



Institute for
European
Environmental
Policy

Annual report 2022-2023



The Institute for European Environmental Policy (IEEP) is a sustainability think tank. Working with stakeholders across EU institutions, international bodies, academia, civil society and industry, our team of policy professionals composed of economists, scientists and lawyers produce evidence-based research and policy insight.

Our work spans nine research areas and covers both short-term policy issues and long-term strategic studies. As a non-for-profit organisation with over 45 years of experience, we are committed to advancing impact-driven sustainability policy across the EU and the world.

For more information about IEEP, see www.ieep.eu or follow us on X [@IEEP_eu](https://twitter.com/IEEP_eu).

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Foreword by the Executive Director

Looking back at the results achieved despite the many challenges we faced during the past year (organisational restructuring and recovery following Covid), it is quite a feat as to how well all of our teams managed to deliver their work.

As part of its horizontal activities, IEEP launched, together with its members from the Think Sustainable Europe (TSE) network, the first Think2030 Dialogue event held in April in Stockholm in conjunction with the Swedish EU Presidency. In addition, we held an MEP briefing on the Nature Restoration Law, at the European Parliament in Brussels prior to the decisive vote held in June 2023. Moreover, IEEP authored a series of policy briefs on the benefits of nature restoration, covering a broad range of topics to highlight how nature restoration can positively contribute towards environmental, societal and economic issues.

IEEP published the results of the third edition of the European Green Deal (EGD) Barometer, which contained feedback from over 600 experts from the EU and beyond on the successes of and threats to the EGD. Furthermore, we produced separate reports assessing the climate ambition of four Member States (France, Spain, Poland and Germany). These assessments were later disseminated to our TSE members, civil society, and key EU decision-makers.

Similarly, IEEP convened a workshop on the topic of a separate nature fund, bringing together sectoral representatives (forestry, landowners), NGOs, and the European Commission. The results of this workshop were later published in a report describing the policy options to fund nature restoration in the next Multi-Annual Financial Framework (MFF) period 2028-2034. IEEP was also active in trade policy and global affairs by publishing a briefing on the COP15

Global Biodiversity Framework and its potential to advance an ambitious global agenda for biodiversity

Representatives of our Global team were invited to speak at the WTO Trade and Environment Week 2022, the Think2030 Dialogue event in Sweden and the Stakeholder Panel Event of the EU-US Trade and Technology Council's Ministerial Meeting in Luleå, Sweden. Last but not least, IEEP pushed forward the concept of a well-being economy within EU policymaking while outlining the links between health and the state of the environment. We also strengthened the development of the EU Wellbeing Economy Coalition, a network aiming at policy developments beyond economic growth towards an economy based on the planetary boundaries of our globe.

These examples provide a glimpse of the wide variety of topics managed by our organisation, even though they only cover a fraction of our activities. At a time of existential threats, such as climate change, biodiversity loss and environmental pollution, our added value and input to EU decision-making is more important than ever. By providing science-based policy recommendations, we can help EU institutions and decision-makers to find the most viable solutions to many of our current environmental and societal challenges.

With the professionalism and enthusiasm of our dedicated staff, we have strengthened our presence in EU policymaking circles and widened our collaboration networks with different stakeholders. I look forward to further developing our activities in Europe and beyond.

Eero Yrjö Koskinen
IEEP Executive Director



Foreword by the Chair of the Board

This annual report bears witness of all our activities, reports, meetings, policy suggestions, external impact and more. But as our Executive Director Eero Yrjö-Koskinen emphasises, our work is not so much about outputs - important as they may be - but rather about outcomes. Indeed, with our research, policy intelligence and innovative approaches, we are aiming at impact, changing the trends and accelerating the introduction of adequate environmental policies and legislation. This is more than ever necessary as, yet again, we have lived a dramatic year with devastating wildfires, droughts, floodings, biodiversity loss and environmental degradation. And yet again, our politicians and policymakers are dragging their feet. And what is maybe worse: we have no reason to be optimistic about the year to come, with European elections that could result in a far more conservative if not populist Parliament; with a Green Deal meant to deliver but at risk of being stalled; with an energy transition that needs huge public investments in a time of scarce resources and growing reluctance to address social injustice - a condition however for this transition to succeed.

Nevertheless - or maybe better therefore - we worked hard to provide good, genuine, fact-based policy research; we developed alternatives for environmental policies, which obviously do not deliver; we talked to increasing numbers of politicians and policymakers in many workshops, conferences and discussions. We actively communicated our views, reports, surveys, and ideas. We expanded our Think Sustainable Europe Network of national think tanks, which work together to exchange valuable information between (among others) Brussels and Athens, Zagreb and Berlin, Lisbon and Warsaw. We are convinced that exchanging best practices, sharing policy ideas and supporting colleagues in bringing the best research-

based information to their national policymakers and politicians will help to overcome our present day European and global environmental problems in the interest of us all as well as future generations.

One would expect a lot of support for our type of work and indeed, there is no lack of praise and words of encouragement. But at the same time, this Institute - as many other not-for-profit organisations - runs a deficit this year. We are grateful for the support from the European Institutions and our long-time donors, but we are also concerned about the tendency to expect think tanks to enter the market and sell their expertise rather than receive donations to keep their independence. We are committed to solving this problem as we have done many times before in our 47 years of history. We will continue to provide research, ideas and policy intelligence to policymakers and politicians across Europe, working closely with our IEEP UK colleagues in view of keeping both sides of the North Sea together and benefiting from each other's insights and networks. We believe in our mission, but to achieve it, we need not only sympathy but also the relevant financial means.

I want to thank our partners for their support, the IEEP staff for their hard and effective work, and my colleagues on the IEEP Board for their commitment. I hope our contributions will lead to a greener, more sustainable, more socially just and a more peaceful future.

Hans Wolters
Chair of IEEP Board



Governance

Board of Directors

The governing body of IEEP AISBL is the Board of Directors. The IEEP Board meets four times a year to discuss priorities and ensures that IEEP delivers its mission effectively and respects financial sustainability criteria.

During the financial year 2022-2023, IEEP had nine Board members.

Members of the Boards are:

- **Herman Johan Wolters**, Chair
- **Edmond Lefebvre**, Member with financial responsibility
- **Malini Mehra**, Member
- **Roberto Ferrigno**, Member
- **Marianne Kettunen**, Member (appointed in June 2023)
- **Thomas Nowak**, Member (appointed in March 2023)
- **Dorthe Nielsen**, Member (appointed in March 2023)
- **Mercedes Sanchez Varela**, Member (appointed in March 2023)
- **Natalia Danailov**, Member (ended in June 2023)

Strategic Advisory Council

IEEP's Strategic Advisory Council was established to provide IEEP with accurate and diverse insights on European environmental policy, to provide advice on the strategic priorities of the Institute and external accountability issues linked to transparency and independence, as well as evaluating IEEP's impact in line with its mandate.

The Council consists of highly respected and accomplished individuals with a background in science, law, academia, and/or governance, whom IEEP's management and board have appointed for a four-year term. Members of this advisory body provide input and inspiration on new projects and activities and give feedback on the political and societal implications of the Institute's pursuits.

The Council was chaired by Sirpa Pietikäinen, a Member of the European Parliament and former Minister for the Environment of Finland.

The members of the Council were:

- | | | |
|----------------------------|---------------------------|-----------------------|
| • Sirpa Pietikäinen, Chair | • Derek Osborn | • Nick Molho |
| • Andrea Kohl | • Yann Ollivier | • Claudia Dias Soares |
| • Sandrine Dixon-Declève | • Domingo Jiménez Beltrán | • Petros Fassoulas |
| • Christian Hey | • David Stanners | • Ralph Hallo |
| • Tim Grabiell | | |

External Impact



External impact

This was a challenging year for sustainability policies and the European Green Deal, as the invasion of Ukraine by Russia continued to destabilise the geopolitical balance and led to the energy crisis; extreme weather events had disastrous impacts worldwide, with 2023 recorded as the hottest year.

In this context, many European Green Deal files were watered down despite evidence to the contrary. In response, IEEP increased its energy and efforts in providing evidence and science to back its recommendations for calling upon policymakers and civil society to maintain policies high on the agenda to ensure the continuation of the green and just transition. We also continued to work with our network to inform and promote these recommendations through our channels and events.

On average, IEEP experts were invited to over **24 high-level expert meetings and consultations** in policy processes. These included invitations to European Party manifesto consultations prior to the 2024 elections, participation in the WTO Trade and Environment Week 2022, and the 4th EU-US Trade and Technology Council Ministerial Meeting Stakeholder Panel Event in Luleå, Sweden

During the financial year, IEEP produced **55 thematic briefings and reports and 31 blogs** covering all its areas of work. Key publications included a policy paper on the distributional consequences of the energy taxation directive (ETD) by our Climate and Circular Economy team. Our series of assessments of Common Agricultural Policy (CAP) Strategic Plans in France, Spain, Poland, and Germany was disseminated nationally via and through our Think Sustainable Europe members, NGOs and key EU decision-makers and was widely covered by European and French media. Our Global team released a pre-FTA briefing on Australia assessing sustainability challenges in the trade partner country and recommendations for sustainability provisions in the FTA, which was picked up by several large Brussels-based media outlets as well as presented in policy events.

IEEP was able to increase its influence as a trusted and key knowledge partner through a growing and diversified number of European and national stakeholders. Together with our Think Sustainable Europe member, Stockholm Environment Institute – SEI, we organised the first ever Think2030 national Dialogue in Sweden on 20 April, focusing on the energy crisis and how to face it with sustainability policy and scientific response.

We looked at the key Nature Restoration Law proposal with a policy event on 7 June at the European Parliament. The event was hosted by MEP Sirpa Pietikäinen, Chairperson of our Strategic Advisory Council, and examined the benefits of such law for stakeholders from a range of perspectives

We launched the third edition of the Green Deal Barometer on 19 June. This edition

included a record response from 600+ sustainability experts in Europe and beyond, placing a spotlight on national perspectives and the opportunities and barriers for national governments. Five case studies were selected amongst the Member States that have recently held or will hold the Council's Presidency of the EU (France, Czech Republic, Sweden, Spain, and Hungary).

Our visibility vis-a-vis media grew vastly; we were featured in **62 articles** with mentions in POLITICO, Euractiv, EU Observer, The Guardian, Carbon Pulse, Contexte, AGRA FACTS, Borderlex, ENDS Europe, La France Agricole, Agenda Publica, DW, and Energy Monitor, amongst others.

Our social media outreach also increased during the course of the year. **LinkedIn** proved to be an effective medium for information sharing and engagement, accumulating 8825 new followers in the reporting period for **a total of 28,315 followers**. **Twitter** also saw a positive trend with regard to growth rates across the board. The majority of metrics indicated that there was increased visibility in terms of impressions and engagement rate. Over this period, we posted 335 tweets with an average of 69.6 tweets per month, gathering 415 new users and reaching **10,800+ followers**.

The team

Faustine Bas-Defosse, Director of External Impact (until January 2023)

Carla Coppola, Head of Communications

Martijn Pakker, Head of Strategic Relations and Activities (joined the team in February 2023)

Mattia Bonfanti, Membership and Network Manager

Suzanna Walton, Events Officer

Sarah Pepinster, Communications Officer (until June 2023)

Darragh Cunningham, Media and Communications Officer (joined the team in April 2023)

Irene Chiocchetti, Membership Officer

Elisa Decourcelle, Partnership Officer (joined the team in April 2023)

Florian Martinez-Buathier, Green Deal Advisor

Initiatives



Think Sustainable Europe

[Think Sustainable Europe](#) is a pan-European network of sustainability think tanks, established and led by IEEP since 2019. It aims at providing science-informed and impact-driven policy recommendations to decision-makers at the national and European levels, thanks to its unique combination of EU policy area expertise and deep knowledge of Member States and implementation.

As the first and only established European network of sustainability think tanks IEEP and its members complement debates and engage key decision-makers to increase the ambition of the Council and other policymakers on the European Green Deal.

Think Sustainable Europe's key strength is monitoring the implementation of the Green Deal legislation in the Member States and beyond, providing scientific advice and policy recommendations on sustainability issues at both national and Brussels level.

Members of the network are non-profit and independent entities established in a European country with a track record of excellent research in the field of environmental policy and a willingness to support the objectives of the membership.

The financial year was a year of consolidation and expansion (2 new members) of the network; at the end of June 2023, TSE counted 17 members (including [IEEP](#) based in Brussels), covering 16 EU Member States plus UK and global-scale issues thanks to the international outreach of some of its members.

THINK2030

Think2030 is a multi-stakeholder platform providing science-based ideas and solutions for a sound implementation of the European Green Deal, in line with the SDGs. Launched by IEEP and its partners in 2018, Think2030 is an evidence-based, non-partisan platform of leading policy experts from European think tanks, civil society, the private sector and local authorities. By focusing on producing relevant, timely and concrete policy recommendations, Think2030's key objective is to identify science-policy solutions for a more sustainable Europe.

The platform meets every two years for a high-level conference, with side events before and after. The conference usually takes place in the country of the rotating EU Council Presidency, with the support of the Think Sustainable Europe member based in that country. Think Sustainable Europe is the idea generator behind Think2030.

In April 2023, Think2030 organised the first ever national Dialogue event in Sweden. Co-organised by IEEP and SEI, with Formas, Sieps and Mistra, the event was held in association with the Swedish Presidency of the Council of the EU. The Dialogue event gathered

decision-makers and analysts from policy, business and research across Europe to debate the key sustainability issues at stake for EU policy. It focused on the role of the EU in securing future sustainability and resilience within Europe and abroad. Speakers included Daniel Westlén, State Secretary to the Swedish minister for Climate and Environment, Janez Potočnik, former EU Commissioner for Environment, Oceans and Fisheries, Claudia Hahn, Team Leader Environment Strategy – DG Environment, EU Commission, and Luc Bas, Director of Climate & Environment Risk Assessment Center, Belgium.

Think2030 was also involved with the **European Green Deal Barometer** initiative. For its third edition, the Barometer focused on the resilience of the Green Deal and looked at six countries' case studies. The report can be found [here](#).

European Green Deal Barometer

The annual European Green Deal Barometer asks sustainability experts for their views on potential pathways for delivering on the European Green Deal objectives. The Barometer analyses the progress made and identifies gaps and opportunities, serving as a “confidence barometer” on European Green Deal implementation. The first edition of the Barometer can be found [here](#). From the second edition on, the Barometer will include national surveys to analyse where the gaps and opportunities are in Member States.

Green Trade Network

In early 2022, IEEP created the Green Trade Network, a group of experts from over 20 European research organisations, ranging from think tanks to NGOs and academia, conducting evidence-based research and outreach activities on the trade and environment nexus.

European Sustainable Agriculture Dialogue

The European Sustainable Agriculture Dialogue (ESAD) is a multi-stakeholder platform created in 2019 that brings together key actors from across society – including industry, civil society, universities, and research centres – to discuss key topics, exchange our views and standpoints, and ultimately shape decisions towards sustainable agriculture.

ESAD's work is supported by external expert providing science-based inputs and research briefs, which are used by members to inform their debates. Members also actively interact with researchers during the drafting phase, sharing relevant knowledge and making sure that research is aligned with relevant needs across the food supply chain. The active involvement of Think Sustainable Europe members in the research work allows for discussions to get out the Brussels' bubble and bring in more national perspectives.

Working Areas



Global Challenges and SDGs

The Global team continued to research and document the external impact of EU policies in general and in particular those under the European Green Deal. We also continued exploring EU trade policy as a major vector of environmental and socioeconomic consequences for the rest of the world.

We researched the role of EU trade agreements in driving global sustainability progress in sectors such as agriculture through the EU-New Zealand Agreement and critical minerals through the EU-Chile Agreement. We also studied relevant trade flows between the EU and Vietnam and documented the impact of trade-related autonomous measures for sustainability matters in value chains such as electronics, coffee, textile, or timber. This marked the main strategic orientation of this year for IEEP's global team as we are now considering the EU trade policy more holistically by incorporating value chain analysis to evaluate the sustainability impact of trade flows in general, beyond solely reviewing bilateral free trade agreements.

In parallel, though, we nurtured our expertise (and recognition) on EU FTAs by producing FTA briefs, pre and post-conclusion of the agreements, thus progressively grading how progressive EU FTAs can be on a "golden standard" scale. This vocabulary of golden standard was later picked on by policymakers when discussing EU FTA negotiations and ambitions, concrete evidence of our work filtering into policy discourse..

The global team also supported cross-team work by collaborating with the biodiversity team on studying the results of the Kunming-Montreal Global Biodiversity Framework, but also with the CCE (Climate and Circular Economy) team through our work on Critical Raw Materials. We sought to engage with EU policymakers in the negotiation of the EU Critical Raw Materials Regulation, researching the topic through domestic circularity aspects and challenges associated with external supplies. Several briefs and reports are to be published on the matter in the next financial year.

The report assesses the implementation of the new EU approach to Trade and Sustainable Development (TSD) Chapters in its free trade agreements (FTAs) to address civil society's concerns regarding the contribution of economic growth from trade liberalisation to global sustainability challenges. The report looks in particular at the recently signed EU-Chile trade agreement and its potential contribution to sustainable trade as a case study example.



Leveraging free trade agreements for sustainability

by Eline Blot

July 2023

Trading relations with the EU have a considerable impact on the capacity of third countries to achieve the UN Sustainable Development Goals (SDGs), which comes with a responsibility to address the potential adverse effects of these trade relations. The upcoming European Union legislations on Corporate Sustainability Due Diligence (CSDD) and Deforestation-free products Regulations (EUDR) are integral parts of that effort as actions by private sector organisations significantly affect society and the environment in which they operate beyond the products and/or services they offer. This policy brief looks at the external impact of EU policies embedded into trade



Environmental and social impacts embedded in EU trade policies
The case of EU trade related instruments in Vietnam

Publication date: June 2023
Author: Antoine Oger

Environmental and social impacts embedded in EU trade policies

by Antoine Oger
June 2023

analysing the EU Corporate Sustainability Due Diligence and Deforestation-free products Regulations impact on Vietnam in the context of the EU-Vietnam Free Trade Agreement.

The global community is at the midway point of the 2030 Agenda for Sustainable Development. This briefing looks at how the multiple crises have impacted the path to achieving the Sustainable Development Goals (SDGs) and the challenges and opportunities for a systemic approach towards these common objectives. This briefing was published in the context of the UN High Level Political Forum on Sustainable Development (HLPF) from 10-19 July 2023 in New York as the main UN platform on sustainable development.



Taking stock of the progress towards the SDGs at the UN High Level Political Forum 2023

by Nora Hiller
July 2023

The team

Antoine Oger, Area Lead

Eline Blot, Senior Policy Analyst

Nora Hiller, Senior Policy Analyst

Federico Sgarbi, Senior Policy Analyst (joined February 2023)

Basile Chartier, Senior Policy Analyst (until February 2023)

Susanna Li, Communications Assistant (until January 2023)

Climate and Circular Economy

The team continued its permanent assessment of the development of a circular economy (CE) policy at EU level. The number of legislative initiatives arising from the CEAP and the EGD seemed to indicate that the Commission recognises the need to use legally binding measures to strengthen the transition to a circular economy in the EU. Several initiatives (such as those addressing industry and the legislative initiative on sustainable products) have a potentially very wide scope of application, whilst many target particular economic sectors (such as construction, textiles or chemicals) or products (such as batteries, packaging, plastics, EEE/WEEE and ELVs) that are important to the pursuit of a circular economy. Whilst recycling and recovery efforts continue to receive significant attention in EU CE initiatives, an increasing number address actions higher up the waste hierarchy, namely reducing and reusing products.

Yet many of the regulatory initiatives discussed have not been adopted; important regulatory measures for the circular economy can still be expected in the coming years. Furthermore, there is a lack of concerted measures to refuse and rethink products, limiting the potential for an absolute reduction of resource consumption in the EU. Both points make absolutely the need to maintain our strong focus on CE matters in the future for IEEP, as well as the need to move upstream in the value chain to follow up on the latest policy developments.

The EU has been pursuing a transition to a circular economy in earnest since the launch of the first EU Circular Economy Action Plan in 2015. In March 2020, the European Commission adopted a new Circular Economy Action Plan. Although several



European Circular Economy policy overview

by Emma Watkins
and Agata Meysner

November 2022

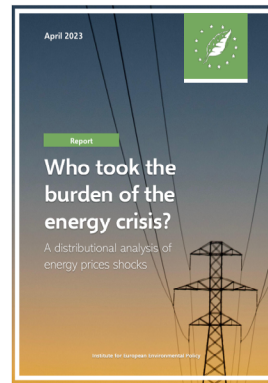
circular economy initiatives have been put forward, further steps are still needed to achieve a full circular economy transition in the EU.

The study 'European Circular Economy Policy Overview' was conducted to provide an assessment of the ongoing development of circular economy policy at the EU level. It specifically outlines a set of initiatives (legislation, plans and other policies) since

the publication of the EU Circular Economy Action Plan in March 2020 and provides a brief overview of their anticipated effects.

Following the 2022 energy crisis, several measures to mitigate the impact of the surge in prices and shield both energy-intensive industries and families were taken both at the EU and national levels. At Member State (MS) level, 657 billion euros were allocated to finance market price support these measures. Though the actions taken are similar given their contextualisation within the framework agreed at the EU level, they differ between MS, according to their national, budgetary, and governmental realities. These measures range from reductions in energy taxes, including reductions in excise duties on petrol and diesel and in VAT, to direct transfers to vulnerable groups in the form of expanding social tariffs or one-time payments to households.

This report analyses the effect of the energy price spike on European households' welfare and provides a granular analysis of the socioeconomic impact of energy prices in 2022. It includes a sensitivity analysis that explores the distributional impact of some policies adopted by governments to mitigate the consequences of high energy prices for households.



Who took the burden of the energy crisis?

by *Claudia Dias Soares*
(IEEP), and others

May 2023



Managing waste batteries from electric vehicles: the case of the European Union and Japan

by *Andrew Farmer* and
Emma Watkins

May 2023

Sales of EVs are growing significantly around the world, driven in large part by the need to reduce greenhouse gas (GHG) emissions. However, the rapid growth in EVs will, in the coming years, lead to the generation of a large number of waste batteries. We will face the challenge of dealing with these batteries once they reach the end of their lifecycle in EVs. This report explores challenges related to the future management of waste batteries from electric vehicles, focusing on the approaches taken by the European Union and Japan.

The team

Claudia Dias Soares, Head of programme, joined in April 2023)

Andrew Farmer, Senior Fellow

Thorfinn Stainforth, Senior Policy Analyst (until January 2023)

Emma Watkins, Senior Policy Analyst

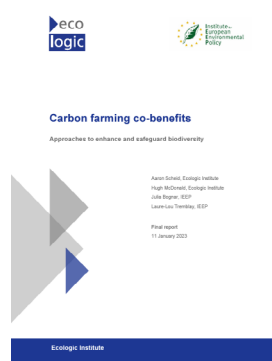
Jesus Urios, Policy Analyst (until April 2023)

Ida Paraskeva, Communications Assistant (until May 2023)

Agata Meysner, Policy Analyst (until June 2023)

Land Use and Climate

The Land Use and Climate team continued to work towards ensuring that the relevant elements of the climate policy framework provide strong incentives for ambitious climate mitigation action in the AFOLU sector. Particular focus was placed on enhancing the current climate framework to address livestock GHG emissions, for instance, through the proposed updates to the Industrial Emissions Directive; maximising synergies between biodiversity and carbon removals through the proposed Carbon Removal Certification Framework to maximise the removal potential while safeguarding biodiversity; and how to ensure that mitigation efforts in the AFOLU sector, particularly the sink target under the LULUCF Regulation, are not undermined through renewable energy targets under the Renewable Energy Directive.



Carbon farming co-benefits: Approaches to enhance and safeguard biodiversity

by Julia Bogнар –
Laure-Lou Tremblay
and others
January 2023

To address the potential linkages and risks between biodiversity and carbon removals, we published a [report](#) in January 2023 emphasising the opportunity to improve the proposed Carbon Removal Certification Framework by proposing an approach to reduce risks and enhance co-benefits for biodiversity. In order to promote our message, we held meetings with experts, policymakers and civil society organisations to discuss the potential for synergising biodiversity and climate objectives through

The team's work also focused on ensuring that the sustainability criteria from the EU Taxonomy process are used to raise the bar on public policy files in the land use sectors. For the Sustainable Taxonomy process, position papers, blogs, or responses to consultations were produced during 2023 on topics including 'enabling activities', 'stretching ambition beyond simple alignment with EU laws', and 'the importance of science-based rationale for political decisions.

THE LULUCF REGULATION & FOREST MONITORING



ABOUT: The EU has set targets to reduce its greenhouse gas emissions by at least 55% by 2050 and to reach climate neutrality by 2050 to keep global temperature increase below 1.5°C. Europe's land is vital to achieving this goal. Under the Land Use and Land-Use Change and Forestry (LULUCF) Regulation, the land use and land-use change and forestry (LULUCF) sector is required to remove the net carbon sink, with a target of saving an additional 110 MtonCO₂e by 2050. Under this target, Member States are required to make the target contribution and it will be responsible for the EU to meet the LULUCF land sink target without strong efforts to protect existing forest stocks and a significant scaling up of afforestation, reforestation, and agroforestry.

Reforestation and protection of existing carbon stocks will be central to efforts to mitigate climate change as these will reduce and avoid emissions from land, enhance the capacity of ecosystems to capture and maintain carbon in natural sinks, and can prevent future emissions by increasing ecosystem resilience.

The forestry sector is currently the only sector which removes CO₂ from the atmosphere (both forests and harvested wood products). This sink is accounted by CO₂ absorbed from saplings and new forests. While forests are a net sink, the sector also is a source of CO₂ emissions. Forests are the largest source of LULUCF sector emissions, largely from conversion of forests to other land uses.

With the sink target, if a Member State converts forests to other land uses, it must compensate for the resulting emissions. This could be accomplished by planting new forests (afforestation), reporting sustainable management of existing forests, or by using flexibilities with the Effort Sharing Regulation (allowing for trade-offs with other Member States or by using net removals from the land use change and forestry sector).

MONITORING AND REPORTING REQUIREMENTS

The proposed updates to the LULUCF Regulation simplify rules for monitoring, reporting and verification of emissions and removals, using more accurate and precise data monitoring.

The proposed updates to the LULUCF Regulation reinforce the obligation for Member States to submit integrated mitigation plans for the land sector in their National Energy and Climate Plans (NECPs) and enhance monitoring requirements using digital technologies. The sink target of 310 million tonnes of CO₂ equivalent has been distributed between Member States and will be translated into annual national targets for the period from 2026 to 2050, based on the sink target for emissions and removals under the greenhouse gas emissions and the area of managed land for each Member State during the years 2021, 2022 and 2023.

Secondary legislation will set out detailed rules related to monitoring and reporting of emissions and verification of compliance reports. This will require updated and enhanced processes of

The potential role of a forest monitoring framework for EU climate objectives

by Julia Bogнар,
Krystyna Springer
June 2023

the CRCF. The report was cited in the Parliamentary Research Service, and we plan to continue to promote our proposed approach into SGA2 among MEPs as trilogues for the CRCF will take place in Q2.



New sustainability criteria: IEEP's take on the Commission's proposal for the EU taxonomy

by Nora Hiller, Dr. Ben Allen

May 2023

To address the potential conflicts between the LULUCF Regulation carbon sink target and the renewable energy target under RED III, we published a [briefing](#) along with 4 policy fiches emphasising the importance of a well-designed Framework for Forest Monitoring and Strategic Plans – particularly how the framework can support the objectives of the LULUCF Regulation, the RED, the CRCF, and the Nature Restoration Law.

To address the omission of technical screening criteria for agriculture and forestry under the Delegated Acts of the Sustainable Taxonomy, Ben Allen co-authored a [post](#) critiquing the omission and argued for a more science-based approach within the Taxonomy.

The team

Ben Allen, Acting Area Lead (until May 2023)

Julia Bognar, Senior Policy Analyst (until May 2023, Head of Programme from May 2023 onwards)

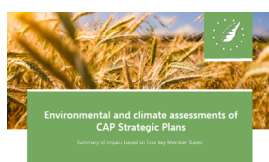
Krystyna Springer, Policy Analyst (joined March 2023)

CAP and Food

Transforming the EU's unsustainable food system remains one of the top priorities if it is to meet its regional and global targets of limiting rising global temperatures and reversing biodiversity loss. However progress on food system transformation has been insufficient, supported by the results from the European Green Deal Barometer.

This year, IEEP continued to undertake relevant research and present the scientific evidence to policymakers on pathways to a more sustainable food system in Europe. The key areas that we focused on were the Common Agricultural Policy (CAP) reform, the EU's proposal for a sustainable food systems framework and work on the links between sustainable agriculture and resilience to increasingly frequent extreme weather events.

- On the CAP, we focused on improving the sustainability of the current CAP and the Strategic Plans of Member States and also began work on the design of the post-2027 CAP.
- On sustainable food systems, we developed recommendations on the design of an EU legal proposal with the TSE network and continued to provide expertise to the European Commission and stakeholders regarding the design of the law.



Environmental and climate assessments of CAP Strategic Plans

Estelle Midler, Elisabet Nadeu and others

April 2023

IEEP conducted assessments of the CAP Strategic Plans, in four EU Member States collectively responsible for a majority of EU agricultural GHG emissions: [France](#), [Spain](#), [Poland](#) and [Germany](#). In April, we published summary of these assessments to draw out conclusions on the ambition and likely impact of the CAP.

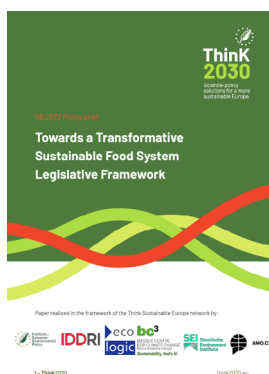


Mid-way point: to what extent is the EU budget supporting the transition to resilient and sustainable agriculture?

By David Baldock, Harriet Bradley and others

June 2023

Regarding the future of the CAP and proposals for its revision after 2027, we began work towards an expert vision on reform of the CAP and the land-use related aspects of the EU budget. In June we published three briefings relating to the



Towards a Transformative Sustainable Food System Legislative Framework

by David Baldock,
Estelle Midler and
others

September 2022



Nature restoration as a driver for resilient food systems

by Elisabet Nadeu

December 2022

CAP and the EU budget: the first on the CAP's delivery to date, the second on nature and climate financing in the land use sector, and the third on possible lessons for the CAP from the UK's reform of subsidies.

In September 2022, we published a joint think tank paper on the SFS law, highlighting the need for action in key areas including on diets, livestock sector transition and input reduction. It also argued for strong links to the Common Agriculture Policy and a multi-level governance approach.

We published a report on the links between actions to restore nature—such as restoration of river catchments and landscape elements—and resilience of food production. The evidence suggest that nature restoration can contribute to improving resilience by enhancing ecosystem services and reducing negative impacts of extreme weather events linked to climate change.

The team

Harriet Bradley, Head of programme

Estelle Midler, Senior Policy Analyst

Elisabet Nadeu, Senior Policy Analyst

Juliette Pagnon, Junior Policy Analyst

Melanie Muro, Senior Policy Analyst (from June 2023)

David Baldock, Senior Fellow

Biodiversity and Ecosystem Services

In June 2022, the Commission published the proposal for an EU Nature Restoration Law (NRL) and the impact assessment on which we had worked during 2021 and 2022 with Trinomics. This ambitious and crucial proposal has continued to be a main focus for us this year.

- July 2022 - [report](#) on the socio-economic benefits of nature restoration in Greece and workshop with Greek stakeholders on the proposal, together with The Green Tank.
- September 2022 - [Think 2030 paper](#) on the proposal, drawing out how the NRL and its national planning process could benefit environmental governance and environmental objectives in Member States.
- October 2022 – June 2023 - as a result of the interest in our paper, we met with MEPs and the Swedish Presidency of the Council to discuss the file. Prompted by these discussions, we wrote a series of policy briefs highlighting the benefits of nature restoration for nature, society and the economy, which we published together with Ecologic as a Think Sustainable Europe product. The engagement culminated in the breakfast event in the EU Parliament in June.
- September 2022 – June 2023 - We successfully bid (with Trinomics and Ecologic) for a support contract to the Commission unit responsible for the NRL file. Under that contract, we authored internal briefings for the Commission on the benefits of nature restoration for farming (with case studies), and financing the NRL.
- June 2023 – we organised a workshop with NGOs and the associations representing land and sea users (farmers, foresters, fishers) on exploring policy options for funding nature restoration in the next MFF. We also published a [report](#) based on the discussions, which the Commission closely followed. We also published a brief on what the NRL means for farmers and other land managers.

WHY IS NATURE RESTORATION CRITICAL FOR CLIMATE MITIGATION IN THE EU?

Publication date: 10 October 2022
Authors: Evelyn Underwood, Gabrielle Aubert, and others
Publication reference: Trinomics, Ecologic, 2022

The EU has set targets to reduce its greenhouse gas emissions by at least 55% by 2030 and to reach climate neutrality by 2050 to keep global temperature increase below 1.5°C. Europe's land is vital to achieving this goal. The land use and land-use change and forestry (LULUCF) sector will contribute by saving and storing an additional 310 to 400 MTCO₂e by 2030.

It will be impossible for the EU to meet its climate neutrality goal by 2050 and the LULUCF land sink target without a significant scaling up of nature restoration.

Nature restoration is central to our efforts to mitigate climate change as it reduces and avoids emissions from land, enhances the capacity of ecosystems to capture and sequester carbon in natural sinks, and can prevent future emissions by increasing ecosystem resilience.

WHAT CAN THE NRL ACHIEVE?

- Restoring peatlands, agroecosystems and forests holds great potential to safeguard carbon stocks and increase sequestration.

- Theoretically, restoring 50% of terrestrial Areas of Habitats which are in rest good or suboptimal condition to good condition could lead to a total carbon stock between 2.838 and 9.210 million tC in the EU and sequester around 280 MTCO₂e/year (1). While this alone would not achieve these rates would largely exceed the 2030 deadline, these figures illustrate the theoretical magnitude of the carbon storage and sequestration benefits which could be achieved by Article 4 of the nature restoration law.

- Events such as heat waves, floods, and droughts will become more frequent and severe with climate change over this decade. These events release large amounts of stored carbon into the atmosphere. Restoration can increase the resilience of habitats to climate events and reduce their impact on carbon stocks.

WHAT WOULD HAPPEN WITH NO RESTORATION?

- If nature restoration is not scaled up, the ERA projects a decrease in the overall level of net removals for the period 2020-2040, with an average of 200 MTCO₂e removed each year - compared to the historic average of 300 MTCO₂e for the period 1990-2019 (2). This would mean the EU is very likely to fail to achieve carbon neutrality by 2050.

Benefits of nature restoration: A new series of policy briefs

by Evelyn Underwood,
Gabrielle Aubert and
others

January 2023

Just after our workshop, the EU Parliament voted, by a narrow margin, to keep the proposal alive and to enter into trilogue negotiations with the Council, with a new article on funding inserted into the proposal.

Our other main focus has focused on whether the new CAP strategic plans deliver for biodiversity and nature restoration.

- We produced a report for the EEA which identifies innovative interventions in a selection of national CAP Strategic Plans for 2023 to 2027 which have high potential to contribute to reaching European Green Deal objectives for both biodiversity and climate and describes current barriers and challenges to their successful implementation. The report links to best practices in the scientific literature, identifies good examples, innovative policy measures, and co-benefits and trade-offs between measures and approaches
- For the International Biocontrol Manufacturers Association (IBMA), our Think 2030 partners, we reviewed seven national CAP Strategic Plans to see whether and to what extent the planned interventions support biological control and Integrated Pest Management. The report recommends how the Strategic Plans should be adjusted to support and scale up biocontrol uptake by farmers.



Mapping and analysis of CAP strategic plans

Folkeson Lillo, C, Chartier, O, Valli, C and et al

September 2022



Are CAP Strategic Plans supporting farmers to use biocontrol alternatives to pesticide use?

by Zuzana Lukacova and Evelyn Underwood

June 2023

We also continued our work streams on wild pollinator conservation, ecological connectivity of the EU protected area network, and the implementation of the EU nature directives. In addition, we worked with Ecologic on a report to the EEA on the EU's blue bioeconomy, and worked with the LUC team on how carbon credits and standards can stimulate biodiversity co-benefits.

The team

Evelyn Underwood, Head of Programme

Clunie Keenleyside, Senior Fellow (retired May 2023)

Gabrielle Aubert, Policy Analyst

Laure-Lou Tremblay, Policy Analyst (joined team in September 2022)

Zuzana Lukacova, Senior Policy Analyst (joined team in October 2022)

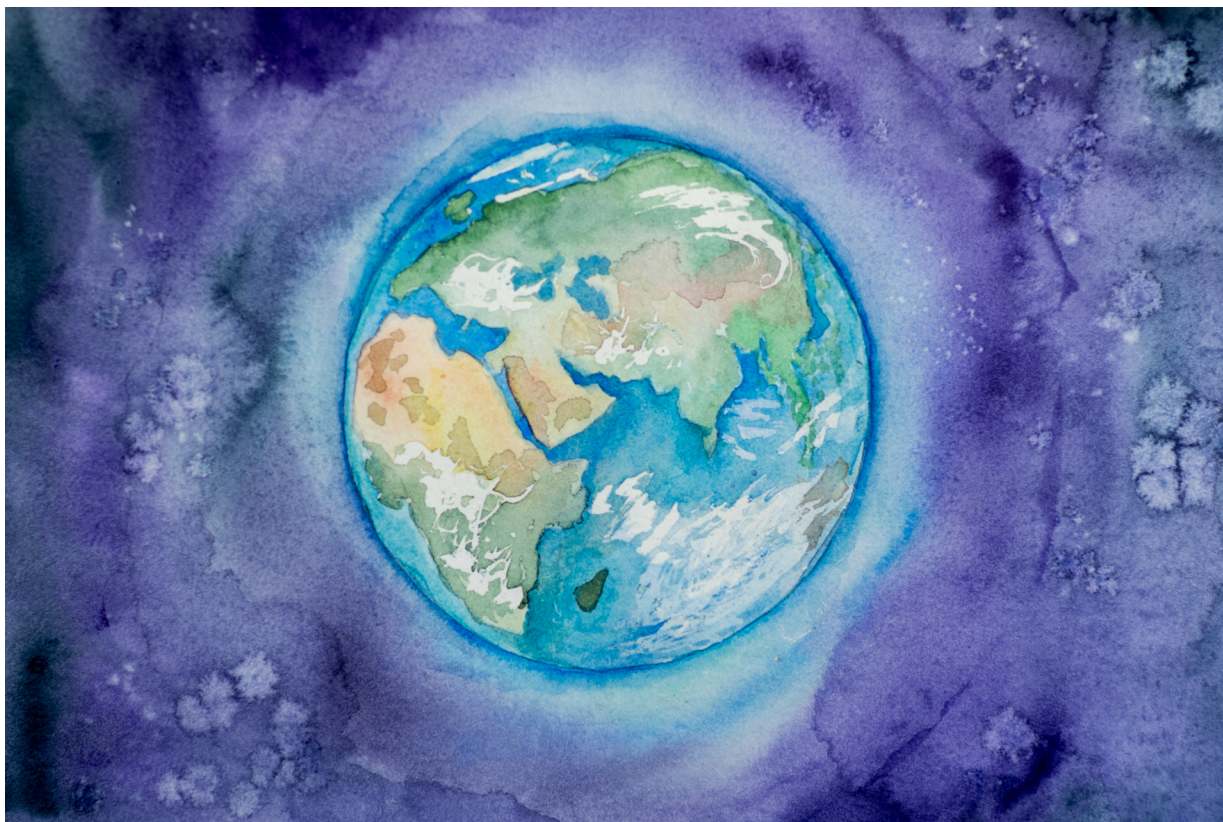
IEEP Footprint

As an environmental organisation, we consider it essential that we are aware of the environmental implications of our own day-to-day activities. We fully recognise our responsibility to reduce our greenhouse gas emissions and strive to make sustainable practices and high environmental awareness a norm.

Even though travel by train is strongly encouraged, travel by air cannot yet be ruled out completely. During the period of July 2022 to June 2023, we took flights that resulted in 17.7 metric tons of CO₂e. We fully plan to reduce this amount next financial year:

- through encouraging staff members to fully take advantage of the new technologies making hybrid meetings possible
- by strongly standing behind travel by train when possible

To offset the 17.7 metric tons of CO₂e we have chosen to support the [Gold Standard](#) certified climate project “[Mozambique Safe Water Project](#)”. The carbon credits we purchased have been transparently retired in their [Impact Registry](#). Our contribution represents 18 tonnes of CO₂ prevented from entering the atmosphere and verified benefits to local communities and ecosystems.



IEEP Team in 2023

Executive Management

- Eero Yrjö-Koskinen - Executive Director
- Tijana Tufek - Operations and People Director
- Antoine Oger - Research Director
- Kaley Hart - Associate Research Director

CAP and Food

- Harriet Bradley - Head of Programme
- Elisabet Nadeu - Senior Policy Analyst
- Melanie Muro - Senior Policy Analyst
- David Baldock - Senior Fellow



Climate and Circular Economy

- Emma Watkins - Senior Policy Analyst
- Chiara Antonelli - Senior Policy Analyst
- Emma Bergeling - Policy Assistant
- Andrew Farmer - Senior Fellow

Land Use and Climate

- Julia Bognar - Head of Programme
- Krystyna Springer - Policy Analyst
- Robin van Dijk - Policy Assistant



Global Challenges and SDGs

- Eline Blot - Senior Policy Analyst
- Federico Sgarbi - Senior Policy Analyst
- Nora Hiller - Senior Policy Analyst
- Pierre Leturcq - Senior Policy Analyst

Biodiversity and Ecosystem Services

- Evelyn Underwood - Head of Programme
- Zuzana Lukacova - Senior Policy Analyst
- Kenny Meganck - Senior Policy Analyst
- Laure-Lou Tremblay - Policy Analyst
- Gabrielle Aubert - Policy Analyst

Strategic Relations and Activities

- Martijn Pakker - Head of Unit
- Mattia Bonfanti - Network and Governance Manager
- Suzanna Walton - Events Officer
- Irene Chiocchetti - Membership Officer
- Elisa Decourcelle - Partnership Officer

Communications

- Carla Coppola - Head of Unit
- Darragh Cunningham - Media & Communications Officer
- Ha Doan - Communications Officer

Operations and Finance

- Sandra Mootoosamy - HR and Office Manager
- Thérèse Geortay - Senior Finance Officer
- Fruzsina Csepi - Senior Project Finance Officer
- Mike Majebelle - IT Officer



Being part of the IEEP team means also celebrating personal and professional successes and achievements. We celebrated 25 years of service at IEEP of our colleague Andrew Farmer, we held staff retreats in December, February and May and came together to discuss strategy and priorities.

Finances

The financial year ended in a budget loss of 280,000 Euro, with a loss of 69,000 Euro to be carried forward to the next financial year. During the period covered by this annual report, **we engaged** in 64 projects of a total value of 2,886,020.36 Euro (gross) or 2,486,162.52 Euro (net). Our funding was mainly project-related with 24% of the funding acquired through open public procurement and the remaining 76% through grants and other types of funding coming from a variety of public and private sources. We are grateful to our funders and partners for their trust in our research and continuous support of our work. Our funders and clients for the period July 2022 to June 2023 were:

Private funders

- European Climate Foundation
- Open Society Foundations
- Laudes Foundation
- Bio-based Industries Consortium
- Heinrich Böll Foundation
- IDDRI
- Breakthrough Energy
- IBMA
- Tetrapak
- Oatly
- Robert Bosch Foundation
- European Public Health Alliance
- Rockefeller Foundation
- Bill & Melinda Gates Foundation
- University of Cambridge (Corporate Leaders Group)
- TMG Research GmbH

Institutional clients

- European Commission
- LIFE Programme (CINEA)
- European Parliament
- European Environmental Agency
- PBL (Netherlands Environmental Assessment Agency)
- Finnish Innovation Fund (SITRA)
- OECD
- European Investment Bank
- Greens/EFA Group in the European Parliament
- OVAM
- UBA



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