### IEEP Analysis of the Political Guidelines of the President-elect of the European Commission

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Institute for European Environmental Policy







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This analysis by the Institute for European Environmental Policy (IEEP) compares President-elect of the European Commission Ursula von der Leyen's proposed <u>political guidelines</u> to the latest evidence on the state of Europe's environment, based on the 2018 environmental indicator report by the European Environment Agency.

It also analyses the proposal on the basis of the recommendations from #Think2030, an evidence-based, non-partisan platform of 100 leading policy experts from European think tanks, civil society, the private sector and local authorities.

Overall, the analysis finds that while the President-elect's political guidelines provide a much more holistic and ambitious sustainability vision than that of her predecessor, the proposed Green New Deal will need to include a set of sciencebased quantified targets to 2030, short-term actions, a list of policy reforms as well as credible roadmaps for the transitions required.

Negotiations over Europe's budget and the Common Agricultural Policy will represent a litmus test for the President-elect's sustainability agenda.

#### About IEEP:

The Institute for European Environmental Policy (IEEP) is a sustainability think tank. Working with stakeholders across EU institutions, international bodies, academia, civil society and industry, our team of policy professionals composed of economists, scientists and lawyers produce evidence-based research and policy insight.

For further information about IEEP, see our website at <u>www.ieep.eu.</u> For more information on Think 2030, visit <u>www.think2030.eu</u> and follow #Think2030.

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# Key takeaways from IEEP's analysis of the political guidelines

#### **Relevant policy measures proposed by the President-elect:**

- A much more **holistic and ambitious sustainability vision** than that of the previous president of the Commission
- **Sustainability as a triple win:** for the economy, for the people and the planet
- A **strong departure from the EPP electoral programme**, both in terms of language and concrete proposals
- A **key leadership role foreseen for Europe** in the sustainability transition, both domestically and globally
- A **commitment to urgent action**, with proposals to be produced in the first 100 days
- Climate neutrality, zero-pollution, just transition for all, leaving no one behind and intergenerational equity as key principles and objectives
- **An agenda wider than climate change**: reference to SDGs to guide the European semester, to the need to preserve and restore ecosystems, to the biodiversity, food security, deforestation and land degradation nexus and to sustainable food systems from farm to fork.

#### Environmental issue identified as a problem without adequate solutions:

- Failure to establish SDGs as Europe's post-2020 overall framework and lack of references to the need to have science-based targets beyond climate change, but useful proposal to include them into the European semester process
- No concrete proposal to address the biodiversity crisis with only a reference to a 2030 biodiversity strategy and the need for 'new standards'.
- **Missed opportunity for bringing greater coherence between the social and environmental agendas of the European Union**, by for instance missing making the link between the just transition and the European pillar of social rights
- Over-reliance on Emissions Trading Scheme (ETS) as a mechanism and on voluntary pledges from the private sector to support decarbonisation, contrasting with an absence of reference to key economic and regulatory instruments, such as environmental taxation reform (apart from the review of the energy taxation directive), the effort sharing regulation, green procurement or the urgency of aligning the better regulation agenda to sustainability.

- Regarding the circular economy agenda, while the proposal to focus on specific sectors is useful, there is no reference to essential dimensions to ensure environmental integrity of the circular economy including a consumption-based absolute target (material footprint per capita) as well as focus on waste prevention (rather than recycling) and eco-design
- While there is a welcome focus on the rule of law and enforcement, accountability will have to be operationalised within key sustainability processes at national level, such as the National Energy and Climate Plans (NECPS) or the CAP strategic plans and through conditional funding, for instance in the cohesion policy.

#### Environmental issue recognised inadequately or not recognised at all:

- Proposals regarding the reform of the Common Agricultural Policy (CAP) post 2020 are even less specific than those contained in the different party manifestoes - but the CAP reform <u>will be essential</u> for the transition towards a sustainable food and farming sector and in particular to deliver carbon neutrality in the EU and to halt/reverse further biodiversity loss.
- Beyond a reference to the need for **intergenerational equity**, there are no concrete proposals to address these issues, such as the need to futureproof all investment decisions or the potential for creating an EU guardian for future generations.
- Sections referring to the **external agenda of the European Union** lack a sustainability approach. For instance, there is no reference to environmental and climate security as part of an integrated and comprehensive approach to our security. Sections referring to Africa and to the European neighbourhood countries are silent about environmental challenges facing these regions and the need to align EU's development cooperation to SDGs and address negative spillovers of EU's development model.
- Trade proposals completely miss the opportunity for pushing for harmonised and ambitious environmental standards worldwide and cooperation agreements around low-carbon and other environmentally friendly technologies, focusing instead on a largely and potentially selfdefeating defensive agenda.

### Annex 1: Comparison of political guidelines with progress to date on the 7<sup>th</sup> Environmental Action plan

The 7<sup>th</sup> Environmental Action Plan sets a number of objectives for Europe to be achieved by 2020. The European Environment Agency (EEA) <u>recently produced an evaluation of the progress</u> made to date, listing the key issues below (left column) as red flags because of insufficient progress. The IEEP analysis uses a track light system to show which of these problem areas are adequately covered in the President-elect's political guidelines, with green meaning adequately covered, orange identified but without adequate solutions, and red recognised inadequately or not recognised at all.

European environmental objectives <u>unlikely to be met</u> by the EU by 2020 (EEA, 2018)	Reference to the issue or relevant proposals in President- elect's political guidelines
<b>Indicator</b> : Exposure of terrestrial ecosystems to eutrophication due to air pollution <b>Objective</b> : Reduce areas of critical load exceedance with respect to eutrophication by 43 % from 2000 levels	While biodiversity is mentioned in the political guidelines, there is no concrete proposal with only a reference to a 2030 biodiversity strategy and the need for new standards.
<b>Indicator:</b> Gross nutrient balance on agricultural land: nitrogen <b>Objective:</b> Manage the nutrient cycle in a more sustainable way (nitrogen)	Given the degree of emergency – including a million species threatened with extinction <sup>2</sup> – it should be a priority for the President-elect to come up with a concrete plan as part of the
Indicator: Land take	Green New Deal, – one that is of relevance to all dimensions of

#### Box 1: Analysis based on progress to date on the 7<sup>th</sup> Environmental Action plan<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Green: Relevant policy measures proposed for given environmental issue; Orange: Environmental issue identified as a problem without adequate solutions; Red: Environmental issue inadequately or not recognised at all.

<sup>2</sup> IPBES. 2019. Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science- Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES Secretariat, Bonn, Germany.

<b>Objective:</b> Keep the rate of land take below 800 km2 on average per year from 2000-2020 in order to remain on track to achieving the aim of no net land take by 2050	the crisis – and to address the Common Agricultural Policy adequately within this, in addition to a soil strategy for Europe.
<b>Indicator:</b> Status of marine fish and shellfish in European seas <b>Objective:</b> Ensure healthy fish stocks	
<b>Indicator:</b> Abundance and distribution of selected species <b>Objective</b> : Meet the headline target of the EU Biodiversity Strategy: to halt the loss of biodiversity and the degradation of ecosystem services and restore them in so far as is feasible	
<b>Indicator</b> : Species of European interest <b>Objective</b> : Ensure that 34.5 % of species assessments under the Habitats Directive are in a favourable or improved conservation status, and that 78 % of species assessments under the Birds Directive show a secure or improved status	
<b>Indicator:</b> Habitats of European interest <b>Objective:</b> Ensure that 34 % of habitat assessments under the Habitats Directive are in a favourable or improved conservation status	
<b>Indicator:</b> Status of surface waters <b>Objective:</b> Achieve good status of transitional, coastal and freshwaters	Water pollution is mentioned as part of the section on pollution and health but there is no reference to the upcoming review of the WFD
<b>Indicator:</b> Greenhouse gas emissions from transport <b>Objective:</b> Reduce the overall environmental impact of production and consumption in the mobility sector	The proposals to extend the Emissions Trading System (ETS) to cover the maritime sector, reduce the free allowances allocated to airlines over time and extend this further to cover traffic <b>fall</b> <b>short</b> of what will be required due to the weaknesses of ETS in providing adequate price signals to economic players.

<b>Indicator:</b> Animal product consumption <b>Objective:</b> Reduce the overall environmental impact of production and consumption in the food sector	There is no reference to livestock, nor the need for healthier diets. There is no reference to the central role that sustainable food systems will have in terms of combating climate change, both in terms of reducing non-CO2 emissions and increasing carbon sinks.
<b>Indicator:</b> Share of environmental and labour taxes in total tax revenues <b>Objective:</b> Shift taxation from labour towards the environment	While the need for qualified majority voting (QMV) is mentioned, environmental taxation reform is absent from the proposals, apart from the carbon border tax and a reference to the need to review the energy taxation directive
<b>Indicator:</b> Exceedance of air quality standards in urban areas <b>Objective:</b> Meet Air Quality Directive standards for the protection of human health	Air pollution is mentioned but without clear proposals to remedy the situation
<b>Indicator:</b> Exposure to environmental noise <b>Objective:</b> Significantly decrease noise pollution	There is no reference to this issue in the section dedicated to environmental health. In reality, however, this is a major issue for the well-being of urban citizens and which is largely being disregarded at the European Union level.

## Annex 2: Comparison between the political guidelines and Think2030 recommendations

In November 2018, as part of the #Think2030 platform, sustainability experts from across Europe produced a report <u>30X30</u> <u>actions for a sustainable Europe</u> that maps out how EU policies can help to address the transition to sustainable Europe by 2030 while delivering more prosperous, peaceful and healthy lives for EU citizens.

The report provides <u>30 key recommendations</u>, divided into five main areas: Governance 2030, Prosperity 2030, Wellbeing 2030, Nature 2030, and Peace and Security 2030.

The comparison table below has divided the President-elect's political guidelines into these five categories, where applicable, providing an overview of their ambition vis-à-vis the Think 2030 recommendations of sustainability experts.

President-elect's political guidelines	Think2030 recommendations	
Well-being 2030		
<ul> <li>Cross-cutting strategy to protect citizens' health from environmental degradation and pollution, addressing air and water quality, hazardous chemicals, industrial emissions, pesticides and endocrine disrupters</li> <li>A new Just Transition Fund to support the people and regions most affected</li> <li>Cohesion Funds to support regions and rural areas from East to West, from South to North</li> </ul>	<ul> <li>Design a comprehensive environmental health strategy</li> <li>Strengthen the European Social Pillar of Rights to support a Just Transition</li> <li>Integrate sustainability considerations in the reforms of income and wealth taxation and social protection systems</li> <li>Build the resilience of cities, rural communities and the wider environment through more effective adaptation strategies and action plans to address climate change</li> <li>Ensure the adequate representation of the interests of both youth and future generations, by establishing an EU Guardian for future generations.</li> <li>Close the knowledge gaps regarding the connections between poverty, multidimensional inequality and sustainability in</li> </ul>	

	Europe through research and funding for socially innovative
	projects.
Durana	
· · · · · · · · · · · · · · · · · · ·	rity 2030
A European Green Deal in my first 100 days in office	A clean macro-economic, monetary and growth framework
Increase the European Union's target for 2030 towards 55%	enabling decarbonisation
in a responsible way	A coherent mid-century decarbonisation strategy supported by
European Climate Law to enshrine the 2050 climate	sectoral industrial strategies and a carbon floor price.
neutrality target into law	A comprehensive European policy for sustainable consumption
Investment in innovation and research, redesign our	aiming at an 80% reduction in per capita material footprint by
economy and update our industrial policy	2050.
Extension of the Emissions Trading System to cover the	• Tighter environmental conditionalities on the use of European
maritime sector and reduce the free allowances allocated to	funds, greater alignment of the Multiannual Financial
airlines over time as well as traffic and construction	Framework to National Energy and Climate Plans, and
• A Carbon Border Tax to avoid carbon leakage fully compliant	measurable targets for the environmental outcomes of each
with World Trade Organization rules, starting with a number	programme
of selected sectors and be gradually extended	Greater use of targeted economic instruments such as green
Review of the Energy Taxation Directive	taxation and public procurement policies
• A new industrial strategy with the aim of becoming a world	
leader in circular economy and clean technologies	An accelerated implementation of the sustainable finance
Decarbonisation of energy-intensive industries	action plan
A New Circular Economy Action Plan with a focus on	Increased support for eco-innovation
sustainable resource use, especially in resource-intensive	A new generation of concrete waste prevention targets within
and high-impact sectors such as textiles and construction	the circular economy package and the plastic strategy based on
Open a new front in our fight against plastic waste by	an absolute reduction in annual waste.
tackling micro-plastics	
• A sustainable Europe Investment Plan with a €1 trillion of	
investment over the next decade	
Focus on funding innovation: Invest record amounts using	
the full flexibility of the next EU budget to focus on the areas	
with the greatest potential	

<ul><li>A strategy for green private finance</li><li>Turn parts of the European Investment Bank into Europe's</li></ul>	
climate bank.	
<ul> <li>Curtail biodiversity loss within the next five years</li> <li>A Biodiversity Strategy for 2030</li> <li>Set new standards for biodiversity cutting across trade, industry, agriculture and economic policy</li> <li>A new "Farm to Fork Strategy" on sustainable food along the whole value chain</li> </ul>	<ul> <li>Adopt an ambitious EU biodiversity 2030 strategy, with smarter targets, specifying how biodiversity will be valued, further loss halted and large scale restoration achieved</li> <li>A new Value Based approach to the ocean</li> <li>A sustainable bioeconomy strategy, ensuring that the transition from fossil to bio-based resources remains sustainable</li> <li>A fresh review of the challenge of improving soil management in Europe</li> <li>An increased focus across the Member States on implementing Water Framework Directive commitments</li> <li>A new approach to Europe's food systems (both production and consumption) ensuring coherence with EU decarbonisation, bioeconomy and biodiversity strategies and supporting farmers through results based payments.</li> </ul>
Gover	nance 2030
<ul> <li>A European Climate Pact – bringing together regions, local communities, civil society, industry and schools, committing to a set of pledges to bring about a change in behaviour, from the individual to the largest multinationals</li> <li>Refocus the European Semester into an instrument that integrates the United Nations Sustainable Development goals</li> <li>Proposals on taxation to be approved by qualified majority voting</li> <li>Comprehensive European rule of law mechanism and focus of enforcement of EU laws</li> </ul>	<ul> <li>Over-arching post-2020 strategy for the EU, in line with the UN Sustainable Development Goals and long-term goals to 2050, supported by a set of science-based quantified targets to 2030 and by policies fully integrating the environmental, social and economic and security dimensions of sustainability and including urgent short-term actions and transition roadmaps</li> <li>Establish a European Panel for Sustainability (EPS), an independent, high-level scientific multidisciplinary body, reporting to the European Council</li> <li>Include all levels of government in the design, implementation and monitoring phases of Europe's new sustainability agenda</li> </ul>

<ul> <li>Right of initiative for the European parliament</li> <li>Move towards co-decision and away from unanimity for climate, energy, social and taxation policies</li> </ul>	<ul> <li>Tackle gaps in the implementation of legislation and in accountability through more effective use of Member State and European enforcement mechanisms and a more systematically facilitated public access to environmental justice.</li> <li>Incentivize businesses to go beyond compliance through a new sustainability certification scheme for European companies aligned with SDGs, independently verified and based on best available environmental footprint methodologies.</li> <li>Utilise Europe's semester process for sustainability</li> </ul>
Peace and	d security 2030
<ul> <li>Leadership of international climate negotiations to increase the level of ambition of other major emitters by 2021</li> <li>Leadership for the 2020 Conference of the Parties to the Convention on Biological Diversity</li> <li>A Carbon Border Tax to avoid carbon leakage fully compliant with World Trade Organization rules, starting with a number of selected sectors and be gradually extended</li> <li>Inclusion of a dedicated sustainable development chapter within trade agreements</li> </ul>	<ul> <li>Adopt a comprehensive horizon scanning and early warning system for environmental and climate change risks for Europe's neighbourhood and other regions of strategic interest.</li> <li>Broaden the scope and increase the ambition of European climate diplomacy to include other major interrelated environmental risks, for instance by strengthening the focus on water issues.</li> <li>Adopt specific initiatives to improve the awareness and capacity of the EU and Member States' military forces regarding the role of climate and environment in conflict prevention and resolution.</li> <li>Use the EU's trade policy to push for harmonized and ambitious environmental standards worldwide and cooperation agreements around low-carbon and other environmentally friendly technologies</li> <li>Carry out an assessment of the EU's performance and also sharpen the targeting of EU external assistance vis-à-vis delivery of SDG implementation in third countries</li> </ul>