

Welcome to the autumn edition of the IEEP Newsletter

By David Baldock (Director of IEEP)

In the coming winter a Health Check is due to be performed on the Common Agricultural Policy (CAP). This is not so much a recognition that the policy has hit middle age as a signal from the Commission that nothing too radical is envisaged. Many governments felt ambushed by Franz Fischler in 2003 when he launched an ambitious reform under the innocuous title of a 'Mid Term Review'. Several of Fischler's proposals were trimmed back by Member States at the time and some have reappeared in the leaked version of the proposals due to be released in November. These emphasise the need to simplify, tidy up and make measured adjustments rather than seek fundamental changes.

The leaked Health Check proposals address some important questions, like the case for transferring more funds from general support for agriculture into more targeted rural development and environmental measures in 'Pillar II' of the CAP. Some run in an environmental direction, others do not. One concern is the proposed abolition of compulsory set aside on arable farms is logical enough in agricultural terms with the current shortage of cereals. However, this is an inconvenient truth that set aside has been a much greater environmental benefit than expected, as is shown by the evidence on farmland birds. If it is abolished there will need to be effective compensatory measures to prevent a further wedge of intensive production in the countryside with more pressure on biodiversity and water quality.



Those looking further ahead and considering how the CAP will respond to the coming EU budget debate, the new push for biofuels and the related increase in many commodity prices seem likely to be disappointed.

Yet these questions are increasingly urgent in the face of changing priorities and growing competition for resources. There are many benefits to be won from a sustainable European farm and rural policy but this involves a bigger challenge to the status quo than seems likely this winter. The Health Check is only a start.

David Baldock, Director

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Our first Nobel Prize... We would like to congratulate Jason Anderson, who was one of the worldwide family of IPCC scientists and experts who shared the Nobel Peace Prize with Al Gore this month

1. Towards a greener EU budget?

The EU budget has always been a sensitive issue for British Prime Ministers. Margaret Thatcher famously shocked her EU colleagues in the early 1980s by demanding 'our money back'. During the 2005 UK Presidency Tony Blair kept up the tradition by dismissing the Community budget as a 'throwback to the 1950s' and generally 'unfit for purpose'.

With the help of MEPs, Blair succeeded in getting agreement to a fundamental review of what the EU spends its money on, and where the money comes from. The review at last got underway at the end of September, with Commission President Barroso promising a 'no taboos' debate and 'a once in a generation opportunity to make a reform of the budget and also a reform of the way we work'. Concrete Commission proposals for budget reform are due in late 2008 or early 2009.

What the EU does - and doesn't - spend its money on has a big impact on the environment, and so over the last few months IEEP has been helping DEFRA's EU and International Strategy Team, and Natural England, to develop their contributions to the 'no taboos' debate. The UK Treasury has set out a few principles that it says should govern the upcoming budget review, and David Wilkinson, David Baldock and Martin Farmer have been unpacking what these might mean for future environment-related EU spending. With the launch of the CAP 'Health Check' expected next month, EU spending patterns will be high on the agenda over the coming months, and IEEP will make sure its voice continues to be heard in this crucial debate.

Contact: David Wilkinson

2. The role of car use in the twin crises of increasing obesity and CO2 emissions

The relationship between obesity and climate change is unusual but real. Growth in car travel is a major determinant of the decline in regular physical activity, contributing to a 'lose-lose' situation of rising obesity combined with bigger carbon emissions. A report recently published by IEEP and Adrian Davis Associates has sought to demonstrate that two of the main challenges facing the UK in health and the environment have common origins and some common solutions.

The report analysed patterns of car use, cycling and walking to calculate how a shift from fossil power to muscle power could influence the twin crises. It found that by returning to the walking patterns of 30 years ago, when car ownership was less common people could help save up to 11 MtCO₂ (15.4% of total emissions from passenger cars in the UK) and greatly reduce the chances of becoming obese. Just by walking one hour more during the week, an individual could avoid an average weight gain of 1.22 kilos (2lb 11oz) each year, which over 20-30 years could lead to an obese body weight.

More regular walking to work, to the shops and for escorting children to school could therefore be an important part of national programmes to fight climate change and obesity. The report argues that the costs of such programmes are likely to be dwarfed by those that will be caused by inactivity, ill-health and premature death from obesity - estimated at £8.2 billion (€12bn) per year for the UK.

The report provides a good case study for policy makers around Europe, as it suggests a simple and relatively inexpensive way to tackle the two linked crises. The research has also struck a chord with the wider public, as it attracted a significant amount of coverage in the print and broadcast media. It is available on IEEP's website (www.ieep.eu).

Contact: Malcolm Fergusson and Carolina Valsecchi

3. Delivering Biodiversity: Indicators of High Nature Value Farmland

Proposals under the CAP Health Check to increase the rate of compulsory modulation to 13% in 2013 and to cap farm Single Payments in excess of €100,000, are likely to mean that more money will be available within Pillar Two of the CAP, a major part of which supports agri-environment schemes in the Member States. At the same time however, the calls on rural development programmes are set to expand, with climate change being presented as an emergent challenge. A clear focus on biodiversity objectives needs to be maintained if we are to have any chance of halting the loss of biodiversity by 2010.

One way to do this is through the maintenance of High Nature Value farming, one of the Community's strategic objectives within the sphere of rural development. The HNV concept, which was first coined by a group of IEEP researchers in the early 1990s, has proved both evocative and elusive. It clearly communicated the link between certain types of farming activity – typically low intensity, low input systems with high structural diversity – with the presence of high levels of biodiversity. And yet, HNV farming is difficult to identify, measure and map. Given its strategic importance, Member States are obliged to monitor changes in the extent and condition of HNV farmland over the course of their current rural development programmes and to assess the impact of policy measures on this resource.

A study by IEEP for DG Agriculture develops indicators for use in monitoring HNV farming, and these are set out in a Guidance Document for Member States. Identifying and characterising HNV farming, and assessing the effectiveness of policy measures in maintaining it, will prove critical if we are to honour our biodiversity commitments.

For further information on the study, the indicators and the Guidance Document for Member States, please contact Tamsin Cooper

Contact: Tamsin Cooper

4. Tempest in a teapot or canary in the coalmine? The hard road to replacing fluorocarbons

The three groups of fluorocarbons (F-gases) covered by the Kyoto protocol (HFCs, PFCs and SF6) may represent only a couple of percent of total greenhouse gas emissions, but they probably have the highest ratio of acrimony to radiative forcing of any substance. Coming on the heels of CFC and HCFC phaseouts under the Montreal Protocol, F-gas reduction policies due to Kyoto have put the many affected companies on the defensive.

European Regulation 842/2006 represents a modest attempt to control emissions of F-gases through 'containment' rather than requiring a switch to substitutes. IEEP recently helped the European Commission design a labelling scheme for equipment containing F-gases. This was limited to technical labels to inform installers and servicing personnel, but IEEP also produced a separate study of options to go beyond these requirements, for example to a more consumer-facing label. However, labelling may be short-term, as the Regulation is due for review in 2011, and legislators appear to have a growing appetite for phaseouts.

Meanwhile, a phase out already mandated is that of HFC-134a in mobile air conditioning (MAC). This requires new car models introduced from 2011 to use refrigerants with global warming potentials below 150 (around one-tenth that of HFC-134). After 2017 all new cars will have to have such refrigerants.

Europe and the world are facing hard choices under time pressure. (Can we decide now to phase out nuclear and be sure it will be replaced with low carbon energy later? Can we require CO2 storage on fossil power before even having a working demonstration?), MACs are a good case in point. CO2 and novel fluorocarbons are the main refrigerant options under the 150 GWP limit. CO2 systems require a different technology from those currently used and hence a major shift in practice - but, they have a GWP of just 1, are efficient, more compatible with the newest and future generations of cleaner cars, and represent an innovative refrigeration technology with potential across many applications. Meanwhile, reworked fluorocarbons are being trotted out by the old industries as the perfect compromise, with minor alterations to the current hardware. However, there are questions about toxicology, flammability, ozone depleting potential, and system efficiency.

What has resulted is a transatlantic fight, with German car manufacturers finally deciding to go for CO2, the major American manufacturers seeming to hold out for fluorocarbons, and other Europeans and the Japanese still on the fence. From the outside, it looks like a classic case of an old industry fighting off new environmental technology to delay the inevitable as long as possible. If we are unable to pull off even this minor transition, how does it bode for industrial innovation on a grand scale?

Contact: Jason Anderson

5. Commission launches environmental compliance assistance programme for SMEs

Small and medium sized companies (SMEs) represent 99% of all businesses in the EU, account for two-thirds of jobs in the private sector, and are responsible for producing 60% of overall value added. Not surprisingly, therefore, they are also responsible for exerting considerable pressures on the environment – but many SMEs are simply unaware of their environmental impacts, and of the environmental legislation intended to reduce them. This is why the Commission has now launched a programme to help SMEs implement European environmental legislation and use energy and resources more efficiently.

To prepare this programme, DG Environment last year commissioned IEEP to carry out a study of specific initiatives at the national and regional level in Member States and selected non-member States, designed to help SMEs comply with environmental legislation and adopt more positive approaches to environmental management. The aim was to identify best practices and assess their transferability to other countries. The study, including a series of good practice case studies, was completed in June 2006. The Commission took another year to further elaborate its policy proposals, which were finally released in a Communication on 8 October.

The programme as proposed by the Commission comprises funding to support SME networks, training activities that build local environmental expertise, and initiatives to simplify SME access to environmental management systems and promote greater awareness of environmental issues among these companies. Funding for these measures will come from LIFE+ funds (€5 million for 2007-13) with additional funds to be made available through the Competitiveness and Innovation framework Programme (CIP) and the Structural Funds.

For more information, see DG Environment's 'SME and environment' website: <http://www.ec.europa.eu/environment/sme>

The IEEP study can be downloaded at http://ec.europa.eu/environment/sme/pdf/ieep_en.pdf

Contact: Marc Pallemarts

6. Payments for environmental services – a potential tool for conserving biodiversity in the Eastern Europe?

The 2004 and 2007 EU enlargements have significantly enriched the Union's biodiversity capital. Moreover, the possible future accession of new eastern European countries is set to increase EU's biodiversity assets even further. The downside is that enlargement brings new challenges for biodiversity conservation as the economic, political and social changes in the new Member and Candidate States push landowners and -users to undertake activities that often lead to loss of biodiversity and related ecosystem services.

Payments for environmental services (PES) are considered as a promising tool for creating financial incentives for environmental conservation. In the context of PES, those providing environmental services by conserving natural ecosystems receive direct financial compensation from the beneficiaries of the service. The application of PES, particularly in agricultural areas, has started to gain increasing attention also in the EU, particularly in view of the forthcoming major EU budget review.

A recent study conducted by WWF and IEEP for the European Commission explored the possibilities for establishing PES schemes for biodiversity conservation in two new EU Member States and three Candidate Countries (Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Romania and Turkey). The study results, to be published in October 2007, indicate that appropriately designed PES schemes can provide a potentially useful tool for supporting conservation of biodiversity in Eastern Europe.

Contact: [Marianne Kettunen](#)

IEEP conferences and events

In the coming months IEEP will organise or participate to the following meetings and events. If you would like to find out more, do not hesitate to contact us.

Beyond GDP – Brussels, 19-20 November 2007

This high level conference, organised by the European Commission, the European Parliament, the Club of Rome, OECD, and WWF will discuss how best to measure progress, the wealth of nations and wellbeing of societies and the implications for decision making. European Commission President José Manuel Barroso will open the conference. More information at <http://www.beyond-gdp.eu>

Contact: [Patrick ten Brink](#)

CAP Retreat – Brussels, 4 October 2007

The IEEP policy paper for the German Marshall Fund of the United States on the 'CAP Health Check and the EU Budget Review' will form the basis of discussions at a 'CAP Retreat', with options for CAP reform on the agenda. David Baldock, Tamsin Cooper and Martin Farmer from IEEP are attending.

Contact: [Tamsin Cooper and Martin Farmer](#)

Congress on Organic Agriculture – Istanbul, 19-20 October 2007

At this congress in Turkey Tamsin Cooper will present a paper on the role of HNV and organic farming in meeting our obligations under the Convention on Biological Diversity.

Contact: [Tamsin Cooper](#)

Meeting Standards: The Impact of Compliance on the Competitiveness of European Agriculture - Brussels, 24 October 2007

IEEP is jointly hosting a workshop with LEI in Brussels on 24 October that will present the findings of a three year project which has examined the extent to which cross compliance has had an impact on compliance levels and farm level costs, and hence the external competitiveness of EU agriculture. Vicki Swales, IEEP Associate, will frame the findings of the project in terms of forthcoming policy developments, such as the CAP Health Check.

Contact: [Martin Farmer](#)

Advisory Group Meeting to review Draft UNEP Guidelines on Access to Information - Geneva, 29 October 2007

Marc Pallemmaerts will participate as an invited expert in the Advisory Group Meeting to review Draft UNEP Guidelines on Access to Information, Public Participation and Access to Justice in Environmental Matters.

Contact: [Marc Pallemmaerts](#)

European Development Days - Lisbon, 7-9 November 2007

Marc Pallemmaerts will participate in the European Development Days organised by the European Commission and the Portuguese Presidency in Lisbon. This year's theme is "Will Climate Change Development?". He will speak at a side-event organised by Belgium's Directorate General for Development Cooperation on the contribution of avoided deforestation in the Central African forests to the mitigation of climate change. Further information: <http://eudevdays.eu/Public/Homepage.php?ID=380&language=eng>

Contact: [Marc Pallemmaerts](#)

High Nature Value Indicator – Brussels, 9 November 2007

IIEEP Director David Baldock will present to representatives of EU Member States the High Nature Value indicator, developed in an IIEEP study for DG Agriculture on developing indicators for the evaluation of rural development programmes.

Contact: [David Baldock](#)

LFAs for Agriculture and Rural Areas - Czech Republic, 7- 10 November 2007

At this conference Tamsin Cooper will present a paper on 'A future rationale for support in Less Favoured Areas'.

Contact: [Tamsin Cooper](#)

Transatlantic Platform for Action on the Global Environment (T-PAGE) – Brussels and Washington, 13 November 2007

IIEEP is organising the second teleconference between selected representatives of EU and US environmental civil society on climate and energy issues. The focus of discussions will be on cap and trade systems, biofuels for transport and carbon capture and storage.

Contact: [Marc Pallemmaerts, Jason Anderson, Catherine Bowyer, Sirini Withana](#)

EPIGOV 'Integrating the environment into national, regional and local policies' - Milan, 22-23 November 2007

EPIGOV (Environmental Policy Integration and Multi-level Governance) is an FP6 research project in which IIEEP is a main partner. Marc Pallemmaerts, David Baldock and David Wilkinson will be participating in the second EPIGOV conference on 'Integrating the environment into national, regional and local policies – Current practices and future directions'. David Baldock and David Wilkinson will speak at two separate conference sessions, while Marc Pallemmaerts will chair a third one.

Further information: <http://www.ecologic.de/projekte/epigov/>

Contact: [Marc Pallemmaerts](#)

Living Landscapes - Sustainable Land Management after 2013 – London, 29 November 2007

David Baldock will discuss the past, present and future of the CAP at the joint symposium of the Campaign to Protect Rural England (CPRE) and the National Farmers Union (NFU).

Contact: [David Baldock](#)

Management Board of the European Chemicals Agency - Helsinki, 17 December 2007

Marc Pallemmaerts will participate in the 5th Meeting of the Management Board of the European Chemicals Agency. The Board will discuss the appointment of the Executive Director and of the members of the Agency committees.

Contact: [Marc Pallemmaerts](#)

Blog special: CAP Health Check

IIEEP's agriculture team have joined the 'blogging fraternity' as a means of communicating bite-sized think pieces on CAP reform. Read their contributions and those of other leading CAP analysts at <http://caphealthcheck.eu/>. New blogs are posted daily.

Contact: [Tamsin Cooper, Martin Farmer](#)

IEEP books and publications

IEEP contributes with its publications to disseminate information and insights on environmental policy and environmental related topics. This Spring's new release is:



UNEP - EEA report on sustainable consumption and production

A joint UNEP - EEA report on sustainable consumption and production in south-eastern Europe and eastern Europe, Caucasus and central Asia was published in October 2007. The report was also used as a background document for the Sixth Ministerial Conference 'Environment for Europe' – which took place in Belgrade in October. An IEEP team including Senior Fellow Malcolm Fergusson contributed a chapter on transport.

The report is available at:

<http://www.unece.org/env/documents/2007/ece/ece.belgrade.conf.2007.inf.30.e.pdf>



IEEP Senior Fellow Marc Pallemmaerts and Armelle Gouritin, a doctoral research fellow at the Institute for European Studies of the Vrije Universiteit Brussel, have published an article on the EU Sustainable Development Strategy, discussing its background, development and implementation from the Göteborg European Council in June 2001 to the renewal of the Strategy in 2006.

Marc Pallemmaerts and Armelle Gouritin, *La stratégie de l'Union européenne en faveur du développement durable*, *Courrier hebdomadaire du CRISP*, n° 1961, 45 pages, October 2007.

For further details and ordering information, click:

<http://www.crisp.be/fr/dernieresparutions/notice.asp?numero=CH%201961>



An article co-authored by Kristof Geeraerts of IEEP has just been published in the Flemish public management journal *Burger, Bestuur en Beleid*. The article discusses the impacts of domestic factors on the Flemish transposition of the water framework Directive.

Geeraerts, K, Bursens, P (2007) *Van kaderrichtlijn water tot decreet integraal waterbeleid. Impact van binnenlandse factoren op de Vlaamse aanpassing aan Europese regelgeving*, *Burger, bestuur en beleid*, Volume 4, No 2, pp125-142.