



Editorial

A Sceptical Wind

Issue 34

Newsletter Spring 2014

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A Sceptical Wind

Editorial by David Baldock

As the current European Parliament embarks on its final weeks of business, the potential political composition of its successor attracts increasing attention. There is every sign that Eurosceptic parties of various hues will increase their representation. Many but not all of these MEPs will be from far right or nationalist parties such as the National Front in France. The polls also predict a decline in the vote that Green parties will muster in many countries. The status quo seems bound to change. Consequently, questions about the new Parliament's stance on the environment are coming to the surface with growing frequency.

The Parliament generally has been supportive of environmental goals and causes, for example tending to vote for a more ambitious EU climate policy. However, this is not invariably the case. Strong sectional interests can be powerful too. This was evident in last year's votes on amending the Emissions Trading Scheme, several aspects of the CAP reform and proposals to make biofuels policy more sustainable. Eurosceptic MEPs do not seem to have been a decisive force in determining many of the Parliament's less green decisions but they tend to oppose European solutions to policy questions and can be expected to argue against much

new EU legislation as a general principle. This could affect environmental policy. Several substantive environmental measures are expected to be discussed in the next few years, for example climate targets for 2030, taking forward the circular economy and possible changes to the Waste Framework Directive.

In addition, Eurosceptic and fringe parties seem less likely to display a blanket consensus on environmental topics than to hold a diverse range of opinions, reflecting a variety of often nationalistic outlooks. At a minimum, even if an increased Eurosceptic bloc in the European Parliament was agnostic on environmental legislation and tended to abstain, it would reduce the chances of the Parliament having an absolute majority of MEPs behind a position, which is often necessary to ensure its views have full weight in the codecision process. A brief survey reveals that a significant proportion of the smaller political groupings make no mention of the environment at all in their manifestos. These include MELD (Movement for a Europe of Liberties and Democracy), the EAF (European Alliance for Freedom), the AEMN (Alliance of European National Movements) and the EU Democrats. It is unlikely that this reflects complete disinterest in the topic, but it does suggest that any

enthusiasm they might have for environmental policy is not directed at an EU level; and in many cases these groups, and the ECR (European Conservatives and Reformists), refer to the need for deep deregulation.

This does not necessarily mean that there will be a more systematic and penetrating parliamentary critique of the kind of environmental measures that a new Commission might propose, assuming it follows the relatively cautious approach of recent years. The impacts of an expanded group of sceptics on individual votes may be smaller than any increase in their number may suggest. It does, however, underline a further weakening of the common ground about what constitutes progress in Europe; policy adopted by the EU and on a European scale to support a better environment has until now been part of this. The case for EU environmental policy may need to be refreshed by a new generation of MEPs. At the same time political debate and legislative decisions could become less predictable and new proposals examined from less familiar perspectives. It could be wise to assume that some of the arguments for environmental ambition will now be focused on the relative merits of decision-making at the European or other political levels.

Policy options to achieve no net loss of biodiversity



A new IEEP led study concludes that mandatory biodiversity offsetting is required to achieve no net loss of biodiversity in the EU, but its introduction could be counter-productive if it is not introduced cautiously and regulated strictly. The first priority should be to better implement existing nature conservation measures.

The EU intends to develop a 'no net loss' (NNL) initiative as part of its Biodiversity Strategy. To support this objective, IEEP led a study for DG Environment on 'Policy options for no net loss'. The study identified NNL policy gaps and implementation deficiencies and proposed a series of policy options and packages that could contribute to and eventually achieve the NNL target. These options included introducing biodiversity offsetting, the aim of which is to achieve NNL of

biodiversity by fully compensating for losses that cannot be avoided, such as by restoring an equivalent area of habitat. There are already proposals to introduce and promote offsetting in England (albeit as a voluntary measure for developers).

The study revealed that achieving NNL would be a substantial and complex challenge. Nevertheless, a major step could be taken towards achieving the target by better implementation of existing policies (eg Habitats Directive, Strategic Environmental Assessment and Environmental Impact Assessment) in order to avoid and minimise impacts. However, it will be impossible to avoid all impacts and therefore some form of offsetting will be required to achieve NNL. Furthermore, this would need to be a mandatory requirement for all sectors, not only for built developments but also for agriculture, forestry and fisheries.

The introduction of offsets nevertheless has risks, and would be counter-productive if it weakens existing protection measures. Evidence from international experience also shows that commercial pressures may result in poor quality offsets that are inadequately managed and protected over the long term. A striking conclusion is therefore that to be effective offsets must be very carefully designed and stringently regulated with thorough monitoring and enforcement. They are also more likely to provide greater and more reliable biodiversity benefits if they are pooled and delivered by experienced not-for-profit nature conservation organisations.

The **study** has just been published by the Commission on DG Environment's no net loss webpage.

For more information contact:
Graham Tucker

Re-examining EU biofuels policy: A 2030 perspective



Biofuels policy is in limbo, the deadline to meet EU 2020 targets is fast approaching, and 2030 energy and climate discussions have begun. IEEP considers how the current framework needs to change for the future.

“Our lessons come from the journey, not the destination”.

When Don Williams Jr wrote this line, it is unlikely he was thinking about biofuels policy. Yet this sentiment seems pertinent to the question of how we take forward EU biofuel and renewable energy policy.

The publication of the EU 2030 climate and energy White Paper in January 2014 outlines the European Commission’s view of the future for bioenergy and

biofuels. In the ongoing debate around indirect land use change this provides an important window to reflect on the journey EU biofuel policy has taken to date and where it should go in the future. IEEP’s new paper ‘Re-examining EU biofuels policy: A 2030 perspective’ considers the way in which policy can be realigned with the goal of supporting only environmentally responsible biofuel use to set bioenergy policy on a more sustainable trajectory.

No more public support for biofuels from food crops, the removal of a dedicated decarbonisation target for fuels and an improved biomass policy are just some of the elements of the Commission’s vision for a climate and energy framework for 2030. This is a significant change from the status quo, particularly the hardening of rhetoric regarding the use of food based biofuels and the opportunity to

take a more strategic approach to bioenergy.

Post 2020 a new generation of policies is needed. EU biofuel policy must reflect the reality that while biomass in principle can be renewed, the overall quantity sustainably available is finite and must be shared between different uses in an emerging bioeconomy. Our paper stresses that future policies should aim to deliver a faster decarbonisation of the transport sector; set out a clearer and more appropriate role for environmentally sustainable biofuels; and provide the framework for more efficient and sustainable use of Europe’s limited bioresources, for both energy and other uses.

These issues are discussed further in our short paper, which can be downloaded [here](#).

For more information contact:
Ben Allen

Commercial inland fisheries and the CFP reform



Commercial inland fisheries are not generally managed by the Common Fisheries Policy, but there is potential for the recent reform of the Policy and its fund to lead to improvements in the state of some inland fisheries.

Inland fisheries have important cultural and heritage value and are significant in 19 of the EU Member States. They are a valuable source of employment, particularly as they tend to use labour-intensive traditional methods. Although inland fisheries only account for 1-2 per cent of total landings, they generate approximately 10 per cent of fishing jobs across the EU, and as many as 90 per cent in Romania and 60 per cent in Finland.

Inland commercial fisheries are currently mainly managed by national legislation. The Common Fisheries Policy (CFP) does not have competence over inland fisheries, except for diadromous species such as the eel, which spend part of their life cycle in sea water and part in fresh water.

Because of this, the CFP reform will not have a significant impact on the majority of inland species, but fisheries for diadromous species may benefit from reforms such as the landing obligation and the sustainability targets, though these must be properly implemented for these benefits to materialise. Of greater potential is the European Maritime and Fisheries Fund (EMFF) which does extend to inland waters and which could have a significant positive impact on inland fishing, particularly through community-led local development.

These findings come from a recent IEEP briefing assessing the impact of the CFP and the EMFF on commercial inland fisheries.

The [study](#) was requested by the European Parliament's Committee on Fisheries and was presented by Stephanie Newman in Brussels on 11 February. The study also provides an overview of the state of the commercial inland fisheries sector, including species targeted, distribution across Member States, employment, fishing methods and markets.

For more information contact:
[Stephanie Newman](#)

Financing Europe 2020: what is required?



Europe 2020, the EU's core economic strategy, will succeed only if large scale resources can be deployed. But where will they come from? An IEEP report assesses the investments required and estimates the amount of potential funding sources at different government levels.

Large scale investment is needed to achieve the ambitious Europe 2020 Strategy, which aims at increased employment rates, reduced greenhouse gas emissions, a higher share of renewable energy and increased energy efficiency. While the EU's budget can provide support for the Strategy, its role remains marginal compared with expenditure at national, regional and local level. There is common agreement that more is needed from other public sources,

alongside private investment. But how much?

In 2010, the European Commission estimated that in order to achieve the objectives of the Europe 2020 Strategy €1.8 trillion of investment would be needed by 2020. By analysing other estimates of the investment needed to finance the seven flagship initiatives of the strategy, an IEEP and CEPS study for the Committee of the Regions has concluded that the Commission's figure can at best be considered as a very rough estimate, and that overall it is too low.

The study reviewed the potential contribution of different funding sources, such as public funding at EU, national, regional and local level and private sources, in order to assess the role of national and subnational budgets in financing the Europe 2020 Strategy.

Local and regional authorities potentially have an important contribution to make, but there is a big gap between the funds available and the estimated investment need. The study suggests that these gaps need to be filled by private funding if the 2020 goals are to be reached. It sets out policy recommendations to overcome these problems and improve the financing of Europe 2020, including coordination of policy and funding programmes at different government levels and greater use of innovative financial instruments to attract private funding.

The full study can be downloaded [here](#).

For more information contact:
[Andrea Illes](#)

Developing policies for a resource efficient, circular economy



IEEP is involved in two projects to provide policy-makers with further guidance and support in achieving a more resource efficient, circular economy in the EU. Preliminary results will become available in the coming weeks and will be discussed with stakeholders in workshops during early May.

IEEP has recently finalised a Comparative analysis of policy mixes addressing natural resources, developed in the context of the FP7 DYNAMIX project on decoupling growth from resource use and environmental impacts. The report, which will be published soon on the DYNAMIX website, compared 15 case studies of past and existing policy mixes in different sectors and assessed how effective they have been in spurring decoupling.

Currently the project team is working on the development of three potential resource efficiency policy-mixes: two are targeted at land and metals respectively and the third is overarching/ cross-cutting, looking at some of the underlying drivers behind the overconsumption of resources. To support this work, the project's 3rd Policy Platform, dedicated to policy design and assessment, will be held on 6 May. This will be an opportunity to discuss the proposed policy mixes with participants (see events section).

IEEP together with the Policy Studies Institute (PSI), BIO IS and Ecologic Institute is also carrying out a scoping study for the European Commission (DG Environment) on potential circular economy actions and priority sectors, materials and value chains in the EU. This study aims to explore the barriers to the circular economy in the EU and to identify priority value chains, material

flows, sectors and products where the circular economy would be particularly beneficial. It also aims to develop potential EU policy options to support the circular economy. The study will provide input to ongoing processes including the follow-up to the Resource Efficiency Roadmap.

Preliminary conclusions of the study will be discussed with stakeholders at a workshop on 8 May in Brussels.

For more information contact:
Leonardo Mazza

Tracking climate-related expenditure in the EU budget



A recently completed IEEP study for DG Climate Action explores options for establishing and refining a robust and practical ‘tracking’ methodology to monitor and report climate-related expenditure in the 2014-2020 EU budget.

The 2014-2020 EU Multiannual Financial Framework (MFF) includes a commitment to ‘mainstream’ climate action across different policy areas, and for at least 20 per cent of the EU budget to support climate mitigation or adaptation related activities. The Commission services are now discussing how to track climate related expenditure under the EU budget to assess progress towards this commitment.

IEEP in collaboration with ICF GHK and CPI recently completed a study which seeks to support

DG CLIMA in considering how the emerging tracking methodology could be further elaborated and refined over time. The study proposes common definitions for climate change mitigation and adaptation expenditure, as well as criteria for the use of markers to ensure a consistent approach across different EU funding instruments.

For instruments managed centrally by the Commission, a staged tracking approach is proposed. This would allow a more detailed and robust review of expenditure to be undertaken once information is available on individual projects, not only on the broad priorities set out in Regulations and the measures included in work programmes. For instruments where management is shared between the Commission and Member States, information about spending will only become available to the Commission when

national/regional programmes are adopted during 2014 or 2015. A more bottom up approach will therefore be needed to track such instruments.

Further improvements to the tracking approach over time could include distinguishing between climate adaptation and mitigation expenditure, or complementing this ex-ante approach with an ex-post system of performance-based reporting. To complement a tracking exercise, thematic evaluations could be carried out by external evaluators to assess the climate relevance and impacts of EU spending. Such improvements would help to strengthen the aim for the 2014-2020 MFF to be more results-orientated, and ensure that options are considered in view of the mid-term review of the MFF and the post-2020 MFF.

For more information contact:
[Keti Medarova-Bergstrom](#)

New training courses on environmental policy



IEEP plans to launch training courses on EU and international policy on the environment. Express your interest and preferences in our online survey.

As an educational charity, IEEP has a long record of developing and delivering workshops and various training events on contemporary policies and the issues they are addressing. We are now considering building on this experience to offer to a wider audience a series of training courses on the most topical EU environmental policy issues.

We intend to develop short courses that will help attendees understand the implications of existing and potential EU policy developments, for example in terms of the obligations and opportunities that they create. In this respect we think that the courses will be of particular value to statutory environment agencies, government departments, NGOs and businesses. We could also potentially offer bespoke courses tailor-made to suit the requirements of specific groups and organisations (eg university post-graduate courses).

It is foreseen that courses will become available later this year but we first wish to ensure that we are offering useful courses for which there is demand. We have therefore created a short web-based survey outlining a selection of potential topical courses. To make sure these courses actually respond to people's interests, we would be very grateful for any feedback on the options, to identify which courses would be of interest to our potential audience. The survey should only take a few minutes to complete; however, we realise that time is precious and we are therefore happy to offer a 10% discount on your first course if you complete the survey.

The survey form can be accessed [here](#), and we shall look at the results in mid-late April.

IEEP Conferences and Events



Environmental tax reform in Europe: Opportunities for the future

*Permanent Representation of the Netherlands in
Brussels, 10 April 2014*

IEEP will organise an experts' workshop as part of a study for the Ministry of Infrastructure and the Environment of the Netherlands. At the workshop, experts will discuss the draft findings of the study, share insights on experiences with environmental tax reform and prospects for the further greening of taxation in Europe.

Contact: **Sirini Withana** and **Patrick ten Brink**

3rd DYNAMIX Policy Platform 'Policy design and assessment: Three policy mixes for resource efficiency and decoupling'

Brussels, 6 May 2014

As part of the FP7 DYNAMIX project on decoupling growth from resource use and environmental impacts, this third policy platform will discuss proposed policy mixes targeted at metals and land, as well as a cross-cutting policy mix for decoupling growth from resource use and impacts that is intended to address some of the more deeply entrenched underlying drivers behind the overconsumption of resources.

Contact: **Leonardo Mazza**

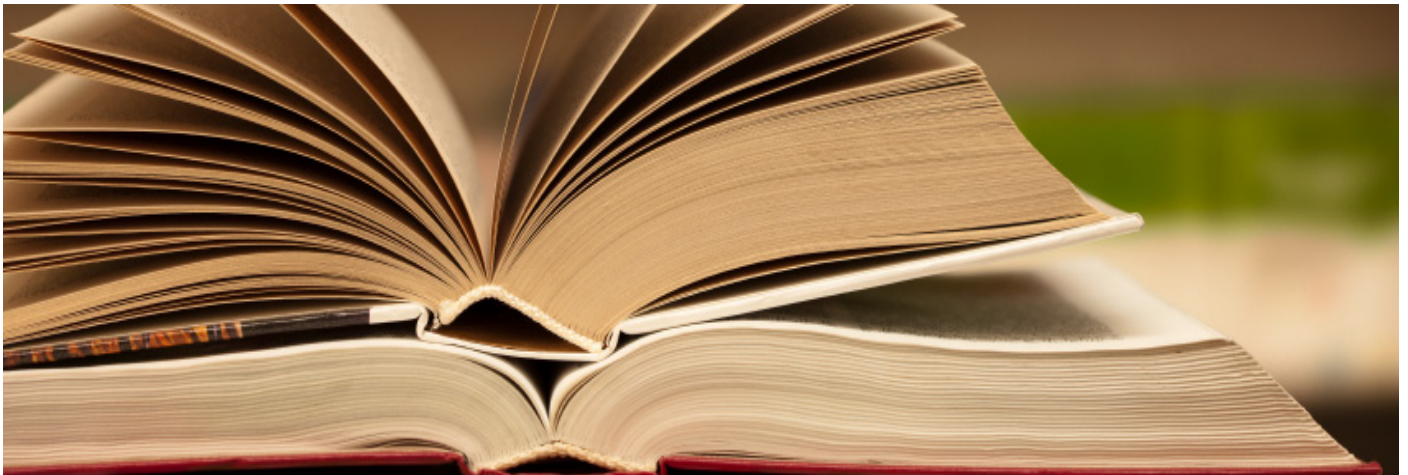
Towards a circular economy in the EU – Priorities and options to move forward

IEEP office Brussels, 8 May 2014

This workshop is organised as part of a study for the European Commission (DG Environment) to identify potential circular economy actions, priority sectors, material flows and value chains. The study is being carried out by IEEP, PSI, BIO IS and Ecologic Institute. The workshop aims to solicit insights on the circular economy and comments on the draft findings of the study, in particular the proposed EU policy recommendations and priority areas identified by the study team.

Contact: **Sirini Withana** and **Patrick ten Brink**

IEEP Books and Publications



Environmental policy and the UK's review of the EU Balance of Competences

19 March 2014

The UK Government's Balance of Competences review has now taken evidence on 25 subject areas, including the 6 with the most relevance for the Environment. We take stock of the IEEP's contributions, and consider what a possible UK renegotiation might mean for the environment.

Authors: IEEP various.

Environmental policy in the European Semester: Assessing progress to date

4 February 2014

New IEEP study for the European Parliament finds limited mainstreaming of environmental issues in the European Semester process to date.

Authors: Sirini Withana, Bettina Kretschmer, Andrew Farmer.

Mainstreaming climate objectives in EU Cohesion Policy - a guidance briefing

28 January 2014

This IEEP publication presents a framework and approach to climate mainstreaming into EU Cohesion Policy that can provide practical guidance for managing authorities.

Authors: Andrea Illes, Keti Medarova-Bergstrom.

How do the proposed new EU climate and energy targets stack up?

27 January 2014

The Commission has suggested major changes in policy for 2030, with fewer binding targets. An institute briefing offers an analysis of what is proposed and sets out some proposals of where the package of measures could be strengthened, especially in relation to renewable energy and energy conservation.

Authors: Bettina Kretschmer, Raphael Sauter, David Baldock.

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Editors: Emma Watkins and
Stephanie Newman

Production: Bianca M Russo
Design: Joana Aguas

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