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20 May 2010

**WORKSHOP BETTER INSTRUMENTS FOR EUROPEAN ENVIRONMENTAL
POLICY**

20 MAY 2010, MADRID

**REMARKS BY ELISABETH NILSSON
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- Thank the Spanish Ministry for the Environment and Bruxelles Environment for organising this workshop and for inviting BUSINESSEUROPE to contribute.
- European companies have always played and will continue to play a pivotal role for tackling societal challenges such as environmental goals through their innovative products and solutions. Many success stories, for example in energy efficiency, renewable or nuclear energy, carry the label “made in Europe”.
- However, what we are seeing today is that entire industrial sectors are in trouble, and the position of European industry as a whole is in retreat. Between 2000 and 2010, the share of emerging countries in worldwide output increased from 32 to 52%. This demonstrates the need to move towards an integrated EU industrial policy which places development of entrepreneurship at the centre of EU policies. The existing and future EU policy framework in the environmental field must take this fully into account in order to deliver sustainable solutions.
- Today’s workshop raises a very important question for the starting debate around a possible 7th EU Environmental Action Programme: *how can we make policy instruments in the environmental field better?* Of course, the question is not relevant to this field only, but the huge palette of environmental legislation deployed in the last decades, makes it very accurate. To date, 1,271 Community legislative acts are in force in the areas of environment, consumers and health protection. Most of them affect business activities directly or indirectly.

In some areas, environmental policies can be evaluated fairly positively as they have helped European companies to become leaders in the development of eco-innovative technologies, processes and products ± concept of Best Available Technologies. Against this, there is still room for significant improvements in many

desired consistency called for by industry. Inconsistencies between REACH, the so-called “RoHS” Directive, the newly revised Eco-label Regulation or the Cosmetics Directive are relevant examples.

- Further to the above-mentioned key principles, better instruments also mean transparent policy-making process and proper stakeholder involvement. Here, two issues require particular attention: i) stakeholder involvement in the impact assessment process and ii) the comitology process.

Stakeholder involvement in the impact assessment process

It is especially important that stakeholders are properly consulted in the impact assessment process.

Between 2005 and 2009, not fewer than 160 impact assessments were carried out in the environmental, energy and industry fields. In our experience, minimum standards for stakeholder consultation are not always respected: i) documents are not always sufficiently clear, ii) relevant stakeholders are not properly involved or their views misrepresented, iii) there is insufficient publicity or time afforded to the process, and iv) feedback on comments made by stakeholders is not always provided. While the Commission seems to be aware of these problems and has improved the guidance on public consultation, there are still improvements to be made.

Comitology process

Another difficulty for the industry comes from decisions made in comitology procedures. Comitology has become a major source of regulation at EU level – a recent publication reports that 50 directives are adopted annually in co-decision against 2,500 implementing measures adopted through comitology. However, the process lacks transparency and business is concerned that the situation could be even more problematic under the new regime introduced by the Lisbon Treaty.

A case in point is implementation of the revised Greenhouse Gas Emission Trading Scheme (ETS) Directive (2009/29/EC). The implementing measures currently

enacted under comitology will strongly influence investment decisions of the industries covered by the ETS. However, the details of what is being discussed between the Commission remain obscure, because no official stakeholder involvement is foreseen in the procedure.

- To conclude, while some progress has been made, environmental legislation at both EU and Member-State levels still need to be improved in terms of volume, simplicity and quality, especially in terms of cost-effectiveness. Not only must each individual rule be cost-effective, it is also essential to ensure that the cumulative burden on environmental legislations remains bearable. This presentation gives some indications about where efforts should be pursued. The European business community is committed to play its role with a view to ensuring an open and well documented debate with all parties concerned.

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