



Refreshing Europe's water policy

As droughts in the US push up food prices and floods claim lives from Europe to Japan, it is also clear that we still undervalue water and need to invest more in managing it wisely. In a warmer and more populated world this is even more the case. So the timing is not inappropriate for looking ahead at the future of water policy in the EU. A 'Blueprint' is due to be launched towards the end of the year, building on the first of a new series of environmental policy reviews – the Fitness Check of EU Water Policy.

Since its beginnings in the 1970s, EU water policy has come a long way. Drinking water quality and sewage treatment have improved, contamination with toxic substances has reduced, greater attention is now paid to catchment management and action is being taken to reduce nitrate pollution. However, momentum has slackened.

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This newsletter is published and distributed by the Institute for European Environmental Policy (IIEP). IIEP is an independent institute for the analysis and development of policies affecting the environment in Europe and beyond.

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The implementation of the Water Framework Directive is behind schedule in most countries; for example, many governments have been slow to address the widespread problem of diffuse water pollution, particularly from agriculture. There is reluctance to require the installation of water meters, despite the capacity to measure consumption being fundamental to improving efficiency in the many areas where this is needed. The multiple ramifications of climate change on water supply and treatment have yet to be worked through thoroughly to create an updated policy.

Recovering momentum as well as recalibrating policy is thus a central challenge for the Blueprint. Investment in improved water management could contribute simultaneously to a greener economy, new jobs and more effective implementation of existing legislation. There are opportunities to draw in resources from EU funds including the Regional Development Fund and parts of the Common Agricultural Policy. Linkages with agricultural policy can be strengthened in other

ways too, for example through the effective use of cross compliance in relation to the water framework and pesticides Directives. An initiative on improved catchment management could be integrated into a fresh strategy on climate adaptation. Water cuts across so many issues in such a fundamental way that it deserves the recognition that has been afforded the climate crisis. Most of the solutions required do not depend on reaching an international agreement; they can be taken forward in Europe if a reinvigorated policy is adopted.

A Blueprint suggests a level of sophistication, detail and precision exceeding that of many of the Roadmaps currently embedded in EU policy. Perhaps more importantly it implies a sense of confidence about designing for the future that is greatly needed now, both in water policy and more widely.

David Baldock, Executive Director IEEP

Ecological Focus Areas: A key contribution to greening the CAP



Photo: Ben Allen

In October last year, the European Commission published its draft legislative proposals on the future of the CAP. These included a series of changes across the policy, but perhaps none so contested as the proposed 'greening' of direct payments within Pillar 1.

The proposals set out that 30 percent of direct payments would be contingent upon farmers carrying out practices that contribute towards objectives for climate and the environment. This presents a significant opportunity to raise the overall standard of environmental farmland management

across the EU and allow European agriculture to fulfil its crucial role in helping to deliver some of the EU's ambitious environmental objectives

Of the three Pillar 1 'greening' measures proposed, the creation of Ecological Focus Areas is recognised as having the greatest potential to deliver additional environmental benefits. How much of this potential is realised in practice, however, depends to a large degree on precisely how the proposals evolve and the flexibility granted for their implementation.

The recent IEEP report, [Maximising](#)

[environmental benefits through Ecological Focus Areas](#), prepared for the UK's Land Use Policy Group (LUPG) identifies some of the key factors that require consideration if EFAs are to provide meaningful environmental benefits. These include the type of environmental features that could form part of the EFA; where they are located on the farm holding and across the farmed landscape; whether they are maintained for successive years; the proportion of the farm holding and the management practices pursued or allowed.

For more details contact: [Ben Allen](#)

Nature in the transition to a Green Economy

The green economy in the context of sustainable development was one of the main issues discussed at the June Rio+20 UN Conference on Sustainable Development. Countries agreed to consider green economy as one of the important tools available for achieving sustainable development.

Shortly before the Rio conference, IEEP published the paper 'Nature and its role in the transition to a Green Economy – A contribution to Rio +20', which was presented in Rio at a Roundtable on Nature and its role in the Transition to a Green Economy hosted on June 18 2012 by the International Society for Ecological Economics.

Commissioned by UNEP, the paper integrates insights gained through the TEEB initiative with the body of

work around the green economy. It provides evidence of nature's role in underpinning economic growth, human development and well-being and highlights the instrumental role it has played in building today's economic system. It illustrates why the conservation and restoration of natural capital should be considered a key element in the transition to a green economy. The paper also argues that, given human and societal well-being's dependence on nature, efforts to conserve, restore and sustainably use natural capital can improve human well-being, support livelihoods and increase socio-economic and intergenerational equity. In addition, healthy and resilient ecosystems may contribute to delivering development goals such as poverty eradication.

By showing a range of examples from around the world, the paper highlights the fundamental importance of recognising and responding to the role of nature in the context of economic decision making. It also identifies the necessary tools to help us with a successful transition to the green economy, grouped into six building blocks.

The main paper's executive summary, 'Nature and its role in the transition to a Green Economy – A contribution to Rio +20', can be downloaded [here](#). The main paper itself is currently being finalised and will be published later this year.

Contact: [Patrick ten Brink](#) and [Leonardo Mazza](#)

Using revenue raised from the EU Emission Trading Scheme

Revenue raised through the auctioning of European Union Allowances (EUAs) from the EU emission trading scheme (EU-ETS) provides an opportunity to fund environmental improvements throughout the EU (provided the price of carbon remains high) and to meet the shortfall in international climate finance. To this end, IEEP recently completed a report for the European and Economic Social Committee looking at the potential of a range of market-based instruments to fund environmental improvements, while offering the potential to engage with

civil society. The study focussed largely on the role of EU-ETS auctioning revenue, and analysed the potential to earmark revenue more specifically.

Some Member States maintain that earmarking results in rigid, long-term fiscal obligations. In the UK for example, there is no intention to earmark auctioning revenue from the EU-ETS, while in Germany 100 per cent of EUA auctioning revenue raised in Phases II and III of the scheme will be invested in projects that improve the environment. In 2012, this represented a total of €780 million. Our research

indicates that earmarking can be effective in cases where revenue streams are predictable, where the volume of revenue is manageable and where the right type of governance structure has been put in place as part of a longer term fund management strategy. Earmarking is also intrinsically transparent, thus providing an overview of the investment of funds into environmental improvements, while also providing a key entry point for civil society engagement.

For more information please contact [Jane Desbarats](#).

Towards a 7th Environment Action Programme

For the past year, IEEP has been working on a project on the future strategic framework for EU environmental policy - the 7th Environment Action Programme (7EAP). This project explores the challenges the 7EAP needs to address and subsequent priority areas and actions through a series of research papers, policy dialogue meetings and interviews. Two policy dialogue meetings already held looked at the added value of a 7EAP and its concrete priorities. In the aftermath of the Rio+20 Conference, a third meeting will examine the global dimension of the 7EAP which is an important element of

the future Programme.

Beyond better integration of environmental considerations in EU bilateral agreements, development aid and trade policies, the 7EAP could begin to address the global dimension of EU policies more systematically and integrate these impacts in policy design. We will explore how EU policies can better address the global aspects of EU resource use both in terms of reducing overall levels of EU resource use and the environmental impacts of this resource use. We will also look at key activities for the EU in the follow-up to the Rio+20 Conference, for

example the process of developing Sustainable Development Goals and other international initiatives such as the international resource panel.

The project is nearing its completion. A final synthesis report and concluding conference will be organised towards the end of the year. To access research papers that have been produced throughout the project, presentations made and a timeline of activities in the run-up to the publication of the proposal for a 7EAP, please see our [dedicated project website](#).

Contact: [Axel Volkery](#) or [Sirini Withana](#)

Using straw to feed advanced biofuel production

A new report by IEEP examines the potential for using cereal straw for advanced biofuel production in the EU. Commissioned by Danish enzyme producer Novozymes, the report has generated a lot of interest and was launched in the European Parliament at a meeting hosted by Irish MEP Mairead McGuinness.

Why do we care about producing advanced biofuels from straw? The EU Renewable Energy Directive calls for a 10 per cent share of renewable energy in transport by 2020. Member States foresee that over 90 per cent of the target will be met using conventional biofuels, while advanced biofuels derived from waste, residues and lignocellulosic material are given little consideration. The sustainable mobilisation of agricultural residues for processing into advanced biofuels offers both risks and opportunities for the environment. It offers the opportunity to reduce dependence on conventional biofuels, which are associated with environmental and social risks, and offers farmers an opportunity to diversify their income. At the same time, the increased use of straw is not without (potential)

environmental costs, the most problematic aspect being the impact on soil carbon if the quantities used prevent sufficient levels of organic matter being incorporated back into the soil.

IEEP's report examines the opportunities and barriers to the use of cereal straw to feed advanced biofuel production and concludes that there is large potential for straw to be used for these purposes in the EU. To realise this potential sustainably requires the attention of policy makers to:

- strengthen environmental safeguards through cross compliance in the form of specific minimum standards for soil organic matter;
- provide advice and support to farmers on the sustainable use of straw;
- include soil carbon in the GHG accounting framework.

The report can be found at the following [link](#).

For further information contact: [Bettina Kretschmer](#)

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These papers are written by IEEP staff and others associated with IEEP.



'Embed biodiversity in all elements of EU spending' - IEEP workshop

Biodiversity should be embedded in all Regulations of the EU Multi-Annual Financial Framework at the highest level if EU spending is to make a significant contribution to the EU Biodiversity Strategy goals. This was the principal conclusion of the participants present at a workshop organised by IEEP in Brussels on the 3rd July as part of an on-going study for the European Commission on biodiversity proofing the EU Budget. Biodiversity proofing the EU budget can be defined as the application of tools to minimise biodiversity-harmful spending and to act as a catalyst for biodiversity-friendly spending and

should be carried out at all stages of the policy cycle in order to be effective.

Participants highlighted the need to include strong biodiversity protection objectives at the Strategic Planning stages of the policy framework, ie in the Regulations, without which it will be very difficult to guarantee biodiversity requirements at later stages of the policy cycle, such as during implementation. Other measures considered important were the improved incorporation of biodiversity into SEA/EIA assessments, guaranteeing capacity to ensure the monitoring and reporting of

biodiversity outcomes, and the use of project selection criteria to prevent negative impacts of EU spending on biodiversity.

The workshop was designed to fine-tune the results of the study and to raise awareness of the issues amongst representatives of public authorities in charge of implementing the funds. The workshop was particularly well attended by officials from the Member States, as well as by representatives of the European Commission and NGOs.

Contact: [A. J. McConville](#)

IEEP CONFERENCES AND EVENTS

In the coming months IEEP is organising and/or participating in a number of meetings and events. To find out more, do not hesitate to contact us.

Limiting biodiversity impacts from biofuels through land use mapping and certification schemes – IUCN Congress, Jeju (Korea), 6-15 September 2012

As part of a study for WWF, IEEP will run this specialist workshop. Experts will share lessons learnt from initiatives that aim to use land use mapping and certification schemes to limit direct and indirect biodiversity and ecosystem service impacts from the production of biofuels, biomass and other agricultural commodities. Attendance is by invitation only.

Contact: [Graham Tucker](#)

Management of farmland in Natura 2000 sites – European Commission, Brussels (Belgium), 25 September 2012

This event is part of a study, led by the N2K Group Ltd for DG Environment, that is developing guidelines for management of farmland with Natura sites. The workshop will build on a workshop held in March and review information on the main factors affecting habitats and species in Natura sites and identify their management needs.

Contact: [Evelyn Underwood](#)

Exploring the global dimension of the 7th EAP – IEEP office, Brussels (Belgium), 28 September 2012

As part of an IEEP project on the 7th Environment Action Programme (7th EAP), this meeting will examine how EU policies can better address the global aspects of EU resource use and follow-up to the Rio+20 Conference. This meeting is the third in a series of policy dialogue meetings which IEEP has organised on the 7EAP. Attendance is by invitation only.

Contact: [Doreen Fedrigo](#) or [Sirini Withana](#).

Incorporating biodiversity and ecosystem service values into National Biodiversity Strategies and Action Plans (NBSAPs): Sharing country experiences and lessons learnt – COP-11 Side Event, Hyderabad (India), 8-19 October 2012

As part of the project Lessons learnt from incorporating the values of biodiversity and ecosystem services into NBSAPs commissioned by Defra and carried out in co-ordination with the Secretariat of the Convention on Biological Diversity, IEEP, together with UNEP-WCMC, will organise a side-event to the CBD COP-11 (8-19 October 2012, Hyderabad, India). At this side-event, country representatives will be invited to share their experiences from incorporating values into NBSAPs, the specific approaches they used and importantly, the lessons learnt which may help to inform others. The exact date will be determined closer to the event. Registered participants in the COP-11 can attend.

Contact: [Leonardo Mazza](#)