



From Copenhagen to Cancún and Beyond: To Kyoto or Not To Kyoto?

The multilateral process was kept alive in Cancún in December, but what of the agreements that were reached? Do they really constitute a new beginning that will lead to the actual adoption of a comprehensive and ambitious legally binding post-2012 global climate regime at the next conference in Durban at the end of 2011? Or will they instead mark the beginning of the end of a multilateral framework firmly grounded in international law, and eventually result in its replacement by a set of essentially voluntary arrangements based on a pledge-and-review approach?

Nine years ago the European Union was instrumental in brokering the Bonn-Marrakesh agreements that paved the way for the entry into force of the Kyoto Protocol. EU leadership continues to be seen as crucial to take forward the multilateral process and will again be tested this year in the run-up to Durban, where the most contentious issues that could not be solved in Mexico – including the fate of the Kyoto Protocol beyond the end of its first commitment period in 2012 and the legal form of the necessary complementary provisions – will have to be decided. As Commissioner Hedegaard acknowledged in her speech to the European Parliament a few days after Cancún: ‘The road to South Africa is not going to be an easy one’. However, her reading of the Cancún Agreements as actually ‘including in a binding UN agreement...all the elements of the Copenhagen Accord’ is a questionable one.

The Agreements are not legally binding. As the Commissioner herself admitted in the very same speech, they merely ‘keep open the discussion about the Kyoto Protocol and a future legal outcome’. Indeed, in her own assessment: ‘If we had not had the prospect of having a second commitment period, it is very likely that the [UNFCCC] process would have been dead by now’. In Durban, the Protocol’s second commitment period will have to be more than a distant prospect if the process is to retain its renewed momentum and credibility. And the EU itself under the Hungarian and Polish Presidencies will have to go beyond ritually repeating the ambiguous wording of Council conclusions affirming its ‘willingness to consider’ subscribing to Kyoto commitments beyond 2012.

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This will require Europe to overcome lingering but significant internal divisions and to continue to speak with one voice, which has not always been easy to achieve in the past. On the one hand this calls for a more intense focus on resolving internal political differences rather than obfuscating them, recognising that these have both an economic and political dimension. On the other hand it underlines the need for a form of EU representation that is both effective externally and perceived as legitimate and transparent internally.

In Cancún the Commission had the leading role in speaking on behalf of the EU during formal and informal meetings throughout the final high-level segment of the conference, even though it has never sought, much less received, a formal negotiating

mandate from the Council for these climate talks. The public role of the self-effacing Belgian Presidency, as incarnated by Flemish environment minister Joke Schauvliege, was limited to delivering the second half of a three-minute official EU statement to the plenary, following Hedegaard, much to the concern of some of the Member States most wary of European federalism. The Commission can bring experience, expertise and continuity to EU representation, but if it assertively seeks to sidetrack the Council Presidency, it is playing with fire. Its strategy may well backfire if Member States fear losing their collective ultimate control over the EU's negotiating position, which has always been the implicit condition on which they have allowed the Union to speak with a single voice in the multilateral climate negotiations.

Assessing the value of biodiversity

The value of biodiversity has been centre stage throughout 2010, the year of biodiversity, and particularly since October when the Conference of the Parties (COP 10) of the Convention on Biological Diversity (CBD) convened in Nagoya, Japan, to agree on a post-2010 biodiversity vision and target. Advances were made on several key areas, including the adoption of a Protocol on Access and Benefit Sharing (ABS) and a multi-year Strategic Plan 2011 to 2020. Twenty headline targets were agreed, including the conservation of at least 17 per cent of terrestrial areas and inland waters and 10 per cent of coastal and marine areas, the restoration of at least 15 per cent of degraded ecosystems, and halving the rate of loss of all habitats by 2020 (where feasible it should be brought to zero).

During the Nagoya discussions, substantial importance was given to the Economics of Ecosystem Biodiversity (TEEB). One of its key publications – the [‘TEEB for National and International Policy Makers’](#) – was coordinated by IEEP, and Patrick ten Brink presented its key findings at the Conference. More than half of the CBD Strategic Plan targets related to issues covered by recommendations in TEEB for

policy Makers. Furthermore, several initiatives have been catalysed by TEEB – from The World Bank's Global Partnership to “Green” National Accounts, to TEEB for Brazil and India. IEEP expects to be involved in several pieces of work related to its follow up, such as the Nordic TEEB, and is also finalising a book being published by Earthscan (see [‘Books and publications’](#)).

IEEP has also recently concluded a wide range of other studies to assess and communicate the value of biodiversity and ecosystem services.

The study Opportunity Costs of biodiversity action undertook a broad assessment of EU-wide costs and opportunity costs of six areas of biodiversity action (Natura 2000, protected areas, species protection, HNV farmland and forestry, marine biodiversity and other wider measures) – the study is currently being finalised and will be available on the IEEP website in early 2011.

IEEP was also involved in the Social Dimension of Biodiversity study, led by FEEM, which explored the links between biodiversity and employment, and the value of biodiversity for vulnerable rural people. It revealed that changes in biodiversity will affect more

significantly employment in developing economies, as they rely more heavily on primary industries (like agriculture and fishery) which are most highly dependent on ecosystem services.

Furthermore, IEEP's completed study on [‘The Economic and Social Benefits associated with the Natura 2000 Network’](#) provided an overall estimate of the costs associated with the Natura 2000 network and offered insights on its socio-economic benefits (see [Newsletter Issue 20](#)). A number of follow-up projects have recently been launched by DG Environment. IEEP will be leading a study aimed at Estimating the Overall Economic Value of the Benefits provided by the Natura 2000 Network. Results are expected towards September 2011.

Other projects on the valuation of biodiversity are also starting in 2011, including a study on green infrastructures (see the related [article](#) in this issue) and one on innovative financial instruments to enhance private sector support for biodiversity.

Contact: [Samuela Bassi](#) and [Patrick ten Brink](#)

Scoping Ecosystem Services in the Danube Basin

Recent initiatives such as the study on The Economics of Ecosystems and Biodiversity (TEEB) have highlighted the importance of better understanding the economic value of ecosystem services and developing instruments to capture and reward these values, thereby encouraging the wiser and sustainable use of our ecosystems. To support the 'TEEB philosophy' WWF commissioned IEEP to carry out a scoping assessment of how to put the key recommendations of the TEEB initiative into practice, through a case study on ecosystem services in the Danube River Basin, which drains a quarter of Europe and contains large areas of exceptional biodiversity value, yet is also home to some 83 million people.

The findings from the study highlight the obvious, and increasing, importance of a number of key ecosystem services in the Danube River Basin, such as carbon storage, water resource provision and cultural values that underpin tourism. Although their monetary values cannot be easily quantified it is clear that a precautionary approach to the conservation of ecosystem services should be followed. But in practice, ecosystem services are often weak drivers in decision making because

their values are often unknown or underestimated, and rarely fully captured in economic markets. Consequently, most of these services are being degraded or are at risk, largely as a result of unsustainable practices.



The study therefore demonstrates the urgent need to improve our knowledge of the relationships between ecosystem properties and the value of ecosystem services – in supporting welfare in the Danube region, and to better inform the decisions of policymakers, businesses

and consumers. Existing EU policy instruments, such as the Habitats and Water Framework Directives, need to be more effectively, fully and rapidly implemented. Further measures also need to be developed to support ecosystem services, such as the creation of commercial markets (eg for carbon), the use of 'green taxes' or the development of sustainability criteria.

Finally, the study emphasises the need for all policy instruments to be better targeted and integrated to encourage multi-functional land use that supports a balanced range of ecosystem services rather than those driven by short-term and narrow economic needs. This will require a focus on governance and institutions and increased communication and integration across different sectors.

The study report can be obtained from the news section of the [WWF Danube-Carpathian Programme website](#) and the [IEEP website](#).

Contact: [Graham Tucker](#) and [Marianne Kettunen](#)

Climate proofing the EU budget

With the publication of the EU Budget Review in October, the debate about the post-2013 financial framework is intensifying. One of the central elements is the extent to which this will deliver on the strategic need to make the EU budget coherent with climate policy objectives. There is work to be done. Key to this will be a more systematic assessment of the scale of funding required at the EU level and the way in which this is best arranged. This is likely to require a combination of both a distinct funding instrument and the integration of climate considerations into existing funding instruments. Expect increasingly prolific referencing of 'EU added value' as political actors seek to define what precisely the role of the EU budget should be in this respect.

In the Autumn Newsletter we mentioned work undertaken by IEEP to clarify what 'climate proofing' the budget might mean, and to put forward a set of fairly concrete strategies and instruments. We have recently started a study for DG CLIMA to help the Commission reflect on the scale, nature and arrangement of a possible financial instrument for climate change policies. This recalls discussions nearly 20 years ago about the establishment of a separate funding instrument for the environment (LIFE) under DG ENV, a debate in which IEEP took an active part. With the fog of the festive season cleared, work has now begun in earnest and will run for six months.

Contact: [Pernille Schiellerup](#)

Green Infrastructure's Contribution to Halting Biodiversity Loss

2010 marked a crossroads for biodiversity policy in the EU. Having failed to meet its target to halt biodiversity loss by 2010, the European Commission is reviewing its approach to nature conservation with the aim of prompting renewed action over the coming decade. In March 2010, the European Council accepted the ambitious target to 'halt biodiversity and ecosystem service loss by 2020, to restore ecosystems in so far as is feasible, and to step up the EU contribution to averting global biodiversity loss.' A new EU strategy/action plan to achieve this target is expected in 2011 and is anticipated to include further measures to increase the coherence of the Natura 2000 network and to ensure the protection of biodiversity in the wider countryside. The development of a 'green

infrastructure' is one means of combating habitat loss and fragmentation, while at the same time delivering vital ecosystem services to society, and is expected to be one of the cornerstones of the new biodiversity strategy. The green infrastructure concept has the potential to result in broader policy support for measures which deliver benefits to biodiversity, and the Commission has initiated a process which should result in the adoption of a Green Infrastructure Strategy in the years to come. Throughout 2011, IEEP will lead a project supporting the development of this Strategy. The project aims in particular to improve the knowledge base on green infrastructure initiatives carried out throughout Europe, more specifically with regard to their cost and the benefits they deliver for biodiversity and society at large. The project will

propose appropriate indicators to assess the implementation efficiency of green infrastructure initiatives, assess the costs of implementing green infrastructure elements and analyse the environmental, social and economic impacts associated with various policy options that could be included in the future Strategy. This work has important links with work carried out on adaptation to climate change and builds on our work on The Economics of Ecosystems and Biodiversity (TEEB) and the delivery of ecosystem services in the EU (see also the [Danube Study article](#)). The project will run for 12 months and the final results are expected to be available on the IEEP website in early 2012.

Contact: [A.J. McConville](#) and [Leonardo Mazza](#)

Developing an Agri-Environment Programme in Serbia

Located at the heart of the Balkan Peninsula, Serbia's diverse climatic and natural conditions have resulted in great ecosystem diversity, including one of the highest levels of floristic diversity in Europe.

From the hills and mountains of eastern, western and southern Serbia to the central plains, low-intensity farming practices have created and maintained a wealth of important habitats for birds and other wildlife, many of which are of European and global significance. However, moves towards more intensive livestock production mean that grazing in these upland areas has declined and these species-rich grasslands have been invaded by juniper (*Juniperus vaccinium*) and other competitive shrubs, resulting in the loss of biodiversity, including the disappearance of vultures (Egyptian and Griffon Vultures - *Neophron percnopterus* and *Gyps fulvus*).

Serbia is in the process of developing a national strategy and specific agricultural policies for biodiversity protection. With the adoption of various international commitments and the prospect of becoming a member of the EU, the environment is becoming an increasingly important issue on the political agenda.

In 2008, Avalon, IEEP, IUCN and Natura Balkanika started a project to support policy makers and key stakeholders in developing proposals for agri-environment

measures for Serbia, focusing on supporting High Nature Value (HNV) farming - low intensity farming systems that provide high levels of biodiversity - building on experience from similar projects in other new EU Member States, Croatia and Turkey. Over the past two years, the study has facilitated collaboration between government officials, stakeholders and farmers, nationally and in two case study areas, to highlight the important link between certain types of farming and biodiversity.

A publication entitled 'Agri-Environment Programme for Serbia' was launched at a conference in Belgrade in December 2010, organised by IUCN in cooperation with the Ministry of Agriculture and Institute for Nature Conservation. This publication is the first attempt to introduce the concepts of HNV farming and agri-environment policies and payments to a Serbian audience. It highlights that, with appropriate support, HNV farming could be a

central element of sustainable rural development in Serbia, providing a viable economic future and modern quality of life for rural communities.

An English version of the publication can be found [here](#).
Contact: [Kaley Hart](#)



Predicting agricultural land abandonment

Over recent decades substantial areas of the EU have been affected by agricultural abandonment (the complete withdrawal of agricultural management to allow natural succession processes to progress). This is largely a result of declines in the viability of extensive (low input) and small-scale agriculture systems. Such abandonment threatens a range of semi-natural habitats and associated species of High Nature Value (HNV) farmland. But in some locations abandonment could be highly beneficial, particularly in highly fragmented landscapes and where it could provide the opportunity for significant large-scale restoration of non-agricultural habitats (eg re-wilding).

With such mixed impacts, it would be useful to know the likely scale and location of abandonment, to enable identification of and planning for necessary conservation interventions

to reduce detrimental impacts and maximise beneficial opportunities. WWF Netherlands therefore recently contracted IEEP to assess the likelihood of large-scale agricultural abandonment in the EU over the next 20-30 years, and its likely extent and location.

The study reviewed evidence of past land abandonment, identified the drivers behind it and examined projections of abandonment from recent land use modelling studies. Despite significant data limitations the analysis confirmed that in recent decades there has been significant land abandonment in many parts of Europe, primarily where agriculture is less productive (remote and mountainous regions and areas with poor soils and harsh climates). Furthermore, most key drivers of abandonment are expected to remain, and some are likely to intensify, in particular as a result of increasing exposure to global agricultural markets.

Therefore, although the likely future extent of farmland abandonment is highly uncertain, it is considered that abandonment of 3-4 per cent of the total EU land area by 2030 is plausible, amounting to 126,000 – 168,000 km². Such large-scale abandonment may provide opportunities for beneficial restoration of non-agricultural habitats and re-wilding, but it is clear that larger areas of semi-natural habitats of high conservation concern are likely to be at risk.

The findings from the study were reported at the launch of the Rewilding Europe initiative by WWF-Netherlands, ARK Nature, Wild Wonders of Europe, on 18 November in Brussels. Further details of the initiative and the full abandonment study is available from <http://rewildingeurope.com/> as well as the [IEEP website](#).

Contact: [Graham Tucker](#) and [Clunie Keenleyside](#)

IEEP CONFERENCES AND EVENTS

In the coming months IEEP is organising and/or participating in a number of meetings

Technical Expert Workshop: Climate Change and Agriculture – Brussels (Belgium), 7-8 February 2011

This technical workshop, organised by DG Clima, brings together experts from national and international organisations to discuss and share expertise on the extent to which future CAP mechanisms might deliver climate change mitigation and adaptation objectives. Kaley Hart will provide a presentation on the potential climate benefits of the Commission's recent CAP proposals for greening direct payments to farmers. Contact: [Kaley Hart](#)

OPEN:EU workshop on the Footprint Family of indicators & INSTREAM workshop on sustainability indicators (focus on biodiversity) - Brussels (Belgium), 8-9 February 2011

This joint event is part of two FP7 projects: OPEN:EU and INSTREAM and is organised by IEEP and Ecologic Institute Berlin. It will bring together experts, statisticians, policy makers and representatives of civil society to discuss how to improve the use of indicators to assess progress towards economic and sustainability goals. Day 1 will be dedicated to OPEN:EU while Day 2 will centre on INSTREAM, with a focus on biodiversity policy. [Registration](#) is free of charge and open until 31 January. Contact: [Samuela Bassi](#)

INSTREAM workshop on sustainability indicators (focus on resource efficiency) – Prague (Czech Republic), 7 April 2011

This event is part the INSTREAM FP7 project and is organised by the Charles University Environment Center (CUEC). It aims to discuss and share experiences on how to improve the use of indicators to assess progress towards economic and sustainability goals, with a focus on energy efficiency policy. Registration information will be available soon on the [INSTREAM website](#). Contact: [Samuela Bassi](#)

IEEP books and publications

With its publications, IEEP contributes to disseminating information and insights on environmental policy and environment-related topics. The latest releases are:



Proceedings of the 2009 IEEP-EGMONT Conference: 'The external dimension of the EU Sustainable Development Strategy'

In January 2009 IEEP, with the Belgian Royal Institute for International Relations EGMONT, organised a conference on 'The external dimension of the EU Sustainable Development Strategy'. This conference, supported by the Belgian Federal Departments of the Environment and Sustainable Development, brought together experts, officials and stakeholders from EU and non-EU countries to discuss a number of EU policies of significant importance to global sustainable development, and the extent to which the Union is living up to the commitments made in the EU Sustainable Development Strategy (SDS). The papers presented at the conference have been published in a themed issue of *Studia Diplomatica*, the Brussels Journal of International Relations, edited by IEEP Senior Fellow Marc Pallemmaerts.

Marc Pallemmaerts (ed.), *The external dimension of the EU Sustainable Development Strategy, Proceedings of the conference held in Brussels on 29 January 2009*, *Studia Diplomatica* 2009/4.

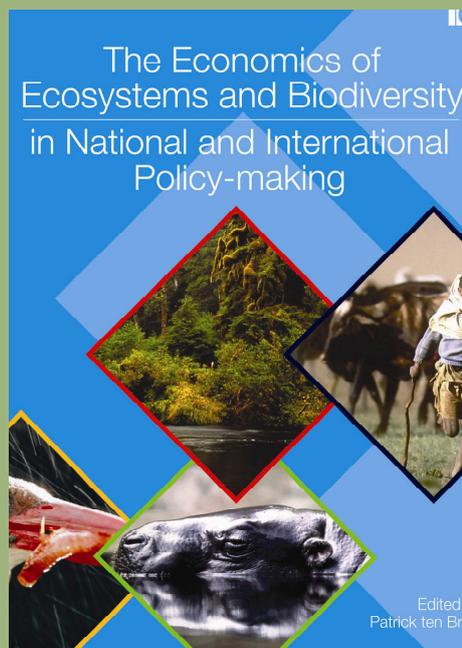
For further details and ordering information, visit the [IEEP website](#).

The Economics of Ecosystems and Biodiversity in National and International Policy Making

In March 2007, at the G8+5 Environment ministers meeting, TEEB: The Economics of Ecosystems and Biodiversity project was set up to provide a comprehensive global assessment of economic aspects of biodiversity and its loss. This book, edited by IEEP Senior Fellow Patrick ten Brink and written by a team of international experts, shows how and why existing prices, markets and policies fail to reflect the true value of ecosystem services and biodiversity and the true cost of ongoing damage. It argues for urgent action and demonstrates the huge range of opportunities already available to respond to the value of nature. It provides authoritative knowledge, rich case studies from across the world and guidance, as well as a toolkit and a way forward to drive the biodiversity conservation agenda for the next decade.

TEEB (2011), *The Economics of Ecosystems and Biodiversity in National and International Policy Making*. Edited by Patrick ten Brink. Earthscan, London and Washington

The book, to be published in March 2011, can be pre-ordered [here](#).



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