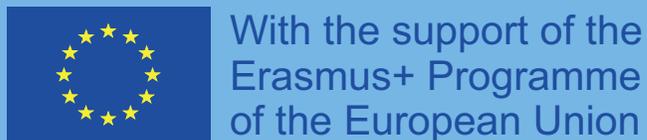


# Jean Monnet Module

## “Economic Policy in the European Union”

Session 4.3. The EU's ecological transition: a pending issue for the 27

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# OBJECTIVES

- To know and value the Environment policy
  - Environment policy on the Treaties
  - The Environment Action Programmes
  - General principles and basic framework
  - Instruments and mechanisms
- EU climate action and the European Green Deal

# ENVIRONMENT POLICY ON THE TREATIES

- The first standards were related to products (dangerous chemicals, detergents, transports, etc.)
- Council of the European Union or Council of Europe (1972)
  - It is acknowledged that UE will need to establish Environment Action Programmes
- Single European Act (1987)
  - ✓ The environmental issue as a legal basis
- Tratado de Maastricht (1993)
  - ✓ The codecision procedure and qualified majority voting are introduced. The environmental domain became an official political

# ENVIRONMENT POLICY ON THE TREATIES

- Treaty of Amsterdam (1997)
  - ✓ Sustainable development becomes an explicit objective of the EU
  - ✓ Environmental protection is integrated into all sectoral policies
- Treaty of Lisboa (2009)
  - ✓ The fight against climate change as a specific objective
- The Union is competent to act in all areas of environmental policy, such as air and water pollution, waste management and climate change.

# ENVIRONMENT ACTION PROGRAMMES

The development of the EU Environmental Policy has been based on Action Programs:

- First Program (1973-1977):
  - ✓ Principles and priorities are established
- Second Program (1977-1982)
  - ✓ Pollution was established as the main problem
- Third Program (1983-1987)
  - ✓ A global strategy is drawn up for the protection of the environment and natural resources

# ENVIRONMENT ACTION PROGRAMMES

- Fourth Program (1987-1992):
  - ✓ Emphasis that community policies are integrated into all community policies
  - ✓ Complete application of the legislation: Control the environmental impact.
- Fifth Program (1992-2000)
  - ✓ More ambitious program, based on preventive measures (tackling problems before they become unapproachable concepts) and shared responsibility (governments and all economic agents).

# ENVIRONMENT ACTION PROGRAMMES

- Sixth Program (2001-2012):
  - ✓ It was proposed to overcome the strictly legislative approach in favor of a more strategic approach that tried to influence the decisions of companies, politicians, consumers and citizens in general.
- Seventh Program (2012:2020)
  - ✓ Make the EU a low carbon, resource efficient, green and competitive economy.
  - ✓ Protect EU citizens from environmental pressures and risks to health and well-being.
- Eighth Program (2021-2030)

# GENERAL PRINCIPLES

- Principles of precaution:

- The precautionary principle is a risk management tool that may be invoked when there is scientific uncertainty about a suspected risk to human health or to the environment emanating from a certain action or policy.

- Prevention:

- Operators of certain occupational activities such as the transport of dangerous substances, or of activities that imply discharge into waters, have to take preventive measures in case of an imminent threat to the environment

- The 'polluter pays' principle

- *If damage has already occurred, they are obliged to take the appropriate measures to remedy it and pay for the costs*

# GENERAL PRINCIPLES

- Rectifying pollution at source
  - Search for the causes that originate the degradation of the environment, to remedy the damage in advance
- Other principles:
  - ✓ **Subsidiarity:** In areas in which the European Union does not have exclusive competence, the principle of subsidiarity, laid down in the Treaty on European Union, defines the circumstances in which it is preferable for action to be taken by the Union, rather than the Member States.
  - ✓ **Shared responsibility**

# GENERAL PRINCIPLES

- ✓ **Coordination:** National programs must be coordinated on the basis of long-term commitment
- ✓ **Education:** The population must become aware of the need to protect the environment
- ✓ **Information:** Citizens must be provided with adequate information. This work is carried out by the European Environment Agency (EEA), which, applying environmental forecasting techniques, carries out studies where it specifies the risk areas or assesses the quality of natural resources.
- ✓ **The EU should promote environmental protection internationally**

# INSTRUMENTS AND MECHANISMS

- EU environmental law
  - Several hundred directives, regulations and decisions are in force today in this field. However, the effectiveness of EU environmental policy is largely determined by its implementation at national, regional and local levels, and deficient application and enforcement remain an important issue. Monitoring is crucial — both of the state of the environment and of the level of implementation of EU environmental law.
  - In order to improve the enforcement of EU environmental law, Member States have to provide for effective, proportionate and dissuasive criminal sanctions for the most serious environmental offences. These include, for instance: the illegal emission or discharge of substances into the air, water or soil; illegal trade in wildlife; illegal trade in ozone-depleting substances; and illegal shipment or dumping of waste
- Environmental impact assessment and public participation:
  - Certain projects (private or public) that are likely to have significant effects on the environment, e.g. the construction of a motorway or an airport, are subject to an environmental impact assessment (EIA). Equally, a range of public plans and programmes (e.g. concerning land use, transport, energy, waste or agriculture) are subject to a similar process called a strategic environmental assessment (SEA).

# INSTRUMENTS AND MECHANISMS

- Fiscal or economic incentives for products and services that do not harm the environment.
  - ✓ EU eco-label (voluntary, logo of respect for the environment)
  - ✓ Environmental audit (granted to industrial zones that have included the environment in their production systems)
- Actions aimed at improving information and education in public opinion and promoting research and technological development in the environmental field are also important.

# INSTRUMENTS AND MECHANISMS

- Although most environmental instruments are legislative measures, there is a set of complementary instruments. For example, to access structural financing from the Cohesion Fund, the environment is an essential requirement.
- There is also a Financial Instrument for the Environment (LIFE), which aims to support the updating of this policy and environmental legislation.
- For the 2014-2020 period in the Multiannual Financial Framework, 41% of the EU budget was dedicated to these issues, although if we subtract direct payments to farmers, environmental spending drops to 11%.

# INTEGRATING ENVIRONMENTAL CONCERNS INTO OTHER EU POLICY AREAS

- Territorial coordination of policies, especially those of climate, energy, water management, agriculture, housing, tourism and transport
  - ✓ Climate and Energy Package
  - ✓ Roadmap for moving to a competitive low carbon economy in 2050
  - ✓ White Paper on transport
  - ✓ Sustainable planning is a fundamental pillar in the development of regional and tourism policy.
- Common agricultural policy

# EUROPE 2020

- Europe 2020 is a 10-year strategy proposed by the European Commission on 3 March 2010 for advancement of the economy of the European Union. It aims at "smart, sustainable, inclusive growth" with greater coordination of national and European policy
  - ✓ to reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right,
  - ✓ increase the share of renewable energy in final energy consumption to 20%,
  - ✓ and achieve a 20% increase in energy efficiency - 20-20-20 target.

# 2030 CLIMATE AND ENERGY FRAMEWORK

- Key targets for 2030:
  - ✓ At least 40% cuts in greenhouse gas emissions (from 1990 levels)
  - ✓ At least 32% share for renewable energy
  - ✓ At least 32.5% improvement in energy efficiency

# 1 OVERVIEW OF EU CLIMATE TARGETS

Table 1 Overview of EU climate targets

	INTERNATIONAL COMMITMENTS		EU DOMESTIC LEGISLATION				
	The EU's commitment under the Kyoto Protocol	The EU's commitment under the Paris Agreement	2020 Climate and Energy Package		2030 Climate and Energy Framework		
			EU ETS	Effort Sharing Decision (ESD)	EU ETS	Effort Sharing Regulation (ESR)	LULUCF
Target year of period	Second commitment period (2013-2020)	Already in force – covers the period post 2020	2013-2020	2013-2020	2021-2030	2021-2030	2021-2030
Emission reduction target	-20%	at least -40% in 2030	-21% in 2020 compared to 2005 for ETS emissions	Annual targets by MS. In 2020 -10% compared to 2005 for non-ETS emissions	-43% in 2030 compared to 2005 for ETS emissions	Annual targets by MS. In 2030 -30% compared to 2005 for non-ETS emissions	0% (no-debit target based on accounting rules)
			Overall target: -20% GHG emissions reduction vs 1990		Overall target: at least -40% domestic GHG emissions reduction vs 1990		
Further targets	-	Limiting global warming to well below 2°C Every 5 years to set more ambitious targets as required by science Report on implementation/ track progress towards the long-term goal through a robust transparency and accountability system Balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century	Renewable Energy Directive: 20% share of renewable energy of gross final energy consumption		At least 32% share of renewable energy in EU energy consumption (with an upward review by 2023)		
			Energy Efficiency Directive: Increase energy efficiency by 20%		At least 32.5% improvement in energy efficiency (with an upward review by 2023)		
Base year	1990, but subject to flexibility rules. 1995 or 2000 may be used as its base year for NF3	1990	2005	2005	2005	2005	Subject to accounting rules
			1990 for overall emission reduction target		1990 for overall emission reduction target		

	INTERNATIONAL COMMITMENTS			EU DOMESTIC LEGISLATION				
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				EU ETS	Effort Sharing Decision (ESD)	EU ETS	Effort Sharing Regulation (ESR)	LULUCF
LULUCF	Included: afforestation, reforestation and deforestation (ARD) and forest management, other activities if elected (new accounting rules)		Included: Contributes to the commitment of decreasing emissions by at least -40%	Excluded from target, but reported in inventories		Included: Contributes to the commitment of decreasing emissions by at least -40%		
Aviation <sup>1</sup>	Domestic aviation included. International aviation not attributed		Economy-wide action encouraged	EU ETS: Domestic (national) and some international aviation included	ESD: CO <sub>2</sub> from domestic aviation excluded	EU ETS: Domestic and some international aviation included	ESR: CO <sub>2</sub> from domestic aviation excluded. Aviation generally excluded	-
Use of international credits	Use of KP flexible mechanisms subject to KP rules		The EU will not use international credits (according to its NDC)	Upper limit for credit use for period 2008-2020 at a maximum of 50% of the reduction effort below 2005 levels	Annual use of carbon credits is limited to up to 3% of each Member State's ESD emissions in 2005 <sup>2</sup>	No <sup>3</sup>	No	No
Carry-over of units from preceding periods <sup>4</sup>	Subject to KP rules including those agreed in the Doha Amendment		No	EU ETS allowances can be banked into subsequent ETS trading periods since the second trading period	No carry over from previous period	Indefinite validity of allowances not limited to trading periods, no need to carry over	No	No
Gases covered	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs <sup>5</sup> , PFCs, SF <sub>6</sub> , NF <sub>3</sub>		CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub>	CO <sub>2</sub> , N <sub>2</sub> O, PFCs,	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub>	CO <sub>2</sub> , N <sub>2</sub> O, PFCs,	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub>	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O
Sectors included	Energy, IPPU, agriculture, waste, LULUCF	Energy, IPPU, agriculture, waste, LULUCF	Energy, IPPU, agriculture, waste, LULUCF	Power & heat generation, energy-intensive industry sectors, aviation	Transport (except aviation), buildings, non-ETS industry, agriculture (non-CO <sub>2</sub> ) and waste	Power & heat generation, energy-intensive industry sectors, aviation	Transport (except aviation), buildings, non-ETS industry, agriculture (non CO <sub>2</sub> ) and waste	Land use, land use change and forestry
GWPs used	IPCC SAR	IPCC AR4	IPCC AR5	IPCC AR4		IPCC AR5		
Applicable to number of MS	15 (additional KP targets for single MS)	EU-27, UK <sup>6</sup> and Iceland	EU-27, UK	EU-27, UK <sup>7</sup>		EU-27 <sup>8</sup>		

# 2021-2030: EU ETS Y EFFORT SHARING LEGISLATION

- The EU emissions trading system ([EU ETS](#)) is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively. It is the world's first major carbon market and remains the biggest one.
- The [Effort Sharing legislation](#) establishes binding annual greenhouse gas emission targets for Member States for the periods 2013–2020 and 2021–2030. These targets concern emissions from most sectors not included in the EU Emissions Trading System (EU ETS), such as transport, buildings, agriculture and waste.
- They do not apply to emissions covered by the EU ETS and emissions and removals from land use, emission and removals from land use change and forestry (LULUCF), which are covered by the Kyoto Protocol and from 2021 by the LULUCF Regulation.

# REGULATION ON THE GOVERNANCE OF THE ENERGY UNION AND CLIMATE ACTION

- Under the Regulation on the Governance of the Energy Union and Climate Action, the EU has adopted integrated rules to ensure planning, monitoring and reporting of progress towards its 2030 climate and energy targets and its international commitments under the Paris Agreement.
- Based on the better regulation principles, the governance process involves consultations with citizens and stakeholders.
- Under the governance regulation Member States had to submit their draft NECPs for the period 2021-2030 to the Commission by 31 December 2018. These were analysed by the Commission with an overall assessment and country-specific recommendations
- On 17 September 2020, the Commission published a detailed EU-wide assessment of the final NECPs. As a follow-up, and as part of the 2020 energy union report, the Commission published individual assessments of each of the national plans for further guidance.
- In May 2016, the Commission launched the Environmental Implementation Review, a new tool designed to help reach full implementation of EU environmental legislation, which goes hand in hand with its fitness check (Regulatory Fitness and Performance Programme – REFIT) of monitoring and reporting obligations under existing EU legislation so as to make it simpler and less costly.

# EUROPEAN GREEN DEAL

- The EU aims to be climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions. This objective is at the heart of the European Green Deal and in line with the EU's commitment to global climate action under the Paris Agreement.

- [Green Deal Proposal](#)

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