

IEEP Newsletter

First Edition, Winter 2005

Welcome to IEEP's new quality newsletter. It offers a readily accessible update on recent work and achievements, areas of interest and events. There are links to our revamped website if you would like to explore further, search for publications or get in contact with individual staff in London, Brussels or Edinburgh. Current and recently completed projects are set out under key subject headings, so they can be scanned quickly.

This has been a year of considerable challenge for the environment in Europe but the Institute has been active in many of the key debates. Work on climate change has been building up rapidly and has included several projects on the EU's principal policy mechanism for meeting Kyoto targets – the Emissions Trading System. We have been part of CARS 21, the high level group examining European regulation and the future of the car industry; with environmental standards high on the agenda. This is due to report in December. We have been active in the debate on better regulation in Europe. A report 'For Better or for Worse' on the EU's Better Regulation Agenda and the Environment was launched in London in late November. This month we are part of a project to review the environmental record of the UK Presidency.

I hope you find something to catch your eye in the newsletter.

David Baldock Director

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For a free online trial of IEEP's Manual of European Environmental Policy click here

What's New?

Chair of IEEP's Board

Current member and Former Chair of the European Parliament's Environment Committee, Dr Caroline Jackson, has been appointed the new Chair of IEEP's Board. Dr Jackson has been a Board member for some years and takes over from the Earl of Cranbrook who has held many public positions as well as chairmanship of the Institute. We are grateful to Lord Cranbrook for his leadership and many insights on European policy during the Institute's formative years and beyond.

CARS 21

IEEP is the only independent environmental organisation represented in a major European policy initiative launched by Gunter Verheugen in 2005. This 'high level group for a Competitive Automotive Regulatory System for the 21st Century' is looking at the competitiveness of the European vehicle industry and the way it is regulated in the EU. Environmental regulations eg on CO₂ emissions are a key topic. Made up mainly of Commissioners, Ministers and leaders of the car industry, the group is seeking to agree a potential forward plan for policies affecting this large and sensitive industry. David Baldock and Malcolm Fergusson have represented the Institute in a series of meetings due to conclude in December with a final report.

Contact: David Baldock / Malcolm Ferguson

The Potential for Mobility Services

IEEP has finished a major two-year project funded by the Volvo Research Foundations looking at innovative ways of providing transport, or 'mobility services'. These include car sharing and car pooling, which have the potential to reduce pollution and congestion, create new types of jobs and save people money at the same time – a classic win-win-win solution. Two project reports have been completed: 'Car Sharing: The Motivations of Industry' explores the reasons why car manufacturers and other transport-related companies have become involved in car sharing and concluded that motivations include greening their corporate image and the opportunity to test new products. 'The Marketing of Mobility Services' explores how selected mobility services are marketed and shows that even when a scheme had been set up for environmental reasons, it was often not marketed in this way for fear of restricting the service's potential customer base.

Contact: Dr Ian Skinner / Martina Herodes

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Agriculture and Rural Development

MEACAP - the Impact of Environmental Agreements on the Common Agricultural Policy

Agriculture's environmental footprint is a broad one, ranging from impacts on water quality, biodiversity, greenhouse gas emissions and landscapes. IEEP is leading a consortium of agriculture, biodiversity, forestry and climate change research institutes in a project exploring how the requirements of two of the most important international environmental agreements which the EU has ratified (Kyoto Protocol and Convention on Biological Diversity) can be adequately reflected in the CAP. Through a process of screening technical and policy measures, the project will progress towards suggestions for the most appropriate adjustments

to the CAP. Papers will be produced throughout the course of the project (which lasts until 2007) and placed on the <u>project website</u>.

Contact: Tamsin Cooper

Europe's Living Countryside

IEEP produced the UK report for this multi-partner pan-European study funded and carried out in partnership with WWF, Stichting Natuur en Milieu and the UK's Land Use Policy Group (LUPG). This report was of one of seven national studies, each of which aimed to identify priority environmental issues related to rural development that could be addressed by Pillar II of the Common Agricultural Policy (CAP). Each project team also developed proposals for addressing the identified issues. A Manual called 'Rural Development Environmental Programming Guidelines', based on the findings of the project, has been produced and aims to guide policymakers and stakeholders through the process of integrating environmental considerations into national rural development plans for the 2007-2013 programming period. This report will be available on the LUPG website.

Contact: Vicki Swales

Cross compliance and the Common Agricultural Policy

'Cross-compliance' refers to the process of attaching environmental or other conditions to the payments received by farmers under the Common Agricultural Policy. IEEP continues to develop research on this theme with two new projects which builds upon the successful DG Research-supported Concerted Action which completed earlier this year (see IEEP Cross-Compliance Minisite). The first project, which will be led by IEEP, effectively continues our earlier work, and will feature a total of three seminars in 2006 which will bring together stakeholders to discuss research on cross-compliance. The second project, being coordinated by LEI in the Netherlands, is analysing the costs to farmers of meeting the various cross-compliance requirements and continues for a further two years.

Contact: Martin Farmer

Research on Rural Development

IEEP is currently undertaking two research projects for the LUPG, which look at different aspects of the implementation of rural development programmes in the UK for the 2007-2013 budget period. The focus of the first project is forestry, and will aim to provide recommendations for utilising the measures available within the new EAFRD (European Agricultural Fund for Rural Development) Regulation to deliver a range of environmental priorities for forestry. The second project considers how Leader can be used to deliver environmental objectives, and will be based on an evaluation of Leader+ projects that have delivered positive environmental outcomes. Both projects will conclude in February 2006.

Contact: Martin Farmer

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Better Regulation

Simplification of Measures to Implement Environmental Legislation

In October IEEP (with Ecologic) began a project for DG Enterprise to examine initiatives undertaken in the Member States to simplify the requirements that businesses need to fulfil as they implement environmental law. The aim is to examine practical measures, such as the use of IT tools, from which we can identify best practice examples and provide lessons from which other Member States can learn. The work will finish in May 2006 and will be presented at a conference to be organised by the Commission in June.

Contact: Andrew Farmer

DEFRA's Policy Framework

The UK Department of Environment, Food and Rural Affairs (DEFRA) is currently developing a 'vision' for the environment in England. As part of this process it is examining its overall policy framework to see if there are obvious gaps and questioning how it develops policy. IEEP has begun an examination of this framework in a project led by ADAS due for completion next February.

Contact: Andrew Farmer

Ex-ante assessment of environmental law

Member States are subject to many environmental laws from the EU. Some of these allow significant flexibility in the way that they can be implemented, and what instruments to use. Choosing which path to implement EU law can have important consequences for the subsequent costs to businesses and administrations. It is important, therefore, that Member States undertake effective assessments of implementation options before EU law is transposed into national legislation and practice. IEEP organised a workshop at the British Embassy in Brussels on 15 November for DG Environment exploring these issues and has produced, with partners, a background report on Member State practice indicating that while good practice exists, more and better assessments might lead to more cost-effective decision-making.

The UK's system of regulatory impact assessment (RIA) was broadened last year to include a wider consideration of environmental and social – rather than just business – impacts. David Wilkinson was invited by the UK's National Audit Office to join an expert panel reviewing a range of RIAs to see how far they have in fact included environmental and sustainable development impacts. The NAO report (for the House of Commons Environmental Audit Committee) is expected in the spring.

Contact: Andrew Farmer / Patrick Ten Brink / David Wilkinson

For Better or for Worse? The EU Better Regulation Agenda and the Environment

On 30 November, IEEP launched a new report, 'For Better or for Worse? The EU's Better Regulation Agenda and the Environment', at a meeting in Portcullis House, Westminster. The meeting was hosted by the all-party Associate Parliamentary Sustainable Waste Group (APSWG). The main messages of the report were that the better regulation agenda has become too focused on competitiveness and needs to revert to its original, wider definition to include other important elements such as transparency, participation, efficiency, and effectiveness; that environmental regulation and competitiveness are not per se incompatible; that there are a number of areas where the current agenda threatens to undermine the EU's future environmental policy; and that the environmental policy community needs to be more assertive in fighting its corner in responding to these pressures. Baroness Young (Environment Agency), Bill Stow (Defra) and Stephen White (DG Environment) also spoke at the event, which was attended by around 80 people from industry, government , and NGOs. The press release and report are available from the IEEP website.

Contact: David Wilkinson / Claire Monkhouse

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Clean Technologies

Policy Pathways to Promote the Development and Adoption of Cleaner Technologies

Clean technologies are seen as a key tool to promote decoupling of environmental degradation from economic development. In 2004 the European Commission launched the Environmental Technologies Action Programme (ETAP) as to support the development and uptake of clean technologies across Europe. For over a year IEEP, along with a broad consortium, has been working on a Commission funded project designed to facilitate the development of ETAP. This project is important in terms of identifying policy instruments that might be used to promote clean technologies, helping to open up future markets. As policy experts IEEP is leading the consortium's work on policy instruments. The work is informed by eight detailed technology case studies. IEEP is about to finalise its casestudy, which looks at the use of liquid biofuels for transport.

IEEP's work on biofuels is proving particularly relevant at present. The European Commission has just release an action plan on biomass, while a Communication is expected in the Spring. It is hoped that IEEP's work will help inform these processes. A workshop will be held in January looking at the different policy options for biofuels, considering some of the key issues related to biofuels development. It is hoped that this will be a forum useful to our work but also to the Commission, as it will bring together a broad group of expert stakeholders.

Contact: Catherine Bowyer

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Climate Change and Emissions Trading

IEEP works regularly with regulators implementing the EU Emissions Trading Scheme (EU ETS). We facilitated an assessment of the system from the regulatory authority standpoint for the EU's IMPEL network of regulators. IMPEL and VROM, the Dutch environment ministry, have asked us to follow this up with a review of technical aspects of the monitoring and reporting guidelines that may be recommended for amendment during the Commission's review beginning in December 2005. The Environment Agency (England and Wales) has asked IEEP to undertake an additional project, assessing how the EA has approached the implementation of the EU ETS at a technical level, comparing current practice to best practice under better regulation initiatives and to approaches used to implement other EU environmental measures.

IEEP is active in a range of other current climate change issues. On 6 October we organised a high-level discussion of European climate policy in conjuction with the Institute for Public Policy Research (IPPR). We have just completed a series of three studies on non-CO2 greenhouse gases, covering their proposed regulation and the prospects for emissions trading. In September we submitted a report to the Royal Institute of Chartered Surveyors on the relevance of climate change to their work. IEEP is also active in discussions on CO2 capture and storage, participating in various technical panels, including the IPCC, DG Research and others. Additional projects cover capacity building for climate negotiation in new Member States, a biofuels policy review and information services to clients on developments in the field.

Contact: Jason Anderson

Fisheries

IEEP is coordinating <u>INDECO</u> - Development of Indicators of Environmental Performance of the Common Fisheries Policy, a two year Co-ordination Action working to ensure a coherent approach to the development of indicators at EU level, in support of environmental integration within the CFP and in the context of international work on indicators.

The institute is assisting the three year <u>liFSW</u> (Invest in Fish South West) project in identifying and developing fisheries management options. One of the outcomes has been the report 'Analysis of the Legal and Institutional Policies relating to the South West', available <u>here</u>.

IEEP is a partner in the one year European Commission funded project, INDENT - INDicators of ENvironmental inTegration. The main objective of this study is to build up a system, based on indicators that can monitor the impact of the CFP and how this is affected by the process of environmental integration.

Contact: Indrani Lutchman / James Brown

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Flooding

Flooding causes extensive destruction across Europe. Since 1998 floods have caused about 700 fatalities, displaced around half a million people and caused at least €25 billion in insured economic losses. As a result the European Commission will be publishing a proposal for a new floods Directive. A paper has been written by Andrew Farmer on the forthcoming proposal for an EU flood Directive. It explores the development of the Directive, the likely contents of the proposal and how these relate to the EU water framework Directive agreed in 2000. The paper is published in the <u>Journal of Water Law</u>, volume 16, pages 85-89.

Contact: Andrew Farmer

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Introducing EU Environmental Decision Making

In November, IEEP delivered a one-day training event to the UK statutory nature conservation agencies, on how environmental decision making works at the EU level, the role of the different EU institutions, and current key overarching strategies. The course, which was delivered as part of IEEP's <u>'EU Advisory Services'</u>, was attended by around 30 members of staff. Attendees commented that the course was extremely valuable to the work that the agencies do at the EU level in terms of influencing EU policy development.

Contact: Claire Monkhouse

Nature and Biodiversity

The countdown to halting biodiversity loss by 2010 continues to occupy centre stage in terms of European activities related to biodiversity and nature. We are working with the <u>Countdown 2010</u> secretariat to develop a methodology for assessing progress towards the 2010 goal. An expert workshop on the methodology (supported by the EEA and the Federal German Government) was held on November 3-4 in Copenhagen.

Implementing Natura 2000 is another area of focus. IEEP led the production of a series of reports on implementation as part of a PHARE project 'Implementing Natura 2000 in the Czech Republic'. The reports are now available on IEEPs website.

New Projects: DG-Environment have confirmed that a consortium including WWF (European Policy Office), the Nova Institute in Germany and IEEP has been selected to produce a guidance document and series of workshops on funding Natura 2000 under the new European funds for the 2007-2013 funding period. This project will run for 18 months, and started in November. IEEP will also lead a 6-month project providing analysis of Europe's framework for invasive alien species, which is expected to start in early 2006.

Contact: Clare Miller / Marianne Kettunen

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Regional Funds and the Environment

IEEP is currently working on a project to assess ways of incorporating environmental criteria into Regional Development Programmes (RDPs) developed by Member States under the Structural Funds. The selected environmental criteria will cover the different levels within the RDPs (priorities, measures and projects) as well as recommendations for the integration process itself. The report will also suggest environmental criteria for the allocation of funding across regions within the UK. The project was commissioned by Scottish Natural Heritage (SNH), on behalf of the European Regional Policy Group, which represents all the UK's statutory countryside agencies. It is expected to conclude in December. Find out more about IEEPs work on Financial Instruments and Evaluation & Assessment.

Contact: Peter Hjerp

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Sustainable Development

One of the first major events of the UK's current Presidency was the EU sustainable development networking event held at Windsor on July 14-15. This brought together more than a hundred participants from all 25 Member States, most of whom were officials with responsibility for developing and implementing their national sustainable development strategies (NSDSs). The purpose of the event – hosted annually by the holder of the Presidency – was to provide a forum for networking and the exchange of good practice in relation to developing more effective NSDSs. On behalf of DEFRA's European Environment Department (EED), IEEP was responsible for identifying speakers and case studies of

interesting practice; preparing background papers; facilitating the discussions in the breakout groups; providing essential administrative and technical support; and preparing written proceedings of the event. IEEP's contribution was the subject of particular praise from EED. One of the main outcomes of the event was an agreement to establish a small, permanent secretariat to support the network and help prepare the annual conferences. The conference documents, proceedings, and conclusions have now been placed on the IEEP and DEFRA websites.

During the Windsor conference, a representative of DG Environment outlined a Commission proposal to provide financial support for a system of peer reviews of the NSDSs of Member States. It is expected that about five of these would take place each year, with a contribution from the Commission of up to €100,000 for each. IEEP has been commissioned by DG Environment (independently of the Windsor conference) to produce a Guidebook setting out, step-by-step, a suggested approach to preparing and undertaking peer reviews.

Contact: David Wilkinson / Claire Monkhouse

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Transport and the Urban Environment

Assessing the Community Framework for Cooperation to Promote Sustainable Urban Development

The Community Framework for Cooperation to Promote Sustainable Urban Development has been the Commission's principal funding mechanism for urban sustainability projects involving networks of local/regional authorities. In August 2005, a team led by IEEP, but also involving Ecologic (Berlin), the Institute for Environment Policy (Prague) and Professor Yvonne Rydin of the London School of Economics, completed the mid-term assessment of this funding mechanism. The assessment was undertaken in the context of its proposed integration into the new LIFE+ funding mechanism and the needs of local/regional authorities in the new ten Member States. Its findings will contribute to the developing position of the Commission with respect to future funding for the environment.

Contact: Dr Ian Skinner

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