shore up Deterrence, Promote Stability," U.S. Department of Defense, March 14, 2023. <https://www.defense.gov/News/News-Stories/Article/Article/3328430/aukus-plan-looks-to-shore-up-deterrence-promote-stability/>

¹¹⁰ *Ibid.*

¹¹¹ Amanda Connolly, "Was Canada Invited to Join AUKUS? Officials mum but Stress no Interest in Subs," *Global News*, September 16, 2021. <https://globalnews.ca/news/8196164/aukus-defence-deal-canada-china-relations/>

¹¹² Amanda Connolly, "Was Canada Invited to Join AUKUS?."

made it clear that it is problematic for Canada to take part in an alliance where nuclear submarines seem to be a central part of the defense strategy.¹¹³ From the Pivot to Asia perspective, Canada's support to the U.S. will remain in the realm of monitoring and gathering of information through the Five Eyes.¹¹⁴

The EU, internally and in their geographical neighbourhood, faced problems that would threaten EU legitimacy and the trust in its integration process. Brexit and the security threat of Russia and its annexation of Crimea, hanged over the region ominously. These two incidents, coupled with the U.S. shift of interest towards Asia, put the EU in a very difficult spot, and the situation would only get worse with time. Brexit put pressure on the EU, particularly on the issue of EU integration, and with Euroscepticism in the spotlight, it gave a platform for leaders that had grievances about issues dealing with immigration, the EU, and its institutional structure. The departure of the United Kingdom put into question the future of the EU and whether other countries would follow suit, especially after the EU faced criticism in the aftermath of the humanitarian crisis of 2015.¹¹⁵ The biggest fears that EU leaders faced at the time was whether this would cause a domino effect of countries departing the EU, dooming the European process of integration to fail.¹¹⁶ Political leaders of parties from various Member States "greeted" the Brexit news with enthusiasm, including radical right party leaders from Germany and Denmark.¹¹⁷ There was a general fear of how EU countries, with increasingly more influential nationalist or populist parties would react to the UK referendum to leave the EU, where the EU would have to face the fear of its own "mortality and disintegration".¹¹⁸ However, the EU has managed to keep the Member States unified throughout the 2010s, and while there had been a lack of confidence during this period of time, the majority of the voices that were against the EU came from parties that have yet to hold enough power to cause an important impact.¹¹⁹ The belief

¹¹³ Lee Berthiaume, "Military Concerned by Canada's Absence from American-British-Australian Security Pact," *The Canadian Press* and *CTV News*, January 15, 2023. <https://www.ctvnews.ca/politics/military-concerned-by-canada-s-absence-from-american-british-australian-security-pact-1.6231547>

¹¹⁴ Ibid.

¹¹⁵ Joseph Ganderson, "Exiting after Brexit: Public Perceptions of Future European Union Member State Departures," *West European Politics* (2023): 1-2. <https://doi.org/10.1080/01402382.2022.2164135>

¹¹⁶ Ibid., 2.

¹¹⁷ Ibid., 1.

¹¹⁸ Ibid., 3.

¹¹⁹ Ibid., 4.

that an external enemy can aid in keeping domestic unity strong could be, to some extent, applied to the EU with the Russian invasion of Ukraine. However, it does not mean that the problems that the EU has faced since Brexit have disappeared. The effects of the EGD to advance EU integration through the evolution of energy policy, governance, and security, could act as a way to counteract the residual rise of Euroscepticism from Brexit, but it largely depends of how successfully is implemented.

The Russian annexation of Crimea in 2014 was a turning point in the relationship between the EU and Russia. This turn of events positioned the EU at a geopolitical disadvantage, also put the issue of energy security, or insecurity in this case, into the spotlight. For decades, EU Member States had been purchasing oil and gas from Russia, provided by the Russian firm Gazprom, Lukoil, and Rosneft for decades.¹²⁰ In May 2014, Gazprom signed a supply contract with The China National Petroleum Corporation (CNPC), where Gazprom agreed to supply China every year with 38 billion cubic metres of natural gas for thirty years.¹²¹ At the time, this move by Gazprom might have seen as an expansion of its business into the East, as China was also keen to invest in several projects across the globe to counter the U.S. pivot to Asia. The need for raw materials and natural resources was necessary for the ever increasing needs of the growing economy of China, therefore this contract between the CNPC and Gazprom seemed a reasonable business deal between neighbours. However, this was a sign that the Chinese were increasing their purchase capacity of liquified natural gas (LNG) to secure the Russian profits from its sale if they stopped selling LNG to the EU. The relationship between Russia and the EU has been intrinsically related to energy and the EU's dependence on Russia, considering the fact that 39.8% of the Russian share of imported gas is destined to EU Member States.¹²² One of the main issues that has caused tension between the EU and Russia, prior to the war in Ukraine, is that the liberalization and integration of markets is the foundation of EU energy policy.¹²³ With its

¹²⁰ Zbyněk Dubský & Lukáš Tich, "The European Union as a Recognised Energy Actor in Relations with the Russian Federation, 2014–2019," *Europe-Asia Studies* 74, no. 10 (2022): 1846.

¹²¹ Jack D. Sharples, "The Shifting Geopolitics of Russia's Natural Gas Exports and Their Impact on EU-Russia Gas Relations," *Geopolitics* 21, no. 4 (2016): 881.

¹²² Zbyněk Dubský & Lukáš Tich, "The European Union as a Recognised Energy Actor in Relations with the Russian Federation, 2014–2019," 1848.

¹²³ *Ibid.*, 1848.

dependence on Russia, the EU has been constrained in this energy relationship, and with the initial escalation of tensions with the annexation of Crimea the issue of energy became a problem of leverage, leaving the EU without the possibility of changing the situation promptly. As the relationship between the EU and Russia deteriorated rapidly, the discourse about energy security became a top priority, and the coordination of the dichotomy between energy security and the energy market became an issue of strategic significance.¹²⁴

Energy security in the EU and its dependence on Russia was not only a problem of the leverage that Russia had over the EU, but also a threat to the sovereignty of EU Member states.¹²⁵ EU dependence on Russia was a topic that caused intense concern for the Member States, as they correctly predicted that the Russian power and influence was no longer measured in military capabilities and armament, but also in pipelines and barrels of oil to be exported.¹²⁶ Energy, prior the war in Ukraine had two main narratives: political and economic.¹²⁷ The political narrative in terms of energy security is tied to national interest, and control over energy resources is perceived as enhancing it, while dependence has the opposite effect: it undermines the national interest.¹²⁸ In the economic narrative, energy is a commodity that is subjected to the rules of the international market, where supply and demand dominates the interaction of countries, politicians, and citizens, while also keeping in mind that the ultimate interest is commercial profit.¹²⁹ After the Russian invasion of Ukraine, along with the COVID-19 crisis, the narrative of the protection of the environment was added, even though this narrative is still very much dependent on the economic and political spheres. Energy dependence, along with Russia's decision to weaponize the export of gas, finally catalyzed the urgent need to implement the EGD as a strategic exit from the complex situation in which the EU currently finds itself in. The EGD is an attempt to satisfy the needs posed by the political, economic, and environmental narratives and further the

¹²⁴ Zbyněk Dubský & Lukáš Tich, "The European Union as a Recognised Energy Actor in Relations with the Russian Federation, 2014–2019," 1849.

¹²⁵ Dr. Tom Casier, "Russia's Energy Leverage over the EU: Myth or Reality?," *Perspectives on European Politics and Society* 12, no. 4 (2011): 495. <https://doi.org/10.1080/15705854.2011.622963>

¹²⁶ *Ibid.*, 495.

¹²⁷ *Ibid.*, 495.

¹²⁸ *Ibid.*, 495.

¹²⁹ *Ibid.*, 495.

national interest of the EU and the Member States that were particularly affected by the gas shortage. However, considering that the issue of dependence was an evident problem that was understood by EU leaders early as 2010, the EU had ample time to look for alternatives. Instead, after the annexation of Crimea, the EU was rushed into finding rapid solutions that were not feasible, since alternatives to acquiring an alternative provider of gas require an immense amount of time to plan and execute. The war in Ukraine only highlighted the flaws of the existing EU energy model.¹³⁰ Now, with the advent of the EGD, the EU is having problems bridging the gap between the implementation of the EGD and the present need to feed the energy requirements of the existing infrastructure, which is built for natural gas. Member States like Germany do not have the alternatives of using nuclear energy, as the Fukushima Crisis has prompted the German government to shut down their nuclear reactors. Climate conditions have caused the German wind turbines to underperform and forced the government to import energy. The infrastructure to create clean hydrogen in Canada and transport it to Germany will take at least a couple of years if the process runs smoothly. The EGD is expected to fuel the EU in a short to medium period of time, which does not justify a new investment for finding a new provider that will build new pipelines to Europe, which puts the EU at the moment, in an awkward position in its stance against Russia.

Paving the Green Pathway Between Canada and the EU: The Negotiation of CETA

The Trump presidency, with its trade wars put a lot of pressure onto the EU and Canada alike, and it was evident that the need for a 'Third Option' was a necessity for both, once again. Trump marked a time where the U.S. was seen as an unreliable partner, at least temporarily, showing the vulnerabilities of democratic governance of less than helpful leader with his populist rhetoric. The revitalized idea of Europe as a 'Third Option', made sense, considering that at this time, the EU was Canada's second largest partner,

¹³⁰ Javier Arribas Cámara & Vicente Sánchez Jiménez, "The European Union Facing the Abyss: Legislative Review in the face of the Energy Crisis, 2022," *Journal of Energy & Natural Resources Law*, (2023): 1.

“accounting for 9.4% of Canada’s external total trade in goods” by 2014.¹³¹ It was at this time where CETA gained media attention, even though its negotiations began years earlier in 2009. When the negotiations of the CETA began in 2009, it was considered the most ambitious version of economic bilateral agreements to date between Europe and Canada.¹³² The push to finalize and sign this agreement became a crucial goal between Canada and the EU to at least materialize the base of stronger trade ties regarding green energy. The CETA alongside the SPA would be signed and soon after enter provisionally in effect on April 1st, 2017, but not before its negotiation tested once more the institutional ability from Canada and the EU to cope with such an agreement.¹³³ The negotiations of both the SPA and CETA would replace the 1976 Framework Agreement, since it was considered to be outdated and both, Canada and the EU, needed to face the new challenges brought by the political uncertainty particularly felt in Europe.¹³⁴

In order to avoid making the same mistakes from the negotiations of the TIEA, the EU wanted to ensure that Canada would include the provinces in the negotiation process in order to avoid future problems in applying CETA.¹³⁵ The practice of including the provinces in intergovernmental relations between the federal and provincial governments, and a third country in international agreements, was not new.¹³⁶ It was seen in trade agreements such as CUSTA and NAFTA, where the then Prime Minister Mulroney met with the provincial premiers for eighteen months.¹³⁷ Yet as mentioned by Paquin (2018), CETA was part of a new generation of free-trade deals and the role of the provinces was expanded in order to give the EU better access to provincial and

¹³¹ Kurt Hübner, Anne-Sophie Deman & Tugce Balik. “EU and Trade Policymaking: The Contentious case of CETA,” *Journal of European Integration* 39, no. 7 (2017): 846. <https://doi.org/10.1080/07036337.2017.1371708>

¹³² Healy, Teresa. “Canadian and European Unions and the Canada—EU CETA Negotiations,” *Globalizations* 11, no. 1 (2014): 60. <https://doi.org/10.1080/14747731.2014.860798>

¹³³ European Union External Action, “EU-Canada Strategic Partnership Agreement,” The Diplomatic Service of the European Union, April 1 (2017), https://www.eeas.europa.eu/node/13529_en

¹³⁴ European Parliament, “EU-Canada Strategic Partnership Agreement,” Delegations” European Parliament, <https://www.europarl.europa.eu/delegations/en/eu-canada-strategic-partnership-agreement/product-details/20170617DPU08047>

¹³⁵ Stéphane, Paquin “Trade Paradiplomacy and the Politics of International Economic Law: The Inclusion of Quebec and the Exclusion of Wallonia in the CETA Negotiations,” *New Political Economy* 27, no. 4 (2022): 597. <https://doi.org/10.1080/13563467.2021.1879761>

¹³⁶ Stéphane, Paquin, “Multilevel Governance and International Trade Negotiations”, 162.

¹³⁷ *Ibid.*, 162.

municipal procurement contracts in order to negotiate at a closer level with them.¹³⁸ The Provinces represented more than half of the Canadian delegation envoys in the talks at Brussels in 2010, which demonstrated how the provinces in the CETA negotiation had a determining role, and its outcome would depend on how well negotiations went with the provinces.¹³⁹ The inclusion of Provincial representatives at the negotiation table with the EU served as a useful mechanism to raise any concerns regarding trade, as it was with the case of creating a special hormone free industry in Alberta in order to export meat while meeting EU standards and preferences.¹⁴⁰ From the Canadian side, the provinces would be able to voice their concerns and reach an agreement with the federal government and the EU, which in turn would make the legal implementation of CETA a process free of complications. The Europeans on the other hand would face many problems in implementing CETA, where the regional parliaments of Belgium did not have a political outlet to voice their concerns, making Belgium to be unable to vote in favour of CETA.¹⁴¹

The Lisbon Treaty extended the EU's competence in the area of trade policy, where the need of the ratification from national parliaments became less important, but in some cases it was necessary; it largely depended on the category the trade agreement belonged to.¹⁴² The enhancement of EU competences regarding trade agreements was thanks to the role of the European Parliament was given, and was tasked to work in the interest of EU citizens.¹⁴³ When it comes to trade treaty making, the European Commission, the Council of the European Union, and the European Parliament are the three institutions that lead and manage this process.¹⁴⁴ The Commission is the negotiator of the trade treaty, while the Council and the Parliament, together, decide on its approval, and "authorizes the signature by the EU agreements".¹⁴⁵ When a trade treaty is dealing with issue that fall under EU

¹³⁸ Stéphane, Paquin, "Multilevel Governance and International Trade Negotiations", 162

¹³⁹ Ibid., 162.

¹⁴⁰ Patrick Fafard and Patrick Leblond. "Closing the Deal: What Role for the Provinces in the Final Stages of the CETA Negotiations?" *International Journal* 68, no. 4 (2013): 555.

¹⁴¹ Stéphane, Paquin "Trade Paradiplomacy and the Politics of International Economic Law", 601.

¹⁴² Ibid., 600.

¹⁴³ Ibid., 600.

¹⁴⁴ Ibid., 601.

¹⁴⁵ Ibid., 601.

competence, then there is no intervention needed from the national parliaments, but when a trade agreement is declared 'mixed', it means that the responsibility is shared by both the EU and its Member States.¹⁴⁶ This means that when the EU agrees and decides to provisionally apply an agreement, it must have gone through the process of getting the signatures by the Member States to be ratified by the national parliaments subsequently.¹⁴⁷ CETA fell under the category of a 'mixed agreement' by the European Commission in July 2016, and the Council agreed with this decision, which meant that the 28 EU Member States (pre-Brexit) and their 38 national and sub-regional parliaments had to agree to CETA before it could be enforced.¹⁴⁸

The EU faced a similar institutional impasse that Canada saw in the negotiation of the TIEA, but they did not take the necessary steps to prevent a similar situation. The EU pushed for the Canadian federal government to include the provinces in order to avoid future roadblocks where the Canadian provinces could prevent the CETA from being implemented. The reason for the EU to push for the involvement of the Canadian provinces is also because Ontario and Quebec have markets that are strongly oriented towards EU markets, therefore there was an interest from the EU to strike a comprehensive agreement.¹⁴⁹ The EU experienced for years a reluctance and "a lack of enthusiasm" to sign an agreement with Canada, since there was no formal process in Canada that required the provinces to commit to a trade agreement, the federal government was unable to fully implement it.¹⁵⁰ Therefore, the inability to implement trade agreements in the provinces affected European commercial firms the most.¹⁵¹ However, the EU did not consider that they could also have similar problems with their own Member States. In the case of Belgium and the region of Wallonia, there was a strong opposition to the signing of CETA, since their representatives were not able to have an input throughout the negotiations.¹⁵² Without Wallonia's consent, the entire process was halted and Belgium was forced to abstain from signing CETA, putting

¹⁴⁶ Stéphane, Paquin "Trade Paradiplomacy and the Politics of International Economic Law", 601.

¹⁴⁷ Ibid., 601.

¹⁴⁸ Ibid., 601.

¹⁴⁹ Kurt Hübner, Anne-Sophie Deman & Tugce Balik. "EU and Trade Policymaking," 850.

¹⁵⁰ Patrick Fafard and Patrick Leblond. "Closing the Deal," 554.

¹⁵¹ Ibid., 554.

¹⁵² Stéphane, Paquin "Trade Paradiplomacy and the Politics of International Economic Law", 602.

Belgium under intense political pressure from the EU and Canada.¹⁵³ The Walloon representatives took this opportunity to put forth their grievances, as they were unable to do so at a more prudent time during the negotiations.¹⁵⁴ This situation forced the EU and Canada to negotiate directly with the Walloon government, which was an irregular procedure and outside of EU practice, in order to move forward with the agreement.¹⁵⁵ The historical connection that France has with Quebec, which has created an ongoing, long-lasting cultural exchange between Quebec and the European francophone world was “instrumentalized” by the Quebec government in order to push for an agreement.¹⁵⁶ Due to Quebec’s intervention, substate diplomacy came to be very useful to aid the negotiation process, and a compromise was reached when Canada and the EU approved the changes.¹⁵⁷ The reasons of why the Walloon government opposed CETA when it did are varied. It was said by Paul Magnette, that those who were against CETA took a long time to express their grievances with the trade agreement.¹⁵⁸ The decision of leaving Wallonia out of the negotiations was a deliberate act, that had the aim of forcing them to give in under the pressure from the rest of Belgium, Canada, and the EU leaders along with their political parties.¹⁵⁹

Whether this was the case or not, the dynamic way in which Canada and the EU had to negotiate in order to successfully have CETA signed by every party involved, showed an institutional gap from both sides. From the Canadian side, while the role of the provinces in trade agreement negotiations have been expanded, there is a lack of institutionalized intergovernmental procedure that allows them to act efficiently in negotiations. When the Canadian delegation sat in a room to negotiate with EU representatives, the ambience was known to be rather awkward, as there were between two to three people representing all of the EU’s 28 Member States, while Canada had 20 to 30 delegates.¹⁶⁰ In this setting the Canadian representatives of the provinces were not allowed to speak during the negotiations, but had to pass notes to the negotiators,

¹⁵³ Stéphane, Paquin “Trade Paradiplomacy and the Politics of International Economic Law”, 602.

¹⁵⁴ *Ibid.*, 602.

¹⁵⁵ *Ibid.*, 603.

¹⁵⁶ Kurt Hübner, Anne-Sophie Deman & Tugce Balik. “EU and Trade Policymaking,” 848.

¹⁵⁷ Stéphane, Paquin “Trade Paradiplomacy and the Politics of International Economic Law,” 603.

¹⁵⁸ *Ibid.*, 603.

¹⁵⁹ *Ibid.*, 603.

¹⁶⁰ Kurt Hübner, Anne-Sophie Deman & Tugce Balik. “EU and Trade Policymaking,” 850.

making the participation of the provinces limited by this system.¹⁶¹ The procedure of communication only allowed them to speak when a federal representative invited the provincial representative to speak, and were permitted to pause the negotiation to make sure that all concerns were addressed.¹⁶² It is understandable that the jurisdiction of negotiations fell solely on the federal government, but if the sheer number of negotiators is taken into account, where some were only allowed to communicate through notes, makes the entire process seem very inefficient, difficult to maneuver, and slow. If Canada is to adopt this new way of including the provinces in transnational negotiations, there has to be an institutional process that allows the proper and efficient communication between the provinces and the federal government and the provinces, and Canada's potential international partners. In the case of Europe, the channels to address opposition from its regional parliaments must be open to express any grievances in a more timely manner and avoid strategic political pressure on either regional or national parliaments to threaten the process of negotiation within the EU. This is easier said than done, especially with the challenges that the EU faces with the rise of populist governments. However it is important that in mixed agreements, regional concerns are discussed in negotiations as it happened with Canada and its provincial representatives in order to avoid hasty compromises. CETA and the SPA marked the beginning of a time where Canada and the EU were institutionally able to see each other eye to eye, but there is still a long road of aligning themselves institutionally in order to make negotiations more efficient and prevent them from stalling. Addressing these issues will be particularly important in the future as the EU and Canada prepare to stand on the experience and platform that CETA has provided, in order to begin the trade of green energy. The EGD is the next big project that will test and require the expansion and creation of existing and new institutions.

¹⁶¹ Stéphane, Paquin "Trade Paradiplomacy and the Politics of International Economic Law, 606.

¹⁶² Ibid., 606.

IV. Looking Towards the Green Future: The European Green Deal and Canada's Aims to Become a Green Energy Superpower.

COVID-19 as an Advantage for Transition and the Internal Challenges of the EU in the Implementation of the EDG in all Member States.

The COVID-19 pandemic was a time that brought intense challenges to every political institution in the world, as well as a global economic set back that will be felt for years to come. However, for the European Union the health emergency that put their institutional capacity through an intense stress test, provided an opportunity for the EGD. While there was an apprehension that the EGD would take a backseat for policy makers, it gained political importance as the consequences of the COVID-19 became clearer.¹⁶³ The EU Commission used the pandemic to put their action plan in motion, in order to deal with the consequences of COVID-19, and align the overall strategy of the EGD with the recovery process.¹⁶⁴ The institutional weaknesses that the EU had internally were brought to the light by the pandemic, and the issue of climate change not only became an issue that was to prevent disaster in the seemingly far off future, but something that affects the entire world here and now. The encroachment of human activity in natural spaces and the loss of biodiversity are directly linked to the emergence of zoonotic diseases.¹⁶⁵ The way in which human activity has impacted the environment and climate change was also more evident, and this was one of the elements that reinforced the agenda set by the EGD. As the Covid-19 pandemic highlighted the importance of the EGD as a long-term plan agenda, the war in Ukraine brought home how crucial it was to make this ambitious plan a reality at a faster pace. Europe was now facing a new energy crisis that would drive the energy security aspects of the EGD towards a central role. These events would bring a new sense of urgency in finding international partners that had the right elements to produce and export green energy, such as green hydrogen, to fuel Europe and the transition towards its zero-emission reality. Canada is

¹⁶³ Annette Bongardt, Francisco Torres, "The European Green Deal: More than an Exit Strategy to the Pandemic Crisis, a Building Block of Sustainable European Economic Model." *Journal of Common Market Studies* 60, no. 1 (2022): 171, DOI: 10.1111/jcms.13264

¹⁶⁴ Annette Bongardt, Francisco Torres, "The European Green Deal," 171.

¹⁶⁵ *Ibid.*, 175.

part of that effort, and the President of the European Commission Ursula von der Leyen has already taken part in high level dialogue with Canadian Prime Minister Justin Trudeau, about investing in the production and export of green hydrogen. Yet Canada itself has many challenges following its own net-zero emissions strategies, which includes possible problems with continuity and transitioning its economy to clean green energy, in order to establish itself as a global “energy superpower”.¹⁶⁶ The decades long political and institutional interaction that Canada and the EU had, which culminated in the successful signing of CETA, now provides an opportunity of using CETA as a platform that can extend to the trade of green energy. Even if the EU and Canada decide not to use CETA and create a new agreement only pertaining the investment, production and trade of energy, both regions now know how to institutionally understand and negotiate with each other. However, this is not as easy as it seems, since for both Canada and the EU, will now have to contend with the challenges of creating institutions that deal more in depth with energy governance. These new institutions have deal with the domestic and international levels, and provide a structure that will manage energy governance.

The COVID-19 pandemic was on its initial stages when the European Commission President Ursula von der Leyen, announced the highly ambitious, long-term strategy of the EGD. The EGD can be summarized as a strategic plan of key policies that the EU Commission has begun and plans to follow a long-term implementation of legislative proposals, with the goal of achieving a net-zero emissions by 2050.¹⁶⁷ The EGD is also built on two major platforms: First, it is based on the evolving way of thinking that the EU has had over time, as stated in art. 194 (TFEU) of the Treaty of Lisbon. It can be considered the culmination of a long term plan where the efficient functioning of the economy is coupled with an accountability for its effects on the environment.¹⁶⁸ The second aspect, in which the EGD is based on, is the hope that the EU can revive its integration process, and expect a sustainable European

¹⁶⁶ Petra Dolata, “Canada and the EU and Energy Security: A Historical Perspective,” *Canadian Foreign Policy Journal* 28, no. 3 (2022): 229.

¹⁶⁷ Marco Siddi, “The European Green Deal: Assessing its Current State and Future Implementation,” *Finnish Institute of International Affairs Working Paper*, no 114 (2020) : 4.

¹⁶⁸ Annette Bongardt, Francisco Torres, “The European Green Deal,” 171.

integration if the economics are put “at the service of the EU integration project”.¹⁶⁹ The adoption of a wider scope of sustainability has to come hand in hand with the consideration of addressing the fragilities of its economic and energy governance.¹⁷⁰ The COVID-19 pandemic had provided the EGD with several opportunities that has given the EU a guideline of what can be done in order to execute its transition to sustainability, and most importantly a missing link of knowledge for the long term objectives of the EGD.¹⁷¹ The COVID-19 economic recovery strategy has allowed the EU to use the pandemic crisis as an exit strategy with its NextGenerationEU plan, where the EU is looking to invest 806.9 billion euro in the COVID recovery plan.^{172 173} As part of a wider action plan to keep EU citizens healthier, the NextGenerationEU, wants to use part of the COVID investment money in technology investment, making industries (such as farming) greener, and focus on the creation of greener spaces in urban areas.¹⁷⁴ The EU is the first region to recognize that the COVID-19 pandemic is intricately related to the erosion of biodiversity and natural habitats, and has internalized it in its political and economic framework, which gives the EU the power to use the funds to transform its institutional structure and aims. However, the COVID-19 pandemic has also posed a challenge in prioritizing the legislative process of the EGD required to implement the plan. Member States that are resistant to the implementation of the EGD, have shown reluctance to follow the climate agenda and instead establish its interests in prioritizing the economic recovery after the pandemic.¹⁷⁵ The economic struggles experiences by member of the EU, has disrupted the ambitious 2050 decarbonization timeline created by the EU Commission. Leaders in reluctant Member States, such as the Czech Republic and Poland, have the stance that economic recovery and the EGD are incompatible, and can distract from their countries’ more important priorities.¹⁷⁶ Leaders from both countries have called for the scrapping of the

¹⁶⁹ Annette Bongardt, Francisco Torres, “The European Green Deal,” 171.

¹⁷⁰ Ibid., 171.

¹⁷¹ Ibid., 171.

¹⁷¹ Ibid., 177.

¹⁷² Ibid., 171.

¹⁷³ European Union, “NextGenerationEU: Make it Real,” https://next-generation-eu.europa.eu/index_en, accessed April 27, 2023.

¹⁷⁴ Ibid.

¹⁷⁵ Marco Siddi, “The European Green Deal: Assessing its Current State and Future Implementation,” 8.

¹⁷⁶ Ibid., 8.

EDG.¹⁷⁷ The reality is that EGD and the COVID-19 economic recovery are not conflictual or compete with each other.¹⁷⁸ This is because the recession caused by the pandemic could steer policy makers to align the economic with the EGD through the relief of industry carbon costs by the promotion of policy.¹⁷⁹ Measures such as the promotion of “bailout measures” that would “artificially extend the operation of already uneconomic coal” is just the tip of the iceberg in the mammoth challenge that the EU Commission faces in its process of implementing its draft climate law into European Union law.¹⁸⁰

The legal implications of the implementation of the EDG can be translated as a shift in the shared competences of energy between the EU and its Member States; a necessary change in order to have a more coherent energy governance in Europe. The urgency and the ambitions of the EGD, along with its implementation will definitely depend on the degree of competences entrusted to EU institutions, especially the EU Commission.¹⁸¹ The increase of competences of the EU Commission, in regards to energy, means that the EGD can be steered towards more ambitious targets.¹⁸² Most importantly, it would give the Commission an increasingly proactive role when it comes to the negotiation with third countries and partners internationally, giving the institution the ability to maneuver quicker through bureaucratic processes in areas such as trade.¹⁸³ Predictably, Member States could raise some resistance, as they are usually not keen in relinquishing sovereignty on decisions that involve the infrastructure and methods of energy supply, along with the cost of their individual process of energy transition.¹⁸⁴ The process of giving the Commission more power in the area of energy to act, has also created some friction between the EU Parliament and the Commission. The Commission’s use of delegated acts, which are in formulated in the new climate regulation, is a show of the Commission’s strength in its mandate of the 2050 zero-

¹⁷⁷ Marco Siddi, “The European Green Deal: Assessing its Current State and Future Implementation,” 8.

¹⁷⁸ *Ibid.*, 8.

¹⁷⁹ *Ibid.*, 8.

¹⁸⁰ *Ibid.*, 8.

¹⁸¹ *Ibid.*, 10.

¹⁸² *Ibid.*, 10.

¹⁸³ *Ibid.*, 10.

¹⁸⁴ *Ibid.*, 10.

emissions goal.¹⁸⁵ However, while the European Parliament is aligned with the Commission's goal of the EGD, and it has disagreed with the use of delegated acts to transfer competences to the Commission, stating that it is not in line with art. 290 (TFEU).¹⁸⁶ It is important to note, that this legal opinion of the Commission's use of delegated acts not being in line with art. 290 (TFEU), was formulated at the request of conservative EU Parliament members, Alexandr Vondra and Anna Zalewska, from the Czech Republic and Poland.¹⁸⁷ These are the two countries whose leaders are the most critical of the 2050 zero-emissions goal.¹⁸⁸ The issue of transferring competences to the Commission, and the reluctance of the EU Parliament, as well as the opposition from conservative countries, could pose a problem in the process of expanding EU institutions to implement the EGD. The internal disagreements could weaken the Commission's ability to act more efficiently in order to pursue the 2050 goal, as well as allowing the Commission to pursue trade deals that are necessary for the EGD plan.¹⁸⁹

The opposition to the EGD from countries, such as the Czech Republic, Poland, and Hungary is not a challenge that only stems from their conservative leaders or political party members. The implementation of the EGD is projected to be unequal throughout the EU, considering that some countries have more resources than others to implement new technology and practices. The Commission, through a revision of the capabilities of transitioning of each Member State, is attempting to individualize the needs and capacity that each EU country has in order to support them through the transition. Countries such as Luxembourg, Ireland, Greece, Denmark, and Belgium are known to be ahead in their efforts to cut carbon emissions, considering that they have a more diversified resources for an energy mix that enables them to use cleaner energy.¹⁹⁰ In contrast, Latvia, Estonia, Lithuania, Bulgaria, and Poland have less resources for diversified energy mixes, which makes these countries more reliant on the

¹⁸⁵ Marco Sidi, "The European Green Deal: Assessing its Current State and Future Implementation," 10.

¹⁸⁶ *Ibid.*, 10.

¹⁸⁷ *Ibid.*, 10.

¹⁸⁸ *Ibid.*, 10.

¹⁸⁹ *Ibid.*, 10.

¹⁹⁰ Richards L. Morningstar, Andras Somonyi, Olga Khakova, Irina Markina. "European Energy Diversification: How Alternative Sources, Routes, and Clean Technologies Can Bolster Energy Security and Decarbonization." Atlantic Council, 2020, 2. <http://www.jstor.org/stable/resrep23548>.

use of fossil fuels.¹⁹¹ The implementation of new green energy technologies in the Baltic and Eastern European countries, could give them the benefit of flexibility, which would optimize their options regarding “energy needs, mixes, infrastructure, homegrown energy potential, and financial resources”.¹⁹² For countries that have less flexibility due to their less diverse energy sources would have access to the European Social Fund Plus, a compensation policy that aims to aid Member States to manage job losses and reskilling workers, in order to make the transition more uniform across Europe.¹⁹³ ¹⁹⁴ Economic support from the EU are guarantees that Eastern European countries has been asked by Hungary, but especially Poland, considering that Poland depends heavily on the local production of coal and its electricity is mostly generated by coal.¹⁹⁵ In Poland, the coal industry is “highly regarded”, its miners are a well-respected group in the community, and Poland’s leaders have sought to protect its local energy industry, feeling disgruntled about replacing an already functioning local industry with expensive foreign technology.¹⁹⁶ Despite the fact that Poland is dependent on its production and use of coal, the EGD and its financial incentives that supports transition is a great way to revitalize the Polish economy in the energy sector, considering that coal is not a profitable industry anymore.¹⁹⁷ Considering the fact that the production of coal is creating costs in the Central and Eastern European Countries (CEE), the region has contemplated the use of nuclear power their alternative for clean energy.¹⁹⁸ However, in the scope of the EGD, nuclear power is not classified as clean, renewable energy, and it is a threat to its plans to consolidate energy security by completely severing its

¹⁹¹ Richards L. Morningstar et al, “European Energy Diversification,” 2.

¹⁹² Ibid., 2.

¹⁹³ Enel Foundation, “Discussion E-Quality in the Context of Energy Transition,” June 26, 2020, 76, <https://www.enelfoundation.org/content/dam/enel-foundation/news/2020/06/discussing-e-quality-in-the-context-of-energy-transition/E-quality%20study%20-%20final%20report.pdf>

¹⁹⁴ Sustainable Development Solutions Network. “Introduction: The Policy Framework for Implementing the European Green Deal.” *Financing the Joint Implementation of Agenda 2030 and the European Green Deal*. Sustainable Development Solutions Network, 2022, 15. <http://www.jstor.org/stable/resrep42674.4>.

¹⁹⁵ Sandor Zsiros, Euronews, “Easter European Countries Threaten to Wreck the EU ‘Green Deal,’” *Euronews* and *Reuters*, December 12, 2019. <https://www.euronews.com/my-europe/2019/12/12/eastern-european-countries-threaten-to-wreck-eu-green-deal>

¹⁹⁶ Felix Heilmann, Rebekka Popp, And Ada Amon. “The Energy Transition In Central And Eastern Europe.” *The Political Economy of Energy in Central and Eastern Europe: Supporting the Net Zero Transition*, 35, 2020. <http://www.jstor.org/stable/resrep21847.5>.

¹⁹⁷ Felix Heilmann et. al, “The Energy Transition In Central And Eastern Europe,” 14.

¹⁹⁸ Ibid., 21.

dependence on Russia. The technologies needed to implement nuclear power in CEE countries would either be Russian or Chinese, which is problematic for the EU, knowing that this would prolong the dependence of some of its Member States on Russia, as well as undermining the efforts of the EGD.¹⁹⁹

Under the pressure of the different situation between Member States, the EU has a challenging road ahead when it comes to making the energy playing field even for each Member State in order to implement the EGD. The planning of the transition towards green energy in the CEE area is already proving to be a difficult task, especially convincing the CEE Member States that renewable green energy, will provide financial security for its people as well as jobs. The other important issue that the EU must tackle with care is the expansion of the role of the Commission in energy matters, while reassuring all the Member States that they will benefit from relinquishing some control over the competences regarding energy. The greater control of the Commission over energy matters can be a point of contention between the EU and CEE countries. Problems can arise from countries such as Poland, and its problematic reliance on coal, and Hungary with their leader Viktor Orban, who is constantly seeking to undermine the role of the EU in Hungarian politics. If the EGD is capable of dealing with long-standing problems exemplified by Poland and Hungary, then the EGD could be successful as a plan that revives and enhances European integration.

The EGD, Energy Security, and the Role of Canada.

One of the main selling points and goals of the EGD is the attainment of energy security. While there is not a consistent accepted definition of energy security, it usually refers to the ability to ensure availability and reliance of energy at reasonable prices.²⁰⁰ The International Energy Agency (IEA), defines energy security as a subject that has long and short-term considerations, where the short term considerations involves the ability to react in a timely manner to “sudden changes in supply and demand”.²⁰¹ The

¹⁹⁹ Felix Heilmann et. al, “The Energy Transition In Central And Eastern Europe,” 23.

²⁰⁰ Mathew Foss, “The Impact of Renewables on Energy Security,” Canadian Foreign Policy Journal 28, no. 3 (2022): 236. <https://doi.org/10.1080/11926422.2022.2118138>

²⁰¹ Mathew Foss, “The Impact of Renewables on Energy Security,” 236.

long-term considerations refer to “having timely investment to ensure ongoing energy supplies while considering ongoing economic development and environment.”²⁰² As previously mentioned, countries in Europe that have a more diverse energy mix enjoy greater energy security than those who depend on one source of energy, as it is the case of Poland. The EU’s reliance on Russia for energy has been equally problematic for the question of attainment of energy security.²⁰³ The problematic elements of this dependence becomes evident, since the EGD has an energy development plan in which the EU could produce its own energy, and has a long process of transition that will make the EU reliant of third countries.²⁰⁴ The technology needed to implement green renewable energy, requires several elements that could potentially decrease energy security in the EU. The use green energy that requires solar and wind power largely depend on weather patterns, making its reliability is intermittent.²⁰⁵ In order to ensure energy reliability there has to be other measures of backup power, which can translate into reliance on either hydrocarbons or batteries.²⁰⁶ The production of batteries used to store energy, when there is an insufficient production of energy due to unfavorable weather patterns, require the production of minerals, such as Lithium and other rare earth minerals.²⁰⁷ These minerals can only be found and mined in specific nations, such as China, Chile, and Canada.²⁰⁸ China is the biggest exporter of rare earth minerals, which has more than half of the its global production.²⁰⁹ Politically, the EU’s reliance on China for rare earth minerals could pose a risk, considering its closeness with Russia, as well as its increasingly aggressive intentions towards Taiwan. Another issue surrounding the transition towards green energy is that the supply chain for renewable energy technology is much more complex than oil and gas, and inconsistent supply of rare earth minerals could delay the pace of energy transition.²¹⁰ The different dimensions of creating the infrastructure needed for the EGD, particularly

²⁰² Mathew Foss, “The Impact of Renewables on Energy Security,” 236.

²⁰³ *Ibid.*, 236.

²⁰⁴ *Ibid.*, 236.

²⁰⁵ *Ibid.*, 242.

²⁰⁶ *Ibid.*, 242.

²⁰⁷ *Ibid.*, 242.

²⁰⁸ *Ibid.*, 242.

²⁰⁹ *Ibid.*, 244.

²¹⁰ *Ibid.*, 244.

issues regarding the storage of energy and the batteries needed for that task, is one of the major points that the EU Commission will have to contend with. Looking for international partners that are in line with EU values, that could supply the raw materials needed to fuel the EGD, is crucial in order to avoid dependence on nations that are more likely to be hostile in the future.

Canada is known to be particularly blessed with raw materials that are useful for Europe's transition to green energy, as well as having a favourable climate conditions that allows the production of green hydrogen. While generating green energy from wind turbines and solar panels has its own downsides, Canada's geographical setting and climate allows for the prospect of consistent use of wind power to produce green hydrogen. Germany and Canada, following the preferred Canadian *modus operandi* of signing trade deals with individual Member States, have recently signed in August, 2022, the 'Hydrogen Alliance'.²¹¹ While Germany has attempted to use its own natural resources to generate green energy, it has found itself facing some important shortcomings that has led to an increase of energy insecurity as it transitions towards its zero-emissions goal. In the summer of 2021, Germany faced a serious decrease of energy output, due to the lack of wind experienced in the region onshore and offshore, meeting only 21% of the demand.²¹² The insufficient output of renewable energy has forced Germany to increase the amount of energy imports from neighbouring countries in order to keep up with the ever increasing demand for electricity.²¹³ Germany recognizes the need for energy security by having sufficient energy to meet the demand of the population, which is why German Chancellor Olaf Scholz sought to invest in Canada to supply Germany with clean hydrogen. The Atlantic region of Canada has limitless wind power, and the Canadian province of Newfoundland and Labrador is sparsely populated, which allows for the construction clean hydrogen power plants.²¹⁴

²¹¹ Mike Moore, "Hydrogen Alliance' Formed as Canada, Germany sign Agreement on Exports," CBC News, August 23, 2022. <https://www.cbc.ca/news/canada/newfoundland-labrador/canada-germany-hydrogen-partnership-nl-1.6559787>

²¹² Reuters, "German Renewables use Knocked by Lower wind Output," Reuters, June 28, 2021. <https://www.reuters.com/business/energy/german-renewables-use-knocked-by-lower-wind-output-2021-06-28/>

²¹³ Mathew Foss, "The Impact of Renewables on Energy Security," 243.

²¹⁴ Mike Moore, "Hydrogen Alliance' Formed as Canada, Germany sign Agreement on Exports."

The location at the easternmost part of Canada is also geographically convenient for the export of clean hydrogen to Europe.

The project of the Canada-Germany Hydrogen Alliance is a massive plan that is expected to be implemented quickly, and is also part of a medium-term plan for Germany to establish green energy security. The Canada-Germany Hydrogen Alliance is dedicated to enable investment projects through “policy harmonization,” by supporting the development of the supply chain of hydrogen, establishing a Canada-Germany supply corridor.²¹⁵ The Canada-Germany Hydrogen Alliance plan is anticipated to start exporting hydrogen from Canada by 2025.²¹⁶ Germany is expected to invest in the clean hydrogen transatlantic corridor that will allow the trade of hydrogen, while Canada will be responsible for implementing the production plants.²¹⁷ The creation of windmill farms and hydrogen production plants require a “rigorous process”, as stated by Prime Minister Trudeau, of approval of the project that deals with the bureaucracy of obtaining permits from every level of government in Canada.²¹⁸ Considering the proportions of this project and the high level of ambition expected in this partnership, it is expected that Canada will provide Germany with clean hydrogen for the medium to long-term. Currently, the EU is also planning through their ‘European Clean Hydrogen Alliance’ to boost infrastructure in industries that are known to be major pollutants, in order to change their technologies and enable the use of clean hydrogen.²¹⁹ These plans to change and create new infrastructures to meet the 2050 zero-emissions goal for industries known for polluting are meant to occur very quickly. The speed needed to bring these changes in technologies and the creation of green energy infrastructure is understandable, considering the climate emergency and the Russian aggression in Ukraine. While the export of clean hydrogen is still limited to Germany, Canada as an attractive partner that has similar values to Germany and the EU, along with its unique

²¹⁵ Consulate General in Vancouver, “Canada-Germany Hydrogen Alliance,” German Missions in Canada, August 31, 2022. <https://canada.diplo.de/ca-en/vertretungen/german-consulate-general-vancouver/-/2549574>

²¹⁶ Consulate General in Vancouver, “Canada-Germany Hydrogen Alliance.”

²¹⁷ Mike Moore, “‘Hydrogen Alliance’ Formed as Canada, Germany sign Agreement on Exports.”

²¹⁸ Ibid.

²¹⁹ European Commission, “European Clean Hydrogen Alliance,” Internal Market, Industry, Entrepreneurship and SMEs,” European Commission: Business, Economy, Euro. https://single-market-economy.ec.europa.eu/industry/strategy/industrial-alliances/european-clean-hydrogen-alliance_en

ability that few other countries have of “producing more energy than it could consume,” could also become an energy provider to other Member States.²²⁰ The need for independence from Russian gas, along with trade infrastructure being built by Germany, could mean that Canada can potentially enjoy several multilateral agreement with other EU Member States. However, the creation of policy regarding the regulation of green energy, especially hydrogen, is falling behind the seemingly break-neck speed of the changes prompted by the EGD. Both Canada and the EU face several institutional and political challenges that is centered in the realm of the regulation of green energy.²²¹

Canada is already a globally known exporter of fossil fuel energy. The pressures of climate change and the EU initiative to invest in green energy infrastructure in Canada, could increase the potential for diversifying its energy exports and bring to the table new possibilities of becoming an important green energy leader.²²² However, there are many institutional structural challenges that Canada must resolve in order to transition to renewable green energy. The transition process has a lot of stakeholders, and the coordination needed for the production of green energy means that each group has the right to object or block the process of creating the legal frameworks needed for the institutional capacity that will deal with energy governance.²²³ The issue of coordinating with several decision-makers could delay the process of creating or changing the institutional infrastructure that will help Canada transition to renewable energy.²²⁴ The stakeholders that are part of the “patchwork” of groups that have jurisdiction over environmental matters are: federal, provincial, and indigenous authorities.²²⁵ As mentioned in the third chapter, in order to avoid conflict between the federal and provincial governments during the negotiation of CETA, the federal government included the provinces, to some degree, in the negotiations with the EU. While for trade deals, the intergovernmental political negotiation between the federal and provincial/territorial governments have managed to work together until now, there is

²²⁰ Phillip Runge, Heather Exner-Pirot, Bernd Weber, Veronika Grimm, “Canada and the Energiewende: Understanding Hydrogen as an Opportunity for Canadian-German Partnership,” *Macdonald-Laurier Institute and Klimainnovation*, (2022): 5.

²²¹ Phillip Runge et al., “Canada and the Energiewende,” 5.

²²² *Ibid.*, 4.

²²³ *Ibid.*, 4.

²²⁴ *Ibid.*, 10.

²²⁵ *Ibid.*, 10.

little precedent for coordinating the different jurisdictions over the environment and green energy. The clash of jurisdictions over the logistics of oil and natural gas throughout Canada are well known and documented, especially when it comes to the construction of pipelines. Hydrogen, very much like natural gas, relies on the construction of pipelines in order to properly be distributed in such a large country. Canada has dealt over the years with several problems with the construction of pipelines that carry oil and gas. The public has strongly opposed of pipelines, considering that, even if a pipeline carries clean hydrogen, the construction process in itself impacts the environment negatively.²²⁶ The public opposition in the Trans Mountain (crude oil) and Coastal GasLink (natural gas) pipelines have delayed its construction creating cost overruns, which have deterred the construction of more of such structures.²²⁷ This was the case as well with the Keystone XL pipeline (crude oil), that faced strong public opposition by First Nations leaders in Canada and the U.S., since the pipeline passed through native American sacred lands and there were fears of a negative environmental impact.²²⁸ The construction of pipelines, beyond the opinion of the public also requires political coordination between the federal government and the provinces, which is oftentimes a very complex process. The difficult mechanism of building pipelines, where the bureaucracy is comprised of intense regulations, has weakened Canada's offshore export capacity, and most of the exported oil and natural gas goes to the U.S.²²⁹ The infrastructure to mobilize hydrogen throughout Canada with the use of pipelines and the creation of production plants in the provinces require an intricate and intense intergovernmental negotiation between the federal government, the provinces, municipalities, and indigenous authorities.²³⁰ The most significant problem for orchestrating efforts such as the ones described, is that the institutional nature of Canada's jurisdictional federal system makes coordination difficult, "if not unworkable",

²²⁶ Phillip Runge et al., "Canada and the Energiewende," 11.

²²⁷ Ibid., 11.

²²⁸ Tim Fontaine, "A Perilous Pipeline': Indigenous Groups Line up Against Keystone XL," *CBC news*, March 27, 2017. <https://www.cbc.ca/news/indigenous/indigenous-groups-keystonexl-2017-approval-1.4042381>

²²⁹ Phillip Runge et al., "Canada and the Energiewende," 11.

²³⁰ Ibid, 10.

since governments tend to stick to their own jurisdiction.²³¹ In environmental matters, there is what Wellstead (2018) calls an “institutional ambiguity”, where he states that this ambiguity is the “most prevalent in the Canadian environmental sector largely because of the fuzzy jurisdictional scope”.²³² This ambiguity over the jurisdiction of environmental matters stems from what determines the authority of the federal and provincial/territorial governments, which is the Canadian Constitution.²³³ The Constitution does not “assign jurisdiction over the environment or environmental protection to either level of government,” and any significant regulatory legislation that deals with the protection of the environment, was created nearly a century ago.²³⁴ The Constitution has also left itself “open to interpretation as to which level of government is responsible within this increasingly complex sector”.²³⁵ There has been no amendments that have changed this ambiguity of jurisdiction in the Canadian Constitution, and the government is currently relying on the fact that energy is a provincial/territorial competence. Any issues pertaining to local and municipal authorities within the province/territory is for the provincial/territorial authorities to deal with, which is not an efficient manner to coordinate the level of cooperation needed for the transition to green energy. When energy related projects stall due to provincial/territorial and local/municipal, the federal government generally looks to aid in facilitating the negotiation process. However, this ‘aid’ oftentimes means that the federal government pressures the provincial/territorial governments to resolve their issues with the local and municipal authorities. Instances such as these have been experienced multiple times with the construction of pipelines, and any problem that emerge from the continuation of energy projects, negatively affects the federal government’s efforts in concluding energy trade deals. Despite these challenges, the federal government of Canada is optimistic in

²³¹ Adam M. Wellstead, “Mechanisms of Environmental Policy Change in a Federal System: The Case of Open Federalism in the 2006-15 Harper Government,” *Regional and Federal Studies* 28, no. 2 (2018): 181. <https://doi.org/10.1080/13597566.2018.1441148>

²³² Adam M. Wellstead, “Mechanisms of Environmental Policy Change in a Federal System,” 181.

²³³ *Ibid.*, 181.

²³⁴ *Ibid.*, 181.

²³⁵ *Ibid.*, 181.

coordinating and linking the energy infrastructure in each province, where provinces support the other with their natural resources to produce green energy.²³⁶

Green Diplomacy: the EU and Canada.

Diplomacy involving the EDG, or ‘green diplomacy,’ is a crucial aspect of this plan, simply because decarbonizing the EU is not enough to stop climate change when the rest of the world is still consuming fossil fuels. The EU is responsible for 9% of the global greenhouse emissions, while “non-EU G20 countries account for over 70% emissions” and the rate continues to rise.²³⁷ The biggest global greenhouse gasses (GHG) emitters are located in Asia, while Africa is the continent that has the highest potential of becoming a significant GHG polluter.²³⁸ The EU, not only has to engage with internal diplomacy in order to implement the EGD, but it also has to engage internationally, especially with bigger industrialized nations such as the U.S. and China. The EU in its green diplomacy faces an important hurdle, which is the lack of hegemonic power that the U.S. enjoys globally, and the regional influence that China has over Asia.²³⁹ However, the EU is globally known to be an important ‘regulatory power’ that “relies on its regulatory state identity (and capacity) for pursuing its goals”.²⁴⁰ For the EU’s strategy to use its normative power and influence in the international stage, it is important that it keeps the internal politics regarding the EGD green deal in order to keep itself credible and its efforts legitimate.²⁴¹

The EU has managed to follow UN leadership regarding climate change and has achieved and outperformed its domestic cutback of GHG through the Kyoto Protocol

²³⁶ Fram Dinshaw, “Will Trudeau Transform Canada into a Green Energy Superpower?” *Canada’s National Observer*, October 27, 2015. <https://www.nationalobserver.com/2015/10/27/news/will-trudeau-transform-canada-green-energy-superpower>

²³⁷ Josep Borrell, “The EU Green Deal – A Global Perspective,” European Union External Action, December 12, 2019. https://www.eeas.europa.eu/eeas/eu-green-deal-%E2%80%93-global-perspective_en

²³⁸ Josep Borrell, “The EU Green Deal – A Global Perspective.”

²³⁹ Sebastian Oberthür, Claire Dupont, “The European Union’s International Climate Leadership: Towards Grand Climate Strategy?,” *Journal of European Public Policy* 28, no. 7 (2021): 1099. <https://doi.org/10.1080/13501763.2021.1918218>

²⁴⁰ Andrea Prontera, Rainier Quitzow, “The EU as Catalytic State? Rethinking European Climate and Energy Governance,” *New Political Economy* 27, no. 3 (2022): 517. <https://doi.org/10.1080/13563467.2021.1994539>

²⁴¹ Sebastian Oberthür, Claire Dupont, “The European Union’s International Climate Leadership,” 1100.

and Paris Agreement.²⁴² Due to its internal efforts, the EU has used domestic climate policy in order to “coerce, convince and cajole” Member States into following the plan of the EGD, as it was seen in the case of the CEE countries.²⁴³ Through energy policy alignment between Member States, the EU can use the EGD as a way to reinvigorate the European integration process, despite the populist governments in the CEE region and Brexit. Internal green diplomacy that projects strong EU unity in the topic of climate change is crucial, considering that it lacks the regional power the U.S. exerts over the West and China over Asia, because it provides an all-important credibility to its leadership.²⁴⁴ Green diplomacy can be used by the EU as a type of “exemplary leadership”, with credibility as a form of ‘power currency’ in the international arena, that allows policy diffusion and influence other nations to pursue goals similar to the EGD.²⁴⁵ It is not only the importance of reducing emissions that the EU must advocate globally, but also endorse the economic feasibility of green energy by promoting a market infrastructure that will make green energy profitable, in order to convince nations to follow suit.²⁴⁶ Regulatory governance of energy, technology, and economics that supports international competitiveness are key for shaping access to the European market, something that countries like Canada are counting on by becoming producers of green energy.²⁴⁷

Green diplomacy in Europe is not a new concept that came with the creation of the EGD. The ‘Green Diplomacy Network,’ created in the 2000s, had the role of coordinating climate diplomacy initiatives internally and as part of the EU foreign services; later supported by the European External Action Service (EEAS).²⁴⁸ The initiative that the EU is taking in tackling climate change goes beyond the UN, but it must also rely and work with international organizations, considering that the UN, for example, has a more ample reach and presence across the world.²⁴⁹ The EU has to

²⁴² Sebastian Oberthür, Claire Dupont, “The European Union’s International Climate Leadership,” 1101, 1105.

²⁴³ Ibid., 1100.

²⁴⁴ Ibid., 1100.

²⁴⁵ Ibid., 1101.

²⁴⁶ Ibid., 1106.

²⁴⁷ Ibid., 1106.

²⁴⁸ Ibid., 1106.

²⁴⁹ Ibid., 1106.

become an example of how implementing a plan to reach zero-emissions is possible and economically feasible. It is particularly important to engage with industrializing nations such as Brazil and India in order to reverse the polluting effects of their already existing industry and invest in new green infrastructure and technologies as they continue their path towards development. Africa, as a developing continent, is at risk of becoming the next most pollutant region. Therefore, the EU needs to engage with China, knowing that China is investing in the infrastructure of Africa, and could have a powerful influence in providing funding and the technology needed for a greener industrialization. It is a difficult task as the EU is still attempting to orchestrate the task of coordinating the efforts of the EGD objective internally, in order to be integrated by the Member States.²⁵⁰ The EU does not have yet a centralized strategy capacity to coordinate plans, such as the EGD, that requires the EU institutions to stretch their legal capabilities to capacity in terms of competences.²⁵¹ The EGD is challenging the EU institutions, and it can either integrate the EU further or fragment it due to conflict with or between the Member States, as they are required to surrender some level of sovereignty in the area of energy. The success of the EU is in integrating the EGD internally will be a determining factor in how successfully they can promote externally the use of green energy, to reverse the effects of global warming and climate change.

Unlike the EU, Canada's path towards a green transition and decarbonization has been more conflictive. This is due to the lack continuity owed to the nature of changing administrations, and problems in reaching a consensus between political parties regarding climate and energy policy. Canada is currently on track for its own move towards Green energy, but its path towards the transition phase was not linear and has encountered setbacks in the past. The most recent example was the administration of former Prime Minister Stephen Harper, from the Conservative Party of Canada, who halted Canada's efforts towards implementing clean energy by pulling the country out of the Kyoto Protocol in 2011.²⁵²

²⁵⁰ Sebastian Oberthür, Claire Dupont, "The European Union's International Climate Leadership," 1109.

²⁵¹ Ibid., 1109

²⁵² Railii Lakanen, "Dissent and Descent: Tracing Canada's Environmental Governance from Regulatory Beginnings to Dismissal and Reversals by the Harper Government," *Local Environment* 23, no. 5 (2018): 557. <https://doi.org/10.1080/13549839.2018.1444589>

Since the 1970's The Canadian public began to develop its awareness about the negative effect of human activity on the environment due to increasing media coverage, particularly a programme called *The Nature of Things*, aired by the Canadian Broadcast Corporation (CBC).²⁵³ The scientific and public awareness shifted between the 1980s and the 2000s, and debates on whether sustainable development was compatible with the economy and people's lifestyle began to become prominent.²⁵⁴ Political engagement into plans of action, such as extending and strengthening the regulatory authority of Environment Canada, as well as taking part of the negotiations in the reduction of carbon emissions in the Kyoto protocol, occurred during the governments of Brian Mulroney and Jean Chretien.²⁵⁵ During the governments of both Prime Ministers, 85% of the public found the issue of global warming a concerning problem that had to be addressed by the candidates who hoped to win the political race as Prime Minister.²⁵⁶ There was an intention to create a plan designed to tackle global warming, as it was a topic that concerned the Canadian voters, but no significant measures as carbon taxation were taken; the government was criticized for that.²⁵⁷ Despite not taking any significant action to truly tackle the sources that contributed to global warming, Canada and its leaders were seen internationally as an environmentally friendly, 'green' nation.²⁵⁸

The Harper government would radically change the global perception of Canada being an environmentally friendly nation, or at least a country that was believably concerned by the effects of climate change. Harper in his two terms aimed to make Canada an energy superpower, by enhancing the production and export of gas and oil, however in doing so, he dismantled any progress that Canada had made so far in its efforts to protect the environment.²⁵⁹ There were several problematic actions that Harper's government perpetrated in order to promote Canada's energy sector based on oil and gas. The subtle censoring and undermining of researchers that focus on

²⁵³ Railii Lakanen, "Dissent and Descent," 552.

²⁵⁴ Ibid., 553.

²⁵⁵ Ibid., 553.

²⁵⁶ Ibid., 554.

²⁵⁷ Ibid., 554-555.

²⁵⁸ Ibid., 555.

²⁵⁹ Ibid., 562.

environmental issues was undeniable, when they were prevented in conferences from sharing their findings, could not speak to journalists in interviews, or shed light on already published research.²⁶⁰ Harper's government did not publish online important government studies that costed millions of dollars about how climate change affected human health.²⁶¹ Anyone who wished to see the research had to go through a complex, unexplained process of requesting a CD.²⁶² These actions completely undermined the public and academic efforts in making progress, or at the very least raise awareness about the increasingly significant situation regarding climate change. Internationally, Harper's actions also showed an open disregard for the environment when he chose to continue his plan to proceed with offshore oil drilling, after the BP Deepwater Horizon incident in the Gulf of Mexico in 2010.²⁶³ This incident not only killed 11 people, but also created a major ecological disaster in the ocean, when the explosion caused the spill of oil for months.²⁶⁴ The final straw was when Harper withdrew Canada from the Kyoto Protocol, and earned the nation the UN's "Fossil of the Year" awards for several years under his leadership, making Canada an environmental outcast in the international community.²⁶⁵

While the Stephen Harper years seem far behind, giving way to the more progressive government of Justin Trudeau, which is committed to the decarbonization of Canada, there is no assurance that these efforts will remain constant. According to the Angus Reid Institute, Canadians' approval of the current Prime Minister is divided, and he currently enjoys about 40% of approval rate.²⁶⁶ ²⁶⁷ Trudeau's approval rate has fluctuated over time, and the Prime Minister saw his lowest approval rate when a national protest over a pipeline being constructed over the Wet'suwet'en Nation lands

²⁶⁰ Railii Lakanen, "Dissent and Descent," 562.

²⁶¹ Ibid., 562.

²⁶² Ibid., 562.

²⁶³ Ibid., 556.

²⁶⁴ Ibid., 556.

²⁶⁵ Ibid., 556-557.

²⁶⁶ Angus Reid Institute. 2022. "Trudeau Tracker," Accessed May 28, 2023. <https://angusreid.org/trudeau-tracker/>

²⁶⁷ Alexandra Mae Jones, "After 8 Years, Trudeau's Approval Rate falls short of Chretien but Beats out his Father and Harper," *CTV News*, May 23, 2023. <https://www.ctvnews.ca/politics/after-8-years-trudeau-s-approval-rate-falls-short-of-chretien-but-beats-out-his-father-and-harper-1.6408865>

was sparked by the indigenous leaders.²⁶⁸ Prime Minister Trudeau has also been dealing with the legitimacy of the 2019 Federal Elections where there were suspicions of Chinese interference in the results, as well as having to expel a Chinese diplomat that attempted to influence a Conservative Member of Parliament.²⁶⁹ ²⁷⁰ The recent political problems that Trudeau has been facing as of late, could certainly mean that the political pendulum could swing in favour of a candidate of the Conservative Party of Canada. While there is no known agenda of the Conservative party members halting the progress towards the transition to zero emissions, it could be possible that there may be a new Stephen Harper in the future. Unlike the EU, which is known to be excellent as a long-term planner of large projects, Canada has some difficulty in maintaining the continuity of its own long-term plans when there is a change of leadership, and this could damage the foreign policy between Canada and the EU. The EU's efforts to find global support for the cause of the environment, or at least halt the damage caused by global warming, stresses the importance of Canada remaining true to its values and commitments to the environment.

In this chapter, the institutional aspects of the EGD, which deals mostly with the implementation of this ambitious plan and the shortcomings that is facing with its implementation and the transition to green energy, highlights how important is green diplomacy. Convincing the EU Member States to transition to zero-emissions green energy and asking them to not use their own energy resources, is one piece of the puzzle that must be solved in order for the EU to gain global credibility. It is the successful combination of economics, law, politics, and technology, which must work harmoniously, that makes it difficult for the rest of the world to change the way they power their nations. Yet the EU is no stranger to challenges, considering that the very existence of the European Union was an ambitious feat that so far has found success in coordinating a general cooperation within the continent. The EU has also acknowledged

²⁶⁸ Alexandra Mae Jones, "After 8 Years, Trudeau's Approval Rate falls short of Chretien but Beats out his Father and Harper."

²⁶⁹ BBC, "Trudeau Accuses China of 'Aggressive' Election Interference," *BBC News*, November 8, 2022. <https://www.bbc.com/news/world-us-canada-63551134>

²⁷⁰ Canadian Broadcast Corporation, "Trudeau says Expulsion of Chinese Diplomat shows Canada 'will not be intimidated,'" *CBC News*, May 9, 2023. <https://www.cbc.ca/news/politics/trudeau-china-canada-diplomat-expelled-1.6837144>

that the EGD cannot be a success story that will give them complete energy independence from third nations, but it can definitely find likeminded partners, such as Canada to fuel the EGD more securely. It is the independence from countries such as Russia, and in the future, possibly China that will bring them the energy security that the EU is striving for through the EGD. Green diplomacy is a key component of the EGD, and it is the most complicated part of this plan, considering that the EU has to work hard to convince other nations to transition towards green energy. This is obviously easier said than done, considering that developing nations would each need an individualized plan to understand how they can use energy resources they possess in a carbon-neutral way, and what are their specific needs to commence its transition. The other issue would be funding. However, if the EU was to convince influential countries of each region, it could be a plausible way of constructing a multilateral global path, very much like the one in place to move oil and gas around the world. The real challenge would be to convince the most powerful and influential countries in the planet to seriously tackle carbon emissions, such as the US and China. China, with its ambitions over Taiwan, is increasingly more confrontational about following the current world order, where the U.S. remains the hegemon. On the other hand, the plan to tackle climate change in the U.S. is more fragmented, since the U.S. is an oil producing country that is also home to the biggest oil companies in the world. Moreover, there are several states where Republican politicians lead and are vehemently opposed to abandoning the oil industry, where dispute the validity of scientific proof about the reality of an increasingly warm Planet Earth. Green diplomacy could be successful under the Biden administration, considering that the U.S. is part of the New Green Deal plan but, like Canada, these plans constantly face the threat of being pushed aside due to a changing administration.

Green diplomacy between the EU and Canada is currently as smooth as it can be, especially since the Trudeau administration is open, receptive, and very interested in being part of the fueling of the EGD. Trudeau, since the beginning of his administration, has been working hard in putting Canada back on track after the rollback environmental policy under the Harper government. However, after weathering scandals within the Liberal Party and dealing with claims of China's interference with Canadian politics, the continuity of his efforts to transition Canada to a zero-emissions reality is

threatened. The cooperation of both regions is encouraging, but it is fragile. If Canada is to elect a Prime Minister in the next federal elections that chooses not to be consistent, it may not meet the EU's expectations and it could damage their foreign policy, as it is entering this new era of green cooperation.

V. Conclusion.

The relationship between the EU and Canada has undergone a slow progress over the decades, however, the results over the attempts to make a reality the comprehensive nature originally drafted in 1976 Framework Agreement finally came to fruition with the signing of the CETA. The institutional developments of the EU, since its time as the EEC, had an important impact in its ability to pursue more ambitious agreements with third countries. The EU has developed the political institutional infrastructure needed for Canada to seal a trade agreement with its second closest trading partner, after the U.S. Canada still needs to develop and institutionalize further its intergovernmental negotiation process, in order to pursue their goals internationally as a cohesive unit. Revising its intergovernmental negotiation practices is key, since substate diplomacy has shown to be effective and promising when it is time to solve regional disagreements, as seen with Belgium during the CETA negotiations. The signing of CETA signals that the EU and Canada have entered into a new era of foreign policy, in which both regions seek to find security amidst a fast paced changing world. For Canada, it is a matter of finding a 'Third Option' that is geographically closer in order to diversify their economy and not be as dependent on the U.S. Since an important part of Canada's economy depends on their energy revenues, the EGD is proving to be one of the most important paths towards forging an even stronger relationship with the EU. For Europe, it is vital that the EGD is successful, considering that the region needs to be independent from Russian natural gas and oil, and finally be able to achieve a higher level of energy security. However, the EU understands that several Member States will depend on green energy imports in order to properly power the EGD and truly make it a strategic plan that brings energy security to Europeans.

Canada and the EU share similar values, political outlooks, as well as goals regarding their decarbonization plans. The individual institutional development that both regions have undergone, especially the EU, can now converge in the EGD for a greater project that is currently taking shape in the production and export of green hydrogen. The infrastructure currently being built in Eastern Canada is promising a new stage that goes beyond CETA and previous bilateral trade agreements, considering that energy

agreements are generally for the long-term. The requirements for transition of the EGD will probably ask more from Canada, and its capacity to fuel this ambitious plan, for other Member States that currently are heavily dependent on Russian gas. The mutual support between both regions could be the answer to problems that also affected them internally. For Canada, exporting green energy to Europe would boost its own transition from fossil fuels to green energy, considering that Canada still relies on the revenues from oil and gas. Producing and exporting green energy could also be an opportunity for Canada to become an energy superpower, as Harper envisioned, but by championing green energy. In the case of the EU, the successful implementation of the EGD will inevitably enhance European integration, considering that the EGD will require extensive work in expanding and creating the necessary institutions in order to have greater internal energy governance. Canada will also have to go through a similar process, where the competences between the federal and provincial governments will have to further define the competences of each level of government regarding energy governance. This will inevitably include either giving a closer look to the Canadian Constitution, or passing laws that will enhance energy governance that will provide clarity about the competences regarding energy. The to-do list from both regions is rather complex and it will probably take years, if not decades, to successfully complete. However, the incentives of attaining energy security and economic diversification are strong incentives for both regions to cooperate and engage in a comprehensive bilateral relationship. If successful it could, in turn, encourage greater multilateralism from both regions to other areas of the world and inspire other countries to implement their own Green Deal, considering that climate change is a global problem.

The future seems very uncertain at the moment, as the war in Ukraine rages on and tensions between the West and China are rising and becoming more securitized. Having said that, it is important to recognize that climate change is a problem that affects every country in the world and the protection of resources, such as land, agriculture, and clean water are paramount for countries to thrive. The EGD is deepening and expanding the relationship between the EU and Canada, but if it is successful it can be an example of how cooperation and multilateralism can bring hope about what can be done in order to reverse the effects of climate change. The EGD might seem like a

uniquely transatlantic plan, however it could be the first steps of the beginning of a deeper global change that will undoubtedly benefit and steer humanity to the bright green future.

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