

INTRODUCTION

This overview provides **selected EU policy developments in the broad area of sustainability** – and indicates how SPB can support clients in managing and shaping these policy discussions to their advantage.

SPB has been recognized as one of the [leading public policy law firms in Brussels](#) in 2019 and 2020.

1. EU Green Deal at the core of revised EC Work Programme and Recovery Plan

Most EU policymakers see the post-COVID-19 recovery as an opportunity to push [the EU climate and environment agenda](#). In April 2020, [seventeen member states](#) called for a “green recovery” and the [European Parliament](#) adopted a resolution demanding a post-COVID 19 recovery with the European Green Deal “at its core”.

On 27 May, EC President Ursula von der Leyen [unveiled](#) its [adjusted work program for 2020](#) together with a [proposal for an EU recovery strategy](#): “Repair and Prepare for the Next Generation”. Both documents show the EC’s ambition to stay on track with regard to major sustainability initiatives, including the **Renovation Wave** and the 2030 Climate Target Plan. The proposed recovery plan states the EC will work towards “a more sustainable, resilient and fairer Europe” while “pressing fast-forward on the twin green and digital transitions”. **Priority files** include building renovation, the **circular economy, renewables, hydrogen and clean mobility**. Along with its plan, the EC proposed to set up a **€750bn fund for the recovery** (“[Next Generation EU](#)”), embedded within the next multi-annual financial framework (MFF, 2021-2027).

Next steps: The proposed recovery plan will be shared with the European Parliament and the Council who may respond to the EC through a Resolution (*Parliament*) or Conclusions (*Council*). The 27 EU Member States need to unanimously approve the new MFF in the coming months in order allow for it to define the 2021 EU budget.

2. Circular Economy Action Plan 2.0 (CEAP 2.0)

Following its 2015 Circular Economy Action Plan, the EC released in March a new version of its [umbrella strategy](#) implementing the European Green Deal. The Action Plan is designed to scale-up the circular economy “from front-runners to the mainstream economic players” and contribute to “decoupling economic growth from resource use”. Among the **multiple legislative and non-legislative measures** announced are a **sustainable product policy framework**, which will widen the Ecodesign Directive 2009/125 “to the broadest possible range of products” and possibly include sustainability principles, such as **recycled content requirements**. A number of key product value chains will be addressed as priority groups, such as **electronics, textiles, plastics, construction products and intermediary products like steel, cement and chemicals**. Within this framework, the Commission will work to empowering consumers and public buyers, including by fighting greenwashing and premature obsolescence, and proposing minimum mandatory green public procurement criteria and targets. For further pertinent detail, **please see our [client alert](#)**.

Next Steps: the Action Plan was sent to the European Parliament and the Council who may decide to respond through a non-legally binding Resolution (*Parliament*) or Conclusions (*Council*). The **EC meanwhile is working on specific legislative proposals** related to the CEAP 2.0 (e.g. on mandatory recycled content requirements), thus now is an ideal time to engage with the EC in order to shape the future EU regulatory regime.

3. The Farm to Fork strategy (F2F)

In line with the objectives of the European Green Deal, the [Farm to Fork Strategy](#) sets out **27 actions to ensure sustainable, safe and affordable food systems**. The strategy particularly focuses on reducing “dependency on **pesticides** and antimicrobials, reduce excess **fertilisation**, increase organic farming, improve animal welfare, and reverse biodiversity loss”. The EC attaches aspirational targets to these goals, e.g. 50% cut in use of

most hazardous pesticides by 2030. With a view to implement this strategy, the EC will put forward a proposal for a **legislative framework on sustainable food systems**. Besides, considering the impacts of the COVID-19 crisis, the EC intends to develop a contingency plan for ensuring food supply and food security in emergency times.

Next Steps: The EC has invited the European Parliament and the Council to endorse the strategy after it was adopted on 20 May. The two institutions are likely to formally reply and outline their position through non-legally binding Resolution (*Parliament*) or Conclusions (*Council*). The EC services in the meantime continue fleshing out the legislative proposal.

4. EU Biodiversity Strategy

Adopted together with an indicative timeline of the main actions to be taken, the [Biodiversity Strategy for 2030](#) commits the EU to **curtail biodiversity loss**, protect and restore European ecosystems by 2030. This should be done by building a **network of protected areas**, adopting a new EU Nature Restoration Plan, with legally binding restoration targets, and putting in place an effective system of governance supporting stronger enforcement.

Next Steps: The EC sent the strategy to the European Parliament and the Council for examination. The two institutions can decide to reply to the Strategy through a Resolution or Conclusions respectively.

5. Chemicals strategy for Sustainability

The Chemicals strategy for Sustainability was announced in the European Green Deal as a **key initiative to deliver on the EU's zero-pollution objective**. On 9 May 2020, the EC published a [roadmap](#) putting forward the main components of the upcoming strategy. As chemical production is expected to double globally by 2030, the long-overdue strategy would help “protect citizens and the environment better against hazardous chemicals and encourage innovation for the development of safe and sustainable alternatives”. Several actions are suggested, including simplifying the legal framework in place, strengthening the “on substance – one assessment” principle and providing greater transparency when prioritizing action on certain chemicals. The strategy would take a specific look at improving legal frameworks for **endocrine disruptors, hazardous chemicals** in products

including imports, combined effects of chemicals, and very persistent chemicals. The development of this strategy builds on past assessments, e.g. the [second REACH review](#) and [non-REACH Fitness check](#).

Next steps: Stakeholders may comment on the roadmap until 9 June. According to the revised EC work programme, the strategy will be **adopted early 2021**, as planned.

6. Industrial Emissions Directive (IED)

Adopted in 2010, the [Industrial Emissions Directive](#) regulates **pollutants from industrial production** processes. An [inception impact assessment](#) for the revision of the IED, opened to consultation until 21 April, underlines that the recent evaluation of the directive has identified a number of areas for improvement. This includes aspects like high pollution sectors outside the current scope of the IED, comparable implementation in the member states, emissions to water, public access to information, participation in decision-making and justice, and the IED's contribution to the circular economy. A revision of the directive would thus aim at further supporting the decarbonisation objective of the European Green Deal and related initiatives.

Next steps: The EC **plans to put forward a legislative proposal by the end of 2021** after launching a public consultation and impact assessment.

7. European Climate Law

Implementing EU global climate commitments under the Paris Agreement, the EC's [proposed European Climate Law](#) establishes a framework to reach carbon neutrality by 2050. According to the proposal, both EU institutions and the Member States will be responsible for adopting measures that enable the collective achievement of the climate neutrality target. The proposed Regulation includes measures to keep track of the progress and tasks the EC with defining a trajectory starting from 2030 for achieving climate-neutrality, through delegated acts. The EC will explore raising the reduction target for 2030 to at least 50% and towards 55% (compared with 1990 levels) by September 2020. The legislative proposal was submitted to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions for further consideration under the **ordinary legislative procedure**.

Next Steps: The proposal is currently being discussed by the Council, within the Working Party on the Environment, and the European Parliament's Environment, Public Health and Food Safety (ENVI) Committee. After the European Parliament adopts its final position (likely in September 2020), informal negotiations between the Council and the Parliament should take place.

8. Restriction proposal on microplastics

Following the [European Plastics Strategy](#) (2018), the European Chemicals Agency (ECHA) proposed a [restriction on the placing on the market of intentionally added microplastics \(< 5mm\)](#). The restriction consists in three types of measures, including a **ban** on microplastics "where their use will inevitably result in releases to the environment, irrespective of the conditions of use", a **labelling** requirement "where residual releases could occur" and, finally, a **reporting** requirement to assess potential risks for the future. For some uses, the proposal includes transitional periods to accommodate the stakeholders who will have to comply with the restriction. Intentionally but also unintentionally-released microplastics are a growing object of concern in the EU, which is visible in the new Circular Economy Action Plan.

Next steps: The restriction dossier was initiated on the basis the EU '[REACH](#)' Regulation. ECHA's Committee for Risk Assessment (RAC) and Committee for Socio-economic Analysis (SEAC) will continue discussions and **adopt their opinion and draft opinion, respectively, in June.**

The EC may then decide to amend the REACH Regulation under the comitology procedure (expected early 2021). SPB has expertise in dealing with ECHA procedures and can thus help clients engage in this highly technical debate.

9. EU forest strategy

As announced in the European Green Deal, the European Commission is expected to prepare a **new EU forest strategy** "covering the whole forest cycle and promoting the many services that forests provide", in line with the Biodiversity Strategy. Simultaneously, the EU Parliament has been preparing a motion for resolution with a view to inform the Commission's future proposals. The new forest

strategy would aim at improving the implementation of the **EU Timber Regulation** (see [ongoing infringement procedure against Romania](#)) and, beyond it, work towards **sustainable forest management**.

Next steps: The revised work program of the EC indicates that the **adoption of the strategy is postponed to 2021**. The Agriculture and Rural Development (AGRI) Committee in charge of preparing the Parliament's motion of resolution will be discussing its [draft motion](#) and consider amendments brought by other committees.

How We Can Help Clients

Despite the COVID-19 crisis, sustainability policy remains a top priority for EU policymakers. In fact, the new EU recovery fund will focus on a 'green recovery', and on initiatives which will drive Europe's increased digitization.

Now is the best time for clients to engage in these discussions and to smartly align concrete corporate with overall EU policy objectives. SPB has a strong track record of supporting clients in shaping EU legislation and other policy initiatives in their favor.

Please reach out to us so we can discuss how we can help you manage any of the EU policy initiatives mentioned.

Contacts

Wolfgang A. Maschek

Partner, Brussels
T +322 627 11 04
E wolfgang.mascheck@squirepb.com

Matthew Kirk

International Affairs Advisor, London
T +44 207 655 1389
E matthew.kirk@squirepb.com

Ken Huestebeck

Senior Associate, Brussels
T +322 627 11 02
E ken.huestebeck@squirepb.com

Hélène Duguay

Public Policy Specialist, Brussels
T +322 627 11 08
E helene.duguay@squirepb.com