Briefing

Public expectations and EU policies July 2016



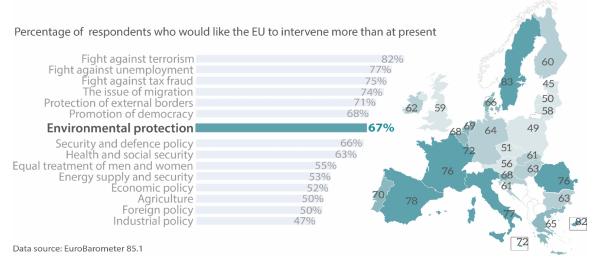
Environmental protection

OVERVIEW

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Two thirds of EU citizens express support for increased EU action on environmental protection. EU policy aims to move towards a low-carbon, resource-efficient economy, to safeguard biodiversity and to protect human health through legislation on air, chemicals, climate, nature, waste and water. While the EU budget represents an important and growing source of investment, Member States are responsible for financing and implementing environmental protection measures, and some implementation gaps remain.

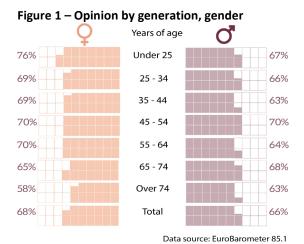
Public expectations and EU commitment on environmental protection – is there a gap?



Environmental concerns have been debated intensively at EU level for many years now. As a result, the EU has a broad policy in the area. According to a new Eurobarometer survey of the European Parliament on 'perceptions and expectations', two thirds of EU citizens would like to see even stronger EU involvement in environmental protection and more than half (52%) consider current EU action insufficient. In past years, when EU citizens were asked about the policy areas they prefer the EU budget to be spent on, environmental protection was the fifth or sixth most preferred area. However, support for spending in this area is on a slight decline – 23% perceived it as a top priority spending category in 2008, 22% in 2011 and 20% in 2015 (Eurobarometer data). Either because EU environmental policy has already been further developed, or because citizens have other concerns which have perhaps taken priority, the gap between citizens' expectations and EU environmental action is slowly shrinking, but a gap nevertheless remains.

Environmental protection

There are significant differences in the way this policy is perceived in different Member States. With few exceptions, there is a trend of central and eastern European countries being less supportive of further intensification of EU involvement in environmental policies than western European countries. The strongest support comes from Sweden (83%) and the lowest from Estonia (45%). The notable outliers of the east-west division are Romania, which recently had major concerns about shale gas, and the UK. There is no notable difference between the preferences of men and women regarding EU involvement in environmental policies. Young



women are more supportive of EU intervention than older generations, but there is no clear generational trend amongst men.

Legal framework

European environment policy dates back to 1972. Provisions on environmental protection were introduced in the Single European Act in 1987 and subsequently expanded. Under Articles 191-193 of the Treaty on the Functioning of the European Union, EU environmental policy has to 'aim at a high level of protection' and is based on four principles (precaution; preventive action; rectification of damages at source, and polluter pays). The EU is competent to act in most areas of environmental policy, although its action is limited by the principle of subsidiarity and the requirement for unanimity in Council on certain topics (such as taxes, land use or energy mix). Member States may adopt more stringent protective measures if they wish.

Current implementation and EU action

Successive Environment Action Programmes (EAPs) have set the **framework for EU environmental policy**. The <u>Seventh EAP</u> covering the 2014-2020 period ('Living well, within the limits of our planet') seeks to address environmental priorities systemically with the aim of moving towards a low-carbon, resource-efficient economy, of safeguarding biodiversity and of protecting human health. The overarching policy framework is complemented by other elements: the <u>Europe 2020</u> strategy for 'smart, sustainable and inclusive growth'; the <u>climate and energy strategy</u> aiming to cut greenhouse gas (GHG) emissions; a <u>biodiversity strategy</u> aiming to stop the loss of biodiversity; and a range of international agreements, for instance on <u>climate</u>, <u>biodiversity protection</u>, or <u>public participation</u>, access to information and access to justice on environmental matters.

EU environmental protection policy is covered by a wide range of **legislation**, which can be grouped in broad areas:

- Air: EU legislation sets <u>air quality standards</u>, maximum <u>limits of pollutants emitted by</u> Member States and standards on vehicle emissions.
- **Chemicals**: EU legislation aims to protect human health and the environment and to prevent barriers to trade, by regulating <u>chemicals</u>, <u>pesticides</u> and the <u>labelling of products</u>.
- **Climate**: EU legislation limits GHG emissions by <u>factories and power plants</u> under the Emissions Trading System (ETS) as well as GHG emissions by other sectors, for instance <u>agriculture, road transport and buildings</u>. It also promotes <u>renewable energy</u> sources.
- **Nature**: EU legislation seeks to protect nature, <u>biodiversity</u> and <u>ecosystem services</u> through the <u>Natura 2000</u> network of protected areas which covers 18% of the Union's land area.
- **Waste**: EU legislation seeks to improve <u>waste management</u> and sets requirements for <u>waste streams</u>. Recent developments aim to enable a transition to a <u>circular economy</u>.
- Water: EU legislation aims to protect <u>surface and ground water</u> from pollution and sets standards for <u>drinking</u> and <u>bathing</u> water. It also sets requirements for <u>flood</u> management.

Three **European agencies** contribute to implementing EU policy: the European Environment Agency (<u>EEA</u>) collects data and issues reports on all areas outlined above except chemicals, while the European Chemicals Agency (<u>ECHA</u>) and the European Food Safety Agency (<u>EFSA</u>) assist the Commission in its regulatory powers, regarding chemicals and pesticides respectively.

Member States are responsible for **financing and implementing environmental protection** measures, although they may receive financial or technical support from the EU. Implementation gaps remain, for instance as regards <u>air quality standards</u>, <u>water</u> or <u>biodiversity</u>. Environmental protection is the policy area where the European Commission takes most actions to solve <u>implementation problems</u> and launch <u>court proceedings</u>. Implementation gaps may be due to a lack of administrative capacity for enforcement, insufficient data and information, or a lack of skills at local level.

Potential for better implementation and further EU action

Better implementation: In the context of the <u>European Semester</u>, the European Parliament has called on the Commission to issue more recommendations to Member States on environmental protection and climate, for instance on reducing environmentally harmful subsidies, shifting taxes from labour to activities damaging the environment, or moving towards a circular economy. The Commission could also provide more compliance support to Member States, while enforcing EU legislation further through infringement procedures.

New EU tools underway: On implementation, the Commission <u>proposes</u> to issue country specific reports, to engage in dialogue with Member States and to publish papers on crosscutting implementation issues. On <u>climate</u>, the EU is implementing the Paris agreement, among other things through a reform of the EU ETS.

Possible ways forward: Environmental protection targets and objectives could be further integrated into sectoral policies, for instance by using environmental and climate-related conditions and incentives. Actions beyond the EU, such as climate diplomacy, could be intensified. On the <u>circular economy</u>, Parliament has suggested that the scope of <u>eco-design</u> legislation could be widened to include product durability and reparability requirements. More broadly, the EU could map out ways to make the <u>transition</u> towards a green economy, for instance by fostering investments.

The EU budget and the environment

According to the <u>agreement</u> on the Multiannual Financial Framework (MFF) for 2014-2020, at least 20% (approximately €180 billion) of the EU budget should be spent on climate action objectives. Climate goals and actions have therefore been integrated in all major EU policies and programmes, in particular: cohesion, agriculture, maritime and fisheries, external aid, energy and transport, research and innovation. As a result, environmental objectives are reflected in all MFF headings. Programmes contributing, to a greater or lesser extent, to environmental protection include the <u>European Structural and Investment Funds</u>, the <u>LIFE programme</u>, Horizon 2020, <u>European Fund for Strategic Investments</u>, the Union Civil Protection Mechanism as well as numerous EU external action and humanitarian aid initiatives. These funds and programmes are implemented by the Commission independently, together with the Member States, and in cooperation with organisations in third countries.

Table 1 – Estimated EU budget contribution to climate action and biodiversity

	2014		2015		2016	
	Climate	Biodiversity	Climate	Biodiversity	Climate	Biodiversity
Total	17 652.6	11 627.8	26 543.4	11 097.8	30 824.3	13 669.2
As % of EU budget	12.7%	8.4%	16.8%	7.0%	20.6%	9.1%

(Commitments, million euros, current prices)

Data source: Statements of estimates of the European Commission for the financial year 2015 and 2016.

EPRS

Since 2014, a special <u>tracking methodology</u> is used to monitor the dispersed EU budget contribution to two specific goals: climate action and biodiversity protection. The aggregated figures are presented by the Commission in <u>the annual budgetary procedure</u>. In 2016 the EU budget contribution to climate action and biodiversity protection is expected to reach 20.6% and 9.1% of total commitment appropriations respectively. This is more than in 2015 (Table 1).

The only EU programme entirely devoted to EU environmental objectives is LIFE (Programme for the Environment and Climate Action). Between 1992 and 2013 it financed more than 4 170 projects with a total EU contribution of €3.4 billion. The programme allocation for the MFF 2014-2020 has increased substantially and is the highest ever for LIFE (€3.4 billion, 0.32% of the total MFF). The programme has two components: environment and climate action. The funding is provided mainly in the form of grants and financial instruments (loans, equity investments). These support public authorities, NGOs and private actors, especially small and medium-sized enterprises.

Financial instruments outside the EU budget

Outside the EU budget, environmental concerns are also reflected in projects supported by <u>the European Investment Bank (EIB)</u>. In 2015 the EIB invested €19.6 billion in projects enhancing environmental protection, particularly in the areas of urban environment, sustainable transport and energy, provision and management of water, biodiversity and forestry.

Potential for further financing at EU level

Given the 20% goal and the EU's international commitments, it may be assumed that EU spending on all aspects of environmental policy could increase. Climate mainstreaming could be enhanced in all EU policy areas, leading to more financing targeted at climate-related achievements.

In light of the mid-term review/revision of the 2014-2020 MFF, Parliament has underlined that the EU commitments resulting from the Paris Agreement on climate change may have an impact on the EU budget. In its resolution of March 2016 on the guidelines for the 2017 budget Parliament stressed that the 20% target requires further 'fine-tuning' of the EU budget. It also called for the financing of commitments made in Paris to be anticipated in the 2017 budget.

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