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There is a disconcerting contrast between the rather dramatic events that have overtaken the EU's Emission Trading System and the stance of both the Council and the Commission. Carbon prices reaching around €2.50 were not so surprising in the aftermath of the European Parliament's rejection of the proposal to reduce the overhang of allowances in the system by "backloading". This rather modest proposition was never on a scale to correct the accumulation of allowances on the market. It would have signalled a willingness to start however.

The reaction from the combined forces of about 40 energy and environment ministers meeting in Dublin on 23 April was muted. If they had responded with a clear signal of support for the ETS and appropriate action to restore its credibility there would have been some assurance that the setback was temporary. This was not to be and while the hiatus in the German government's position in advance of this autumn's election is clearly a contributory factor, it is scarcely an excuse for other Member States to sit on their hands.

The European Commission had proposed the backloading mechanism and is clearly committed to the ETS. But what Plan B does the Commission have up its sleeve to

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prevent the terminal decline of the trading system?

This might have been revealed, at least in part, in the Commission's recent "green paper" on climate and energy towards 2030. We are now close to the 2020 deadline for the core group of EU policies driving the climate agenda and the uncertainties over the next phase are increasingly pressing. The paper, however, abstains from launching new ideas or flying kites. Instead it is couched more in questions for others with a subtext that the issues will be treated more seriously only later in the year. This is not the kind of vision which is going to crystallise a crucial debate on one of Europe's most important policies.

The European Parliament seems to have retreated from their traditional support for a forward looking EU climate policy, without articulating a particularly clear alternative. It is to be hoped that the current hiatus will help to focus them more positively on a post 2020 EU framework with an ambitious binding target on GHG emissions reductions.

This would provide a better setting in which to address weaknesses in the ETS.

What is needed is a more forthright paper and a sharper debate. This should address the options to revive the ETS in a more robust form, the alternative policies available for decarbonising the European economy and the pros and cons of allowing European policy to be sidelined by national initiatives which are emerging in the vacuum. The key role of energy savings within 2030 targets needs to be underlined. Difficult issues, such as the unsatisfactory accounting regime which has allowed bioenergy to constitute too large a share of the renewable energy sector, should not be avoided. If neither the Commission nor the Council is ready to grasp the nettle then they should encourage others to do so. It is not enough to be marking time.

David Baldock, Executive Director IEEP

IEEP's Biofuel ExChange influences EU biofuels policy

IEEP's Biofuel ExChange project team has been working hard to help decision makers understand some of the subtleties of Indirect Land Use Change (ILUC) and their importance when making biofuel policy decisions. ILUC refers to the expansion of agricultural land as a result of biofuels being produced from crops grown on existing cropland – displacing its previous uses, potentially into forests or other important habitats. In order to limit ILUC and associated greenhouse gas emissions, the European Commission has proposed changes to the main policies that drive biofuel use in the EU.

Four influential briefings have been produced so far, all available on the Biofuel ExChange website. One looked specifically at the sustainability of advanced biofuels, particularly

those from wastes and residues, and concluded that many wastes and residues that have been proposed as sustainable feedstocks are already being used in various industries or provide direct environmental benefits (for example for soils).

The project has already had significant impact. Most notably, the European Parliament rapporteur Corine Lepage's position on the Commission's ILUC proposal takes account of IEEP's thinking on the sustainability of advanced biofuels. This includes modifications to the proposal, importantly removing certain forestry residues from a list of preferential advanced biofuel feedstocks, and adding a call for environmental safeguards. In the coming weeks, a fifth Biofuel ExChange briefing will be published, addressing common

questions raised in the ILUC debate so far. This is intended to aid decision makers as the ILUC proposal makes its way through the Parliament and Council this year.

Recent publications

Allen, B and Hart, K (2013) *Meeting the EU's environmental challenges through the CAP – how do the reforms measure up?* *Aspects of Applied Biology*, 118, pp9–22.

Allen, B, Keegan, D and Elbersen, B (2013) *Biomass and bioenergy in the wider land-use context of the European Union*, *Biofuels, Bioproducts and Biorefining*, 7(2), pp207–216.

Keegan, D, Kretschmer, B, Elbersen, B and Panoutsou, C (2013) *Cascading use: a systematic approach to biomass beyond the energy sector*, *Biofuels, Bioproducts and Biorefining*, 7(2), pp193–206.

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



Reducing marine litter from ships

Marine litter is an increasing threat to the health of European and global marine ecosystems, with costly environmental, economic and social consequences. One source of this pollution is ships which illegally discharge their waste into the sea.

The Port Reception Facilities (PRF) Directive requires ships to discharge their waste to dedicated port reception facilities in the EU. Since it came into force in 2002 there has been an increase in waste delivery to Member State ports, but illegal discharges at sea of ship generated waste still take place. The PRF Directive is being reviewed this year. IEEP and Port Environment were commissioned by the

NGO Seas At Risk to produce recommendations for the Directive's revision based on an analysis of its implementation.

A critical aspect driving the effectiveness of the Directive is how ship operators are charged for discharging waste in a port, but there is much variability across Europe. An indirect fee system has been implemented in Baltic ports whereby the cost of delivering waste to port is included in the overall port fee paid by all visiting ships (rather than having an additional fee for waste). It has been shown to reduce illegal discharges of oily waste significantly over the last 10-12 years, and there is every reason to believe it has had the same effect on illegal solid waste dumping.

It is therefore recommended that common criteria and precise rules be defined to create a similar system for the whole of Europe, which would remove to the greatest extent possible any disincentives to delivering waste to ports. Such a system would require mandatory waste delivery at port and payment of an indirect fee for port facilities irrespective of the quantities and types of waste delivered.

The report will be on the IEEP and Seas At Risk websites soon, and IEEP will also complete a complementary study into reducing marine litter from land-based sources in the coming months.

For further information contact [Stephanie Newman](#)

Nature as the cornerstone for wealth and well-being in Nordic countries

Nature is considered valuable in and of itself, but also provides a range of benefits that fuel the global economy and underpin human and societal well-being. Following the global The Economics of Ecosystems and Biodiversity (TEEB) initiative, the Nordic Council of Ministers (NCM) and its Finnish Presidency decided in 2011 to initiate a 'Nordic TEEB' to gather information on the socio-economic role and significance of nature in the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden).

TEEB Nordic shows that natural capital (biodiversity, ecosystems and related services) is of high socio-economic significance for the Nordic countries. For example, the estimated annual value of commercial fish catch ranges from over 25 million EUR in Finland to over two billion EUR in Norway. In addition, over six million people

in the Nordic countries engage with recreational fishing. Furthermore, around one million people (almost 5 per cent of the Nordic population) go hunting each year with the estimated value of game meat between 44 and 125 million EUR in Finland, Sweden and Norway.

Recreational activities in nature are also extremely popular. An average adult Finn does some kind of outdoor activity on average three times a week whilst approximately 70 per cent of Danes visit green areas several times a week. Outdoor life can have significant impacts on regional and national economies. In Finland, for example, visitor flows to national parks have been estimated to create up to 10 EUR return for one EUR of investment.

The existing evidence also indicates that several ecosystem services such

as marine fisheries, water purification and pollination have been seriously degraded, and several others including carbon storage face serious risks. Using TEEB Nordic's synthesis and insights, national, regional and local Nordic policy- and decision-makers should now show leadership and foresight by supporting the protection and sustainable management of natural capital. Norway and Sweden are already taking steps to develop a national knowledge base and frameworks for ecosystem services. During the next two years, IEEP will work with the Finnish Environment Institute (SYKE) and MTT Agrifood Research to support the initiation of ecosystem service assessment in Finland.

For further information contact: [Marianne Kettunen](#)

Towards harmonised environmental complaint-handling and mediation



An IEEP study has concluded that gradual harmonisation of Member States' approaches to handling complaints about breaches of environmental law and environmental mediation could have major benefits for the EU.

The study, in collaboration with Ecologic and Bio Intelligence Services, combines case studies from 10 Member States with an assessment of options for EU level action. It builds on literature review and interviews with practitioners in Austria, Denmark, France, Germany, Greece, Ireland, Lithuania, Poland, Slovenia and Spain. The study assesses current practice and impacts against key


good governance principles and good administrative practice. The study delivers the first comprehensive picture of the diversified landscape of institutional arrangements and policy practice in Member States.

According to the study, greater harmonisation of national approaches to complaint-handling bears substantial potential benefits in the longer term. Further harmonisation would bring about an increase in upfront costs, but this would be offset in the medium term. Greater coordination would reduce administrative costs and burden and also reduce the costs of failures in

policy implementation. Mediation, in turn, suffers in many Member States from a lack of provisions and guidance, leaving considerable untapped potential for improving environmental performance.

A legislative approach at the EU is a challenge due to the diversity of national approaches, public policy arrangements and administrative cultures. An alternative would be to issue non-binding guidance under a Recommendation, to stimulate lesson-learning as a first step.

For further information contact:
[Axel Volkery](#)



The importance of land as an environmental resource

How can we meet the different and often conflicting demands we make on our limited supply of rural land in Europe? It is crucial to delivering all ecosystem services – food, energy, timber, clean water, carbon sequestration and landscapes, underpinned by biodiversity. There are tensions about how to produce more crops, timber and, increasingly, energy whilst maintaining a healthy environment and rectifying the serious environmental deficit that already exists – for example the pronounced declines in most biodiversity and in soil organic carbon. This requires a more strategic approach to be taken to land use than has previously been the case. A recent report for DG Environment, [Land as an Environmental Resource](#), looks at the data, challenges and policy options for Europe.

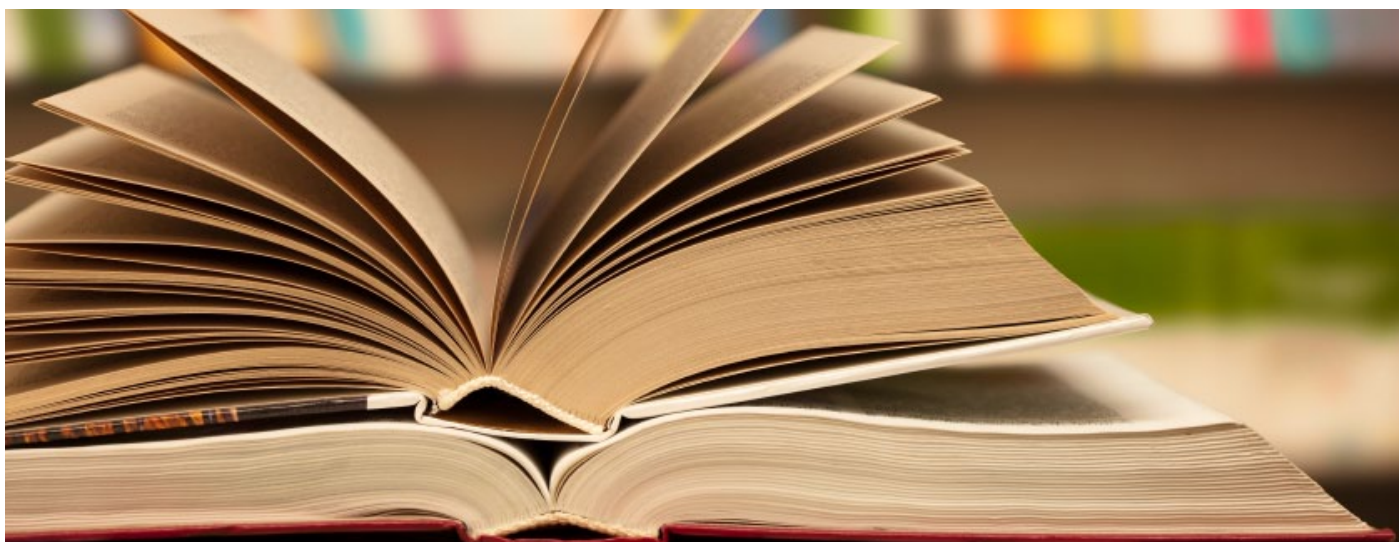
Looking ahead to 2050, agricultural and forestry land will need to deliver far more for the environment. There will also be increased demand for cereals and woody biomass, primarily for bioenergy, and continued expansion of urban areas. In addition, climate change could place constraints on the necessary increases in food and feed production outside the EU, driving up prices and stimulating output from the EU. Significant trade-offs between different land uses and the intensity of crop and animal production will need to be faced. Where such conflicts occur, it tends to be the environment that loses out. How do we rectify this?

The report shows that meeting the demands for all ecosystem services from rural land in a sustainable manner will be a major challenge

for Europe.

The report stresses the importance of maintaining and enhancing environmental services in the future so that the EU's rural land is resilient to climate change and its long-term productive capacity is protected without causing undue pressure elsewhere. This will require greater attention to be given to solutions that use less land, an issue of particular relevance to the debates surrounding renewable energy, where there is scope for using wastes and residues rather than crops. Traditionally there have been considerable political sensitivities about EU policy initiatives on land use, but this is not an issue to be avoided.

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IEEP Publications

With our publications, IEEP contributes to disseminating information and insights on environmental policy and environment-related topics. Visit www.ieep.eu and browse our publications by *area of work* or search freely through our *extensive online library*. *Editor's pick:*

A greener CAP: still within reach - 29 April 2013

The greening of the CAP hangs in the balance in the final negotiations; a synthesis of key issues and requirements.
Authors: David Baldocks, Kaley Hart

Greening the CAP - how 'equivalent' are alternative approaches? - 16 April 2013

A contentious issue in the negotiations on the future of the CAP is how to implement the proposed new green direct payments to farmers. However, proposals to increase flexibility for Member States will not necessarily be administratively any simpler and may risk weakening environmental outcomes.
Authors: Kaley Hart, Hetty Menadue

Environmental complaint handling and mediation mechanisms at national level - 5 April 2013

Gradual harmonisation of Member States' approaches to handling complaints over environment law breaches could have major benefits for the EU.
Authors: Axel Volkery Nicola Tilche Peter Hjerp Shailendra Mudgal Andreas Mitsios Nejma André Lidia Wisniewska Christine Lucha Gesa Homann Elizabeth Tedsen

The sustainability of advanced biofuels in the EU - 19 March 2013

The EU has a long-standing commitment to removing or phasing out environmentally harmful subsidies (EHS). However, progress has been slow and EHS remain an issue in most EU countries. The Eurozone crisis and stagnating economic performance in many countries provide an opportunity to put new momentum behind this agenda.
Authors: Sirini Withana, Patrick ten Brink, Laurent Franckx, Martin Hirschnitz-Garbers, Inge Mayeres, Frans Oosterhuis, Lucas Porsch

Alternative means of reducing CO2 emissions from UK road transport - 18 March 2013

Up to 2020 greater use of renewable electricity is the leading alternative to biofuels to reduce the carbon intensity of car and rail transport fuels. To realise this potential requires a mix of responses, including: increasing the decarbonisation of existing transport fuels; improving the energy efficiency of vehicles; and changing the way vehicles are used
Authors: Ian Skinner

A greener EU budget in the balance: the 2014-2020 MFF deal - 11 March 2013

What are the implications of the EU budget deal for policies which shape the sustainability of European society? Many of them have been severely challenged or cut disproportionately. At the same time some important commitments have been made, like devoting 20 per cent of spending to climate activities.
Authors: Catherine Bowyer, David Baldock, Bettina Kretschmer, Jana Poláková

Biodiversity proofing of the EU budget - 18 February 2013

This study shows how more can be done to firstly avoid and minimize detrimental impacts of EU funding on biodiversity, and secondly to increase biodiversity benefits.
Authors: Catherine Bowyer Jane Desbarats Sonja Gantioler Peter Hjerp Marianne Kettunen Ketí Medarova-Bergstrom Stephanie Newman Jana Poláková Graham Tucker Axel Volkery

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Land use mapping for sustainable biofuels - 15 February 2013

IEEP and WWF join forces to define criteria and principles to guide the mapping of appropriate land use to ensure sustainable biofuel crops.

Authors: Bettina Kretschmer Ben Allen Graham Tucker

The Economics of Ecosystems and Biodiversity for Water and Wetlands - 01 February 2013

This new IEEP-led report presents insights on the importance of wetlands in delivering ecosystem services that are needed to support human life, and also for people's livelihoods and the world's economies. The report shows that demonstrating and using the values of ecosystem services related to water and wetlands can lead to better informed, more cost-effective, and fairer decision-making.

Authors: Daniela Russi Patrick ten Brink Andrew Farmer Tomas Badura David Coates Johannes Förster Ritesh Kumar Nick Davidson

Reforming environmental taxes and harmful subsidies: challenges and opportunities - 01 February 2013

This policy paper provides a brief introduction and overview to the issues of environmental tax reform and environmentally harmful subsidies and outlines recent developments in the EU. It also outlines the remaining challenges in these areas and the potential role of the 7th EAP in helping to deliver the ETR and EHS agendas.

Authors: Leonardo Mazza Patrick ten Brink

Improving measurement to manage through the 7th EAP: the role of indicators and accounting - 01 February 2013

This policy paper provides a brief overview of the context and state of play in the area of "measurement to manage". It also outlines the needs for future action in this area and the potential role of the 7th EAP in improving the availability and use of indicators and accounts in the EU.

Authors: Leonardo Mazza Patrick ten Brink

Principles of Double Funding - 30 January 2013

This briefing explores the issue of double funding in relation to the CAP reform debate and considers the implications for delivering added value for the environment.

Authors: Kaley Hart



IEEP CONFERENCES AND EVENTS

Webinar series to build capacity in incorporating biodiversity and ecosystem service values into NBSAPs

Online webinars: Thursday June 5, 14:00 - 16:00; Friday June 7, 10:00 - 12:00 February 2013

This series of two webinars will serve to present some of the results of the project Lessons learnt from incorporating the values of biodiversity and ecosystem services into NBSAPs that IEEP carried out together with UNEP-WCMC over the last 16 months. The webinars will focus on the following issues: June 5 - Webinar 1: The NBSAP process & biophysical approaches to support incorporation of values (UNEP-WCMC); June 7 - Webinar 2: Economic approaches to support the incorporation of values (IEEP). While primarily targeted at individuals involved in the revision of NBSAPs, all interested parties can participate. The webinars will be recorded and made available via CBD's NBSAP Forum

To register interest in attending contact cristine.secades@unep-wcmc.org