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Communication from the Commission to the European Council

PARTNERSHIP FOR INTEGRATION

A strategy for Integrating Environment into EU Policies

Cardiff – June 1998

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Executive summary and the recommendations

This Communication is the Commission's response to the request by the Luxembourg European Council for the submission of a strategy to implement the requirements of Article 6 of the consolidated EC-Treaty. This article requires that environmental protection is integrated into the definition and implementation of all Community policies and activities, in particular with a view to promoting sustainable development, established as a Community objective in Article 2 of the Treaty.

The achievement of a healthy environment for the citizens of today and securing sustainable development for our children is rightly one of the Community's stated objectives. The Community also has responsibility to contribute to, and indeed provide leadership for, the resolution of global environmental issues. The progress we are making by classic environmental regulation will not be sufficient on its own. Most of our environmental problems have their origins in current practices in sectors such as agriculture, transport, energy and industry and we must look to these areas for their solution. Attention must also be given to our unsustainable consumption patterns. This is the vision behind article 6 in the Treaty - environmental integration as a positive instrument for progress. New technologies and management practices can provide the answer to some of these problems. Our policies must encourage their development and application.

The realisation of this vision, and indeed a credible response to the legal obligation of the Treaty requires that the Community equips itself with the necessary tools.

Adherence to the integration requirement is in principle subject to judicial control by the European Court of Justice as is the case with the subsidiarity principle. The intention of this document is however to develop some practical steps towards implementing the integration principle in the daily work of the Community institutions. The main thrust of such a strategy is to some extent a break with our traditional sectoral decision making. Such an approach, across the sectors, can only come about by Heads of State and Government assuming responsibility.

The European Council is invited to:

- **declare its firm commitment to ensuring that article 6 of the Treaty will be rapidly implemented in practice.**
- **recognise that this is a joint responsibility and accordingly promote a Partnership between the Council, Parliament and Commission for integration of the environment into other community policies based on the guidelines set out below.**

- recognise the importance of the environmental dimension in the decisions which are soon to be taken in the context of both Agenda 2000 and the Community strategy for implementing the Kyoto Protocol and accordingly to ask the Council to use these as test cases for the application of the proposed guidelines. In addition, to commit itself to review the integration of the environmental dimension in the Agenda 2000 proposals at their meeting in December 1998 and progress on the Kyoto follow-up at one of their meetings in 1999.
- launch discussions between the Council, Parliament and Commission on the development of mechanisms for ensuring the follow up of this initiative, which should include provision for joint review of progress.

The Challenge of Integration of Environment into other Policies

The traditional approach of environmental regulation has contributed to progress, but it is increasingly recognised that it does not provide answers to all of the problems we are facing. The latest report from the European Environment Agency shows how the European Community has successfully worked for the benefit of the environment. However, the report demonstrates that further effort is required to improve environmental quality and above all it highlights the need to reverse worrying trends in many areas, mostly linked to unsustainable economic activity.

The concern for the environment, both at local and global level, is just one of a number of major challenges the Community is facing. Alongside concerns for continuing high levels of unemployment, social exclusion and the need to prepare the Community for the accession of the countries of Eastern and Central Europe, this concern for the environment has motivated the re-enforcement of the social and economic as well as environmental provisions by the Treaty of Amsterdam. The Community needs to demonstrate its commitment to respond to the concerns of its citizens by pursuing urgently these objectives.

The need for integration of environment into other policies at all levels has been recognised for some time. The objective was introduced initially in the Single European Act and received a priority in the 5th Environmental Action Programme. While progress has been made much remains to be achieved. The Amsterdam Treaty has given this process new impetus by promoting the importance of the integration principle in the Treaty.

The real challenge facing the Community is to find a way of developing action which meets all of its objectives in an integrated way. This is the challenge of sustainable development, a concept too often perceived as purely environmental, but which brings together concerns for social and economic development alongside protection of the environment. The current pattern of economic development too often entails conflicts between development and environment; this cannot be permitted to continue. Policies that result in environmental degradation and depletion of natural resources are unlikely to be a sound basis for sustainable economic development.

The development of new technologies and practices shows that we have the know-how to find solutions to some of these problems. Solutions which are frequently shown not only to be cost effective for industries concerned but also generating broader benefits to the economy through the creation of value added and employment, thus generating a genuine double dividend. However achieving the desired results will require more far reaching behavioural and policy changes in many sectors of society.

Implementation of the Treaty objectives requires, therefore, that we introduce an approach to Community policy making based on the recognition that all policies must contribute to sustainable development.

Developing Procedures to ensure Integration of Environment into other Policies

The implementation of this approach requires a strong commitment from all Community institutions. As recently stressed by the European Consultative Forum on the Environment and Sustainable Development integration and shared responsibility must also be fully reflected in the way the European Commission and other institutions of the European Union organise their work. The Commission in the way it formulates its proposals and the Council and Parliament in the process of decision making.

Too often in the past attempts to establish horizontal principles have resulted in bureaucratic and mechanistic requirements which have failed to deliver. We must not repeat this in the case of environmental integration. Therefore procedures adopted must be seen to be logical, practical and meaningful to all concerned. This is the philosophy underlying the approach proposed in this document.

In order to be able to measure our achievements and to adjust the adopted policies, as required, we will need a system of regular monitoring and review. This should be based on the identification of indicators against which progress can be monitored. In certain cases the setting of quantifiable targets could be helpful. Over time benchmarking could be seen as a useful tool in order to progress towards best-practice.

The following guidelines are proposed as the basis for A Partnership for Integration:

Guidelines for A Partnership for Integration of Environment into other policies

- **The Commission should ensure that all key policy initiatives integrate concern for environment. A detailed environmental assessment and a description of how the results of such assessment have been incorporated should accompany all key proposals where an important environmental effect is expected. The Commission should refine its methodology for such assessments.**
- **The Commission should undertake reviews of existing policies and on that basis prepare strategies for action in key sectors. These should include the identification of policy and performance indicators and, where justified, indicative targets as a basis for monitoring.**
- **The Council should prepare a report for the Vienna European Council on previous experience and best practices in the Member States of integrating**

environmental requirements into other policies as a basis for the development of improved Community procedures.

- **The Council should in key policy areas identify a set of priority actions for the incorporation of environmental requirements and foresee effective mechanisms for monitoring their implementation.**
- **The Council should undertake to ensure that environmental requirements are explicitly reflected in its decisions on new proposals. It should, moreover, commit itself to review its current organisational arrangements to ensure effective implementation of this integration strategy.**
- **The European Council should periodically review environmental integration into key sectoral policies.**
- **The Parliament should review its current organisational arrangements to ensure that in its decision making it takes account of the need to integrate environment into other policies.**
- **The Parliament should identify priorities for integrating environment into key policy areas.**
- **The Council, Parliament and Commission should jointly discuss the development of mechanisms for implementing these guidelines and for monitoring their implementation.**

Integrating Environment into Individual Policy Areas

Fully integrating environment into other policy areas is a long term challenge requiring a step by step approach which builds on experience. This will eventually require consideration of its implications in all policy areas. However, in the first instance, the Commission considers that priority should be given to two important and urgent policy packages – Agenda 2000 and the implementation of the Kyoto Protocol where decisions have to be taken in the near future:

1. Agenda 2000 is a high priority issue, with concrete Commission legislative proposals on the table for decision, governing a major proportion of the Community budget and setting the framework for the future enlargement.
2. The European Union has made a binding commitment in the Kyoto Protocol. The implementation of this commitment has now to be prepared. This will require significant policy shifts and involvement of a wide range of policy areas.

Although the two packages are different in nature the guidelines set out above are sufficiently flexible and robust to accommodate both examples. They can thus serve as test cases for the implementation of the proposed guidelines.

Agenda 2000

The Agenda 2000 package includes proposals for the reform of the agriculture and cohesion policies and for a package of pre-accession assistance for the countries of Central and Eastern Europe. The Commission has made special efforts to ensure that environmental requirements are fully reflected in each of these proposals.

The key environmental components of these proposals are listed below:

Cohesion Policy:

- Under the proposed new Structural Funds Regulations, environmental protection and improvement are established as objectives to ensure that the funds in future make a contribution to sustainable development.
- Enhanced support is provided for projects of particular environmental importance. The presence of a degraded environment will be considered as one of the criteria for defining eligible urban areas within objective 2 regions.
- The Commission will appraise Regional Development Plans to determine whether they are consistent with environmental protection requirements.
- There will be a more systematic scrutiny of projects over 50 MECU in particular with regard to their environmental impact.
- Member States shall put in place a partnership involving environmental bodies in order to integrate environmental protection requirements in Structural Fund intervention programmes.

Agriculture:

- The proposals for the reform of the CAP imply an additional move away from price support towards direct payments. This will provide benefits for the environment as well as enhancing economic efficiency. Less distorted prices lead to more balanced use of polluting inputs and to less intensive use of sensitive land.
- Member States have to further ensure that environmental requirements are complied with and can make, where relevant, direct payments conditional for such provisions. In the future direct payments will be substantially increased as proportion of the EU agricultural budget.

- A rural development programme will emerge as a new pillar in the CAP. A substantial proportion of the funds will be reserved for action with direct environmental benefits. Other projects under this programme should be compatible with the environmental objectives.

Enlargement:

- Candidate countries are in the process of drawing up realistic national programmes including long-term strategies for gradual effective alignment to the EU environmental acquis and some have begun to implement these;
- The reinforced pre-accession strategy gives a high priority to investment for environmental improvements and developing the administrative structures for implementation and enforcement of EU environmental law.
- Increased financial resources, such as PHARE, ISPA and the agricultural facility will assist the candidate countries in mobilising further finance for environmental protection.

In its Agenda 2000 package the Commission has tried to find the right balance between the needs of the sectors concerned and the improvement of the environment and the achievement of sustainable development. The Commission considers that the above mentioned provisions are important elements of the proposals made. Maintaining the right balance in the package, when adopted, will be critical to progress in the integration of environment into these policy areas.

<h2>Climate Change – meeting our Kyoto commitments</h2>
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There can be no better example of the essential need for integrating environmental concerns into other policies than the case of climate change. The Protocol to the Climate Change Convention agreed in Kyoto has set an ambitious target for reduction of greenhouse gases by the time frame 2008-2012. Fulfilment of this commitment, and recognition that subsequent further reductions will be necessary, must become a primary consideration in the framing of all key policy areas.

This will require significant changes in for example energy and energy use policies. In the field of transport current trends in road and air transport are of particular concern. Their continuation will prejudice the ability of the Community to fulfil its commitment.

The Commission is currently preparing a Communication which will outline its initial ideas on the shape of the overall Community strategy for achievement of this

commitment. This will subsequently require translation into initiatives in all key areas such as Energy, Transport, Industry and Agriculture.

The development and decisions on policy elements and measures for such strategies demands a close dialogue and co-operation between Environment Ministers and Ministers for several other policy areas. The British Presidency has pioneered this process by introducing joint environment and transport councils. Further collaboration of this kind may be helpful in the establishment by each sectoral Council of the initiatives required to implement our international commitments from Kyoto.

Conclusion

Integration of environmental considerations into other policies is no longer an option but an obligation. The guidelines set out above represent an important step in responding to this challenge. This is not however a one off exercise and we will have to keep the process under review and adapt it on the basis of experience.

While we have focused initially on two urgent matters – Agenda 2000 and our Kyoto commitments – it is clear that the principle of integration also implies other policy areas. It will therefore be of importance, as outlined in the proposed Guidelines, to develop strategies in respect of other policy areas. Subjects such as the single market and industry, development and trade policies, tourism, fisheries and taxation are examples which should be given early attention. Progress has already been made in some of these areas which will provide a useful basis for further policy development.

A strong commitment from the European Council is needed to carry forward this process and to monitor its ongoing success.

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