

Council of the European Union

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NOTE	
From:	General Secretariat of the Council
То:	Delegations
Subject:	The future of European Enviornment Policy - Towards an 8th Environment Action Programme
	Outcome of the Informal Meeting of Environment and Transport Ministers (Graz, Austria, 29-30 October 2018)
	- Information from the Presidency

Delegations will find in the <u>Annex</u> an information note from the <u>Presidency</u> on the above subject, to be dealt with under "Any other business" at the Council (Environment) meeting on 20 December 2018.

#### The future of European Environment Policy - Towards an 8th Environment Action Programme Outcome of the Informal Meeting of Environment and Transport Ministers (Graz, Austria, 29-30 October 2018) - Information from the Presidency -

Since the 1970s, the European Union has put in place ambitious legislation that protects its citizens and natural environment against pollution. The legislation has proven successful, as the quality of air, water and soil has significantly improved throughout Europe. Nonetheless, the EU is continuing its efforts by becoming a frontrunner in the move to a circular economy and establishing comprehensive legislation to protect its nature and biodiversity. The EU is also on track to meet its 2020 climate goals and has agreed on further ambitious reduction targets for 2030. Europe is aiming to steer capital flows towards sustainable investments to achieve Europe's ambitious environment and climate objectives and better protection of its citizens against financial risks related to climate change and environmental degradation. This strategy has already stimulated economic and social innovations and contributed to a thriving economy – only a few years after a major financial crisis. In addition, the EU played a crucial role in negotiating and adopting two milestones of multilateral diplomacy: the Paris Agreement on Climate Change and the 2030 Agenda for Sustainable Development.

# Lessons Learned from the 7<sup>th</sup> EAP

The 7<sup>th</sup> Environment Action Programme (EAP) entitled 'Living well, within the limits of our planet' was adopted by the European Parliament and the Council of the European Union in November 2013 and covers the period up to 2020. It contains an ambitious vision for Europe to live well within ecological limits by 2050 and is structured into nine priority objectives within three overarching thematic priorities: Natural Capital; Resource-efficient, Green and Competitive Low Carbon Economy; and Healthy Environment for Healthy People. There remains much to be done to put the EU on the path to true sustainability in line with agreed SDGs. To reach this goal, the EU needs to intensify its collective efforts for a proper implementation of EU law, making use of the full potential of existing tools such as the EIR and the European Semester.

EU policy actions to transform the European economy, such as the low-carbon strategy, the circular economy, the bio-economy and sustainable finance, represent different paths to true sustainability but are not yet in the mainstream. Early feedback as part of the Commission's ongoing evaluation of the implementation of the 7<sup>th</sup> EAP indicates that the nine objectives identified remain broadly valid, although the general framework could be simplified and thematic coherence with interlinked policy areas could be enhanced. Still, the 7<sup>th</sup> EAP stands out as positive document of reference and inspiration, bringing strategic guidance to environmental policy at an EU level, especially within the long-term timeframe up to 2050. Early evaluations by the EEB and the Austrian Umweltdachverband also show the urgent need for increased accountability as a key factor for success and suggest the introduction of a comprehensive mid-term evaluation for 2025, which could provide additional leverage for improved implementation. Additionally, there seems to be an increased need for holistic, multi-sector approaches and innovative projects involving multiple stakeholders from governance, business and civil society to discuss and develop solutions from a systemic perspective.

## **Challenges Ahead**

According to the latest State of the Environment Report (SOER) published in 2015, Europe has made progress in reducing certain key environmental pressures, but the translation into improved ecosystem resilience remains a challenge. Consequently, the need for Europe to shift towards a more integrated approach persists. Over the next decade, implementation of existing environment policy clearly needs to be stepped up, and the policy itself needs to become more dynamic and responsive to factors such as demographic changes and digitalisation. Digitalisation offers considerable innovative potential to support the decarbonisation of our economy and improve overall sustainability. This goes hand in hand with an improved environment for innovation and with intensified educational efforts to raise global awareness of sustainability and environmental issues. The focus needs to be on policy interlinkages and exploring integrated systemic solutions at an EU and international level. Furthermore, there is a need for more effective communication of the message that sound environmental legislation and economic success go hand in hand. In today's world, stringent environmental standards and successful economic policy benefit mutually from each other, leading to greater resource efficiency and ensuring a competitive and future-proof (zukunftsfähig) economic model.

To ensure an interdisciplinary multi-sector approach, the EU needs to explore ways to institutionalise stakeholder participation in the environmental sector and enhance involvement of Member States, while also actively exploring interlinkages with the European Parliament apart from the codecision procedure. This could take various forms and shapes, such as by reviving successful formats like the Consultative Forum on the Environment or the Environment Policy Review Group (EPRG). A best practice example could be the Green Spider Network, which successfully promotes cooperation between multiple national and European environmental stakeholders, as well as raising awareness and ensuring effective communication of European environmental policies to target groups. However, environmental policymaking also requires support and active involvement from citizens and civil society via public consultations. Combining improved stakeholder participation and a future-oriented approach to environmental policy by including digitalisation and innovation significantly broadens the knowledge base for decision-making and in turn improves its quality and legitimacy.

## 8<sup>th</sup> EAP in a changed policy world

Since the entry into force of the 7<sup>th</sup> EAP, the world - and the environmental policy area in particular - have completely changed. While the 7<sup>th</sup> EAP and its long-term vision were revolutionary for its time, it has since been succeeded by the global efforts of both the United Nations' 2030 Agenda for Sustainable Development, with its 17 Sustainable Development Goals (SDGs), and the Paris Climate Agreement. A new EAP should therefore have a clear 2030-focus and translate the SDGs dealing with environment and climate into specific commitments and measurable targets for the Union and its Member States.

# New challenges and old problems – Important areas for future action

Today, despite local successes in addressing environmental challenges, Europe and the world are facing growing systemic challenges that could undermine the prosperity of current and future generations. Current population growth rates are projecting a total of 2.8 billion more people inhabiting our planet by 2050. This implies a much greater demand for both public and private goods, which have to be produced with finite natural resources. Without realignment and modernisation of production and consumption, this will increase the competition for resources – from critical raw materials to fresh water, clean air and fertile soil. This will add to the existing enormous pressure on already over-exploited ecosystems, further destabilising the ecosystem.

Europe has already made progress in transforming itself into a low-greenhouse gas emissions economy. However, tackling climate change remains one of Europe's central challenges, closely linked to biodiversity loss, water stress, floods, extreme weather events and soil degradation. Staying within planetary boundaries and meeting commitments under the 2030 Agenda and the Paris Agreement for Climate Change will require ambitious action and strong persistence. The EU's long-term greenhouse gas emissions reduction strategy, to be submitted to the UNFCCC by 2020, will have to respond to these challenges. The first draft proposal for this strategy will be published in late November. Decarbonisation implies a transformation of consumption and production patterns, with enhanced resource efficiency across the board. It generates challenges and opportunities for all stakeholders, all sectors of the economy and at all governance levels. Looking to the future, circular economy approaches will be essential in meeting climate objectives through the improvement of product design and production methods, which will bring down GHGemissions embedded in products. At the same time, the EU will need to increase its resilience to cope with the already unavoidable and mounting impacts of climate change by interlinking mutually supportive policies. Climate change is one of the most challenging threats to global biodiversity, whilst healthy and resilient ecosystems are key for successful and effective climate change mitigation and adaptation. There are many win-win areas, such as ecosystem restoration and ecosystem-based approaches to climate change adaptation and mitigation, and disaster risk reduction

The EU's climate policy cannot be pursued in isolation, as the climate challenge is by definition global. Thus, the overriding objective must be to promote a worldwide uptake of policies and actions to change the currently unsustainable emissions trajectory. The EU should continue leading by example, while simultaneously boosting its own prospects for economic and social development.

#### Outcome of the working session in Graz

During the discussion in Graz, there was consensus among Ministers regarding the need for an 8<sup>th</sup> EAP with a clear 2030 focus. Although Ministers stated that the nine priority objectives remain broadly valid, everyone underlined the urgent need for increased thematic coherence to interlinked policy areas. Ministers stressed that future action should focus on strengthening the circular economy, improving the protection of natural resources and, in particular, stepping up efforts in the areas of conservation of biodiversity and climate protection. However, they also highlighted the importance of not losing sight of new topics such as digitalisation, sustainable finance and innovation, which offer great potential to support decarbonisation and generally improve sustainability.