ANNEX 2

LINKAGES OF ENVIRONMENT POLICY ISSUES

The importance of coherence is already recognised

The importance of coherence and linkages is regularly recognised in strategic documents. Europe 2020, the EU's growth strategy for the coming decade, has the aim for the EU to become a smart, sustainable and inclusive economy. These three mutually reinforcing priorities are to help the EU and the Member States deliver high levels of employment, productivity and social cohesion. Concretely, under this strategy the Union has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020.

Delivering Europe 2020 are a number of strategic documents, different in status and timescales, either ongoing or under discussion that relate to the EU's environment. They include: the Flagship Initiative on a Resource Efficient Europe under the Europe 2020 Strategy; the 2020 EU Biodiversity Strategy; the forthcoming Blueprint to safeguard Europe's water; Roadmap for moving to a low-carbon economy in 2050. On top of these, sectoral processes such as the 2014-2020 Multi-Annual Financial Framework (MFF) and reforms in sectoral policies like agriculture (legislative proposals for 2014-2020 Common Agricultural Policy) or transport (Transport White Paper), knowingly affect the context and scope for environmental policy action to 2020 and beyond.

This policy framework has been developed by the EU as a comprehensive body of environmental legislation with the objective of limiting impacts and pressures on the environment.

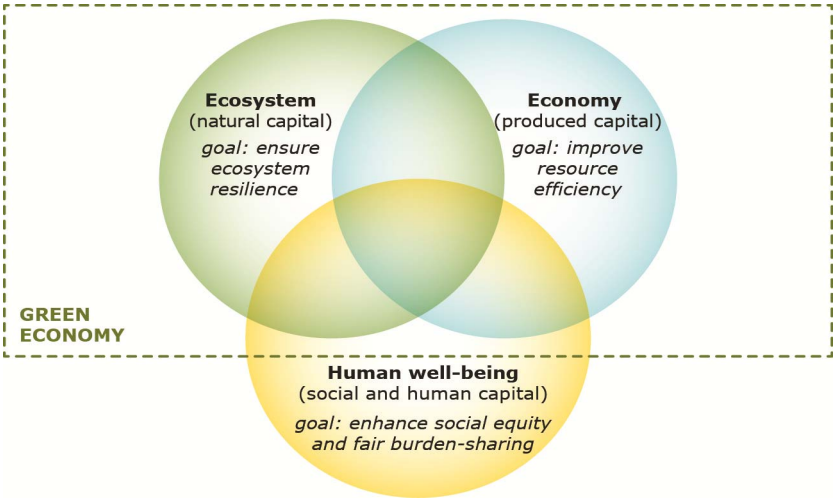
In this context, the 7EAP is useful in providing an overarching strategic framework that gives overall orientation and guidance to help frame the future development of EU policies, in all areas. The 7EAP can help tackle links between these three main objectives (ecosystem resilience, resource efficiency and human health and well-being), for example through:

- Developing, for agriculture, a perspective on resource efficiency in terms of nutrients, energy, chemical inputs, water and land take
- Developing, for chemicals, a perspective on risk assessment, reducing impacts on the environment (pharmaceuticals), and application of the precautionary principle (endocrine disrupting substances, nanomaterials etc.)
- Developing an integral perspective on consumption, marketing and labelling of products, and waste reduction through a reduce, reuse, recycle, resource virtual cycle

Green economy

The concept of a green economy recognises that ecosystems, the economy and human well-being (and the respective types of natural, produced, social and human capital) are intrinsically linked (Figure 1).

Figure 1 - The 'green economy' concept in the context of sustainable development



Assessment of whether interlinkages are adequately addressed

There have clearly been considerable successes in terms of addressing interlinkages and 'mainstreaming' environment into other policy areas. However, there are also criticisms of stakeholders that the current policy framework does not adequately address inter-linkages and those omissions in the current and planned strategic documents, meaning there is still not a clear and coherent long-term vision for EU environmental policy.

In particular, that developed separately, many of the policies and proposals overlap thematically and address multiple environmental problems and pressures in different policy areas, they present the risk of having conflicting agendas and not taking into account synergies and trade-offs within and between policy areas. A key question in the design of the 7th EAP thus concerns these existing inter-linkages, overlaps and omissions.

Whilst the European Commission does not necessarily accept the criticism, for example, the independent Institute for European Environmental Policy (IEEP), has provided an assessment of the degree to which some of the most relevant sectoral strategies (namely agriculture, fisheries, cohesion, energy & transport and industry) at the EU level formally address environmental policy issues developed under the 6th EAP (climate change, biodiversity, natural resource use and environment & health). The nature and strength of the link is defined as follows:

- Strong link: the proposal takes into account the environmental issue concerned by explicitly referring to it and by concrete policy actions. A strong link does not imply that the measures are considered sufficient or guarantee an effective outcome though.
- Moderate link: the proposal takes into account the environmental issue by explicitly referring to it, but proposed actions are not exhaustive/too weak to influence the environmental trend.

- Weak link: the proposal takes into account the environmental issue and proposes specific actions to a limited degree or insufficiently.
- Very weak link: the proposal makes a formal recognition of the environmental issue but does not propose any specific action.
- No link: the proposal does not refer to the environmental issue.

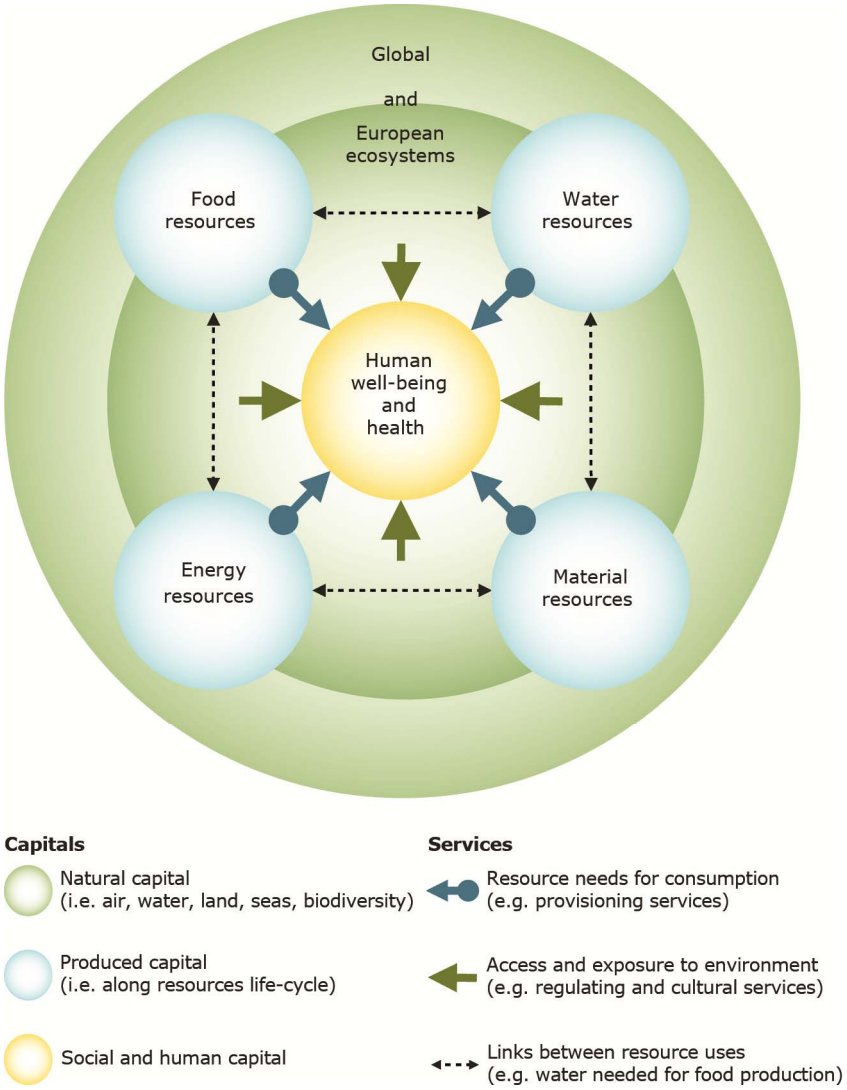
Table: How sectoral policy proposals address major environmental issues

		Climate change	**Biodiversity**	**Natural resource Use**	**Environment & Health**
Agriculture	*Legislative Proposals for 2014-2020 Common Agricultural Policy*	**Strong link**	Moderate link	Moderate link	Very weak link
Fisheries	*Legislative Proposals for 2014-2020 Common Fisheries Policy*	No link	Moderate link	**Strong link**	Very weak link
Cohesion Policy	*Legislative Proposals for 2014-2020 Cohesion Policy*	Moderate link	Weak link	Weak link	No link
Energy and transport	*Transport White Paper*	**Strong link**	No link	Moderate link	Moderate link
	Energy 2020 Strategy	**Strong link**	Very weak link	**Strong link**	Very weak link
	Legislative proposal for Connecting Europe Facility	Moderate link	No link	Very weak link	No link
Industry	*Flagship Initiative, Reinforcing competitiveness*	Very weak link	No link	Moderate link	Very weak link

Examples of Interlinkages

The links between **specific objectives 1-3** can be considered further through a resource use-efficiency lens. So, for example, the natural resources that are most directly relevant to human health and well-being can be roughly classified into four major categories from an economic perspective: **food** resources, **water** resources, **energy** resources and (other) **material** resources. Material resources are normally defined as covering biomass, metals, non-metallic minerals, and fossil fuels. In the context of human well-being it is more relevant to consider materials for housing and transport (e.g. sand, gravel, wood and metals), as well as other materials in day to day use especially chemicals, and upcoming materials likely to come into day-to-day use more and more such as nano-materials.

Figure 2 – Key natural resources to underpin human health and well-being



The different resources are heavily inter-linked. For example, food production relies on energy and water, and therefore cannot be considered in isolation. All four categories of resource requirement depend on the availability of **land** to support the resource use, i.e. food and (bio-)energy production requires agricultural land, water resource availability is affected by land cover and use, and material resource requirements and the development of economic activities will place an additional demand on land for housing, transport infrastructure and extraction of resources.

These multiple resource requirements thus often call for trade-offs to be accounted for between different types of uses for a given land area or for limited resources. Foot-print issues come into play where production processes are outsourced to areas outside Europe, again with indirect impacts on human well-being through global environmental feed-backs.

When sectoral policy proposals are considered against this background and the problem definition in Section 2, it shows that:

1. *Regarding the EU's ecological and climate resilience through our natural capital:*

There is significant integration of environment in CAP with measures such as agri-environment payments and a new Forest Strategy planned for 2013 for a sustainable forest

management. The CAP 2014-2020 includes an "integration scenario" where the greening is a central element, with a compulsory green payment composed of environmental measures such as permanent grassland or crop diversification. An ecosystem-based approach also prevails in the revision of the CFP where it has been given a greater importance in fisheries management. Biodiversity still stands weaker though in most of the sectoral policy proposals. Anticipating critical thresholds in pressures on ecosystems is a challenge at European and global levels. Proposals, mainly in the energy and transport sectors, aim at improving their contribution to a low-carbon economy.

2. *Regarding a single market for sustainable, low-carbon growth, improving resource-efficiency and economic competitiveness:*

The mitigation of GHG emissions is well established as a cross-cutting policy objective in sectoral strategies. For instance proposals have been put forward to foster carbon sequestration and promote agro-ecological restoration in the current debate on the reform of the CAP. The Transport White Paper also sets goals on emissions reduction through the achievement of a CO2-free city logistics in major urban centres by 2030, for instance. Resource use and resource efficiency are addressed in all strategic documents. To name one, the Cohesion Policy review includes in its new thematic objectives supporting the shift towards a low-carbon economy in all sectors and promoting resource efficiency. Many proposals focus on economic (safety of supply, competitiveness) as well as environmental (reducing environmental impacts) sustainability. Lifecycle approaches to doing business and consuming in a circular economy are still lacking.

3. *Regarding an environment conducive to better human health and well being:*

Health issues linked to the environment are affected by sectoral policy proposals, with for example air pollution clearly affected by transport.