



Editorial

On the path to a circular economy

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On the path to a circular economy

Editorial by David Baldock



Amongst the many questions raised by the European elections, few alighted on the EU's role in addressing some of the more fundamental global challenges or its potential to be a pathfinder on the environmental stage. Against this background it was a relief that the Commission was not deterred from publishing the delayed package of measures on waste policy and the Circular Economy. Whilst presented in the closing stages of the current Commission's term in office, it signals a willingness to keep alive an important agenda, including the Roadmap to a Resource Efficient Europe, conveying some more visionary ideas and providing a pertinent dossier to the incoming European institutions.

Attaching the resource efficiency agenda to the EU's economic recovery programme - the Europe 2020 Strategy - and developing the Roadmap, was perhaps the most strategic achievement of Janez Potočnik and his colleagues in DG Environment during a challenging period at the Commission. There is a crucial role for the EU in providing both a strategic direction and a coherent economic framework

for a more resource efficient society and the transition to a truly Circular Economy in which re-use, remanufacture, repair and recycling become the norm and 'waste is a thing of the past'. Circularity requires a new mind set and an innovative approach to the design and utilisation of resources which can be achieved only by the mobilisation of a large number of different public and private actors and institutions from design schools to local authorities. However, individual governments are unlikely to have the capacity or political courage to move ahead on their own. Well crafted support measures from the EU will be required and the Commission's new package opens up this prospect in a helpful way.

At the same time it would be an error to distract attention from the need to press for implementation of some of the less successful elements in EU environmental policy by focussing only on the next generation of initiatives. Proposed targets to recycle 70 per cent of municipal waste and 80 per cent of packaging waste by 2030 and to phase out landfill of recyclable waste by 2025 are key elements in the package of measures. There

is strong evidence to support the Commission's claims that there are real opportunities to create new jobs in this sector by improving our level of ambition as well as implementing existing measures more effectively.

The package also includes Communications on green employment, a green action plan for SMEs and specific challenges for improving efficiency in the building sector. It is to be hoped that this agenda achieves real purchase with the incoming Commission and the other European institutions. It was unfortunate that the anticipated Communication on sustainable food seems to have disappeared from the package late in the day, although a new target to reduce food waste by at least 30 per cent between 2017 and 2025 is included in the proposals on waste. There is also plenty of room for debating some of the specific proposals in the package including the need for more precise and ambitious resource efficiency targets. Nonetheless this was a forward looking announcement and an appropriate end note for a period in which the recession has been dominant and progress towards a green economy has been patchy.

CAP failing to support High Nature Value farming – new report provides evidence



Member States need to make the most of the opportunities under the new Common Agricultural Policy if the declines in High Nature Value farming, critical for meeting our 2020 biodiversity targets, are to be halted.

A new report for the European Commission, prepared by IEEP with the help of the European Forum on Nature Conservation and Pastoralism (EFNCP) and national experts, shows that the EU has failed to deliver on its commitments to support High Nature Value (HNV) farming through the 2007-13 Common Agricultural Policy (CAP). A few Member States, such as Romania, have quite ambitious measures that support HNV farming on a large scale, yet in other countries the way the CAP is implemented (both Pillar 1 and rural

development measures) means some HNV livestock farmers would actually be better off if they stopped HNV farming altogether.

The report highlights the need to make the continuation of HNV farming an economically rational choice for farmers in the face of pressures of abandonment, intensification and afforestation. One key issue is for Member States, as they finalise their CAP implementation decisions for 2015-20, to think very carefully about how HNV farmers' decisions are driven by the combined effect on an HNV farm of all the different CAP payments, from Pillar 1 direct payments to highly targeted agri-environment-climate schemes.

The report highlights the urgent need for the European Commission to gather much better data about HNV farming, and also to encourage research

on the agricultural and economic aspects of HNV farming systems. Equally frustrating is that CAP expenditure data is currently compiled in a way that makes it impossible to find out how much CAP support is being directed towards HNV farming at EU, Member State or regional level. The report suggests cost-effective ways of improving HNV farming data.

During the coming months, IEEP and EFNCP researchers who led this study will contribute to the work of DG Agriculture's European Innovation Partnership Focus Group examining 'How to make HNV farming more profitable without losing the HNV characteristics?'

For more information contact:
Clunie Keenleyside

Paying the Polluter - Environmentally Harmful Subsidies and their Reform



A new book edited by Frans Oosterhuis (IVM) and Patrick ten Brink (IEEP) provides a timely contribution to discussions on how to reform environmentally harmful subsidies.

A number of commitments to reform environmentally harmful subsidies (EHS) have been adopted in recent years at both international and national levels. The economic downturn, the need for budget cuts and fiscal discipline have added further momentum to this agenda. However, despite efforts to date and a growing recognition of the need to reform such subsidies, the overall level of global subsidies remains substantial. In most sectors, EHS reform is at an early stage, a number of barriers remain and efforts need to

be further strengthened and accelerated if substantial progress is to be made.

'Paying the Polluter - Environmentally Harmful Subsidies and their Reform', edited by Frans Oosterhuis (IVM) and Patrick ten Brink (IEEP), brings together contributions from leading international experts in the field. The book explores a number of key issues including how to identify and measure EHS, how to assess impacts and potential benefits of reform, barriers and opportunities to reform, lessons learnt across different sectors, and practical toolkits to support reform. It is aimed at policy makers and their advisors as well as think tanks, academics, NGOs and other actors interested in the issue.

The book builds on IEEP's work on EHS reform in general and in a number of specific areas

including transport, energy, agriculture, fisheries and biodiversity. We hope it will contribute to the momentum on reforming EHS in Europe and beyond.

For further details and to order a copy of the book, please visit the [Edward Elgar website](#).

For more details on IEEP's work on EHS please contact:
[Patrick ten Brink](#) or
[Sirini Withana](#)

Developing guidance on extended producer responsibility



Extended producer responsibility enforces responsibility on producers for the waste management costs of their products at the end of their useful life. IEEP contributed to a recent study, published alongside the Commission's 'Circular Economy Package', that has developed a set of 'guiding principles' for the design of successful EPR schemes.

Extended producer responsibility (EPR) is the concept by which producers of products are held financially and/or logistically responsible for the waste management costs of their products at the end of their useful life. The concept is embedded in several EU waste directives, and is widely applied across the EU to various waste streams. Producers typically pay fees to collective organisations, known as 'producer responsibility

organisations', to fulfil their obligations.

IEEP contributed to a [recent study](#), published alongside the Commission's 'Circular Economy Package' and led by BIO by Deloitte, on developing guidance on EPR.

The [study](#) investigated existing EPR schemes in the EU Member States. Thirty-six detailed case studies were carried out, looking at schemes for batteries, waste electrical and electronic equipment (WEEE), end-of-life vehicles (ELV), packaging, paper and oils in 16 EU Member States and Switzerland. Information was gathered on the collection and recycling rates achieved by schemes, the cost of schemes (fees paid by producers and cost per tonne of waste recycled) and the design characteristics of successful schemes.

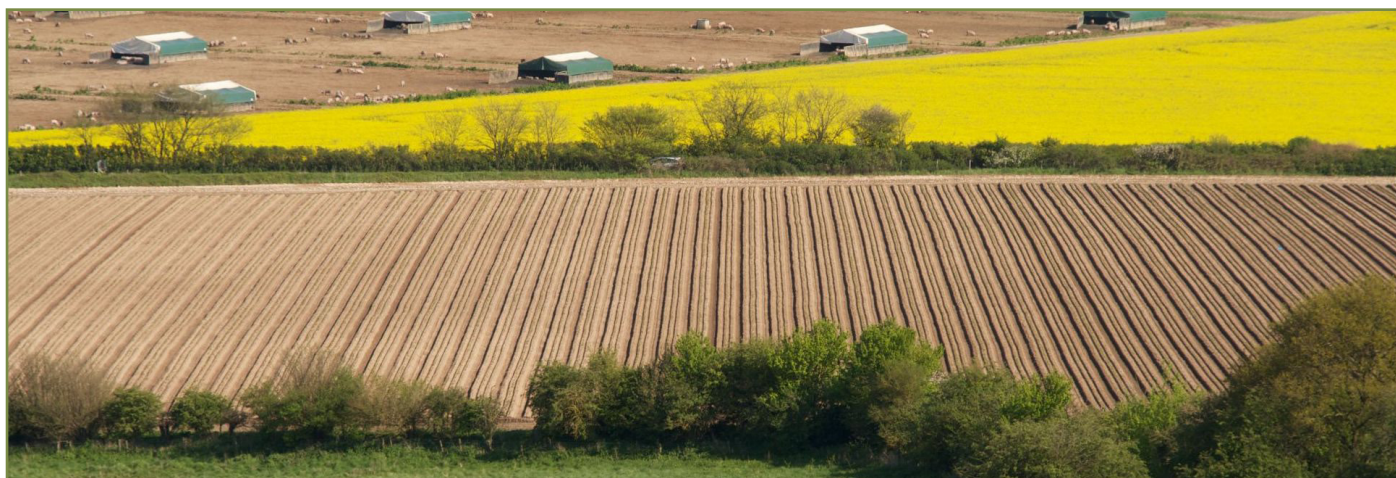
Some interesting conclusions were drawn: the best performing

schemes are not necessarily the most expensive; fees paid by producers vary greatly for all types of waste products; and there can be no single one-size-fits-all model for EPR schemes.

Nevertheless, a set of 'guiding principles' was drawn up to assist with the design of future schemes. These include: the need for a clear definition of the EPR concept and its objectives (including at EU level) and the responsibilities of all actors involved in a product's life cycle; the greatest possible coverage by schemes of the costs of separate collection and treatment of waste products (to be reflected in the fees paid by producers for joining EPR schemes); the need for a clear and stable framework for competition and monitoring of schemes; and the need for greater transparency on the performances and costs of EPR schemes.

For more information contact:
[Emma Watkins](#)

Space for energy crops – spare land or undervalued resource?



Based on a review of the available evidence, IEEP's report 'Space for energy crops' challenges the common perception that significant amounts of 'spare' land on European farms exist that could be mobilised quickly or sustainably to produce biomass from dedicated energy crops.

Biofuels and bioenergy producers continue to look to energy crops to meet a large proportion of Europe's renewable energy needs in the short to medium term. One question facing the EU therefore is how much land is available for growing these crops, and what are the consequences of doing so. This is the focus of a recent IEEP report for BirdLife, the European Environmental Bureau and Transport and Environment entitled 'Space for energy crops – An assessment on the potential contribution of Europe's energy future'.

With smart phones and satellite navigation systems one might think that this is an easy question to answer, but quantifying the precise extent and nature of the EU's land resource remains a complex and uncertain exercise. It is extremely difficult to identify the various types of uses being applied to different areas of land, due to a lack of up-to-date and consistent data.

It would be misleading to say that there are no areas of land that could be used for additional energy crop production. Passing through the countryside, all sorts of areas of land may appear to be sitting idle - a field corner, a bit of scrub, a field without a crop in it. But these usually exist for good reason. Either they are necessary as part of normal production approaches (such as fallow land) or may be difficult to get to, hard to manage or economically unviable. Rather than idle, these areas often play an important role, for example providing recreational areas, sequestering

carbon or providing space for wildlife. As a result, even if it were technically feasible to bring all these areas of land into cultivation, there would be environmental, economic and social consequences.

Finding space to grow the biomass that Europe needs to meet its renewable energy requirements is a very real challenge. The perception persists that there is plenty of 'spare' land just waiting to be used. However, our review of the data suggests that the area that is both feasible and sustainable to use is fairly limited. Until we recognise that there is relatively little spare land available to meet our growing demands sustainably, and that its increased use for production will have consequences, we risk undermining not only our ambitions for low carbon energy, but also Europe's future bioeconomy.

For more information contact:
Ben Allen

Environmental tax reform in Europe – what next?



An IEEP report for the Dutch Government explores opportunities for further greening taxation in Europe and how voluntary cooperation and coordination between countries in certain areas can help drive the agenda forward.

There is growing use of environmental taxes in Europe and a new momentum behind the environmental tax reform (ETR) agenda. When carefully designed, such instruments can support objectives related to the economy (e.g. government revenues, innovation and employment), society (e.g. health and income distribution) and the environment (e.g. efficient resource use and energy security).

How these instruments are designed influences their effectiveness and overall impact, which to date has been relatively small, leading to marginal changes in the tax system and incentives in the economy as a whole. There remains scope for the wider application and more effective use of such instruments. However, progress is often held back by various obstacles including concerns over competitiveness impacts, public resistance to new taxes and the political costs of action. In some cases, a country's efforts on environmental taxation have been hindered or complicated by a lack of action in others.

Against this backdrop, the Ministry of Infrastructure and the Environment of the Netherlands (IenM) contracted IEEP to carry out a study on '[Environmental Tax Reform in Europe: Opportunities for the future](#)'. This scoping

study indicates that there is appetite among certain European countries (and relevant actors) for some form of voluntary cooperation and coordination on environmental taxes and ETR. It sets out some initial proposals to establish 'coalitions of like-minded countries' in a number of thematic areas, and how to engage actors and take this initiative forward in the years ahead.

For more information contact:
[Sirini Withana](#) or
[Patrick ten Brink](#)

Financing Natura 2000 from the EU budget



Multiple opportunities are available from EU funds for supporting Natura 2000 up to 2020, but it remains to be seen whether the uptake of funding in the national and regional contexts will match the opportunities provided at the EU level.

During the past year IEEP, together with WWF and ICF GHK, have been supporting the European Commission in its endeavours to ensure the integration of Natura 2000 into the 2014-2020 EU budget. The key outcome – an updated Financing Natura 2000 Guidance Handbook – will be published soon, with a view to informing national stakeholders about opportunities for financing the management of Natura 2000 sites.

Multiple opportunities are available from EU funds during

the 2014-2020 period. The European Agricultural Fund for Rural Development (EAFRD) will continue to be a key instrument for financing in rural areas. The scope of the European Marine and Fisheries Fund (EMFF) has been broadened beyond fisheries, opening up a number of opportunities for financing the management, restoration and monitoring of marine Natura 2000 sites. Dedicated support for the protection of biodiversity and ecosystem services, including Natura 2000, is also possible under the European Regional Development Fund (ERDF) and Cohesion Fund (CP). These funds also support a range of activities on broader sustainable regional development, with possible indirect links to Natura 2000 management. Finally, LIFE will fund initiatives aimed at halting and reversing biodiversity loss, including support of the Natura 2000 network.

Member States continue to retain

a substantial degree of flexibility regarding which EU-level priorities are taken up. Consequently, the funding priorities available for biodiversity at the EU level do not necessarily become explicitly available in the Member States. For instance, national prioritisation of ERDF and CP is primarily focused on areas such as research and development, employment (including SMEs) and low-carbon economy. It will therefore be important to establish the synergies between the investment in biodiversity and other EU policy objectives, in particular the overall objective of growth and jobs. This of course is not straightforward, and therefore it remains to be seen whether – and to what extent – the uptake of funding for Natura 2000 in the national and regional contexts will match the opportunities provided at the EU level.

For more information contact:
Marianne Kettunen

In memory of Marc Pallemmaerts



4th September 1960
to 2nd May 2014

Europe has lost one of its most respected and able environmental lawyers and committed advocates for environmental justice with the death of Marc Pallemmaerts, very sadly at the age of only 53. Marc combined many roles as an academic, active policy maker and advocate, analyst, mentor and most recently as Special Rapporteur to the UN Human Rights Council. He was also a valued member of the IEEP team. Marc joined the institute as a Senior Fellow in the Brussels office in December 2005 and held a number of senior positions, until recently being the Head of the Global Issues and External Action Programme.

Marc was an inspiring, supportive and rigorous colleague. For many years he was a pillar of the institute, with astute insights into innumerable aspects of environmental law and European policy. We all benefitted from his distinctive combination of clarity, fearlessness, undeterred persistence and almost shy charm. He will be greatly missed, within and beyond the institute.

To read our [full length obituary](#) for Marc please visit the [IEEP website](#).

IEEP Conferences and Events



Results-based agri-environment schemes: payments for biodiversity achievements in agriculture

Brussels, 23-24 September 2014

This conference forms part of study being carried out for the European Commission and European Parliament. Aimed at those involved in scheme design and implementation, the conference will bring together experts, practitioners, decision makers and scheme designers to review and assess the current result-based agri- environment payment schemes in operation in the EU and EFTA countries, and to provide input into how such approaches could be developed in the future.

Contact: [Ben Allen](#) or [Henrietta Menadue](#)

15th Global Conference on Environmental Taxation (GCET)

Copenhagen, 24-26 September 2014

IEEP will present the results of a recent study for the Dutch Government on [Environmental Tax Reform in Europe: Opportunities for the future](#) at the 15th GCET. The conference will focus on environmental taxation and emissions trading in an era of climate change and is hosted by Aarhus University. For more information, please visit the [conference website](#).

Contact: [Sirini Withana](#) and [Patrick ten Brink](#)

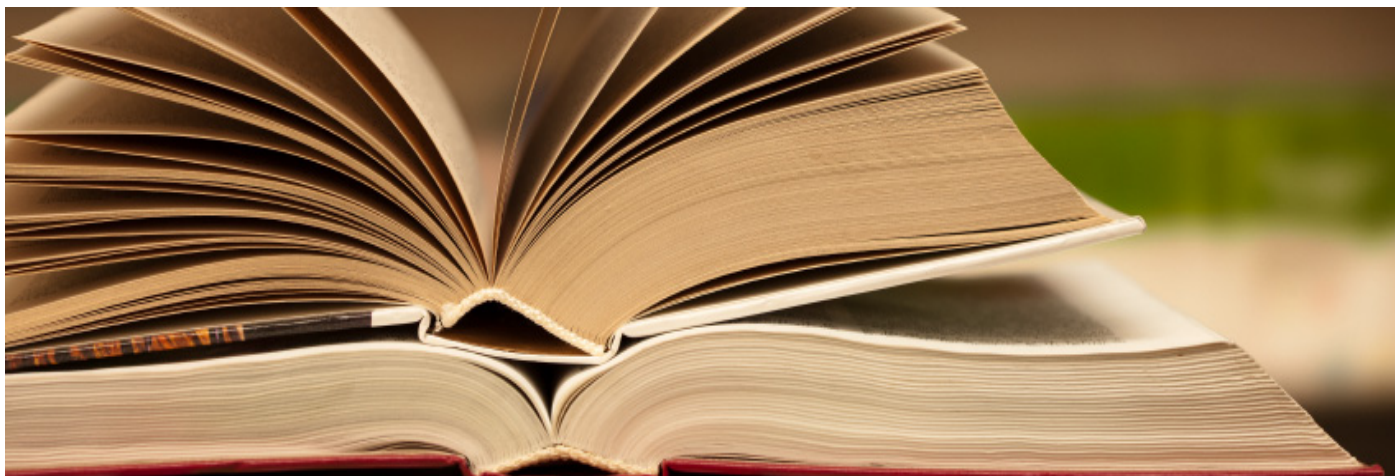
Workshop on developing a methodology for tracking biodiversity-related expenditure in the EU budget

Brussels, 30 September 2014

IEEP together with ICF International will be hosting a workshop as part of to support its study for the European Commission to support an ongoing study on tracking biodiversity-related expenditure in the EU budget. This will provide an opportunity to find out about and to comment on the new guidelines proposed by the project team to support the Commission's initiative. The workshop will look to engage in particular those with a particular interest of tracking methodologies, including representatives of international organisations, the European Commission, Members States as well as NGOs and sectoral groups.

Contact: [Andrea Illes](#)/[A.J. McConville](#)

IEEP Books and Publications



Environmental Tax Reform in Europe: Opportunities for the future

05 June 2014

A new study by IEEP assesses the current state of play with environmental taxes in Europe, explores where further greening taxation could be appropriate and how to drive this agenda forward through 'coalitions of like-minded countries'.

Instruments for financing action on invasive alien species in Finland

03 June 2014

A range of examples exist around the world on innovative instruments that can finance, cover or recover the costs of policy action on invasive alien species. A review by IEEP and partners identifies a number of such examples and assesses their pros and cons.

Paying the Polluter - Environmentally Harmful Subsidies and their Reform

27 May 2014

This new book edited by F. Oosterhuis (IVM) and P. ten Brink (IEEP) provides insights on the scale and impact of environmentally harmful subsidies (EHS), the importance of reforming such subsidies, examples of successful reform and their benefits, lessons learned and tools to support reform efforts.

Space for energy crops – An assessment on the potential contribution of Europe's energy future

21 May 2014

The overall energy potential that can be produced from growing dedicated energy crops on 'spare' land in the EU is low. This new report explores the potential for the additional production of energy crops in Europe on land not already used for food production, forestry, or providing other important services, and assesses some of the challenges associated with increasing output.

High Nature Value farming throughout EU-27 and its financial support under the CAP

16 May 2014

This study reviews Member States' estimates of the extent of HNV farmland and use of RDP measures and the CMEF indicators, then identifies future priorities for CAP support for HNV farming and discusses the support opportunities under the reformed CAP. It offers detailed new evidence about the combined effect of Pillar 1 and Pillar 2 CAP payments on the economic and environmental viability of a typical HNV farming system in three Member States.



Editors: **Emma Watkins** and
Stephanie Newman

Production: Stephanie Newman
Design: Joana Aguas

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