## AT A GLANCE

# Requested by the ENVI committee Study in Focus



## **EU Environment and Climate Change Policies**

## State of play, current and future challenges

The <u>original full study</u><sup>1</sup> reviews the state of play of on-going European Union (EU) environmental and climate legislation and pinpoints key challenges for the next five years. Challenges identified arise from the <u>plans released by the President-elect von der Leyen</u>, such as a new European Green Deal and the completion of work started in the previous term including the Regulation on a framework for sustainable finance and the completion of the Multiannual Financial Framework (MFF), by undertaking reviews of legislation foreseen for the next term and by analysing the need for action where indicators show that current EU environment targets may not be achieved.

### **Background**

The first part of the study summarizes the status of EU legislation, major EU targets and strategies in the area of environment and climate change policies, with a particular focus on the most recent actions adopted. The second part addresses upcoming challenges and crucial issues for the next legislative period. Crucial issues are those areas in which legislative work from the previous legislative period still needs to be



completed. This includes, for example, the framework to facilitate sustainable investment where work in the Council is ongoing and the adoption of the post-2020 MFF. Upcoming challenges also include areas in which previous programmes need to be replaced by updated priorities and strategies such as the 8th Environment Action Programme (EAP). In relation to the EAP, sustainable development and a Union strategy for non-toxic environment, resolutions of the EP have already identified the need for future action. In addition, there are areas in which significant gaps in implementation, enforcement, financing or policy integration are threatening the achievement of EU targets, such as the prevention of biodiversity loss, further reduction of air pollutants (in particular NOx and particulate matter in urban areas), compliance with waste legislation or the phase-out of subsidies for fossil fuels.

A crucial decision needs to be taken on the increase of the EU greenhouse gas (GHG) mitigation target for 2030 from at least 40% to 55% compared to 1990 as proposed by the EP and the target of net zero emissions by 2050. A more ambitious 2030 climate target will require updated implementing legislation such as for the EU Emissions Trading



Scheme (ETS) or the Effort Sharing Regulation. After the agreement of the International Civil Aviation Organization (ICAO) on a basket of measures to keep the international aviation sector's growth carbon neutral from 2020, which includes a Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the EU has to evaluate and decide whether CORSIA is sufficient to address GHG emissions from international aviation or whether the Commission will take additional action. Upcoming challenges related to GHG emissions from shipping are a decision on whether to include maritime transport in the EU ETS and the further development of the Monitoring, Reporting and Verification (MRV)



regulation towards a policy for reducing operational GHG emissions of existing ships. Member States need to present their final National Energy and Climate Plans (NECPs) for 2030 at the end of 2019, which will also trigger discussions on actions related to GHG mitigation.

At international level, the Conference of the Parties under the Convention on Biological Diversity (CBD) in 2020 in China and the Conference of the Parties under the UN Framework Convention on Climate Change (UNFCCC) in 2019 in Chile will present important opportunities to tackle global challenges and strengthen the multilateral environmental governance framework.



#### **Key findings**

The study reviews the state of play of on-going EU environmental and climate legislation and analyses key challenges for the next five years:

- Key areas of EU legislation completed or substantially advanced in the past legislative term include inter alia the Circular Economy Action Plan with a substantial revision of legislation on waste and a new strategy on plastics, improvements in the monitoring of air pollutant emissions after the discovery of deployment of manipulating software by car manufacturers or the climate and energy framework for the 2021-2030 period.
- The thematic priorities established in the 7th EAP continue to be of high priority and several of the key thematic elements have been included in the European Green Deal, for example more ambitious GHG reduction targets for 2030 and 2050, a Biodiversity Strategy for 2030, a zero-pollution ambition **policy for air quality, water or chemicals** or a new a Circular Economy Action Plan.
- Other specific priorities in the area of environment highlighted in the programme of Commission President-elect are micropolastics, a 'Farm to Fork' strategy, the reformed Common Fisheries Policy (CFP) and action against illegal fishing and subsidies that contribute to overfishing, while in the climate area she proposes a European Climate Law, a new European Climate Pact, a Carbon Border Tax and the review of the Energy Taxation Directive.
- Progress in the EU is not always on track with its environment targets. Gaps in implementation exist in relation to municipal waste recycling, the release of microplastics in the environment or the status of urban air quality and water quality. The loss of biodiversity continues as well. The EU is likely to miss its key 2030 climate and energy targets unless governments implement further action. Subsidies for fossil fuels have not been reduced despite related commitments to do so.
- Some legislative files could not be completed in the previous term. The most important discussion at the beginning of the new term will be the finalisation of the MFF backing the planned initiatives with financial resources. This is also linked with the adoption of a new green architecture of the Common Agricultural Policy (CAP). The work on a revised Drinking Water Directive and on a Regulation on Minimum Requirements for the Re-use of Waste Water are also pending. Another important area for completion is the proposal for a regulation on the establishment of a framework to facilitate sustainable investment, revision of state aid guidance. Regarding GHG mitigation, the EU has to decide to what extent it will recognise CORSIA for aviation emissions and also tackle potential inclusion of maritime transport into the EU ETS.
- The Sustainable Development (SD) strategy also needs to be continued and the EP has requested a comprehensive EU SD strategy with detailed timelines up to 2030, objectives and concrete measures, as well as concrete proposals for institutional structures and a governance framework.

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