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Recommendations for the 7th EAP

Lessons learned from the 6th EAP

As the comprehensive assessment of the 6th EAP points out¹, the most important shortcoming of the 6th EAP was that it did not manage to stimulate comprehensive, cross-sectoral policy integration and thus improved mutual coherence between the environment and other sectors only to a very small extent. This is also true for the links among the four thematic areas (climate change, nature and biodiversity, natural resources and waste, and environment and health), which were not sufficiently explored.

The study also shows at the same time, that progress towards the objectives in the four thematic areas and the added value of 6th EAP was variable due to various internal and external factors and opportunity structures, including in particular **shifting political priorities** and inadequate implementation of EU environmental legislation.

These shortcomings lead to our conclusions that the **6th EAP did not take the right approach to develop holistic policies** that could have made significant progress towards environmental and socio-economic goals at the same time. In this regard it is also highly questionable if the main challenge lies in the enforcement of the EU environmental (and other) legislation when reaching the environmental targets, or if this legislation provides appropriate tools at all to achieve them. All in all, the 7th EAP needs to build upon new foundations to unleash the potential of a new approach for solving the prevailing environmental problems and avoid previous mistakes.

New approach for a new EAP

The new EAP shall play a strategic role in shaping EU policies to realise sustainability and a green economy. Thus the 7th EAP shall **set a strategic agenda with clear objectives and deliverables** for moving towards sustainable development resulting in a coherent policy framework, where all sectors, EU institutions and Member States find their common interests. This shall be underpinned by the necessarily integrated financial incentive schemes, to make the paradigm change happen.

Eventually, the 7th EAP shall **lead to a coherent policy framework**, where the different sectors operate towards common goals (environmental, social and economic ones). In this holistic approach the objectives are identified in the common policy framework (to be underpinned by integrated market-based instruments and legal tools) to prevent policy incoherence and inconsistency and increase the efficiency of policy implementation all across the EU.

This coherent policy framework shall bring about **horizontal and structural changes** in the EU's economy to stay within the carrying capacity of the EU's territory. These changes shall include the transformation of unsustainable production and consumption patterns to sustainable ones, resource overconsumption and ecosystem and land degradation also

¹ Ecologic Institute, 2011, Final report for the Assessment of the 6th Environmental Action Programme

resulting from competing uses of land. By these structural changes the environmental impacts of different sectors (agriculture, housing, transport, etc.) can be also tackled.

Ensuring the environmental preconditions for the green economy by the EAP

The 7th EAP shall apply a flexible framework to address all the pressures on the environment. While **continuously decreasing the total environmental pressure** as the bottom-line, flexibility is required to always set ambitious and realistic objectives in order to respond to the changing ecological and social conditions and new scientific results.

The new EAP shall focus on **all elements of the DPSIR framework** (drivers, pressures, state, impacts and responses) in order to be effective and apply long term solutions instead of short term fixes. The CBD Strategic Plan 2011-2020 can be considered as an example of building upon the DPSIR framework.

Consequently the EAP shall develop responses on all elements of the DPSIR framework:

- Drivers
 - on cultural level: awareness raising and public debate about wellbeing and development;
 - on institutional level: governance for sustainability,
 - on structural level: developing integrated policy tools that can address environmental issues and contribute to social objectives as well, incentives for changing the production and consumption patterns)
- Pressures (focusing on space/land use, resource use, pollution including the spreading of alien genotypes)
- State (conservation and restoration of biodiversity and ecosystems, remediation)
- Impact (enhancing benefits to all from ecosystem services, strengthening livelihoods, sharing benefits on national-, European and global levels)
- Effectiveness of responses (monitoring, knowledge management, capacity building, etc.)

As a starting point, the 7th EAP shall require the rigorous review of all EU legislation from sustainability point of view, also including the environmental acquis. It shall identify the policy gaps and inconsistencies, which shall be solved on the level of drivers.

As the bottom-line of future European environmental policy, efforts shall ensure that the total environmental pressure decreases on European level and the EU's global ecological footprint is reduced year by year until it fits into its ecological space. This requires a holistic approach, where all human activities related to resource and space/land use are considered and the possible rebound effects, as well as shifting of environmental pressure is prevented.

The three types of environmental pressures shall be tackled primarily with different policy tools:

- **Reduction of resource use through using market-based instruments** (see the proposed energy quota scheme below)
- **Realising sustainable land use through using market-based instruments and legal tools** (spatial planning instruments)
- **Reducing pollution and the spreading of alien genotypes by legal tools.**

Addressing economic and social aims with the EAP

The coherent policy framework for a sustainable society shall not only address the environmental objectives, but also contribute to the social aims and identify economic benefits:

- Increase employment through favouring human labour to machine labour and increased resource use
- Revive the countryside through promoting extensive land use with higher added value through more human labour need
- Ensure access to resources to the poor and reduce inequities in resource use within Europe and globally
- Increase the competitiveness of European businesses through early adaptation and resource use reduction in view of increasing resource scarcity and price volatility
- Decrease EU's resource dependency through decreased resource use
- Improve the EU's credibility in international discussions about a transition to a global green economy, fighting climate change and biodiversity loss

If the new EAP is able to address not only environmental, but social aims as well, while identifying and reaping economic benefits, it can provide a basis for engaging other sectors and stakeholders. This should be done through **integrated policy tools including market-based instruments** aiming at environmental and social aims at the same time **and not by add-on measures**, which create further inconsistency and incoherence and dilutes the focus! The EAP shall create a neutral policy platform for stakeholders to discuss and develop broader consensus on the integrated tools, thus depoliticising the issues.

Towards an integrated resource use policy

The new EAP shall lead to the development of an integrated resource policy, which on one hand ensures the absolute reduction of resource use on EU level and on the other hand provides economic and social benefits (see below). It is also underpinned by UNEP's International Resource Panel based on scientific evidence, which says that *"to make the transition to a more sustainable global economy, sustainable resource management strategies will be required that promote resource and impact decoupling, with an emphasis on absolute resource use reductions in developed economies and relative decoupling in developing economies (up to a certain point after which they must also shift into an absolute reduction mode)"* (see its Decoupling Report² from 2011). Under its tough "contraction and convergence" scenario the European average metabolic rate of 16 tons/capita/year would need to be reduced to 6 tons/ capita/year by 2050, which requires unprecedented levels of innovation.

The resource use scheme³ proposed by CEEweb and its partners in the European Resource Cap Coalition can deliver such system level innovation, and it is based on four pillars:

- 1st Pillar: **Energy resource use quota system** introduced for countries on international level and for each individual, public and private consumer on national level. The quota system ensures the yearly reduction of all non-renewable energy resources. Those, who save part of their allocated annual quotas, can sell their remaining quotas through the quota managing organization to those who have consumed more than their allocated quotas. The quota managing organization sells the quota in the national currencies, and buys the remaining quota for quota money.
- 2nd Pillar: The **market for environmental goods and services** is an open market operating according to environmental and ethical rules including aspects of

² <http://www.unep.org/resourcepanel/Publications/Decoupling/tabid/56048/Default.aspx>

³ See the recommendations of the Resource Cap Coalition, <http://www.ceeweb.org/rcc/>

sustainability and market considerations. The quota money received from selling energy quotas could be exchanged to products in this 'eco-labelled' secondary market.

- 3rd Pillar: The **Revolving Fund** provides the opportunity for everyone, both energy producers and consumers, to be able to achieve savings through energy efficiency and renewable energy investments. The Revolving Fund provides interest free loan in quota money with a payback period adjusted to the energy savings or income generation realised through the investment.
- 4th Pillar: The **Advisory Service** aims to provide advice on lifestyle, planning, social and environmental issues, as well as information on the functioning of the scheme to consumers.

Economic benefits of the energy quota scheme:

- Reducing the EU's dependency on non-renewable energy through the reduction of their use,
- Increasing the competitiveness of EU businesses, as on one hand they become more efficient in the operation, and on the other hand they can develop more resource and energy efficient products for the global market,
- Providing the necessary investment capital also for SMEs to invest in energy efficient operation, as well as to develop goods and services with high energy efficiency,
- Providing the necessary investment capital for households to realise energy efficiency investments,
- Boosting the demand for energy efficient goods and services as a result of the quotas,
- Boosting the demand of environmentally friendly goods (e.g. organic products) and services through the use of quota money on the secondary market,
- Freeing up funds from the state and the EU budget for other social purposes, as after the kick-off stage the revolving fund and the scheme itself is fully maintained by the public and private consumers directly (no need for continuous expensive investments for energy efficiency from state budgets).

Social benefits of the energy quota scheme:

- Creating green jobs directly (in renewable energy and housing sectors, R&D, etc.)
- Creating jobs indirectly in the more labour intensive sectors through the need to reduce non-renewable energy use (as a substitution of human labour in production)
- Reducing the expenses of households, especially of the poor (those consuming less energy),
- Transforming values and consumer behaviour through creating personal interests with the quotas
- Greater access of consumers to environmentally friendly goods and services with the use of quota money, which contributes to wellbeing (in)directly.

Environmental benefits of the energy quota scheme:

- Radically reducing non-renewable (also fossil) energy use (e.g. 80% reduction by 2050),
- Effectively mitigating climate change with the use of an input side regulatory tool (covering all sectors in the economy preventing carbon leak),
- Indirectly reducing resource use through the reduction non-renewable energy use, a main environmental pressure leading ecosystem degradation and biodiversity loss.

Such an integrated resource use policy is able to prevent the rebound effect, which is expected to result from the current EU resource efficiency policies – including the Resource Efficiency Roadmap. This rebound effect is expected directly (using more resources, as their use becomes more efficient and thus cheaper), indirectly (using more resources of other types through the realised financial savings) and on macroeconomic level (through economic growth), which

leads to the extension of environmental problems instead of their prevention.

Towards an integrated land use policy

Integrated land use policy shall be another cornerstone of EU policies leading towards sustainability in addition to resource use policy. Within an integrated land use policy all the related concepts of green infrastructure, landscape planning, common agriculture policy, etc. shall be integrated into a common framework with the following requirements⁴:

- The Green Infrastructure (GI) shall not be separated from grey and black infrastructures, but shall be regulated through an integrated policy aiming at the reduction of total environmental pressures. This shall stop the current practice that pressures from unregulated use cancel conservation efforts in other areas (see more about the problem of landscape polarisation in SOER 2010).
- The regulation of different land uses shall be significantly improved, covering all land users (e.g. through the elaboration of land use criteria for different land use types, such as urban areas, infrastructures, farmlands, forests, protected areas). Standardized monitoring and information systems shall be elaborated at an appropriate scale. The monitoring shall be linked with proper responses in case of unfavourable changes along with the clear identification of responsibilities.
- Financial mechanisms shall be developed for the GI, which creates revenues within a scheme. This mechanism shall give direct feedback on the environmental performance of land users, who shall be subsidized or discouraged depending on whether they create positive or negative externalities to nature conservation and the society. Thus if land users do not meet a level of land use criteria, they would need to pay, but if they perform even better, they would get paid.
- Both ecosystem and sustainable use approaches should be applied: GI elements should be used and managed in a non-destructive way in order to enable continuous ecosystem functioning and provide ecosystem services at the same time.
- Elements and areas of ‘no financing and actions’ should be developed to allow their proper functions (e.g. wildlife refugia, natural rivers and forests).

Such an integrated land use policy could reduce the land use impacts of housing, mobility or food production, as it involves all these sectors into the same scheme while providing incentives to eliminate harmful land use practices.

If the integrated resource and land use policies are applied at the same time, it could also prevent shifting environmental pressures in space or time, which often happens today. As the example of current fragmented policies show, the target of reducing greenhouse gas emissions instead of reducing energy and in particular fossil energy resource use creates conflicts with land use sectors through the promotion of biomass and biofuels (or questionable technologies, such as carbon capture and storage). By this the environmental pressure is today shifted from the atmosphere to the ecosystems, with serious social consequences through indirect land use change.

In conclusion the new EAP shall propose policies, which can address space/land use and resource use in an integrated manner (e.g. quota schemes for non-renewable energy use and land use). Such policies will not lose their relevance under changing political circumstances and public attention, as it happened with some thematic focus areas of the 6th EAP.

Time frame and milestones

Last but not least we advocate for a “shortened” time frame for the 7th EAP – to align it with

⁴ See CEEweb’s [Study on the outcome of the national assessments of analyzing Green Infrastructure and connectivity in the four Visegrad countries](#)

other major policy tools and instruments, such as the Multiannual Financial Framework, the EU Biodiversity Strategy, as well as with the CBD Strategic Plan – all expiring in 2020. This would allow fulfilling the **alignment of existing policy and practices**. The inevitable assessment of the above will possibly induce a major policy shift supported by the needed financial instruments beyond 2020.

Possible milestones for the 7th EAP:

- **By 2014 the EU aquis (including the environmental aquis) is reviewed** to check coherence and consistency, which create sectoral conflicts. This review serves double purpose, on one hand it aims to assess the bottlenecks of implementation that originates from inconsistency and incoherence, and on the other hand it aims to check the
- **By 2016 policy options for integrated resource and integrated land use are presented** by the European Commission, which is followed by wide public debate. These integrated resource and land use policy options shall be able to resolve the incoherence and inconsistencies, which are identified in the review. On the other hand these policy tools shall create market-based mechanisms (e.g. quota schemes) to create the interest of economic sectors for participation, while increasing their global competitiveness and producing public benefits at the same time.
- **By 2018 legislative proposals for integrated land and resource use policies are developed**, so that they can come into force in the next planning cycle beyond 2020.