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Editorial

Towards a new age of European environmental policy

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Editorial *by David Baldock*

The present phase of European environmental policy is one of review, challenge and testing. Regulatory scrutiny has been intensified, new measures are relatively infrequent and more often encounter concerns about costs, administrative burden and red tape. This is not wholly surprising after a long period of policy growth followed by economic stress and a Eurosceptic tide. The process of decision making and the reasons why measures have been introduced can be difficult to communicate. However, none of this implies a long retreat from a dynamic environmental policy. Nor does it mean that the public are unsympathetic to environmental goals or to addressing them at a European level. The Brexit debate in the UK for example, while it is far from over, has yet to suggest that the environment is a key point of contention.

The lack of support for environmental issues therefore is not the challenge to move forward again on the big issues. These range from the global, such as climate change and the better use of natural resources, to the more local integrally pressing, like air pollution in cities. In no

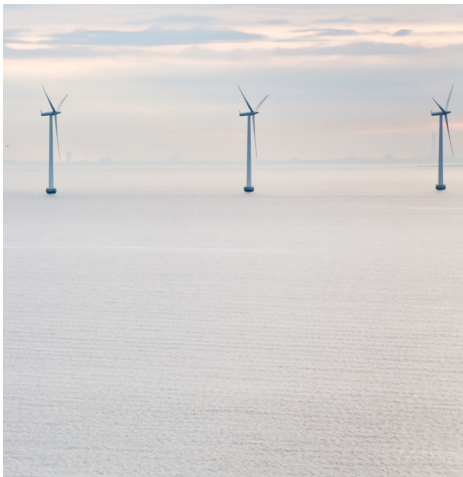
way is addressing the environmental agenda incompatible with tough regulatory scrutiny, more sophisticated impact assessment, concern with efficient administration and enhanced focus on effective implementation. Several strands can be pursued together given the will and the resources to do so. A sense of urgency is necessary, however, and some of this has been lost despite the clear and accumulating evidence available such as the serious loss of biodiversity on a continental scale. NGOs and the media can make the case for action and more immediacy, but governments and politicians from all over Europe could and should be more proactive rather than waiting for the European Commission to move first.

Resources are also an issue. While promises have been made to help fund the transition to a low carbon world, many government agencies and public bodies have lost staff and large hunks of their budgets, making them less willing to contribute, or to embark on new initiatives or implement more costly measures. One alternative to regulation is increased use of incentives, but this is less likely to be feasible

where public expenditure is tightly constrained. Making the case for sufficient resources as well as innovation will be critical for reviving progress and scaling up ambition. Stronger commitments will also be required from civil society and the private sector to mobilise the funds themselves. In addition, existing funds can be used to deliver more for sustainability; the Common Agricultural Policy, now under the spotlight, is a case in point.

Despite the challenging climate, there are still many opportunities for rejuvenation and fresh thinking across the whole policy horizon. This applies equally to IEEP! This is my last Newsletter editorial as Director of the Institute, although I will remain as an active Senior Fellow. Thank you to all of those I have worked with over the last thirty years (and longer) and I hope to keep in touch with many of you. I am delighted to welcome our new Director, Céline Charveriat, who has a strong background in development and climate change and has plenty to look forward to!

The local impact of investment in renewables



Can renewable energy revitalise local economies? An IEEP project for the International Energy Agency looks at the jobs and business benefits that renewable energy initiatives across Europe and North America bring to their host areas.

What economic benefits can renewable energy projects offer to local communities? We know that decarbonising our energy systems makes sense for our economy as a whole, but how do we make it more attractive for local areas to welcome renewable energy infrastructure?

IEEP's current project (REvLOCAL) for the IEA-RETD (International Energy Agency – Renewable Energy Technology Deployment platform) sheds light on successful approaches to maximising the benefits for the local economy, and thereby increasing the deployment of renewable energy. Through six case studies (France: St Dizier and Le Mené, Norway: Nord Norge, the US: Santa Cruz, Canada: Bay of Fundy, Germany:

Hamburg, and the UK: Furness peninsula) based on dozens of interviews, our team is uncovering how renewable energy across a range of locations and technologies (biogas, offshore wind, tidal, solar PV and more) can create jobs and business.

The impacts discovered are extremely encouraging: many sustainable jobs for local people are established thanks to activities triggered by renewable energy projects. From boat transport, industry match-making and rental of safety equipment, to high-tech research and consulting, the examples of business opportunities that link to renewable energy investments are abundant. What's more, existing jobs and businesses can be sustained, as the case studies on Le Mené (agricultural activity) and Barrow (ports and marine transport) show. The case studies will contribute to wider understanding of the co-benefits of renewables investment, and may contribute to the sometimes difficult local debates on siting of renewable energy infrastructure.

The results of the project will be

available by the end of the summer, but a presentation at the EU's Sustainable Energy Week on 15 June (see [IEEP Conferences and Events](#)) offers an opportunity to hear what we have discovered.

For further information, please contact [Kamila Paquel](#).

Greening taxes and subsidies around the world



Over recent years, IEEP has developed globally-recognised expertise on environmental tax reform (ETR). Building on our past work, we are currently leading major studies on capacity building for ETR in the EU, and greening taxes and subsidies in the Pacific islands.

Many environmental, climate and health problems are caused in part by the failure to adequately price pollution and resource use. Whilst these problems concern us all, optimum use is not yet being made of the market-based instruments that could address them.

IEEP is leading two projects investigating how environmental tax reform (ETR) and the review of environmentally harmful subsidies (EHS) can be further encouraged.

Civil society could play an important role in the implementation of instruments e.g. by helping with the political acceptability of tax increases or new instruments. However, many such organisations lack sufficient knowledge, financial or political influence to fully contrib-

ute. IEEP is leading a major project for the European Commission investigating how to build the capacity of civil society organisations to play a greater role in this arena.

The project is first collating examples of successful instruments in areas ranging from water to air pollution, waste to materials, and biodiversity and land management to marine litter. The study team will identify successful examples of civil society engagement, or opportunities for further engagement. Five workshops will be held around the EU from autumn 2016 to spring 2017 to share findings and gather further insights (see [IEEP Conferences and Events](#)).

On a global level, small island countries and territories feel the impacts of climate change particularly sharply, and also face challenges of resource use and waste disposal. Greener taxes and subsidies can help islands to tackle these, whilst also contributing to other targets such as Aichi target 3 (to reform by 2020 incentives harmful to biodiversity).

IEEP, with three Australian partners (the Commonwealth Scientific and

Industrial Research Organisation, the Australian National University and the Global Change Institute of the University of Queensland), has begun a study assessing current environment-related taxes, EHS and reform efforts in Fiji, Vanuatu, French Polynesia and New Caledonia. The study will propose a roadmap for the further greening of such instruments in the Pacific region, whilst ensuring economically important sectors such as tourism and fisheries are not harmed.

For more information on either project, please contact [Emma Watkins](#).

Looking to the future: Learning the lessons from CAP greening



Debates will soon begin on the future of the CAP and the next Multiannual Financial Framework (MFF). A timely new IEEP report, *Learning the lessons from CAP greening*, considers how to increase the CAP's environmental added value and climate benefits, both through current greening measures and alternative options.

The time for debates on the future of the CAP and discussions over the next Multiannual Financial Framework (MFF) is fast approaching. After the first year of implementation, discussions have started already on reviewing the new greening measures in Pillar 1 and looking for ways to simplify the CAP's operation, while continuing to deliver environmental and climate benefits across the farmed countryside.

Set within this context – and the possibility that the new CAP greening measures may not bring about the widespread environmental benefits intended – IEEP has produced a [report](#) *Learning the lessons from CAP greening*. It consid-

ers a range of options to increase the environmental added value from these measures. Could more be delivered with a revised set of greening measures under Pillar 1? Could more be achieved for the environment if greening measures were implemented under Pillar 2, under a multi-annual, programmed system? Or is it time for a change in the overall architecture of the CAP, and what does this mean for future CAP reform?

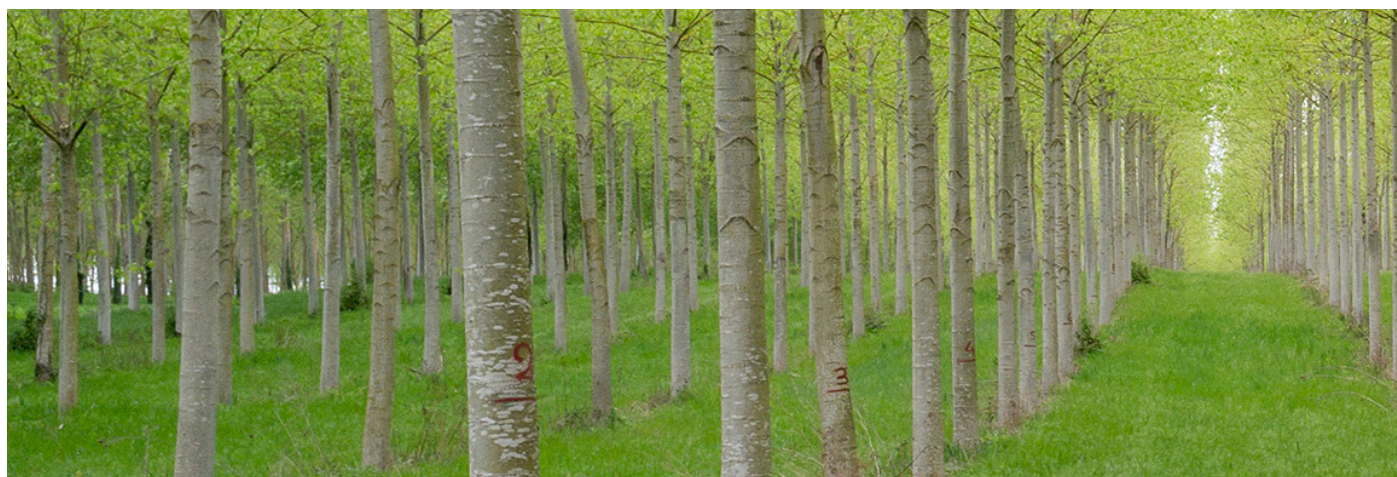
Commissioned by the UK Land Use Policy Group (LUPG) in collaboration with ENCA-net, the report aims to stimulate debate on possible cost-effective ways to improve the level of environmental additionality from the current greening measures. It reviews the original rationale for greening Pillar 1 and describes the alterations made to the proposals during the negotiation process. It then provides an overview of the potential environmental impacts of these measures whilst highlighting some of the challenges involved in determining their environmental additionality. It concludes by offering some preliminary thoughts on a number of possible future

options for greening, focussing on alternative means of delivering improved environmental management across the farmed countryside in the EU-28 and considering the environmental, administrative and political pros and cons of each option.

The report was launched at an ENCA seminar *Greening of CAP Pillar 1 payments – can it be done better and simpler?*, held in Brussels on 20 April. The presentations and report from the seminar can be found [here](#).

For further information, please contact [Kaley Hart](#).

Balancing bioenergy and resource efficiency – next steps for policy



Using biomass for energy is part of a broader suite of activities aiming to help in the transition to a low carbon Europe. But what should sustainable bioenergy look like beyond 2020, and what role should policy play in its promotion? Such complex questions need suitable answers, alongside appropriate action at the EU level. IEEP is working to develop new thinking on bioenergy and the wider use of bioresources in Europe over the next decades.

Using biomass for energy is part of a broader suite of actions that could contribute to deliver transition in Europe's (and potentially globally) energy system towards low carbon alternatives. It offers opportunities and benefits for resource efficient use of biomass, delivering GHG emissions reductions, enhanced energy security, as well as growth and jobs in rural areas.

Importantly bioenergy is not one single approach, rather it encompasses a heterogeneous mix of feedstocks, production pathways, contexts and alternatives. In its broadest sense it includes small-scale biomass boilers in homes, transport biofuels, through to large-scale bioenergy facilities delivering electricity to the grid and heat. This heterogeneity, in particular the choice of feedstock, brings with it a variety of impacts. Some of these will be positive, others will not, and will require an improved and responsive set of safeguards to ensure sustainable development of the sector. Particular focus on the ability of the bioenergy sector to ensure effective climate mitigation action will be necessary. More so as biomass' use for energy is not subject to consistent safeguards in Europe, despite its promotion within EU and national public policy.

Developing the bioenergy sector and realising the benefits requires a credible and durable approach. One of the first steps in develop-

ing this approach is defining what 'sustainable bioenergy' looks like in practice. This in turn means tackling some very complex questions, such as 'What is the most appropriate and resource efficient use of biomass?', 'How can the carbon impacts of bioenergy be measured and accounted for?' and 'What safeguards are necessary to ensure the sustainability of bioenergy?'

IEEP is actively involved in key EU and national research initiatives in this area, with studies on the [resource efficient use of biomass](#), the role of the [cascading principle in delivering resource efficiency](#), and developing [legislative sustainability criteria for biofuels post 2020](#). All of these studies highlight the need for appropriate action at EU level. This is needed to manage a suite of considerable challenges in terms of type, impacts and scale associated with bioenergy, which are fundamentally different to risks associated with other renewable energy technologies. An [improved EU bioenergy policy](#)



post-2020 is, therefore, critical to rebalance and align environment and energy goals.

Critically, a future policy on bioenergy must deliver genuine, verifiable and **substantial GHG emission reductions** to support the progressive decarbonisation of the EU energy sector. It must also ensure that the use of biomass for energy does not adversely impact on biodiversity, ecosystem function or land use. To be effective in its implementation, an improved policy on bioenergy sustainability must provide more predictable policy certainty for operators whilst having the flexibility to adapt to new information and evidence. To ensure that Europe is seen as providing a positive investment climate for renewable energy, the policy should set a clear trajectory for development of bioenergy beyond 2020 in line with broader climate and energy targets. As bioenergy is a transition technology, this may include signalling a limit to the scale of deployment, in order to promote

other modes and measures to reduce overall GHG emissions.

With a renewed interest in the bioeconomy, i.e. the use of biomass to replace services and materials beyond the energy system, as seen through the circular economy lens, an even more strategic policy approach to coherently manage the future sustainable use of biomass should be considered. This would need to complement and inform the delivery of climate and energy goals and provide a more integrated set of principles for the efficient and responsible use of Europe's bioresources.

For more information on this work area, please contact **Ben Allen**, **Catherine Bowyer** or **Silvia Nanni**.

IEEP Conferences and Events



The Policy Conference of the EU Sustainable Energy Week

Brussels (Belgium), 14-16 June 2016

For a sneak peek at the results of the REvLOCAL project (see [IEEP Books and Publications](#)), don't miss IEEP's presentation at the EU Sustainable Energy Week (EUSEW) Policy Conference, one of the most important European events dedicated to sustainable energy. Sessions organised by the European Commission and energy stakeholders will debate new policy developments, best practices and sustainable energy ideas, alongside networking events to forge alliances. IEEP will present its findings on 15 June. Register for the EUSEW Policy Conference [here](#).

Contact: [Kamila Paquel](#)

Changing our Mindsets – Seizing opportunities in the Green Economy

Berlaymont Building, Brussels (Belgium), 1 July 2016

IEEP is involved in the organisation of a one-day ENRD seminar to look at the practical opportunities for promoting the Green Economy through Rural Development Programmes. The event is designed for all those involved in the implementation of Rural Development Programmes at the EU, national, regional and local levels. IEEP's [David Baldock](#) will give a keynote presentation on 'Emerging policy opportunities for the Green Economy in rural areas'. The aim is to share experiences, provide ex-

amples and generate concrete proposals to ensure that Rural Development Programmes allow rural stakeholders to benefit fully from all the opportunities that a greener economy will bring.

Contact: Registration for this event will be available via the [ENRD Contact Point's website](#).

Innovative instruments for financing biodiversity conservation: exchange of experiences and information between Europe and Mexico

Brussels (Belgium), 5-6 July 2016 (invitation only)

This expert workshop brings together Mexican and European experts to discuss and exchange experiences on innovative instruments for financing biodiversity conservation. The workshop, organised by IEEP together with CIRAD Agricultural Research for Development (France) and the Universidad Iberoamericana (Mexico), takes place in the context of a European Commission project aimed at fostering dialogue between Mexico and Europe on how to improve mobilizing funding for biodiversity.

Contact: [Marianne Kettunen](#)

IEEP Conferences and Events



Towards greener taxes and subsidies in Pacific Island Countries and Territories (PICTs) and beyond

IUCN World Conservation Congress, Honolulu (USA), 5 September 2016

At this forum event, Emma Watkins will present the initial findings of research into existing harmful taxes and subsidies and current reform efforts in the PICTs (notably Fiji, Vanuatu, French Polynesia and New Caledonia). The workshop will be an opportunity to share lessons learnt from current and past reform initiatives, and to discuss how the region could move towards greener taxes and subsidies.

Contact: [Emma Watkins](#)

Market-based instruments to address marine litter and encourage a circular economy

17th Global Conference on Environmental Taxation, Groningen (The Netherlands), 22-23 September 2016

IEEP will present a paper at the 17th GCET, looking at a range of Market-based instruments (MBIs), their relevance to addressing marine litter, and their role in encouraging a circular economy for waste. Successful examples of MBIs that have been applied to specific types of marine litter and specific economic sectors will be presented, along with guidelines on how to select the most suitable MBIs to address marine litter.

Contact: [Emma Watkins](#)

Regional workshops to build civil society capacity on environmental tax reform

Five locations around the EU, October 2016 – March 2017 (locations and dates tbc)

As part of a project to build the capacity of civil society to engage with environmental taxation, IEEP and partners will organise a workshop on each of the following themes: water stress and availability; water quality; air pollution; circular economy and resource efficiency; and biodiversity and land use. The workshops will enhance knowledge on the use of market-based instruments through exchange of best practices and exploration of how to enhance measures and promote better implementation. Attendance is by invitation only; please contact us if you would like to attend.

Contact: [Emma Watkins](#)

European OneHealth / EcoHealth Workshop

Brussels (Belgium), 6-7 October 2016

IEEP's Patrick ten Brink will take part in the Nature Health Benefits session providing an overview of the state of the art in Europe. This will be based on the findings of a key IEEP project for the European Commission on the [Health and Social Benefits of Nature and Biodiversity Protection](#). Registration for this event is available on the [European OneHealth / EcoHealth Workshop website](#).

Contact: [Patrick ten Brink](#)

IEEP Books and Publications



Comparing costs of implementing EU policy across Member States

3rd March 2016

[ACCESS PUBLICATION](#)

The report assesses whether there are differences in the costs of implementation of EU environmental law across Member States.

Potential policy and environmental consequences of Brexit

11th March 2016

[ACCESS PUBLICATION](#)

If the UK decides to leave the EU following the referendum in June, there would be significant consequences, not only for policy, law, and trade relations, but also for the environment.

Implications of Brexit for UK Environmental Policy and Regulation – a report for APPEG

17th March 2016

[ACCESS PUBLICATION](#)

There is an important environmental dimension to any decision by the UK to leave the EU. This paper for the UK All-Party Parliamentary Environment Group (APPEG) explores the options that might be pursued outside the EU and considers the potential impact on environmental and climate policy.

Learning lessons from CAP greening

20th April 2016

[ACCESS PUBLICATION](#)

What is the most cost-effective way to encourage basic environmental management across the farmed countryside in the EU-28? Learning from experience to date in greening Pillar 1 of the CAP, this report considers a range of options to increase the environmental added value from greening.

New study on wildlife crime

20th April 2016

[ACCESS PUBLICATION](#)

Wildlife crime threatens global biodiversity. The EU is both a destination and a transit region for illegally-traded products. A new study for the European Parliament summarises the situation in Europe and offers policy recommendations in view of the upcoming EU Action Plan. A set of in-depth case studies outline the situation in five EU countries.

IEEP Books and Publications



Comparing costs of implementing EU policy across Member States

6th May 2016

ACCESS PUBLICATION

Defining effective and workable sustainability criteria is one of the critical steps in decarbonising Europe's energy sector. They must provide the necessary safeguards for the use of bioresources in Europe, as well as the policy and investment certainty required for sustainable deployment.

PEGASUS first newsletter

23rd May 2016

ACCESS PUBLICATION

This first newsletter of the **PEGASUS project** provides information on the project's progress in its first year and some of the emerging findings to enable a greater provision of public goods and ecosystem services from different farming and forestry systems in the EU.

New study on socio-economic benefits of EU Marine Protected Areas

27th May 2016

ACCESS PUBLICATION

They are more than just a nature conservation tool – a new IEEP study shows how EU Marine Protected Areas help to maintain and improve the provision of a wide range of ecosystem services and related socio-economic benefits.

New study on Resource Efficiency Impacts of Future EU Bioenergy Demand

30th May 2016

ACCESS PUBLICATION

A new study for the European Commission (DG Environment), to which IEEP has contributed significantly as part of a consortium led by IIASA, shows the environmental and resource efficiency impacts for different demand scenarios for bioenergy up to 2050. The work is an important contribution to the ongoing debate on a future bioenergy policy post-2020.



Editors: Silvia Nanni,
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and Emma Watkins

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