



# The future of EU environment policy: challenges & opportunities



A special report for the All-party  
Parliamentary Environment Group

by David Wilkinson, Claire Monkhouse & David Baldock  
Institute for European Environmental Policy





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### secretariat

45 Weymouth Street

London W1N 3LD

tel 0207 935 1689

fax 0207 486 3455

email [awilkes@apeg.co.uk](mailto:awilkes@apeg.co.uk)

### membership

#### & accounts

58 High Street

Steining BN44 3RD

tel 01903 817300

fax 01903 817310

email [jpriest@apeg.co.uk](mailto:jpriest@apeg.co.uk)

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# Executive summary

For the past 30 years, the EU has made a major contribution to the solution of cross-border, global and shared environmental challenges in Europe. As a result, environmental standards in the Member States are on the whole higher than they would have been with purely national measures. In the UK, it is generally accepted that over 80% of environmental legislation now originates from the Union.

But despite the rapid increase in the volume of EU environment legislation, significant environmental challenges persist and new ones are emerging. The EU's ten-year environment blueprint, the Sixth Environment Action Programme (6EAP), highlights a number of key environmental priorities to be addressed by 2012. These include:

## Climate change

Global temperature has increased by 1.2 degrees in Europe over the past 100 years, and the 1990s was the warmest decade for 150 years. The increasing number of extreme weather events and climate-related disasters has meant that associated economic losses more than doubled over the past two decades to around € 9bn per year. The EU-15 are committed under the Kyoto Protocol to reduce greenhouse gas emissions on 1990 levels by 8% by 2008-12, but projections to 2010 show a decrease of only 1-7% below 1990 levels - insufficient to meet the Kyoto target.

## Nature and biodiversity

Biodiversity has declined as a result of intensive agriculture, industrial pollution, unsustainable fishing, climate change and air pollution. Meeting the Johannesburg target of halting the decline in biodiversity by 2010 poses the biggest challenge for nature conservation in the next five years. The effective management and monitoring of the EU's Natura 2000 network of protected areas needs massive investment of an estimated € 6 billion per year. The EU's new Financial Perspective for 2007-2013 should reflect the funding needs of the Natura network.

## Environment, health and the quality of life

There is currently insufficient knowledge about the hazards of more than 100,000 'existing' chemicals, ie those placed on the market before 1981. These represent over 99% of the total volume of substances on the market today. Meanwhile, around 80% of EU citizens live in towns and cities, where poor air quality, noise, heavy traffic and neglect of the built environment lead to a lower quality of life and health problems. Cities also have a major impact on the environment through waste generation and the production and consumption of resources.

## Natural resources and wastes

As economies grow and standards of living rise, the demand for goods and services increases.

- Despite relative decoupling of resource use from economic growth, in absolute terms, material use still remains at unsustainably high levels. Municipal waste arisings are large and continue to grow, and landfill remains the dominant waste disposal method.
- Support for agriculture through the CAP still accounts for approximately 45% of the overall EU budget, while nutrient surplus from intensive agricultural production remains the dominant source of eutrophication of European fresh waters and nitrogen deposition on forests.
- Many fish stocks are outside safe biological limits, and some are in a critical state, but there is still critical overcapacity in the European fishing fleet. Meeting the WSSD target for fisheries stock recovery by 2015 will be a huge challenge.
- Around a third of Europe's population live in regions of high water stress, and water shortages continue to occur in parts of Southern Europe. Drinking water quality is still of concern, particularly in Eastern Europe, while 13% of Europe's coastal bathing waters and 36% of Europe's inland bathing beaches still do not meet (non-mandatory) guide values - even though the bathing water Directive was adopted almost 25 years ago.

Despite these major environmental problems, it is uncertain whether the EU's environment policy can live up to the challenge. This year, 2004, has been a major watershed, with the unprecedented enlargement of the EU; a new European Commission and European Parliament; and an increasing emphasis on the need to enhance Europe's economic competitiveness through delivering the 'Lisbon' targets. These - together with other on-going issues relating to environmental governance - all raise major challenges for the EU's environment policy. At the same time, however, they hold out a number of opportunities that need to be seized.

## Enlargement

The impact of enlargement on the EU's environmental policy cannot be overstated. The application of the environmental acquis in the new Member States will bring clear benefits. However, the accession of 10 new (and considerably poorer) Member States, has resulted overnight in a drop of EU output per head of 12.5%. The upward momentum in the EU's environment policy of the past 30 years is likely to slow; environmental measures could become less prescriptive, and possibly more differentiated by Member State. A multi-speed environment policy could develop. But at the same time, new opportunities for the UK and other 'old' Member States to influence policy development in the new Member States will arise through new forms of voluntary co-operation and shared policy learning such as the 'Open Method of Co-ordination'. However, this could also undermine the further development of EU legislation.

## **The Lisbon agenda**

In March 2000, European heads of government meeting in Lisbon committed the EU to become by 2010 'the most dynamic and competitive knowledge-based economy in the world'. The current mid-term review of the Lisbon strategy has highlighted Europe's disappointing performance over the past four years, in comparison with the US and rising Asian competitors, particularly China and India. A report by a high-level group chaired by Wim Kok has acknowledged the contribution that environmental technologies can make to growth and jobs, through 'win-win' approaches that offer less pollution, more efficient resource use, and the prospect of the 'first-mover' advantage for European companies. Much emphasis is placed on taking forward the EU's Environmental Technology Action Plan. The report also stresses, however, that safeguarding the environment should depend on growth and jobs – not (implicitly) the other way round.

## **Better Regulation**

Supporting the Lisbon Agenda, the Commission's 'Better Regulation' initiative seeks to enhance competitiveness through reducing the regulatory burdens on business and simplifying legislation. The Commission's new system of impact assessment for all its major proposals is an important element of this initiative. It has got off to a disappointing start, and there is a danger that it will continue to be dominated by concerns about short-term costs to competitiveness. The environmental policy community cannot avoid joining this debate, and more evidence – quantified if possible – needs to be collected in relation to the long-term economic benefits of environmental measures, and the costs of non-action. The Commission has proposed that Member States and the European Parliament should become more closely involved in developing the methodology of impact assessments. This is an opportunity which they should seize in order to reinforce consideration of wider sustainable development considerations.

## **New players**

The new Barroso Commission eventually took office in November 2004 after a rocky start. Politically, the Commission has moved to the right, but it is not yet clear what impact this will have on its priorities, for national differences will continue to matter at least as much as political colour. The Commission's five-year strategy is not expected until January 2005, but Barroso's priorities are likely to be dominated by taking forward the Lisbon agenda, and he intends to chair personally a new Commissioner Group on the subject. He has also appointed a Vice President (Gunter Verheugen) to chair a Commissioner Group on competitiveness, which will screen all Commission proposals from a competitiveness perspective. The appointment of the Greek former centre-right Minister Stavros Dimas as Environment Commissioner has been greeted by business organisations as 'good news for industry', and he lacks experience on environmental issues. But out-going environment Commissioner Margot Wallstrom was also underestimated when she first took office.

The balance of power between the Commission, the Council and the Parliament shifted in favour of MEPs after they secured unprecedented changes in the make-up of the new Barroso Commission. Henceforward, we are likely to see EP taking an even greater role in decision making, at a time when its powers would anyway be given a major boost if the new draft EU Constitution is agreed. The make-up of the Parliament remains much the same as in the previous term, with a majority of centre-right MEPs. The increased number of euro-sceptic MEPs, such as UKIP, are likely to support the anti-regulation movement, and be less proactive in terms of environmental legislation at the EU level.

## **Environmental governance**

The record of implementation by Member States of EU environmental legislation is getting worse, and is likely to deteriorate further with enlargement. There is a danger that poor implementation could be used as an excuse to abandon legislation as the EU's main environmental policy instrument. This would be a mistake, since its legislative powers differentiate the EU from other less-effective international organisations and conventions. However, the causes of poor implementation should be addressed directly. This will require the collection of more information about developments in Member States, and more resources. This could also offer national parliaments a new role.

The 'Cardiff Process' on integrating the environment into all EU sectoral policies has flagged. It needs to be revived, but made more concrete through identifying specific items of proposed 'sectoral' legislation which offer opportunities for securing environmental objectives, and through greening other EU strategies. Particular attention should be paid to the implementation by other Commission directorates-general of forthcoming 6EAP Thematic Strategies. The current review of the EU's Sustainable Development Strategy should result in a clearer statement, in a single document, of the EU's commitment to sustainable development. A formal Recommendation would help to involve the European Parliament in a process from which it has hitherto been excluded.

The whole weight of the EU's Sixth Environmental Action has been placed on an untried instrument – the 'Thematic Strategy' – of which seven are expected by mid-2005. There is a danger that their cross-sectoral, inter-DG and multi-level governance features could lead them to be sidelined. Given their importance, a special impetus is required to ensure their effective implementation. The forthcoming review of the EU Sustainable Development Strategy should ask the Commission and all Councils to indicate how they propose to take forward the relevant elements in the Thematic Strategies.

## **Parliament and public opinion**

Although a major challenge, the forthcoming referendums in at least eight Member States (including the UK) will provide an opportunity to present environmental policy as one area where success has been achieved at an EU level. The All-Party Parliamentary Environment Group might consider whether and how it could contribute to this debate.

The potential role of national parliamentarians in scrutinising and improving EU policy proposals has now been given wider recognition. Already, the newly elected European Parliament has invited national parliaments to contribute to its current review of the Lisbon Strategy – an opportunity that should be seized and built upon. A Declaration attached to the draft Constitutional Treaty would establish machinery for closer links between national Parliaments and EU institutions in developing EU legislation. This needs to be taken forward and made more concrete – with or without ratification of the Treaty.

# The future of EU environment policy: challenges and opportunities

## 1. Introduction

For the past 30 years, the EU's environmental policy has driven up environmental standards in the majority of its Member States, and in the wider Europe beyond. The number of items of EU environment legislation has increased rapidly, and in the UK, it is accepted that over 80% of environmental legislation now originates from the EU.

But the future of EU environmental policy is now at a crossroads. 2004 has seen the unprecedented enlargement of the Union with the accession of 10 new (and considerably poorer) Member States, resulting overnight in a drop of EU output per head of 12.5%. Enlargement has big implications for the future impetus, direction and effectiveness of EU environmental policy, and the development of more flexible environmental policy instruments.

At the same time, the current review of the Lisbon Strategy has highlighted Europe's poor economic performance compared with the US and Asia, and is likely to result in redoubled efforts to stimulate economic growth and job creation, possibly at the expense of environmental priorities. This trend is reinforced by the search for 'better regulation' and limits on the burdens placed on enterprise and competitiveness by EU and national legislation, especially in relation to the environment. But at the same time, a review and possible re-gearing of the EU's Sustainable Development Strategy will take place during 2005, with opportunities to ensure that the environment is given proper consideration alongside economic, social and employment issues.

Meanwhile, the debate continues on the draft Constitutional Treaty, the ratification of which depends on the outcome of forthcoming referenda in at least eight Member States, including in the UK. Although Treaty articles dealing with the environment have not been changed in any significant way, there are proposed shifts in the EU institutional balance, particularly in favour of the European Parliament. If the Constitutional Treaty is not ratified, EU policies for the 25 Member States will have to be developed through machinery which was barely adequate for 15, with implications for the pace of environmental policy development.

2004 also sees the installation of a new Commission under Commission President Barroso, and the development of a new five-year Commission strategy is expected early in 2005. At the same time, a new, bigger, and apparently more assertive European Parliament has taken office, keen to make full use of its powers and new mandate.

These are all major challenges, and it will be important to ensure that the considerable achievements of EU environment policy are safeguarded. But there are also new opportunities. For example, a Protocol to the Constitutional Treaty seeks to strengthen the contribution of national Parliaments – both singly and collectively - to the development of EU policies. And the UK Presidency of the Council in the second half of 2005 offers an unusually good opportunity to influence the EU's future agenda.

This paper tries to fulfil a number of tasks. After briefly reviewing the development of EU environment policy and its importance to the UK, it describes the key environmental issues currently facing the Union. The paper then goes on to examine the main political challenges presented by, for example, enlargement and the Lisbon Strategy, and the implications of recent institutional changes within the Union. Finally, the paper addresses a number of environmental 'governance' issues associated with the search for more effective EU environmental measures.

## 2. Setting the scene

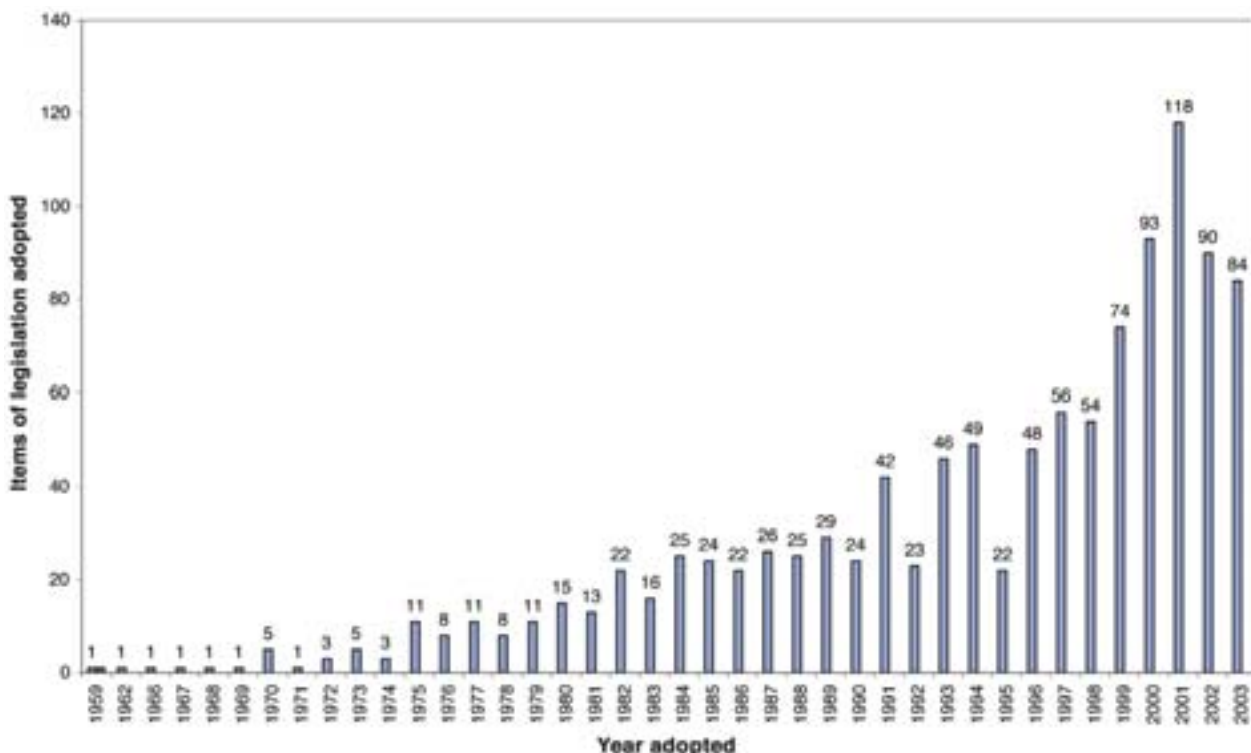
### 2.1 The importance of EU environment policy

The last three decades have witnessed an unprecedented growth in the adoption of EU policy relating to the environment (Figure 1), and it is estimated that over 80 per cent of UK environmental policy now originates from the EU. The importance of the EU to the UK has a number of dimensions:

- With the majority of environmental policy agreed at the EU level, environmental priorities are no longer under exclusively domestic control;
- The UK, as a Member State, must implement EU legislation or ultimately face fines for non-compliance;
- Environmental standards have been tightened in the UK through the introduction of, for example, quality standards for air and water, where none existed before;
- The UK has the opportunity to influence environmental policy throughout the whole of Europe due to its role in the EU institutions;
- Decision-making at EU level is arguably more transparent than in the UK, and stakeholders and NGOs can seek to influence it through a variety of institutional paths;
- The requirement to meet EU standards can strengthen the negotiating position of DEFRA in relation to other UK departments; and
- There is the opportunity for exchanging experience between Member States, through IMPEL (the implementation network), and the Environmental Policy Review Group of national Environment Directors.

Even though significant challenges remain, it is widely acknowledged that EU policy has successfully reduced some pressures on the environment, and has stimulated investment in more sustainable economic growth, for example through the development of 'greener' technologies. EU waste policy has resulted in higher levels of recycling and reuse; water policy has improved the quality of our drinking and bathing water; and regulation of industrial processes has improved the quality of the air that we breathe.

**Figure 1: Number of items of EU environmental legislation adopted each year, 1967-2003**



Source: IEEP (2004) *The Manual of Environmental Policy: the EU and Britain*, Maney Publishing.

### 2.2 The development of EU environment policy

The (then) European Economic Community (EEC) had nothing that could properly be described as an environmental policy until 1973. Earlier measures had instead been adopted with common market objectives in mind. However, following a declaration by the Community's Heads of State and Government in October 1972, an Environmental Action Programme was issued, which charted a wholly new course. It spelt out action that the Commission would propose to reduce pollution and nuisances; improve the natural and urban environments; deal with environmental problems caused by the depletion of certain natural resources; and promote awareness of environmental problems and education.

### Box 1: The Sixth Environment Action Programme

The Sixth Environment Action Programme (1600/2002/EC; 6EAP) provides a long-term perspective and framework for environmental policy to July 2012. It sets out the environmental priorities of the EU Sustainable Development Strategy (EU SDS), including the following four objectives:

1. Climate change: Long term objective of 70 percent reduction in greenhouse gas emissions;
2. Protecting, conserving, restoring and developing the functioning of natural systems, habitats, fauna and flora: Aim of halting loss of biodiversity and desertification;
3. Quality of life & social well-being: No harmful health effects from pollution & encouraging sustainable urban development; and
4. Greater resource efficiency and improved waste management.

These objectives are to be pursued by numerous means, including: new Community legislation; amendments to existing legislation; more effective implementation and enforcement of existing legislation; integration of environmental protection requirements into other Community policies (Cardiff process); other policy instruments such as tradeable permits, taxes and voluntary agreements; and encouraging eco-labelling, integrated product policy (IPP) and green public procurement.

At the heart of the Programme are seven 'Thematic Strategies', which are to be published by July 2005. These cover soil protection; protection of the marine environment; sustainable use of pesticides; air pollution (Clean Air for Europe, or 'CAFE'); urban environment; sustainable use of natural resources; and waste prevention and recycling. The Strategies will set the way forward in each of these policy areas. Their development has involved a high level of stakeholder participation through technical working groups, open meetings and advisory groups. Some, such as the strategy on waste, have also been subject to extended impact assessment.

The use of Thematic Strategies marks a different approach to previous environment action programmes, and it is still to be tested. Three years into the ten-year programme, we are yet to know exactly what it can deliver. A continued commitment to the Strategies will be required post 2005.

Since the first Environment Action Programme, five successive Programmes have been adopted (see box 1), and the environment has been embedded in the Treaties of the European Union. The 'Environment Title' was introduced by the 1987 Single European Act, which for the first time gave an explicit legal underpinning to the Community's environmental policy. Moreover, the objectives (now listed in Article 174) were very broad, enabling the Commission to propose legislation in areas where it had previously hesitated to venture, such as the protection of wildlife habitats, or the freedom of access to environmental information. These were to:

- preserve, protect and improve the quality of the environment;
- contribute towards protecting human health;
- ensure a prudent and rational utilization of natural resources; and
- promote measures to deal with regional or world environmental problems.

It also set out the principles on which Community environmental policy was to be based:

- the attainment of a high level of protection, taking account of regional variations across the Community;
- the precautionary principle;
- the polluter pays principle;
- prevention rather than remediation;
- environmental damage to be rectified at source.

Subsequent Treaty changes, agreed at two Intergovernmental Conferences (IGCs) in 1990/1 and 1996/7, have strengthened the Community's environmental policy considerably. The broad objectives, as now set out in Articles 174-176, provide the Community with legal competence to act in all areas of environmental policy. However, it is clear from the Treaty that this competence is not exclusive and that it is shared with the Member States. In practice, the scope of the Community's intervention in environmental policy is limited by the principle of 'subsidiarity', and the continuing requirement for unanimous voting in the Council in cases which are particularly sensitive, for example 'green' taxation, town and country planning and aspects of energy policy.

Action taken at EU level can only improve the environment in the Member States if the legislation is fully implemented. Implementation failures have been a growing problem, particularly in areas such as waste, water, nature conservation, air and environmental impact assessment (see section 6.1). There are 1,395 current cases of non-compliance in these sectors across the EU 15, and infringement proceedings against some of the new Member States are expected before the end of 2004.

During the 1990s, the emphasis of EU environmental policy has shifted. In the early stages, policy was focused on controlling pollution from point sources, through 'end of pipe' legislation. Over the past decade, however, the focus has moved towards tackling the underlying causes (or 'drivers') of environmental damage, particularly in key economic sectors like agriculture, transport or energy. This transition is reflected in Article 6 (Amsterdam, 1999), which states that 'Environmental protection requirements must be integrated into the definition and implementation of the (other) Community policies ...'. Article 6 has given rise to new approaches to environmental policy development, including the Cardiff Process; and the EU Sustainable Development Strategy (EU SDS).

The Sixth Environment Action Programme, adopted in 2002, is intended to be the environmental pillar of the EU SDS, and sets out four key environmental objectives for the period up to 2012 (see Box 1).

Despite these initiatives, over the past few years the drive to put the environment at the heart of all EU policies has flagged.

During the UK's last Presidency in 1998, the Cardiff Process was launched, which required the various sectoral Councils (dealing with agriculture, transport, fisheries etc) to develop their own strategies for integrating the environment into their activities. However, 'Cardiff' has been too dependent on the (variable) commitment of individual Presidencies. Deadlines for the review of a number of the Cardiff strategies have been missed, and there has been little response so far from Councils to establishing sector-specific targets for 'decoupling' growth from environmental damage or resource use. Meanwhile, the EU SDS has been overshadowed by the priority the Lisbon process gives to safeguarding the EU's industrial competitiveness in the short-term. The Commission's new impact assessment system, launched in 2003, has also had only mixed success, with limited attention being given to environmental, social and international impacts. There is also uncertainty over whether the Sixth EAP will deliver anything tangible, and how the seven Strategies will be implemented.

The move to a more integrated approach has also raised the challenge of how to develop a new culture of more coherent, 'joined-up' policy making, while at the same time ensuring that essential long-term environmental objectives are not sacrificed to the short-term demands of specific economic sectors. Environmental policy is no longer the exclusive responsibility of EU Environment Ministers alone, nor the Commission's Directorate-General for the Environment. Instead, responsibility for advancing environmental protection and sustainable development is shared with other sectoral Ministers and stakeholders, and with various levels of government. In addition, amid potentially confusing, high-level strategies, none of which with much visibility on the ground, securing the engagement of stakeholders or the wider public in the drive for environmental sustainability in the EU has been difficult.

### 3. Environmental challenges: why we need EU environment policy

Despite the growth in environmental policy over the last three decades, significant environmental challenges persist and new ones are emerging which require action. The Sixth Environment Action Programme (6EAP) identified four key environmental priorities over the lifetime of its ten-year framework (2002-2012):

1. Climate change
2. Nature and biodiversity
3. Environment and health and quality of life
4. Natural resources and wastes

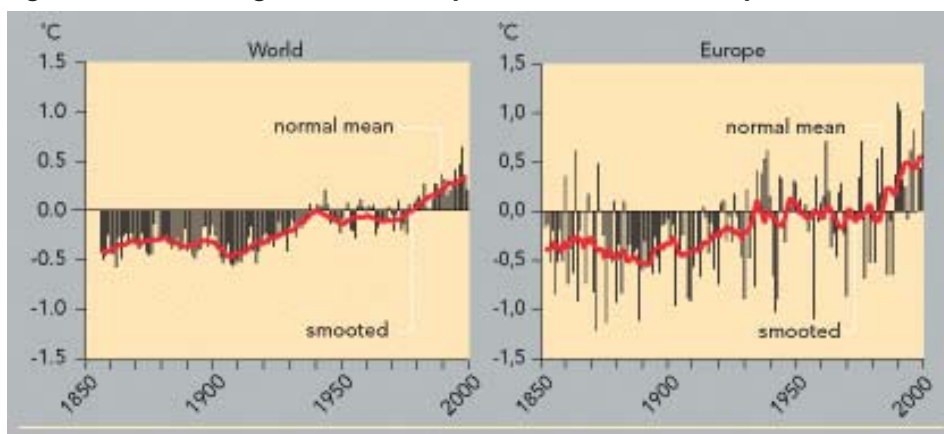
In addition to these key priorities, there are a number of other environmental challenges, for example, making agricultural and fisheries policy more sustainable, and improving the quality of EU waters. The main environmental issues faced by the EU are summarised in the sections below. Headline points on each issue are provided, together with any targets in place, and details of the current policy response.

#### 3.1 Climate change

- Global temperature has increased by 0.6 degrees (1.2 degrees in Europe) over the past 100 years, and the 1990s was the warmest decade for 150 years.
- Europe is warming up faster than the global average and the number of extreme weather events and climate related disasters, such as floods, storms, droughts and heat waves has increased. Economic losses from such events have more than doubled over the past two decades to around €9bn per year (EEA, 2004).
- There is growing evidence that current global warming is human-induced and is having widespread impacts.
- Transport contributes 23% to total CO<sub>2</sub> emissions in the EU-25, excluding shipping and air transport which are both growing significantly and are currently excluded from policy.
- The EU-15 are committed under the Kyoto Protocol to reduce GHG emissions on 1990 levels by 8% by 2008-12; the new EU-10 have reduction targets between 6 and 8%.
- In 2002 EU-15 GHG emissions were 2.9% below 1990 levels, and projections to 2010 show a decrease 1-7% below 1990 levels (EEA, 2003). This is insufficient to meet the Kyoto target.
- Renewables are an increasing share of EU energy, but the EU is not on target to achieve the 12% goal by 2010.
- The EU has a long-term target to restrict global temperature increases to a maximum of 2°C compared to pre-industrial levels.
- An EU emissions trading scheme will be operational from January 2005.

Figure 2: Observed global and European annual mean temperature deviations 1856-1999

Source: EEA



Climate Change, is *one of the greatest environmental and economic threats facing the planet* and a top policy priority. To help ensure Member States meet their targets, the European Commission has launched a number of measures under the European Climate Change Programme (2000). The primary policy is emissions trading, which covers industrial installations that together emit around 50% of EU CO<sub>2</sub> emissions; other policies target growth in combined heat and power, reduction in energy use from buildings, and others. The Commission is expected to produce a Communication on ECCP progress and future perspectives in the first quarter of 2005, and the Spring European Council will consider medium and longer term emission reduction strategies.

Currently, the EU faces a three-part agenda on climate change:

- finalise the short list of climate policies yet to be agreed;
- see the emissions trading system to a successful start on 1 January 2005;

- plan for the post-Kyoto period, discussing the options in Europe and taking a leadership role in international negotiations. These are scheduled to begin at the Conference of the Parties in Buenos Aires in December 2004.

The EU may suggest one of two main approaches to future action: something similar to Kyoto, where absolute reduction targets, based on scientific projections, are divided among countries on a negotiated basis. Alternatively, negotiations could avoid deciding emissions levels, but focus on harmonising effort and minimising costs. The former approach has environmental certainty as its main benefit, but costs are hard to predict, and experience with Kyoto shows reluctance among certain parties to be bound by the conditions. The latter approach is more flexible and may help hold costs down, but outcomes are uncertain, which could very possibly undermine the goal of avoiding serious warming. A number of approaches to increase the flexibility of the former are possible, such as fixed targets with a price cap, a combination of fixed and voluntary caps (particularly for developing countries), or targets based on global sectors (the cement industry, the steel industry, etc.) rather than on a country basis.

It may well be that the approach the EU proposes will include a combination of measures that is suited to the particular needs and abilities of individual Parties. Wealthier countries would take on absolute targets; countries with uncertain economic development or low ability to act would commit to measures or take on voluntary targets, etc. Most observers look to the EU and its Member States to see this is done successfully: Europe's leadership is an important driving force to avoid dangerous climate change.

### Box 2: Emissions Trading – the solution to our climate change commitments?

Emissions trading is often advocated as the principal instrument for delivering emissions reductions, in order to enable us to meet our climate change objectives. There is no doubt that it has an important role to play, and in the longer term it may be the most important instrument to reduce emissions. However, the scheme is still in its early stages of development, and we need to ensure that we do not over-rely on an instrument that is still in its infancy.

The EUETS, as established by Directive 2003/87, is the first international scheme to cover greenhouse gas (GHG) emissions, and will come into operation on 1 January 2005. It is one of the key instruments put in place at the European level to enable the Community to meet its Kyoto target of reducing emissions of GHGs by 8% on 1990 levels by 2008-12. The Directive sets out the characteristics of the emissions trading scheme, which applies to all activities listed in Annex I, including large power stations and refineries, and large factories that produce steel, cement, glass, ceramics and paper. Operators of such plants have to hold GHG emission permits and are allowed to emit up to a fixed allowance. In phase one (2005-07) it covers emissions of CO<sub>2</sub>, but in phase two, which is aligned with the Kyoto commitment period (2008-12), it could be expanded to include other GHGs and activities. Phase two will also run parallel with an international trading scheme.

In simple terms, the EUETS creates a market for carbon, within which obligated companies can either take individual action to reduce emissions to the level of their allocations, or trade in the market to purchase the allowances they need. These allowances are set out at the Member State level in National Allocation Plans (NAPs). The plans had to be submitted to the European Commission by the end of March 2004, stating the total quantity of allowances that were to be allocated for phase one, and how it proposed to allocate them.

The process of developing the individual National Allocation Plans was highly politicised, and characterised by a 'rush to the bottom', ie Member States setting allowance levels that were less challenging than those set out in other NAPs in efforts to protect competitiveness concerns. Consequently, observers have commented that phase one of the scheme will deliver little in terms of carbon savings. This is due to a general over allocation of allowances, resulting in a less liquid carbon market and a lower than expected price for carbon. There are calls for phase two NAPs to be set at a much stricter level (and indeed this will be necessary if phase one delivers little), and for the Commission to play a much stricter role when assessing the plans.

The experience with the development of NAPs illustrates the problems inherent where there is subsidiarity in setting the detail of a Directive. For an emissions trading market to work, it requires the price for carbon to be at a level where it will stimulate change. However, this can only be attained if allocations are strict enough EU wide – not just in one Member State. The next phase could usefully involve some informal cooperation between a group of Member States in developing NAPs and setting allocations. Clearly emissions trading cannot yet be relied on as the principal instrument, and therefore there is a need for complementary instruments at both the EU and national levels.

Strengthening the EUETS requires a more coordinated approach between the EU Member States, and the UK has a major role to play in this, particularly as it takes over the Presidencies of the EU and G8 in 2005. Similar concerns will inevitably be raised in relation to the international scheme. Together, these schemes will need to deliver the necessary reductions, and the EU will

Despite an increase in the use of renewable energy, actions taken at the EU and Member State level are not expected to be sufficient to meet the targets agreed (see Table 1). Targets have also been established for the promotion of biofuels in the transport sector. However, to meet the targets, it is estimated that 4-13% of the total agricultural land area in the EU-25 will need to be cultivated with biofuel crops.

**Table 1: Renewables in the EU-15**

	Present*	Projection 2010	Target 2010
(a) Share of renewable energy	6%	10%	12%
(b) Electricity consumption supplied by renewables	15%	18-19%	22%
(c) Biofuels in petrol and diesel-fuelled transport	0.6%	0.6%	5.75%
* 2002 for (a) and (b); 2002 for (c); Source: COM(2004)366			

The UK has already indicated that climate change will be one of its priorities when it holds the Presidency of the G8 (all year) and the EU (second half of the year) in 2005. This is likely to include pressing for the inclusion of aviation in the EUETS from 2008, and taking forward discussions on targets for post 2012. These targets and the emissions allocations for the second phase of trading will need to be more stringent if the EU is to meet its climate change objectives. However, even if the targets agreed at Kyoto are met, GHG emissions in the EU-25 will still only be a few percent below 1990 levels. To bring about a slowdown in global warming, more substantial reductions will be needed over the next few decades. In addition, action needs to be taken on responding to the effects of climate change, for example work that is developing on flooding (see 3.8). Even if warming is limited to less than 2°C, it is predicted that there would still be a major impact on certain regions, particularly in developing countries. The IPCC has outlined the key concerns for Europe as follows:

- Southern Europe will get drier, and precipitation in northern Europe will increase;
- The risk of flooding is likely to increase in most parts of Europe;
- Agricultural production is expected to increase in northern Europe, but decrease in southern and eastern Europe;
- Half of Europe's alpine glaciers could disappear by the end of the 21st century;
- Biotic zones will shift and the loss of wetlands, tundra and isolated habitats may threaten species;
- Tourist destinations, summer and winter, may change substantially.

### 3.2 Halting the loss of biodiversity

- According to DG Environment, 42% of Europe's native mammals, 15% of its birds, 45% of its butterflies and 45% of its reptiles are under threat.
- Biodiversity has declined as a result of a number of pressures on the environment, including intensive agriculture, industrial pollution, unsustainable fishing, climate change and deposition of air pollutants.
- A target to halt the decline in biodiversity loss by 2010 was agreed by world leaders at the WSSD
- A joint conference of the Irish Presidency and the European Commission in May 2004, held in Malahide, identified objectives and targets at the EU level towards meeting this goal.

In the EU, efforts are being made to halt the decline in biodiversity by 2010 – a target agreed at the Göteborg European Council and set out as a priority in the EU SDS. World leaders subsequently agreed at the 2002 WSSD to significantly reduce global biodiversity loss by 2010. Meeting the 2010 target poses the biggest challenge for nature conservation in the next five years.

Currently, there are two main strands to EU biodiversity policy: the establishment of a protected area network (Natura 2000) and the integration of nature conservation into other policy areas, such as agriculture, fisheries and industry. The Natura 2000 network is made up of protected sites designated under the 1992 habitats Directive and the 1979 birds Directive. It covers both terrestrial and marine habitats. The timetable for setting up Natura 2000 has slipped significantly since the Directive's adoption, and its completion is still some years off. Adequate funding is vital to ensure that designated sites are effectively maintained. This needs to be reflected in the new EU financial framework from 2007 and potential changes to structural, regional development and other funds (especially LIFE).

Efforts have begun to reduce environmental pressures. The mid term review of the Common Agricultural Policy (CAP) and the renewal of the Common Fisheries Policy are examples of this. The CAP could potentially be used to reduce biodiversity

#### Box 3: Funding Natura 2000

The Natura 2000 network now covers around 17 per cent of the territories of the old Member States - an area about the size of Germany. Implementation in the new Member States is underway, and when completed will make a sizeable contribution to the total area under protection. While considerable up-front investment has already been made, the management and monitoring of Natura 2000 will require significant and continuous investment, of around €6.1 billion per year (CEC, 2004).

The responsibility for implementing and delivering appropriate management of Natura 2000 sites lies with the Member States. However, Article 8 of the habitats Directive provides for EU co-financing measures essential for the maintenance or re-establishment at a favourable conservation status of priority habitat types and species. Funding is required for a broad range of measures, including land acquisition, site rehabilitation, compensatory/incentive payments for (land) managers, administrative costs, legal fees etc.

Following a 2002 report by the 'Markland Group', which set out the costs of managing Natura 2000 and the various options for meeting those costs, the Commission published a Communication on financing Natura 2000 in July 2004 (COM(2004)431). The document - a statement of intent rather than a formal EU policy position or a proposal for legislation - opted for the reliance on existing Community funds, rather than the establishment of a new separate funding mechanism. This approach will, the Commission argues, ensure that Natura 2000 is integrated into other business. It will also allow Member States to set their own priorities, reflecting amongst others the uneven 'burden' of the Natura 2000 network, and will avoid overlapping EU instruments and associated administrative burdens.

The Communication does not identify specific amounts of funding, nor does it suggest that any funds should be ringfenced. The failure to make these commitments came as a disappointment to those who had hoped for a clearer statement from the Commission that a proportion of the cost, or a proportion of the next EU budget, would be diverted to Natura 2000. Instead, actions relating to Natura 2000 are to be covered by the proposed European Agricultural Fund for Rural Development (EAFRD), the European Fisheries Fund (EFF) and the structural and cohesion fund proposals. The proposed new Financial Instrument for the Environment (LIFE+) is also, to a lesser extent, to provide some support for Natura, primarily in relation to networking of best practice, communication and public awareness raising. The current funding stream of LIFE-Nature will be discontinued. The suggestion that fewer rather than more nature funds will be available through LIFE+ is already attracting much criticism.

Discussions to date indicate that support for the Commission's approach to funding the Natura network will not be won easily amongst Member States and stakeholders. If the Commission's 'integrative' approach is to be followed, it is vital that negotiations on the package of funding proposals give due attention to funding Natura.

decline. However, the tools available such as cross compliance will need to be used effectively. In relation to fisheries and marine policy, recovery and management plans are a step in the right direction, and there is an active debate as to whether and how fishing should be limited within protected marine sites.

In addition, the European Commission is in the process of reviewing the 1998 EU Biodiversity Strategy and its four Biodiversity Action Plans (BAPs). A key milestone in this review was the May 2004 Malahide Conference, resulting in the 'Message from Malahide' which gave directions for actions to protect biodiversity in order to meet the 2010 target. The Environment Council acknowledged the 'Message' in June 2004, but its translation into 'hard' policy documents and practical change requires significant further attention. The Commission has indicated that a Communication is in preparation, setting out a roadmap to 2010.

Several of the 6EAP Thematic Strategies will also have a bearing on future EU biodiversity policy. The marine protection, pesticides and soil strategies are of particular importance. GMO regulation will also potentially impact on biodiversity. In the last two years, the EU has been addressing many aspects of the application, cultivation and marketing of GMOs, producing a series of measures concerned with the authorisation of new products, the acceptable level of contamination of non GMO seeds, the labelling of food and feed containing GMOs.

### 3.3 Creating a healthier environment & encouraging sustainable urban development

- Around 80% of EU citizens live in towns and cities. In many cities poor air quality, noise, heavy traffic and neglect of the built environment are common problems, leading to a lower quality of life and health problems.
- The Sixth Environment Action Programme identified environment and health one of its four objectives, with a specific aim of 'contributing to a high level of quality of life and social well being for citizens by providing an environment where the level of pollution does not give rise to harmful effects on human health and the environment, and by encouraging a sustainable urban development'.

The driver behind many EU policy initiatives is the need to protect human health and the environment. In June 2003 the European Commission adopted the Environment and Health Strategy. The Strategy set out a long-term approach to environment and health issues, with the ultimate goal of developing a 'cause-effect framework' to provide the necessary information for the development of sound policy addressing the sources and impact pathways of health stressors. The Strategy is to be implemented in cycles, the first of which is the Environment and Health Action Plan. Released in June 2004, this covers the period 2004-2010, and sets out actions focused around understanding the links between environmental factors and health problems, including improving information and its dissemination, filling knowledge gaps, reviewing policies and improving communication. There is an emphasis on respiratory diseases, neuro-developmental disorders, cancer and endocrine disrupting effects. An important element throughout the Action Plan is children's health, consistent with the Children's Environment and Health Action Plan for Europe (CEHAPE), adopted at the WHO Fourth Ministerial Conference on Environment and Health in Budapest (June 2004).

Air quality is recognised as an important factor in public health, particularly as a cause of respiratory illnesses. Improving air quality therefore remains a priority, and the Commission is developing the Clean Air for Europe (CAFE) Programme, as one of the seven Thematic Strategies of the 6EAP. CAFE has a number of objectives, including developing, collecting and validating scientific information concerning air pollution; supporting the implementation of legislation and developing new measures; and ensuring that measures in different sectors needed to achieve air quality objectives are taken in a cost-effective manner at the relevant policy level. The Commission also intends to develop work on improving indoor air quality.

Around 80 percent of EU citizens live in towns and cities. In many cities, poor air quality, noise, heavy traffic and neglect of the built environment are common problems, leading to a lower quality of life and health problems for inhabitants. Cities also have a major impact on the environment, for example through waste and the production and consumption of resources. Such issues are often addressed separately. However, the European Commission believes that more can be achieved by promoting an integrated approach that takes the specific needs of urban areas into account, and is therefore developing a Thematic Strategy on the Urban Environment to take this forward (see section 6.4). The Strategy will focus on sustainable transport, urban management and sustainable construction and design. The Commission proposes to explore ways to improve implementation of existing environmental policy in urban areas, and Member States may be encouraged to adopt national or regional urban strategies.

### 3.4 Chemicals and pesticides

- The production, use and disposal of chemicals and of products containing hazardous substances have been linked to a wide range of environmental and health problems. For example, reproductive disorders in birds and animals have been linked with exposure to dangerous chemicals; and research has linked chemicals to a number of human health impacts, including respiratory and bladder cancers, leukaemia, skin and eye disorders and others.
- There is currently insufficient knowledge about the hazardous properties of more than 100,000 'existing' substances, ie those placed on the market before 1981, representing over 99% of the total volume of substances on the market today.
- There is a commitment in the 6EAP that by 2020 chemicals should be produced and used only in ways that do not lead to significant negative impacts on the environment and human health; and that chemicals that are dangerous should be substituted.

The Commission's proposed Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) aims to ensure that manufacturers, importers and downstream users make information available about the properties of chemicals placed on the market, and assess risks of their use. REACH includes a strict regime for testing, risk assessment and management, and provides for the creation of a European Chemicals Agency for registration, evaluation and data sharing. The 'burden of proof' will shift from public authorities to industry. Currently authorities need to prove that a chemical substance is unsafe before imposing restrictions, whereas under REACH industry will have to prove that the chemical can be used safely, and how, before it is placed on the market. In addition, efforts are being made to reduce the need for animal testing, including

## Box 4: Balancing environmental and economic considerations - REACH

The proposed Regulation on the registration, evaluation, authorisation and restriction of chemicals (REACH) is one of the most controversial dossiers on the policy agenda at present. The drive for a new chemicals policy was initiated in the UK Presidency in 1998, following recognition that existing legislation does not fully address concerns over the links between chemicals and impacts on health and the environment. The most startling gap is that there is insufficient information available about the properties of more than 100,000 'existing' substances, ie those placed on the market before 1981, representing over 99 percent of the total volume of substances on the market today. Work has been ongoing since then and in October 2003 the European Commission released a proposal to overhaul the existing regime.

The Regulation would transform EU chemicals policy, replacing forty existing pieces of legislation. Its core elements include ensuring that data is available about the properties of all chemicals placed on the market, and shifting the burden of proof away from the authorities to industry. It includes a strict regime for testing, risk assessment and management, and provides for the creation of a European Chemicals Agency for registration, evaluation and data sharing.

The proposal is the subject of ongoing intense discussions, with health and environmental concerns balanced against the need to maintain the competitiveness of the European chemicals industry. The extended impact assessment, which accompanied the proposal, was criticised by many for its failure to fully consider the environmental and health benefits of the new regime, instead focusing on the economic costs and benefits. The direct costs to industry are estimated to be €2.3billion over an eleven-year period, including fees to the European Chemicals Agency of €0.3billion. This cost estimate was substantially reduced following changes made to the consultation texts, where the figure had been estimated at €12.6billion. Estimating costs to downstream users is more difficult. However, the Commission views that overall the total costs will be limited in macroeconomic terms.

More than a year on, the proposal has still not been to the European Parliament for its official first reading, and this is not expected to take place until March 2005. However a number of developments have been taking place. A second round of impact assessments has been launched, focusing on impacts throughout the supply chain; impacts on innovation; and impacts on the (then) accession countries. The decision to undertake this complimentary impact assessment work is considered to be a result of intense lobbying from industry. An ad hoc Working Party on Chemicals has been established to look at a number of areas of contention, including duty of care; information requirements; prioritisation; one substance/one registration; data sharing; interface with other legislation; and authorisation. Member States, including the UK, are carrying out their own impact assessments, and are heavily involved in discussions in the Council.

REACH will continue to stay high on the agenda for at least the next year – possibly being agreed during the UK Presidency. It is likely to undergo many changes before this stage is reached though, with some aiming to strengthen the environmental and health objectives of the dossier, and others trying to make it less burdensome on industry. Against a background where competitiveness concerns are paramount – Lisbon as a priority of the Commission and Parliament, new Commission groups on Competitiveness and Lisbon, Verheugen's role regarding competitiveness assessments, etc - it is unclear what the outcome will be. Agreeing a new chemicals regime that is workable and cost effective, whilst ensuring protection of the environment and human health, will be a major challenge.

requirements to share data on testing.

The proposal has been the subject of intense discussion and negotiation with health and environmental concerns balanced against the need to maintain the competitiveness of the European chemicals industry, which accounts for 8 per cent of EU manufacturing production and is one of the EU's most competitive and successful industries.

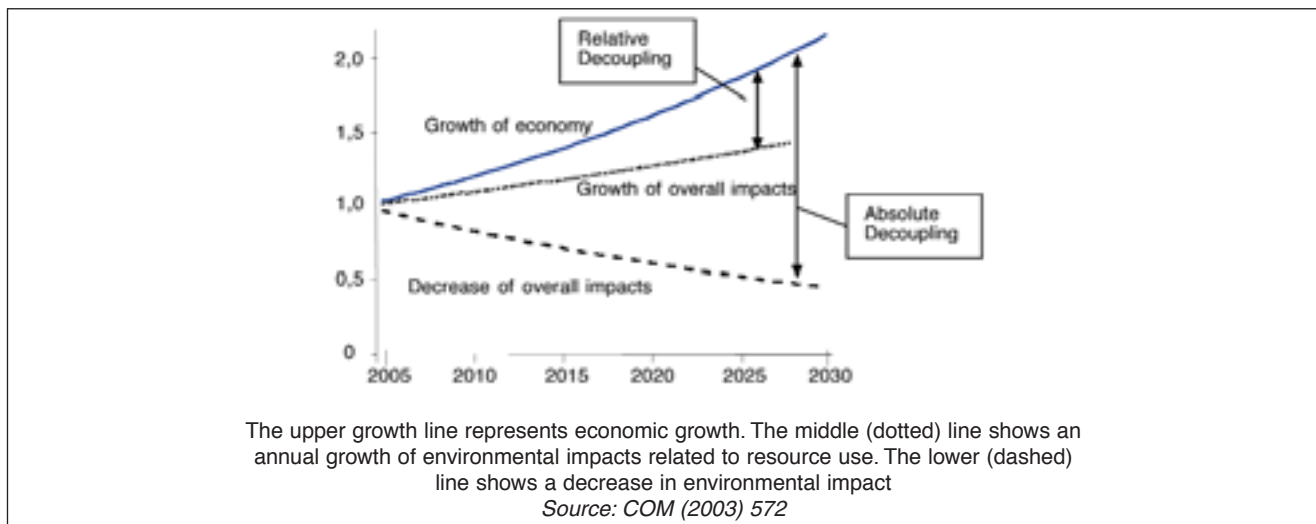
Unlike many other chemicals, pesticides are only authorised if they have been individually evaluated and if their authorised use will not lead to unacceptable effects on health or on the environment. However, the EU aims to move towards more sustainable use of pesticides and to substitute those that are persistent, bio-accumulative or toxic for less dangerous alternatives. This is being advanced through the forthcoming Thematic Strategy on Pesticides. The Strategy seeks to establish better research, monitoring and reporting systems; improve controls on the use and distribution of pesticides; and amend the Registration Directive. Good practice and reduced use is also to be encouraged, by mechanisms such as the cross compliance provisions arising from the recent CAP reform.

### 3.5 Improving resource efficiency & management of waste

- As economies grow and standards of living rise, the demand for goods and services increases.
- Despite relative decoupling of resource use from economic growth, in absolute terms, material use still remains at unsustainably high levels.
- Western economies increasingly import their raw materials, thereby shifting the environmental burden to other regions.
- Municipal waste arisings are large and continue to grow.
- Landfilling remains the dominant waste disposal method.
- In 2003, more than a fifth of open infringements against Member States regarding EU law were related to waste policy.
- At the WSSD a commitment was made to develop a 'ten-year framework of programmes' on Sustainable Consumption and Production.
- The 6EAP set the objective for 'better resource efficiency and resource and waste management to bring about more sustainable production and consumption patterns...'

As world economies continue to grow and standards of living rise, the demand for goods and services increases. Resource use has environmental impacts from the beginning of a product's life cycle, eg mineral extraction, during production, through its use phase, and at the end of its life when it becomes waste.

**Figure 3: Absolute and relative decoupling of environmental impact from economic growth**



Early policy measures have focused attention on particular waste streams or on waste treatment, for example hazardous waste, waste oils, incineration and landfilling. More recently, there has been a shift towards a more strategic approach to natural resource use and waste management. This is mainly being taken forward through the development of two Thematic Strategies: the Thematic Strategy on the Sustainable Use of Natural Resources; and the Thematic Strategy on the Prevention and Recycling of Waste. The former is a long-term strategy for 2005-2030, with the overall objective of reducing the environmental impact of resource use on the environment, and decoupling economic growth and environmental damage. It will include knowledge gathering, policy assessment, and policy integration, and is part of the EU response to the WSSD commitment on Sustainable Consumption and Production (SCP). The latter is to guide the development of waste policy until 2012. Some of the key issues are setting targets for prevention and recycling; moving to a materials approach to recycling targets; and establishing whether targets should be set at a Community level rather than being set for each Member State. Both strategies should be adopted by July 2005.

A key mechanism for delivering these strategies is Integrated Product Policy (IPP). Its aim is to reduce the environmental impacts from products throughout their lifecycle. It will supplement existing product-related policies by providing a wider lifecycle framework; and most importantly, strengthen the coordination and coherence between existing and future environment-related product policy instruments.

Developing environmental technologies will also be an important response to this challenge. The recently adopted Environmental Technologies Action Plan (ETAP) focuses primarily on soft measures and cooperation. It aims to harness the full potential of environmental technologies by removing existing obstacles to their development and uptake, ensuring the EU takes a leading role and mobilises all stakeholders in supporting the objectives, with the ultimate goal to reduce pressure on natural resources and stimulate economic growth. ETAP is seen as a 'win-win' initiative, combining environmental protection with opportunities for economic growth.

### 3.6 Sustainable agriculture

- Almost half of the EU-25's land area is in agricultural use, therefore agriculture plays a major role in shaping the landscape and has a major effect on biodiversity.
- 15-25% of the European countryside qualifies as farmland with a high nature value (HNV).
- The CAP accounts for approximately 45% of the overall EU budget. Approximately 10% of this is spent on rural development, about half of which is directed to agri-environment programmes and support to farmers in less favoured areas (LFAs).
- Nutrient surplus from intensive agricultural production is the dominant source of eutrophication of European fresh waters and nitrogen deposition on forests.
- The nitrogen surplus in the EU-15 is slowly decoupling from production, but there is less evidence of the same pattern for pesticide use.

The way in which farmland is managed in Europe has great environmental significance. Many of the key policies shaping farming decisions are made at an EU level. The CAP is the most obvious example but others include policies on pesticides authorisation and residues in food, the use of GMOs, and plans to protect soils on a European scale.

A major reform of the CAP was agreed in 2003, coming into effect in stages, some of the most important from January 2005. Most of the payments received by farmers directly from the CAP budget are being 'decoupled' from production – paid out provided farmers meet certain conditions. Farmland must be kept in 'Good Agricultural and Environmental Condition' and a number of EU Directives concerning the environment, food safety, animal welfare and other issues must be complied with under a system of cross-compliance. As this system is being put into place the CAP will remain under pressure from other countries through the WTO Doha Development Round.

At present reforms are pencilled in over the next two to three years on the support systems for sugar, fruit and vegetables, flax and hemp, and wine, and there will be continued debate on the future of milk quotas. Further changes may be proposed before 2007, for example because of WTO negotiations, the budget debate, the review of the rural development Regulation or the views of the next Commissioner for agriculture.

Of particular environmental concern is the part of the CAP which funds rural development, agri-environment and several forestry policies – the ‘second pillar’. A new policy framework and budget to come into effect by 2007 is under discussion. Amongst the questions on the table are:

- the scale of CAP funding available to rural development, with some Member States prepared to envisage considerable cuts;
- the allocation between Member States (the UK gets only 3.5 percent at present);
- the emphasis given to agri-environment and other green policy measures.

The future of the second pillar may still be on the table in July 2005 when the UK takes over the role as President of the Council of the EU, raising major questions about how environmental priorities can be delivered effectively within Europe in the rural development framework. As the 2003 reform is put into practice it will become clearer how farmers will react and the environmental impacts will need to be scrutinised to determine whether further adjustments are needed.

### 3.7 Fisheries and the marine environment

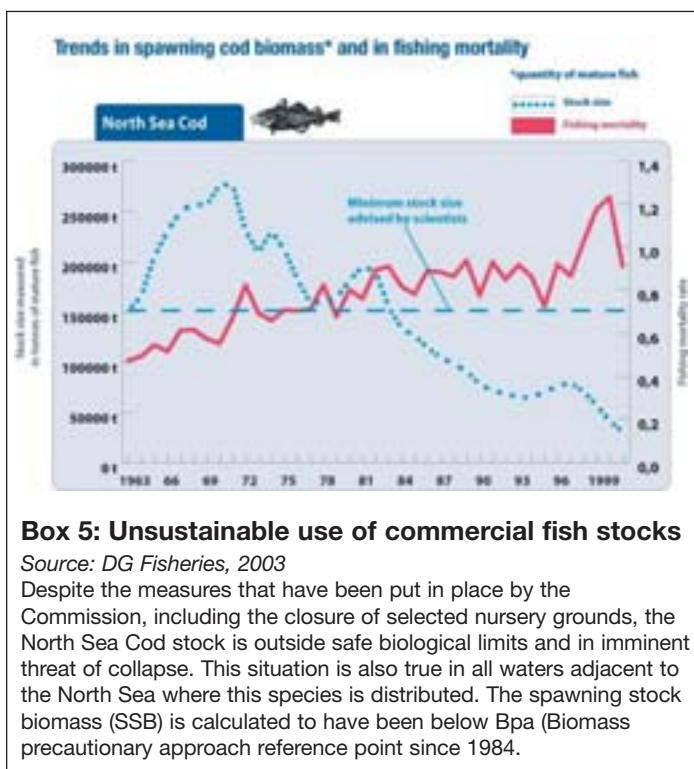
- Many fish stocks are now considered to be outside safe biological limits, and some are in a critical state.
- A complex set of driving forces has resulted in over exploitation of the capture fisheries of Europe, leading in turn to increased catches of compensating species.
- The EEA states that there is still ‘critical overcapacity’ in the European fishing fleet.
- A target was set at the WSSD for fisheries stock recovery by 2015

Many aspects of fisheries, whether of hunted wild stocks or fish farming, are environmentally sensitive and politically charged. The decline in EU fish stocks is a cause of serious concern in itself, while there is a wider EU fisheries ‘footprint’ from an increasing volume of imports and fishing in non-EU waters to meet the widening supply gap. Overfishing is integrally linked to sustainable development, and includes issues covering the exploitation of resources, decline in species and habitats, employment and social structures. This range of inter-linkages means that measures in relation to fishing, including the role of the Common Fisheries Policy, can be controversial. Fish farming is also an area of EU competence with a variety of discrete environmental impacts, such as chemical and biological pollution, degradation of habitats and dependence on wild stocks for feed.

European fisheries management is largely dealt with at Community level. The Common Fisheries Policy (CFP) provides the framework for EU and Member State activities. In December 2002 the CFP was renewed and now contains provisions for the application of the precautionary principle and an ecosystem-based approach to management. However, there are growing concerns amongst those in the fisheries community that what was achieved in the review may be lost, due to increasing pressure from a new coalition of Member States which is calling for subsidies and support measures for new fleet to be re-introduced. An environmental review of the CFP is expected in 2005.

The European Commission is also developing a Thematic Strategy on the protection of the marine environment (see section 6.4), with the overall aim ‘to promote sustainable use of the seas and conserve marine ecosystems’.

At an international level the EU has numerous bi- and multilateral agreements regarding fishing rights. In relation to fish stocks, the EU has signed up to the WSSD 2015 stock recovery target.



**Box 5: Unsustainable use of commercial fish stocks**

Source: DG Fisheries, 2003

Despite the measures that have been put in place by the Commission, including the closure of selected nursery grounds, the North Sea Cod stock is outside safe biological limits and in imminent threat of collapse. This situation is also true in all waters adjacent to the North Sea where this species is distributed. The spawning stock biomass (SSB) is calculated to have been below Bpa (Biomass precautionary approach reference point) since 1984.

### 3.8 Water

- Water resources in many areas of Europe are under threat from a range of human activities. Around a third of Europe’s population live in regions that experience high water stress, and water shortages continue to occur in parts of Southern Europe.
- No progress has been made in reducing the concentration of nitrates in Europe’s rivers
- Drinking water quality is still of concern, particularly in Eastern Europe.
- 13% of Europe’s coastal bathing waters and 36% of Europe’s inland bathing beaches still do not meet (non-mandatory) guide values even though the bathing water Directive was adopted almost 25 years ago.
- The water framework Directive requires all waters to meet ‘good status’ by 2015

Although there has been a lot of progress in management of water resources and water quality, significant problems still persist, and achieving high levels of quality for ground and surface waters remains a priority. At present, the water framework Directive (WFD) is the main driving force, requiring all waters to meet ‘good status’ by 2015. There are a number of

<b>Table 2</b>	<b>Deadlines under the Water Framework Directive</b>
2003	Transposition in national legislation; Identification of River Basin Districts and Authorities
2004	Characterisation of river basin: pressures, impacts and economic analysis
2006	Establishment of monitoring network; Start public consultation (at the latest)
2008	Present draft river basin management plan
2009	Finalise river basin management plan including programme of measures
2010	Introduce pricing policies
2012	Make operational programmes of measures
2015	Meet environmental objectives
2021	First management cycle ends
2027	Second management cycle ends, final deadline for meeting objectives

requirements set out in the Directive, including the need to have operational monitoring programmes in place by the end of 2006, and publishing River Basin Management Plans by the end of 2009 (see table 2). Implementation of the WFD represents a major challenge, even in Member States where policy on water protection is well established. Consequently, and considering that many European river basins cross administrative and territorial borders, Member States agreed to take a coordinated and cooperative approach, through the establishment of a 'Common Implementation Strategy'.

Although it is still early days, early indications show that many Member States will struggle to meet the deadlines set out in the Directive. Indeed, deadlines for transposing the Directive into national law were missed by a number of Member States, and in July the Commission launched infringement proceedings against Belgium, Finland, Germany, Italy, Luxembourg, the Netherlands, Portugal, Sweden and the UK. Reports also suggest that many waters in Member States, including the UK, are currently below 'good' status. Thus it will be a major challenge to meet the 2015 deadline in the Directive.

Another significant challenge is the concentration of nitrates in rivers and groundwaters. In 2000/1, rivers in 14 European countries (out of 24 with available information) exceeded the EU drinking water Directive's guide concentration for nitrates; and five exceeded the maximum allowable concentration. For groundwaters, although nitrate pollution appears to be stable at the European level, nearly a fifth of groundwater bodies showed increasing concentrations between 1992 and 2001.

Diffuse pollution from agriculture is the main source of nitrate pollution, contributing to eutrophication in coastal and marine waters and pollution of drinking water, particularly where groundwaters are contaminated. In England, for example, it is estimated that agriculture produces 70% of nitrate and 40% of phosphate water pollution. If farming becomes more intensive in the new Member States, as predicted, nitrate concentrations in surface and ground waters could increase.

In addition, the Commission has proposed revisions to the Directives on bathing water and groundwater, and work on flooding is increasing in importance, following the incidence of a number of major floods in the EU in recent years. The European Commission has published a Communication on flood risk management (COM(2004) 472), in which it proposes a 'concerted EU action programme for flood protection', including improving co-operation and coordination through the development of flood risk management plans for each river basin and coastal zone where there is a flood risk; developing and implementing flood risk maps; improving information exchange, sharing best practice, etc; improving coordination between relevant Community policies; and increasing public awareness and stakeholder participation.

## 4. The political context: key challenges to EU environment policy

### 4.1 Enlargement

The unprecedented accession of 10 new Member States in May 2004 is likely to have a major impact on the quality of Europe's environment, and the future development of the EU's environmental policy. The progressive adoption by the new Member States of the environmental *acquis* has already helped to clean up degraded environments in many parts of central and eastern Europe. Enlargement also offers new opportunities for mutual policy learning in relation to improving the effectiveness of environmental policy design and its implementation. In this regard it should be stressed that the learning will not be all one-way, for in some areas, the new Member States have more stringent standards than the EU 15. In Hungary, for example, proposed 'cross-compliance' conditions on CAP spending were criticised by the European Commission for being too strict.

It is not easy to anticipate precisely how the new Member States will choose to exercise their role in the Council of Ministers. They are all still fairly new to the Environment Council, and there are few signs yet they wish to take a proactive role – but this could change. It is also not yet clear what their main (individual) areas of interest will be. It is almost certain that they will not all have the same interests, nor will many of them wish to be associated forever with a group of 'laggard' countries in respect of environment policy.

However, simply absorbing the existing *acquis* is a major challenge for the new Member States. It has been estimated that the cost to the new EU 10 of applying existing EU environmental legislation is between €80-110 billion, and double this figure when operational and maintenance costs are included. Moreover, a major effort is needed in relation to capacity building and strengthening necessary administrative structures. Against this background, it is unlikely that the new Member States will wish to become environmental 'leaders'.

Voting arrangements in the Council of Ministers in the current EU (Nice) Treaty require 232 votes out of a total of 321 for a qualified majority. These must be cast by a simple majority (ie at least 13) of the Member States. Between them, the 10 new Member States account for 80 votes, so the addition of one of (say) Spain, Greece or Portugal would be enough to block new environmental legislation. And obtaining a simple majority of Member States will be more difficult given the large number of new Member States. Under the proposed Constitutional Treaty, 11 Member States can block a qualified majority, provided they represent 35% or more of the total EU population.

While accepting that the new Member States will by no means always vote as a bloc, the general trend seems clear: the impetus behind the continued strengthening of EU environmental policy over the past 30 years is likely to diminish. This means that EU environmental legislation could become less prescriptive, and legislation itself may give way to looser forms of voluntary co-operation such as the Open Method of Co-ordination (OMC – see section 6.3).

From the perspective of the old Member States, low tax and wage rates in the EU 10 are already attracting inward investment away from the EU 15. The Kok report (see section 4.2) describes this as 'likely to be a source of growing friction'. In addition, transition arrangements mean that, for example, in Poland, a number of key existing EU environmental Directives will not be fully implemented for some years (eg Integrated Pollution Prevention and Control, 2010; Landfill, 2012; Urban Waste Water Treatment, 2015). This unequal playing field means that some of the EU 15 are unlikely to welcome tougher EU environmental measures that increase their comparative industrial costs still further. Others, however, might seek to forge ahead under 'enhanced co-operation' arrangements, possibly leading for the first time to a multi-speed Europe in this area.

At the same time, there will be opportunities for the old Member States – including the UK – to support the EU 10 by pointing out how to avoid their own past mistakes, and by offering help in areas where they have particular expertise. This would be particularly useful in respect of advancing environmental integration across sectors, and in undertaking effective impact assessments.

#### Key Message

*The impact of enlargement on the EU's environmental policy cannot be overstated. There will be clear benefits from applying the environmental *acquis* to the new Member States, but the upward momentum of the past 30 years is likely to slow. EU environmental measures could well become less prescriptive, and - looking further ahead - possibly more differentiated by Member State. A multi-speed environment policy could develop. The link between environmental standards and European funding streams may become stronger. At the same time, new opportunities for the UK and other 'old' Member States to influence policy development in the EU 15+ will arise through new forms of co-operation such as the Open Method of Co-ordination.*

### 4.2 The Lisbon strategy

In March 2000, European heads of government meeting in Lisbon committed the EU to become by 2010 'the most dynamic and competitive knowledge-based economy in the world'. At the Gothenburg European Council in June the following year, the Lisbon strategy was 'completed' by adding to it an environmental dimension. A mid-term review of the Lisbon strategy is currently being prepared by the Commission. An important ingredient in this is the report, published in early November, of a High Level Group chaired by Wim Kok, former Dutch Prime Minister. The new Commission President Barroso has confirmed that the outcome of the review will be a major influence in setting the new Commission's five-year strategy.

The point of departure for the Kok report is Europe's disappointing performance over the past four years, in comparison with the US, and rising Asian competitors, particularly China and India. The report is focused mainly on the need to create wealth and jobs. However, it acknowledges the contribution that environmental technologies can make to this, and 'Environmental Sustainability' is one of five priorities in the report. The focus is on 'the vigorous promotion of win-win environmental economic strategies' through the development of eco-efficient technologies. These offer less pollution and more efficient resource use, while holding out the prospect of the 'first-mover' advantage for European companies. Much

## Box 6: 'Environmentally Sustainable Growth' - The Environmental Technology Action Plan

At the beginning of 2004 the European Commission adopted the Environmental Technology Action Plan (ETAP; COM(2004)38). The plan is just one example of a recent initiative offering the 'win-win' of both environmental and economic benefits.

The ETAP is a contribution to the EU Sustainable Development Strategy and to the Lisbon Strategy. It aims to harness the full potential of environmental technologies by removing existing barriers to their development and uptake, ensuring that the EU takes a leading role and mobilises all stakeholders in supporting the objectives. The ultimate goal is to reduce pressure on natural resources and stimulate economic growth.

The Plan contains 28 actions, of which 11 are chosen as priority actions for the Commission, national and regional governments, industry and other stakeholders to improve the development and uptake of environmental technologies. These priority actions are to:

1. Increase and better coordinate research.
2. Launch three technology platforms bringing together researchers, industry, financial institutions, decision-makers and other relevant stakeholders.
3. Establish European networks of testing and standardising.
4. Develop and agree performance targets for key products, processes and services.
5. Mobilise financial instruments to share investment risks.
6. Review state aid guidelines.
7. Review environmentally harmful subsidies.
8. Encourage procurement of environmental technologies.
9. Raise business and consumer awareness.
10. Provide targeted training.
11. Promote responsible investments in and use of environmental technologies in developing and economies in transition countries.

The plan does not set out any targets for actions or resources to be spent on taking the plan forward, however. Every two years, the Commission is to report on the implementation of the plan to the European Council and the European Parliament.

The plan is novel in that it introduces the use of the Open Method of Coordination (OMC) in the environmental policy field, which is normally characterised by the Community Method (CM). Where CM relies on setting 'hard' legally binding standards for achieving goals, the OMC involves 'softer' benchmarking, peer reviews, regular reporting, and the development by the Commission of voluntary guidelines for the Member States. The OMC is already being applied to the other two 'legs' of the EU Sustainable Development Strategy – ie economic and employment policies – but these are areas where (unlike in environment) Community competence is limited. From an environmental perspective, the concern is that there could be an increasing temptation to apply the OMC in place of environment legislation. In other words, one might see a gradual softening of EU environmental policy; a loss of transparency and certainty about the level of commitment by Member States; and about the final outcome.

emphasis is placed on taking forward the EU's Environmental Technology Action Plan (see Box 6). Taking forward the development of environmental technologies provides a major opportunity for environmental policy.

On the other hand, the focus on the potential of environmental technologies is to look only at the 'low-hanging fruit.' What the Kok report does not address explicitly are the situations where trade-offs between economic growth and environmental protection are unavoidable, as reflected in the conflicts over the Commission's REACH programme for the control of chemicals. The underlying theme throughout is that the three components of sustainable development in practice are not of equal importance - rather that growth and employment are preconditions for social and environmental protection. For example, the removal of environmentally-harmful subsidies and making prices reflect external costs needs to take account of 'other policy objectives such as competitiveness in the global economy and social aspects.' The report also includes no reference to the EU Sustainable Development Strategy.

### Key message

*The mid-term review of the Lisbon strategy offers new opportunities to take forward the development of cleaner environmental technologies. The challenge, however, is that the sharper focus on economic growth and employment, could lead to a downgrading of environmental priorities, and an eclipse of the EU's Sustainable Development Strategy.*

## 4.3 Better Regulation

A key element of the Prodi Commission's *European Governance* initiative has been the drive for 'Better Regulation' – that is, the simplification of legislation; the reduction of administrative burdens on business; and strengthening coherence between different policy objectives. The Better Regulation agenda has become a priority of the Dutch Presidency and has long-standing prominence in debates with some other Member States such as the UK. These Member States have increased the rhetoric of 'rolling back EU red tape' and have produced methodologies for assessing regulatory burdens. However, the calculation of the costs of environmental regulations in many cases does not stand up to rigorous analysis. The Dutch Trade and Finance ministries, for example, have surveyed Member States and determined that, of all items of EU environmental legislation, the IPPC Directive is unduly burdensome. The Dutch Environment Ministry, however, has not been able to support this. A Commission Communication is expected shortly setting out a common methodology for the measurement of administrative burdens, based on a number of pilot projects. Quantitative objectives for the reduction of administrative burdens on business in selected areas are expected at a later stage.

What is missing from these initiatives is equal attention to developing methodologies for quantifying the longer term environmental benefits of proposed legislation, and the costs of non-action in terms of damage to human health and, for

example, soil and water resources. Such asymmetrical quantification inevitably places environmental priorities at a disadvantage, and the challenge for the environmental policy community is to engage directly in the debate and develop reliable methodologies for computing their own figures on costs and benefits.

The operation of the Commission's new system of integrated impact assessment is discussed further in section 6.2.

### **Key Message**

*The Better Regulation initiative has come to be dominated by a concern to enhance competitiveness at the expense of other priorities, including the environment. Member States have been invited by the ECOFIN Council (21.10.04) to participate in the development and implementation of methodologies in relation to administrative burdens. This should be used as an opportunity to stress the need for equal attention to assessing environmental benefits as well as costs, and to address the need for adequate resources to support impact assessments.*

## **4.4 Integrating the Environment/Sustainable Development into other EU policies**

### **Integration**

Over the past decade, the emphasis of the EU's environmental policy has been shifting away from the use of legislation to control pollution from point sources, towards tackling the underlying causes (or 'drivers') of environmental damage, particularly in key economic sectors like agriculture, transport or energy. That is why Article 6 of the EU Treaty states that: "Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities...in particular with a view to promoting sustainable development."

During its last Presidency, in June 1998 the UK launched the 'Cardiff Process'. EU Heads of Government called upon all formations of the Council of Ministers to develop their own strategies for integrating the environment and sustainable development into their activities; to monitor and evaluate their success; and to report regularly on progress to meetings of the European Council. Nine Councils have so far responded. However, over the past few years the drive to put the environment at the heart of all EU policies has flagged. Moreover, other parallel EU strategies relating to environmental integration have also been developed since 1998, such as the EU's Sustainable Development Strategy, the commitments arising from the 2002 Johannesburg summit, and the 6EAP Thematic Strategies.

There is now a need to 'kick-start' the Cardiff process. This time, however, it should be made more concrete by identifying all forthcoming EU proposals across all relevant sectors where opportunities exist for taking forward the environmental objectives already enshrined in the EU SDS and the Johannesburg commitments. Moreover, rather than requiring individual Councils to revise their Cardiff strategies, a concerted effort needs to be made to 'green' other, existing EU strategic processes. These include the new Commission's Five Year Policy Strategy, and the forthcoming multi-annual Financial Perspective. The forthcoming 6EAP Thematic Strategies also provide a vehicle for advancing integration, but more work needs to be done on clarifying how they will be implemented, and who should do what.

### **EU Sustainable Development Strategy**

A review of the EU's Sustainable Development Strategy is currently underway, and is expected to be concluded during the UK's Presidency. Since its launch by the Gothenburg European Council in June 2001, the EU SDS has had an almost invisible public profile, and it is difficult to pinpoint its influence on EU policy development.

There are three main reasons for this. Firstly, it is unclear what the EU SDS actually is. There is the Commission's original proposal; the Gothenburg conclusions; and subsequent Council conclusions on the global dimension of sustainable development, agreed in preparation for the WSSD in 2002. At the WSSD, for which countries had committed to producing a national SDS, the EU was forced to deposit a collection of papers. This was confusing for everyone since, apart from there being several texts, the texts also mean different things to different EU institutions.

Secondly, the European Parliament has been excluded from the development of the EU SDS. Apart from being the institution that is closest to the European public, the Parliament is also increasingly acting as co-legislator, with powers of co-decision due to be extended further should the draft European Constitution win the approval of all 25 Member States. The failure to engage the Parliament in the development, approval and eventual implementation of the SDS, has almost certainly weakened the document at the EU level and perhaps contributed to its obscurity amongst the general public.

Finally, it is not clear how the EU SDS is supposed to link to the 'extended' Lisbon process, i.e. including the environment. There has been a serious lack of co-ordination between the two processes and confusion about their relative status. This lack of clarity adds to public confusion; makes consistent follow-up difficult; and makes monitoring and evaluation of Lisbon, in relation to sustainability, virtually impossible.

One desirable outcome of the review of the EU SDS might be a new, single document based on a formal Recommendation from the Council and the Parliament. This would simultaneously convey a vision and commitment to sustainable development, while securing the support and ownership of all three EU institutions.

### **Key message**

*The Cardiff Process on environmental integration has flagged. It needs to be revived, but made more concrete through identifying specific items of proposed legislation which offer opportunities for securing environmental objectives, and through greening other EU strategies. Particular attention should be paid to the implementation by other Commission directorates-general of forthcoming 6EAP Thematic Strategies. The EU Sustainable Development Strategy has had a very low public profile, and its influence on policy development is hard to discern. One desirable outcome of the current review of the EU SDS might be a new, single document based on a formal Recommendation from the Council and the Parliament. This would simultaneously convey a vision and commitment to sustainable development, while securing the support and ownership of all three EU institutions.*

## 5. The institutional context

### 5.1 The Barroso Commission

The new European Commission got off to a rocky start following the withdrawal by the Commission President, former Portuguese Prime Minister José Manuel Barroso, of his proposed new team. This was an attempt to avert a formal rejection of the entire Commission by the European Parliament. A majority of MEPs were enraged by the views of the proposed Justice and Home Affairs Commissioner, the Italian Rocco Buttiglione, on single mothers and homosexuals. Serious concerns were also raised about some other nominees. As a result, Buttiglione was replaced by Franco Frattini, and the Latvian Ingrid Udre was replaced by Andris Piebalgs, who takes over the energy portfolio. The Hungarian Laszlo Kovacs, who was initially nominated as energy Commissioner, was reshuffled to take over the Customs Union and Taxation portfolio. The revised team was endorsed by the European Council meeting of 4-5 November, and accepted by the European Parliament at its plenary on 18 November (see Annex B for full details).

This was an early, and unprecedented, demonstration of the Parliament's power vis a vis the Member States and the Commission President, and more of the same can be expected in the months and years to come.

The new Commission is different to its predecessor in three main ways: its political make-up, its level of experience, and its size. Politically, the Commission has moved to the right. Both the Prodi (1999-2004) and Santer (1994-1999) Commissions contained narrow left-of-centre majorities. It is not clear what impact this will have on the work of the Commission, for according to the Centre for European Reform, 'national differences will continue to matter at least as much as political colour'.

The new team is also more heavyweight. Nearly half of the Commissioners have occupied senior ministerial positions, such as Foreign or Finance minister, compared with less than a third of the Prodi Commission. Three have been Prime Ministers – Barroso, Vladimir Spidla and Siim Kallas. It is hoped that this higher profile will help to raise the Commission's political credibility with EU citizens. The demographics have changed little, however. The new Commission comprises seven women (two more than both previous Commissions), and the average age is roughly the same, at 53.5.

The third change, post enlargement, is the increase in the number of Commissioners from 20 to 25 – one from each Member State. (However, Commissioners are formally independent from their 'home' Member States). This change means that France, Germany, Italy, Spain and the UK each lose one Commissioner.

The UK's Peter Mandelson is the Commissioner for External Trade. A former Labour Minister and pro-European, Mandelson is likely to take a free market stance in trade issues. In his opening statement to the European Parliament hearing, he committed to following the principles and policies established by his predecessor, Pascal Lamy, in the drive for global prosperity and social justice through 'more open, rules-based trade', particularly through the use of multilateral agreements. He will also seek to reduce the scope for conflict between the regulatory approaches of the EU and the US, by forging closer cooperation. A number of civil society groups have expressed their concern about Mandelson's pro-corporate reputation. In a letter to President Barroso, they called for immediate action to curb the power of industry lobby groups over EU decision making, especially in relation to trade.

As a result of the enlarged Commission, Barroso has stated his intention to make better use of Commissioner Working Groups and Task Forces for cross-cutting and time limited priorities (see below).

The Barroso Commission is expected to demonstrate a more strategic, corporate approach than the outgoing Prodi Commission. The Commission's five-year strategy is not expected until January 2005, but Barroso's priorities are likely to be dominated by taking forward the Lisbon agenda, and he intends to chair personally a new Commissioner Group on the subject. He has also appointed a Vice President (Gunter Verheugen) to chair a Commissioner Group on competitiveness, which will screen all Commission proposals from a competitiveness perspective. Furthermore, in an attempt to facilitate closer working, all Commissioners are to be located in one building.

Former Environment Commissioner Margot Wallström remains in the Commission, but with a new portfolio: Institutional Relations and Communication. This can be regarded in two ways - negatively, as the loss to the environment of someone with high environmental credentials and a good track record; or positively, since she is a Vice President and Barroso's deputy. She could therefore help to champion sustainable development considerations within the Commission, in the European Parliament, and among the wider public.

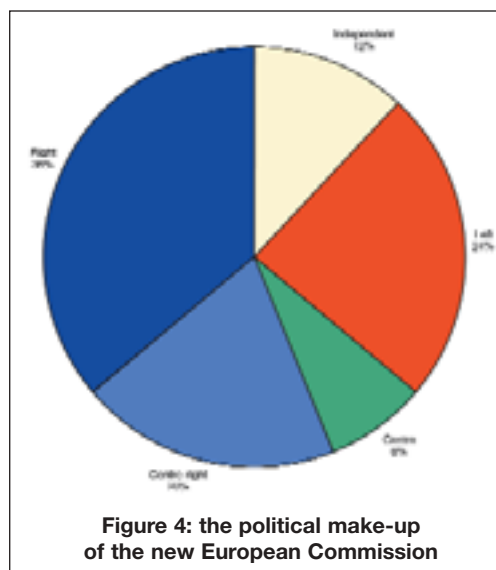


Figure 4: the political make-up of the new European Commission

#### Box 7: A new role for the out-going Environment Commissioner

As one of the most experienced and well regarded of Commissioners, Margot Wallström is to act as Barroso's deputy, and holds the position of Vice President, in addition to her role as Commissioner for Institutional Relations and Communication. Her remit includes: communicating to Member States about the Constitution during the ratification period; responsibility for relations with the EU institutions; coordination of Commission positions in European Parliament and Council through a new working group on Institutional Relations; strengthening relations with national Parliaments, and through them communicating messages to Member States; representing the Commission on the General Affairs Council in Barroso's absence; responsibility for the DG on Press and Communication; and chairing a Commissioners' group on communication and programming.



European Community 2004

## Box 8: Günter Verheugen – Enterprise and Industry portfolio

Günter Verheugen is the new Commissioner for Enterprise and Industry. As the former Enlargement Commissioner, he was responsible in 2004 for steering the largest expansion of the EU in its history. A German social democrat, he has had a long domestic political career, although his portfolios have focused on foreign affairs rather than economic matters. However, his views of a unified Europe, and his in-depth understanding of the ten new Member States, will no doubt prove valuable in an area of policy often plagued by national interests.

At his European Parliament hearing he made a positive impact. He stressed the need to consolidate and strengthen the European economic base by giving a new impetus to the Lisbon process, an important element of which would be better coordination of Community policies. He also undertook to apply a 'competitiveness test' for all legislative proposals, as well as aiming to make legislation more user friendly.

Verheugen stated that he viewed the economic, environmental and social pillars of sustainable development as equal and fundamentally linked. This is reassuring given his Lisbon remit, and his involvement in a number of 'environmental' dossiers, such as REACH. On this, he underlined the environmental need for the Regulation, and said that he would be open to proposals to improve its cost efficiency and practicability, to reduce the impact on SMEs, as well as ways to strengthen the level of environmental protection.



European Community 2004

## The new Environment Commissioner – Stavros Dimas



European Community 2004

The former Greek Minister Stavros Dimas was briefly Commissioner for Employment and Social Affairs, having taken over the role following the resignation of Ms Anna Diamantopoulou in March 2004. During his seven-month tenure, his focus was on the Lisbon process and the importance of employment considerations in EU policy development. He also advocated the need to ensure implementation of legislation.

A lawyer and economist, Dimas has a political career stretching back to 1977, during which time he held leading posts in the Greek government, including Deputy Minister of Economic Coordination, Minister of Trade, Minister of Agriculture, and Minister of Industry, Energy and Technology. He comes from the governing centre-right New Democracy (ND) Party, which as the main opposition party regained power in the elections of March 2004. The party is a member of the European People's Party, the European Democrat Union, the International Democrat Union and the Christian Democrat International.

At his hearing with the European Parliament Committee on the Environment, Public Health and Food Safety, Dimas was said to have given a mixed performance, being unwilling to present more tangible plans for his term in office. Dimas outlined four key priorities for his agenda:

- In relation to climate change, implementing the EU's Kyoto commitments is the main priority, as is sustainable energy policy. Dimas wishes to consolidate the EU's international leadership role in matters of climate change and renewable energy use.
- On Biodiversity, his priorities were: the completion of Natura 2000; the integration of Natura 2000 financing needs into the Structural, Cohesion, Fisheries and Rural Development Funds; and the regulation of trade in tropical species and timber.
- As regards health and the environment, REACH is one of his top priorities as are access to clean water, waste management, and better implementation. The urban environment will also be high on the agenda.
- Dimas will also focus on the review of the EU's Sustainable Development Strategy and of the Lisbon Strategy. His keywords were 'sustainable consumption and production', and 'sustainable economic growth'.

Despite repeated assurances that he would be 'serious and resolute' in defending the environmental cause, his performance did not seem to impress many observers. UK MEP Chris Davis (Liberal) stated that Dimas did not strike him as a 'natural environmentalist', while Satu Hassi, Finnish Green MEP and Vice-President of the Environment Committee, said the hearing 'confirmed [his] fears that the new Commission intends to downgrade environmental protection'. The Left Group in Parliament (GUE/NGL) said they would not be supporting Mr Dimas' appointment. Conversely, business organisations described the hearing as 'good news for industry'. But as Environment Committee chair Karl-Heinz Florenz pointed out when commenting on Mr Dimas's lack of experience on environmental issues, out-going environment Commissioner Margot Wallström had also been underestimated when she first took office: 'We have to grant Mr Dimas the time to grow into such a complex portfolio' he concluded.

### Key message

*We can expect that the new Commission will view environment and sustainable development as a lower priority than economic growth. There will need to be greater efforts to ensure that the progress already made is not lost, and that the initiatives in development are not sidelined - particularly when so much is in the form of strategies, plans and programmes.*

## 5.2 The new European Parliament – flexing its political muscles?

The sixth term of office of the European Parliament began on 20 July 2004, following the elections which took place across Europe in mid June. The overall balance of the Parliament did not change significantly, with the centre-right European Peoples' Party (PPE-DE) retaining its majority. However, there was a rise in the success of euro-sceptic candidates with, for example, the UK Independence Party taking 12 seats based on its commitment for the UK to withdraw from the EU.

Spanish Socialist Josep Borrell was voted in as President for the first two and a half years of the five-year term. Despite his high-level political experience at the national level, having held the positions of Treasury Minister and Transport Minister, he has little experience at the EU level and was only elected as an MEP in June. Hans-Gert Poettering, leader of the EPP, should preside over the second half of the term. However, there is speculation that an alternative may be sought, following his support for the retention of Buttiglione in the new Commission.

The new Parliament has already flexed its political muscles by securing changes to the make-up of the new Commission. It is likely to follow this up by demanding significant changes to the Commission's proposed multiannual Financial Perspective for 2007-2013, which sets out the major headlines of the Union's spending priorities. Indeed, it may even block agreement altogether, in the hope that the EU's new Constitutional Treaty will be agreed. This would give MEPs an equal say with the Council over the Financial Perspective.

The new Parliament has also been swift to establish temporary committees to address major cross-cutting issues. This is a welcome development, for of all the EU institutions, the European Parliament has so far done the least to advance consideration of 'horizontal' issues, such as environmental integration and sustainable development questions. The first is a temporary committee on the Financial Perspective for 2007-2013, comprising representatives from all Parliament's committees covering 'spending' policies – including those of DG Environment. Chaired by Borrell himself, the committee is to define the European Parliament's political priorities for the future financial perspective both in legislative and budgetary terms. It is expected to report in the spring of 2005. The other temporary committee is to develop a position on the mid-term review of the Lisbon Strategy. It will prepare a recommendation for Parliament's resolution preceding the Spring summit, partly based on the outcome of a brain-storming exercise on the future of Lisbon with national parliaments (although it is not yet clear how this will be organised).

Such initiatives by the Parliament to handle cross-sectoral initiatives could develop further – particularly in respect of the review of the EU Sustainable Development Strategy.

## The Environment, Public Health and Food Safety Committee

The new Parliamentary term introduced changes to the existing Committee structure, and of the MEPs who act as Chairs and Vice Chairs. The Environment, Public Health and Food Safety Committee (EPHFS) is to be chaired by Karl-Heinz Florenz (EPP-ED, Germany). In addition there are three Vice Chairs: Johannes Blockland (IND/DEM, Netherlands), Satu Hassi (Verts/ALE, Finland) and Georgs Andrejevs (ALDE, Latvia).

Florenz has a great deal of experience on the Environment Committee. In particular, he played a leading role in 1995/6 in a joint Environment Committee/Budgets Committee initiative to green the EU's annual budget. This was particularly successful in relation to the Structural Funds, and resulted in a number of commitments from DG Regions set out in a Communication Cohesion Policy and the Environment COM(95) 509. This may indicate that he will take an equally proactive role on behalf of the Environment Committee in negotiations over the forthcoming Financial Perspective.

There are 63 Members of the Environment, Public Health and Food Committee, the political breakdown of which can be seen in table 3. Over a third of representatives, including Florenz, are politically centre-right. There are seven UK members of the committee, all of whom have previously been members or substitutes. Dr Caroline Jackson was chair of the committee during the Parliament's last term; and Chris Davies is leader of the UK Liberal Democrats group in the Parliament.

European People's Party	22
Party of European Socialists	16
Alliance of Liberals and Democrats for Europe	8
Greens/Free European Alliance	5
European United Left / Nordic Green Left	4
IND/DEM	4
Union for Europe of Nations Group	3
Non-attached	1

## UK Members of the Environment, Public Health and Food Safety Committee

1. Mr BOWIS, John, (PPE-DE) - PPE Group coordinator on environment
2. Mr CALLANAN, Martin (PPE-DE)
3. Mr DAVIES, Chris (ALDE)
4. Mrs EVANS, Jillian (Verts/ALE)
5. Mrs HONEYBALL, Mary (PSE)
6. Mrs JACKSON, Caroline F. (PPE-DE)
7. Mrs McAVAN, Linda (PSE)

Other Committees of relevance, together with their Chairs, are:

- Agriculture - Chair: Joseph Daub (EPP-DE, France)
- Fisheries - Chair: Philippe Morillon (ALDE, France)
- Regional Development - Chair: Gerardo Galeote (EPP-DE, Spain)

### **Key message**

*We are likely to see EP taking an even greater role in decision making. The make up of the Parliament remains much the same as in the previous term, with a majority of centre-right MEPs. There has, however, been a rise in euro-sceptic MEPs, such as UKIP, who are likely to support the anti-regulation movement, and be less proactive in terms of environmental legislation at the EU level.*

## **5.3 The draft Constitutional Treaty – Key Highlights**

The draft Constitution was adopted in June 2004 by EU Heads of Government, following more than two years of intense negotiations in the arena of the 'Convention on the Future of Europe'.

The debate focused on improving the institutional machinery, given the existing problems and the fact that this would be exacerbated in an enlarged union of 25. The policy chapters themselves were consequently not re-opened, as had been expected in the early stages. Therefore there is no change in the Environment Title, and no new Treaty basis for the EU SDS. Unanimous voting in the Council remains for the few environmental policy decisions where this presently applies (eg green taxes) making agreement even less likely with 25 Member States.

But in many areas the Constitutional Treaty marks a further step towards closer European integration. Key changes introduced by the Treaty include:

- Extension of the European Parliament's powers into agriculture – an area where it currently only has a consultation role. This means that the Parliament will have equal powers to the Council on some key agricultural decisions, but not on prices, custom duties, quotas and direct aids.
- A new President of the European Council will be appointed for up to five years to co-ordinate the work of a number of more streamlined Councils. A new EU foreign minister, supported by an EU diplomatic service, will also be established. Apart from the General Affairs Council, individual Councils will continue to be chaired by rotating EU Presidencies. It remains to be seen whether the Environment Council will survive in its present form, or be amalgamated with others.
- Simplified arrangements regarding 'enhanced co-operation', allowing a core group of Member States to push ahead with greater integration despite the veto of an individual Member State. Such a core group (or groups) can decide to take decisions by QMV in areas where the Treaty requires unanimity, such as VAT and green taxes.
- Extension of Qualified Majority Voting to about 50 new areas, and with new, different degrees of QMV. Unanimity is preserved for all taxation matters, foreign and security policy, and the existing 'reserved' areas of environment policy such as land-use planning and green taxes. What constitutes QMV has now been changed to a 'double majority' system – 55 percent of the Member States comprising at least 15 of them and representing at least 65 percent of the Union's population. A blocking minority must consist of a minimum of four Member States.

### **Key messages**

*Even if agreed, the Treaty would not affect some procedures until 2009 (because of transition periods). In the meantime, we can expect decision-making to be slower – not least due to the increased number of Member States involved in the negotiations and the addition of nine Community languages. New Member States are also less likely to want to agree to new legislation, at a time when they are still grappling with implementing the existing acquis.*

*There are a number of implications for environmental policy. Codecision is extended to some new areas of policy, such as aspects of the CAP; uncertainty over the role of the Environment Council, given the new role of the General Affairs Council; and the possibility of a 'two-speed Europe' in areas where unanimity will still be required.*

## **5.4 National referenda – challenge and opportunity?**

Before the Treaty can be ratified, referenda in at least eight Member States will all need to produce a 'Yes' verdict. The UK vote could possibly come in March 2006, and others are unlikely to be completed until sometime later in 2006. Convincing Euro-sceptic populations, eg in the UK, of the benefits of Europe will not be easy, and at the very least, attention will be diverted away from substantive policy issues for some time.

However, referenda will provide the opportunity for raising awareness of the issues among a public which is not well informed. And although the EU's environment policy is not directly affected by the Constitutional Treaty, its contribution is nevertheless likely to feature as one area where success has been achieved at an EU level. This is made all the more likely following the appointment of former Environment Commissioner Margot Wallström as the new Commissioner responsible for information and communication.

However, even if all referendums return a 'yes' vote, and all Member State parliaments ratify the Treaty, many of its provisions will not come into effect for some years afterwards – 2009 in the case of new Council voting arrangements, and 2014 in the case of changes to the size of the Commission. This means that for several years at least, the existing machinery and procedures of the Nice Treaty will have to cope with a Union of 25 Member States (or more). This is bound to slow up business, and is likely to depress standards in future new environmental legislation.

### **Key Messages**

*Although a major challenge, forthcoming referendums will provide an opportunity to present environmental policy as one area where success has been achieved at an EU level. The All-Party Parliamentary Environment Group might consider whether and how it could contribute to the debate.*

## 6. The right tools for the job?

### 6.1 Implementation of environmental legislation

The Member States' record in relation to implementing EU environmental legislation is poor, and the problem is likely to get worse as a result of enlargement. The latest Commission survey on implementation and enforcement (SEC(2004)1025) showed that environmental cases represented one third of all legal complaints by the Commission against national governments in 2003. There were 88 cases in which environmental Directives were not transposed on time; 118 cases in which Directives were not correctly transposed; and 95 cases in which Member States did not meet 'secondary' or derived obligations under the Directives. The survey also showed that up to the end of 2003, there were 21 actions against the UK, down from 35 in 2002.

One response to this has been to 'bow to the inevitable' and advocate a retreat from legislation in favour of looser, 'framework' Directives, or softer policy instruments such as the Open Method of Co-ordination (see below). However, what distinguishes the EU from other international organisations has been its ability to legislate – and as a result it has been rather more effective than most of them. To move away from legislation is to ask the EU to give up its most effective power.

Implementation is expected to be given greater attention by the new Commissioner Stavros Dimas. There is a range of causes for implementation failure, and he will need to address each of these individually. For example, despite the 'polluter pays principle' and the Treaty requirement that implementation is the responsibility of the Member States, the provision of EU financial support for the implementation of a wider range of EU measures is bound to rise up the EU's agenda. This could support the provision of both industrial and administrative infrastructure, and training and capacity building. There is also clearly scope for more mutual learning between Member States and the Commission about implementation problems and their solution. But this pre-supposes better information about how different Member States go about applying EU requirements (or not), which currently neither the Commission nor the European Parliament possesses. This should be a role for the European Environment Agency, but it could be expensive.

A further reform could be to establish complaint handling mechanisms in the Member States, to help relieve the burden on the Commission. This could offer a new role to parliamentary select committees in scrutinising the executive's performance in fulfilling EU obligations.

#### Box 9: Actions taken against the UK regarding environmental legislation (2003)

Actions taken against the UK included proceedings for non-conformity (9), non-communication (5) and bad application (7). Formal notices were received for having breached articles of the waste framework Directive, for failure to adopt the necessary measures to transpose Directive 1999/31/EC on the landfill of waste and Directive 200/35/EC on end-of-life vehicles. The UK was also taken to court by the Commission as a result of shortcomings in its national legislation implementing the habitats Directive; and was sent reasoned opinions for failure to designate waters under Directive 78/659/EEC, and to transpose Directive 1999/13/EC on the limitation of emissions of volatile organic compounds.

#### Key Message

*The worsening record of poor implementation should not be used as an excuse to abandon legislation as the main environmental policy instrument. Rather, the causes of poor implementation should be addressed directly. This will require more resources, but could offer national parliaments a new role.*

### 6.2 Impact Assessment

In a June 2002 Communication (COM(2001)726), the Commission established an internal system of integrated impact assessment for all its major proposals. This was designed to provide policy-makers with clear analysis, in advance, of the likely effects of Community measures, to enable them to improve the coherence between different policy priorities, and to identify win-win options - or failing that, to clarify exactly what trade-offs between competing objectives would have to be made. The new IA system brought together in a single integrated system a number of separate procedures for impact assessment. In particular, reflecting commitments in the EU's Sustainable Development Strategy, impact assessments were to address 'the full effects of a policy proposal' (including) 'estimates of its economic, environmental and social impacts inside and outside the EU' – effectively, a form of sustainability impact assessment (SIA).

All Commission proposals listed in the Commission's annual work programme are subject to a short, preliminary impact assessment, on the basis of which a limited number of initiatives with major economic, environmental or social implications are selected for an 'extended' impact assessment. So far, over 50 extended IAs have been undertaken by several Commission directorates-general. These are available from [www.europa.eu.int/comm/secretariat\\_general/impact/index\\_en.htm](http://www.europa.eu.int/comm/secretariat_general/impact/index_en.htm)

To begin with, the environmental policy community had high hopes for the new IA system, not least because it had subsumed and repealed the requirement for a specifically environmental appraisal of Commission proposals set out in a Declaration attached to the Treaty of Amsterdam. The IA system has also been regarded by the Commission as the major instrument for taking forward the EU's Sustainable Development Strategy (EU SDS). However, the diverse origins of the new IA system have meant that different Commission DGs have different perceptions of its principal purpose. Many consider that it should be taking forward the 'Better Regulation' and competitiveness agenda, rather than advancing environmental integration and sustainable development.

On a more technical level, several recent studies of the first year of the operation of the IA system have concluded that its results have been disappointing. The role of IA as a 'magic bullet' for taking forward the EU SDS has also been challenged

by research which indicates that to be effective, IA needs to operate alongside, and be supported by, other mechanisms for taking forward environmental policy integration.

### **Operation of the Commission's Impact Assessment system**

Guidelines from the Commission's Secretariat-General were issued to the rest of the Commission in 2003 in preparation for the launch of the IA system. However, it has not been clear which aspects of these Guidelines are mandatory, and which are discretionary, and none of the 2003 IAs follow them fully. In particular, the treatment of sustainable development issues in the Guidelines is brief and not easy to understand. The Guidelines also give the impression that impact assessment is a one-off event, rather than what should be an extended process involving stakeholders in every stage in the process of policy development.

The quality of the 2003 extended assessments has been uneven, and several of them have been poor. This partly reflects the circumstances of the first year of operation of the system, but other factors under the Commission's control have contributed. There has been no formal mechanism for ensuring quality control; resources for undertaking assessments, and for the provision of advice, guidance and training are limited; and there has been no institutional framework within which 'learning by doing' can take place in practice. There are no formal arrangements for involving Member States in impact assessments, even though it is often only Member States who are able to provide the Commission with national data, and details of likely implementation arrangements and their consequences. Approaches to stakeholder consultation have also varied widely between directorates-general. Generally, industrial interest groups have been more closely engaged than environmental or social groups, reflecting their considerably greater resources. Indeed, in relation to the Commission's REACH proposals on the control of chemicals, dissatisfied industry representatives have sought to re-open the impact assessment by commissioning a number of their own assessments highlighting the economic costs of the proposals. But despite the asymmetrical treatment of environmental as compared to economic impacts, pressure has mounted for the Commission to give even greater attention to the competitiveness impacts of its proposals. Such calls were made by the Spring European Council in March 2004; the Competitiveness Council in May; and the recommendations of the High-Level Group on Competitiveness and Growth in June (see below).

Given this momentum, DG Environment has no alternative but to engage in the competitiveness debate. What is needed is quantified evidence of environmental benefits that will appeal to non-environmental actors. For example, more research and analysis is needed on:

- the costs in terms of damage to human health, productivity, water resources etc of failing to tackle effectively polluting activities;
- the economic and employment contribution of eco-industries in the EU, which is as large as that of the chemicals industry;
- from a social perspective, the type of jobs provided by eco-industries are safer, cleaner and more attractive than those in other industrial sectors.

### **Content of Extended Impact Assessments**

In all of the extended IAs, the analysis of the policy problem to be addressed has tended to reflect the perspective of the responsible directorate-general, suggesting that inter-service consultation should be strengthened. Similarly, proposed policy options almost always fall within the competence of the responsible DG. Most IAs put forward between two and four options, but in four cases only one option is put forward.

The range of impacts assessed is limited, and falls well below the number proposed in the Commission's Guidelines. Little explicit attention has been given to issues of sustainable development, or to trade-offs between its different elements. Most attention is paid to economic impacts. The treatment of environmental and particularly social impacts is limited, and most impacts are discussed in qualitative terms. Where quantification has been attempted, it has focused on short-term economic costs rather than longer-term environmental or social benefits. Commission Guidelines on clarifying *ex post* monitoring and evaluation needs have also generally not been respected.

It is true that data limitations have restricted the consideration of many potential impacts, particularly environmental and social. A permanent infrastructure for more extensive data collection and analysis needs to be established to underpin the assessment system, but this cannot be done on a short-term, *ad hoc* basis in response to the needs of specific proposals.

### **Strengthening Impact Assessment?**

The Commission's Secretariat General has now proposed a number of steps to reform the IA system. These seek to address the competitiveness issue – but importantly, they also try to respond to some of the other weaknesses highlighted above.

Revised IA Guidelines are expected at the beginning of 2005. These are likely to include a 'refocused' list of economic impacts to be considered, which will give greater attention to issues affecting productivity, and therefore competitiveness. But at the same time more emphasis will be given to clarifying how the EU's sustainable development objectives should be reflected in assessments. The Secretariat-General is proposing no reduction in the range of environmental impacts that should be considered, including 'the environmental consequences of business activities'. However, a further Communication is expected shortly on developing a common methodology for measuring the administrative burdens of EU regulation, and this could be crucial in determining the final revision and balance of the Guidelines. The Commission and the Member States are also considering setting quantitative objectives for reducing administrative burdens on business.

On the crucial issue of resources, the Secretariat-General has made a commitment to make these available. This is particularly important since from 2005, all Commission proposals will be subject to the equivalent of an extended impact assessment, which will more than double the Commission's IA workload. At the same time, however, the principle of 'proportionate analysis' will be given greater emphasis, aimed at ensuring that only the most significant impacts are considered. If adequate resources are not forthcoming, there is a danger that the proportionality principle will be used inappropriately to limit consideration of those impacts that are most difficult to assess – including the calculation of long-term environmental benefits.

Member States and the European Parliament will be invited to complement the Commission's IA procedure by undertaking assessments of the consequences of their proposed amendments to Commission proposals. The UK Government already undertakes Regulatory Impact Assessments of Commission proposals from a UK perspective, and these could be usefully extended to address the implications of amendments supported by the UK Government. In the spirit of strengthening the involvement of national parliaments in the development of EU policies (see section 6.5), these extended RIAs should be included in the Explanatory Memoranda presented to the UK Parliament.

### **Key Messages**

- *Impact assessment is not just a technical exercise. It also provides an arena within which conflicting political priorities can compete, and there is a danger that the Commission's IA system will come to be dominated by concerns about short-term costs to competitiveness. The environmental policy community cannot avoid this debate, and more evidence – quantified if possible – needs to be collected in relation to the long-term economic benefits of environmental measures, and the costs of non-action.*
- *Despite Commission reservations, Member States and the European Parliament have been offered an opportunity to become more closely involved in impact assessments, which they should seize in order to reinforce consideration of wider sustainable development considerations.*
- *Within the Commission, what is needed is high-level political support, greater resources, and a robust system of quality control.*

## **6.3 The Open Method of Co-ordination (OMC)**

The Open Method of Co-ordination (OMC) is a non-legal policy instrument aimed at co-ordinating the policies of the Member States between themselves and with the EU. It has been used in those policy domains where direct Community competence is limited, such as national economic policy; employment and training policies; the Lisbon process; health; social inclusion and pensions. It therefore contrasts with the 'Community method' ie the development of legislation through negotiations between the EU institutions.

The principal features of OMC include (voluntary) EU guidelines; reporting by Member States on their performance; benchmarking, identification of good practice and peer review by Member States; and 'naming, shaming and faming' by the Commission. The precise mix differs between policy domains.

The EU shares competence with the Member States on environment policy, and there is a considerable corpus of environmental legislation. However, the environmental themes which have recently risen on the EU's agenda are cross-sectoral, and include areas where EU competence is limited (eg urban policy, soil, sustainable development strategies etc). Moreover, enlargement has increased calls for more flexible policy instruments than legislation. DG Environment has called for an investigation of the possible use of OMC for environment policy. It is to be used to advance the Environmental Technology Action Plan (ETAP), and the Urban Thematic Strategy.

These suggestions are controversial for a number of reasons:

- Will OMC be increasingly regarded as an alternative to legislation, making EU environment policy 'softer' and less effective?
- Is it a means to exclude EU institutions such as the European Parliament, and reduce stakeholder involvement?
- In practice, how effective has it been in other policy domains – eg the Stability Pact?
- More positively, could it be used where EU legislation is blocked (eg by the need for unanimity in relation to green taxes)? Could it be used as a means to develop future EU legislation on a step-by-step basis?

### **Key Message**

*The introduction of OMC for aspects of environment policy is high on the Commission's agenda. This could undermine the further development of EU environmental legislation. On the other hand it could provide a much-needed opportunity for shared policy learning among Member States and with the Commission.*

## **6.4 6EAP Thematic Strategies**

A major innovation of the Sixth Environment Action Programme is the development of seven 'Thematic Strategies' which are due to be finalised by July 2005. Focused on environmental issues and problems, rather than sectors, they cover:

- Air quality
- Marine environment
- Urban environment
- Soils
- Pesticides
- Waste and recycling
- Management of natural resources.

The thematic strategies represent a radically new approach to policy development – but they raise difficult issues of horizontal integration (between sectors) and vertical integration (between levels of government). Accordingly, they have been developed through a network of working groups involving a range of Commission DGs and stakeholders. What has not been

## Box 10: Thematic strategy on the marine environment - issues of multi-level governance

The Marine Thematic Strategy has the overall aim "to promote sustainable use of the seas and conserve marine ecosystems" (COM(2002)539). However, a particular challenge in relation to the marine environment is the very large number of organisations, regional conventions and international bodies which are concerned with its protection. In addition, the EU itself has an extensive body of legislation, policies and programmes, directly or indirectly impacting on the quality of oceans and seas, which are the responsibility of many different Commission DGs. Such fractured responsibility can lead to different assessments in the need to control environmental threats; a lack of coherence in policy responses; disputes over matters of competence; differing Member State positions in different fora; and the duplication of efforts and consequent waste of resources. The Thematic Strategy will somehow need to bring more coherence to these varying responses.

A first stakeholder conference was held during the Danish Presidency in Koge in December 2002. Subsequently, a mechanism was set up for consulting national authorities and stakeholders and to coordinate with regional and international bodies involved in marine protection. This involved the creation of four working groups under the overall guidance of the EU Water Directors:

- Strategic Goals and Objectives (SGO)
- Ecosystem Approach to Management of Human Activities (EAM)
- European Marine Monitoring and Assessment (EMMA)
- Hazardous Substances (HS).

Participation has been sought from 34 countries (the Member States, candidate countries and European Economic Area (EEA) States) as well as from 30 governmental and non-governmental organisations (the European Parliament, regional and international organisations engaged in different sectoral aspects of the marine environment such as the OSPAR Commission, ICES and IMO, and environmental non-governmental organisations and different sectoral industry associations). A second stakeholder conference took place in Rotterdam in November 2004.

DG ENV is currently working on a package of documents to be submitted to the Council before March 2005. This consists of a Communication to the Council and Parliament and a proposal for a EU framework law with guidelines on how to implement it on a regional level by applying an ecosystem approach. The planned marine Directive would have two essential components. The first, the Policy Part would set out a common approach. It would define the vision, the principles, the strategic goals and the properties sought through the implementation of an ecosystem approach. The second, the Regional Part is to set out how regional conservation and management plans are to be developed.

A large number of policies and agreements impact on marine and maritime issues. Most are organised in a sectoral way. At the international level the EU and its Member States are parties to several marine conventions such as OSPAR or HELCOM, which are not mandated to deal with fisheries matters while Regional Fisheries Management Organisations are often limited to fisheries management.

Similar issues arise at an intra-Community level. Member States have several competences relating to the marine environment and maritime affairs. Regional Advisory Committees (RACs), which are to be stakeholder driven, will focus on fisheries matters and are not designed to deal with other matters.

The strategy does not propose means to develop a fully coherent maritime policy covering all uses of the marine environment. This would require a new governance approach. The new Commission plans to launch a wide consultation on a future maritime policy. This process should ultimately lead to a Green Paper on Maritime Affairs. The ultimate aim is a coherent policy framework to combine the work already done and to be done by various services that respond to different Commissioners (such as environment, enterprise, fisheries, transport, research etc) within or related to the field of Maritime Affairs. The adoption of a Directive might also mean that the Community takes on the external competence to negotiate and take on obligations, which fall in its area. Several Member States including the UK, have already expressed their concerns about this.

addressed so far is how such strategies are to be implemented, given the range of interested actors. Only in the case of the urban strategy has this been considered – in this case, implementation will be through OMC, itself an unknown quantity. By contrast, the implementation of the Marine Thematic Strategy involves multiple levels of governance, especially international environmental agreements.

### Key Message

*The whole weight of the EU's Sixth Environmental Action has been placed on the seven, much-awaited Thematic Strategies. There is a danger that their cross-sectoral, inter-DG and multi-level governance features could lead them to be sidelined. Given their importance, a special impetus is required to ensure their effective implementation. The forthcoming review of the EU SDS should ask the Commission and all Councils to indicate how they propose to take forward the relevant elements in the Thematic Strategies.*

## 6.5 Scrutiny by national Parliaments of EU proposals

A 'Protocol on the Role of national Parliaments in the EU' is attached to the EU's draft Constitution. It is intended to encourage greater involvement of Parliaments in the activities of the Union through:

- the direct and early provision to national Parliaments by the Commission and Council of EU documents;
- establishing a minimum six week period before EU documents are first considered by the Council to allow time for national Parliaments to respond;
- inviting Parliaments to screen EU proposals for their compliance with the requirements of subsidiarity;
- encouraging inter-Parliamentary co-operation and the exchange of good practice between national Parliaments and with the European Parliament.

This is the first time that the role of national Parliaments has been recognised explicitly in the Treaties. It would provide an important opportunity which both UK Houses should pursue. In particular, the House of Commons Environmental Audit Select Committee provides a good model for involving elected representatives in advancing environmental policy integration, and

## Box 11: The Urban Thematic Strategy – issues of subsidiarity

A Thematic Strategy on the Urban Environment was not among the list originally proposed by the Commission: it was added by the European Parliament during co-decision negotiations over the Decision establishing the Sixth Environment Action Programme.

The justification was that around 80 percent of EU citizens live in towns and cities, many of which suffer from poor air quality, noise, heavy traffic and neglect of the built environment. At present, many of these issues are addressed separately, for example legislation on noise management or air quality, and a more integrated approach is necessary.

However, concerns have been raised over the competence of the EU to bring forward legislation on urban planning, where powers reside with Member States. The UK in its response to the Commission consultation suggested that a legislative approach would contravene the principle of subsidiarity. This was supported by the Environment Council on 14 October 2004, which took the unprecedented move of suggesting the use of the Open Method of Coordination (OMC) to implement the strategy, and has requested that the Commission explore this option further.

Four priority areas were set out in the Commission's 'Towards a Thematic Strategy' Communication (COM(2004)60): sustainable transport; urban management; sustainable construction; sustainable urban design. Independent working groups have been established for each of these themes, with the objectives of: identifying 'best practice' and the 'vision' for what could realistically be achieved in the medium term; giving the reasons why not all urban areas in the EU are using these 'best practice' techniques; identifying what can be done to address and overcome the barriers and proposing specific measures and actions that can be taken at the European level; and identifying targets and indicators. Possible measures for each priority area include:

**Sustainable Urban Management** – Each town and city with a population of over 100,000 should develop an environmental management plan, which should include appropriate targets and be supported by an environmental management system. This has been criticised on the grounds of conflict with subsidiarity and the level of bureaucracy that would be involved.

**Sustainable Urban Transport** – These same towns and cities would be required to develop and implement a sustainable urban transport plan, again with appropriate targets.

**Sustainable Construction** – The Commission proposes to develop a common methodology for evaluating the sustainability of buildings, and to bring forward proposals for environmental performance requirements for buildings.

**Sustainable Urban Design** – Member States would be encouraged to ensure that their land use planning systems result in sustainable urban settlement patterns, supported by Commission guidelines on relevant areas, eg 'high density, mixed use' planning and the definition of brownfield and greenfield land. However, given that the Treaty requires that Member States agree unanimously on any Community measures for land use planning within their territories, this may prove difficult.

It remains to be seen how the Urban Thematic Strategy will be taken forward, not least whether this late hurdle will mean that its completion date is delayed. The use of OMC might involve only those Member States willing to participate, therefore resulting in a two-speed approach to the urban environment.

should be sold as an example of good practice – particularly to the European Parliament itself.

In the meantime, the new European Parliament has invited national Parliaments to contribute to a 'brain-storming' exercise on the future of the Lisbon Process. It is not clear how this will be administered, and the UK Parliament needs to consider how it might respond.

### Key Message

*The Protocol on the role of national Parliaments in the EU offers an important opportunity for the UK Parliament to take the initiative and strengthen the involvement of Member States' Parliaments in the further development of EU environmental policy.*

## 6.6 The role of presidencies: UK 2005

The Presidency of the Council of the EU currently rotates every six months, passing in turn to a different Member State. The chairmanship brings with it the responsibility to preside over all meetings of the Council and constituent working groups; represent the Council in its dealings with other institutions and bodies of the EU; and represent the EU externally in relations with non-EU countries, such as at the United Nations and the WTO. Though much of any Presidency's agenda is inherited, it does present a good opportunity to help set the EU agenda by advancing new issues that are of particular interest or importance, or injecting new life into existing processes and policy debates.

The UK will hold the Presidency of the EU from 1 July until 31 December 2005. Now is therefore an opportune time for thinking about what the UK should prioritise during its six-month tenure. The UK's overall priorities are coordinated by the Cabinet Office, in close consultation with government departments. Defra is developing ideas on what the UK's environmental priorities might be, and has carried out stakeholder consultation to inform this process. Research carried out in summer 2004 by IEEP and the Green Alliance showed support for the following issues to be prioritised: climate change; environmental integration – with a particular focus on agriculture; and Better Regulation. Defra ministers will be responsible for chairing both the Environment and the Agriculture and Fisheries Councils, and so will be in a unique position to seek to advance environmental integration in these areas.

Climate change has been singled out by the Prime Minister, who has stated that this will be a priority of both the EU Presidency and the G8, which the UK will chair throughout 2005. The G8 comprises some of world's leading economies, and though originally set up as a forum for economic and trade matters, its agenda has been broadened to include issues of significance to sustainability, such as development. The fact that these two major international roles coincide presents the opportunity to highlight issues of global concern, such as advancing commitments made at the World Summit on Sustainable

Development in 2002 on sustainable production and consumption, biodiversity and fish stocks. Making progress on the Doha development agenda and the Millennium Development goals may also be possible, with 'Africa' being the other priority outlined for the G8.

The UK has a good track record for championing the integration of environmental concerns into EU policies, and the Presidency will present an opportunity to breathe new life into the Cardiff process – but this time more concretely by requiring Councils to show how they can take forward existing environmental commitments in relevant Commission proposals. Integrating sustainable development more firmly into Better Regulation initiatives – in particular through impact assessments – is another area where the UK has something worthwhile to offer.

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## 7. Conclusions

Over the past thirty years, the bio-physical environment in the UK and Europe as a whole has clearly benefited from the EU's environmental policy. The EU has been able to contribute to the solution of cross-border, global and shared environmental challenges, and environmental standards in Europe are generally higher than they would have been with purely national measures. EU measures in the pipeline will further raise standards.

Against this background of achievement, the messages of this paper may appear gloomy. Section 3 has highlighted some of the major environmental problems that remain, which in some cases (such as waste, or emissions from transport) are getting worse. At the same time, the determination of the Commission and Member States to give environmental protection the priority it needs appears to be flagging in the face of Europe's declining competitiveness and the need to strengthen the Lisbon strategy. The accession of ten new Member States - whose major priority is to reduce the gap in GNP per head compared with the old Member States, while digesting the existing environmental *acquis* - may reinforce this tendency.

However, there are still many opportunities on the horizon that the environmental community needs to seize. The first step towards better environmental protection is to raise the awareness of politicians and the public about the nature of the environmental threats facing both Europe and the wider world, and the policy options on offer to address them. This paper is one contribution to this process; and further opportunities will arise during the UK's Presidency, and in the run-up to the forthcoming referendum on the draft Constitutional Treaty.

With regard to the EU's 'Better Regulation' and competitiveness agendas, the environmental policy community needs to be clearer in presenting and quantifying the benefits of well-designed environmental measures, and more active in challenging inflated claims about costs to competitiveness. Additionally, there is an opportunity to promote the role of clean technologies as a 'win-win-win' strategy, enhancing the environment while contributing to economic growth and job creation. The introduction of the Commission's integrated impact assessment system – despite its rocky start – increases the transparency of EU policy development and provides a forum for highlighting the longer-term environmental and economic benefits of environmental measures, and the costs of not taking action.

Effective implementation is a second opportunity. Many existing measures have not been given the priority they require at national level, and there are several important new measures, such as the Water Framework Directive, that will need effective implementation during the next decade. The extension and gradual implementation of the EU's environment *acquis* will reinforce the on-going clean-up of hot spots in the new Member States. And new opportunities are now on offer for the UK to share its expertise with the EU 10, particularly in relation to integrating the environment into sectoral policies, and in relation to regulatory and sustainability impact assessments. Integration must be taken forward, for example, in relation to transport policy.

Finally, the potential role of national Parliamentarians in scrutinising and improving EU policy proposals has now been given wider recognition. Already, the newly elected European Parliament has invited national Parliaments to contribute to its review of the Lisbon Strategy – an opportunity that should be seized and built upon. And the Declaration attached to the draft Constitutional Treaty establishing machinery for closer links between national Parliaments and with the EU institutions in developing EU legislation needs to be taken forward and made more concrete – with or without ratification of the Treaty.

## Annex A Timeline of key strategic events and targets

### 2004

July – Dec	Netherlands Presidency of the EU
22 Nov	New Commission term of office to begin (after delay)
29 Nov – 10 Dec	COP 10 and the 21st Session of the Subsidiary Bodies (SBI and SBSTAS) UN FCCC
22-26 Nov	16th Meeting of the Parties to the Montreal Protocol
6 – 17 Dec	COP 10 of the UN Framework Convention on Climate Change, Buenos Aires
17 Dec	European Council (should include a decision on whether to give Turkey official 'candidate country' status)
20 Dec	Environment Council

### 2005

2005	New 5-year strategy for the Commission due
2005	Referenda on the EU Constitution expected throughout 2005/6
2005	WSSD commitment to start implementing sustainable development strategies by 2005 in all countries
2005	Environmental review of the CFP expected
Beginning 2005	All Commission proposals to be subject to extended impact assessment; revised guidelines expected
Jan – June	Luxembourg Presidency of the EU
1 Jan	WTO deadline for the end of negotiations concerning the Doha development agenda.
1 Jan	Emissions trading trial to begin lasting to 2007
Expected 2005	WTO Sixth Ministerial Meeting, Hong Kong.
21-25 Feb	23rd Session of the UNEP Governing Council / Global Ministerial Environment Forum
Before Spring Council	Mid term review of the Lisbon Strategy and EU Sustainable Development Strategy expected
Spring 2005	European Summit
Spring 2005	European Parliament Temporary Committee on the Financial Perspective expected to report
2 – 6 May	1st Conference of the Parties (COP-1) of the Stockholm Convention on Persistent Organic Pollutants
2 – 13 May	Thirteenth Session of the UN Commission on Sustainable Development
16 – 27 May	UNFCCC session period
13 – 17 June	Second meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety
July – Dec	UK Presidency of the EU
Second half 2005 (tbc)	Joint Ministerial Conference (Ministry of Agriculture/ Environment) on sustainable agriculture
6 – 8 July	UK G8 Summit in Gleneagles
11 – 15 July	Ad Hoc Technical Expert Group on Marine and Coastal Biodiversity (Under CBD)

22 July	All 7 Thematic Strategies to be published.
19 – 23 Sep	Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention on Biological Diversity (CBD)
November	9th RAMSAR COP, Kampala, Uganda
7 – 18 Nov	UNFCCC session period
End 2005	Commission hopes that MEPs and the Council will have agreed the new Financial Perspective and Financial Regulations by the end of 2005.

### 2006

March 2006	Possible date for UK referenda on the EU Constitution
8 – 19 May	COP 8 of Convention on Biological Diversity in Brazil
22 – 26 May	Third meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety
Mid-2006	Mid term review of the 6th EAP expected, including a review of the Thematic Strategies

### 2007

1 Jan	Romania and Bulgaria expected to accede to the EU, making 27 Member States
2007 – 2013	New financial perspective.
30 April	Environmental Liability Directive to be transposed into national law
End 2007	Croatia expected to accede to the EU, making 28 Member States
2007-2009	Hans-Gert Poettering, leader of the EPP, expected to preside over the second half of the 6th European Parliament term.

### 2008

2008 – 2012	Kyoto commitment period and 2nd phase of the EUETS
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### 2009

2009 – 2014	New Commission term
2009 – 2014	New European Parliament term
2009	New Council voting arrangements to take effect if Constitution is ratified

### 2010

Lisbon goal to make the EU the most competitive, knowledge-based economy in the world by 2010.
Target to significantly reduce the rate of biodiversity loss by 2010, agreed by world leaders at the WSSD; and the EU target to halt the decline in biodiversity loss over the same period.
EU target to have 12% of total energy use made up by renewables
Biofuels in petrol and diesel-fuelled transport target of 5.75%
22% of electricity consumption to be supplied by renewables
6EAP commitment to develop a set of quantitative and qualitative reduction targets covering all relevant waste, to be achieved at Community level by 2010.
End of Environment and Health Action Plan (2004-2010)

## 2012

End of the Sixth Environment Action Programme timescale

The EU-15 committed under the Kyoto Protocol to reduce GHG emissions on 1990 levels by 8% by 2008-12; the new EU-10 have reduction targets between 6 and 8%.

## 2014

Changes to the size of the Commission to take effect. (If Constitution is ratified)

## 2015

WSSD target for fisheries stock recovery

All Community waters to meet 'good' status (water framework Directive)

WSSD target to halve the proportion of people without access to safe drinking water and basic sanitation by 2015.

## Longer term targets and commitments

2005-2030 Lifetime of the Thematic Strategy on Natural Resource Use

2020 WSSD target to minimise the harmful effects of chemicals (especially by ensuring that, by 2020, chemicals are not used in ways that harm human health and the environment).

2020 6EAP target that chemicals should be produced and used only in ways that do not lead to significant negative impacts on the environment and human health; and that chemicals that are dangerous should be substituted.

To develop a ten-year framework of programmes on sustainable consumption and production.

Long-term EU target to restrict global temperature increases to a maximum of 2°C compared to pre-industrial levels.

WSSD target to reverse the current trend in natural resource degradation as soon as possible by implementing strategies that include targets to protect ecosystems and achieve integrated management of land, water and living resources, while strengthening regional, national and local capacities.

Turkey, if granted 'candidate country' status would be expected to join the EU around 2015-2020

## Annex B The new European Commission and selected biographies

Portfolios of more direct relevance to environment policy are highlighted in bold. Short biographies of these Commissioners are given below

<i>Commission portfolio</i>	<i>Commissioner</i>	<i>Country</i>	<i>Political colour</i>	<i>Party</i>
Commission President. Chair of Commission Group on the Lisbon Strategy & the Group on external affairs	Jose Manuel Barroso	Portugal	Centre-right	PSD
Vice President & Commissioner for Administrative Affairs, Audit & Anti Fraud;	Siim Kallas	Estonia	Right	Reform
<b>Commissioner for Agriculture &amp; Rural Development</b>	<b>Mariann Fischer Boel</b>	<b>Denmark</b>	<b>Right</b>	<b>Venstre</b>
Commissioner for Competition	Neelie Kroes	Netherlands	Centre-right	VVD
Commissioner for Development & Humanitarian Aid	Louis Michel	Belgium	Right	MR
Commissioner for Economic & Monetary Affairs	Joaquin Almunia	Spain	Left	PSOE
Commissioner for Education, Training & Research	Jan Figel	Slovakia	Right	KDH
Vice President & Commissioner for Enterprise & Industry. Chair of Commission Group for the Competitiveness Council & Vice Chair of the Group on Lisbon	Günter Verheugen	Germany	Left	SPD
Commissioner for Employment, Social Affairs & Equal Opportunities	Vladimir Spidla	Czech Republic	Left	CSSD
Commissioner for Enlargement	Olli Rehn	Finland	Centre	Eduskunta
<b>Commissioner for Environment</b>	<b>Stavros Dimas</b>	<b>Greece</b>	<b>Right</b>	<b>ND</b>
<b>Commissioner for Energy</b>	<b>Andris Piebalgs</b>	<b>Latvia</b>	<b>Right</b>	<b>ZS</b>
Commissioner for External Relations & European Neighbourhood Policy	Benita Ferrero Waldner	Austria	Centre-right	OVP
<b>Commissioner for Financial Programming &amp; Budget</b>	<b>Dalia Grybauskaitė</b>	<b>Lithuania</b>	<b>Independent</b>	
<b>Commissioner for Fisheries &amp; Maritime Affairs. Chair of Commission Taskforce to develop a Green Paper on maritime policy</b>	<b>Joe Borg</b>	<b>Malta</b>	<b>Right</b>	<b>PN</b>
Commissioner for Health & Consumer Protection	Markos Kyprianou	Cyprus	Centre-right	DIKO
Commissioner for Internal Market & Services	Charlie MaCreevy	Ireland	Centre	F.Fáil
Commissioner for Information Security & Media	Viviane Reding	Luxembourg	Right	CSV

<b>Commission portfolio</b>	<b>Commissioner</b>	<b>Country</b>	<b>Political colour</b>	<b>Party</b>
Vice President & Commissioner for Institutional Relations & Communication Strategy. Responsible for replacing Barroso in his absence; Chair of Commission Group on Communication & Programming	Margot Wallström	Sweden	Left	SAP
VP & Commissioner for Justice, Freedom & Security	Franco Frattini	Italy	Centre-right	UDC
<b>Commissioner for Regional Policy</b>	<b>Danuta Huebner</b>	<b>Poland</b>	<b>Independent</b>	
Commissioner for Science & Research	Janez Potocnik	Slovenia	Independent	
Commissioner for Trade	Peter Mandelson	UK	Left	Labour
Commissioner for Taxation & Customs Union	Laszlo Kovacs	Hungary	Left	MSZP
<b>Vice President &amp; Commissioner for Transport.</b>	<b>Jacques Barrot</b>	<b>France</b>	<b>Right</b>	<b>UMP</b>

## Short Biographies of Selected Commissioners of Relevance

### Jacques Barrot (France) Transport; Vice President

Barrot was Minister of Trade from 1978-79, then Minister of Health and Social Security from 1979-81, and Minister of Work and Social Affairs twice, in 1995 and from 1995-97. 2002 onwards he was Chair of the UMP Party, prior to being sent to Brussels in March 2004 to replace Regional Policy commissioner Michel Barnier who went on to become Foreign Minister. Barrot was hoping to get the posts of Internal Market or Competition Commissioner.

### Mariann Fischer Boel (Denmark) Agriculture and Rural Development

Boel was Chairman of the Folketing's Food, Agriculture and Fisheries Committee from 1994-1998, and then Chairman of the Folketing's Trade and Industry Committee from 1998-1999. She was then appointed Chairman of the Fiscal Affairs Committee 1999 – 2001 before being announced as Minister for Food, Agriculture and Fisheries in 2001.

### Joe Borg (Malta) Fisheries and Maritime Affairs

As a member of the Nationalist Party of Malta, Borg moved from being a shadow Minister for Industry and for the Impact of EU policies from 1996-1998, to being the Parliamentary Secretary within the Ministry of Foreign Affairs to finally become Foreign Minister in 1999, a post he has held until now. After enlargement he shadowed the Development Policy Commissioner in the hope of taking over that portfolio.

### Stavros Dimas (Greece), Environment Commissioner

As a member of the New Democracy Party, Dimas became Minister of Economic Coordination from 1977-80, Minister of Trade from 1980-81, Minister of Agriculture from 1989-90, Minister of Industry, Energy and Technology from 1990-91. He then moved on from being Secretary General of his political party to become Head of the New Democracy Delegation. He is currently Commissioner for Employment and Social Affairs.

### Dalia Grybauskaitė (Lithuania) Financial Programming and Budget

As Director of the Economic Relations Department, Ministry of Foreign Affairs from 1993-1994, Grybauskaitė was Chairperson of the Aid-Coordination Committee and Chief Negotiator for the Free Trade Agreement with the EU. In 1996, she became the Plenipotentiary Minister at the Lithuanian Embassy in the USA prior to being Deputy Minister of Finance in Lithuania from 1999 until 2000, and Deputy Minister of Foreign Affairs from 2000 until 2001. Since then, she has been Minister of Finance.

### Danuta Huebner (Poland) Regional Policy

Having been involved in Poland's EU accession negotiations at an early stage, Huebner was under-Secretary in the Ministry of Industry and Trade and served as social adviser to Deputy Prime Minister and to the Minister of Finance from 1994 to 1996. She was subsequently appointed Head of the Office of the Committee for European Integration. Until 2001, Huebner served the two posts of Deputy Executive Secretary of the UN Economic Commission for Europe in Geneva and Under-Secretary General of the UNO. Since November 2001, she has served as Secretary of State for Foreign Affairs, Secretary of the Committee for European Integration of the Republic of Poland and Head of the Office of the Committee for European Integration. In 2003 she was appointed Minister for European Affairs responsible in the Polish Government for the entirety of European integration issues.

### Andris Piebalgs (Latvia) Energy

Piebalgs was the 'chef de cabinet' of the out-going Latvian Commissioner Sandra Kalniete, who since enlargement was shadowing the Agricultural and Fisheries portfolio. A physician by training, Mr Piebalgs has significant experience in EU affairs. He is a former Latvian EU ambassador and in Latvia's early years of independence, he held the position of Education and Finance Minister.

### Günter Verheugen (Germany) Enterprise and Industry; Vice President

Verheugen held the position of Enlargement Commissioner during the Prodi Commission (1999-2004). He has over twenty years of political experience, having joined the Social Democratic Party of Germany in 1982, and being elected to the Bundestag in 1983. He has held a number of national political positions on foreign affairs, including Member of the Foreign Affairs Committee from 1994-97 and Minister of State for the Federal Foreign Office from 1998-9.

# Annex C Members of the European Parliament Environment, Public Health and Food Safety Committee

**Herr FLORENZ, Karl-Heinz, Chairman**  
Group of the European People's Party (Christian Democrats) and European Democrats **Germany**

**De Heer BLOKLAND, Johannes (Hans), Vice-Chairman**  
Independence/Democracy Group **Netherlands**

**HASSI, Satu, Vice-Chairwoman**  
Group of the Greens/European Free Alliance, **Finland**

**ANDREJEVS, Georgs, Vice-Chairman**  
Group of the Alliance of Liberals and Democrats for Europe **Latvia**

**ADAMOU, Adamos, Member**  
Confederal Group of the European United Left - Nordic Green Left **Cyprus**

**Mr AYLWARD, Liam, Member**  
Union for Europe of the Nations Group, **Ireland**

**p. BELOHORSKÁ, Irena, Member**  
Non-attached Member **Slovakia**

**Mr BOWIS, John, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **United Kingdom**

**Mevr. BREPOELS, Frederika, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Belgium**

**Frau BREYER, Hiltrud, Member**  
Group of the Greens/European Free Alliance, **Germany**

**Mr CALLANAN, Martin, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **United Kingdom**

**Mevr. CORBEY, Dorette, Member**  
Socialist Group, **Netherlands**

**Mr DAVIES, Chris, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **United Kingdom**

**Mrs DOYLE, Avril, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Ireland**

**a. DR AR MURKO, Mojca, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Slovenia**

**Sra. ESTRELA, Edite, Member**  
Socialist Group, **Portugal**

**Mrs EVANS, Jillian, Member**  
Group of the Greens/European Free Alliance, **United Kingdom**

**Mme FERREIRA, Anne, Member**  
Socialist Group, **France**

**On. FOGLIETTA, Alessandro, Member**  
Union for Europe of the Nations Group, **Italy**

**Herr GLANTE, Norbert, Member**  
Socialist Group, **Germany**

**Mme GROSSETÊTE, Françoise, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **France**

**Sra. GUTIÉRREZ-CORTINES, Cristina, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Spain**

**HEGYI, Gyula, Member**  
Socialist Group, **Hungary**

**Mrs HONEYBALL, Mary, Member**  
Socialist Group in the European Parliament, **United Kingdom**

**Mme ISLER BÉGUIN, Marie Anne, Member**  
Group of the Greens/European Free Alliance, **France**

**Mrs JACKSON, Caroline F., Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **United Kingdom**

**Hr. JØRGENSEN, Dan, Member**  
Socialist Group, **Denmark**

**Frau KLASS, Christa, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Germany**

**KORHOLA, Eija-Riitta, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Finland**

**Herr KRAHMER, Holger, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Germany**

**KRUPA, Urszula, Member**  
Independence/Democracy Group, **Poland**

**KUSKIS, Aldis, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Latvia**

**Mme LIENEMANN, Marie-Noëlle, Member**  
Socialist Group, **France**

**Herr LIESE, Peter, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Germany**

**De Heer MAATEN, Jules, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Netherlands**

**Mrs McAVAN, Linda, Member**  
Socialist Group, **United Kingdom**

**MATSAKIS, Marios, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Cyprus**

**On. MUSACCHIO, Roberto, Member**  
Confederal Group of the European United Left - Nordic Green Left, **Italy**

**MYLLER, Riitta, Member**  
Socialist Group, **Finland**

**OLAJOS, Péter, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Hungary**

**pan OUZK\_, Miroslav, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Czech Republic**

**PAPADIMOULIS, Dimitrios, Member**  
Confederal Group of the European United Left - Nordic Green Left, **Greece**

**Sig.ra POLI BORTONE, Adriana, Member**  
Union for Europe of the Nations Group, **Italy**

**On. PRODI, Vittorio, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Italy**

**Mme RIES, Frédérique, Member**  
Group of the Alliance of Liberals and Democrats for Europe, **Belgium**

**Frau ROTH-BEHRENDT, Dagmar, Member**  
Socialist Group, **Germany**

**On. SACCONI, Guido, Member**  
Socialist Group, **Italy**

**Frau SCHEELE, Karin, Member**  
Socialist Group, **Austria**

**Hr. SCHLYTER, Carl, Member**  
Group of the Greens/European Free Alliance, **Sweden**

**Herr SCHNELLHARDT, Horst, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Germany**

**Herr SEEBER, Richard, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Austria**

**Mrs SINNOTT, Kathy, Member**  
Independence/Democracy Group, **Ireland**

**Hr. SJÖSTEDT, Jonas, Member**  
Confederal Group of the European United Left - Nordic Green Left, **Sweden**

**SONIK, Bogusław, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Poland**

**Sra. SORNOSA MARTÍNEZ, María, Member**  
Socialist Group, **Spain**

**TRAKATELLIS, Antonios, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Greece**

**Ka TZAMPAZI, Evangelia, Member**  
Socialist Group, **Greece**

**Herr ULMER, Thomas, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Germany**

**On. VERNOLA, Marcello, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Italy**

**M. de VILLIERS, Philippe, Member**  
Independence/Democracy Group, **France**

**Frau WEISGERBER, Anja, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Germany**

**Fru WESTLUND, Åsa, Member**  
Socialist Group, **Sweden**

**Hr. WIJKMAN, Anders, Member**  
Group of the European People's Party (Christian Democrats) and European Democrats, **Sweden**



## the all-party parliamentary environment group

### **chair**

Norman Baker MP

### **vice chairs**

David Chaytor MP  
John Horam MP  
Helen Jackson MP  
Simon Thomas MP  
Joan Walley MP  
Baroness Young

### **secretariat**

45 Weymouth Street  
London W1N 3LD

**tel** 0207 935 1689

**fax** 0207 486 3455

**email** [awilkes@apeg.co.uk](mailto:awilkes@apeg.co.uk)

### **membership & accounts**

58 High Street  
Steyning BN44 3RD

**tel** 01903 817300

**fax** 01903 817310

**email** [jpriest@apeg.co.uk](mailto:jpriest@apeg.co.uk)

Now one of the larger all-party groups in Parliament, the All-Party Parliamentary Environment Group was set up ten years ago to strengthen the influence of Parliamentarians on public policy and public debate on the environment. The Group also aims to assist Parliamentarians by improving their access to specialist information through regular group meetings and contact with senior environmental managers and directors from industry, written briefings and special reports such as this one.

The group has over 240 Members of Parliament and the House of Lords and more than 200 associate member companies and organisations. It holds regular meetings and receptions at the House of Commons, with talks by leading British and International politicians and captains of industry on key environmental issues. A newsletter and briefing sheet is produced after each meeting.

Over the years the Group has played host to quite a number of different British Ministers including Margaret Beckett, Elliot Morley and Michael Meacher, the Dutch, German and Danish Environment Ministers, senior Brussels officials including Margot Wallstrom, EU Commissioner, and many others from government, business and the campaign groups both in the UK and abroad.

The Group meets 5 or 6 times a year at the Houses of Parliament and membership is by invitation. If you would be interested in joining the Group as an associate member, please contact the membership office shown opposite with details of your company or organisation.

## The Institute for European Environmental Policy



Institute for  
European  
Environmental  
Policy

The Institute for European Environmental Policy (IEEP) is a leading centre for the analysis and development of environmental and related policies in Europe. An independent, not for profit organisation, the Institute has offices in London and Brussels. IEEP brings a non-partisan analytical perspective to policy questions, engaging in both pressing short-term questions and long-term strategic studies.

We focus primarily on European Union (EU) environmental and sustainable development policies, and relevant aspects of other policies such as agriculture, transport, rural and regional development and fisheries. We are also actively engaged in the development of policy at a national level in Europe. The Institute seeks both to raise awareness of the policies that shape the European environment and to advance policy-making along sustainable paths.

We undertake research and analysis and provide consultancy and information services, working both independently and on commissioned projects. Our partners and audience range from International and European institutions to local government, non-governmental organisations (NGOs), industry and others who contribute to the policy debate. We have regular contact with the full range of policy actors.

IEEP operates in a network with like-minded institutes in Europe. The interdisciplinary team of staff includes lawyers and natural and social scientists with experience of working in a wide range of European countries. We collaborate closely with a network of associates in universities, other specialist institutes and consultancy organisations across the continent. The London office of IEEP was founded in 1980, the Brussels office in 2001.

For further information see [www.ieep.org.uk](http://www.ieep.org.uk)