

Innovation for a better environment

Background

The UK Government has set out a 25-year plan for England with an ambition to leave the environment in a better state for future generations. In this context and in exiting the European Union (EU), a new statutory policy statement on environmental principles and the new environmental body is expected to be created through an Environmental Principles and Governance Bill. Innovation is not listed as one of the principles for delivering future environment policy.

The Chemical Industries Association (CIA) – the organisation that represents chemical and pharmaceutical businesses across the UK – supports development of policy making which is based on both environmental and innovation principles. Only then can we ensure that future generation needs are not being compromised.

State of play

The 25-Year Environment Plan published in January 2018 follows the publication of the UK Government's Clean Growth Strategy in October 2017 and the Industrial Strategy in November 2017. Within the Plan, government states its intention to build upon both the Industrial and Clean Growth Strategies with the aim to 'transform productivity across the country and drive green innovation'. Although this is stated within the Plan, the EU Withdrawal Act 2018 (which received Royal Assent June 2018) stipulates a set of environment principles for delivering setting policy without considering innovation for inclusion within an Environment Bill. Further to these principles, in November 2018, the Draft Agreement published by Government on the UK's withdrawal from the European Union indicates an independent body with powers to challenge UK public bodies

and authorities will be set up. In the EU, a concept known as the Innovation Principle is becoming increasingly fundamental in policy making with a new European Commission Directorate for 'Better Regulation & Innovation', as well as inclusion in the Commission's recent Industrial Strategy (September 2017), which states the need to apply the Innovation Principle in all policy domains when developing and reviewing regulation. As we set to build upon and deliver for better environmental policies, the UK should seize this opportunity to embed an 'innovation principle' into UK law.

Our opinions and actions

- Environmental principles are already a fundamental part of the UK's environment legislation and we support continuation of this, but as we look ahead to 'smarter regulations' it is vital all environmental principles including an Innovation Principle are applied mutually rather than in isolation ensuring decisions taken are balanced, protecting society, the environment and the ability to innovate.
- In enabling this we stress that whenever environmental policy or legislation is under consideration, its impact on innovation should be assessed and addressed. An Innovation Principle is essential in ensuring regulatory measures do not stifle innovation whilst protecting the environment. In doing so, UK policies and related legislation will be able to stimulate innovation delivering sustainable solutions for our environment.
- The Innovation Principle can play a definitive role in ensuring alignment of the 25-Year Environment Plan with both the Governments Clean Growth

and Industrial Growth Strategies.

Introducing this principle to the mix will help ensure both UK competitiveness and protect our environment.

- Innovation provides solutions in addressing environmental issues. The products and services of our companies are at the forefront of providing solutions to current challenges on issues such as climate change through fuel cells and insulation of buildings. For example, every tonne of greenhouse gas emitted by the chemical industry its products and technologies enable over 2 tonnes of greenhouse gas emissions savings whether in the household, transport, energy or agricultural sectors. For our sector and many that we underpin, smarter legislation that does not undermine confidence to invest and support future innovations is a must if the UK is truly ambitious on delivering a better environment for future generations.
- Use of the Precautionary Principle needs careful consideration as this is often prone to misinterpretation. CIA would urge government to take a balanced approach when considering application of this principle. Application should start with a scientific evaluation identifying at each stage the level of uncertainty and where action is deemed necessary it is imperative that the related measures being considered are:
 - Proportional to the chosen level of protection,
 - Non-discriminatory in their application,
 - Consistent with similar measures already taken,
 - Based on an examination of the potential benefits and costs of action / lack of action,
 - Subject to review, in the light of new scientific data, and

– Capable of assigning responsibility for producing the scientific evidence necessary for a more comprehensive risk assessment.

[Useful information on how to correctly apply this can be found in the European Commission Communication 2000.]

- It is important to recognise that these principles are only as good as their application since in order for them to function effectively, it is imperative that they are consistently applied throughout the UK (i.e. England, Scotland, Wales and Northern Ireland). CIA thereby urges the UK Government and devolved nations to work together in achieving this.
- In respect to the proposed environmental 'watchdog' body, CIA advocates that the UK Government should satisfy the need for the proposed new environment 'watchdog' body's and in doing so further consult with stakeholders on its role, responsibilities and powers once these have become clearer. In establishing a watchdog, we believe careful attention

is needed in terms of:

- Composition (this should be a cross representation);
- Credibility (independent of Parliament rotation);
- Accountability (is this to a Select Committee?);
- Duties (a watchdog should cover more than just England; a UK-wide body would minimise divergence between devolved environment legislations); and
- Function (ensure a holistic application of all principles is taken during environment policy making; it could also undertake investigatory work and act as an arbitrator).

Conclusion

In delivering the Governments 25 Year Environment Plan, CIA encourages that a risk based approach to policy making and legislation is retained in the UK; all principles need to be applied in a balanced and consistent manner. In our view it would be counterintuitive if the UK were to leave the EU and adopt a

range of legal principles, including the precautionary principle, but fail to include the Innovation Principle at a time when the EU Commission is in the process of doing so. CIA believes it is important that Government seeks to attain a consistent application of the principles in environment policy decision making, environmental law and its enforcement within the entire UK. Only in this way we can achieve a holistic approach for the entire UK that enables society to benefit from an environment that is competitive economically, with the wellbeing of the population being high and wildlife protected.

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