Institute for European Environmental Policy

THINK 2030
Science-policy solutions for a more sustainable Europe

BACKGROUNDER ON EUROPEAN ENVIRONMENTAL POLICY

The EU has perhaps the most influential and comprehensive body of environmental law in the world; this has important health and well-being benefits for people across the EU and beyond. 45 years ago, in 1973, the EU adopted its first Environment Action Programme, based on the ideas that prevention is better than cure and the 'polluter pays' principle[1]. Since then environmental policy and law have grown to form one of the cornerstones of the Union. Environmental legislation comprises over 200 major legal acts covering a range of issues, including water and air quality, waste management, nature protection, industrial pollution control and risk management, climate change, chemicals, genetically modified organisms (GMOs), noise and forestry.[2]

The EU has achieved a lot in four decades, including a large reduction in the volume of many pollutants being emitted, including greenhouse gasses (GHGs), an increase in recycling, reduction in landfill, phasing out of many toxic chemicals, and the creation of natural protected areas. A significant rise in cross-border co-operation has brought a common purpose and more effective foundation for tackling harder issues.[3] However, the EU will need to build on its successes to address issues that remain a challenge today.

Value Added of European Environmental Action

Concerns are sometimes expressed about the costs of environmental regulation. Generally, it is difficult to separate the costs and benefits arising from environmental policy from the many other factors influencing economic performance. Within Europe, however, **it is clear that many of the Member States with the strongest economic performance, including in manufacturing industry, also have some of the most demanding environmental regulations.** Germany is a particularly clear example in this regard.

So there is a strong case for environmental regulation; but that doesn't always add up to a case for the EU to be in charge of that regulation. And there are many areas – for example, decisions on land use planning – where the EU has little or no involvement. There are three basic arguments for EU involvement in environmental policy.

The first is that **common rules for products, and for processes and standards in all Member States, can avoid distortions to competition and prevent governments from either lowering national standards to benefit their own industries, or using environmental regulation as a way of excluding foreign products**. Many businesses have benefitted from the establishment of these common rules and from a more harmonised approach. High common standards have created a new and sizeable market on a predictable timescale for a wide range of greener

[1] https://www.eea.europa.eu/environmental-time-line/1970s
[2] https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership/chapters-of-the-acquis_en
[3] *EU Environmental Policy: Its Journey to Centre Stage.* Nigel Haigh. Earthscan, 2016

products, ranging from more efficient electrical white goods through to cars and household goods with fewer toxic chemicals.

Secondly, even where there is not a direct impact on trade between Member States, **acting collectively at European level can overcome concerns from business about the short-term cost of adopting new standard**s. The comfort offered by simultaneous action on a European scale can make it easier in political and economic terms to raise standards above what otherwise might have been possible at Member State level because of fears about short-term impacts on competitiveness; and can deliver the sort of high environmental standards that citizens want.

Finally, there are many environmental problems which are genuinely cross-border. Climate change is the most prominent; but also challenges like the protection of migratory species; or of delivering improved air quality when the emissions which cause high levels of ozone or acid rain often come from neighbouring countries; improved water quality in river basins which cross borders; and so on. A high level of shared ambition and of cooperation in these areas has obvious benefits.

The large scale at which the EU operates also allows faster and lower cost development of technology and its diffusion on a larger scale; this would work less well if businesses were coping with a wide range of standards in different Member States. The use of economic instruments such as carbon trading can be more comprehensive and more effective. In some areas of policy there are economies of scale from a pooled approach under a single authority, as well as environmental and trade benefits. Chemicals policy is perhaps the clearest example. (See box)

The EU helps to ensure that Governments deliver what they promise on the environment. The EU legislates democratically; and the EU institutions then have the authority to monitor and enforce binding legislation. This creates accountability for Member States and provides an imperative to act that is absent in most international environmental agreements and sometimes in national law as well. A major argument for EU financial support for the economic development of the poorer EU regions is to help them meet demanding environmental standards, through investment in water quality, clean energy, waste management, and so on. The Cohesion Fund was specifically established to help with the funding of environmental improvements and sustainable development, and is spending €75 billion over the 2014-2020 budget period in the 15 Member States with the lowest per capita GDP. Expenditure on environment and sustainable development helps to drive both economic performance and improved quality of life.

EU chemicals policy has evolved in a series of steps starting in the 1970s. It was revised and largely consolidated in 2006 into a single Regulation 1907/2006 known as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). REACH is still developing, but the EU now has in place a maturing regime for controlling chemicals which, despite its imperfections, is providing a model for countries outside the EU.

Instead of relying on purely national risk assessments REACH places responsibility on manufacturers to carry out tests and assessments and on the European Chemicals Agency (ECHA) to evaluate them. Member States remain free to carry out their own evaluations but the burden has been lifted off their shoulders by ECHA which should offer economies of scale.

Achievements

Although much work remains, the following are some of the key environmental achievements of EU countries working together within a common legislative framework:

- **A substantial decline in most industrial sources of air and water pollution**. For example, sulphur dioxide emissions (the cause of acid rain) have been cut by more than 80% in the past two decades, and nitrogen oxides and Volatile Organic Compounds (VOCs) by 40-50%. VOCs are the key component in the formation of ground-level ozone.
- **Protection of the Ozone Layer**: The EU has amongst the strictest legislation on ozone-depleting substances, which along with international action has helped to stop and reverse the destruction of the ozone layer which protects the Earth from harsh UV rays.
- **Improved Bathing Water Quality:** Today Europe's bathing waters are much cleaner than forty years ago when large quantities of untreated or partially treated municipal and industrial waste water were discharged into water. Thanks to the EU Bathing Water Directive 96% of sites met the EU's bathing water quality standards in 2017.
- **A fall in greenhouse gas emissions and rapid recent growth in the deployment of renewable energy**. The EU has consistently been amongst the most ambitious major economies with regard to climate action, and has cut GHG emissions by almost 24% from 1990 levels.
- **Significant reductions in the pressures on human health from environmental pollution**. The improvement in air quality from the implementation of European air pollutant mitigation measures has benefitted human health by preventing 80 000 premature deaths annually across Europe from 1970-2010. These improvements to health have had a perceived economic benefit to society estimated to be US$232 billion annually, representing 1.4% of the EU's GDP in 2010.
- **A significantly improved system of protection for species and habitats**. There is clear evidence that the Birds Directive has contributed significantly to the protection of those species considered to be at most risk and in need of most urgent protection. This has made a significant difference in protecting many of Europe’s birds from further decline. The most

threatened species are progressing better, and the Birds Directive was more successful than similar non-EU conservation measures.

- **A transformation in waste management**, with a major increase in recycling rates and the first steps towards the creation of a more circular economy.
- **The establishment of a thorough system for the review of the safety of chemicals** that can be expected to lead to the future withdrawal and substitution of various toxic substances.

The impact EU water legislation was clearly illustrated in Liverpool where, prior to 1991 sewage ran into the Mersey untreated making a significant contribution to the Mersey's reputation as one of the most polluted estuaries in the UK. In a move to comply with the law a new collector system was built to feed this sewage into a state of the art sewage treatment works, Sandon Dock.

The fact that Liverpool had one of the oldest Victorian sewer networks but no treatment works until this occurred in response to EU legislation suggests that simply waiting for regional or national legislative drivers had produced little result for generations.

Action Today

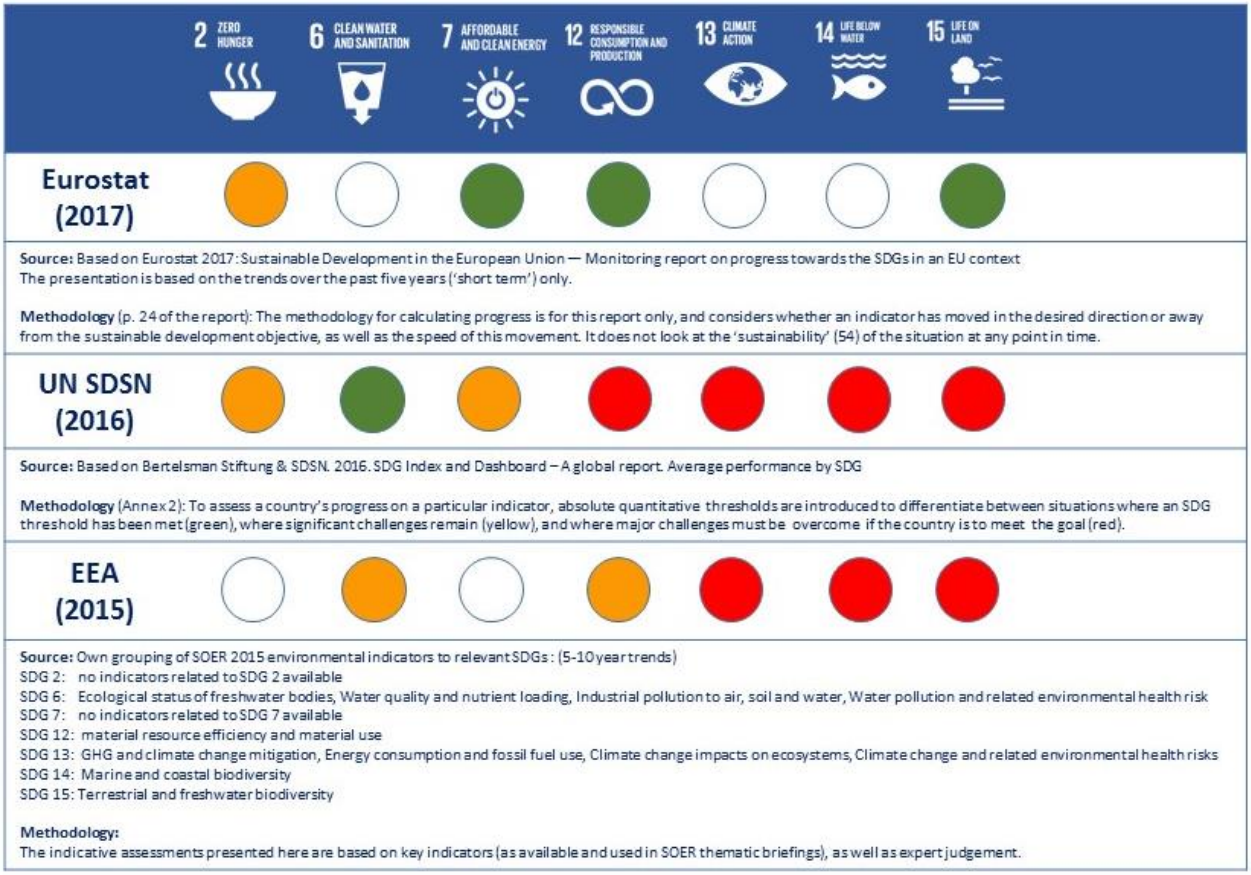
Current objectives for EU policy in the environmental sphere were set out in broad terms in 2013, in the 7th Environmental Action Plan (EAP), which runs to 2020. This strategy provides a direction for action at all levels of government in the EU, while leaving broad discretion to implement in the way they see fit.

The 7th EAP includes the following objectives:

- to protect, conserve and enhance the Union's **natural capital**
- to turn the Union into a **resource-efficient**, green, and competitive low-carbon **economy**
- to **safeguard** the Union's citizens from **environment-related pressures** and risks to health and wellbeing
- to **make** the Union's **cities more sustainable**
- to help the Union **address international environmental** and **climate challenges more effectively**.

As the European Environment Agency (EEA) concluded in an early review in 2015, progress in meeting these objectives has been mixed. Subsequently, the adoption of the SDGs by the UN has provided a new benchmark against which to assess goals and progress in Europe and to identify areas where the greatest efforts will be needed. Studies such as those by Eurostat and UN SDSN identify a number of challenges for Europe in reaching those SDGs linked to the environment. See graphic on the next page.

Graphic 1: Scoreboard of European environmental policy vis-a-vis selected SDGs



Analysing views from stakeholders, a study from the European Parliament Research Service,[4] came to the following conclusions about the 7th EAP:

Added value: Notwithstanding challenges, the EAP is viewed as adding value to EU and national efforts in this policy field (with some differences across the different objectives).
Policy coherence: Many EU sectoral policies do not reflect sufficiently (or are even in conflict with) environmental and climate objectives, as is the case of, for example, the EU's Common Agricultural Policy.
Impact: Progress on implementing the various policy instruments under the EAP is mixed, with the most problematic being biodiversity, waste management, air quality and noise. The outlook for 2020 varies from not promising for protecting the Union's natural capital) to uncertain (resource-efficiency); lack of data makes giving an outlook for health and wellbeing difficult at this stage.
Funding and effectiveness: Funding at both EU and national level is viewed as inadequate for current needs, and public and private funding is not increasing as needed. When it comes to spending of available funding, project execution often faces problems.

[4] Mid-term review of the 7th EAP. EPRS. November 2017