



FROM WORDS TO ACTION: HOW CAN EU POLICY DRIVE SUSTAINABILITY TRANSITIONS?

Joint EEA-EPSC high-level workshop held in Brussels on 10 September 2019

Summary points relevant to the EEA-Eionet Strategy 2030

This workshop explored how new knowledge on sustainability transitions can support EU governance, drawing on the insights from the European Environment Agency (EEA) reports, 'Sustainability transitions: policy and practice' and 'The European environment – state and outlook 2020' (SOER 2020), the European Political Strategy Centre (EPSC) note 'Europe's sustainability puzzle: broadening the debate', and conclusions from a series of workshops on the future of EU environmental policy and sustainability transitions, hosted by the Environmental Knowledge Community (EKC).

The high-level workshop provided an opportunity to develop a shared understanding across the European Commission of what is at stake and possible response options. It was attended by approximately 50 participants from 17 directorates-general of the European Commission (AGRI, CLIMA, CONNECT, ECFIN, EMPL, ENER, ENV, FISMA, GROW, JRC, MARE, MOVE, REGIO, RTD, SANTE, TAXUD, TRADE), including 3 directors-general, 4 deputy directors-general and 9 directors. To make the discussions tangible, the workshop focused in particular on the food system.

How can Europe mobilise coherent action to achieve transitions?

There was widespread support for the characterisation of sustainability challenges and response options in the workshop background paper and the EEA Executive Director's presentation. It was broadly recognised that enabling the phase out of established systems and the emergence of new ones will require coherent contributions from all policy areas (Figure 1). Much discussion therefore centred on the question of how to mobilise action across different parts of government and society. The summary points are as follows:

Setting the direction for change

- To catalyse action across society and fully understand the opportunities and trade-offs in transitions, we need a shared understanding of our goals and the actions to achieve them.
- This raises difficult questions, often linked to social values. For example, what is our vision of the good life? Do we want growth? What kind of growth? What kind of jobs? We currently lack a shared understanding of what behaviours or policies are sustainable.

Co-creation of policy

- Co-creation of policy is essential to respond to systemic challenges but is a very different way of working to the norm. Climate and sustainability need to drive all policies. It is not about simply adding more and more goals reflecting different interests but making shared choices together.

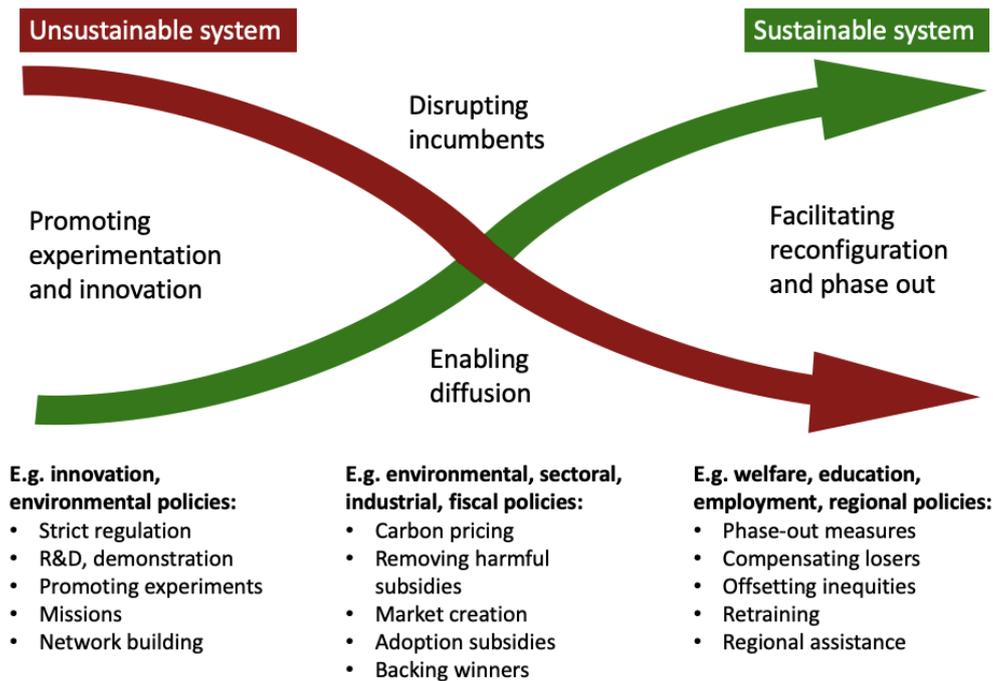
- Breaking down silos runs counter to human nature and organisational norms but there are good examples of co-creative EU policymaking. We should build on experiences such as the Energy Union and the sustainable finance work.

Opportunities to enhance coherence

- The green deal is not just one of six headline ambitions. It is far more cross-cutting and creates a key enabling framework for co-creation.
- The 'farm to fork' policy is vital but could the EU go further towards a 'common sustainability policy'?
- Integrating the SDGs into the European Semester process presents challenges but could enable more holistic assessments. Using the sustainable finance taxonomy to evaluate EU spending could also promote coherence with our own messages.



Figure 1 Policy mixes to support sustainability transitions at different phases



Source: based on Loorbach et al. (2017) and SOER 2020

Multi-level governance

- Internal co-creation of policy is difficult but externally it is much harder. The challenge is to create unconventional alliances and deliberative democracy. Perhaps the notion of a citizens' assembly could play a role.
- A lot of actions and investments are needed at the national, regional and local government levels, as well as from businesses and households. How can we ensure incentives and enabling frameworks work coherently? How can we ensure Member States have capacities to legislate and implement?

Mobilising key constituencies

- Public pressure creates space for ambitious policy. For example, climate neutrality looked like an unrealistic goal until public protests since 2018. Increasingly, we have a similar constituency for food system change.
- Businesses are responding to changing attitudes, looking to exploit new markets, e.g. from plastic bans. Firms are also increasingly aware of the impact of climate change on their asset values.
- On climate, our constituencies increasingly recognise what needs to be done. But few

acknowledge the basic unsustainability of our lifestyles. We need to enlarge the green deal's ownership base by engaging citizens in developing ideas. Missions under Horizon Europe provide one tool to create visible outcomes and mobilise society.

Legitimacy and just transitions

- Combining climate goals with competitiveness is in line with the EU's fundamental goal. How do we move beyond that without losing legitimacy?
- Just transitions and fairness are also key for legitimacy. Building on the green deal, we need to spell out the connections between climate and other SDGs, and manage trade-offs and distributional impacts. This is not just about putting billions into a just transition fund. Policy coherence is also key. The issue of transition costs should be part of broader discussions about income distribution.
- Transitions also require new skills to enable people to cope with structural change, for example in terms of developing and using clean tech. The EU can set the stage even though this is a national issue.



What does this mean for European policy and governance?

Many participants highlighted the need for new policies, knowledge and actions to enable system innovation and sustainability transitions. The summary points are as follows:

Sophisticated policy mixes

- Policies can transform how markets operate, as with the formation of the single market. The EU's directive on disclosures relating to sustainable investments and sustainability risks is a good example. But such processes require co-creation. No single policy can do it.
- The EU needs to look in a comprehensive way at all types of policy levers. The green deal will depend on combining different policies and ensuring none are misused. For example, financial instruments are useful but cannot provide a substitute for fiscal policy or regulation.
- A key element is consumer behaviour. Relying only on regulations and pricing instruments risks losing competitiveness and buy in. Communication, awareness raising and education needs to be built into social models and food policies.

Tackling externalities

- Addressing externalities and market failures is essential and necessitates a variety of different policies, including regulations and bans, public procurement, taxes and the ETS.
- Vested interests have hindered the introduction of pricing measures in the past, so taxation cannot be addressed in isolation. Extended producer responsibility ultimately increases prices for consumers but seems to be a much more acceptable way of adjusting prices.
- Member States and cities are responding independently to public calls for action. Monitoring and learning from Member State actions will be key.
- The EU needs to be courageous. Phasing out light bulbs created business opportunities. But considerable subsidies still go to fossil fuels and no phase out is foreseen in the next 10 years. There are huge inconsistencies in the use of taxes and subsidies in Europe that must be addressed.

Promoting experimentation

- We need to help societies to experiment and harness the results. We need technologies, social innovations, knowledge. This is a major part of our shared agenda, including in Horizon Europe, and requires Member States to work together.
- How can we enable experimentation and failure in policy responses? There is often very little scope for mistakes. Learning and sharing knowledge is also essential to capitalise on experimentation.

Knowledge for policy

- We need the right information to inform governance. What is sustainable? What are the trade-offs? Are targets hiding the fundamental drivers from us? Do targets change behaviour? Does a specific policy contribute to sustainability? The knowledge base is extremely important
- We need to look across the full lifecycle, with a particular focus on green hotspots. For example, more carbon is embedded in buildings than during the entire use phase.
- The EU can do more to harness existing knowledge to inform future planning. For example, we have a lot of evidence on collective behavioural change (e.g. discouraging smoking) and we understand a lot about what doesn't work.

Innovation and technology

- Achieving the SDGs will be impossible without a leap forwards in innovation. Monitoring innovation will be key. The EU must also provide directionality by including sustainability in key policies. Business will gladly move in the right direction with the right signals.
- Information technologies are critical. They create major challenges, e.g. in terms of energy use and waste, but could contribute hugely more to solutions for energy, mobility, agriculture, buildings, cities etc.



- Unlike the green revolution, the digital revolution offers synergies between economic and environmental outcomes. Europe still lags the US in terms of extension systems to enable uptake of new technologies. Our constituencies are open to accepting new technology. Where do they find necessary info?

Global governance

- We can only achieve international goals by providing global leadership. We will not save the planet alone. We need to show what is possible.

- We need to think about costs and prices across the whole value chain. An effective farm-to-fork strategy needs to include trade aspects.
- Trade policy can support domestic goals but using it as leverage with trade partners will provoke retaliation and some issues cannot be included in trade negotiations. Are there better policies to change consumer behaviour in Europe?

Reflections for networking and partnerships

- The workshop signalled broad recognition of the need to change direction, define visions and enable sustainability transitions. Many participants have already started to think about how to re-orient their areas of work, creating opportunities for the EEA to deepen existing partnerships and establish new ones.
- Co-creation of policy and knowledge is acknowledged to be critical at all levels of governance. The green deal and the European Semester represent key opportunities to foster such collaboration and enable change in how EU institutions work together and with external partners.
- There is a clear need for new knowledge and skills, and better sharing of knowledge and practices. Participants highlighted particular knowledge needs in a variety of areas, including lock-ins, inequalities and externalisation of impacts both within Europe and globally.