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**Subject:** Greening the European Semester  
- Exchange of views  
= Contributions from delegations

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Delegations will find in the Annex contributions from DK and MT to the exchange of views on Greening the European Semester at the Environment Council on 3 March 2014.

DENMARKGeneral comments

It is essential, that environmental objectives are incorporated into the economic policies, in order to meet the objectives of the 2020 strategy and 7<sup>th</sup> environment action programme of transforming the EU into a resource efficient, green and competitive low emissions economy. The European semester is an important instrument for achieving these ends.

The Environment Council should promote the essential importance of the environment for long term sustainable growth to our colleagues in the economic ministries. Thus, the Annual Growth Survey should be a permanent and returning item on the Environment Council agenda every year.

It is ever present challenge that the market and the market forces often are determined by short term perspectives and produces externalities. It is furthermore a challenge that the negative consequences of production and consumption are not sufficiently taken into account by companies and consumers. The market economy has externalities, which have to be recognized and cannot be ignored by citizens, consumers and business. Policymaking for sustainable growth across Europe has to recognize these facts.

The answer to these bottlenecks is political governance. A long term predictable policy framework is important for the public and essential for investors and the market.

The European Union has adopted a number of policy statements, roadmaps and programmes. It is now crucial to implement these policies through quantitative targets and development and implementation of concrete regulation. With regards to climate and energy, a full implementation of the third liberalization package in conjunction with an increased drive to promote energy efficiency will be necessary to reach the Europe 2020 objectives. There is a need for urgently agreeing on an ambitious 2030 climate and energy policy framework, including binding targets for greenhouse gas emissions, an EU-wide binding target for renewable energy and a binding target for energy efficiency.

Furthermore it is important that we follow up on the 7<sup>th</sup> Environment Action Programme. The resource efficiency flagship of the EU 2020 Strategy should be updated with the key elements of the 7<sup>th</sup> Environment Action Programme. We have to develop resource efficiency indicators and targets on the European level and assess the appropriateness of the inclusion of a lead indicator and target in the European Semester as envisaged in the 7th EAP. That should be a clear statement from this Environment Council meeting.

Denmark has taken many initiatives to boost environment, growth and employment at the same time.

First of all Denmark has set ambitious and forward looking goals for climate and natural resources involving disengaging from fossil fuels and promoting a society without waste.

Secondly, Denmark works to further public and private demand for sustainable products. Denmark invests massively in a more sustainable infrastructure. Environmental taxation is used. And comprehensive research and development programmes to support the development of green technologies have been developed.

### **Questions and answers**

1. In light of the Annual Growth Survey 2014, what do you see as main bottlenecks to the achievement of the Europe 2020 resource efficiency and low-carbon objectives?

An inadequately regulated market, which does not reflect the real costs and negative effects of consumption and production, has a tendency to lock the economy in to an unsustainable path. On an unregulated market unsustainable products and services are given a competitive advantage. The main bottlenecks for achieving the Europe 2020 resource efficiency and low-carbon objectives are therefore inadequate environmentally sustainable, political frameworks for the market on both EU level and at national level.

With regards to the EU 2020 strategy resource efficiency flagship the barriers are; a) the lack of long term targets for resource use and resource productivity, b) that the existing policy instruments relating to production and consumption are limited in scope and are therefore not able to stimulate a significant shift in consumer demand for such products, and c) the existing targets and waste legislation are not adequate in order to turn waste in to a resource and move towards a circular economy.

With regards to climate and energy, a full implementation of the third liberalization package in conjunction with an increased drive to promote energy efficiency will be necessary to reach the Europe 2020 objectives. Looking ahead, there is an urgent need for an agreement on an ambitious 2030 climate and energy policy framework, inclusive of a binding target for greenhouse gas emissions, an EU-wide binding target for renewable energy and a binding target for energy efficiency.

In relation to sustainable growth it is a bottleneck, that indicators which supplement and go beyond GDP and show whether we are on a sustainable track have not been developed at EU level.

2. In your view, which measures, at national level, in the field of resource efficiency and climate action have the biggest potential to contribute to sustainable growth and job creation, while addressing existing environmental challenges, and could be integrated, as relevant, in the National Reform Programmes 2014?

In relation to resource efficiency and climate the following measures have the biggest potential to contribute to sustainable growth and job creation, while addressing existing environmental challenges:

Ambitious and long term national targets, which are supplemented by concrete legal frameworks, are necessary to guide the market and promote sustainable investments. A market not sufficiently regulated will not be able to achieve the environmental priority objectives and targets. As well known Denmark has a national climate target of 40 percent reduction of the total greenhouse gas emission in 2020 compared to 1990. Denmark has developed a resource strategy, with the long term ambition to achieve an economy without waste.

Initiatives, which promote public and private demand for green products and services. Within some product groups it has been achieved to promote the demand for green products through a combination of many different measures, including environmental labeling. It is essential to make sustainable choices increasingly accessible, attractive and affordable for all consumers.

Public and private investments in sustainable infrastructure, including investments in renewable energy, energy efficiency of buildings, development of collective transport systems, etc. Such investments promote a green transition of the economy and create thousands of new jobs.

Measures, which uses the best available practice of green taxation within waste management, climate- and resource efficiency. Denmark has for many years been a frontrunner in relation to the use of green taxation. Denmark supports the use of green taxation and the gradual phasing out of environmentally harmful subsidies both at national level and EU level.

Support to development of new and sustainable technologies by using national support systems and EU programmes. It is essential to promote and support both incremental and systemic changes in the use of technologies. A wider use and uptake of best available techniques has an enormous potential. The experience from Denmark is that the ambitious Danish climate and environmental policies have created new opportunities for the Danish business sector. Almost 100.000 are employed with green production in Denmark corresponding to 8.6 % of all employed workers.

3. How could the role/involvement of Environment Ministers be strengthened in the various phases of the European semester cycle?

It is important that the environmental dimension of the semester process is strengthened. The ministers of Environment should have an important role in the semester process in order to contribute to the fulfillment of the objectives of the Union; the promotion of long-term environmentally sustainable growth. The Annual growth survey should be part of the agenda every year timely to provide input to the European Council discussion.

The Environment Council should focus on a few targets and indicators, which are essential to support the development of an environmentally sustainable and robust European economy.

Therefore clear indicators and targets at the European level are needed in order to benchmark the economies. This should preferably be achieved by agreeing on the new climate and energy targets as soon as possible, the identification of the resource efficiency targets, the use of green national accounts, development of environmental considerations in economic modelling and promoting methods to environmental assessments of the economic policies.

## MALTA

Contribution to the exchange of views on Greening the European Semester as expressed during the Environment Council meeting of 3 March 2014

- *In light of the Annual Growth Survey 2014, what do you see as main bottlenecks to the achievement of the Europe 2020 resource efficiency and low-carbon objectives?*
- *In your view, which measures, at national level, in the field of resource efficiency and climate action have the biggest potential to contribute to sustainable growth and job creation, while addressing existing environmental challenges, and could be integrated, as relevant, in the National Reform Programmes 2014?*
- *How could the role/involvement of Environment Ministers be strengthened in the various phases of the European semester cycle?*

Malta would like to thank the Greek Presidency for its efforts to encourage further discussion on this important issue. Such discussion will undoubtedly serve to support the objectives of the environmental acquis and to strengthen the role of EU Environment Ministers and the visibility of the environmental agenda in the various phases of the European Semester cycle. It is important for the exchange of experiences and best practices on contributions to greening the economy and to depict the commonalities between the environment policy area and various other policy areas, in particular those responsible for finance and employment. In fact notwithstanding the important role and contribution of the Environment Council in the broad direction of the European Semester to ensure consistency across the board Malta believes that all fiscal measures should be undertaken in the context of ECOFIN.

Malta's commitment to prepare and implement a Green Economy Action Plan is reflected in the National Reform Programme for this year and the 2014 Budget. This Plan, which is to be launched later this year, shall include a number of measures with which to bring a shift towards greener and more sustainable economy. Whilst public sector partnerships are thought to offer the potential with which to deliver such greening initiatives, the Government's involvement remains significant. Budget limitation and absorption capacity of the main players could still represent significant bottlenecks.

Other challenges which may be more specific to Malta in the achievement of the Europe 2020 resource-efficiency and low carbon objectives are linked to the lack of economies of scale (case in point in recycling operations), the lack of space given Malta's size and the high population density. On the other hand, these same challenges, compounded with the country's dependence on external sources for energy supply, dictate that considerable emphasis needs to be placed on policies that continue to improve resource efficiency.

The recently launched Waste Management Plan for Malta recognises that green jobs offer a significant opportunity in creating further employment opportunities with improved earnings and highlights the need for this strategy to dovetail with that for the green economy such that the right conditions for investment in this sector might be created. Similarly, one of the aims of the upcoming Transport Strategy is to give due consideration to green travel modes and the application of green travel in key sectors, such as tourism.

Malta believes that strong links exist between the process of greening the economy and the process of economic recovery. Malta's commitment to this goal is expressed in the Government's programme of work. One of the measures in this programme is that the Government shall seek to green the economy through the implementation of a Strategy based on best practices that put the environment at the core of decisions made while aiming to achieve economic growth that gives due consideration to sustainable development.

