



## Will 2010 be a True 'Year of Biodiversity'?

In what sense will 2010 prove to be the Year of Biodiversity? Insofar as we can measure change on a European scale, it is clear that the goal of halting biodiversity loss by this date has been missed by a larger margin than is worth calculating. To reinforce the point it has been estimated that only 17 per cent of those species and habitats considered of greatest conservation importance in Europe can be considered to have a 'satisfactory' conservation status. Grasslands, wetlands and coastal habitats are under most pressure.

Turning this round will not be easy. It requires a new awareness and commitment at almost every level from the personal choice of foods and garden products to strategic European policies about agriculture, trade, fisheries and transport. Valuing nature and giving it much greater priority in private and public sector decisions implies a major shift in consciousness and political culture, accompanied by the mobilisation of substantial resources - very much like what is being recognised as necessary to combat climate change. The biodiversity challenge is more difficult to grasp and to measure than the carbon metric because of the myriad of different species, ecological webs and individual places involved. Yet it does not require the same revolution in the structure and efficiency of industrialised economies or even a battery of new legislation.

If the title bestowed on 2010 is not to be embarrassing, real appreciation of the task and evidence of serious intent are needed this year. Since January there has been progress. There is a new target to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, now a popular date for European policy commitments. More detailed targets and specific priorities will be set; investment in the science and the monitoring of progress will increase. Some gaps in the legislative framework may be filled. Work on the value and economics of ecosystems is progressing (see article below on 'How much for biodiversity?') and the debate on the role of the EU budget in providing resources lies ahead. This is all welcome. It must be hoped that the impetus created within the Environment Council can now be lifted to the core European agenda - and the parallels with the climate agenda understood.



**David Baldock**  
Director IEEP

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## Launching the Manual of European Environmental Policy

Over the last six months IEEP experts have been busy updating, revising and rewriting the text for the new launch of our flagship publication the Manual of European Environmental Policy. This task has now been successfully completed, under new editor Andrew Farmer, and the Manual will be published online from June by the UK publishers Earthscan. We are confident that the Manual's new format will make it even more useful to readers from the EU Member States and beyond. The fundamental objective of the Manual, however, remains the same: to be the most systematic, reliable and comprehensive source of information on EU environmental policy. It is a consolidation of information and intelligence gathered from work across the Institute and acts as a collective history of EU environmental policy.

Building on the original Manual of Environmental Policy: The EU and Britain,

which was first published in 1992 and edited by Nigel Haigh, the new Manual has been restructured and refocused to give it a broader pan-European perspective. In addition, it will be available in a new online format with enhanced search functions, as well as continuing in print format. The text also provides links to all relevant EU texts as well as new analysis of important cases brought to the European Court of Justice and key implementation issues. The chapters include an introduction to the European institutions, policy processes and instruments used in environmental policy making; information on over 500 Directives, Decisions and Regulations; an analysis of the relationship between environmental policy and other EU policy fields; and a summary of

forthcoming policy measures as well as a comprehensive index of environmental legislation.

The Manual is an essential guide for those who need to keep up with European environmental policy. We hope that you like the idea of an improved online Manual! For more details, including on how to subscribe, please visit: [www.earthscan.co.uk/meep](http://www.earthscan.co.uk/meep) or

Contact: Camilla Adelle



## Manual of EUROPEAN ENVIRONMENTAL POLICY

## Delivering biofuel sustainability requirements

The environmental impacts of biofuels and bioliquids remain hotly disputed. The Renewable Energy Directive (RED) sets out criteria intended to limit the direct environmental impacts associated with the production and processing of feedstocks into liquid fuels, specifically to deliver a minimum level of greenhouse gas (GHG) reductions and to protect land valued for biodiversity or as a carbon stock.

Debate continues to rage regarding the lack of criteria focused on potential indirect land use change (ILUC) caused by expanded crop production to meet increased biofuel demand, and there are fears that ILUC could undermine efforts to deliver GHG savings from biofuel

consumption. Meanwhile, however, the existing sustainability RED criteria must to be transposed and implemented by this December. Effective implementation poses a significant challenge as wording of the criteria is often ambiguous. Moreover, there is no formal EU wide guidance under development to inform their interpretation or when they are deemed met. This uncertainty means that the already imperfect RED criteria are in danger of being weakened through inappropriate or incomplete enforcement.

IEEP has devoted considerable effort to supporting implementation of the RED and will soon publish a series of papers interpreting the bioenergy impacts of the

Directive's targets. Since October 2009, with the kind support of WWF EPO and Defra, IEEP has been working to help interpret specific requirements for the protection of highly biodiverse grasslands. Despite EU imports of biofuels having potentially significant impacts on grasslands globally, little focus has yet been afforded to this subject. Moreover, under the RED this is the only aspect of the biofuel sustainability criteria on which the Commission is required to adopt further interpretative information.

IEEP's Working Papers interpreting the grassland requirements of the RED and proposing a mechanism for their implementation were published in February 2010. We are currently conducting a phase of testing of the proposed implementation model.

Contact: Catherine Bowyer

## Weighing up habitat banking in the EU

The impacts of development projects (e.g. for housing, industry and transport) are an important cause of the ongoing loss of biodiversity in the EU. Although a range of policy instruments exist that aim to ensure such developments have acceptable environmental impacts, many developments result in significant residual impacts on biodiversity even after appropriate avoidance and mitigation measures. To achieve the EU target of halting the loss of biodiversity it is therefore increasingly necessary to develop measures that require and deliver compensation (i.e. biodiversity offsets) for such residual impacts.

One efficient method to achieve compensation might be to establish a policy framework that supports a system of habitat banking, whereby organisations (private, public or community bodies) enhance, restore or create habitats and trade these with developers who need to offset biodiversity losses. One advantage of such a system is the potential to strategically combine and locate habitat banks (e.g. to overcome habitat fragmentation). Such habitat banks have been successfully established

in several countries, but have not yet been widely implemented in Europe. However, the European Commission is interested in the concept and recently commissioned a study to investigate its potential.

The study, led by Eftec and with substantial inputs from IEEP, examined the potential benefits and risks of establishing habitat banking systems. The economic, legal, ecological and governance aspects of existing habitat banking systems were examined in some detail with respect to their potential application to the EU. The study concluded that there is a case for establishing such systems in the EU, primarily through the promotion of a no-net-loss biodiversity policy. But a strong regulatory framework would be needed to ensure that compensation measures are at least equivalent to impacts and only taken after appropriate avoidance and mitigation measures, and that they provide real, measurable, additional and long-term biodiversity benefits.

The full report can be downloaded from the IEEP website.  
Contact: Graham Tucker

## Counting the cost of adaptation

While there are a number of EU level policies aimed at mitigating greenhouse gas emissions, the issue of climate change adaptation has not yet been adequately addressed from a regulatory standpoint. Following up on several recommendations from the Impact Assessment of the Adaptation White Paper (released in April 2009), DG Environment has commissioned a wide breadth of analysis related to adaptation.

To this end, IEEP is working with Swedish Statistics on a project for DG Environment on the 'Identification and elaboration of a methodology to be used in the classification and costing of projects and programmes for adaptation to climate change'. The

project will conclude in November 2010. The completed research and analysis will be used to provide the European Parliament with recommendations related to two key elements of adaptation cost: the quantification of cost, and how to account for expenditure.

From an accounting perspective, classifying adaptation as part of any given budget will involve integrating adaptation measures into existing budget lines. The project will determine to what extent this can be done using standard environmental accounts (currently being undertaken in some Member States) or by using budget lines currently included as part of either the EU budget or other specialised EU funds.

Determining the cost of adaptation by plotting cost curves and deriving the associated cost function is not straightforward. From an academic point of view, the project raises a number of interesting questions with respect to establishing an adaptation baseline, the possibility to extrapolate cost given the uncertainty associated with climate events, and the inability to plot any existing time series on a linear basis. The bulk of existing research points to the lack of information on adaptation cost, and the need for more bottom-up data on impacts and localised data on climate variability to help undertake such cost estimates.

Contact: Jane Desbarats

# CAPRI model helps to assess CAP impacts

Understanding the likely economic, social and environmental consequences of changes in agricultural and rural development policies is a critical, yet complex, aspect of the policy development process. While economic models have been used for some time to predict the effects of changes in market support payments on the dynamics of global trade, production activity, producer and consumer prices, land use and so on, no EU-wide models exist to assess the likely effects of rural development policy in the EU-27. Finding ways of doing this is becoming more important as the economic, social and environmental impacts of rural development policy in rural areas have become more significant over time.

One of the strengths of rural

development policy is the range of measures that are available, and the flexibility given to Member States to choose how they are implemented to meet local needs and priorities. However, this flexibility means that different measures can be targeted at different farm types and promote different activities in different Member States and regions. Representing this variation is a particular challenge for economic modelling.

IEEP is involved in an EU-funded 7th Framework Programme project, CAPRI-RD, to explore the possibility of extending the Common Agricultural Policy Regional Impact (CAPRI) model to incorporate rural development measures. To do this CAPRI is being integrated with a layer of multi-sectoral regional models to generate a regional analysis of the impacts of

different rural development measures across all sectors of the rural economy using a range of economic, social and environmental indicators.

The efficacy of the model will be tested by using it to model a range of future CAP scenarios, as agreed with DG Agriculture. In the first instance, to inform thinking on the post 2013 structure of the CAP, the model will be used to assess the economic, social and environmental impacts of different options for the distribution of Pillar 1 direct payments in the EU-27.

Further information can be found at <http://www.agp.uni-bonn.de/agpo/rsrch/capri-rd/summary.htm>

Contact: Kaley Hart

# The impacts of land use change on key ecosystem services

There is increasing awareness of the important benefits that ecosystems provide and growing concern that these ecosystem services are being degraded as a result of human activities. This was the subject of a recent study by IEEP, in collaboration with Alterra, for DG Environment. The study examined the potential impacts of land use change to 2030 on four land services, namely food production, water (retention and quality), soil carbon and biodiversity. In particular, it focussed on the impacts of four pressures: soil sealing, habitat fragmentation, agricultural intensification/marginalisation and the loss of permanent grassland.

Although there is considerable uncertainty over future trends in land use in the EU, the study's results indicate urban growth will continue and further agricultural intensification will probably occur, primarily in the EU-12 Member States. There is also likely to be ongoing abandonment of extensive and small-

scale farming systems, especially in High Nature Value (HNV) farming systems in southern and eastern Europe, although the overall extent of abandonment is uncertain. Such land use changes are likely to lead to further habitat fragmentation and biodiversity losses, particularly in the EU-12. Impacts on soil carbon



and water will vary; urbanisation and intensification will have detrimental impacts, but beneficial changes may occur from agricultural abandonment.

The study concluded that the existing EU environmental policy framework

has the potential to maintain and restore the four land services (in particular biodiversity), and that few new instruments are required, other than a strong and effective Soil Framework Directive. But actions are required to re-orientate some existing measures (in particular the CAP), to increasingly support the provision of land services (this was also a finding of IEEP's recent Public Goods study), to increase funding from the EU budget and to implement existing instruments more rapidly, effectively and comprehensively. There is also a clear need to consider and plan land use more holistically and strategically, so that existing instruments (e.g. incentives and regulations) can be better integrated and targeted to help optimise the provision of land services.

The study's Executive Summary, full report and technical annex can be found on the IEEP website

Contact: Graham Tucker

Picture: © Martin Farmer

## How much for biodiversity? – MEPs join the debate

On 7 April, the Greens and the European Free Alliance (EFA) in the European Parliament organised a stakeholder workshop to discuss the future of EU biodiversity policy, in particular nature's role in maintaining human welfare and economic wellbeing. The event, hosted by Sandrine Bélier MEP, coordinator of the Greens' campaign on the International Year of Biodiversity 2010, gathered a wide range of participants from the EU institutions.

Marianne Kettunen from IEEP opened the event with a keynote speech on the economics of biodiversity, focusing in particular on the findings of the Economics of Ecosystems and Biodiversity (TEEB) initiative ([www.teebweb.org](http://www.teebweb.org)). Economic valuation could play a significant role in global and EU biodiversity policy, for example by increasing political and public support for conservation. However, putting a monetary value on nature should not be seen as an end in itself but rather a tool for supporting more sustainable decision-making.

At the workshop the Commission confirmed that aspects related to the socio-economic value of biodiversity were to play an integral role in EU biodiversity policy beyond 2010. This has also been endorsed by the European Council in its conclusions of 15 March, adopting the post-2010 vision to protect, value and restore biodiversity in the EU, also for

the purpose of human wellbeing and economic prosperity. The European Parliament workshop on the value of biodiversity was the first in a series of events taking place to mark the International Year of Biodiversity 2010. The next event on 6 May is entitled 'Taste biodiversity: How biodiversity is feeding the world', and other forthcoming events will focus on the future of the EU Common Fisheries Policy (June 2010) and biodiversity and climate change (October 2010). See: [www.greens-efa.org](http://www.greens-efa.org) for more details.

Contact: Marianne Kettunen



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## IEEP CONFERENCES AND EVENTS

*In the coming months IEEP is organising and/or participating in a number of meetings and events. To find out more, do not hesitate to contact*

***Seminar: 'Environmental Land Management from the CAP – Evidence of Past Success and the Scale of Future Need' - Brussels (Belgium), 22 April 2010***

David Baldock will chair a seminar organised by the European Heads of European Nature Conservation Agencies on 'Environmental Land Management from the CAP – Evidence of past success and the scale of future need.' The event will be held at the Office of the Northern Ireland Executive in Brussels.

Contact: David Baldock

***Policy Lunchbox - London (UK), 27 April 2010***

Sirini Withana will speak on 'European policy-making and how to engage with it' at a 'Policy Lunchbox' session organised by the British Ecological Society and the Biochemical Society. These lunchtime sessions are held once a month and are attended by policy officers and staff in the UK NGO sector. For further details please see: <http://www.biochemistry.org/PublicAffairs/Events/PolicyLunchbox/tabid/676/Default.aspx>

Contact: Sirini Withana

***Conference: Enriching the Planet – Empowering Europe – The Hague (Netherlands), 27 April 2010***

David Baldock will be a discussant on the topic "Sustainable growth within Europe in 2020" at this conference organised by the Netherlands Institute of International Relations 'Clingendael', in cooperation with the Dutch Government. The conference is one of the spin-offs of a cross-ministerial project of the Dutch Government on the issue of resource scarcity and the transition to sustainable economic growth. The event is by invitation only. Contact: David Baldock

***Conference: 'Agri-Environment Schemes - What Have They Achieved and Where Do We Go From Here?' – University of Leicester (UK), 27 April 2010***

Kaley Hart is to give a keynote presentation on the different approaches taken to designing and implementing agri-environment schemes in the EU at the Aspects of Applied Biology (AAB) annual conference.

Contact: Kaley Hart

***Meeting: Public Goods and CAP Reform – Brussels (Belgium), 6 May 2010***

David Baldock and Kaley Hart will attend a meeting with EU Commissioner for the Environment Janez Potočnik, organised by the Rise Foundation and the ELO to discuss Public Goods associated with agriculture and how they might be delivered through a future CAP. IEEP will present the key findings of their recent study for DG Agriculture on the Public Goods associated with Agriculture in the EU.

Contact: David Baldock, Kaley Hart

***Conference: "Removing Environmentally Harmful Subsidies: Opportunities and Benefits" – Andrassy University Budapest (Hungary), 8-9 July 2010***

At the Green Budget Europe annual conference on Environmentally Harmful Subsidies (EHS) Samuela Bassi will present the findings of a recent project led by IEEP on the reform of EHS and insights on irrigation water subsidies in Spain. Contact: Samuela Bassi

***Conference: Costs and Benefits Associated with Natura 2000 - Brussels (Belgium), 15-16 July 2010***

This international conference will bring together around 200 policy makers, Natura 2000 managers and representatives from academia, NGOs and industry. It will present the results of the project 'The Economic and Social Benefits associated with the Natura 2000 Network', coordinated by IEEP, and discuss costs and benefits associated with Natura 2000 as well as how to successfully raise awareness on ecosystem benefits.

Contact: Sonja Gantioler

***Conference: Industrial Waste Recycling – Melbourne (Australia), 23-25 August 2010***

This international conference, organised by International Business Review (Australia), will bring together current recycling industry pioneers and policy makers. Emma Watkins will speak on significant developments in recycling policy and legislation in Europe. Further details will be available in due course at: <http://www.ibrc.com.au/>

Contact: Emma Watkins