

Editorial

# CAP: Starting on a new track



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# CAP: Starting on a new track

By David Baldock



Like the Tour de France, the lengthy process of agreeing a periodic Common Agricultural Policy (CAP) reform has many twists and turns and everyone is exhausted by the conclusion. On this occasion, the European Parliament was an equal player for the first time, adding new layers to the process and a fresh dynamic. It was no mean feat for the Presidency to bring the exercise to a conclusion by the end of June and it would have been a miracle if it had been entirely tidy.

At the outset there were real expectations that a fundamental shift in the CAP would occur to align it more closely to the slogan of “public money for public goods”. While there has been a variety of views on what constitute public goods in this realm there is no question that environmental objectives are at the forefront. The Commission made a serious attempt to shift a significant part of CAP funds in the direction of the environment, choosing to do this by means of a “greening” package in the principal set of payments provided to farmers (Pillar 1 of the CAP), rather than boosting the second, Rural Development Pillar, traditionally the main

vehicle for environmental measures. This carried considerable risks but it was intended to bring a green element to the great majority of European farms.

The outcome does signal a new direction for the CAP and, perhaps surprisingly, the principle of devoting 30 per cent of Pillar 1 payments to green measures is now established. However, the barriers to a true transformation of the policy have been delineated clearly. The rural development budget was reduced more than that for the CAP as a whole and governments were given new scope to shift money from this priority into Pillar 1. Lack of support for rural development in many countries was clearly linked to the need for national governments to provide part of the funding, which is not required in Pillar 1. Changing this crucial budgetary mechanism may be essential if greening is to go further. Within Pillar 1, the lack of consensus over how to spend the €83 billion or so on effective green measures and the desire of many governments to make the obligations as light as possible resulted in an unsatisfactory set of complex compromises. Many farmers have no obligations at all while a minority, mainly larger arable farmers,

will need to change some significant practices.

The deal gives national governments considerable flexibility and those which are committed to focussing more on the environment are able to do so. This gives an opportunity to provide leadership and to give some credence to political rhetoric about a new chapter for the CAP. New approaches can be deployed and there is a welcome commitment to monitoring so that the lessons can be learned and the evidence base for a more focussed CAP strengthened. An early review of how the new approach is working would be valuable so that a genuine stock taking can take place by 2017 around the time that the whole EU Budget is reviewed. The environmental community has been frustrated and disappointed by the dilution of the environmental requirements since the Commission proposal first appeared. However, agriculture is not the only realm where the environmental ambition is in check. This reform might best be seen more as a dress rehearsal for more fundamental changes to come than as a durable new model.

# Shortfalls in EU marine litter policy



*An IEEP study for Seas At Risk has identified deficiencies in EU level instruments in tackling marine litter. More could be done to increase the ambition of Member States' implementation of the Marine Strategy Framework Directive, and to improve waste legislation and its implementation.*

**M**arine litter is of increasing concern, and is widely recognised to result in negative ecological, social and economic impacts such as the entanglement of protected marine species or losses in tourism revenue due to litter-strewn beaches.

A recent IEEP study has analysed many different pieces of EU legislation to determine their relevance to marine litter, examining their deficiencies and gaps, and proposing options for improvement. Generally the gaps consist of the need for better

implementation and enforcement, and increased ambition of current requirements.

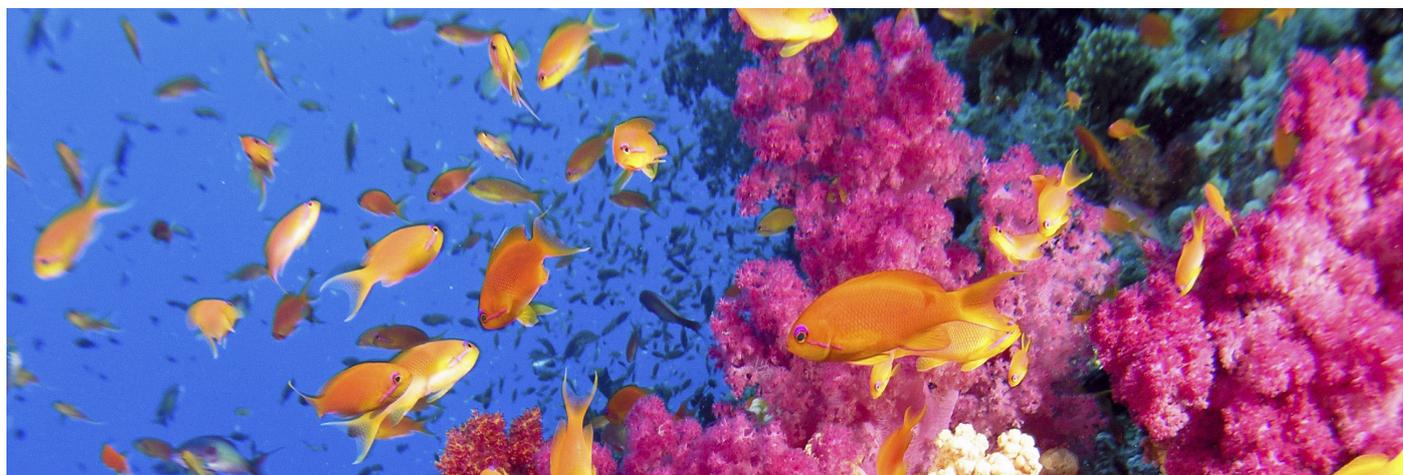
Focusing on improving the existing instruments, priority policy areas for action were identified, including increasing the ambition of Member States' implementation of the Marine Strategy Framework Directive (MSFD) and improving waste legislation and its implementation.

So far Member State implementation of the MSFD has been inconsistent and unambitious, but despite uncertainties and information shortages, regional and national case studies have shown that targets can be set and measures implemented that will have a significant impact on marine litter. In the longer term an EU wide target for marine litter as required by the 7th EAP should be set and incorporated into the Directive.

The concept of litter is scarcely mentioned in existing waste legislation. Incorporating the concept into the Waste Framework and Packaging Waste Directives could be an important step towards ensuring that legislation addresses the issue. Now is a good time to argue for action, given the prominence of resource efficiency on the EU policy agenda and the ongoing wide-ranging review of EU waste legislation. If marine litter can be placed on the agenda of these discussions, significant progress could be made to raise awareness and improve waste policy.

The IEEP report will be launched shortly.

# Mobilising resources for global biodiversity conservation



*An upcoming IEEP study finds that global foreign investment can play an important strategic role in leveraging funding for biodiversity from sectoral budgets, helping developing countries to implement the 2020 biodiversity targets.*

**T**he adoption of new global biodiversity targets for 2020 (the **Aichi Biodiversity Targets**) leaves us questioning how to find the resources for their implementation. This is especially the case in developing countries, which are estimated to need between **US\$74 and 191 billion between 2014 and 2018** to implement the targets. However the resources mobilised to protect biodiversity across the world are only a fraction of these needs: a recent assessment suggests that current global funding for biodiversity and ecosystem services is little over **US\$50 billion per year**.

The EU and other developed countries, while battling against the dire economic climate and diminishing direct public funding for biodiversity, are now looking for ways to support developing countries to fulfill their global commitments. With additional resources dedicated to conservation being in low supply, mobilisation of resources for biodiversity from existing sectoral funding sources, e.g. for sectors such as agriculture, forestry, fisheries, tourism and climate change, has become a global priority.

To support the efforts for sectoral resource mobilisation, IEEP is currently working with PBL Netherland's Environmental Assessment Agency to explore the further potential for coupling the implementation of global biodiversity targets with sector-oriented funding flows and investment in developing countries. The results of this study, to

be published in August, indicate that there are several opportunities for mobilising resources for biodiversity under different sectors. While domestic funding is the largest source for almost all sectors, foreign investment can play an important strategic role in 'greening' sectors, including leveraging funding for biodiversity. Foreign investment – both public and private alike – can help to pioneer novel and innovative approaches and instruments within different sectors, proving their cost-effectiveness and facilitating further uptake supported by domestic investment.

# Biofuels and indirect land use change - Q&A



*Determining how to improve the sustainability of EU biofuels is a contentious issue, raising a broad set of issues impacting on many policy areas, including energy, transport, waste, agriculture and trade. IEEP helps to bring clarity to some of the questions arising in an attempt to move the policy in a more sustainable direction.*

IEEP's Biofuel Exchange team seeks to bring clarity to a number of contentious issues relating to the Commission's proposal to mitigate Indirect Land Use Change (ILUC) resulting from the use of transport biofuels to feed into the policy debate. Our most recent [Biofuel ExChange briefing](#) addresses questions such as 'is there enough land in the EU on which to grow biofuels?', 'can we use marginal land?', 'do co-products (the leftovers after a biofuel is produced) have

a role in mitigating ILUC?'. It also looks at wider questions dealing with model interpretations, food prices and employment. The answers are not always clear-cut, but they are based on a review of the most recent information.

In thinking through these questions it is clear that biofuels are only one part of the story and no silver bullet is available to decarbonise the EU transport sector. In a [separate briefing](#) we reflect on our research in this area and propose a way forward for EU biofuels policy to 2020 and 2030. If renewable energy in transport is to be truly sustainable, it is proposed that to 2020 we should phase out support for land based biofuels and seek out genuinely sustainable feedstocks. This should involve assessing overall GHG emissions and any impacts resulting from feedstock's diversion for energy as opposed to other uses it may have. Beyond 2020, policy solutions should be

developed to mitigate ILUC more directly as well as adopting wider measures to help decarbonise EU transport. Such measures could include ending biofuel volume targets, reinforcing vehicle CO2 legislation and improving support for alternative and low carbon fuels such as electricity and hydrogen.

Biofuels policy has shown that, whatever choices are made, their implications must be understood fully in order to provide long-term sustainable solutions, support industry and set EU biofuels policy on a more sustainable trajectory.

# IEEP builds capacity in mainstreaming nature's values



*IEEP has been involved in a range of projects to provide policy-makers with further guidance and support in integrating and responding to the values of nature in policy-making. This has led to the publication of reports a series of webinars targeted at different audiences.*

In May 2013 a **Guidance Manual for TEEB Country Studies (TCS)** was published, providing policy-makers with a step-by-step approach to undertaking a TEEB-type assessment. Co-authored by IEEP staff, the Manual is for anyone who is considering or currently undertaking a TEEB country study. Its purpose is to provide guidance throughout the entire TCS cycle, from initiation to policy analysis and ecosystem service valuations, communicating findings, and using results to support decision-making. In the context of another project,

IEEP supported the development of a **Roadmap and a Guidance document on incorporating biodiversity and ecosystem service values into national biodiversity strategies and action plans (NBSAP's)**, together with the delivery of a series of **NBSAP Capacity Building Webinars**. The reports and webinars are aimed in particular at supporting NBSAP practitioners in incorporating the values of biodiversity into revised NBSAPs and developing a better understanding of the different tools at their disposal.

IEEP has also recently finalised **The Guide to Multi-benefit Cohesion Policy Investments in Nature and Green Infrastructures for DG Regional and Urban Policy**. The guide is aimed at all stakeholders engaged in Cohesion Policy and its implementation - those who are developing the partnership agreements and operational programmes, those who set regional objectives, plans and

processes, and those who select, assess and implement major projects. It should also be useful for a wider set of stakeholders as it addresses issues such as water security, climate change, health, wellbeing and culture; all areas where the interface between nature and Cohesion Policy can contribute to meeting objectives. The Guide should be available in September 2013.

# IEEP Events and Conferences



## **Policy mixes for resource efficiency in Europe: Lessons learned and ways forward - Brussels, 24-25 October 2013**

This is the second Policy Platform event organised through the FP7 DYNAMIX project existing policy mixes addressing natural resources will be presented, and discussions will be launched on potential policy mixes to help the EU to achieve absolute decoupling between economic performance and resource use and its environmental impacts.

**Contact: Doreen Fedrigo-Fazio**

## **Annual international ESP conference 2013 - Bali, Indonesia, 26-30 August 2013**

The annual conference of the Ecosystem Service Partnership will be celebrated in Bali this year. IEEP will present the TEEB Water and Wetland report in a dedicated workshop. The institute is also co-organising and will participate in the post-conference training session “Mainstreaming the Values of Water and Wetlands into the Decision-making Process”. [For further details click here.](#)

**Contact: Daniela Russi**

## **The wetland futures 2013 conference - York, 1-2 October 2013**

The Wetland Futures conference is run bi-annually as a forum to bring the wetland management community together to facilitate more collaborative working and expose practitioners to the best and latest thinking in the field. The theme for this year’s conference is “The Value of Healthy Wetlands”, and the presentations will focus on ecosystem service provision from wetlands and exploring ways to mainstream this thinking into and beyond the wetland management community. The IEEP will present the TEEB Water and Wetland report.

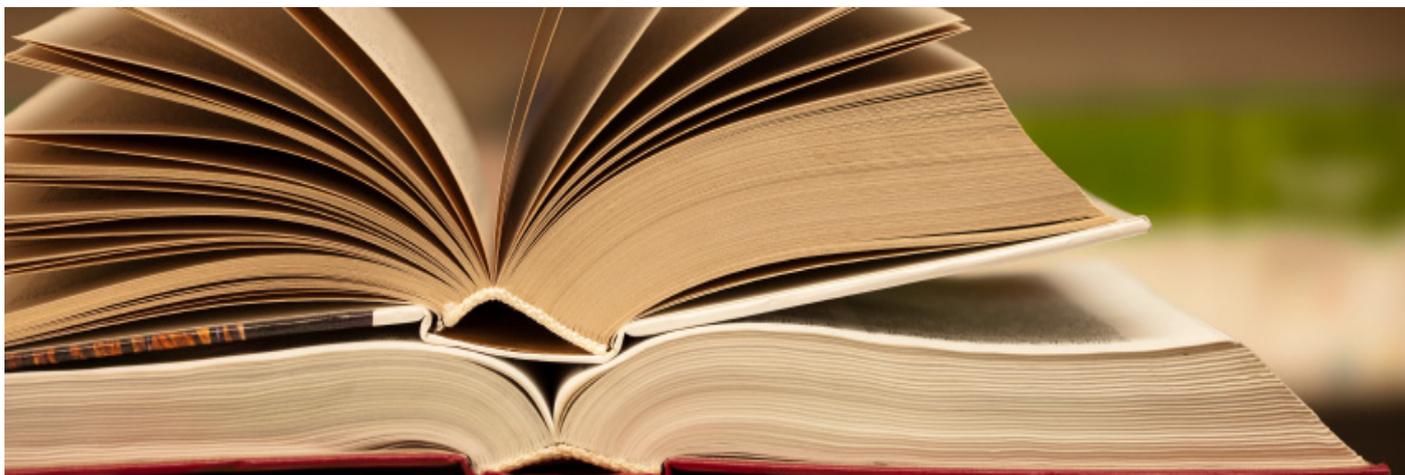
**Contact: Daniela Russi**

## **Sustainable management of natural resources with a focus on water and agriculture - European Parliament, Altiero Spineli building, Brussels, 16 October 2013 - 14:30-16:30)**

Presentation of the findings of the STOA study ‘Sustainable management of natural resources, with a focus on water and agriculture’, followed by a Panel discussion. [For further details click here.](#)

**Contact: Jana Poláková**

# IEEP Books and Publications



## **Natural capital in a Nordic context** - 18 June 2013

A report for the Nordic Council of Ministers reviewing five different approaches to natural capital accounting and exploring their links with biodiversity and ecosystems.

**Authors:** Tiina Pursula, Sanna Ahvenharju, Marika Bröckl, Patrick ten Brink, Leonardo Mazza

## **Incorporating biodiversity and ecosystem service values into national strategies and action plans** -

04 June 2013

This guidance document has been prepared to support practitioners of National Biodiversity Strategies and Action Plans to update their plans to incorporate biodiversity and ecosystem service values. Six in depth country case studies provide common lessons of good practice.

**Authors:** Leonardo Mazza, Claire Brown, Cristina Secades, Hollie Booth, Anna Chenery, Patrick ten Brink

## **Shifting away from conventional biofuels** - 15

May 2013

The UK has ample potential to use wastes and residues for advanced biofuels and create jobs in this emerging industry – but safeguards are key to ensure this is done in an environmentally sustainable way.

**Authors:** Bettina Kretschmer, Ben Allen, Daniel Kieve, Claire Smith

## **Land as an Environmental Resource** - 01 May 2013

How can we meet the different and often conflicting demands we make on our limited supply of rural land in Europe? A more strategic approach to the way in which land is used is needed than has been the case in the past. This report for DG Environment looks at the data, the challenges and the policy options for Europe.

**Authors:** Kaley Hart, Ben Allen, Marcus Lindner, Clunie Keenleyside, Paul Burgess, Janette Eggers, Allan Buckwell



Editors: Emma Watkins and  
Stephanie Newman

Production: Stephanie Newman  
and Joana Aguas

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