

20.01.2024



UK/EU Divergence in environment and climate policy - Summary of Interim Findings

Key Findings

A gradual divergence...

- A gradual divergence on environment and climate law and policy has been taking place, both relative to the EU and across the four UK nations. This is often not clearly visible; it is often technical and complex in nature and difficult to assess.
- Generally speaking, the EU is forging ahead with a higher level of ambition by expanding and deepening its environmental policy and laws.
- Despite some progressive actions, the UK's level of ambition has not matched the EU's ambition since leaving the bloc. It has tended to move more slowly and taken a less stringent approach to regulation.

Divergent levels of ambition

- EU environmental law and policy has continued to evolve since Brexit. It has expanded into new areas, tackling some emerging issues as well as revising and deepening existing laws and policies to tighten up its response to environment and climate challenges. This is despite action being tempered at times by stiff opposition within the European Parliament and Council, leading to compromise on the resulting regulations and Directives.
- The European Green Deal has provided a stimulus both towards Net Zero a distinctly climate orientated objective, but also towards a more comprehensive and complete package of environmental measures. The most active themes are on climate (e.g., emissions trading) and energy (including energy efficiency), circular economy and waste, and nature protection.
- With a few exceptions, the UK's level of ambition has tended to be lower than that of the EU its approach to tackling commodity driven deforestation being a case in

point. The UK has also tended to move more slowly and has taken a less stringent approach to regulation, particularly on <u>chemicals</u> and pesticides.

- There have been some encouraging signs however in a few different policy areas that buck this trend; for example, on biodiversity net gain, growth in the deployment of renewable energy, the banning of trade in shark fins and the use of peat in horticultural products.
- The UK is making a particular effort to keep in step and in line with the EU on certain major pieces of climate legislation: e.g., the carbon border adjustment mechanism, albeit with a time lag between the EU making changes and the UK catching up at a later date.
- However, an array of significant and consequential changes in EU environmental law and policy are expected in 2024, specifically on water, circular economy, nature and industrial pollution policy and it does not appear the UK is planning on following suit any time soon.

'Flirting' with regression

• The UK has 'flirted' with regressing from the environment and climate rules inherited after Brexit. From nutrient neutrality to the water framework directive to air pollution policy. The UK Government has shown a willingness to test the boundaries of cases of regression as opposed to mere divergence in policy.

The need for change

- Why does this matter? Divergence often, but not always, has costs. Divergence in environmental policy can lead to increased friction and distortions to trade. Different types of standards, but mainly environmentally driven product standards, often lead to costs to business or the economy as a whole.
- Differences between the four UK nations are significant and the Scottish government's intent to keep broadly in step with the EU is notable, although corresponding action has been more limited.
- The UK is in danger of complacency or, at best, being a 'rule-taker' two steps behind EU policy developments. The environmental case for broadly keeping pace with EU law while taking advantage of opportunities to innovate, move faster and use flexibility in creative forward-looking ways is a strong one. Now is the time for a more strategic and explicit government policy on divergence.



The Institute for European Environmental Policy UK (IEEP UK) is a not-for-profit environmental sustainability think tank, with over 40 years of experience, based in the UK. As part of the broader IEEP family, we are dedicated to working with stakeholders, international bodies, academia, civil society organisations and industry to produce evidence-based research for impact-driven environmental policy solutions. Our work covers both short-term and long-term environmental strategic issues in the UK and its constituent nations (England, Wales, Scotland and Northern Ireland), as well as their interaction with policy in Europe and globally.

CONTACT PERSON:

Michael Nicholson Head of UK Environmental Policy mnicholson@ieep.eu

