Informal Meeting of EU Environment Ministers

22 -23 April, 2013

Presidency Summary
Session I: Building the Single Market for Green Products in a Resource Efficient Europe

At the first session of the informal meeting of EU Environment Ministers in Dublin, 22-23 April, Environment Ministers discussed efforts to achieve a resource efficient Europe with a particular focus on the development of a single market for green products. The dialogue was based on a discussion paper from the Irish Presidency prepared against the background of the Commission Communication¹ and Recommendation on the establishment of a comprehensive methodology for measuring the environmental performance of products and organisations. At the heart of this proposed methodology is a commitment to the life-cycle assessment approach and a proposal for its voluntary implementation.

Following the order of the Presidency discussion paper, the discussions were divided into three parts: Part I which invited ministers to discuss progress on the implementation of the resource efficiency agenda within Europe, Part II which examined ways to address information deficits that are inhibiting positive behavioural change among consumers and organisations and Part III on the Commission’s Communication and Recommendation, as well as the wider international context for the Union’s work in this area.

The Presidency paper particularly highlighted how resource use at existing levels is not sustainable and will act as a barrier to future economic growth. The paper noted that this is particularly true of the EU as the highest per capita importer of resources in the world and emphasised that the development of a functioning single market for green products is an essential part of the resource efficiency process requiring buy-in from all stakeholders, including national Governments, the business community and consumers. The methodology proposed in the Commission’s Communication addresses the lack of reliable information on the one hand and the abundance of methodologies on the other. If widely adopted in line with the Commission Recommendation, the environmental footprint methods would deliver coherent and clear information from a trusted source.

Moderator Mr. Simon Upton, Environment Director, OECD, referred in his opening statement to recent OECD research into the impacts of price and information on consumer and business decisions. Mr. Upton particularly highlighted the importance of price as an influencing factor, and noted that while price and information can have a significant impact on consumer decisions, information alone does not have the same effect. He illustrated the point with the example of the public water system in Israel, where price increases of up to 40% over the past decade have led to the pursuit of efficiencies and prompted greater innovations in water recycling and abstraction technologies. OECD Research also demonstrates that priced-based instruments have the strongest potential for stimulating positive environmental behavioural change within an organisation. At the level of the individual consumer, the direct benefits to the customer of the purchasing choices are more influential than the environmental or societal benefits.

There was broad recognition among Ministers of the pressing need to make concrete progress towards a resource-efficient Europe, both in the context of ensuring the competitiveness of European business and also for the sustainable management of the world’s natural resources. They

¹ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL: Building the Single Market for Green Products Facilitating better information on the environmental performance of products and organisations.
also welcomed the robust policy base for resource efficiency in Europe, while acknowledging the time lag in the transition to resource efficient production methodologies within national industries, due in large part to the current economic challenges. Ministers recognised the unsustainability of maintaining the status quo of current levels of European consumption and noted that achieving the necessary transition to the green economy will require systemic changes over an extended period.

Ministers recognised the opportunities for new jobs and industries in moving to a more resource-efficient economy and reaffirmed their commitment to fully implementing the resource-efficiency agenda, including the need

- to ensure policy coherence for resource efficiency;
- the need for immediate action;
- the key role of SMEs;
- to promote eco-innovation as the engine of green growth;
- to provide financial incentives for innovation due to long investment and pay-back times;
- to empower industry and consumers to move to resource-efficient production and consumption, and the importance of the circular economy.

Ministers particularly reaffirmed their commitment to fulfilling the objectives as set out in Europe 2020 and also emphasised the importance of linking fiscal and environmental priorities including through the European Semester.

A number of initiatives for the transition to a resource-efficient Europe were highlighted in the discussion, including correcting market failures through full-cost pricing, phasing out environmentally harmful subsidies, shifting taxes from labour to environmental pollution, taking product policy forward, sharing of experiences and best practices, implementing and further developing the approach set out in the Eco-Innovation Action Plan as well as supporting innovation in green technology. The role of Green Public Procurement in stimulating demand for green products and services was also acknowledged.

There was consensus on the need for complementary policy initiatives that both promote the adoption of resource-efficient production methodologies by business and industry and support consumers in taking “greener” consumption decisions. Ministers noted the important role of price in influencing such decision making and advocated that the lifecycle assessment approach and full cost pricing should be incorporated into pricing methodologies.

Greener taxation and regulation were both identified as important tools in promoting resource efficiency with an emphasis on rebalancing taxation for greener outcomes, rather than simply increasing taxes. Ministers particularly noted the opportunity presented by environmental taxes which allow a lowering of taxes on businesses that solve environmental problems. The role of SMEs in achieving resource efficiency was recognised with a reaffirmation by Ministers of the need to ensure their efforts are supported through Smart Regulation in particular. Overall, the need for regulation to keep up with technological change was highlighted as a real challenge. Ministers particularly highlighted the need for comprehensive awareness-raising and education programmes with tailored messages for particular consumer groups.
In their consideration of the Commission Communication and Recommendation, Ministers were generally supportive of the objectives of common methodologies (for Product Environmental Footprint and Organisation Environmental Footprint) to address the proliferation of green claims, to improve the availability and credibility of information on the environmental performance of products and organisations, and to ultimately facilitate a higher uptake of green products. In this context, Ministers broadly welcomed the Commission Communication approach to standardising the methodology for defining such “green claims”, describing it as a helpful and necessary step in the right direction for the development of a single market for green products. The synergies between the proposed methodology and Eco-labelling and EMAS were particularly welcomed. There was also support for a voluntary approach that was seen to be “business friendly” and, particularly, for an initial pilot phase to ensure that any such methodology would be fit for purpose, simple to use and understand, and not overly burdensome, while also meeting the information needs of consumers and businesses.

There was agreement among Ministers of the important role and the need for the active participation of all stakeholders, both public and private, in ensuring the successful transition to a resource-efficient Europe as well as in facilitating the uptake of the initial testing phase of the methodology as recommended by the Commission.

There was also an acknowledgement of the role of the EU as a leader in promoting positive environmental policies internationally, although Ministers noted the importance of ensuring that the implementation of any such methodology would be trade-neutral and developed in partnership with other regions.

Session II: Air Quality and the Urban Environment

The second session of the Informal Council of Ministers saw a comprehensive discussion on the challenges relating to addressing air quality which are most evident in the urban environment. There was general agreement as to the importance of air quality as a fundamental indicator of a good ‘quality of life’ and well-being; furthermore, new and emerging evidence from the WHO suggests that the levels of air pollution to which many European Union citizens are exposed to impacts negatively on their health. Minister Hogan on behalf of the Presidency, introduced the session highlighting that 2013 has been designated as the EU Year of Air, and noted the commitment by the European Commission to issue its review of the Thematic Strategy on Air Pollution later this year.

Commissioner Potočnik acknowledged the policy challenges presented by air pollution, not least in urban areas but also in relation to trans-boundary and background sources which are themselves significant contributors to the elevated levels found in urban areas. He noted recent research which demonstrated the need for urgent action in this area, with the latest data estimates indicating that some 420,000 EU citizens died prematurely from air pollution in 2010. The Commissioner also noted the opportunities to learn from US action in the area, and indicated that ambitious air quality policy in the EU will have the dual advantage of improving citizens’ ‘quality of life’ and well-being, as well as being a driver for economic growth and recovery.
In his presentation, the Commissioner outlined the three overarching objectives for the forthcoming review of the Thematic Strategy on Air Pollution:

1. To ensure compliance with existing EU air quality policies, and coherence with the recently revised Gothenburg Protocol;
2. To set a clear target for further reductions in pollution in the period beyond 2020 up to and including 2025/2030; and
3. To propose an effective combination of source measures to achieve that target, learning from the implementation experience to date.

The Commissioner also set out 4 main guiding principles for the review, namely, (i) the use of best available science, (ii) robust cost-benefit analysis, (iii) policy coherence and (iv) robust testing of assumptions.

There followed two presentations, the first by Professor Frank Convery, Chair of the Earth Institute at University College Dublin on the outcome of the Air Science Policy Forum held in Dublin on 15 April 2013, to provide an opportunity in advance of the Informal Council, for scientists and policymakers to discuss some of the key air quality issues. Professor Convery highlighted the opportunities for citizen involvement in air policy through new technologies facilitating citizen science and monitoring. He also highlighted the importance of the chosen indicator for assessment of progress of air quality improvement. The current focus, primarily on a single limit value does not provide a dynamic incentive for air pollution reduction in Member State areas below the limit value, despite the evidence that health impacts occur even below the limit values. Conversely, it can brand Member States or regions above the limit value as non-compliant even when cost effective abatement options are limited. In this context Prof Convery, outlined the potential value of putting more focus on a complementary exposure reduction target. Professor Jacqueline McGlade, Executive Director of the European Environment Agency, in her presentation, emphasised the need for policy coherence between all levels of governance including, local, regional, national and supranational authorities. She particularly highlighted the differentiated nature of air pollution and challenges across Europe, for example, ozone in the south, PAHs from wood stoves in the north, and particulates from residential coal use in the east. In terms of best practice for communication, she noted the importance of communicating through bodies that are recognised and trusted by the sectors, particularly in relation to sectors not accustomed to addressing air quality issues e.g. agriculture. Finally, she highlighted the need for an integrated and precautionary approach, citing the potential health implications of energy efficiency policy though potential impacts on indoor air quality.

Following these presentations, Ministers engaged in an open discussion on the policy challenges in improving air quality, with many noting the range of issues and challenges across the European Union particularly in respect of geographic diversity, proximity to major urban areas and potential sources of air pollution, and available means and tools to improve air quality and mitigate pollution. Given the importance of air quality to the lives of EU citizens, Ministers generally saw the review of the Thematic Strategy on Air Pollution as an opportunity to advance policies that will leave a lasting legacy to European citizens and looked forward to the Commission launch in October 2013.

Ministers also acknowledged the progress made to date in this area, particularly in relation to policy interventions that have decoupled air pollution from economic growth and that have effectively addressed environmental impacts for example, ecosystem damage from ‘acid rain’. However, there
was general recognition that governance is an issue that needs to be addressed by the review to facilitate greater coherence of action at local, regional and Member State levels to complement the Thematic Strategy on Air Pollution. The real challenge of ensuring compliance with the existing legislation (both in relation to ambient quality standards and emissions ceilings) was noted, with some Ministers advocating partnership implementation agreements as a constructive approach to working towards improved compliance.

In addition, several Ministers noted that tightening ambient air quality standards or national emission ceilings will not, of themselves, deliver the necessary improvements in air quality and highlighted the need for clear and effective proposals to address emission sources. In this context, several sources and sectors were highlighted as being particularly important and which should be addressed in the review, including small combustion installations in the residential sector, non-road mobile machinery, agriculture, maritime emissions and effective vehicle emission standards, particularly for diesel vehicles, to address the shortcomings to date.

Building on the presentation by Professor McGlade, the need for greater coherence for air quality policy with other policy areas was highlighted by many Ministers, particularly in relation to the opportunities to deliver climate change benefits and improve human health outcomes by addressing Short Lived Climate Pollutants (SLCPs), including black carbon and ozone. The link between air and climate impacts was particularly highlighted in one national experience whereby biomass burning in neighbouring regions is evident from the deposits of black carbon on the clear Arctic region snows.

It was clear from the discussion that air pollution is viewed in many Member States as one of the most pressing, but also challenging, environmental and health challenges, and that EU citizens understand the impact of air pollution, as they experience it, and its effects, in very real ways. Many Ministers called on the Commission to harness this broad public support in relation to the review of the Thematic Strategy and to the new policies it should contain.

**Session III: Consultative Communication on International Climate Negotiations**

During the third session on issues relating to international climate change, Ministers enjoyed a full discussion on the consultative communication published in March by the European Commission. Commissioner Hedegaard presented an overview of the consultative communication and the progress to date including the stakeholder conference. She emphasised the importance of a robust mechanism whereby the EU can contribute positively to meeting the ambition of staying below the 2 degree target. Ministers recognised the political challenges for the international negotiations on climate change, and the need to intensify these negotiations to deliver a post-2015 agreement which must contain legally-binding commitments for all parties based on a spectrum of commitments in a single comprehensive and coherent regime which will come into operation by 2020. This must be based on a dynamic interpretation of common but differentiated responsibilities.

The importance of using wisely the UN Secretary General’s gathering of world leaders in the autumn of 2014 to make progress on a post-2015 agreement was noted by Ministers, with calls for the EU to play a strong leadership role at the event. In progressing a global approach to addressing climate change, Ministers highlighted the value of working together with least developed countries, the alliance of small island states and other developing countries, to build a shared perspective and level
of ambition. The Commission and Member States were also encouraged to engage in dialogue with those countries which are more reluctant to commit to a clear level of ambition at this time.

In terms of the substance of the forthcoming negotiations, Ministers generally agreed that there is a need to clearly set out the long-term approach to 2030. There was some discussion on the appropriate legal form of the new agreement, with suggestions that it must contain legally binding commitments (across a spectrum), that it must be ambitious, and that it should move away from the outdated developed/developing world paradigm to a more dynamic interpretation of common but differentiated responsibilities, in particular recognising the change in global production of GHGs and the emergence of countries with economies in transition as new economic powers. Ministers recognised the importance of addressing climate finance as critical to the new agreement, with a particular emphasis on creating supportive policy environments for innovative financing. Ministers also highlighted the need to encourage early ratification of the second commitment period of Kyoto.

There was consensus on the need to continue to work to build political momentum for addressing climate change in all spheres and fora, with particular mention of the G8 and World Economic Forum. The importance of building synergies with the sustainable development agenda and the implementation of the outcome of Rio+20, The Future We Want, was recognised, but the need to avoid parallel negotiating processes was also noted by Ministers. There was agreement that all such processes should seek to ensure broad participation by all stakeholders, including civil society, to ensure the widest level of support for any necessary actions.

There was also considerable emphasis by many Ministers on the economic and competitiveness arguments in favour of a comprehensive approach to addressing climate change, with strong agreement that the EU should take a proactive leadership role in the process to 2015. In particular the danger of becoming uncompetitive as other countries make the move to a low-carbon economy was noted. The discussions concluded with a clear statement of intent by Ministers to make every effort to ensure a positive and ambitious conclusion to the international negotiations for the protection of the economy, the environment, and the future of the planet.