

Editorial

Four decades of EU environmental policy



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Four decades of EU environmental policy

By David Baldock



In the annals of environmental policy, this November marks an important anniversary. Forty years ago the European Community's first Environmental Action Programme was launched. The process of building up a progressively more comprehensive body of environmental law and policy began. Several hundred items of environmental legislation have been put in place subsequently and the EU has overtaken the US as the most influential source of environmental policy on the planet.

Not only has this resulted in large scale improvements in Europe's environment, particularly in reduced air and water pollution, improved waste management, and the beginnings of a green economy, but it has enjoyed general public support. Few other aspects of EU policy have been so popular. This is something to celebrate.

In evaluating this achievement, it is difficult to compare the outcome with a scenario in which environmental policy

had remained primarily at the national level, with less pooling of effort. However, the evidence suggests that the progress generated by European co-operation has been – and remains – very considerable. The EU has led on the environment rather than moving at the pace of its most cautious members. It has created momentum, expertise, and a forward planning horizon that few, if any, European governments could maintain alone.

It is worth reflecting that environmental improvements on the ground have been achieved in large measure by the use of regulation, especially Directives, which provide some flexibility for national authorities. European legislation is not fashionable everywhere at present and there are legitimate debates about how aspects of it can be improved. However, the value of a clear set of common rules in the EU has been amply demonstrated and is strongly supported by many business interests as well as the envi-

ronmental community. It would be difficult to build a greener economy with a patchwork of national rules and objectives and no attention to a common infrastructure. Regulation is not the only policy available to deliver a complex agenda, but its value should not be underestimated.

Europe's role on the global stage is changing but it remains a pivotal player in nearly all the crucial environmental challenges – mitigating climate change, reversing the loss of biodiversity, a diminished and more efficient use of natural resources. A combination of effective internal EU policies and a firm stance on the global stage is required in all cases. The current challenge of agreeing an ambitious set of EU climate policies for 2030 will be the first major test of the fifth decade of environmental policy. This will not be easy. But it is a testament to the distance travelled since 1973 that the significance of the EU's position is not in doubt.

Environmental impacts continue as EU biofuel policy delayed further



The indirect impacts of using land to produce biofuels are causing environmental impacts not yet accounted for through policy. Now time is running out for decision makers to set EU biofuel policy on a more sustainable trajectory.

Indirect land use change (ILUC) impacts from biofuels need to be tackled if the EU is to reduce carbon emissions from transport. But with delays to proposals, new studies and counter-studies, reaching consensus has so far proved challenging. Meanwhile the negative environmental, social and economic impacts of EU biofuels policy continue unabated. Now time is running out to reach an agreement before the European Parliament elections in 2014 or risk a further two-year delay.

So what is holding us back? ILUC is difficult to measure, and although most agree there is a problem, the extent of the issue and any potential solutions remain debated. In fact much of the debate relates to the way we use land and resources, not only to produce biofuels but also to meet a range of other needs. Related questions include how much to limit the contribution of food and feed crops to make fuel and what other sources of biofuels exist, such as wastes or residues.

IEEP is involved in research and engagement activities to find solutions to some of these questions. Working with a range of partners, we have been exploring the potential of agricultural and forestry residues, such as straw, bark and branches, that do not require additional land. Initial results suggest that there is significant potential for these resources, but environmental

safeguards are critical and identifying what is sustainable is far from straightforward.

Despite the need for further research, it is essential that EU decision makers act now to undo past mistakes and set EU biofuels policy on a more sustainable trajectory. Such a policy must take into account all carbon emissions related to different biofuels; limit to current levels the contribution of those that require additional land for their production; and ensure robust environmental safeguards are put in place to prevent any perverse outcomes.

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

Measuring to manage wisely – developing Natural Capital accounts



Measuring and assessing the stocks of natural capital and the flows of ecosystem services is key for environmental protection and wise management. IEEP is contributing to the EU initiative ‘Mapping and Assessment of Ecosystems and Ecosystem Services’ (MAES) to explore the potential of natural capital accounting.

Momentum for developing natural capital accounting is increasing, supported by a range of international and national commitments and initiatives. By measuring the stocks of natural capital, the trends of environmental degradation or improvement and the flow of ecosystem services, natural capital accounts can support policy-making.

Guidance on natural capital accounting has been prepared by the UN (SEEA accounts), and experimentation is also ongoing at the EU level (EEA’s experimental ecosystem capital accounts) and globally (the World Bank’s WAVES project). However, important methodological challenges still remain. For this reason, one of the six pilots of the Mapping and Assessment of Ecosystems and Ecosystem Services (MAES) initiative, launched in the context of the EU 2020 Biodiversity Strategy, is devoted to natural capital accounting.

The MAES pilot study on natural capital accounting, co-led by the European Environment Agency and the Bulgarian Ministry of Environment, with IEEP co-authors, will be published in late 2013. It aims to explore the potential for accounts (both in biophysical and economic terms) by defining key concepts, discussing information gaps and illustrating good prac-

tices in the EU Member States.

IEEP is also leading work on natural capital accounting within the FP7 project OPERAs, seeking to explore the realistic potential for integrating natural capital into accounting, and the potential added value of accounting to policy processes as the accounting tool develops.

Finally, over the last two years, IEEP has also been reporting on EC accounting in the Commission’s ‘Beyond GDP initiative’, by preparing regular news updates for the EC’s Beyond GDP website and newsletters.

Guidance for farmland management in Natura 2000



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New guidance for farmland management in Natura 2000 gives agricultural and conservation authorities a step-by-step guide to management and funding measures and practical advice on habitat and species management.

The Natura 2000 network aims to protect Europe's most threatened and valued species and habitats. Nearly half of the terrestrial part of this network depends on the continuation of low-intensity farming to maintain its characteristic biodiversity, for example by grazing semi-natural pastures and mowing hay meadows. An important part of Natura 2000 therefore relies on the activities of many farmers and shepherds, often in economically marginal farming areas. This calls for a strong partnership approach between the

farmers concerned, the public authorities responsible for both agricultural and nature policies, and civil society.

IEEP has collaborated with the N2K Group to produce detailed guidance for farmland management in Natura 2000 sites. Agricultural authorities and Rural Development Programme (RDP) managers will find a clear overview of the obligations arising from the EU Habitats and Birds Directives and their relevance to agriculture. They will also find a wealth of practical advice and ideas on how to develop and promote appropriate farming measures and programmes that contribute to the conservation of Natura 2000 sites under a range of social, economic and physical or geographical conditions. For conservation authorities and Natura 2000 managers, there is practical guidance on the day-to-day management of key farmland habitats and species

and a step-by-step guide to using the full range of CAP support measures and other innovative sources of funding for Natura 2000 farmland conservation.

Illustrated and referenced case studies from across the EU demonstrate good practice examples of Natura 2000 farmland management. The annexes offer detailed information about the farmland habitats and species protected by the Natura 2000 network and clear management guidance for each habitat.

The guidance and case studies are available in a near-final draft on the European Commission Circa website. They were presented by IEEP to the Europarc conference in Hungary in October and will be made public on the [Commission website](#) by the end of the year.

The costs and benefits of energy savings



An IEEP report for the Coalition for Energy Savings has reviewed existing studies on the costs and benefits of energy savings with a particular focus on competitiveness impacts. The report underlines the huge net benefits in terms of cost savings and job creation.

The untapped economic potential for energy savings in the EU is huge, and its relevance for a transition to an energy-efficient, low-carbon and climate-resilient economy is undisputed. Despite progress in recent years, including the adoption of the Energy Efficiency Directive in 2012, it is expected that the indicative 2020 EU target of 20% energy consumption reduction (compared to business as usual) will not be reached. Greater policy effort is therefore required at EU, national and re-

gional level to exploit the savings potential. At the same time, concerns about the costs of further binding policy action on energy efficiency and savings have resurfaced in policy debates.

In a recent report IEEP has reviewed existing studies on the costs and benefits of energy savings with a particular focus on the impacts on competitiveness. The report presents the results of ex post evaluations of energy efficiency programmes from various European countries including Germany, Switzerland, Ireland and the Scandinavian countries to strengthen the empirical evidence in support of more ambitious energy efficiency policies that contribute to jobs and growth.

One example reviewed is the German programme implemented by the public bank KfW which co-financed the renovation of 280,000 flats between 2006 and

2010, leading to annual energy savings of 2.1 TWh and total investments of EUR 14 billion based on an average public budget contribution of EUR 1.4 billion.

The IEEP report forms part of our support to the Coalition for Energy Savings in its positioning in the debate on the EU 2030 climate and energy policy framework and can be downloaded from the [IEEP website](#).

Lessons from international experiences with environmental tax reform



Countries are increasingly engaging in environmental tax reforms (ETR), to address climate change and energy security, support employment, or raise revenues to contribute to fiscal consolidation. IEEP's latest report examines international experiences with ETR over the past 25 years and provides insights on the design and implementation of such instruments.

Environmental tax reforms (ETR) were initially introduced in the early 1990s among Nordic countries as a means to address environmental, economic and social objectives. This practice gradually expanded to a number of other European countries and has continued to grow over the years with many countries and regions introducing some form of ETR, including

in particular carbon and energy tax reforms.

Despite these positive trends, the overall impacts of ETR to date have been relatively small and often less than what is needed to achieve the transition to a low carbon economy. For these and other ambitions to be met, key issues need to be reflected in the design and implementation of future ETR.

Switzerland is currently reviewing its carbon and energy taxes to contribute to its 2050 Energy Strategy which includes a commitment to phase out nuclear energy as well as wider objectives relating to climate change and energy. A **recent report** by IEEP seeks to inform the Swiss preparations by providing an overview of experiences with carbon and energy taxes in 10 OECD countries.

Based on this evaluation of international experiences, the study provides insights on key issues relating to the introduction and implementation of carbon and energy taxes, including the design of taxes, their environmental effectiveness (including impacts on CO₂ emissions, fossil fuel use and energy intensity), as well as economic and social impacts (including impacts on GDP, innovation, employment and income distribution). Our analysis indicates that there is scope for the increased application and more effective use of ETR which if well designed can have a positive impact on the environment, economy and society.

Is Europe's agricultural water and soil management sustainable?



Water is a key natural resource and a priority within European resource efficiency policy as well as globally. However, the sustainable management of water and soils, particularly in agriculture, needs greater attention.

Drawing on lessons learnt from best practices and challenges related to soil and water resource management, a recent IEEP study for the European Parliament argues that now is the time to strengthen the implementation of EU water, agriculture and energy policies to ensure greater sustainability of resource use.

The report examines a range of ways to improve soil and water management, including: options for improved research, technology development, and tools

for sustainable water use and water efficiency in rural areas; options for agricultural land management with soil and water benefits; and measures within the Common Agricultural Policy (CAP) to address the sustainable management of water and soil resources.

The need for priority action in six key areas is highlighted:

- The legislative framework currently in place to protect Europe's waters needs to be implemented fully and effectively as well as adequately enforced;
- Water priorities that have been articulated at the EU level need to be implemented better and more fully integrated within other sectoral policies at EU, national and regional levels;
- Water losses should be reduced and water savings and efficiency should be increased, in particular on agricultural land and in water-scarce areas;
- Land and soil management approaches to combat soil erosion, prevent loss of soil organic matter, sequester soil carbon and improve water retention are critical for the long-term sustainability of farming and healthy ecosystems and should be promoted at all levels;
- EU funds, including CAP funds, allocated to water priorities should be used in a more efficient and effective way; and
- Improved data and decision support tools relating to water and soils are essential for making informed decisions that support sustainable management of water and soil.

For more information contact:
[Jana Poláková](#)

IEEP Events and Conferences



Two years left to reach an ambitious climate deal - European Parliament, Brussels (Belgium), 13 November 2013

The Greens/EFA group in the European Parliament is holding an annual event on the ongoing climate negotiations. This year's event will focus on the role of Europe in shaping the future climate deal. IEEP will present the main findings of the recently completed study 'Climate change impacts on all EU islands' as part of the panel 'The latest scientific findings on Climate change - What are the risks for Europe?' which will be chaired by Bas Eickhout MEP.

Contact: Raphael Sauter

MAES Pilots workshop - Ispra, Milan (Italy), 18-19 November 2013

The six MAES pilot studies will be discussed in a two-day workshop at the EU Joint Research Centre of Ispra (Milan, Italy). IEEP will facilitate a session on Ecosystem Capital accounts and participate in the discussions on this topic.

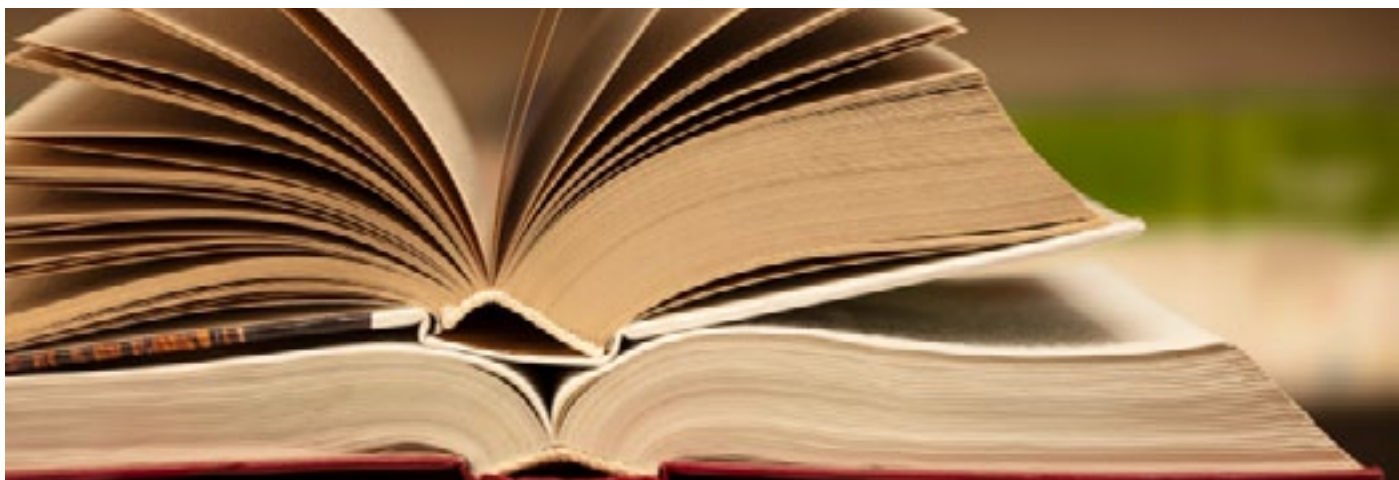
Contact: Patrick ten Brink, Daniela Russi

How to feed the world in 2050? - European Parliament, Brussels (Belgium), 4 December 2013

IEEP has drafted two reports for the Science and Technology Options Assessment (STOA) Panel of the European Parliament, one on options for climate change mitigation and adaptation in European agriculture and the impacts of agriculture on biodiversity, and the other on options for the sustainable use of residues for biomaterials and bioenergy. David Baldock will present and debate these reports at a conference of MEPs, assistants and the public, under the headline of 'feeding the 10 billion'. The conference will in particular discuss the role of the European agriculture and food sectors in meeting this challenge. [Registration](#) for the conference is open until 27 November.

Contact: Evelyn Underwood

IEEP Books and Publications



Interactions between climate change and agriculture; and between biodiversity and agriculture in Europe - 30 October 2013

This IEEP report describes options for increasing the productivity of European agriculture whilst adapting to climate change, reducing emissions, and providing biodiversity and ecosystem service benefits from agriculture.

Authors: Sirini Withana, Patrick ten Brink, Bettina Kretschmer, Leonardo Mazza, Peter Hjerp, Raphael Sauter

Recycling wastes and residues for sustainable bioenergy and biomaterials - 29 October 2013

This IEEP report for the European Parliament describes options for reusing food wastes and agricultural and forestry residues for biomaterials and bioenergy.

Authors: Bettina Kretschmer, Claire Smith, Emma Watkins, Ben Allen, Allen Buckwell, Jane Desbarats, Daniel Kieve

Assessing Scotland's progress on the environmental agenda - 21 October 2013

How much progress is Scotland making on the environmental agenda? This new report explores these questions in relation to the farmed environment, Marine Protection Areas and climate mitigation.

Authors David Baldock, Jane Desbarats, Kaley Hart, Stephanie Newman

Use of financial instruments to address climate change policy objectives - 4 September 2013

Proposals for financial instruments under the new 2014-2020 EU budget could benefit from further changes to help ensure adequate level of investment into a low-carbon, climate-resilient economy.

Authors: Keti Medarova-Bergstrom, Alex Volkery, Raphael Sauter, Ian Skinner, Jorge Núñez Ferrer

Does the EU benefit the UK environment?- 12 August 2013

This report considers how environmental policy in the EU affects the UK and looks at some alternatives. Overall the impact within the environmental domain can be judged to be strongly positive to the UK. The action taken has been well balanced, with benefits for human health and welfare and the sustainability of the economy as well as the environment itself.

Authors: David Baldock, Andrew Farmer, Kristof Geeraerts, Stephanie Newman, Raphael Sauter, Emma Watkins, Sirini Withana



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