

Few European decisions have such far reaching, if not easily predictable, effects on the environment than the shape and scale of the EU budget. Amounting to nearly €870 billion over 7 years from 2007 it is a force helping to mould economic development and finance both conservation and environmentally destructive behaviour on a broad scale.

When the current budget was set in 2005 the pattern of expenditure was not radically changed. It was, however, bathed in the language of sustainability – in a highly misleading way. It is time for a more searching analysis of the impact of the budget and the scope for yoking it more firmly to sustainability objectives – not least combating climate change, by steering economic development, regional and agricultural policy and research in the right direction. Unsustainable funding lines should be phased out and thought given to how the EU is to be financed and ecotaxes encouraged.

The budget is due to be reviewed in 2008/09 and could be set on a new course – especially after 2013.

The Commission has made a welcome announcement that the European Parliament will be involved in preparing for the review – an example of its increasingly important role which we discuss further in this issue. The wider public can also get involved via a consultation planned for this year. Such an invitation should not go unanswered in the environment community.

David Baldock
Director

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1. Beyond GDP: Measuring Progress for Better Policy Making

Happiness and wellbeing should be what life is all about. The path to achieving this should take account of the resource constraints of our one planet and respect the other key resource – that of our ‘human and social capital’. Yet the talk in the policy corridors and the press tends to be all about growth-- about GDP--and it is implicitly assumed that GDP is a good proxy for wellbeing, and GDP growth a good indicator of progress. But welfare and national income are not the same things.

Increasingly we are awakening to the need to move beyond GDP to measure progress and achieve better policy making. Growth is not an end in itself. The objective should be the wellbeing of societies, which is linked to the type and quality of growth, the jobs it supports, and the level of resource exploitation required to achieve it. There is now work developing estimates of gross national wellbeing, (un)happiness indicators, genuine progress indicators, environmental footprints and shadows. Efforts are being made by some to devise a green GDP; others are looking at the ‘genuine savings’ of nations to get a measure of their wellbeing and progress.

There is as yet less agreement on where the measures that go beyond GDP might be used, and still fewer commitments to their (regular) use. The press hardly discusses them, and continues to focus primarily on GDP.

European Commissioner for the Environment, Stavros Dimas, has initiated an international conference - Beyond GDP - to explore different routes to measuring progress for better policy making. IEEP, together with Ecologic and MNP, are helping the European Commission and key conference partners in the preparations. The conference is planned for 2007, the date to be finalised soon.

Contact: Patrick ten Brink

2. Forging Links with MEPs

Judging from the poor turnout at elections to the European Parliament – just 45% in 2004 – most EU citizens seem to regard their MEPs as remote and irrelevant. But ask any Member State official wearily negotiating the details of new EU legislation, and you’ll get a very different view. The EU’s 785 MEPs are increasingly flexing their collective muscles and are often individually more influential than their national counterparts. And for the first time next year, the Parliament will have an equal say with the Member States in a root and branch review of future EU spending and revenues.

For some years, IEEP has had a close relationship with the Parliament’s Committee on the Environment, Public Health and Food Safety. Its former chair, Dr Caroline Jackson MEP, is also chair of IEEP’s Board. IEEP staff regularly produce reports for the Committee analysing the implications of a range of Commission proposals. Together with Ecologic in Berlin and a number of other institutes across Europe, we are currently working on reports on water, waste and end-of-life vehicles legislation, and the implications of the Commission’s ‘simplification’ agenda. In England, the newly-launched agency Natural England has also recognised the importance of MEPs for its work on biodiversity, rural development and countryside amenity. In the next few months, IEEP is helping to bring together English MEPs and staff from the agency to discuss their common interests. A major workshop in the Parliament on adaptation to climate change is planned for the second half of March, together with a number of events in the English regions covering climate change, the EU’s Maritime Strategy, and future EU funding opportunities.

Contact: David Wilkinson or Marc Pallemarts

3. EU environmental legislation: How well will it work on the ground?

Too often EU environmental legislation is not properly or fully implemented across Europe. There is real evidence of practicability and enforceability problems caused by the way legislation is designed and written and by poor implementation conditions. The EU Network for the Implementation and Enforcement of Environmental Law (IMPEL) asked IEEP to prepare a checklist to enable actors and stakeholders in the legislative and implementation process to assess EU environmental legislation (and associated national legislation and implementation efforts) on various aspects of practicability and enforceability, with a view to anticipating and remedying possible problems through a pro-active approach.

The checklist was developed through a process designed to draw upon the practical experience of Network members in the implementation and enforcement of EU environmental law. At a two day international workshop held in Rotterdam in October, 62 representatives from across 17 countries explored and tested the draft checklist. This led to its fine tuning, clarification of where it could be used and recommendations for its uptake. IMPEL adopted the final report of the project at its plenary meeting in Espoo last December.

IMPEL will now promote the use of the checklist among practitioners. It is hoped that its availability will encourage policymakers, legislators and stakeholders to devote more attention to likely problems of practicability in implementation and enforceability throughout the legislative process, and when existing legislation comes up for review.

The project report, including the checklist, will soon be available from the IMPEL website at <http://ec.europa.eu/environment/impel/>.

Contact: Marc Pallemarts

4. Transatlantic Relations – Taking the Environmental Debate Forward

Some of the most pressing environmental challenges require coordinated action at a global rather than just a European level. A key dynamic here is the relationship between Europe and the US - a relationship that has deteriorated recently, especially in the environmental arena. Civil society is an important actor in both regions, and communication and cooperation across the Atlantic will be vital to ensure improved understanding of mutual positions and build bridges for the future. While official EU/US bilaterals increasingly consider environmental challenges, there is no clear civil society forum to feed ideas and objective research into the relationship.

IEEP and its US partner, the Natural Resources Defence Council (NRDC), have received funding from the European Commission to develop two parallel transatlantic dialogues between civil society. The dialogues will focus upon the key global challenges of, firstly climate change and energy and, secondly, the protection of marine resources, with a specific emphasis on Marine Protected Areas. The process will involve the development of briefing papers, the engagement of key civil society groups, and the establishment of forums for debating the challenges and developing a way forward. It will culminate in two international conferences prior to the 2008 EU/US summit. The dialogues, in their current form, will run for 18 months but it is hoped that they might lead to an ongoing process of engagement to support US and EU policy makers.

Please contact Catherine Bowyer (currently based in NRDC's Washington DC office) for further details or if you might be interested in taking part in discussions. A website will shortly be launched to inform and allow people to engage in the dialogues.

Contact: Catherine Bowyer or Marc Pallemarts

5. An Evaluation of LFA Policy

Less Favoured Areas policy has been a long-standing instrument within the CAP. It was first introduced in 1975 to compensate farmers in marginal areas for the handicaps they face and a key goal was to ensure that farming continued in these areas, critically to avoid land abandonment. It proved popular with the Member States, and by 2004 1.8 million holdings across the EU-25 received an LFA payment, equivalent to 55% of Europe's utilised agricultural area.

In December 2006 IEEP completed a 10-month Evaluation of the LFA Measure in the EU-25 for DG Agriculture to inform a review of the policy, expected in 2010. The study concludes that the policy, although regarded by some as anachronistic, is effective in addressing the current needs of rural areas across Europe. Specifically, LFA payments make an important contribution to farm incomes in central and eastern European Member States in areas where depopulation is significant, and have been effective in sustaining farming systems in which 'high nature values' are most prevalent.

However, to infuse it with greater environmental ambition, aspects of the policy could be redesigned. A land-based compensatory payment is a relatively efficient instrument but the continuation of agricultural land use per se is not sufficient to secure certain environmental public goods. Support could be targeted on those farms where environmental values are highest and used to incentivise a specific type of land management. At the same time, environmental values do not arise exclusively from agriculture and not all agricultural land needs to be maintained under farming. There is a clear need for a systematic research effort into the processes of marginalisation and abandonment across Europe, not captured at a macro-scale through initiatives such as CORINE. This could identify where these transitions are likely to occur and where they offer greatest potential from a landscape and biodiversity perspective.

Contact: Tamsin Cooper

6. Over a Barrel: Reducing Oil Dependency in the Transport Sector

On 7 December, Greenpeace UK launched a report prepared by IEEP on transport and oil dependency. The study examined a range of published energy demand scenarios for the transport sector in the UK and EU-15, and calculated their implications for future oil consumption. The transport sector is the main source of demand for oil products in Europe, and this is likely to continue to be the case.

The purpose of this exercise was to address questions about future dependence on oil from the twin perspectives of climate change and energy security. The report points out that the UK risks switching from being a major oil exporter only a few years ago, to being a major importer in a few years time, owing to the rapid decline of North Sea oil reserves, if it does not act decisively to improve transport energy efficiency. Also we may be faced with further rises in oil prices as large and rapidly developing countries such as China and India make increasing demands on world oil supplies. At the same time, conventional oil reserves will be more and more confined to a small number of suppliers in the Middle East - most notably Saudi Arabia, Iran and Iraq.

The press launch for the report provoked a lively discussion, including contributions from a panel of spokespeople from all three main parties in the UK, and Green MEP Caroline Lucas.

Contact: Malcolm Fergusson

7. Environmentally Harmful Subsidies

In 2005 IEEP was invited to be part of the CARS21 High Level Group (HLG) looking at the future of the automotive sector in Europe. We've since been invited to join the Environmentally Harmful Subsidies (EHS) Working Group within the HLG on Competitiveness, Energy and the Environment. Patrick ten Brink gave the scene setting presentation - Environmentally Harmful Subsidies (EHS): Definition, Quantification, Impact and Rationale – at the first meeting on 7 December 2006.

Contact: Patrick ten Brink

IEEP conferences and events

In the coming months IEEP will organise or participate to the following meetings and events. If you would like to find out more, do not hesitate to contact us.

Environmental Policy Forum in Brussels: GMOs at the WTO –Brussels, 5 February 2007 - 12:00 – 14:00

The second lunchtime event on current environmental policy, organised by IEEP with the Institute for European Studies of the Vrije Universiteit Brussel, will discuss the issue **'Risk, regulation and democracy: GMOs at the WTO'**. The main speakers will be Prof. Geert van Calster (K.U. Leuven) and Prof. Lucas Bergkamp (Erasmus University Rotterdam). The forum will be open to the public. Attendance can be confirmed by e-mail at ies@vub.ac.be before 1 February.

Contact: **Marc Pallemarts**

Enhancing the Competitiveness of the Motor Industry – Is an integrated approach really possible? – 6 February 2007 Brussels

The meeting, organised by the Forum for the Automobile & Society in collaboration with the Free State of Bavaria to the EU, will analyse the follow up to the work of the High-level Group CARS21 particularly the forthcoming communication on CARS21 and CO2 expected by the end of January. David Baldock – a member of the High-level Group - will join the panel of speakers to present IEEP's insights.

Contact: **David Baldock**

EPIGOV Conference on 'Better Integration: Mainstreaming Environmental Concerns in European Governance' - Brussels, 15 February 2007

This conference, organised by IEEP, will be the first in a series of three events on environmental policy integration within the framework of the EU funded research network EPIGOV. The conference will be open to the public and further details will soon be available on our website.

<http://www.ieep.org.uk/project/MiniSites/epigov/index.php>

Contact: **Marc Pallemarts**

The Impact of Environmental Agreements on the CAP - 13 March 2007, Brussels

IEEP is organising a stakeholder meeting in Brussels involving Commission officials, representatives from the Member States, farming organisations and NGOs. The key findings from the MEACAP project will be presented along with a strategy for the CAP to meet commitments under the Kyoto Protocol and the Convention on Biological Diversity.

Contact: **Tamsin Cooper**

European Young Farmers' Day - What future for our agriculture? A day of dialogue – Brussels 17 April 2007

David Baldock will be a working group rapporteur for the European Young Farmers' day conference. The workshop will focus on the vital role that agriculture plays as a provider of current and future public goods and services in Europe.
Contact: **David Baldock**

Future Scenarios for Cross Compliance - Brussels, 26 April 2007

The Cross Compliance Network study will be brought to a close at this large pan-European stakeholder conference. The findings of this 18 month study will be distilled and a number of future scenarios for cross compliance policy presented. The event is timely as it will tie in with the Commission's deliberations ahead of its 2007 review of cross compliance. Further information can be found at <http://www.ieep.eu/projectMiniSites/crosscompliance/index.php>. Attendance is by invitation only.
Contact: **Martin Farmer**

IEEP in the journals

Institute staff contributes in different ways to a range of journals on European and environmental subjects. Comment examples include:

Europe's World



The institute just joined the advisory board of Europe's World, an independent policy journal launched in 2005 by over 50 leading European think tanks. This pan-European publication, published three times yearly, covers the full range of policy issues facing Europe including enlargement, energy security, the constitution, transport, international relations, and development. IEEP contributes the environmental and sustainable development perspectives. An introductory electronic copy is attached. See www.europesworld.org

European Environment



Patrick ten Brink of IEEP is on the editorial board of European Environment, a leading academic journal in its field that provides an original, detailed and critical analysis of contemporary developments in European environmental policy. IEEP staff contributes articles and regularly review article submissions to the journal. See www.interscience.wiley.com/journal/eet

Journal of Environmental Policy and Planning



Both David Baldock and David Wilkinson are on the International Editorial Advisory Board of the Journal of Environmental Policy and Planning. Launched seven years ago, the journals explores the environmental dimensions of policies in the fields of transport, agriculture, fisheries, urban and rural policy, together with all stages in the policy and planning processes. Contact Joek Roex, University of Cardiff Department of City and Regional Planning. roex@cf.ac.uk

ENDS



David Baldock has joined the editorial board of ENDS, a group of journals that includes ENDS Daily and the monthly ENDS reports.