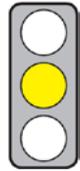


KEY ISSUES

Objective of the Decision: The 7th Environment Action Programme (EAP) sets out the EU's strategic concepts for environmental policy to 2020.

Affected parties: All citizens, all companies, public authorities.



Pro: (1) The 7th EAP allows for an overall view of the current and future environmental policy initiatives to 2020 and provides a long-term frame of reference which leaves open the actual form that measures are to take.

(2) The Commission criticises the large implementation deficit in EU environmental law and proposes measures to combat this. These are necessary in order to reduce competitive distortions in the internal market and to strengthen the EU's negotiating position at international level.

Contra: The Commission rightly calls for increased use of market-based instruments but should also examine the interaction between the existing instruments and assess them as to the extent to which they are market based.

CONTENT

Title

Proposal COM(2012) 710 of 29 November 2012 for a **Decision** of the European Parliament and of the Council on a General **Union Environment Action Programme to 2020** – "Living well, within the limits of our planet"

Brief Summary

References (page numbers, margin numbers) refer - in the absence of any indication to the contrary - to the Proposal for a Decision COM(2012) 710.

► Context and objectives

- Environment Action Programmes define the strategic development of European environment policy by formulating the main concerns, setting targets and specifying measures.
- The 7th Environment Action Programme (EAP) will
 - set out the strategic framework for EU environment policy to the end of 2020 (Art. 1),
 - contribute to ensuring that the existing environment targets are met by way of more effective implementation and by the advancement of existing strategies and measures and the development of new ones.
- EU environment policy to 2020 and beyond will be based on a "Vision for 2050" under which (Annex, margin no. 10)
 - the EU citizens of 2050 "live well, within the planet's ecological limits",
 - "our prosperity and healthy environment" are the results of "an innovative, circular economy where nothing is wasted" and "natural resources are managed in ways that enhance our society's resilience",
 - low carbon growth "has long been decoupled from resource use, setting the pace for a global sustainable economy".
- The 7th EAP sets out a total of nine "priority objectives" (Art. 2 (1)):
 - Objectives 1–3: thematic environmental objectives (Annex, margin no. 16–52),
 - Objectives 4–7: supporting framework (Annex, margin no. 53–86) and
 - Objectives 8–9: urban and global challenges (Annex, margin no. 87–100).

► Thematic environmental objectives

- **Objective 1: Protection of natural resources ("natural capital")**
 - The loss of biodiversity and degradation of ecosystems is to be halted by the effective implementation of the biodiversity strategy [Communication COM(2011) 244].
 - The condition of inland waters and seas is to be improved by the effective implementation of legislation to safeguard water resources [e.g. Water Framework Directive 2000/60/EC, cf. Communication on the safeguarding of European water resources COM(2012) 673, see [cepPolicyBrief](#); Marine Strategy Framework Directive 2008/56/EC] as well as by specifying target amounts, particularly for fishing and the dumping of waste at sea.
 - Air pollution is to be reduced by ensuring compliance with air quality regulations (e.g. Air Quality Directive 2008/50/EC). New strategies are to be developed for after 2020.
 - The quality of land and soil is to be improved and protected by sustainable decisions on planning and land use.

- Nitrogen and phosphorus emissions are to be reduced by improvements in the treatment of waste water and use of fertilisers.
- Forests are to be better protected by way of an EU forestry strategy.
- **Objective 2: To turn into a resource efficient and low-carbon economy**
Within the framework of its Strategy "Europe 2020" and the Flagship Initiative "Resource Efficient Europe", the EU has set itself the target of turning into a low-carbon and resource-efficient economy by 2020 [COM(2010) 2020, page 15 et seq.; see [cepPolicyBrief](#)].
- The EU climate and energy targets 2020 (see [cepCompass](#) EU Energy Policy, p. 10 et seq.) are to be achieved by implementing the Climate and Energy Package (e.g. Directive on emissions trading 2009/29/EC, see [cepPolicyBrief](#); Decision on the shared effort to reduce greenhouse gas emissions No. 406/2009/EC, see [cepPolicyBrief](#); Renewable Energy Directive 2009/28/EC, see [cepPolicyBrief](#); collectively see [cepDossier](#), page. 5 et seq.). A new strategy is to be developed for after 2020.
- Resource efficiency in industry is to be increased by use of the "Best Available Techniques" (p. 20) (Industrial Emissions Directive 2010/75/EU, see [cepPolicyBrief](#)).
- The environmental impact, particularly of transport, food production and consumption as well as house building, is to be reduced by the "advancement" of existing legislation (e.g. Ecodesign Directive 2009/125/EC, see [cepPolicyBrief](#)) and by specifying "targets" for the environmental impact of consumption.
- Waste management is to become safer and more efficient by the effective application of existing legislation (e.g. Waste Framework Directive 2008/98/EC) and the use of market-based instruments.
- Water resources are to be used more efficiently by applying market-based instruments (e.g. consumption-based water charges).
- **Objective 3: Protection of Health and Quality of Life**
- Air quality is to be improved and noise pollution reduced by the advancement of existing legislation (e.g. Industrial Emissions Directive 2010/75/EU, see [cepPolicyBrief](#); Environmental Noise Directive 2002/49/EC).
- The quality of drinking and bathing water is to be increased by the effective application of existing legislation (e.g. Drinking Water Directive 98/83/EC and the Bathing Water Directive 2006/7/EC).
- The impact of chemicals on the environment and on health is to be further reduced by "a strategy for a non-toxic environment" (Annex, margin no. 52).
- A climate adaptation strategy is to be agreed and implemented.
- ▶ **Supporting framework**
The realisation of the thematic environmental objectives is to be supported by the creation of an "enabling framework" (Annex, margin no. 53).
- **Objective 4: Improved application of existing environmental legislation**
Existing environmental legislation is to be applied more effectively and transparently and a level playing field in the internal market guaranteed. Legal protection for citizens is also to be improved and confidence in environmental law increased. The Commission aims to achieve this, inter alia, by
 - establishing "information and monitoring systems" for the implementation of EU provisions in the Member States,
 - by extending the means of dealing with infringements of the law at EU level.
- **Objective 5: Improved knowledge base**
The environment policy-science interface is to be strengthened and gaps in knowledge filled. The Commission aims to achieve this, inter alia, by
 - optimising the development, provision and application of knowledge bases,
 - establishing coordinated research initiatives and
 - environmental risk management to evaluate new technologies (e.g. new sources of energy).
- **Objective 6: Improve incentives for investment in environmental and climate measures**
The environmental and climate objectives are to be achieved efficiently and with adequate funds including greater involvement of the private sector. The Commission aims to achieve this, inter alia, by
 - phasing-out environmentally harmful subsidies,
 - introducing market-based instruments, "e.g. payments for ecosystem services" (Annex, margin no. 74),
 - the actual use of available Union funding by the Member States e.g. devoting 20% of the 2014-2020 budget to environment measures (Annex, margin no. 82),
 - facilitating access to "innovative financial instruments" (Annex, margin no. 82),
 - use of monitoring systems for climate and environment-related expenditure and
 - developing indicators to monitor sustainable development which combine economic indicators with environmental and social indicators, including "natural capital accounting" (Annex, margin no. 82).
- **Objective 7: Integrating environmental concerns into other policy areas**
Climate and environmental policy concerns are to be integrated to a greater extent into the objectives of other policy areas – e.g. expansion of infrastructure. The Commission aims to achieve this, inter alia, by
 - examining and further developing existing policy strategies and measures and drawing up new ones and
 - the "ex-ante assessment" (p. 32) of the economic, social and ecological impact of national and EU policy initiatives to ensure their coherence.

► Urban and global challenges

– Objective 8: Sustainable urban development

"Sustainable urban planning and design" (Annex, margin no. 91) is to be achieved by

- developing a set of criteria to assess the environmental impact of cities,
- ensuring that cities are informed about access to financing.

– Objective 9: Increasing areas of influence at international level

The EU's commitments, which it made at the UN Conference on Sustainable Development in June 2012 ("Rio+20"), are to be met; climate and environment measures at national and international level are to be more effectively supported and the impact of consumption in the EU on the environment beyond its borders is to be reduced. The Commission aims to achieve this, inter alia, by

- increased involvement with international bodies and ratification of key multilateral environmental agreements,
- the formulation of Sustainable Development Goals in various areas - e.g. energy, water, oceans - ensuring that they are assessed by way of indicators, and
- integrating climate and environmental considerations into trade policy.

Statement on subsidiarity by the Commission

The Commission states generally that the 7th EAP "should be implemented at the appropriate level, in line with the principle of subsidiarity" (S. 2; see also Art. 3).

Policy Context

Since 1973, Environment Action Programmes have defined the strategic development of European environment policy. The 6th EAP, applicable since 2002 (Decision No. 1600/2002/EC), expired in July 2012 and, according to the Commission, there have been "certain shortcomings" in its implementation (Recital 5). Thus in 2009 alone, there were 451 infringement cases arising from insufficient implementation of EU environmental legislation (Annex, margin no. 54). This proposal for a 7th EAP is based on existing EU strategies such as the Flagship Initiative "Resource Efficient Europe", part of the Europe 2020 Strategy [COM(2010) 2020, p. 15 et seq.; see [cepPolicyBrief](#)], the Roadmap for moving to a low-carbon economy in 2050 [Communication COM(2011) 112, see [cepPolicyBrief](#)], the EU Biodiversity Strategy to 2020 [Communication COM(2011) 244] and the Roadmap to a resource-efficient Europe [Communication COM(2011) 571, see [cepPolicyBrief](#)].

Legislative Procedure

29 November 2012	Adoption by the Commission
7 December 2012	Debated by the Council
20 March 2013	Opinion of the European Economic and Social Affairs Committee
Open	Adoption by the European Parliament and the Council, publication in the Official Journal of the European Union, entry into force

Options for Influencing the Political Process

Leading Directorate General:	DG Environment
Committees of the European Parliament:	Environment, Health and Food Safety (leading), Rapporteur Gaston Franco (EVP Group, FR);
Federal Ministries:	Environment, Conservation and Reactor Safety (leading)
Committees of the German Bundestag:	Environment, Conservation and Reactor Safety (leading)
Decision-making mode in the Council:	Qualified majority (adoption by the majority of the Member States and with 255 of 345 votes; Germany: 29 votes)

Formalities

Legislative competence:	Art. 192 (3) TFEU (Environment)
Form of legislative competence:	Shared competence (Art. 4 (2) TFEU)
Legislative procedure:	Art. 294 TFEU (ordinary legislative procedure)

ASSESSMENT

Economic Impact Assessment

Ordoliberal Assessment

The 7th EAP, as a strategy document, **allows an overall view of current and future environment policy initiatives to 2020 thereby offering** companies and the interested public **a long-term frame of reference. It contains a broad palette of proposals relating to objectives and measures but leaves open the actual form that measures and their implementation are to take.** In view of the extensive time frame of the EAP, it provides - in accordance with its function as a strategy document - on the one hand a frame of reference and on the other sufficient flexibility to decide on the form of the actual measures in the future. A detailed

assessment of the individual measures can only take place once they have been put into concrete terms, which is why it is currently only possible to provide a basic appraisal of the 7th EAP.

The inadequate implementation of existing EU environmental legislation in the Member States, rightly criticised by the Commission, **distorts competition in the internal market** [SWD(2012) 398, p. 17] **and also damages the credibility of European environmental law. This weakens the EU's position in international negotiations.**

European information and monitoring systems may contribute to better implementation of EU environment legislation in the Member States.

Impact on Efficiency and Individual Freedom of Choice

As part of Objective 6 "to secure investment for environment and climate policy", **the Commission rightly calls** for the removal of environmentally harmful subsidies and **for the increased use of market-based instruments**, e.g. water charges, because they give market players the freedom to decide on the means of achieving the environment objectives, resulting in a more cost-efficient approach. By contrast with market-based instruments, regulations, e.g. on products and product processes, only specify compliance with minimum standards and provide no incentive to exceed them. Market-based instruments, on the other hand, may represent an incentive to some companies and promote innovative solutions. **However**, the effect on companies of both regulations for products and production processes and market-based instruments may often be overlapping, so that companies become burdened with unnecessarily high costs. **The Commission should** also therefore **examine the interaction between the existing instruments**, particularly with reference to the improved policy coherence advocated by the Commission (Objective 7), **and assess them as to the extent to which they are market based.**

Impact on Growth and Employment

Not yet clear. On the one hand, the EAP identifies areas where new measures are to be taken in the coming years; it does not provide a concrete description of them, however. On the other hand, measures to achieve the nine priority objectives will, in some sectors, have a negative impact on growth and employment, but in others, a positive impact. Thus, for example, the cleaning of waste water results in increased costs for the companies concerned, however the resulting improved water quality will reduce production costs for companies that use clean water for their production.

Impact on Europe as a Business Location

Unilateral obligations in the area of environmental protection increase production costs within the EU and thus have a negative effect on its quality as a business location. For this reason, in particular, the EU should, as is planned by the Commission (Objective 9), increase its efforts to achieve an international consensus on environmental protection and climate change.

Legal Assessment

Legislative Competency

In the area of environment policy, the EU can issue "general action plans setting out priority objectives" (Art. 192 (3), sentence 1 TFEU), in the form of Decisions under ordinary legislative procedure (Art. 294 TFEU). The actual measures for implementing environment action programmes are then either based on the specific reference to legislative competence in environment policy (Art. 192 (3), sentence 2, in conjunction with (1) or (2) TFEU) or on other relevant provisions of the TFEU on legislative competence.

Subsidiarity

Not yet clear. All future measures issued on the basis of the 7th EAP must be examined separately as to their compatibility with the principle of subsidiarity (Art. 5 (3) TEU).

Conclusion

The 7th EAP allows an overall view of current and future environment policy initiatives to 2020 thereby offering a long-term frame of reference. It contains a broad palette of proposals relating to objectives and measures but leaves open the actual form that measures are to take. The inadequate implementation of existing EU environmental legislation distorts competition in the internal market and damages the credibility of European environmental law. This weakens the EU's position in international negotiations. The Commission rightly calls for increased use of market-based instruments but should also examine the interaction between the existing instruments and assess them as to the extent to which they are market based.