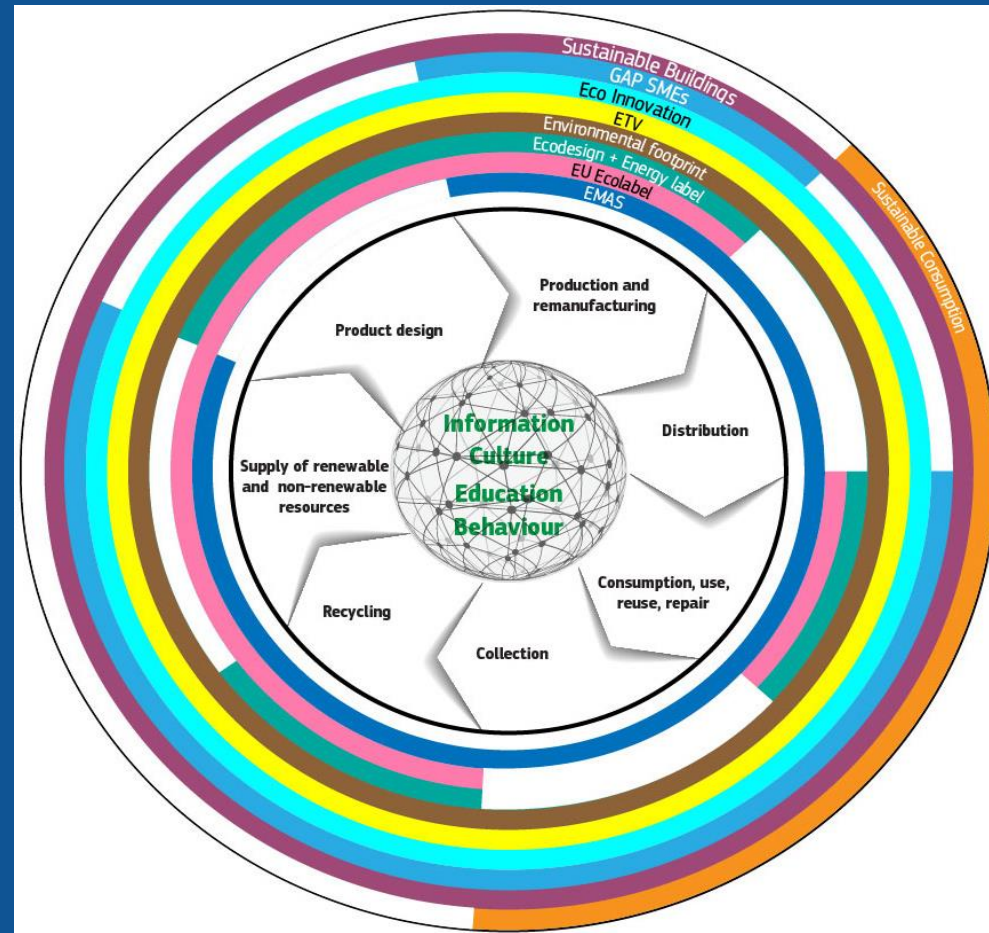




Greening the European Semester

An introduction

Seminar on environmental fiscal reform

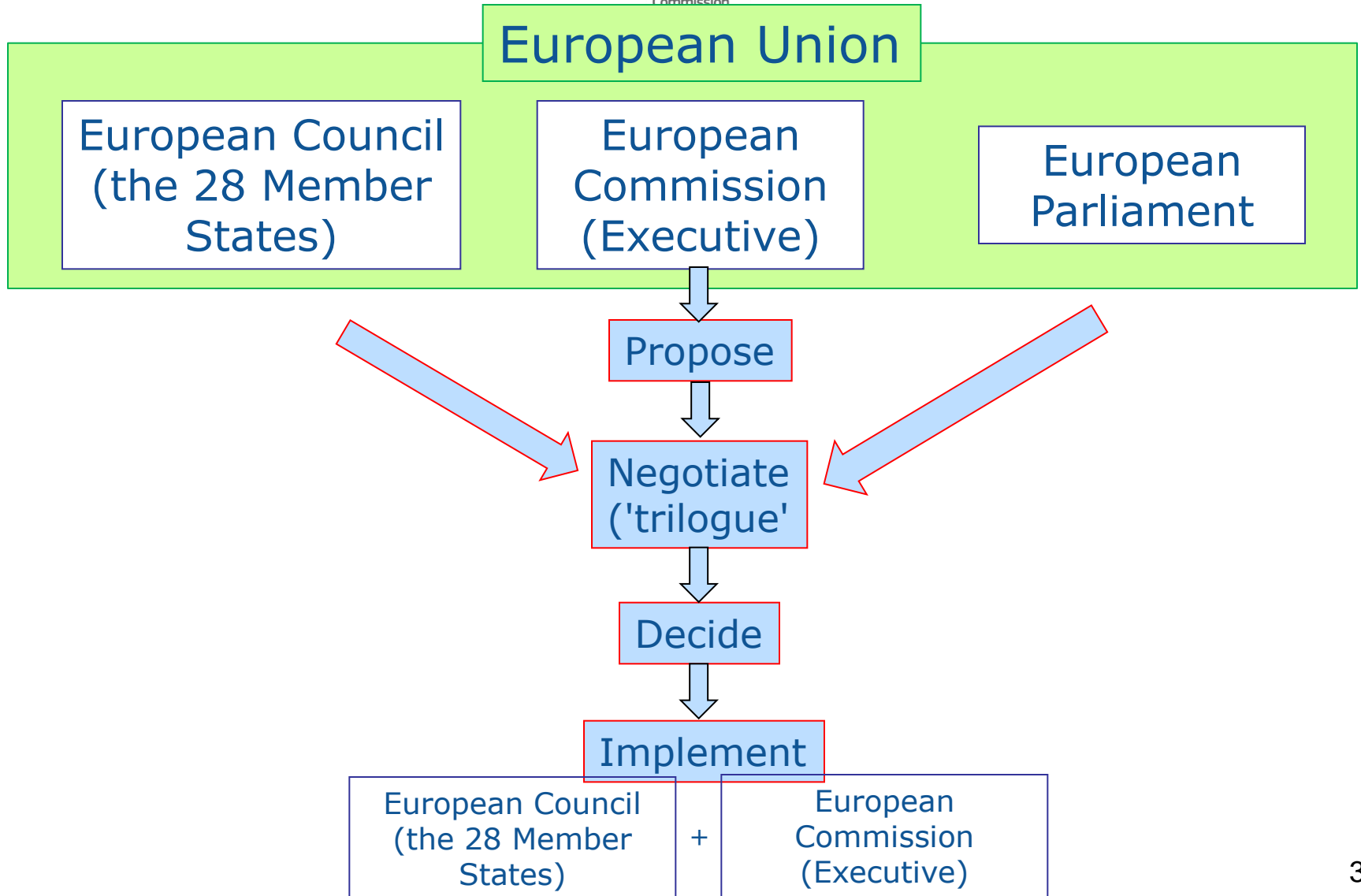


Louis Meuleman, DG Environment, 04.02.2015, Budapest

- 1. What is the European Semester?**
- 2. Greening: synergies, alliances, challenges**
- 3. Better data?**



1. What is the European Semester?



1. What is the European Semester?



What's
new?

The new European Commission

- New Commission with Vice-Presidents, coordinating themes
- 10 points plan of Commission President
- Commission Work Programme with modifications on **Circular Economy & Air packages**
- Investment Package & Task Force report* with proposed projects
 - **Resources & the environment** is one of 5 investment clusters

* See p. 25-26 and 61-66 of the Task Force report:

http://ec.europa.eu/priorities/jobs-growth-investment/plan/docs/special-task-force-report-on-investment-in-the-eu_en.pdf

1. What is the European Semester?



- **Europe 2020 Strategy** = the EU's guiding strategy
- 10 year scope, but **reviewed** every 5 year -> 2015 = review year
- **Priorities:** 5 headline targets and 7 Flagship initiatives (incl. Resource efficiency)
- Europe 2020 **implemented** by Commission and Member States
- Europe 2020 **monitored** through the '**European Semester**' process of economic governance & the 5 headline targets

1. What is the European Semester?



Semester = annual cycle with key steps:

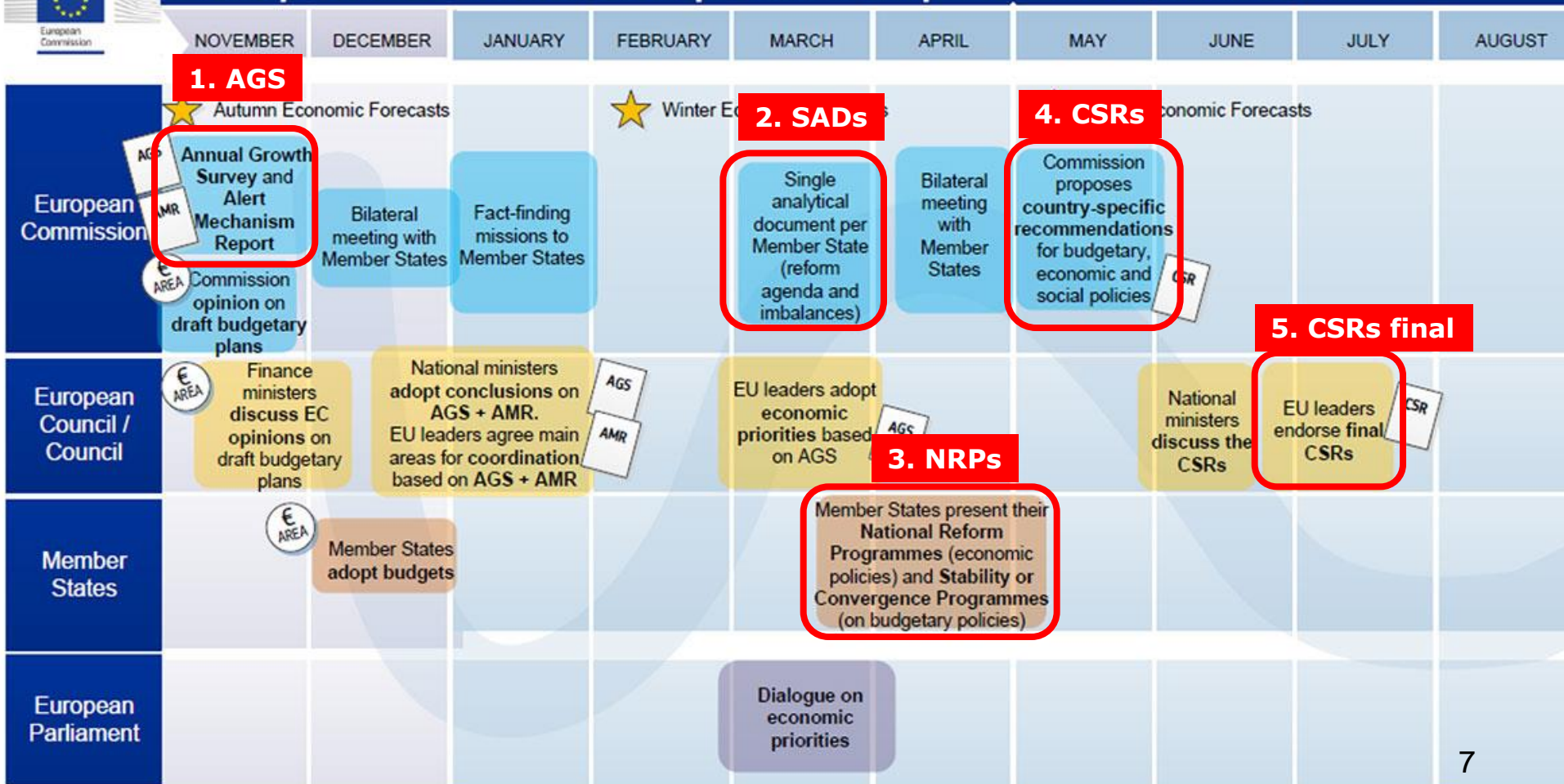
- 1. Nov:** Annual Growth Survey
- 2. March:** 28x Single Analytical documents (SADs)
- 3. April:** 28x National Reform Programmes (NRPs)
- 4. May:** 25(?)x Country Specific Recommendations (CSRs)
- 5. June/July:** adoption CSRs by European Council

Plus:

- High- level bilaterals COMM-Member States
- Fact-finding missions to Member States
- Studies supporting the Semester process



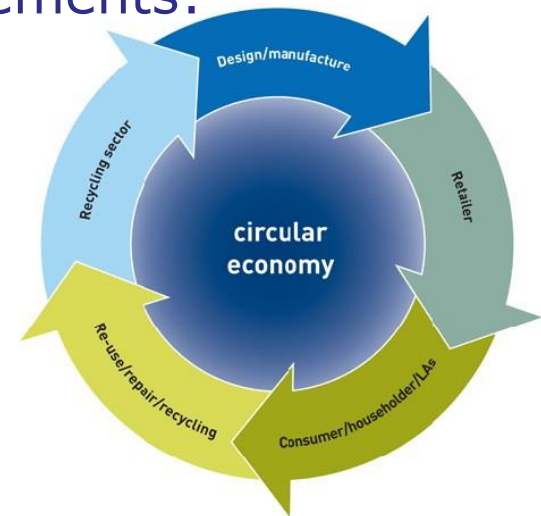
European Semester: a partnership EU-Member States





AGS 2015 = Guidance for the MSs' National Reform Programmes, with several environmental statements:

- **Sustainable development**
- Pressure on **resources** and **environmental concerns** (as a main long-term trend);
- **Environmental tax reform** (mainly the **tax shift** away from labour to e.g. environment).





AGS 2015 = Guidance (continued)

- Need for better **waste** recycling and **water** treatment facilities;
- Reducing traffic congestion (this is relevant for **air quality**);
- Need for **skilled work force** in growing sectors such as (...) **green sectors**; strengthen impact assessments.





Wat is 'Greening the European Semester'?

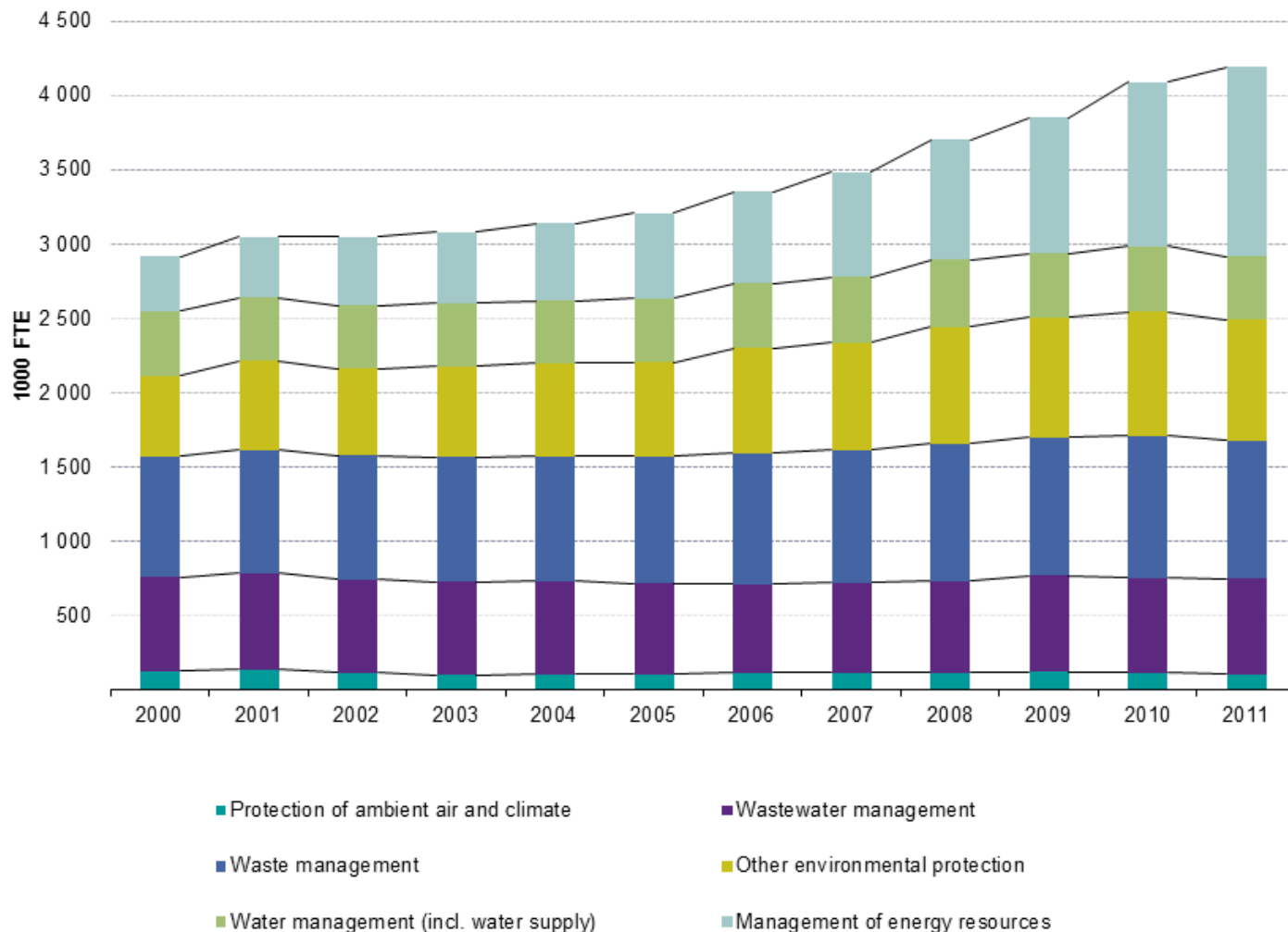
Objective:

- To show with convincing data and arguments that environmental policies clearly contribute to growth and jobs: **the environment is an important part of the solution to the crisis**

How?

- Collect 'fresh' data on the economic benefits of environmental policies
- Share data and discuss with colleagues within the European Commission
- Share and exchange with EU28 Environment Ministries and NGOs, OECD, EIB etc. (Expert Group)
- Support ENV Commissioner and the EU Presidency for the Environment Council

Does that make sense? Just one example...



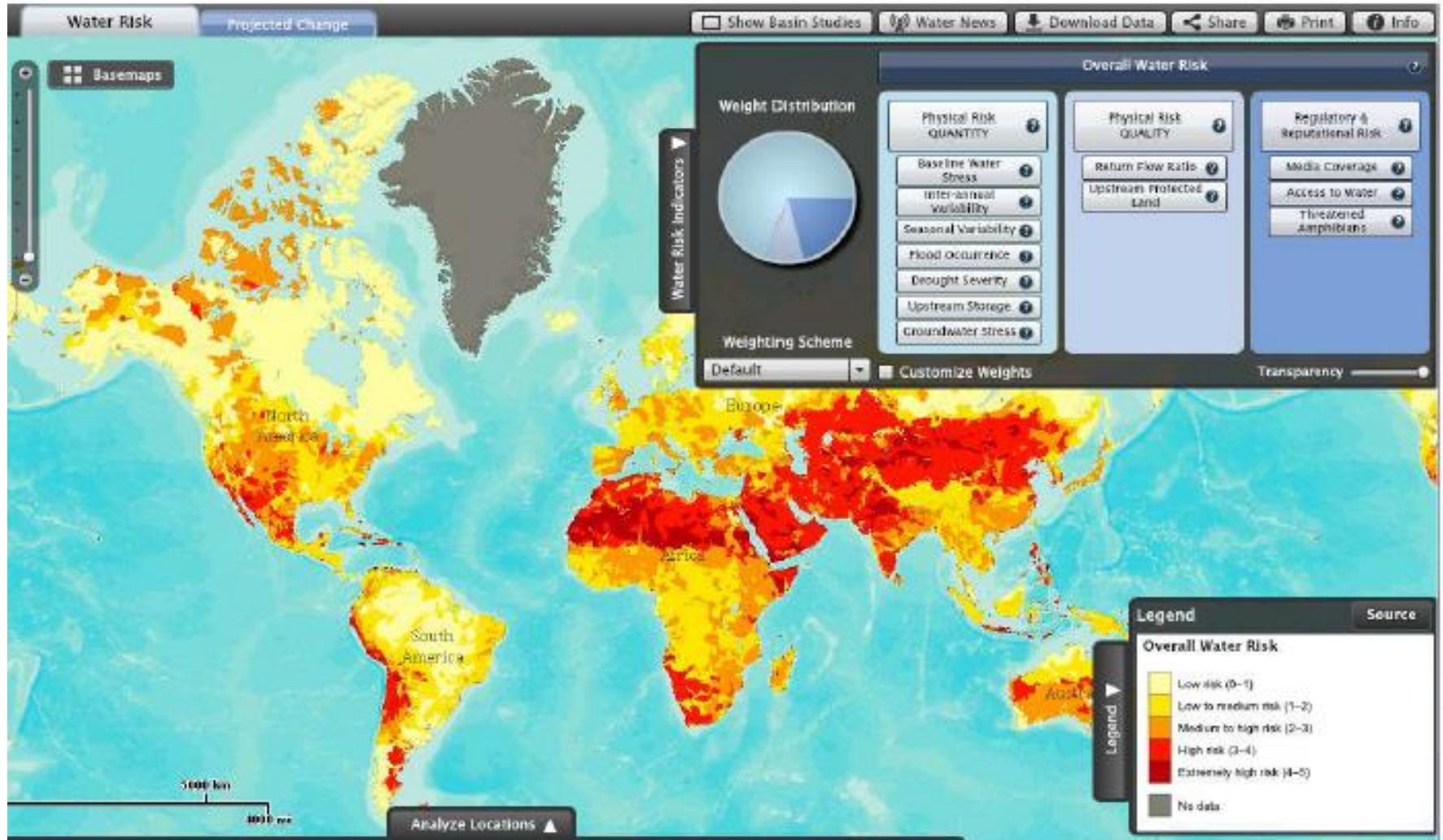
Employment in green industries has continued to climb throughout the recession

Source: Eurostat, 2014

Another example...



GLOBAL WATER RISK MAPPING





GLOBAL COMMISSION on the ECONOMY & CLIMATE

Kitty van der Heijden (World Resources Institute), 29.01.2015, Brussels:

- Economic growth and climate mitigation can be achieved together. We do not need to choose.
- There are multiple economic benefits of action, e.g. reduced health costs from air pollution, less congestion & road deaths, enhanced energy, water and food security. In many cases these will outweigh the costs of action.
- We don't have to call it 'greening' the economy: it is about making the economy better, more fit for the future.



Prof. *Paul Ekins* (University College London) on 28.01.2015 in Brussels:

- ✓ **Evidence suggests** that **environmental tax reform** in EU countries has been **positive for the environment and the economy**: energy demand and emissions are reduced; employment is increased; effects on GDP are very small; effects on industrial competitiveness have been minimal

See Andersen, M.S. & Ekins, P. (Eds.) *Carbon Taxation: Lessons from Europe*, Oxford University Press, Oxford/New York, 2009

2. 'Greening the Semester': synergies, alliances, challenges



General observations (EU-wide, on EU and Member States / regions level):

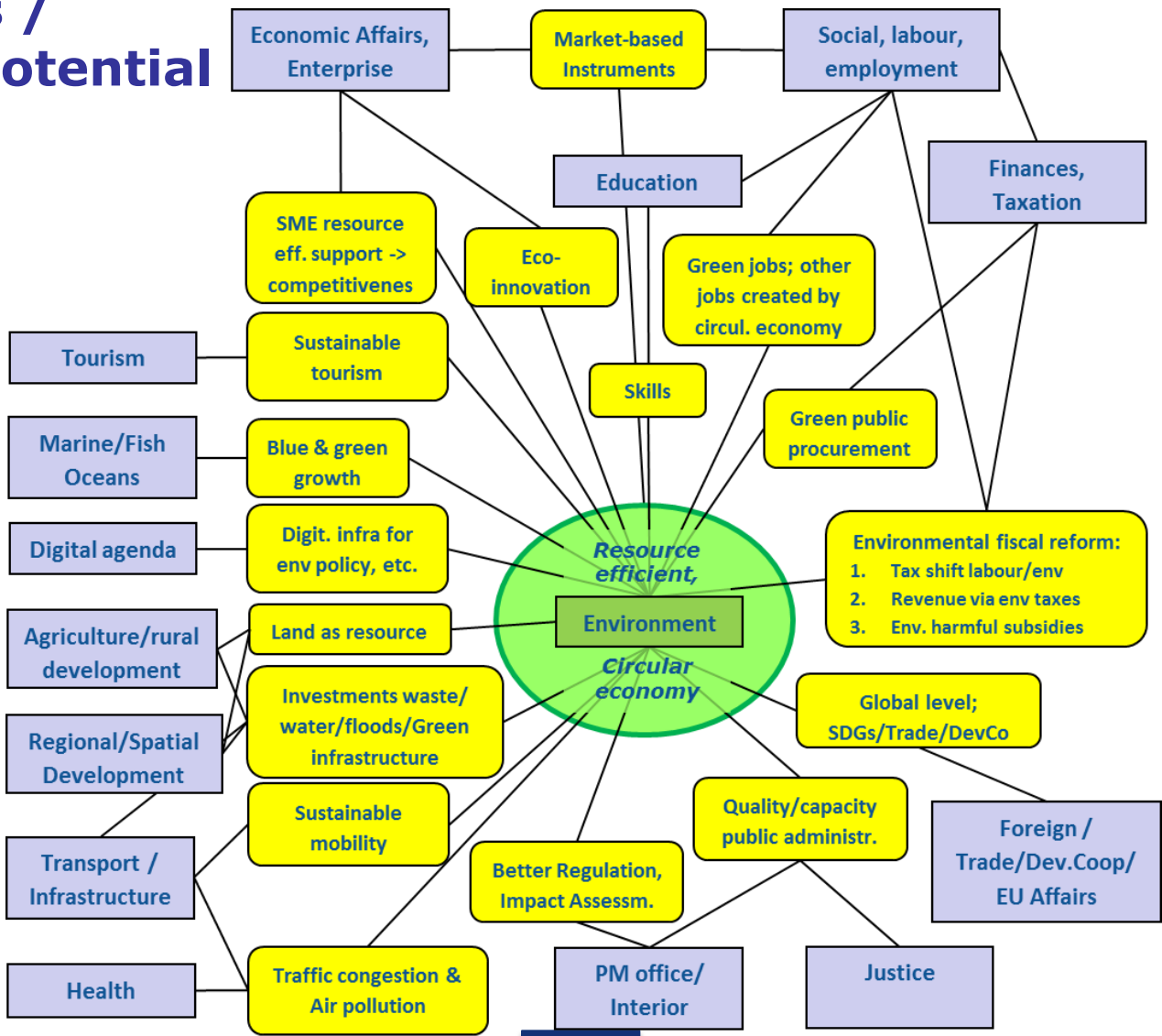
- Growing recognition that **green growth / resource efficient and circular economy** indeed **offer new business cases** and **contribute to growth and jobs**.
- Therefore, we might need to gradually **switch from advocating & convincing to implementation**: the *governance* of the transition process.
- In this new phase we need to acknowledge that the transition to green economy will (like always) have **winners and losers**. The potential losers of green growth might block progress -> need to help them to **develop new business cases**.

2. 'Greening the Semester': synergies, alliances, challenges



European Commission

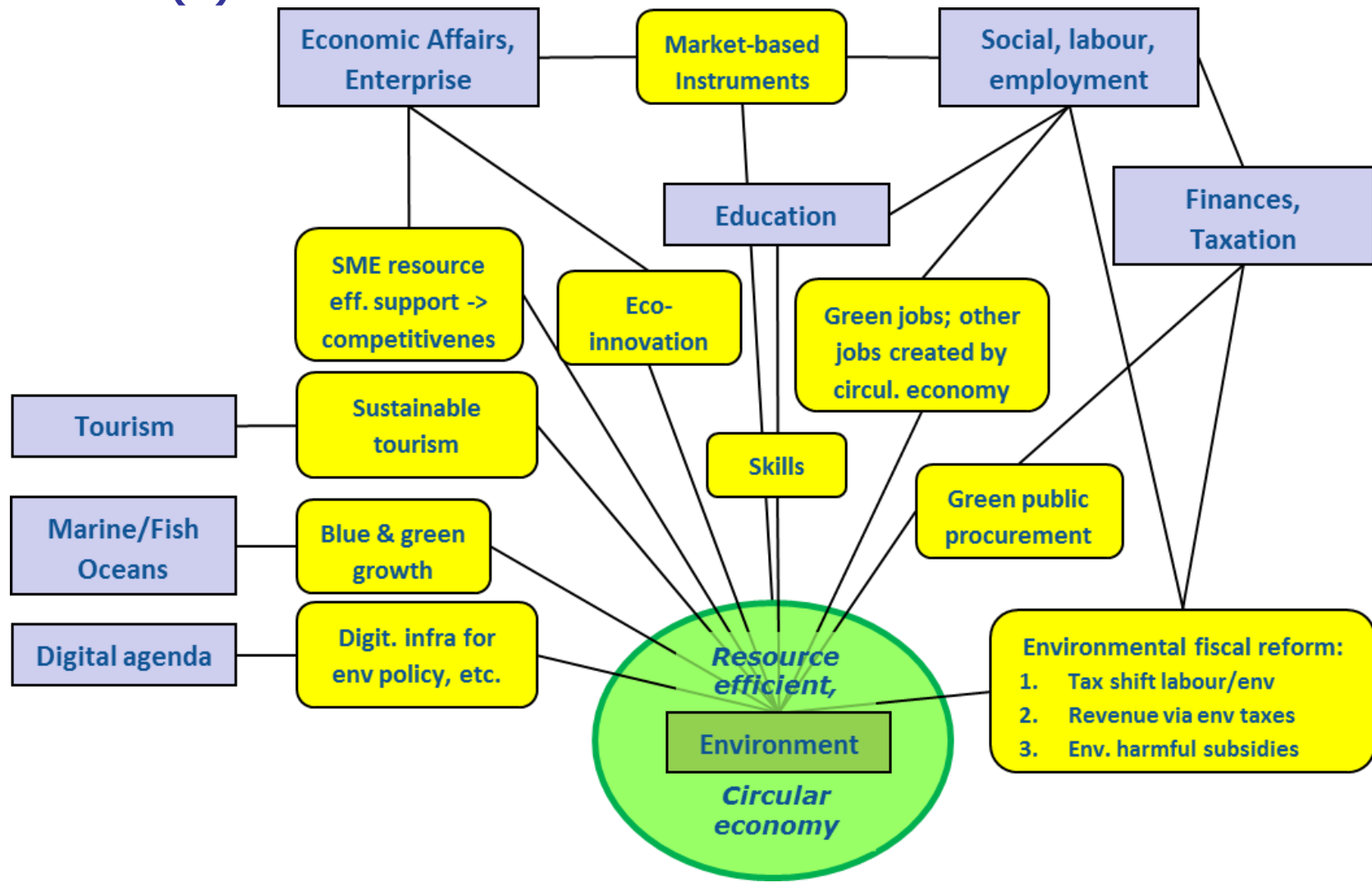
Synergies / Alliance potential check-list



2. 'Greening the Semester': synergies, alliances, challenges



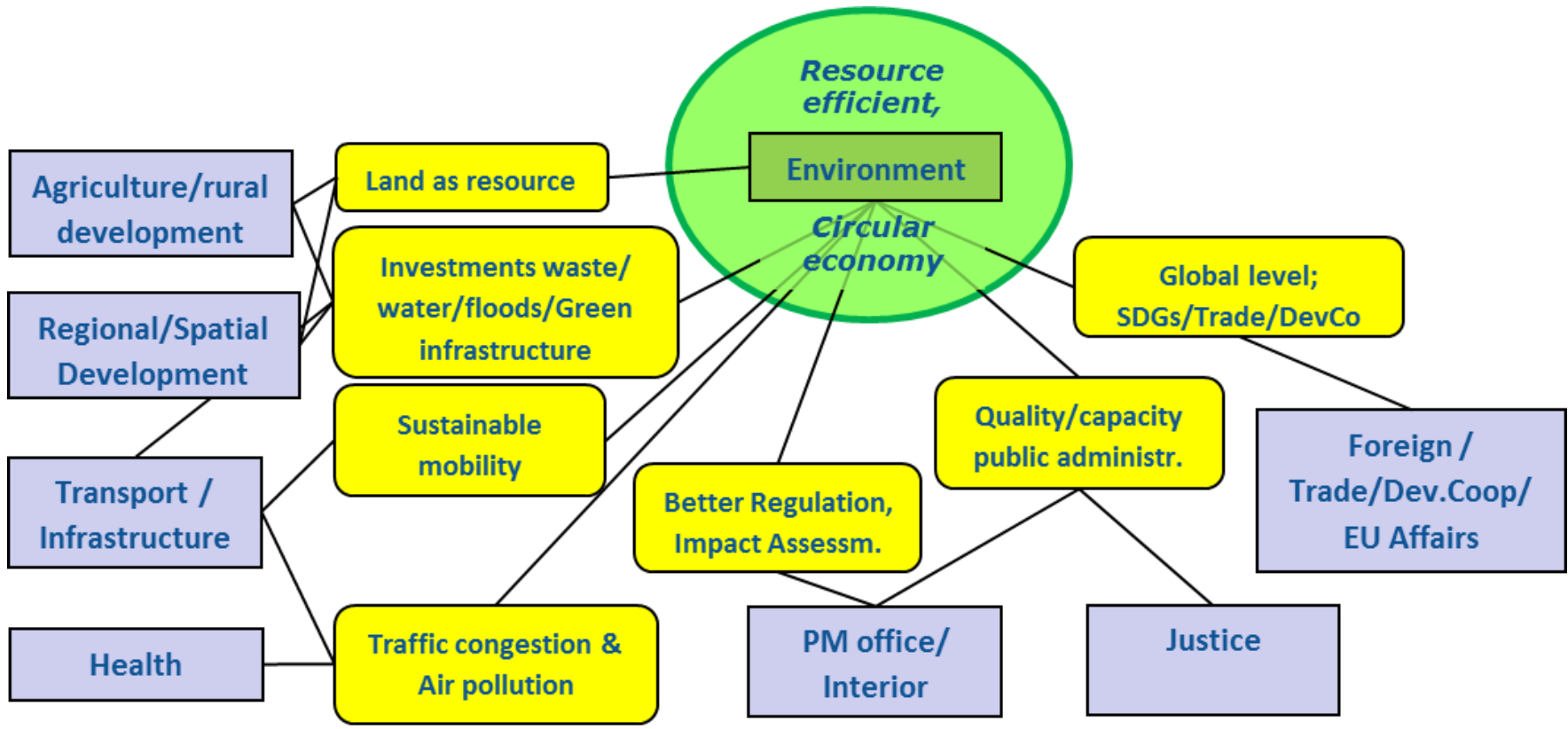
Checklist (1)



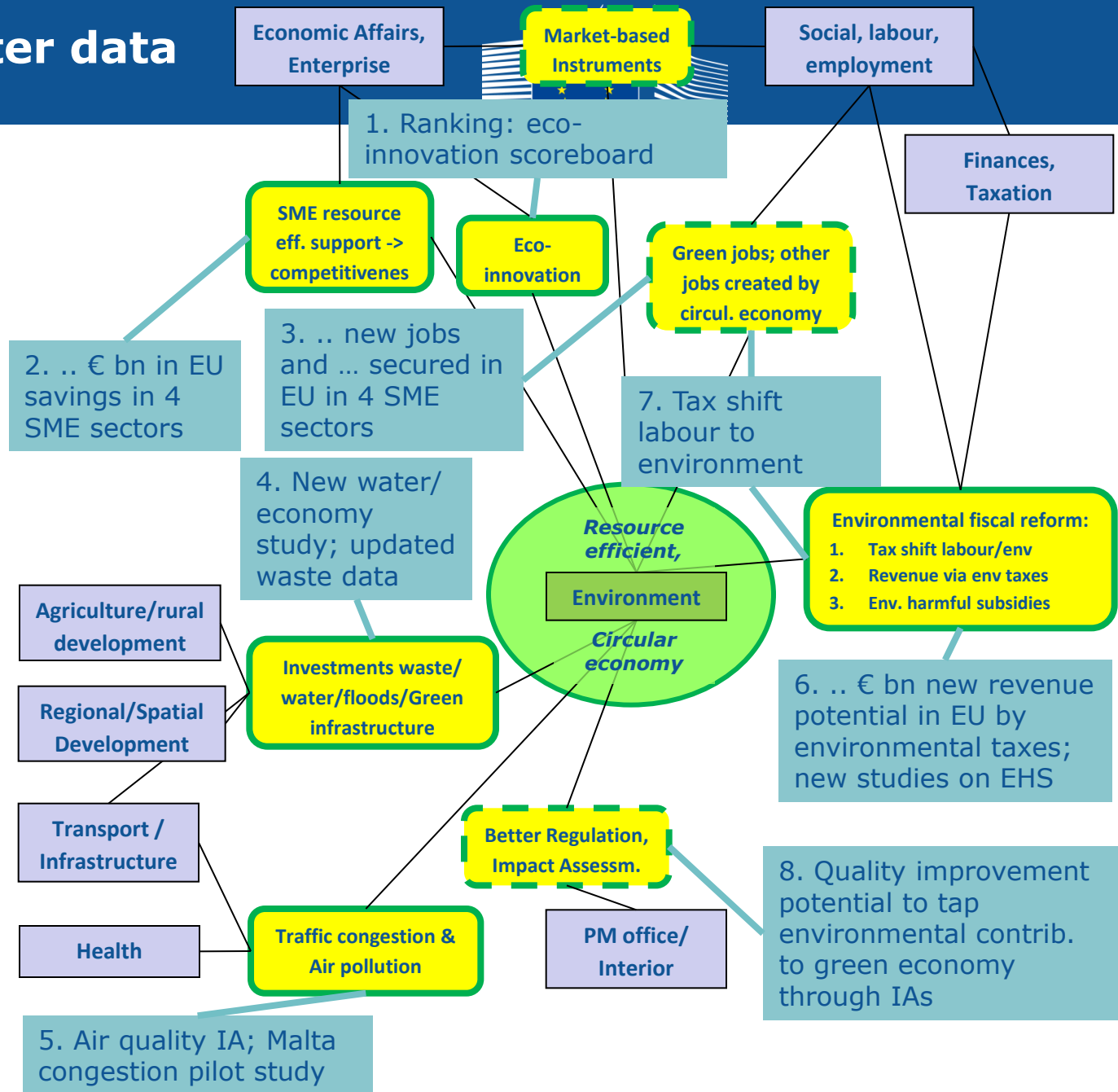
2. 'Greening the Semester': synergies, alliances, challenges



Checklist (2)



3. Better data



Working with the Member States



The European Commission wants to work in **partnership** with the Member States:

✓ **Expert Group Greening the Semester:** sharing experiences, studies, ideas

✓ **National seminars / stakeholder discussions (Italy, Belgium (2x), Latvia, Hungary (today),**





Thank you for your attention!

Short video on what is the circular economy:

http://ec.europa.eu/environment/circular-economy/index_en.htm

Website Greening the European Semester with studies and information on the meetings of the Expert Group Greening the Semester:

http://ec.europa.eu/environment/integration/green_semester/index_en.htm