

**IEEP Newsletter** Issue 7 Summer 2007

#### Welcome to the summer edition of the IEEP Newsletter

By David Baldock (Director of IEEP) and Marc Pallemaerts (Senior Fellow)

At last, EU leaders have acted to break the deadlock in the institutional reform process. Officially, the ill-fated Constitution has been pronounced dead. In practice much of its substance is now likely to enter into force in another form. As the wounded phoenix, it arises from its ashes. But what are the implications of the political deal struck for EU environmental policy and sustainable development more broadly?

The Constitutional Treaty had left the core treaty provisions on environmental policy unchanged, but contained some new and interesting language on sustainable development in its article on the Union's values and objectives. This language will now be inserted in the Treaty on European Union. It provides that the EU 'shall work for the sustainable development of Europe' and shall promote 'solidarity between generations'. It also gives a strong legal mandate for an external policy aimed at contributing to 'the sustainable development of the Earth'. Yet another new reference to the 'principle' of sustainable development is included in the article on 'Environmental protection' of the Charter of Fundamental Rights, which will be declared legally binding without however, being incorporated in the Treaties.

Climate change and energy policy will make a new, albeit modest appearance in the EC Treaty. In Article 174(1), 'combating climate change', will be added to the existing objectives of EU environmental policy. Energy policy will formally become an area of 'shared competence' between the Union and the Member States, with its own specific Title in the EC Treaty. This will consist of a single article which will empower the institutions to adopt Directives and Regulations not only for the sake of the internal energy market, but also to ensure security of supply and 'promote energy efficiency and energy saving and the development of new and renewable forms of energy'.

Co-decision will apply to these powers and for the first time to agricultural and fisheries policy, opening a greater role for the European Parliament. All will be subject to the new double threshold for qualified majority within the Council from 2014. This explicit legal basis for an EU energy policy, and the changed decision-making rules for the CAP and the CFP may well prove the most momentous changes from a sustainable development perspective.

The EU made a clear commitment to moving forward the climate agenda by agreeing a hefty package of measures at the March Council. It was a welcome signal that environmental policy had not been drained by the Lisbon process and a notable achievement for the German Presidency. Yet a host of challenges lie behind the new targets for renewable energy and emission reductions.

One will be the political task of maintaining momentum. At the summit, some of the most difficult decisions about the allocation of targets between Member States were deferred until later. The commitment of new leaders in France and the UK has yet to be tested. There will need to be rapid engagement if ambitious commitments are to be met and a convincing pathway established for ensuring that mandatory targets are monitored and respected.

The commitments themselves need scrutiny and refinement too. The target for liquid biofuels, 10 per cent of the transport fuels market by 2020, with no trading between Member States has not been accompanied by a convincing analysis of how this can



be achieved without substantial environmental and social costs, not least in developing countries. The recent report from UNEP underlines the potential hazards on a global scale. In terms of energy efficiency, the most appropriate use for biomass is producing heat and power. The case for utilising a limited resource for liquid fuels is far less convincing. The need for a sustainable biofuel policy is becoming more and more pressing by the day.

David Baldock, Director

Marc Pallemaerts, Senior

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### Adapting to climate change

After a six-month delay, the European Commission released its Green Paper 'Adapting to Climate Change, Options for EU Action' on 29 June, followed by a conference on 3 July. Adaptation is a complicated subject, as is defining the role Europe can play. The Green Paper outlines the scope of the problem, and takes a step toward defining what Europe's role might be in supporting adaptation actions that provide the maximum benefit to both ecosystems and society.

That balance can be tricky as the kind of hard defences that might be needed to preserve infrastructure can also further damage ecosystems already affected by climate change. Most of what is needed revolves around land use: avoiding construction in areas prone to natural hazards, ensuring protected areas are sufficient in size and extent to accommodate species even as their habitats change, and maximising the value of agricultural land as ecosystems, buffers and corridors. Also important is information, to predict threats, to be aware when they arise and to plan suitable responses.

Research and monitoring are both areas where European funding and projects can play an important role. Spatial planning, however, is composed of myriad actions primarily taken at the national and sub-national scale. The scope for European-level action is less clear. Eschewing specific commitments of European funding, the Green Paper focuses on opportunities for changes to existing policies, and on several relevant new policies already in the pipeline. The greatest threat to the follow up of the Green Paper is therefore that the energy behind it is lost in translation. The emphasis of each of the other initiatives into which adaptation is meant to fit is often elsewhere, forcing it to fight for attention, as it has always done, with other policy responses.

### **Contact: Jason Anderson**

## 2. European Chemicals Agency starts operating under Stakeholder Scrutiny

The European Chemicals Agency (ECHA), the new EU regulatory agency established under the REACH Regulation, held the first meeting of its Management Board in Helsinki from 27 to 29 June, following the entry into force of the Regulation's provisions governing the operation of ECHA on 1 June. The Board is composed of one representative of each Member State, appointed by the Council, two 'independent persons' appointed by the European Parliament (both former MEPs), three high-level Commission officials and three 'individuals from interested parties', ie stakeholder representatives, appointed by the Commission. The Board is not involved in the actual scientific and regulatory work of the Agency on chemical substances, but is responsible for the appointment of its Executive Director as well as the members of its various committees and Board of Appeal, and the adoption of its work programme and budget.

IEEP Senior Fellow Marc Pallemaerts was appointed as one of the three non-voting stakeholder representatives on the Board, following his nomination by a coalition of environmental, health and consumer NGOs led by the European Environmental Bureau (EEB). Dr Pallemaerts has advised the Belgian Federal Department of the Environment on the legal and institutional aspects of REACH implementation, and is the author of a number of publications on the regulation of chemicals in European and international law, including the book Toxics and Transnational Law, published by Hart (Oxford) in 2003. The other two non-voting members are Alain Perroy of CEFIC, representing the European chemical industry, and Tony Musu of the European Trade Union Confederation (ETUC), representing workers' interests. The majority of the Member State representatives are from environment ministries or agencies but a significant minority are officials from trade or industry ministries.

The Management Board elected Jukka Malm from Finland as its Chairman and Antonello Lapalorcia from Italy as Deputy Chairman. It adopted its rules of procedure and ECHA's work programme for 2007 and budget for 2007-2008. The next major item of business to be addressed before the end of this year will be the appointment of an Executive Director for the Agency.

The Commission is currently in the process of interviewing candidates for this key position and is expected to submit a shortlist of candidates to the Board this autumn. In the meantime, ECHA is managed by seconded Commission officials, headed by Geert Dancet, the Interim Executive Director, who is the former head of the REACH unit in DG Enterprise. For further information see <a href="http://echa.europa.eu">http://echa.europa.eu</a>

**Contact: Marc Pallemaerts** 

## 3. Climate Change Policy debated at two workshops in European Parliament

At the request of the EP Environment Committee, IEEP recently organised two well-attended public workshops on climate-related policy issues in the European Parliament. The first, on 7 June, addressed the proposed inclusion of aviation emissions into the EU emissions trading scheme (ETS). The second, on 28 June, discussed the impacts of climate change and the emission pathways needed to limit a global temperature rise to 2° C.

Aviation impacts currently represent about 3% of climate change (with an uncertainty range of 2-8%). In addition, aviation is the fastest growing source of CO2 emissions in Europe. Therefore, according to Professor David S. Lee, bringing international aviation into the EU ETS is a 'critical world-leading first step' to stabilise climate change at a 2° C increase. However, most speakers at the workshop agreed that this measure will not be sufficient. Other measures such as kerosene taxes and VAT on air tickets are needed to create a level playing field between the different modes of transport. Major points of discussion were to what extent the aviation sector must reduce its own emissions and must be allowed to buy allowances from other sectors.

To put these discussions on EU-level policy measures into perspective, the second workshop brought together a number of IPCC climate scientists to inform the EP about the impacts of climate change and the emission pathways that would have to be achieved to limit a global temperature rise to 2° C, the objective endorsed by EU leaders. It was stressed that in order to limit global temperature increase to a value in the range of 2 to 2.4 °C, global CO2 emissions would need to peak before 2015 and would have to be slashed by between 50 and 85% (compared to 2000 levels) by 2050. One scientist suggested policy makers focus on the total injection of CO2 into the atmosphere instead of the atmospheric concentration or emission rates. More precisely, he suggested limiting the additional release of carbon to 800Gt.

The minutes of both workshops will be found soon on IEEP's website.

**Contact: Kristof Geeraerts** 

# 4. The future of Europe's Seas is under threat

The project 'European Lifestyles and Marine Ecosystems' (ELME) has recently concluded. It involved 28 institutions from 15 European countries, including IEEP, and was led by the University of Plymouth and funded by the European Commission (DG Research). ELME sought to examine future threats to the marine environment focusing on the four major European regional sea areas: Baltic Sea, Black Sea, Mediterranean Sea and North-East Atlantic.

The research addressed four cross-cutting environmental issues: habitat change, eutrophication, chemical pollution and fishing. For each issue and for each area, models were devised linking economic and social drivers, environmental pressures and the state of the environment. Innovative models were employed to explore the consequences of a 'business-as-usual' scenario, along with four alternatives, for economic and social development in the coming two to three decades. The research confirmed the serious state of decline of Europe's regional seas, particularly when the complex web of interactions between different human pressures is taken into account. In each sea, components of the ecosystem were identified that are 'winners' (such as invasive jellyfish in the Black Sea) or 'losers' (such as cod in the Baltic Sea) as a result of human activity. This situation will severely compromise future options for economic use of the sea and for the conservation of its biodiversity.

The results of the project can be found in a report that can be downloaded from: http://www.elme-eu.org/public/Results.aspx

The results were also discussed on the BBC News and this can be viewed at: http://news.bbc.co.uk/1/hi/sci/tech/6730045.stm

**Contact: Andrew Farmer** 

#### 5. Climate and Energy: from Arguments to Action

Discussions and negotiations relating to climate and energy are increasingly a feature of high level international and European meetings, and national level politics. It topped the agenda at the recent G8 summit in Heiligendamm; new wording on energy was agreed during the negotiations on the revisions to the European Treaty (although the likely improvements in policy making associated are expected to be negligible); and upon Gordon Brown's inauguration as the UK's Prime Minister his dedication to the climate agenda was a key topic of speculation. The political importance of climate and energy issues is clear, but this needs to translate into tangible action across society.

IEEP, along with its US partner the Natural Resources Defense Council (NRDC), is working with key members of environmental civil society in order to try to develop a transatlantic dialogue on priority areas for action on climate and energy. While there is much talk about international architecture, Europe and the US need first of all to take tangible domestic action to reduce their greenhouse gas emissions. In order to inform the dialogue, IEEP and NRDC developed two briefing papers exploring the current state of EU and US domestic climate and energy policy — these can be downloaded at <a href="http://www.ieep.eu/whatsnew/newsitem.php?item=110">http://www.ieep.eu/whatsnew/newsitem.php?item=110</a>.

In April the first transatlantic teleconference took place. A selected group of key civil society representatives debated the priorities for action and areas where the US and EU can act to support and learn from one another. It was concluded that, for the purposes of the dialogue, 'cap and trade' systems, biofuels and carbon capture and storage would be the focus. Participants felt that the EU and US are both essential in moving the global debate on climate change forward and at present are not reinforcing one another's efforts. Civil society has an important role in bringing about a more effective approach and greater mutual understanding in the field of climate and energy. Full proceedings from the meeting will be available on IEEP's website shortly.

**Contact: Catherine Bowyer** 

#### 6. Ecological connections within Landscapes help save Biodiversity in a Changing World

Many of Europe's habitats are highly fragmented and at risk of further fragmentation due to ongoing land-use changes. Fragmentation results in habitat loss and degradation. It also constrains movements of species between habitats. Furthermore, fragmentation reduces the capacity of habitats and species to adapt to climate change. For example, it may limit the ability of some species to move to new areas that have suitable climatic conditions. Clearly, fragmentation and the added impacts of climate change are major threats to biodiversity within the EU. These threats also have broader implications, as they can ultimately jeopardise the provision of ecosystem services and the related socio-economic benefits.

Improving the ecological connectivity between habitats, including protected areas, can reduce the negative effects of fragmentation. The significance of ecological connectivity in biodiversity conservation has been widely recognised. The EU Habitats and Birds Directives include provisions to enhance ecological connectivity between protected areas and across the wider environment. The EU Biodiversity Action Plan also calls for measures to support connectivity within landscapes. Despite the Community level support, however, the implementation of measures to improve ecological connectivity in Member States has been rather slow.

In 2006 the European Commission initiated the development of guidance on how to improve ecological connectivity within landscapes. This guidance, developed jointly by IEEP and IUCN, is to be published in July. It is hoped that it will assist Member States in addressing the threats of fragmentation and climate change and contribute to improving ecological connectivity in the EU.

**Contact: Marianne Kettunen** 

# 7. Commission Hints at Changes to its IA Procedure at the EVIA Workshop

Various forms of Impact Assessment (IA) have become widespread in recent years, with almost all European governments now undertaking initiatives to assess the potential impacts of their proposed policies and regulations. The process of IA aims to improve the effectiveness and efficiency of regulation by providing policy makers with information on likely costs and benefits affecting the economy, social issues and the environment. However, there are now concerns that the focus of IA is shifting away from addressing impacts on sustainable development towards a narrower focus on the reduction of administrative burdens, driven by the EU's Lisbon and "Better Regulation" Agendas. The ongoing EVIA (Evaluating Integrated Impact Assessments) project, financed under the EU's 7<sup>th</sup> Research Framework Programme, addresses this and several other relevant issues in order to shed more light on current IA processes and the state of play in Member States as well as EU institutions.

As a partner of the EVIA consortium IEEP organised the first EVIA Workshop on 19 June in Brussels. It brought together about 30 researchers and IA practitioners from Member States and the EU institutions. At the workshop a representative of the Commission's Secretariat General for the first time gave an indication of the likely changes to be made to the Commission's Impact Assessment procedures following an evaluation by The Evaluation Partnership (TEP). Most importantly it now seems that in future the Commission will differentiate between different classes of proposals and frame the requirements of its IA process accordingly.

The Commission will shortly publish the TEP report together with its response. It will also include a roadmap on priority areas for further development of the Commission's IA system in the run up to the European Council meeting in spring 2008, which is scheduled to hold a discussion on IA.. Before this, changes to the IA guidelines are to be published, perhaps even before the end of this year.

**Contact: Peter Hjerp** 

## **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.

Summer school: Environmental Law - International and European Perspectives - Siena (Italy), 14-27 July 2007

The Italian University of Siena, together with the Faculty of Laws of University College London (UCL), invited IEEP's David Baldock to give a lecture on the reform of the Common Agricultural Policy and its implication at international and European level, in the context of an international summer school on Environmental Law.

Contact: David Baldock

Workshop on efficient, clean and sustainable energy production in Kosovo - Pristina (Kosovo), 16-17 July

At this workshop, organised by the European Commission in collaboration with the Kosovo Ministry of Energy and Mining, Catherine Bowyer from IEEP will introduce the issue of carbon capture and storage as a clean technology, including CCS risk assessment and regulatory issues.

Contact: Catherine Bowyer

# Annual Plenary Meeting of the Compliance Committee of the Kyoto Protocol - Bonn, 5-7 September 2007

Marc Pallemaerts will attend the annual plenary meeting of the Compliance Committee of the Kyoto Protocol, which will discuss the operation of the Protocol's mechanisms for compliance review and report to the 3rd Meeting of the Parties to the Protocol which is to be held in Bali in December.

For further information see http://unfccc.int/kyoto\_protocol/compliance/introduction/items/3024.php

Contact: Marc Pallemaerts

European Symposium on Marine Protected Areas as a Tool for Fisheries Management and Ecosystem Conservation - Murcia (Spain), 25-28 September 2007

The symposium, funded by DG Research, will bring together scientists, managers and stakeholders to discuss new findings from ongoing European and international Marine Protected Areas (MPA) research and approaches regarding ecological, economic and social aspects of MPA development. Indrani Lutchman will present a paper about the need for integration of EU legislation and analyse to what extent those instruments are relevant towards EU meeting the target of a network of MPAs by 2012.

Contact: Indrani Lutchman

## The future of the CAP - Brussels, 3 October 2007

IEEP's Director David Baldock will participate to the launch of BirdLife International's vision for the future of the CAP. David will be part of the panel of speakers, chaired by Graham Wynne, and will present his response to BirdLife's vision.

Contact: David Baldock

Beyond GDP: Measuring progress, true wealth, and the well-being of nations - Brussels, 19 and 20 November 2007

The European Commission, European Parliament, Club of Rome, OECD and WWF will host a high-level conference with the objectives of clarifying how best to measure progress, wealth and wellbeing of nations. It will also look at how these can best be integrated into the decision-making process and taken up by public debate. The conference will bring together high-level experts and policy makers to address these critical issues. Over 300 people from economic, social and environmental spheres from across the globe will attend. It will take place in the Plenary Room of the European Parliament in Brussels.

The conference will feature several high-level speakers including internationally recognised leaders and government representatives, members of the European Parliament as well as speakers from civil society, think tanks, industry, and key institutions such as the World Bank and the United Nations. European Commissioners Joaquín Almunia and Stavros Dimas have confirmed they will speak.

Participation is by invitation only. If you are interested in receiving additional information, please visit <a href="www.beyond-gdp.eu">www.beyond-gdp.eu</a> If you would like to request an invitation, please send an email to <a href="contact@beyond-gdp.eu">contact@beyond-gdp.eu</a>.

Contact: Patrick ten Brink

## **IEEP** books and publications

IEEP contributes with its publications to disseminate information and insights on environmental policy and environmental related topics. This Spring's new release is:



# **Environmental Compliance Assistance for SMEs**

DG Environment has published on its new SMEs & Environmental Policy website IEEP's report on Environmental Compliance Assistance for SMEs authored by Claire Monkhouse, David Wilkinson, Martina Herodes and Peter Hjerp. The report assesses existing programmes at national and regional level in EU-15, Japan and USA, designed to help SMEs overcome the wide range of barriers they face to improve environmental performance and comply with environmental legislation. The analysis demonstrates that the effectiveness of such programmes depends on a variety of factors.

The report is available at: <a href="http://ec.europa.eu/environment/sme/cases/case-study-en.htm">http://ec.europa.eu/environment/sme/cases/case-study-en.htm</a>



# Europe's World

The institute is part of the advisory board of Europe's World, an independent policy journal launched in 2005 by over 50 leading European think tanks. IEEP contributes the environmental and sustainable development perspectives. The new issue has been just released and can be found at <a href="https://www.europesworld.org">www.europesworld.org</a>