



**TOWARDS A 7TH ENVIRONMENT ACTION PROGRAMME:  
POTENTIAL OPTIONS AND PRIORITIES**

**Policy paper for IEEP project on  
'Charting Europe's environmental policy future'**

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## 1 INTRODUCTION

The discussion on a 7<sup>th</sup> Environment Action Programme (7EAP) is still in the early stages. The Commission has now indicated its ambition to table a proposal for a 7EAP in late 2012. This follows the adoption of conclusions at the December 2010 and October 2011 Environment Council meetings calling for action in this regard. As noted in the recently published roadmap for the 7EAP<sup>1</sup>, the Programme is expected to define priority objectives based on Art. 192(3) TFEU, set out strategic orientations for the short to medium-term as well as a longer-term vision, and focus on better implementation. The roadmap clearly states that the 7EAP should contribute to the objectives of the Europe 2020 strategy of smart, sustainable and inclusive growth, but also go beyond it in terms of its timeframe and scope.

There has been considerable debate and uncertainty about the need for and added value of a 7EAP. This partly stems from the fact that previous EAPs have helped to establish a relatively comprehensive body of EU environmental legislation (the environmental acquis), which – despite some implementation failures and outstanding challenges – can be considered an overall success. There is now a widespread perception that this trajectory is changing. Policy is going in new directions and a major expansion of the environmental acquis no longer seems likely in the coming decade. The ‘first generation of environmental policy’ which focuses on the state of the environment, impacts and pressures is now being complemented by a ‘second generation’ of environmental policy which focuses more on resource inputs in the economy and their environmental impacts. This agenda is taken forward primarily by other policy drivers, including the Europe 2020 strategy and the resource efficiency Flagship Initiative and Roadmap. Given that this process is already guided by a rather comprehensive long-term vision with calls for action in several areas; the question about the added value of a 7EAP has been relevant and legitimate.

At the same time the political imperative to restate the case for environmental policy has increased rather than diminished and the agenda is entering new territory. To many stakeholders, including numerous Member States, to choose not to have a 7EAP would signal a reduced commitment to the environment and a retreat from a previously privileged position in the panoply of strategies. Consequently the debate over whether or not to have a 7EAP has taken some primacy over the question of the more specific content and structure of such a Programme. Now that this debate has been resolved and an indicative timetable set out, we can focus on what is required of the 7EAP.

It is necessary to build a better understanding of the added value of the 7EAP and the question of how a 7EAP can best support the further development of EU policy on the environment. In trying to answer this question it may be helpful to address at least three components of a future EAP, namely:

- *The leading theme(s), purpose and role (rationale and narrative),*
- *The concrete thematic and sectoral priorities (objectives),*
- *The instrumental means to achieve them (means).*

Rather than starting with a bottom-up, instrument by instrument discussion there is a need to discuss the overall direction of EU environmental policy both in the short to medium-term and the long-term. This in turn obliges one to consider the inter-linkages between the plethora of different EU strategies and roadmaps already in place which have a bearing on the 7EAP. In times of economic pressure and financial austerity it is all the more important to deliver a succinct argument about why environmental policy matters and how it adds value. Such a narrative then needs to be translated

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<sup>1</sup> EC (2011), Roadmap – 7<sup>th</sup> Environment Action Programme, Version No. 1, Last modification 10/2011, [http://ec.europa.eu/governance/impact/planned\\_ia/docs/2012\\_env\\_013\\_7th\\_environmental\\_action\\_programme\\_en.pdf](http://ec.europa.eu/governance/impact/planned_ia/docs/2012_env_013_7th_environmental_action_programme_en.pdf) [Accessed 17/11/2011]

into more specific priorities and objectives, which in turn should have concrete means to secure their delivery. The analysis in this paper is structured according to these three components, taking into account the propositions made in the Commission's indicative roadmap for the 7EAP. This paper seeks to inform the on-going discussions on the 7EAP. It is mainly concerned with options for the rationale and narrative of the 7EAP, its main priorities and objectives. A draft version of this paper was used as a background document for a meeting on 'Options and priorities for a 7<sup>th</sup> EAP' which was organised by IEEP on 28 November 2011.

The remainder of this paper is structured as follows: Chapter 2 provides a brief overview of the current landscape of relevant policy strategies, their linkages and omissions. Given this context, chapter 3 briefly recapitulates the role, purpose and added value that a 7EAP could bring. Chapters 4, 5 and 6 discuss different options for a 7EAP primarily in relation to its leading theme as well as some potential key priorities and objectives, and briefly sketch out selected means for delivery. The aim of this paper is to contribute to the on-going discussion on the 7EAP and as such, the sections below are short, proposing key questions that arise when thinking about the 7EAP, rather than definite answers.

## 2 CRITICAL INTER-LINKAGES AND KEY OMISSIONS OF CURRENT STRATEGIES

### 2.1 The evolving strategic context

There is currently **no shortage of strategic EU documents** in the environment sphere or in areas pertaining to it. Prominent examples include the 2020 EU Biodiversity Strategy, the upcoming Blueprint to safeguard Europe's waters, the on-going review of the REACH chemicals regime and EU air quality legislation, and the Flagship Initiatives and Roadmaps under the Europe 2020 Strategy. In particular, the **resource efficiency Flagship Initiative**, which creates a framework for policies to support the shift towards a resource-efficient low-carbon economy, has spawned a number of relevant strategies including the low carbon Roadmap and the resource efficiency Roadmap. Moreover, it has led to the re-conceptualization of a number of environmental issues, e.g. biodiversity, water, etc., so as to relate them to the resource efficiency agenda. There are also numerous **strategic sectoral processes** underway which will affect the context and scope for environmental policy action to 2020 and beyond. These include discussions on the 2014-2020 Multi-Annual Financial Framework (MFF), the reform of the Common Agricultural Policy, Common Fisheries Policy and Cohesion Policy, and future EU transport and energy policy (including the White Paper on Transport and the forthcoming Energy Roadmap 2050).

These strategic documents are rather **different in nature and cover varying timescales**. Some provide a relevant set of targets and/or aspirations for 2020 and in some cases set out a direction of travel to 2050. Some are more schematic and detailed in nature. Some are driven by concerns outside the environmental sphere, while others fall within the environmental policy sphere but focus on specific issues therein. The **relative political weight** being given to the different documents and their **formal status** is also unclear. Some documents are to be adopted through the formal legislative procedure while others are to be 'endorsed' by the EU institutions. Many of the documents **overlap** thematically. However, the degree to which they are formally linked differs. Table 1 provides a preliminary assessment of the degree to which some of the most relevant sectoral strategies and plans at the EU level formally address environmental policy issues and the nature of that inter-linkage.<sup>2</sup> This is the result of a quick scan assessment based on internal discussions within IEEP, i.e. it is cursory and not an in-depth assessment.

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<sup>2</sup> See Volkery, A., Withana, S., Coolsaet, B., (2011), Mapping the landscape of EU environmental policy: Coherence and linkages, Background paper for IEEP project on 'Charting Europe's environmental policy future', December 2011

**Table1 – How sectoral policy proposals address major environmental issues**

|                             |  | Climate Change | Biodiversity | Natural resource Use | Env.& Health |
|-----------------------------|--|----------------|--------------|----------------------|--------------|
| <b>Agriculture</b>          | <i>Legislative Proposals for 2014-2020 CAP</i><br>(COM (2010)537)<br>(COM (2010)539)                   |                |              |                      |              |
| <b>Fisheries</b>            | <i>Legislative Proposals for 2014-2020 CFP</i><br>(COM(2011) 425)                                      |                |              |                      |              |
| <b>Cohesion Policy</b>      | <i>Legislative Proposals for 2014-2020 Cohesion Policy</i><br>(COM(2011)615)                           |                |              |                      |              |
|                             | <i>Transport White Paper</i><br>(COM(2011)144)   |                |              |                      |              |
| <b>Energy and Transport</b> | <i>Energy 2020 Strategy</i><br>(COM(2010)639)  |                |              |                      |              |
|                             | <i>Legislative proposal for Connecting Europe Facility</i><br>(COM(2011)665)                           |                |              |                      |              |
| <b>Industry</b>             | <i>Flagship Initiative</i><br>(COM(2010) 546),<br><i>Reinforcing competitiveness</i><br>(COM(2011)642) |                |              |                      |              |



**Strong link:** Proposal takes into account the environmental issue concerned by explicitly referring to it and to concrete policy actions. **A strong link does not imply that the measures are considered sufficient or guarantee an effective outcome.**



**Moderate link:** Proposal takes into account the environmental issue by explicitly referring to it, but proposed actions are not exhaustive/too weak to influence the environmental trend.



**Weak link:** Proposal takes into account the environmental issue and proposes specific policy actions to a limited degree or insufficiently.



**Very weak link:** Proposal makes a formal recognition of the environmental issue but does not propose any specific action.



**No link:** Proposal does not refer to the environmental issue



Discussion remains on the strength of the link

## 2.2 Strengths, weaknesses and omissions among current strategies

Our cursory review of the current policy landscape<sup>3</sup> shows that the **mitigation of GHG emissions** is relatively well-established as a cross-cutting policy objective in relevant sectoral strategies, not least in the proposals for mainstreaming climate objectives in the forthcoming EU MFF.<sup>4</sup>

**Resource use and efficiency concerns** are formally addressed in all strategic documents examined. However the nature of the links vary. Many strategies are focused on economic (safety of supply, competitiveness) rather than environmental concerns (reducing environmental impacts). Although the resource efficiency Roadmap started to flesh out a pathway for long-term future policy action, this needs clearer guidance as to what it constitutes in terms of concrete policy action. The Roadmap also discusses sustainable consumption issues which are growing more prominent in the public debate, but does not suggest that the EU is ready for a major initiative in this sensitive field.

In contrast, the **natural environment**, including biodiversity has a weaker standing in the strategic documents examined, given relatively limited attention in key documents such as the Europe 2020 strategy. However, a future green economy could only function within safe systemic ecological thresholds, both European and global. Hence, anticipating critical thresholds is a challenge, particularly when seen from a global-to-European perspective. Such a perspective is not apparent in most of the current strategies with the exception of the resource efficiency roadmap which however lacks detail. It is particularly worrying that those strategies concerned with key energy and transport infrastructure development fall short in this regard, and contribute to the trend of narrowing the environmental agenda to issues of climate change and energy.

Although **environment and health** (quality of life issues) are addressed through certain specific documents (e.g. the review of chemicals and air quality legislation); they do not seem to be well integrated in other relevant (sectoral) documents.

While these strategies are likely to contribute to reducing environmental pressures in various areas, for the most part they have been developed in a piecemeal fashion despite strong cases of overlap. This reflects the growing 'pillarisation' of environmental policy and increases the risk of developing potentially conflicting policies, as seen in the case of the indirect land use change impacts of biofuels. There remains a need to describe **how the different strategies and processes fit together** and how coherent they are with regard to the objectives of the environmental acquis. Such an assessment would also help to identify and elaborate **possible omissions in the current policy framework**, e.g. in relation to land use change as signalled in the resource efficiency Roadmap. Novel materials in the environment, which are widely expected to gain greater relevance in the coming years, are another strategic gap. Although many of the documents set out targets/aspirations and outline a direction of travel for the next 20-30 years, they could be clearer on the concrete means and instruments necessary to secure their delivery.

### Box 1: Open questions for discussion

1. What are the strengths and weaknesses in current EU strategies/roadmaps relating to the environment?
2. How well are future challenges addressed in these strategies/roadmaps? What space do they leave for the 7EAP?

<sup>3</sup> See Volkery, A., Withana, S., Coolsaet, B., (2011), Mapping the landscape of EU environmental policy: Coherence and linkages, Background paper for IEEP project on 'Charting Europe's environmental policy future', December 2011

<sup>4</sup> See Medarova et al. 2011. Mainstreaming the environment and climate change in the post-2013 EU budget. Directions in European Environmental Policy No. 4/2011. IEEP: London/Brussels.

### 3 THE ROLE, PURPOSE AND ADDED VALUE OF A 7EAP

A key element in the discussion on the role and purpose of a 7EAP is its added value vis-à-vis the resource efficiency Flagship Initiative and Roadmaps. Although a 7EAP cannot stand in isolation from the Europe 2020 Strategy and related processes, in many respects it should go beyond what is set out in the current discourse. The 7EAP could reinforce and operationalise where needed the targets and indicators set out in the Roadmaps. It could go beyond what they set out in important policy areas such as biodiversity, to consider the Treaty, rather than the Europe 2020 Strategy as the main source of policy orientation<sup>5</sup>, and address relevant issues such as coherence, implementation, and financing. One also needs to bear in mind that an EAP is an inherently different kind of strategic document to the emerging strategic framework on resource efficiency. It has a particular standing in EU environmental policy, with a long history dating back to the very beginnings of EU activity in the area. Provisions for the adoption of an EAP are set out in the Treaty, thus providing the 7EAP with a specific and visible legal status and role.

In the indicative roadmap on the 7EAP, the Commission suggests that the **added value** of the 7EAP will be in setting out strategic orientations for the short-to-medium term and a longer term vision, focusing on implementation, policy integration and coherence, ensuring broad ownership and mobilising action. In the following we briefly summarise the discussion about the role, purpose and added value of a 7EAP under four main headings. These can be used as a benchmark in.

#### ***Demonstrating the added value of EU environmental policy for citizens and the economy***

We can expect continued instability in financial markets, uncertainties over growth and employment prospects and pressure to maintain austerity regimes in the coming years. The contribution to safeguarding jobs and stimulating growth is thus likely to remain a crucial yardstick for assessing policies and plans, as evidenced in the Commission's 2012 work programme. The added value of all EU policies will be measured against this yardstick to some degree. A 7EAP should tackle this economic setting and its consequences upfront. Similarly, political support is only likely to be achieved by convincing leaders of the costs of inaction, and the cost-effectiveness of action. It will be central for the legitimacy of the 7EAP to provide a positive, understandable and economically literate narrative on the opportunities for environment policy and at some level to reflect the need for budget consolidation and intelligent growth policies.

#### ***Policy orientation and coordination***

A 7EAP could provide an overarching framework for the numerous strategic EU documents related to the environment. By bringing these documents together in one place, a 7EAP would help to increase their visibility and accessibility and improve their political status and weight. A coherent 7EAP could also provide a common reference point for external stakeholders and within the Commission. It is however important to distinguish between the need to set the stage for specific actions and the mere listing of the actions themselves. A 7EAP needs to do the first; it is not its role to do the latter. A 7EAP should complement what is in other strategic documents, highlight the review mechanisms embedded in existing legislation, concentrate on a selected number of strategic objectives and set concrete outcomes for 2020.

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<sup>5</sup> The objectives of EU environmental policy as articulated in Article 191 TFEU are:

- preserving, protecting and improving the quality of the environment,
- protecting human health,
- prudent and rational utilisation of natural resources, and
- promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change

### ***Short-term and long-term agenda-setting***

A 7EAP needs to engage in both short-term and long-term agenda-setting. Some of the issues that a 7EAP could take forward in the short-term (2020 time horizon) include: the development of more concrete targets and indicators for delivering the objectives of the resource efficiency Roadmap; establishing a more effective land-use planning framework to better address trade-offs between technological solutions and their environmental impacts; providing guidance on priority areas of action and how to finance them.

The Council conclusions and the indicative 7EAP roadmap stipulate the need for a long-term perspective up to 2050. Given the time needed for transition processes in key economic sectors and for the impacts of policy action on the environment to become evident, such a longer-term perspective is all the more important. With regard to this long-term horizon, a 7EAP could aim to initiate a discussion on how a climate stabilisation perspective could be aligned with the notion of stable, resilient ecological systems to ensure and protect human well-being. This would imply a discussion on critical systemic ecological thresholds for economic activity and acceptable risk and margins of safety.

### ***Better policy delivery, implementation, policy integration and coherence***

There seems to be widespread agreement that a 7EAP needs to focus on improving policy delivery and implementation of the existing environmental acquis. Such an approach would improve the delivery of existing commitments and address a perception that implementation has lagged behind policy formation. Such a focus would be stronger if combined with a perspective on fostering policy integration and coherence, as also noted in the indicative roadmap on the 7EAP. The agenda here embraces not only issues of internal policy coherence (e.g. in cases where environmental Directives contradict each other or where there are clear and known gaps in legislative content), but also better coherence between sectoral and environmental objectives and greater coherence in the EU's external policies (trade, development).

#### **Box 2: Open questions for discussion**

- 1 How can a 7EAP help to demonstrate and strengthen the added value of EU environmental policy in times of economic pressure and austerity?
- 2 What is the current political room for manoeuvre? What is desirable versus what is feasible in the current context?

## **4 THE MAIN ORIENTATION, NARRATIVE AND AMBITION OF A 7EAP**

What should EU environmental policy achieve over the course of this decade? What is the best way forward to win sufficient political support for environmental policy in challenging times? Discussions on the 7EAP will be constrained and informed by the current political context. It is clear that a 7EAP needs to be a strategic document, focused on outcomes and setting out a clear argument on the added value of EU environmental policy. There are a range of issues to be covered and a danger that the document will lose coherence and narrative if it accumulates too many facets and sub-themes. As it goes through the political process, even more desiderata are likely to be added to it. To counter fragmentation, there is a strong argument that the 7EAP should be built around a central theme – unlike the 6EAP. What might be an attractive leading theme for a 7EAP that could mobilise sufficient support and capture key challenges? There are a number of different options for framing a **leading theme**.

This section will briefly discuss the strengths and weaknesses of three possible options, namely:

1. *Towards better policy delivery and implementation*
2. *Towards a resource efficient, greener economy*
3. *Promoting well-being within safe environmental thresholds*

These options overlap, i.e. the notion of better policy delivery and implementation will be relevant in all cases, as will the issue of resource efficiency and the transition to a green economy. Although all three are likely to be present in a 7EAP, the question is what emphasis should be given to the different threads? The options vary in their thematic complexity and the extent to which new policy territory is covered, and hence the political sensitivity attached. A cross-cutting issue concerns the **timeframe** to be covered by the 7EAP. Should it align with other strategic processes and have a 2020 timeframe? Or should it adopt a longer-term perspective to 2050? Or should it adopt something in between? In considering the strengths and weaknesses of these different options, it is worth considering their capacity to address key environmental challenges and inter-linkages, the extent to which they open up the space for new policy dynamics, create potential for new cooperative alliances with sectoral interests, and take into account current political constraints.

#### ***Option 1: Towards better policy delivery and implementation***

A broad view of policy implementation and delivery is considered by many to be overdue and could form a central theme in the coming years. A 7EAP could focus on delivering the environmental acquis that is already in place and relevant gap-filling. Such an approach focused on better delivery would present a pragmatic way forward that could win a lot of political support across the EU institutions. It could showcase the multiple benefits of environmental policy and highlight the cost of non-implementation of environmental legislation. Rather than presenting policy delivery and implementation as an add-on topic (which was largely the case with the 6EAP), the 7EAP could map out a development perspective, with innovative approaches and tools to address this challenge. It could set out concrete options to address different stages of implementation and areas of policy delivery, including specific measures to help strengthen policy coherence, and address challenges with respect to policy integration, e.g. identifying ways to move forward existing and forthcoming obligations and initiatives regarding the pricing of water and other key resources.

Whilst there would be several advantages in signalling a substantive and sustained focus on policy delivery and implementation— and there would be real gains for the environment, there would also be drawbacks to such an approach. There is the risk that new, emerging issues may not be adequately addressed. It could be interpreted as a loss of vision and momentum or a failure to recognise the scale and importance of the new agenda on the green economy. It might be seen as a retreat to preoccupation with internal affairs at a time when global issues have never been more pressing. Opportunities could also be lost, e.g. to affirm connections between the climate and environmental agendas.

#### ***Option 2: Towards a resource efficient, greener economy***

Given the current political context, there are several valid arguments in favour of the 7EAP adopting a focused approach on resource efficiency and the transition to a greener economy. This could be approached in different ways. One would be for the 7EAP to act as a counterpoint to the resource efficiency Flagship Initiative, taking the environment as the starting point and setting out how the sustainability challenge needs to relate to a suite of policies from trade and international relations to industrial policy, research and development and fisheries. Separately or in addition, the 7EAP could act more as a delivery mechanism for the resource efficiency Roadmap, setting out a toolkit of measures to achieve its objectives. For example, in the first phase the focus could be on institutionalising targets and indicators on resource efficiency by 2013 for key resources (land, water, materials, carbon and nutrients). If established in a meaningful way, these targets and indicators

could help to influence policy integration and the monitoring of related efforts and could enable a discussion on the long-term policy transition needed by 2050 and intermediate milestones. It could also offer opportunities to build new cooperative alliances with sectoral interests, and would be relatively straightforward to communicate.

However, quite apart from the question of overlap with existing resource efficiency strategies, a narrative that primarily addresses the relationship between natural resources and the economic system can run the risk of disregarding important dimensions of environmental policy and sustainable development. Environmental quality, environment and health issues, and concerns about non-material values remain important and are parallel to, not subsidiary to, economic priorities. The danger of confining the agenda to 'win-win' measures should be avoided. As shown by the 2010 SOER<sup>6</sup>, 'first generation' environmental issues such as local air and water pollution, noise pollution, loss of local and regional biological and landscape diversity and other forms of environmental degradation affecting people's quality of life are far from being solved in most regions of the EU. Moreover, the variety of hazardous substances in the environment continues to increase, while emerging nano- and biotechnologies are likely to be an important topic in the future. These issues are hardly addressed in the Europe 2020 Strategy and the resource efficiency Roadmap. Hence, in pursuing this theme there would be a need for a broader conceptual notion of a resource efficient, greener economy.

### ***Option 3: Promoting well-being within safe environmental thresholds***

This option would be more visionary and look further ahead, with the courage to reappraise Europe's place in the biosphere. It would build on the resource efficiency agenda but address consumption issues more directly. It would seek to frame a long-term perspective from the angle of providing an environmental safety net for society and the economy in which consumption and production patterns are transformed. The objective of limiting the increase in global temperature to a maximum of 2 degrees Celsius over pre-industrial levels has generated substantial political momentum. Drawing on the emerging scientific discussion on planetary boundaries, critical thresholds and the need to define safe economic operating spaces,<sup>7</sup> the 7EAP could play a role in propelling a discussion about establishing new boundary values, perhaps in a different form but analogous to the 2 degree target, e.g. for nitrogen cycles or more concretely for biodiversity. Moving towards such a paradigm shift in EU environmental policy would allow global mega-trends and their impacts on consumption and production patterns to be confronted more directly. It could set out the case for integrated/lifecycle approaches to doing business and consuming in a circular economy, addressing both efficiency and sufficiency issues. This would frame the need for new policy dynamics in areas such as land use and planning and could help to inform debates about long-term impacts of infrastructure investment decisions.

While this approach would reflect the current front-line of the environmental debate, it has major potential risks and weaknesses. One is that it could remain broad and visionary, or even drown in complexity and uncertainty in terms of what to include and exclude, while remaining rather limited in detail on short-term policy actions. It might also be more difficult to communicate, and hence more difficult to build new cooperative alliances with sectoral interests. Moreover, it might be difficult to win support for such an approach given current political constraints and austerity pressures.

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<sup>6</sup> EEA – the European Environment Agency, 2010. Synthesis report: The 2010 State of the European Environment and Outlook Report. EEA: Copenhagen.

<sup>7</sup> See Rockstroem et al. 2009. Planetary boundaries: exploring the safe operating space for humanity. *Ecology and Society* 14(2): 32. [online] URL: <http://www.ecologyandsociety.org/vol14/iss2/art32/>; see also Garver, G. 2011. A Framework for Novel and Adaptive Governance Approaches Based on Planetary Boundaries Colorado Conference 2011 – Earth System Governance Project. Panel Sessions VII - Linking the Social and Natural Sciences: Approaches to Adaptive Governance.

### Box 3: Open questions for discussion

- 1 What are the strengths and weaknesses of the three themes discussed above? Are there any other candidates?
- 2 To what extent would a combination of the different themes work?
- 3 What timeframe should the 7EAP have? 2020? 2050? Or something else?

## 5 ELABORATING THE THEMATIC SCOPE AND PRIORITIES OF A 7EAP

The indicative roadmap for the 7EAP states that the Programme should focus on a limited number of priorities, bringing together actions to protect natural capital and ecosystems, improve resource efficiency and implementation<sup>8</sup>. What are the principal priorities within these broader areas that a 7EAP should focus on? Should the 7EAP address the whole suite of environmental policy (as in previous EAPs) or should it focus on a select few? If so, which ones? Moreover, what is the best way to organise them, according to themes, sectors or cross-cutting issues? While the four thematic priority areas of the 6EAP are considered to remain relevant by a number of observers, this categorisation has been shown to fail to take into account important policy clusters of cross-cutting issue and trade-offs between different areas. Should the 7EAP continue with the structure of the 6EAP or should an alternative structure be sought, perhaps around new problem clusters?

To explore these issues, we have picked out a number of **thematic areas** that have been prominent in the discussion so far. These are briefly described below.

A key question with regard to the potential scope of the 7EAP concerns the **relationship between the climate change and wider environmental protection agendas**. The last few years have seen the successful establishment of the decarbonisation agenda in the EU. Despite the difficult economic context, climate change concerns continue to be reflected in relevant policies such as energy, transport and regional policy, and are leading to the gradual transformation of key sectoral policies and industries. A priority for the next decade is to consolidate and expand this agenda, particularly with regard to energy efficiency. While maintaining the momentum behind this agenda requires continued political attention, in our view it should not be the main focus of an EAP. The 7EAP should complement efforts to decarbonise Europe's economy with credible efforts to achieve a resource efficient economy and address inter-dependencies between food, energy, water and natural resources. Nonetheless the 7EAP does need to have a climate change component, not least to ensure an integrated approach in which climate change considerations are sufficiently embedded in other policies and to address any potential negative environmental aspects of climate change measures.

The **resource efficiency Roadmap** started to outline a long-term approach which is comprehensive in its analysis and promising in terms of its underlying vision. However, its legal status is unclear and it lacks concrete targets and notably related (legal) instruments. As noted above, a 7EAP could therefore reinforce and operationalise the approach set out in the Roadmap. This would include agreement on a set of indicators to monitor progress and specific targets and objectives, including on raw materials and water abstraction. However, while addressing emerging resource scarcities will be important, it will not be sufficient to deal with the problem at hand. To date the EU has not achieved a consistent, effective approach to truly reorient activities in key economic sectors and utilise the full potential of new technologies. Measures that address the underlying drivers of resource

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<sup>8</sup> European Commission (2011), Roadmap – 7<sup>th</sup> Environment Action Programme, Version No. 1, Last modification 10/2011, [http://ec.europa.eu/governance/impact/planned\\_ia/docs/2012\\_env\\_013\\_7th\\_environmental\\_action\\_programme\\_en.pdf](http://ec.europa.eu/governance/impact/planned_ia/docs/2012_env_013_7th_environmental_action_programme_en.pdf) [Accessed 17/11/2011]

consumption (e.g. natural resource pricing, ecological fiscal reform, renewed and novel approaches to sustainable consumption and production) are patchy or weak. Addressing these issues will require more ambitious regulatory policies and price signals than those currently available, as well as outlining a way forward for a comprehensive overhaul of the EU's approach to product policy which needs to be more comprehensive in terms of ecological requirements.

Another cluster of issues concern the **natural environment**. A more holistic view is needed to avoid shifting environmental burdens from one area to another. The valuation of natural capital and ecosystem services, in particular in the context of costs and benefits to other sectors has been recognised as a valuable tool that should be used more widely. At the same time, the well-established principles of prevention, precaution, substitution and the polluter pays are still very relevant. The discussion on the natural environment raises interesting questions about the way the EU addresses issues of land use practices and changes (including in the urban context) and integrates environmental concerns in the strategic programming of key policies and related public and private investment cycles. Addressing this issue does not necessarily require new regulation but rather a strengthening of existing policies and reinforcement or setting of specific objectives for relevant pressures (e.g. nitrogen, pesticides).

At a more concrete level, there are a number of potential **priorities and objectives** of both a thematic and a cross-cutting nature that could be taken up in the 7EAP. These include the following:

- In relation to **climate change**, there are various ideas for reinforcing the existing agenda and strengthening/revising EU climate change policy so that it is in line with the trajectory set out in the 2050 decarbonisation roadmap. Also important is the promotion of better coherence between climate change and other environment policy areas such as water, natural resources, biodiversity, waste etc. through concrete procedures, as well as action to guide the adaptation of key ecosystems to the impacts of climate change. This might include objectives for combatting droughts and floods, and extending action on energy efficiency, through mandatory and other measures.
- In relation to the broader **natural environment**, possible measures include reinforcement of the 2020 biodiversity target, its sub-targets and baseline information as well as setting objectives for establishing green infrastructure in the EU, limiting rural land-take, urban sprawl and landscape fragmentation, as well as addressing specific pressures (pesticides, nitrates). Particularly urgent issues relate to marine biodiversity, including setting objectives to stop overfishing, fair and sustainable use of fish stocks and attaining good environmental status for maritime ecosystems; and setting a perspective on the full implementation of Natura 2000. The issue of soil quality is considered rather lightly within the CAP but remains a major challenge. Operational objectives on the functioning of key related information systems (i.e. SEIS) are being advocated along with better integration of spatial planning frameworks across governance levels. There is also a need to operationalise a financing strategy for measures to achieve the objectives in the 2020 biodiversity strategy.
- On the consumption of **natural resources**, targets for reducing overall (absolute) use and increasing the efficiency of the use of specific resources (e.g. water, biomass, rare metals, and minerals for industrial and construction purposes) are increasingly advocated, taking into consideration impacts both within and outside the EU. Operational targets for measuring resource flows are needed as are targets for the further reduction of waste, with the objective of moving from current waste policies to material policies which cover the whole lifecycle of products. As noted above, the 7EAP could be the vehicle to promote a more coherent, comprehensive approach to EU product policies, producer policies and demand-side policies.

- Amongst the proposals being put forward in relation to **environment and health**, there is the setting of operational objectives for improving knowledge on the links between environment and health (particularly with regard to the effects of low doses and multiple exposures, methods for risk assessment of endocrine disruptors, issues (and risks) relating to bio and nano-technologies), guiding action on indoor air quality, the further reduction of emissions of critical substances (e.g. mercury), and reinforcement of the review process of the REACH Regulation and EU air quality legislation.
- On **horizontal governance issues** there is the question of improved policy and legal implementation discussed above. A 7EAP could also initiate a more systematic process of reviewing the quality and effectiveness of governance mechanisms, including a review of the effects of devolution of competencies to the national and subnational level. A 7EAP could address the widening gap between legislative requirements and available capacities by setting up an operational perspective on capacity-building. There are emerging questions on how a combination of public and private financing of actions can be used to achieve environmental objectives and the use of innovative financial instruments. New approaches to environmental tax reform could be explored, e.g. the extent to which OMC-type approaches could be taken up. The removal of environmentally harmful subsidies is relevant in the current economic climate, as is the debate on establishing new systems for ecosystem services payments.

#### **Box 4: Open questions for discussion**

1. What should be the concrete thematic priorities of a 7EAP? What is missing in the above cursory review?
2. What approach should the 7EAP adopt? Thematic? Sectoral? Cluster?

## **6 EXPLORING THE MEANS FOR DELIVERING PRIORITIES: SOME EXAMPLES OF POSSIBLE POLICY ACTION**

Many of the means available for the delivery of policy priorities at a European level are well-known and have been discussed at length for some time. A natural role for the 7EAP is to continue and reinforce these discussions, framing and operationalising them in the years to come. Even in the current rather difficult political context, there is considerable leeway to improve the functionality and effectiveness of policy delivery. A 7EAP could for example showcase the overall direction and concrete actions necessary in the following areas; most of which are noted in the Commission's recent indicative roadmap for the 7EAP:

- *Promoting better internal coherence between environmental policies;*
- *Ensuring better implementation of the acquis;*
- *Improving sectoral policy integration;*
- *Improving external policy integration;*
- *Addressing financing issues;*
- *Strengthening the knowledge base;*
- *Measuring and communicating progress in the environment and in the 7EAP;*
- *Selecting the most appropriate policy instruments and approach; and*
- *Mobilising stakeholder engagement.*

In this section, we will draw attention to a selection of these issues to further illustrate the discussion on the concrete means of delivering the priorities and objectives of the 7EAP.

### **Promoting better internal coherence between different policies**

There is a need to more systematically assess the synergies and trade-offs between different parts of the environmental acquis. Directives have often been developed in a piecemeal fashion, leading to situations where implementing authorities and key target groups are confronted with different, sometimes partly contradictory definitions, objectives, instruments and reporting mechanisms. Improving the internal coherence of the acquis could help to simplify administrative procedures and save administrative capacities. Prime examples include requirements for environmental assessment, reporting and public participation that differ between EU Directives. For example, the EIA Directive is currently being revised and it has been acknowledged that coordination with other Directives, such as the Habitats Directive, Industrial Emissions Directive and the Strategic Environmental Assessment Directive is not optimal. Changes to the EIA Directive alone are unlikely to be sufficient to address problems. Possible actions to promote better internal policy coherence could include the following:

- The 7EAP could set up a review process to agree necessary changes to harmonise requirements for environmental assessment and reporting. This could include efforts to improve the coherence and availability of data as well as the streamlining of indicators across different areas of environmental policy such as links between water, biodiversity and industrial emissions policies as well as links between climate change, biodiversity and water related policies.
- The 7EAP could help to better clarify the need for checking issues of policy (in) coherence when setting up Impact Assessments for new legislative and non-legislative policy proposals.
- The 7EAP could define clusters of policy action where regular reviews could help to monitor the interplay and coherence between different legislative measures.

#### **Box 5: Open questions for discussion**

1. What are well-known examples of policy incoherence and how could a 7EAP address them?
2. Is there any mechanism other than a 7EAP that could improve coherence between different pieces of environmental legislation?

### **Ensuring better implementation of the acquis**

Different factors explain implementation failures, including insufficient administrative capacities, lack of political priority for environmental inspections and associated limited resources for inspecting authorities at Member State level. A critical barrier remains the lack of political will for real action. Although implementation of the environmental acquis is in the first place the responsibility of Member States, action at EU level is also needed. The 7EAP could help to establish an overall framework for measures to improve implementation and enforcement of EU environmental law and subsequently propose several actions. Some examples of possible actions at different levels include:

*Actions to improve the enforcement capacities of EU Member States such as:*

- Revision of Recommendation 2001/331/EC on minimum criteria for environment inspections (RMCEI) (and possibly turning it into a binding instrument);
- EU funding (e.g. LIFE+) to support supervision and enforcement activity at Member State level (with support targeted at most critical supervision objectives, e.g. priorities identified in inspection plans drawn up by Member States); and
- Enhancing the role of IMPEL in providing guidance to Member States in improving inspections and enforcement and undertaking peer-reviews of Member States' inspection authorities.

*Actions to improve public enforcement at EU level such as:*

- Increasing the capacity of DG Environment to more systematically review the application (on the ground) of environmental law across the Member States and to deal with infringements;
- Give the Commission direct enforcement tools, i.e. investigative/inspection powers to control the effective application 'on the ground' of EU environmental law;
- The creation of an EU environmental enforcement/inspections agency; and
- Making Cohesion Policy funding conditional on national compliance with EU environmental law.

*Actions to improve citizen or private enforcement at Member State and EU level such as:*

- New efforts to revive the proposal for a Directive on access to justice in environmental matters (considering the renewed focus on access to justice in light of recent case law of the ECJ); and
- Financial and technical support to environmental NGOs in Member States (and in particular to public interest groups in new Member States) to monitor implementation (application) of EU environmental legislation and to take action in case of breaches (i.e. to improve the capacity to litigate).

#### **Box 6: Open questions for discussion**

1. What is needed the most - strengthening implementation capacities at Member State level or strengthening enforcement capacities at Member State and EU level?
2. How to improve implementation (at national level) through the strengthening of enforcement at EU level?
  - Creation of a new EU enforcement agency?
  - More inspection powers for the Commission?
  - Enhancement of the role of the EEA?
3. How to improve implementation through strengthening enforcement at national level?
4. Are there any other EU-level means to improve implementation of EU environmental law?
  - Enhancing the implementation capacities of new Member States
  - More reliance on smart regulation (instead of command-and-control approaches)

#### **Improving sectoral policy integration**

While progress towards the integration of environmental issues can be observed to varying degrees in different policy areas (e.g. energy, transport, agriculture, etc.), a number of barriers have challenged the integration agenda. Nonetheless, integration remains an important principle of EU policy-making as stipulated by Art. 11, TFEU. The Europe 2020 Strategy reinforced the integration of climate change mitigation and resource efficiency in particular across different policy areas, including the EU budget. According to the Commission's proposals for the 2014-2020 MFF, the environment and climate change should be 'mainstreamed' in funding instruments in the areas of research, cohesion policy, agriculture and rural development. Calls are also increasingly being made for 'climate and biodiversity proofing' of EU spending.<sup>9</sup> A key question in the current CAP debate is on how it should be greened, more than whether greening is necessary. The proposals for environmental and climate mainstreaming / proofing are another way of reinstating the integration principle in sectoral policy-making. However this needs to be underpinned by robust implementation mechanisms, capacity building and the active engagement of sectoral policy-makers and stakeholders. The 7EAP could well have a role to play in formulating and enforcing common

<sup>9</sup> Medarova-Bergstrom, K. et al. (2011) Mainstreaming the environment and climate change in the post-2013 EU budget. DEEP Paper 4, IEEP: Brussels.

approaches, instruments and tools for the mainstreaming / proofing of environment and climate change issues so as to ensure their operationalisation in practice.

#### **Box 7: Open questions for discussion**

1. Can the 7EAP establish a common approach to the integration of environmental concerns in other policy areas/funding instruments and how? What coordination and communication mechanisms should be in place?
2. How to promote ownership by sectoral policy-makers of the integration/mainstreaming agenda?
3. How can implementation at lower tiers of governance be ensured so as to tackle issues of administrative culture (divergent political preferences, norms and values), national regulatory frameworks and institutional capacity?

#### **Addressing financing issues**

The lack of sufficient investment both on the ground and in support functions is a major reason behind some of the shortcomings in implementation of EU environmental legislation. Public expenditure through the EU budget, albeit relatively small in size, remains an important source of financing for environmental action. As noted in the indicative roadmap, the 7EAP is to serve as a reference point to help Member States implement various elements of the **next MFF**. Although the 7EAP may be too late to influence the individual financial Regulations associated with the MFF, it could play a role in the future, for example:

- By providing a more detailed agenda for EU environmental policy than what is likely to be set out in the Common Strategic Framework (CSF), the 7EAP could, depending on when it is adopted, go some way to influence Member States' preparations of the Partnership Contracts (PCs) and the Operational Programmes (OPs) which are due to be adopted in 2013.
- The five funds (ERDF, ESF, CF, EAFRD and the EMFF) under the CSF will be subject to a performance framework where stock taking will take place in 2017 and 2019. Based on the 2019 review, a performance reserve will be awarded to the best performing Member States or funds may be suspended in case of a lack of progress. Therefore, a mid-term review of the 7EAP could potentially be linked to the review of the PC/OPs, helping to identify areas where the lack of financing has undermined the achievement of certain environmental objectives.

Further financial resources could be raised through a more thorough implementation of the **Polluter Pays Principle (PPP)** and to ensure that the right price is attributed to goods and services. A milestone in the application of the PPP in EU policy is the Water Framework Directive, although implementation of this provision to date has been slow. Moreover, several other resources and polluting activities remain under-priced, and there is scope for extending the PPP to a broader set of policies. Shifting part of the current national tax bases from labour to environmentally damaging activities, though **Environmental Tax Reform (ETR)** could bring about an improvement in both the environment (by properly pricing externalities) and the economy as a whole (e.g. by making the cost of labour cheaper and therefore encouraging employment). The reform and/or phasing out of **Environmentally Harmful Subsidies (EHS)** can also help to release additional financial resources, including for the environment. Following a significant increase in the use of environmental taxes in the 1990s among European countries, over the past decade, these levels have remained stable, and in some countries, decreased. Moreover, progress in phasing out EHS has been slow. Nevertheless, in the current economic and financial crisis ETR and EHS reform could play a significant role in the restructuring of EU finances and could be areas further elaborated in the 7EAP.

#### **Box 8: Open questions for discussion**

1. What is the role of the 7EAP in providing a framework to secure adequate funding for environmental action through the 2014-2020 MFF and beyond?
2. Is there scope and appetite for additional ETR in EU Member States, and how could be further encouraged in the context of the 7EAP?
3. What role can the 7EAP play in phasing out EHS?

#### **Measuring and communicating progress**

In the wider policy arena the question of measuring progress is highly topical. Several initiatives, including the Commission's 'Beyond GDP' initiative and the 'Stiglitz-Sen-Fitoussi Commission' have highlighted the limits of GDP as an indicator of economic and social progress. Adequate **indicators** can help to reveal key environmental issues, including resource scarcity, climate change impacts, biodiversity status and pressures. Although some sustainability indicators are taken into account in certain EU policies, they are not yet sufficiently influential and their informative value not fully appreciated by policy makers and the public. Thus, there is scope to further utilise such indicators in the policy-making process, not least with respect to the 7EAP's priorities. **Natural capital accounting systems** can help to improve understanding of the value of natural resources and the potential impacts of economic and social activity. Eurostat has been managing 'environmental accounts' for several years and with the adoption of the recent Regulation on European Environmental Economic Accounts (No 691/2011), Member States will have to regularly report data on air emissions, environmental related taxes by economic activity and economy-wide material flow from 2012. Such systems are not without costs but are potential building blocks of a new approach.

Communicating the goals and mechanisms of EU policy to a wider audience, including those most affected by it, remains important. A 7EAP could help to play this role if this consideration was built in from the beginning and some priority was given to presentation. This was not the case for the 6EAP and the challenge should not be underestimated. However the proliferation of strategies makes the need for a more enduring, accessible document all the more important.

#### **Box 9: Open questions for discussion**

1. How and with what frequency should progress of the 7EAP be monitored and communicated? Could there be different timeframes for different aspects of the 7EAP? Would it be possible to review and update certain sections of the 7EAP?
2. How can environmental and sustainability indicators be introduced in the 7EAP to measure and stimulate progress towards objectives? How can the 7EAP encourage the use of such indicators across different policy areas?