



Editorial

# Volkswagen: Painful Lessons

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# Editorial *by David Baldock*

**T**he extraordinary revelations about Volkswagen's prolonged use of technical measures to evade emission standards, covering not only NO<sub>x</sub> from diesel engines but CO<sub>2</sub> as well, demonstrates how easy it has been to deceive both governments and customers. It is clearly right that the company will pay a price for this, both in the market and in the form of fines. But it is also a wake-up call for environmental policy in the EU.

In the first place, regulations, particularly those of such importance, need to be applied systematically with adequate monitoring, transparency, testing and evaluation. There are many environmental policy fields where these components have not received sufficient attention in the EU. In this case, the warning signs were plain to see; measurements of actual air quality were difficult to reconcile with the expected emissions from vehicles. There was clear cause for concern but years passed before the problem was exposed in the US, where diesel cars are a relatively small share of the market and where commercial interests were less threatened. The fact that the problem only came to light through the actions of US regulators is a painful lesson in itself.

Secondly, the era of more systematic failures in declaring and controlling vehicle emissions needs to be brought to an end. For years a grouping of car manufactures

and sympathetic governments in Europe has managed to prevent the introduction of a "real world" test cycle which would measure actual emissions of new vehicles in realistic driving conditions, rather than the present artificial cycle giving rise to misleading data. It is difficult to imagine restoring the trust of consumers, or policy makers, including cities grappling to devise robust plans to improve air quality, without a decisive change in the test cycle and the transparency of reporting. Many authorities will now be forced to review existing plans and increase expenditure in the light of revised and more accurate projections of emissions.

Thirdly, air quality needs to be recognised as a central theme in the environmental agenda of the next decade, to be approached in a fresh light alongside the mitigation of climate change. While realism about what can be achieved is necessary, it is evident that there is a major gap between the objectives of the Ambient Air Quality Directive and what is being experienced in practice. Thinking outside the box, for example about the pace of change in the vehicle fleet and the role of diesels, and the potential for changes in the way we own and use cars, is essential. Futuristic cars have had a field day in the media after the revelations, but neither electric or hydrogen fuelled vehicles will displace a large share of the conventional fleet without a step change in existing trends.

The EU has a good track record in developing visionary policies, such as the Water Framework Directive, but has considerably further to go in building a culture of implementation and compliance. If any episode could demonstrate this to European society as a whole, it is perhaps the Volkswagen story.



# CAP greening: what are the prospects?



**T**he year 2015 marks the start of implementation of the latest incarnation of the Common Agricultural Policy (CAP). Finally agreed at the end of 2013, the new CAP was billed as being greener and fairer, with 'sustainable management of natural resources and climate action' one of its three core objectives.

The main environmental innovation was the introduction of three 'green' compulsory measures for farmers within Pillar 1, to which €12.5 billion per year have been attached. This is almost the same amount as the whole annual rural development budget.

With such a significant injection of money for 'green' farming practices, the question now on everyone's lips is what impact these measures will have on the ground? This is particularly pertinent given the recent publication of the mid-term review of the EU Biodiversity Strategy, showing a lack of progress in improving the conservation status of species and habitats that depend on, or are affected by, agriculture.

IEEP has examined the choices made to implement greening in nine Member States and their potential for delivering improved environmental management on farmland in a report for the European Environmental Bureau (EEB), published on 11 November. The report demonstrates that most countries appear not to have used the flexibility permitted in the regulations to increase overall environmental ambition. Rather, they have maximised opportunities for farmers to meet their obligations without making significant changes.

For example, in the case of Ecological Focus Areas – the measure that many thought could achieve the greatest environmental benefits – options are permitted in most Member States to allow continued crop production, such as N-fixing crops and catch crops, with inputs of agrochemicals and fertilisers. The designation of environmentally sensitive permanent grassland under the measure for maintaining permanent grassland, particularly outside Natura 2000 areas, is likely to bring some additional environmental benefits. This is because of the ban on ploughing, although only four countries have chosen to protect

areas outside their Natura boundaries. Disappointingly, the introduction of greening in Pillar 1 seems not to have led to more ambitious agri-environment-climate schemes under Pillar 2. Rather, initial figures suggest that the budget for this measure has decreased significantly in a number of Member States.

The report concludes that the significant increase in the CAP budget allocated to improving the environmental sustainability of agriculture was a positive move. However, the final design of the greening measures and Member States' implementation choices appear to much diminish the chances of significant additional environmental benefits. We need to see what options farmers choose on their farms before assessing the actual environmental added value. However, progress with implementation so far raises tough questions over what can be achieved for the environment with the Pillar 1 budget compared with an equivalent scale of expenditure tailored under rural development policy. There are likely to be implications for discussions on the future of the CAP post 2020.

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

# Protecting future generations' interests in decision-making



A recent IEEP report for the World Future Council assesses the ways in which the interests of future generations are currently protected in decision-making processes in different countries. It also offers suggestions for how a new role of a 'Guardian for Future Generations' could be established at EU level.

Many policy areas have an impact on future generations. These include environmental challenges such as climate change and natural resource protection, for example, but also areas such as fiscal policy and pensions reform. There is a growing recognition of the need to protect the interests of those who have yet to be born.

At the same time, governments, parliamentarians and policymakers face pressure to favour the interests of current generations, not least as they respond to the demands of voters. While this is partly a sign of a functioning democratic system, it is also driven by impact assessment processes which are based around the interests of current actors; and

by the sheer difficulty of identifying and analysing very long-term impacts reliably. Is there a policy bias towards the interests of current generations? If so, do we need to correct it, and how?

IEEP's report for the World Future Council looks at experience gained with the creation of roles and institutions in different countries aimed at improving the generational equity of decision-making. The report identifies some key gaps in decision-making processes at EU level and offers suggestions for how those gaps could be filled by creating a new role or institution supporting decision-making, with dedicated focus on identifying and advising on risks to the interests of future generations.

Our report suggests that, in order for such a new institution to be successful, it is essential to create long-term security for it, and to ensure independence from the main EU institutions. The best option for creating an EU 'Guardian for Future Generations' role would be incorporation in the EU Treaty, or failing that, the establishment of a role through legislation. Wide institutional and

political buy-in is also essential in creating the conditions for success.

For more information on the report and our work in this area, please contact [Martin Nesbit](#) and [Andrea Illes](#).



# Assessing the benefits of marine protected areas



**M**arine protected areas (MPAs) are crucial to protecting marine life, but they also support the provision of a range of benefits for human wellbeing in the form of ecosystem services.

Ecosystem services and related socio-economic benefits provided by MPAs remain underappreciated and poorly understood. In many cases, rather than being seen as a source of local to global benefits, MPAs are perceived as merely imposing costs and restrictions on communities and economies. Political and stakeholder support for these sites can be significantly increased by conveying a clear message about the socio-economic value of biodiversity and well-functioning ecosystems to a wide range of stakeholder groups.

A new scoping study by IEEP, funded by DG Environment of the European Commission, offers a useful overview of published estimates of the value of ecosystem services provided by European MPAs, both in physical and monetary terms. It also proposes a step-wise method-

ology to assess the overall benefits provided by the EU's marine Natura 2000 network. The report shows, for example, how local communities and visitors to marine areas already benefit from protected sites. It also highlights that there is still a need for better data on the types and magnitude of these different benefits.

The European Commission wants to explore how benefits of MPAs and marine conservation could be better communicated and assessed in the future. The importance of marine conservation is also high on the global agenda, with the UN summit for the adoption of the [post-2015 development goals held at the end of September](#). Conservation and sustainable use of the world's oceans, including enhancing the contribution of marine biodiversity to sustainable development, is one of the foreseen objectives for 2030.

IEEP will continue to work on MPAs and is currently reviewing the available evidence on different ecosystem services and related socio-economic benefits associated with the conservation of marine and coastal ecosystems, with particular focus on the EU marine Natura 2000 network.

For more information on IEEP's work related to marine conservation and the benefits of MPAs, please contact [Marianne Kettunen](#), [Daniela Russi](#) and [Mia Pantzar](#).

# Seeing the trees for the wood: ensuring carbon sinks work for climate and biodiversity



**T**here are some subjects in EU environmental policy whose mention is greeted by wise nodding, and not much else. LULUCF is one of these.

To start with, there's the name. It stands for Land Use, Land Use Change, and Forestry; it looks at carbon sinks and losses from forestry and other land use activities, and it is a key part of the way in which greenhouse gases are reported under international climate agreements. For a lot of people, just demonstrating how to pronounce it in the approved manner (Loo-Loo-See-Eff) is a useful addition to the wise nodding technique.

Then there's the fact that it has been relatively untouched by EU policy on climate change. The EU was sceptical at Kyoto about arguments from the US and others that generous flexibility should be allowed for delivering targets through LULUCF sinks (i.e. the carbon sequestered in above and below ground biomass). Europe has not allowed use of these sinks in delivery of its own climate targets, thus far.

But LULUCF matters. The [European Council](#) agreed last October that rules on how – not whether – LULUCF could form part of the framework for EU GHG targets should be agreed by 2020. A recent Commission consultation sparked concern in green groups, who have argued that allowing carbon sinks to count towards the targets for emissions reductions in transport, waste and other sectors in the EU's "Effort Sharing Decision" would reduce mitigation ambition in those sectors, and create risks of inappropriate monoculture afforestation projects. A [paper by the Öko-Institut](#) published by the forestry NGO FERN showed that there was a serious risk that this apparently innocent technical change could radically weaken European policy on decarbonisation.

IEEP is now carrying out work for FERN on the design of a suitable policy for including the LULUCF sector in the EU's 2030 targets, looking at how options could be designed which genuinely help reduce the GHG concentrations in the atmosphere, without reducing ambition in other areas of the economy. We want to ensure that action on

LULUCF creates incentives for biodiversity protection, ecosystem restoration, and forest conservation, not for poorly-conceived monoculture afforestation projects. The hope is that in future the wise nodding will be accompanied by wise action.

For more information on our work in this area, please contact [Martin Nesbit](#).



# Tracing the evolution of EU environmental policy



**E**U environmental policy started in the 1970s and subsequently has grown to become perhaps the most comprehensive body of law and policy in this field in the world. The success of the policy has become one of the reasons why the EU, as an effective transboundary organisation, is now seen as so important in the environmental community. This would have been difficult to forecast at the time.

The story of both how and why the development of EU environmental policy occurred in different fields, including pollution control and climate policy, is told in a new book by Nigel Haigh, former Director of IEEP and still an active Honorary

Fellow. Entitled “EU Environmental Policy: its journey to centre stage” the book will be published by Routledge before Christmas (See [IEEP Publications](#)).

With a number of chapters on different topics Nigel Haigh traces the evolution of the EU’s environmental policy from obscurity to centrality, particularly in the period to 2004. In several cases he draws on his own experience of the policy debate and the actions involved as well as the wider literature. He shows the significance of a number of prominent environmental threats, such as the hole in the ozone layer, in focusing political energy on the environment. The advance of new ideas, such as the need for integrated pollution control and the goal of sustainable development emerge as important

stands in thirty years of evolution. In a final chapter, IEEP’s Director David Baldock looks back at the most recent decade, the growth of new challenges to environmental policy and on to the future.

Given the current controversies over environmental regulation, the book provides a perspective on the scale of achievement which should not be overlooked.

# IEEP Conferences and Events



## **The optimised cascading use of wood** *Brussels (Belgium), 19<sup>th</sup> November 2015*

As part of a study for the European Commission, IEEP is organising an EU-level stakeholder workshop presenting the outcomes of several case studies and the initial assessment of potential measures to overcome barriers and promote cascading use of wood. The event aims to bring together a wide range of key experts, stakeholders, practitioners and decision-makers. The findings of the workshop will feed into the development of the final study report, due to be published in spring next year.

Attendance is by invitation only; however, please do get in touch to express your interest.

Contact: [Ben Allen](#)

## **Microplastic in the environment – sources, impacts and solutions**

*Maternushaus, Cologne (Germany), 23-24 November 2015*

This conference will look at the sources and quantities of microplastics entering the environment, the impacts on ecosystems and humans, and potential solutions. On the first day, Emma Watkins of IEEP will speak about the socio-economic aspects of the microplastic problem, drawing on the findings of a study that IEEP is undertaking for the UN Environment Programme.

For further details on the conference and to register, [click here](#). Contact: [Emma Watkins](#)

## **Fitness Check of EU Nature Legislation (Birds and Habitats Directives)**

*Brussels (Belgium), 20<sup>th</sup> November 2015*

As part of the fitness check of the EU Nature Directives, the European Commission is organising a high-level conference in Brussels to present and discuss with Member States and other stakeholders the preliminary conclusions emerging from the assessment of evidence and information gathered. It will not prejudice the outcome of the fitness check. IEEP will be presenting the results of the evaluation of the effectiveness of the directives.

Attendance is by invitation only, but the main sessions of the programme will be broadcasted on the website via live web-streaming.

More information can be found [here](#).

Contact: [Graham Tucker](#)



# IEEP Conferences and Events



## **Resource efficiency impacts of future EU demand for bioenergy (ReceBio)**

**Brussels (Belgium), 30<sup>th</sup> November 2015**

As part of a two-year study for the European Commission, IEEP is organising the final EU-level stakeholder workshop presenting key results and conclusions on the environmental, resource efficiency and economic impacts of various trajectories of bioenergy demand, up to 2050. The workshop will provide a range of cross-sectoral stakeholders the opportunity to discuss the outcomes and conclusions of the analysis. The outcomes of the project will be published in spring 2016.

Attendance is by invitation only; however, please contact the IEEP team below to express an interest. The workshop's background paper will be available online.

Contact: [Catherine Bowyer](#) or [Silvia Nanni](#)

## **Health and Social Benefits of Nature and Biodiversity Protection**

**Brussels (Belgium), 27-28 January 2016**

As part of a study for the European Commission, IEEP will organise an EU-level workshop dedicated to understanding the health and social benefits of nature and biodiversity protection. The workshop will bring together a wide range of participants, including representatives of the environmental, health and social sectors.

Attendance is by invitation only. To express an interest in attending, please contact the IEEP team below.

Contact: [Jean-Pierre Schweitzer](#) and [Konar Mutaoglu](#)

## **1<sup>st</sup> meeting of ENRD Thematic Group – “Promoting the Transition to a Green Economy”**

**Brussels (Belgium), 16<sup>th</sup> December 2015**

The first meeting of the European Network for Rural Development (ENRD)'s Thematic Group “promoting the transition to a green economy” will take place on 16 December at the ENRD offices in Brussels. The Thematic Group aims to identify practical and proactive ways to support a transition to a more sustainable green economy in rural areas using rural development tools and supporting the use of energy and resource efficient investments to stimulate jobs and growth.

IEEP's David Baldock, Kaley Hart and Ben Allen will be speaking at this event.

For further information and to register please see [here](#).

Please note that registrations are limited, so a selection process may be undertaken to determine participation. Participants are expected to meet their own costs for travel and accommodation.

# IEEP Books and Publications



## **EU Environmental Policy: Its journey to centre stage – Nigel Haigh**

**December 2015**

ACCESS BOOK

Having been created for reasons quite unconnected with the environment, the EU has been given a compelling new justification by the success of its environment policy. A leading authority on the development and implementation of EU environmental policy, former IEEP Director and current Senior Fellow, Nigel Haigh, traces the evolution of the EU's environmental policy from obscurity to centrality and shows how a number of factors have put environmental policy at the forefront of EU policy. The book also contextualises the issues throughout its history and offers insight into the future role of the EU in environmental matters.

## **Benefits of marine protected areas in the context of EU's Natura 2000 network**

**24 August 2015**

ACCESS PUBLICATION

A scoping study by IEEP outlines a step-wise methodology to assess the overall benefits provided by the EU's marine Natura 2000 network.

## **Establishing an EU 'Guardian for Future Generations'**

**28 September 2015**

ACCESS PUBLICATION

Do future generations get a fair deal from the policy decisions we make now? A new IEEP report for the World Future Council suggests not.

## **Carbon pricing – Design, Experiences and Issues**

**September 2015**

ACCESS BOOK

This book considers the design of carbon taxes and examines the consequential outcomes of different taxation compositions as regulatory instruments. IEEP's experts **Sirini Withana** and **Patrick ten Brink** have authored a chapter exploring options to motivate environmental tax reform through coalitions of like-minded countries.



# IEEP Books and Publications

## EU ENVIRONMENTAL POLICY

ITS JOURNEY TO CENTRE STAGE

Nigel Haigh



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