

Enlargement and environment

Principles and recommendations from the European
Consultative Forum on the Environment and Sustainable
Development

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Foreword

Enlargement and environment are policy issues high on the agenda for the EU as a whole as well as for the existing and applicant Member States. The recommendations made in this report directly address key issues on the accession of central and eastern European States to the European Union.

The Forum is an environmental consultation body under the fifth action programme on the environment created by the European Commission in 1997. It covers all issues relevant to sustainable development and has members from the European Economic Area (EEA) and the associated countries of eastern and central Europe.

The Forum advises the European Commission on policy development. The members of the Forum are appointed in a personal capacity on the basis of suggestions from European interest groups. Members of the Forum come from trade unions, NGOs, business and industry, consumers, farmers, local and regional authorities, scientific communities and other interest groups. The principles and recommendations on enlargement and environment reconcile the differing views of this broad spectrum of stakeholders.

The Forum has done substantial work in developing scenarios for sustainable development with recommendations to the Commission for future action. The reports on employment and environment, on agricultural integration and on climate change will be followed by other recommendations on issues relevant to sustainable development.

A handwritten signature in black ink, reading "Thorvald Stoltenberg". The signature is written in a cursive style with a large, sweeping initial 'T'.

Thorvald Stoltenberg
Chairman

Enlargement and environment

Introduction

This paper contains a report and recommendations of the European Consultative Forum on the Environment and Sustainable Development on the accession of central and eastern European States to the European Union. In its work, the Forum took into account the *Communication on accession strategies for environment*, which the Commission adopted on 20 May 1998.

The paper makes strategic recommendations on environment and sustainable development issues in the enlargement process, with a focus on four issues which the Consultative Forum considers to be of critical importance.

- 1. Integration of environmental considerations in all relevant areas of policy**
- 2. Institutional development**
- 3. Costs (including the environmental benefits of enlargement)**
- 4. Transparency, information and participation.**

The Consultative Forum has two key messages for the European Commission.

- Enlargement must be understood as one element in a wider process of sustainable development.
- Protection of environmental quality should be the overall guiding principle in the enlargement process.

There are also two core messages for the accession countries.

- Accession countries should strive for negotiated results which preserve their existing strong points (e.g. in relation to environmental assets such as biodiversity and landscape; cultural diversity; environmental quality standards) and which make the most of cost effective approaches to environmental protection.
- Accession countries should place a high value on enhanced investment in environmental elements of their institutional infrastructure.

1. Integration

Integration of environmental protection requirements in all relevant policy areas, including the effective integration of environment and sustainable development principles, should be a key goal of the enlargement process.

Almost all Directorates-General of the European Commission prepare and analyse policies and legislation that may have environmental impacts or that are relevant to the environment. Similarly, many Directorates-General are involved in providing assistance to associated countries in their efforts to approximate their legislation and policies to those of the European Union. Without **effective coordination between Directorates-General**, there is a danger that areas of conflict could emerge to the detriment of the environment and sustainable development.

The enlargement process should not be assessed from a narrow standpoint in which the efforts of accession countries to approximate to the European Union *acquis*, which of course must be complied with, are the only concern. In its *Communication on accession strategies for environment*, the Commission rightly underlines that 'meeting the *acquis* is an indispensable condition for membership of the Union, but not an end in itself' (p. 5) **Enlargement provides a significant opportunity for the European Union to take another look at its own environmental policy to see for example whether formal transposition is being matched by application and compliance within existing Member States.** Improvement of implementation and enforcement of European Union environmental legislation in existing Member States should be a counterpart to the enlargement process.

Pre-accession preparations currently place a strong emphasis on a number of those European Union policy areas and instruments which can have severe negative impacts on the environment and on nature, including the common agricultural policy; transport infrastructure; the internal market, and instruments such as the Structural Funds. **The adoption of European Union policies and legislation by new Member States should not lead to a deterioration in the quality of the environment and nature in those countries.** For example, not only the introduction of economically inefficient support mechanisms but also slight improvements in the production efficiency of central and eastern European agriculture could result in dramatic biodiversity losses. Environment considerations must be integrated throughout the enlargement process in such a way that this does not happen. Environmental safeguards at least as effective as those applicable to existing Member States must also be built into agricultural and Structural Funds made available to the accession countries.

Most, though not all, European Union source-specific environmental standards are stricter than those of the central and eastern European countries. At the same time, ambient quality standards are often stricter in the central and eastern European countries — although they are not always attained. Given the specific mix of pollutants and their sources affecting air quality most critically, in many cases ambient quality in the central and eastern European countries could be improved by concentrating on particular European Union source-oriented standards, such as those for low-stack emissions. The importance of effective implementation and enforcement of any standards must however be underlined.

Policy instruments need to be flexible. As the Commission underlines in its *Communication on accession strategies for environment*: 'The important environmental problems and priorities in each candidate country should be addressed in the process. Approximation to the EU *acquis* will give focus and direction to national efforts.' (p. 5) The less flexible the instruments the more likely a demand from new Member States for dero-

gations or lengthy transition periods, with the potential difficulties and the risk of detriment to the environment that could result. **The primary overall concern should be to achieve environmental quality objectives.** Technological or other source-specific standards need to be understood as a means to achieve such goals. The principle of integrated pollution prevention and control, based on scientific evidence, should be applied comprehensively when setting priorities for implementation of European Union environment legislation in accession countries.

The enlargement process should address environmental issues across all policy areas and economic sectors. Integration of environmental considerations into policy and legislation should not take place, as happened within the European Union, after they have been put in place, but much earlier, so that complex relationships across economic sectors and environmental media can be assessed and consideration given to sustainable alternatives. For example, it would be unacceptable for borders of accession countries to be opened to imports of waste from Member States before effective domestic inspection and enforcement capacities were in place. Environmental improvements are difficult to achieve and sustain unless they are pursued through coordinated policies encompassing all sectors, particularly transport and agriculture and enforced through cost-effective policies. **A balance should be found between environmental and other interests across the entire European Union acquis.**

Environmental integration should be tailored to the specific circumstances of individual sectors. Across all areas and sectors, attention should be given to indirect as well as to direct environmental effects, and to related factors such as reductions in energy consumption. In the market-place, governments and the European Commission should lead by example, ensuring integration of environmental considerations in public procurement as well as in policy-making.

Positive lessons that can be learned from the accession countries have to date largely been overlooked, as enlargement has all too often been considered from the perspective of the existing Member States. In particular, **the Commission and existing Member States should seek to learn from the accession countries** in relation to the value of extensive agricultural practices; nature conservation systems; recycling systems (many of which are now regrettably breaking down); and public transport systems (which are also under threat in many cases). It is necessary, as the Commission's *Communication on accession strategies for environment* says, to keep the assets of the accession countries, where such assets exist, 'and at the same time to develop and manage an economically and environmentally sustainable framework'.(p. 1)

Recommendations

The Commission and Member States should integrate environmental policy throughout the enlargement process, in particular by:

- **ensuring that environment is effectively considered throughout the accession negotiations**
- **promoting the integration of environment considerations into other policy areas at an early stage in the process**
- **promoting effective coordination between Directorates-General.**

The Commission's negotiating strategy in relation to implementation of the acquis by accession countries should be informed by a comprehensive understanding of the factors affecting implementation and enforcement of environmentally relevant legislation within existing Member States.

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The Commission's negotiating strategy should be flexible, recognising that improvements in environmental quality should be the principal goal, and that technology-specific standards are simply a means to achieve that goal.

The Commission, the European Union and accession countries should seek to apply the principle of integrated pollution prevention and control when setting priorities for implementation of European Union environmental legislation in accession countries.

The Commission and Member States should look to the accession countries for examples of environmentally beneficial policies which could be developed or applied in the European Union.

2. Institutional development

The accession countries will need to accelerate further development of their 'environmental infrastructure' if they are to play a more equal role in the accession process and in the implementation of the environmental *acquis*. In this context, 'environmental infrastructure' refers to all administrations and organisations; human and financial resources; and legislative and judicial structures, whose activities may have direct or indirect impacts on the environment or on environment policy — whether governmental or non-governmental.

Environmental targets and agendas should be set for all relevant agencies and institutions, not simply the 'environmental' ones. At present, key institutions involved in preparing their countries for accession often lack the capacity, skills and knowledge to assure that environment is sufficiently taken into account in the overall process and to play a prominent role in the membership negotiations. There is a risk that these key institutions may be overruled to the detriment of the environment — whether by other institutions in their country or by the European Commission.

Accession countries should seek to strengthen the following elements of their environmental infrastructure:

- governmental structures (both vertical through the environment ministry as well as regional and local environmental bodies; and horizontal, for example by instilling an environmental awareness in the non-environmental authorities);
- capacity for development and monitoring of and compliance with environmental laws and standards;
- maintenance and development of public environmental awareness and support;
- the strengthening of an active environmental movement involving interested citizens, local and national organisations, institutes, university programmes; and
- the development of a framework for public participation (access to information, etc.).

The relatively weak position of the existing 'environmental infrastructure' could prevent accession countries from participating as informed and effective partners in the environmental *acquis* of the European Union.

Recommendations

The European Union and its Member States and the European Commission should support and stimulate all aspects of the strengthening of 'environmental infrastructure' in the accession countries.

The European Commission should encourage accession countries to set environmental targets and agendas for all relevant institutions, not simply the 'environmental' institutions.

3. Costs

Introduction

The costs of harmonising environmental policies and legislation with those of the European Union are described as high by the Commission and the associated countries. The Commission believes that the total investment costs of meeting the environmental *acquis* are likely to be up to ECU 120 billion for the 10 associated countries. The highest costs consist of investments in environmental control facilities. However, available resources in the associated countries are limited, threatening long pre-accession periods for the applicants. Foreign assistance will play an increasingly important role in accession and international financial institutions (IFIs) are increasingly expected to target their funding towards accession.

At the same time, there is a general perception (in the associated countries) that membership of the European Union will also benefit the environment by improving environmental standards and the effectiveness of enforcement and by introducing a new set of policy instruments.

Environmental costs and benefits of accession

Discussion on the environmental costs of accession usually focuses on monetary or investment costs only. The costs in terms of losses to the environment (e.g. possible losses to biodiversity resulting from adoption of EC agriculture policies) are not normally included in such assessments. Such possible environmental losses need to be considered in an integrated way alongside assessment of monetary costs to allow an overall picture of the consequences of accession for the environment to be accurately drawn.

Several applicant countries have made an attempt to calculate the environmental costs of accession. These exercises have not resulted in reliable cost estimates yet, but the exercise is seen as important in preparation for membership negotiations. Assessment of environmental costs cannot be separated from assessment of internal and external funding resources available to the accession countries. **An assessment of available financial resources should be an integral component of setting priorities for accession.**

Much more emphasis also needs to be placed on assessing the environmental benefits of accession. 'Compliance with the EU environmental *acquis*', the Commission underlines in its *Communication on accession strategies for environment*, 'is justified both for environmental and economic reasons. The implementation of the environmental *acquis* will result in modern and more efficient industries'. (p. 15) There is a widespread perception throughout the region that accession to the European Union will bring economic and environmental benefits. There is a strong expectation that European Union environmental legislation and standards will be met, and that the need to meet these standards will be matched by some external support, both financial and in other forms, for example through technical assistance of various forms, training, and contacts between regulatory agencies aimed at improving implementation and enforcement.

Specifically, environmental benefits may flow from accession as a result of:

- lowered health risks
- reduced pressures on local ecosystems (especially forests)
- enhanced environmental awareness

- strengthened competitiveness as a result of product and process standardisation and improved efficiency
- facilitated export
- benefits from European Union assistance programmes.

The expectation is that the quality of the environment in accession countries will improve over time to a level comparable with that of the European Union today.

As the costs for environmental accession are likely to be higher than the available financial resources in the accession countries, **the search for cost-effective measures to implement European Union policy and legislation should be a key focus of attention. The European Union should assist associated countries in the application of economic instruments, encouraging these countries' efforts to implement cost-effective and innovative policies** in order to facilitate major changes to increase environmental performance across all economic sectors.

Joint implementation may have the potential to promote the application of cost-efficient and innovative technology, reducing the costs of environmental accession (in particular where it is applied to the industrial sector), but should not be an excuse for inaction in existing Member States. The possibility of applying joint implementation not only to CO₂ but also to a wider range of environmental issues (e.g. eutrophication, acid rain) has been raised. Discussion about joint implementation is still in development and will become all the more resonant in the context of the Kyoto Protocol to the Climate Change Convention as accession countries take on the responsibilities of meeting the Protocol's targets. The European Union has a key leadership role to play to ensure that joint implementation is applied to the benefit of the environment.

European Union Member States should assist associated countries by providing examples of cost-effective innovative measures and by applying pragmatic approaches to environmental performance of polluting sources. The relative marginal costs of abatement across sectors should be carefully considered. The issue of nuclear safety is particularly salient here.

Financing environmental accession

The environmental costs of accession exceed the currently available financial means. Given this fact, the associated countries should concentrate on developing new and innovative economic instruments, for example by strengthening the role of environmental funds and developing green 'equity' schemes. The associated countries could also look to increase available foreign funds, for example through appropriately designed debt for nature swaps.

Although international assistance may not be the major source of funding for environmental accession, it will be an increasingly important source. Contributions may not increase in absolute terms, or may even diminish, but there is a clear tendency for international donors and IFIs to **shift from their present demand-driven focus to one that is more 'accession-driven'**.

With increasing international financial assistance in all fields of the *acquis*, including environment, it will be important to closely monitor the criteria that are being applied by key funds such as the EC Phare programme and the Structural Funds, but also by bilateral donor organisations. Current criteria and priorities may not be appropriate to guarantee

effective programmes, a sufficient level of environmental protection in the countries, and sufficient quality in the assistance provided. **The scope for developing a system of environmental safeguards (e.g. sustainability indicators or sustainability impact assessment) for activities funded through these funds needs to be examined.**

The Commission should take steps to facilitate effective coordination between the various donor agencies, including the international financial institutions, so that available resources are applied efficiently and effectively. Currently, programmes often overlap and do not always lead to the most cost-effective solutions.

Recommendations

- **The Commission should encourage and support all proposals and means to implement environmental legislation in accession countries as cost effectively as possible.**
- **An assessment of available financial resources should be an integral component of priority-setting for accession.**
- **The Commission and Member States should develop environmental safeguards for activities funded through European Union funds relevant to the accession process, e.g. by examining the scope for developing a system of sustainability indicators or sustainability impact assessment.**
- **The Commission should take steps to facilitate effective coordination between donor agencies so that available financial resources are applied efficiently and effectively.**

4. Transparency, information and participation

There is currently insufficient public access to information about ongoing work within the accession process. The publication of the Commission's opinion on application for membership of the European Union is only a first step in providing information to associated countries and their citizens. **The Commission should continue to make its plans for organisation of accession negotiations clear and accessible at an early stage. The Commission's negotiation strategy and annual updates on progress made by the associated countries should be made publicly available.**

Clear policies in the information field are also necessary if the European Union is to avoid overloading of the Commission and the Member States with unnecessary information, and placing unnecessary burdens on the associated countries.

Candidate Member States are currently poorly represented in a number of areas of critical importance to them. The Commission has already drawn attention to this problem in its *Communication on accession strategies for environment* by suggesting participation of the candidate countries in the Community financial instrument for the environment (LIFE) and in the European Environment Agency. **Representation of candidate countries should be facilitated, inter alia, in the following programmes and policy forums:**

- relevant political discussions in the Environment Council
- the ongoing work of European Union advisory committees and consultative bodies such as the Consultative Committee on Energy, the Article 19 Committee of the EMAS Regulation and IPPC working groups including BAT reference documents, and
- relevant European Union research programmes such as the fifth framework research programme, in particular as it relates to renewable energies.

European Union funded projects focusing on public participation related to the accession process should be promoted. Opportunities should also be sought to involve the public and the social partners in the execution of other European Union-funded projects — the existing cleaner production centres in central and eastern Europe for example have suffered from lack of contact with trade unions.

Mechanisms for provision of information on the environment and sustainable development policy of the European Union to associated Member States and their citizens should be explored further, including through exchange of good practices, electronic information mechanisms, seminars, workshops on cleaner production, on eco-labelling and on environmental management systems.

Recommendations

- **The European Union and its institutions should seek to facilitate the representation of candidate Member States in existing European Union programmes and policy forums.**
- **The Commission should continue to make its plans for organisation of accession negotiations clear and accessible at an early stage.**
- **The Commission's negotiation strategy and annual updates on progress made by the associated countries should be made publicly available.**
- **European Union-funded projects focusing on public participation related to the accession process should be promoted. Opportunities should also be sought to involve the public and the social partners in the execution of other European Union-funded projects.**
- **The European Commission should explore the possibility of developing further mechanisms for provision of information on the environment and sustainable development policy of the European Union to associated Member States and their citizens.**

5. Nuclear power

All of the accession countries have inherited some part of the legacy of nuclear power. Some, like Poland, have little or no nuclear-generated power; others, such as Lithuania (where the Ignalina nuclear power plant generates well over half of the country's electricity) are clearly heavily dependent on nuclear power.

The use of nuclear power has a number of aspects, including the safety of reactors, nuclear waste management, thermal pollution and other problems resulting from nuclear power generation activities. However, not all aspects of these issues are properly reflected in environmental and energy policies in associated countries, which can be an obstacle to their efforts to join the European Union.

Clear strategies on increasing efficiency of energy use and production; increasing the safety of nuclear power generation; and financing of all necessary changes (including increasing use of alternative sources of energy) will need to be developed in the very near future. Educated and rational public debate on the issues will have an important role to play in this area too.

Other reports by the European Consultative Forum on the Environment and Sustainable Development in 1998 include the following:

- Environment and employment
- Agriculture and sustainability
- Statement on environmental integration
- Input to Buenos Aires climate change negotiations

For more information on the Forum and to obtain its opinions and recommendations, please contact:

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