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MID-TERM ASSESSMENT of the EUROPEAN GREEN DEAL

WHAT DO YOU THINK? SHARE YOUR INSIGHTS.

This is a working document inputting to the EEB 2022 Annual Conference, where we will have breakout sessions exploring in more depth what went well and less well in the first half of the EGD and what needs to be done to ensure it is a transformative agenda. We will take into account the feedback at the conference and will thereafter prepare an updated Mid-Term Assessment of the EGD that will be circulated widely. Note that this paper does not seek to cover every EGD file, but presents an overview with illustrative examples.

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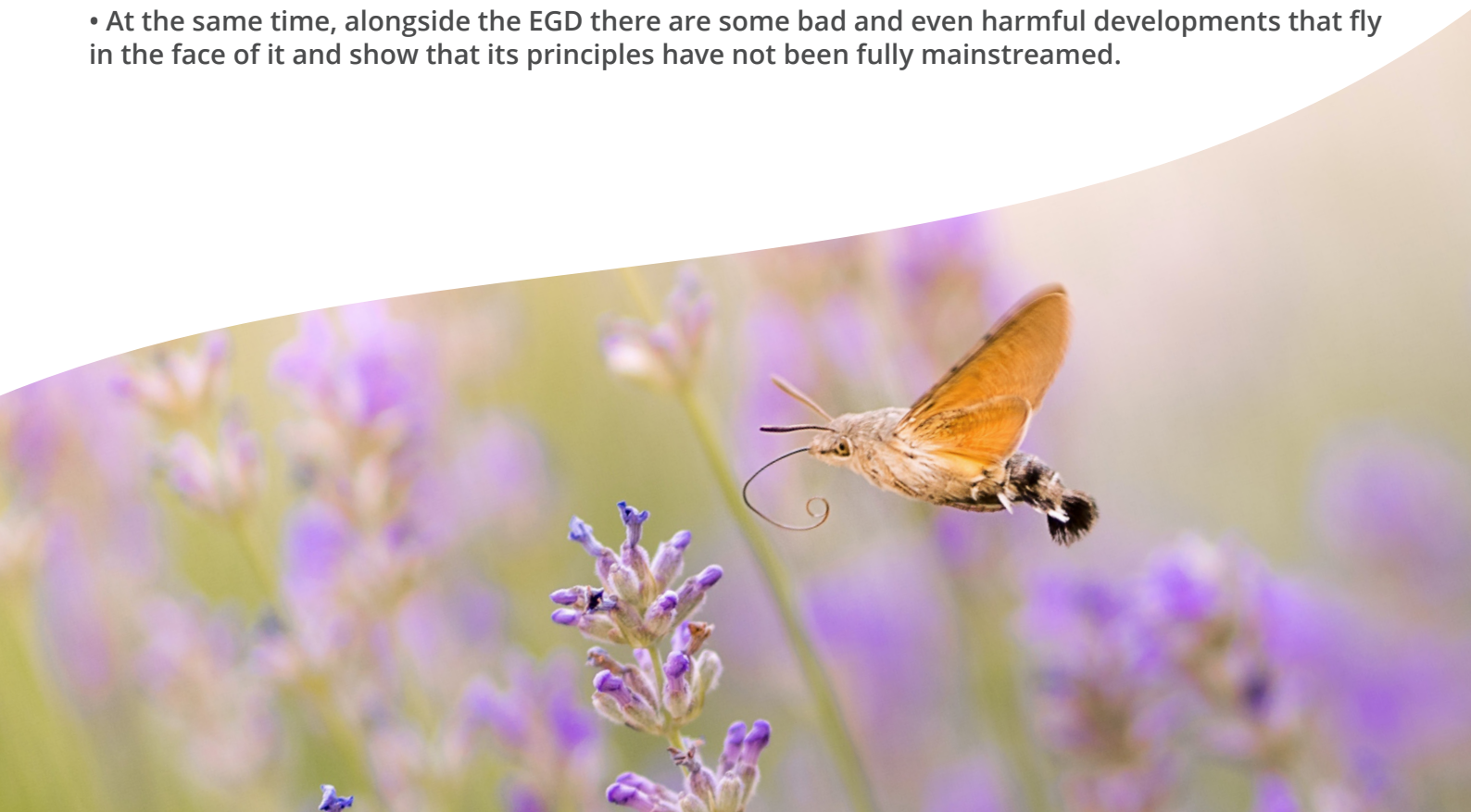
EEB'S MID-TERM ASSESSMENT OF THE EUROPEAN GREEN DEAL (EGD)

Is the EGD the transformative agenda we need and what is still needed to make it fully fit for future?

Key Messages

The EGD roll-out, despite the crises

- The European Green Deal (EGD) was launched as a “man on the moon” moment in 2019 by Commission President Ursula von der Leyen. It promised to deliver a set of deeply transformative policies that would “reconcile the economy with our planet, to reconcile the way we produce, the way we consume, with our planet and to make it work for our people”.
- Covid-19 risked derailing the EGD, but instead the EGD became a guiding principle for the economic recovery efforts – even if the practice often does not live up to the principle.
- The illegal invasion of Ukraine is being instrumentalised by some powerful interest groups to weaken and postpone the EGD, with attacks on the Farm to Fork Strategy, delays in bringing out crucial new legislation, and a weakening of environmental safeguards. Yet, the war shows us we need a more, not less ambitious EGD more than ever if we are to become less dependent on fossil fuels, material, price hikes, and foreign regimes.
- The EGD to date includes a range of clearly good commitments that support a transformative agenda, many still progressive but weaker initiatives, and some missed opportunities.
- At the same time, alongside the EGD there are some bad and even harmful developments that fly in the face of it and show that its principles have not been fully mainstreamed.



The Assessment – The Good, the Bad and the Missed Opportunities



The positive commitments:

- The **Climate Neutral Europe** commitment, enshrined in the **Climate Law**, and the comprehensive Fit for 55 climate and energy package, helped by the **REPowerEU package proposal (May 2022)** on **renewables and energy efficiency**, are steps in the right direction, despite being insufficient to limit global warming to 1.5°C.
- The **Social Climate Fund (SCF)** within the Fit for 55 package (**July 2021**) is particularly welcome given its focus on the social dimension and helping poorer households in the energy transition.
- The **proposed cars legislation for CO2 (July 2021)** commits to an end of sales of the internal combustion engine (ICE) by 2035 and stricter emissions standards.
- **ReFuelEU** is a helpful step towards decarbonising aviation, provided genuinely sustainable feedstocks are used, and the inclusion of shipping in the Emissions Trading System (ETS) is an important broadening of the ETS scope.
- The EU's **Biodiversity Strategy** for 2030 (**May 2020**) contains key commitments to adopt a new Nature Restoration Law and protect and effectively manage 30% of the EU's land and seas, including 1/3 under strict protection. The EU also committed to play a leading role on biodiversity globally.
- The EU's **Soil Strategy (November 2021)** contains a commitment to propose a dedicated Soil Health Law by 2023.
- The **Circular Economy Action Plan (March 2020)** with its Sustainable Product Initiative (SPI), the Strategy for Circular and Sustainable Textiles and the overhauled Ecodesign rules aim to make sustainable products the norm.
- The **Zero Pollution Action Plan (May 2021)** contains a commitment to zero pollution ambition, embracing a preventive approach, with targets on air pollution, chemical pesticides, nutrient losses, plastic and waste, stepping up implementation and enforcement of the existing pollution legislation, as well as committing to update water and air quality regulatory standards.
- The **Chemicals Strategy for Sustainability (October 2020)** committed to a future-proof and ambitious plan that has the potential to radically improve health, environmental and economic resilience, and promote a toxic-free environment.
- The **EU's Restrictions Roadmap (April 2022)** can potentially restrict up to 12,000 harmful chemicals.
- The revision of the **Environmental Crime Directive (December 2021)** proposes a welcome extension of the list of offences and minimum rules on sanctions. Legislators should seize the opportunity to recognise Ecocide as a crime against humanity and enable a green European Public Prosecutors Office.
- The **Directive on Corporate Sustainability Due Diligence proposal (February 2022)** with its commitment to corporate due diligence is a big step forward, even if it must be strengthened for climate and environmental impacts to be properly addressed.
- The **Just Transition Regulation (June 2021)** can help communities that are dependent on carbon-intensive activities to diversify the local economy towards sustainable activities and facilitate reskilling of the workforce.



The missed opportunities:

- **The Farm to Fork Strategy** (May 2020) is a welcome first step towards a Common Food Policy and a sustainable farming sector; however, it falls short on promoting a shift towards healthy and sustainable diets.
- **-55 net climate targets:** The Climate Neutrality target is only binding at EU level, contains no phase out date for fossil fuels use, is weak on governance, lacks binding targets for renewable energy and energy efficiency at national level, is weak on the polluter pays principle (ETS review), and missed opportunities on animal numbers, nutrient management and meat consumption.
- **Fit for 55 package** (July 2021): While it is a comprehensive package with many good elements, including maintenance of the Effort Sharing Regulation (ESR) and above mentioned SCF, it is insufficient to push the EU onto a pathway to a 1.5°C limit and has a range of weaker elements, including the limited scope of the aviation ETS proposal, insufficiently stringent 2030 cars and vans CO₂ targets, and lack of access to justice provisions.
- **The Social Climate Fund** (SCF) (July 2021) is not enough to ensure that low-income households are empowered in the transition to carbon neutrality and zero pollution. The SCF needs to be turned into a more permanent instrument and must be combined with measures that tackle the root causes of why people struggle to pay their energy and mobility bills: stronger social protection, an end to precarious working conditions and the implementation of minimum wages across the EU.
- **The Adaptation Strategy** (February 2021) recognised the need to speed up adaptation efforts across the EU, including through the faster uptake of nature-based solutions and achieving climate-resilient water management, but failed to set targets and proper governance mechanisms to ensure that the EU becomes climate-resilient by 2050.
- The **proposal for the revision of the Energy Performance of Buildings Directive** (EPBD) (December 2021) is still too focused on energy in use stage and neglecting the potential emissions saving linked to sufficiency and circularity.
- **The Waste Shipment Regulation proposal** (November 2021) is a clear improvement compared to the existing text, but a missed opportunity to phase out plastic waste export outside the EU and to align the law with the Basel Convention for intra-EU plastic waste.
- There was no update on the **Environmental and Outdoor Noise Directives** and only a little and late mention in the 8th Environment Action Programme (8EAP).
- **The review of the EU Mercury Regulation:** Consultations started but the scope of the review should be wider and should also consider banning mercury and mercury compounds imports and other mercury-added products, and set emission limit values.
- **The Forest Strategy** (July 2021): while it reiterated important elements from the EU's Biodiversity Strategy and committed the Commission to propose a Law on Forest Monitoring, the overall ambition of the Forest Strategy was watered down following industry pressure.
- **The National Recovery and Resilience Plans** contained very different levels of commitment to climate and sustainability and were, with some exceptions, a missed opportunity for policy reform.

- **The Recovery and Resilience Fund (RRF)** and the new budget: Despite some progress on the level of funding for climate and, to a lesser extent, the environment, as well as commitments to do no significant harm, the RRF missed the opportunity to change practices in agriculture, forestry and fishing sectors that drive biodiversity loss.
- **Sustainable finance:** The commitment to create a taxonomy that builds on science offered to be an important catalyst to steer funding, and the technical work has often been good, but the political interventions (see below) have cast a dark shadow on the process.
- The alignment of the **Climate, Energy and Environmental Aid Guidelines** with the EGD has fallen short of expectations, particularly concerning the inclusion of the polluter pays principle as an overarching criterion to assess state aid requests.
- **The Methane Strategy (October 2020)** missed the opportunity to effectively address the EU's biggest source of this GHG and air pollution precursor, the agricultural sector. The Methane Strategy also failed to promote decisive action to cut emissions from the second biggest source in the EU, the waste sector.
- The **reviewed Industrial Emissions Directive (IED) proposal (April 2022)** is not yet fit for climate protection, performance indicators for making the instrument forward looking are missing and key aspects are left to be resolved later.
- The **proposal for an Industrial Emissions Portal Regulation (ex-PRTR) (April 2022)** does not make best use of available information for e.g. benchmarking and compliance promotion, the list of pollutants remains unchanged, and arbitrary and counter-productive reporting thresholds are kept.
- Mandatory due diligence obligations under the proposed **Corporate Sustainability Due Diligence Directive (April 2022)** are weak when it comes to assessing adverse environmental and climate impacts. The proposal is facing fierce pressure from companies who do not want to be held liable and wish to water down the whole proposal, limiting the number and type of companies covered by the proposal even further.
- **Gender mainstreaming:** There have been some general commitments to gender mainstreaming in all DGs, but the EGD files fail to walk the talk. Many of the new strategies and laws put forward within the framework of the EGD are either fully gender-blind or are not sufficiently based on gender analysis. Even where gendered differences are acknowledged, the policies, as a rule, do not sufficiently address these.
- **The EGD is still very much a green growth strategy.** Ever more evidence, as elaborated by the latest IPCC report and by the EEA, shows that a beyond growth strategy is both necessary and possible. Some signals of interest in a Beyond GDP dashboard discussion and Treaty discussions exist as seen in the final 8EAP agreement following EP amendments, but there is still a lack of sufficient political commitment from the top.



The bad:

- **The Common Agricultural Policy** will continue funding harmful intensive farming practices and will not deliver on the European Green Deal, despite some positive elements such as eco-schemes.
- **Gas and nuclear in the Taxonomy delegated act (February 2021) and biomass in the climate delegated act (January 2021)** have demonstrated that political interests can trump science-based approaches and undermine the confidence in both the taxonomy (despite some positive features in other chapters more reflective of the original positive ambition) and the EGD.
- **Better Regulation's (January 2021) core commitment to the one-in-one-out approach** is both in itself bad regulatory practice (laws should be decided on their merits) and creates a political signal to slow legislative progress.
- Despite enforcement supposedly being a priority of this Commission, **there has not been the needed stepping-up of enforcement capacity, funding and action** to ensure that old and new legislative initiatives are properly implemented on the ground and the European Commission performs its Guardian of the Treaty role.
- **False solutions for renewable permitting:** instead of tackling the real barriers to the upscaling of renewables, through the **REPowerEU package (April 2022)**, the Commission proposed a roll-back of nature protection legislation, failing to propose synergistic solutions to the intertwined climate and biodiversity crises.
- **The Raw Materials Strategy:** There is a high focus on short-term economic gains of mining for virgin raw materials without fully considering long-term environmental and social impacts. Demand-side solutions to reduce the need for raw materials are not at all considered within the strategy.
- **Institutional Capacity:** The Commission services (especially DG ENV) have been overstretched with the scale of the EGD and staffing levels have not been aligned with the needs of the EGD.
- **Institutional mandates and coherence:** There have not been adequate revisions of mandates and cultures to put the EGD as a top priority across the DGs, leading to some internal brakes on progress.

Summary

- The EGD has been **good on vision, strategies, transformative narrative, and long-term commitments** and set in motion important legislative reforms that need to be continued.
- It has been **considerably weaker on the pace of actual change and where it concerns actual measures that translate into money and real constraining measures** – reflecting considerable efforts by industry and political groupings and other vested interests who want to maintain the status quo to hollow out the measures.
- **The weak CAP and the political imposition of biomass, gas and nuclear in the taxonomy undermine the confidence that the EGD truly is the number one priority of this Commission.**
- The EGD has been rightly defended against attacks seeking to undermine it during the Covid-19 crisis. The invasion of Ukraine and resulting supply chain shock and energy crisis should give reason to double down on its ambition level.

The way forward – what needs to be done to ensure a transformative agenda?

The responsibility is now with the member states in the Council and MEPs in the European Parliament to commit to the legislative proposals above; to defend and strengthen the good elements, address the missed opportunities and tackle the bad elements where possible; and agree in trilogue with the Commission final binding text.

- **Trilogues can improve legislation:** the 8th Environmental Action Programme (8EAP) was initially a weak monitoring tool at launch (October 2020), but strengthened through Council (mid-term assessment, trigger for policy response for weak performance) and particularly EP amendments (2024 review, wellbeing economy, subsidy reform, soil health law promise, noise and light integration, governance, beyond GDP indicators).
- Unfortunately, the Council and Parliament can block or even weaken progress. On 8 June, the EP failed to vote proposal for the **Carbon Border Adjustment Mechanism, the EU-ETS extension and the Social Climate Fund**. Although some MEPs voted against due to last-minute rollback of ambitions, these crucial files need to go back to the EP committees now, risking delaying the whole green transition at a critical geopolitical moment. It is essential that MEPs reflect on how essential these files are to support fossil-fuel independence from Russia, support citizens in the energy transition and tackle the climate crisis.
- **Voters will be watching the MEPs' voting record closely in the coming two years** and this will be of significant importance for the June 2024 European elections.
- **Civil society across the EU member states will be assessing whether their governments support or oppose transformative legislation** that citizens are asking for and whether their governments represent their views and wishes.

There are still many essential legislative files to come. The Commission needs to stay true to its EGD ambition and launch additional legislative proposals on time to ensure completion in its term of office, including:

- **The Nature Restoration Law** (proposal foreseen for 22 June 2022) which needs an overarching legally binding target for 15% of the EU's land, seas and river length to be restored by 2030.
- **The Ambient Air Quality Directives (AAQD) reform** (foreseen for Q3,4 2022) which needs to ensure full compliance with WHO standards by 2030, establish air quality standards for additional pollutants such as black carbon and ammonia, and ensure no regression in the enabling framework.
- **The revision of the Sustainable Use of Pesticides legislation** (foreseen for 22 June 2022) which needs to include strong legally binding reduction targets in the use of chemical pesticides both at EU and national level as well as the target of at least 10% of agricultural area being under high diversity landscape features and environmental indicators.
- **The revision of the Urban Wastewater Treatment Directive (UWWTD)** (Q3 2022) which should set stricter standards for emerging pollutants such as pharma and microplastics, needs to address sewer overflows, and make the UWWTD climate-proof.

- The review of the Environmental Quality Standards Directive (EQSD) and the Groundwater Directive (Q4 2022 - delayed), updating pollutants in surface and groundwater, which needs to include substances of emerging concern such as pharmaceuticals, PFAS, microplastics and set links to pollution control measures under REACH, IED.
- The delivery of the chemicals laws reforms (REACH and the Regulation on the classification, labelling and packaging of substances and mixtures (CLP)) under the mandate of this Commission, with concrete targets and measures to reduce the overall amount of chemicals manufactured and used.
- Legislation to put an end to exports of chemicals not allowed for use in the EU.
- The review of the General Block Exemption Regulation (Q3 2022) which should set much clearer limits in order to steer public spending by member states towards projects in line with the EGD goals and prevent any lock-in to fossil fuels and other short-term solutions.
- Ambitious CO2 standards for trucks, ambitious Euro 7/VII standards, the Regulation on fleets, stricter RFNBO (hydrogen and hydrogen-based fuels) rules and measures for non-CO2 impacts of aviation.
- A ban by default to export plastic waste outside the EU and a better alignment with Basel Convention within the EU through the Waste Shipment Regulation.
- The Raw Materials Act (expected before April 2023) which must come up with strong supply chain responsibility requirements, not weaken environmental regulations and include high standards on public participation.
- Green data 4 all (expected Q4 2022) which must modernise access to environmental information, restrict exceptions to the release of data, and include obligations for proactive publication.
- The Environmental Liability Directive revision (expected Q2 2023) which needs to ensure that the polluter pays principle is fully implemented, drastically extend its scope of application, redefine what constitutes “environmental damage”, and ensure that people and NGOs have effective access to the courts when they are impacted by environmental damage.
- A reform of the EU Economic Governance Framework (expected in Q4 2022) which must be consistent with EU agreed social and environmental goals and allow and incentivise spending in a just transition.

So far missing areas of emphasis include:

- **Oceans:** there is a promise of a Joint Communication setting out an action plan on international ocean governance, yet this will not lead to new legislation within the current legislative period.
- **Noise:** there is only a promise to assess the status of the problem and where action is needed, **despite noise being recognised as the second most important cause of environmental health problems.**
- **Light pollution** is only referenced in the 8th Environment Action Programme (8EAP) with, so far, no real commitment, despite it being a major driver of biodiversity loss and ecosystem disruption.
- **The Common Agricultural Policy (CAP)** is formally outside of EGD and only represented partially in the EGD via the Farm to Fork Strategy, which is being challenged. The lack of integration and lacking climate- and biodiversity-mainstreaming into the CAP creates major policy incoherence.

- **EU and national level targets to ensure commitment and buy-in are missing for key files**, e.g., on EU resource targets, on energy use and energy waste, and at national level on renewables, energy efficiency and pesticides;

- **While “food waste” is an invaluable metric and concept to advance policies and actions to help with food availability and food poverty, “wasted energy”** should be looked at more closely to help meet energy demand, address fuel poverty, strengthen resilience to price hikes and help put downward pressure on prices.

- **Trade:** the revised trade policy (February 2021) has not practically changed the EU trading patterns, and still needs to demonstrate that it prioritises better and not more trade. While some declarations have been made in the right direction, the EU is still on a clear path to perpetuate unsustainable trade, with no movement on more enforcement of sustainability chapters.

- **Equality:** Walking the talk on gender mainstreaming in proposals – so far there is nice talk, but lacking action.

To deliver on a transformative EGD, the Commission, Council and Parliament also need to:

- **Resist the attacks on the EGD instrumentalising the Ukraine war and using false arguments or proposing false solutions.** Notably maintain commitment to the Farm to Fork Strategy and do not undermine environmental protections including in the well-intentioned REPowerEU. The EGD, if done well, can be a transformative catalyst pushing for energy independence and savings, material independence, strengthen resilience against price fluctuations. The EGD is a peace project and essential for our long-term survival.

- **Get the timing right:** launch legislative proposals in time for them to be agreed with Council and Parliament before the end of this Commission’s and Parliament’s term of office to avoid delaying commitments and creating uncertainty.

- **Stop silo thinking and ensure systematic integration:** e.g. promote a fully integrated approach on the IED that includes climate measures; ensure the drivers of biodiversity loss are tackled at source in agriculture, forestry and fisheries legislation; ensure air and climate co-benefits are reflected in legislative, policy and investment decisions; and phase out harmful subsidies.

- **Accelerate implementation, ensure sufficient funding and strengthen enforcement** to ensure old and new legislation leads to the needed change in practice, not just on paper.

- **Be aware of and address concerning trends of private interests undermining public goods** – as seen, for example, in renewed industry push for more mining in Europe, even in protected areas.

- **Be aware of taking the wrong roads and of creating new lock-ins:** e.g. on hydrogen versus electrification; risks of forgetting public transport and active transport; locking in fuel tax cuts when alternatives to fuel and mobility poverty exist; replacing dependency on Russian oil and gas with dependency on other regimes or environmentally unsound alternatives.

- **Monitor progress with EGD implementation and the state of the environment and react when progress insufficient.** The 8th Environment Action Programme offers an important commitment and framework to measure and discuss progress between the institutions and, among other things, asks for legislative action should there be insufficient progress.

- **Commit to global responsibility and leadership and engage in diplomacy:** The EU has a global responsibility regarding the pollution, climate and biodiversity crises. The way Europeans live and consume has consequences not only in our region, where we increasingly experience extreme weather conditions due to climate change, but on the whole planet. The EU should lead the negotiations of COP 27 by increasing its commitment to a healthy and safe planet for all.

Will the EGD be the EU's person on the moon moment?

- **Without stepping up on ambition that heeds science and citizens' calls for action,** the EGD initiative will not have enough force to "reach the moon".

- **Without resisting business and political ideological lobbying pressures** to hollow-out the content of many initiatives until only good titles and aspirations remain, the EGD risks staying within the gravitational pull of the status quo, even though the current norm has proven inadequate.

- **Without using the right compass, the EGD will not reach its declared destination:** the compass needs to target a post-fossil fuel system change, a circular economy revolution, a true commitment to zero pollution without harmful chemicals in our products, and a commitment to a regenerative wellbeing economy. Youth voices, ethics and science can provide the compass.

- **Without addressing the policy dissonance** between EGD aspirations and the CAP, aspects of the taxonomy, and the Energy Charter Treaty, and without seizing all opportunities for policy coherence and ensuring all commit to the same destination, there is a risk that too many pilots fight over the controls and the EGD target destination is missed.

- **The next two years are critical** to ensure the transformative agenda that we need, that the science has underlined as essential, that civil society has repeatedly asked for, that is our global responsibility and that youth deserves. Whether the EGD does become a person on the moon moment also depends on how **member states commit to the mission via the Council positions and implementation, and whether the European Parliament boosts ambition levels to respond to the needs of citizens they represent.**

- **The European Commission deserves credit for having created the EGD and launched a potentially historic process.** It cannot be allowed to be a stalled or failed mission. Too much is at stake.



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