

## **Discussion Paper on EU Environment Policy**

### **Purpose**

For discussion.

### **Summary**

Members are invited to discuss current priorities and developments in EU environment policy and funding, and the LGA approach to lobbying on these issues. **Annex A** provides an update on our existing priorities.

### **Recommendation**

Members are invited to discuss current priorities and developments in EU environment policy and funding.

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## **Discussion Paper on EU Environment Policy**

### **Overview**

1. EU policy and law on environmental matters has a significant impact on the rules and regulations that UK local councils have to implement. Over half of UK environmental law has its origins in Brussels. It is therefore essential that the LGA maintains a close watch on EU developments in this area.
2. The EU is currently taking stock of existing regulations, with revisions likely in the coming years on waste management, air quality, greenhouse gases and water quality/efficiency. In the next period (2014-20) focus will be on implementation, ensuring broad ownership and securing mobilisation for action. The LGA will want to ensure that new rules are practicable, proportionate, relevant, and minimise administrative burdens and compliance costs.
3. In its own estimation, the EU is currently:
  - 3.1 “on track” on: greenhouse gas emissions, recycling, water pollution from point sources and on bathing water quality;
  - 3.2 “mixed progress” on: energy efficiency, the conservation status of the EU's most important habitats and species, decoupling (resource use and economic growth), water stress, water quality and trans boundary air pollution; and
  - 3.3 “not on track” for: pressure on ecosystems, biodiversity loss (terrestrial and marine), waste generation and air quality in urban areas.

### **LGA priority-setting**

4. The LGA has regards to both the EU legislative programme and current UK initiatives. From an EU perspective, topics currently being monitored or actively lobbied by LGA are:
  - 4.1 preparation of 7<sup>th</sup> Environmental action programme;
  - 4.2 implementation of EU laws;
  - 4.3 funding: LIFE programme;
  - 4.4 adaptation to climate change;
  - 4.5 waste management directives;
  - 4.6 energy efficiency directive;
  - 4.7 air quality review;
  - 4.8 greenhouse gases (F-gas regulation); and
  - 4.9 water quality and water efficiency.

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5. Current developments in these areas are outlined in the **Annex A**.
6. These priorities were set by the European and International Board in response to the EU work programme for 2012-14, reflecting comments from LGA staff working on environmental matters. However, it is important to view this from the converse perspective, i.e. what are the LGA's domestic priorities and how can these be supported through European and international work.
7. The current priorities of the LGA Environment and Housing (E&H) Board are:
  - 7.1 greater local decision making in planning and housing;
  - 7.2 local energy security, carbon reduction and the low carbon economy;
  - 7.3 climate adaptation, including flood risk management; and
  - 7.4 local decisions on waste.

**Case study: Energy Efficiency Directive**

8. Recent lobbying on the draft Energy Efficiency Directive demonstrated an integrated approach by the LGA towards the draft law, which is still being negotiated in Brussels.
  - 8.1 LGA policy staff in Brussels and London promptly identified the potential impact of the draft Directive (mandatory renovation of local council building stock; energy efficient procurement and contract compliance).
  - 8.2 LGA E&H Board established its policy position, which was reported to European and International Board.
  - 8.3 The E&H Board Chair wrote to UK Ministers to voice our concerns; London-based staff lobbied Whitehall civil servants and secured media coverage.
  - 8.4 Committee of the Regions (CoR) members lobbied MEPs in face-to-face meetings; Brussels-based staff lobbied UKREP and the Commission, and liaised with Council of European Municipalities and Regions (CEMR – European LGA) and other stakeholders (e.g. Eurocities) to form a concerted lobby.
  - 8.5 LGA Chairman was briefed ahead of an LGA event in the UK Parliament to which MEPs were invited.
  - 8.6 CoR opinion was amended by LGA members of CoR to reflect LGA position.
9. The current position on the Directive is that member states (Council of Ministers) largely support the LGA line of taking local government out of the Directive, at least in terms of the renovation targets. We believe that UK Government Ministers and UKREP have been helpful in promoting the

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LGA line within Council. The European Parliament however takes a stronger line, as it generally does on environmental law, whilst agreeing to exempt historic buildings from renovation (e.g. historic town halls). A final decision is expected in the next two months.

10. The above example shows the effectiveness of a parallel approach in London and Brussels, involving both members and staff in shaping opinion and directly lobbying decision-makers. The contribution of other stakeholders, notably CEMR should not be under-estimated in this field. Although the UK did not have the CoR rapporteurship, UK amendments reshaped the CoR opinion into a useful lobbying tool.

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## **ANNEX A**

### **UPDATE ON EU ENVIRONMENT LEGISLATION 30 APRIL 2012**

#### **Future directions for EU environment policy 2014-20**

1. Later this year, the EU will publish its seventh multi-annual Environmental Action Plan (7EAP) which will indicate what to expect from the EU in the medium-term. This is a major strategic policy initiative, although it is the legislative initiatives that derive from it that will directly affect councils.
2. The context is:
  - 2.1 rapidly changing external conditions and the increasingly interlinked nature of environmental, economic and social challenges;
  - 2.2 increased growth in the demand for natural resources and the impacts this has for the environment;
  - 2.3 uneven implementation record of environmental legislation; and
  - 2.4 the need for a longer-term vision for environment policy.
3. In addition to the more traditional elements of environmental policy (biodiversity, water, waste, etc) the 7EAP will also have to deal with:
  - 3.1 changing the behaviour of consumers to ease pressures on the environment, notably in those sectors which impose most of the EU's ecological footprint;
  - 3.2 exploring the role of urban communities and urban policy to deliver environmental improvements;
  - 3.3 ensuring an improved policy coherence through better integration;
  - 3.4 developing a more extensive knowledge base and better indicators;
  - 3.5 the environmental determinants for improving public health;
  - 3.6 renewed emphasis on the international aspect of environmental policy: promoting global green, better global environmental governance; and
  - 3.7 financing environmental policy objectives based on an appropriate mix of public and private means given the pressures on public budgets.
4. The European Parliament is trying to influence the plan. In January 2012, MEPs proposed ambitious targets such as a net decrease in waste generation and zero landfill "without driving waste to incineration". The 7EAP should also contain binding energy efficiency targets and a plan to tackle maritime and non-CO2 emissions. MEPs single out poor

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implementation of environmental policy as a major problem, and call for a directive on environmental inspections and an EU inspection force.

5. The European Commission has recently launched a public consultation to help shape its thinking. The deadline for responses is 1 June 2012.

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=7EAP>

**Implementation of EU environmental rules**

6. Implementation and enforcement of EU environmental law is a shared task with European, national, and local authorities. Poor implementation is often exacerbated by a lack of accurate information on environmental issues. Monitoring efforts are uneven across Europe, the information generated can be patchy and out-of-date and not enough useful information is placed online. Better and more accessible information at national and local levels would allow major environmental problems to be identified earlier, saving costs in the longer term.
7. The European Commission is considering measures to improve implementation of EU environmental laws, including national inspection audits and wider use of economic instruments. This can have important consequences for UK councils following the entry into force of the Localism Act 2011. As a result of this, EU fines for infringement of EU laws can, in theory, be passed on to local councils deemed to have contributed to the infringement. A more assertive approach by the EU will increase the risk of infringement proceedings against the UK.
8. The EU has launched the debate, and Cllr Nilgun Canver has been appointed rapporteur to draft a contribution from the Committee of the Regions. The European Commission will consider responses before making new proposals as part of the 7<sup>th</sup> Environmental Action Programme (see above).

<http://ec.europa.eu/environment/legal/law/compliance.htm>

**EU funding (LIFE Programme 2014-20)**

9. The European Commission has proposed to extend and expand the “Programme for the Environment and Climate Action” (LIFE) for the period 2014-2020. The aim of the proposal is to increase the efficiency of the current LIFE+ Programme.

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10. The main elements of the new LIFE Regulation include:

- 10.1 the creation of two sub-programmes under LIFE: one for the environment (with a budget of €2.4 billion) and one for climate action (€800 million);
- 10.2 a special emphasis on better governance;
- 10.3 the creation of "integrated projects", which will operate on a large scale and will aim to improve the implementation of environmental and climate policy and their integration into other policies; and
- 10.4 a better definition of the activities funded for each priority area.

11. The key issues are: geographical balance - i.e. the criteria for the distribution of LIFE funds among member states - and co-financing rates, including simplification of procedures:

- 11.1 Geographical spread: several member states consider that the merit and quality should remain the first criteria for distribution of projects, in particular "traditional projects", whereas others prefer to keep national allocations, as in the existing LIFE+ Regulation.
- 11.2 Co-financing: many member states would like to maintain VAT and permanent staff cost as eligible costs, even if that would entail a decrease in co-financing rates, although some ministers expressed concern that this would lead to a decrease in proposals for projects.

12. The CoR response is being drafted by Cllr Kay Twitchen (Essex). Her report welcomes the continuation and simplification of the programme, and the increased budget which will allow a higher level of EU co-financing (from 50% to 70%). However she shares concerns that by not reimbursing VAT and staffing costs, many councils will find the Programme less attractive.

13. UK MEPs on the Environment Committee have received an initial LGA officer contact, however the EP will not adopt its response until Autumn 2012.

<http://ec.europa.eu/environment/life/about/beyond2013.htm#proposal>

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**Adaptation to climate change**

14. The European Commission considers that there are still a number of knowledge gaps about the adverse effects of climate change. This concerns:
- 14.1 the generation and sharing of sound data and modelling results essential for assessing climate related risks, potential damages and cost-efficient adaptation options;
  - 14.2 a number of EU policies are or will gradually be affected by the adverse effects of climate change but often do not sufficiently take into consideration the need to adapt to those negative effects;
  - 14.3 not all local councils and countries are at the same level of knowledge, development or capacity to respond to the adverse effects of climate change. Some are not considering how to respond/deal with the adverse effects of climate change, vulnerabilities and adaptation needs; and
  - 14.4 the private sector, including insurance and finance markets, is not yet fully delivering the right products and services to help private agents in increasing their resilience to climate risks.
15. The Commission will prepare a communication in Spring 2013. The main policy objectives are:
- 15.1 to have a more resilient Europe at national and local level;
  - 15.2 to facilitate the exchange of good practices and co-ordination;
  - 15.3 to strengthen the knowledge base on climate change impacts, vulnerability and adaptation; and
  - 15.4 to mainstream adaptation into policies, strategies and programmes at EU level (and develop dedicated adaptation action where needed).

**Waste Electrical and Electronic Equipment (WEEE Directive)**

16. The revised directive on waste electrical and electronic equipment (WEEE) is passing between the European Parliament and Council of Ministers. Once signed-off by Ministers, the UK will have 18 months after it enters into force to transpose the directive into national law (ie by late-2013). The UK can strengthen the new rules as they would apply in the UK (known as “gold-plating”) but cannot weaken them.



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17. At the present stage of the negotiations (after 2<sup>nd</sup> reading in Parliament), the main features are:

- 17.1 *Separate collection*: Member States shall adopt appropriate measures to minimise the disposal of WEEE in the form of unsorted municipal waste, to ensure the correct treatment of all collected WEEE and to achieve a high level of separate collection of WEEE, notably, and as a matter of priority, for temperature exchange equipment containing ozone-depleting substances and fluorinated greenhouse gases, fluorescent lamps containing mercury, photovoltaic modules and for certain small equipment.
- 17.2 *For WEEE from private households*: Member States shall ensure that distributors provide for the collection, at retail shops with sales areas relating to EEE of minimum 400 m<sup>2</sup>, or in their immediate proximity, of very small WEEE (no external dimension more than 25 cm) free of charge to end-users and with no obligation to buy an EEE of equivalent type, unless an assessment shows that alternative existing collection schemes are likely to be at least as effective. Such assessments shall be available to the public. WEEE collected will be properly treated.
- 17.3 *Disposal and transport of collected WEEE*: in order to maximise preparing for re-use, Member States shall promote that, prior to any further transfer, collection schemes or facilities, as appropriate, provide for the separation at the collection points of WEEE that is to be prepared for re-use from other separately collected WEEE, in particular by granting access for personnel from re-use centres.
- 17.4 *Collection rate*: each country will ensure the implementation of the producer responsibility principle and, on that basis, that a minimum collection rate is achieved annually. The minimum collection rate shall be of 45 % calculated on the basis of the total weight of WEEE collected in a given year in the country concerned, expressed as a percentage of the average weight of EEE placed on the market in the three preceding years in that country. They shall ensure that the volume of WEEE collected evolves gradually during the period up to 7 years after entry into force of the Directive, unless the final collection rate is already achieved.

18. From 2019 the minimum collection rate to be achieved annually shall be 65% of EEE placed on the market in the three preceding years, or alternatively 85% of WEEE generated on its territory.

[http://ec.europa.eu/environment/waste/weee/index\\_en.htm](http://ec.europa.eu/environment/waste/weee/index_en.htm)

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**Future EU waste laws**

19. In 2014, the EU will propose a revision of the targets of the existing waste laws (Waste Framework Directive) and specific waste streams, to make the EU more resource-efficient.

20. At the same time, it will revise existing landfill diversion targets and propose new diversion targets for other waste streams in order to gradually move towards zero landfilling in 2050.

**Energy Efficiency Directive (EED)**

21. There is positive momentum towards making the draft energy efficiency directive (EED) more flexible, to reflect existing initiatives and different levels of performance in Europe. Getting agreement on the Directive is a major priority for the Danish EU Presidency, which is in office until June 2012, meaning compromises on both sides are likely. A summary is in the cover paper.

**Smart cities and communities**

22. The Commission is looking at different options to improve and consolidate the existing initiatives to create a comprehensive approach to render cities across Europe more energy efficient and sustainable. No legislative instrument is considered. The initiative will focus on large-scale demonstration projects and cross-sector and cross-border issues in terms of business models, regulatory questions and technology development where there is a European dimension.

23. To be launched in Spring 2012, the “Smart Cities and Communities Partnership” should provide the framework for:

- 23.1 engaging business and regional/local public authorities in technological demonstration and testing programmes which will validate advanced energy-efficient and low-carbon technologies and strategies;
- 23.2 enabling economic, organisational and social innovation which will transform the cities into low carbon, citizen-friendly urban areas; and
- 23.3 developing smart energy supply and demand systems, integrated solutions in the areas of active buildings, heating and cooling, electricity networks, ICT solutions, as well as alternative fuels and clean and energy efficient transport.

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**Air quality**

24. The European Commission believes that a revision of EU Air Quality regulations is timely given the magnitude of the impacts on health and the environment from current air quality and air pollution deposition as exhibited by widespread non-compliance with ambient air quality standards and continued non-exceedence of thresholds for the protection of natural ecosystems. Moreover, there is a growing consensus that air pollution policies can better link with climate mitigation given that key air pollutants such as ozone and soot particles are very significant components of atmospheric warming and act over a much shorter time than the classical greenhouse gases like CO<sub>2</sub> and methane.
25. The current revision has the following specific objectives:
- 25.1 to identify reasons and propose solutions for persistent problems of non-compliance, in particular for particulate matter, nitrogen dioxide and ozone;
  - 25.2 to assess the need for setting new, long-term objectives on the basis of the latest evidence, in particular national emission ceilings and particulate matter standards;
  - 25.3 to evaluate the need for additional emission control measures in certain sectors, in particular road (vehicle emissions) and non-road transport, shipping, agriculture, small installations, households and others; and
  - 25.4 to strengthen synergies and manage potential trade-offs with other related policies, in particular climate change mitigation.
26. The EU is currently taking views on how it should revise current rules on air quality (bearing in mind that existing limits are being breached by the UK, especially in London, and EU fines are possible). Current EU limits are at half of WHO guidelines.
27. The most pressing issues for national governments are improving integrated assessments, policy coherence and tackling ultra-fine particles and black carbon. Arsenic, cadmium and other toxic pollutants might be integrated into the main framework directive on ambient air quality.
28. LGA officers are monitoring the situation with regards to potential changes to local air quality management regime, which Defra are looking to review following feedback from the Red Tape Challenge.

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29. Proposals are expected in 2013.

**Fluorinated greenhouse gases (F-gas)**

30. F-gases are greenhouse gases with a high global warming potential used in and emitted from a wide range of closed (eg refrigeration and air conditioning) and open applications (eg aerosols).

31. Whilst the F-Gas Regulation aims to reduce emissions by targeting leakage from closed applications, the use of F-gases in equipment - and thus overall emissions - are expected to continue increasing.

32. In a recent stakeholder survey (published April 2012), the preferred policy actions were strengthening containment and recovery, voluntary agreements for specific sectors, and limits to the placing of HFCs on the EU market (in that order). Stakeholders provided numerous suggestions to improve containment and recovery pointing out the importance of control and enforcement of the existing legislation and harmonisation of the situation within the EU as well as the need to broaden the scope of the existing legislation. Other suggestions included measures improving awareness and information exchange, the introduction of financial incentives and taxes as well as some technical measures.

33. Proposal expected in June 2012.

[http://ec.europa.eu/clima/policies/f-gas/index\\_en.htm](http://ec.europa.eu/clima/policies/f-gas/index_en.htm)

**Water efficiency**

34. With much of Europe suffering from various degrees of drought, the European Commission is considering a range of options aimed at reducing the impact of agriculture on resources, tackling water leakages, improving building efficiency and water pricing.

35. Specifically, the European Commission believes there is a very significant potential for water savings in Europe through improved water efficiency, in particular in agriculture, buildings, water distribution systems, etc. The Commission is looking at different levels of improvement to the water performance of buildings, among them water-saving devices, water-efficient construction, design and renovations, and measuring a building's performance, as well as smart metering, water pricing, labelling, certification and minimum efficiency requirements.

36. Last year, the European Commission conducted an open consultation on water efficiency in buildings. A summary of results published this month shows about half of respondents thought it relatively unimportant that the EU act centrally on the issue. When asked what it should do, the most

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popular options were local/regional measures, expansion of water metering and provision of guidance. Binding EU laws and new water pricing policies were the least-favoured options. There was some support for minimum efficiency standards for buildings and water-using products.

37. LGA officers will closely monitor the Water Bill as it progresses through parliament to identify any implications for councils. A position statement on will also be prepared in response to EU thinking on future water performance directives of buildings, including council assets.

38. A set of measures will be proposed towards the end of 2012.

[http://ec.europa.eu/environment/consultations/pdf/WaterPerformanceBuildings\\_results%20of%20consultation2012.pdf](http://ec.europa.eu/environment/consultations/pdf/WaterPerformanceBuildings_results%20of%20consultation2012.pdf)

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