



RESPONSES/ IEEP Symposium on Climate Policy Mainstreaming

Climate policy ‘mainstreaming’, ‘proofing’ or ‘integration’ are concepts that are increasingly appearing in EU policy discussions, particularly those concerning the forthcoming 2014-2020 EU Multi-Annual Financial Framework. While this is in many ways a welcome development, considerable uncertainty remains about what exactly these concepts entail, the best means to implement them, and what their effects could be.

On 12th July 2012, a symposium was convened jointly by the *Responses* FP7 project and Institute for European Environmental Policy (IEEP), bringing together around 20 academics, specialists and members of relevant policy networks to explore the state of the art and possible future implications. It was informed by a background paper written by participants in the *Responses* project. While mitigation aspects were touched on, the emphasis was largely on adaptation to climate change.

In this paper we record the key points made in discussions on the day.¹ A *Responses* policy brief is due to elaborate further on the topic.

Headline messages:

1. Climate mainstreaming can be seen in terms of normative, organisational and procedural changes that can lead to the adjustment of EU and Member State policies to account for emerging climate risks.
2. Given the uncertainties about how climate change will affect different EU regions and sectors, and about the impact of adaptation measures, effective climate mainstreaming needs to be a continuous activity at *all stages* of the policy cycle.
3. Within EU policy making there is now widespread awareness of climate risks and high-level efforts to work towards better climate mainstreaming, not least the forthcoming Adaptation Strategy. However, the degree of effort being made varies across sectors, and more effort will be required to embed changes in policy implementation at the local level.
4. Ambitious objectives have been set by the European Commission for climate mainstreaming in the new Multi-Annual Funding Framework. However, it is unclear if these objectives and related policy measures - as enshrined in a number of policy proposals with relevance to the next long-term budget cycle - will survive the process of negotiations between Council and Parliament, leaving the whole discussion at a stage of considerable political uncertainty.
5. To promote innovation and broaden the support base, opportunities to engage civil society organizations and other ‘change agents’ at local level need to be better exploited.

¹ These points are not necessarily endorsed by IEEP.

Key concepts and their implications

- The background paper offered an effective birds-eye view of scholarly debates about mainstreaming (or integrating) climate into EU policies, while retaining detail of use to policy-makers.
- The distinction between *normative*, *organisational* and *procedural* strategies is a useful starting point for grasping the opportunities of mainstreaming.
- In Commission documents, the term ‘mainstreaming’ mostly relates to stepping up action on mitigation across the different EU policy / expenditure areas, while ‘proofing’ refers mostly to adaptation at the level of projects.
- Ambiguity and fuzziness over the meaning of climate policy integration, mainstreaming and proofing concepts is not necessarily problematic. As with similarly ambiguous concepts such as sustainability and resilience, it can drive exploration with a rich ferment of diverse ideas in close proximity to each other. That said, the implication within the concept of climate proofing that policies, programmes or projects can be subject to a ‘one-off’ check, after which they can be deemed ‘proofed’, has potential to be dangerously misleading. Adaptation requires an on-going process, or repeated cycle, of re-negotiation, a ‘guided transformation of society’.
- Environmental policy integration (EPI) originally had an element of ‘eco-centrism’ underpinning it (although this faded over time). Climate policy integration (CPI) seems more clearly geared to the interests of people and society. But the potential conflicts entailed by mainstreaming a range of different objectives, highlighted in the background paper, need more systematic attention.
- Although often considered less contentious than mitigation, the mainstreaming of adaptation objectives may in the longer term generate opposition when it involves re-consideration of sectoral practices that have been the norm for long periods of time. Even mainstreaming to reach (rather than question) existing sectoral policy objectives may give rise to opposition (e.g. in agriculture, where it may require less intensive farming practices).
- Eco-system-based adaptation (EbA) presents an opportunity for integrated approaches which can address the objectives of several EU policies simultaneously. Although good examples exist, they are not prominent: the concept has not yet been widely taken up by decision-makers.
- Given the existing division of responsibilities and remits, it may be that the potential of eco-system-based adaptation (EbA) (and mitigation) will not be realised. As a concept, it is arguably *too* integrated.
- Mainstreaming needs to be seen as something that happens throughout the policy cycle. It is not something that belongs to only one phase of policy making (such as impact assessment), but needs to be embedded holistically, with emphasis placed on monitoring effects and policy learning.

High level planning and budgetary issues for the EU

- In on-going negotiations on the Multi-annual Financial Framework (MFF), ensuring that sufficient funding is available for climate-related purposes and improving its performance and result-orientation are the most important outstanding aspects.
- The Commission has proposed that 20% of the EU MFF should be climate relevant expenditure, subject to impact assessment (approximately €200 bn for 2014-2020).
- Analysis of current policy proposals for different areas of EU expenditure in the 2014-2020 MFF suggests that full implementation of Commission proposals would not reach this target: a gap of at least EUR 120bn remains (that is, at best 40% of the target is achievable). Equally worrying is the total absence of the climate expenditure issue from negotiations in the General Affairs Council.
- While there are stricter conditionalities attached to spending under Cohesion Policy, less developed regions will still enjoy considerable autonomy for spending. This can lead to situations where Member States continue to 'lock in' to high carbon development pathways. In addition, incentives for robust mainstreaming action have been weakened rather than strengthened during the course of negotiations.
- A key element in the discussion about climate-relevant expenditure is what actually counts towards it and how it is measured. There is a danger that many policies unrelated to climate will be reclassified out of convenience, with little change occurring (even pipelines could potentially be classified as climate-related, as part of the *Connecting Europe* facility). The OECD-based approach of 'Rio markers'² represent an opportunity but need to be developed, not just as indicators of budget allocation but also as ex post performance indicators to be put into practice.

Impact assessment as key to a procedural approach to mainstreaming

- Assessment tools provide important procedural opportunities for mainstreaming and proofing. They include regulatory Impact Assessment (IA) at policy level, Strategic Environmental Assessment (SEA) of policies, programmes and plans, and Environmental Impact Assessment (EIA) at project level. The current legislation on SEA and EIA is not sufficiently reflective of climate change concerns. Member States need further guidance on how to use EIA and SEA to address complexity and uncertainty with regard to relevant climate change impacts, in terms of an ongoing process rather than a one-time assessment exercise.
- Monitoring and reporting are important elements, but are not occurring sufficiently with regard to current expenditure planning and implementation. The Commission envisages a greater shift from output-based absorption to result- and performance-related compliance. While this is welcome, it requires a greater investment in information and monitoring capabilities, not least administrative capacities.
- Ultimately, a comprehensive revision of EIA and SEA directives may be appropriate, however politically difficult. This should contribute to better consideration and resolution of conflicts and synergies between different environmental objectives.

² The Commission has proposed a modified version of the Rio Markers as a key tool for tracking climate change -related expenditure. All expenditures would be marked in one of three categories: climate related only (100%); significantly climate related (40%); and not climate related (0%).

Agriculture and rural development

- Although awareness is increasing and encouraging normative statements are being offered, particularly at Commission level, links between CAP and climate adaptation remain at the periphery of policy discussions, overshadowed by traditional debates over distributional/ budgetary aspects.
- Unsustainable development patterns, supported by CAP and powerful interest groups, continue largely unchecked in the Mediterranean states, for example. Member States could usefully be required to look at the impacts of continuing these trends (intensification, mechanization) over the next three decades.
- In the current EU governance framework, organisational approaches to mainstreaming, e.g. involving changes to remits or creation of new organisations, pose particular challenges to governments and interest groups. One of the key challenges is the integration of agricultural policy with wider spatial planning.
- While the EU lacks the competence to be more prescriptive in the field of spatial planning, some Member States such as Denmark set examples that could be emulated.
- Adaptation efforts will benefit from policy taking a territorial perspective that facilitates more ‘landscape-based’ interventions. Different Member States and regions (e.g. Portugal, Ireland, some Italian and French regions) are already experimenting with territorial approaches within their Rural Development Programmes. These approaches frequently involve protected areas, regional and national parks, as they already pursue environmental, economic and social goals in a local strategy. The proposed new rural development regulation may go further in that direction, making part of the CAP more territorially spatially explicit.³
- Opportunities will also arise from strengthened co-ordination between agricultural rural development programming and regional funds – enabling more joined-up actions.
- Evidence from the European Network for Rural Development (ENRD) suggests the high profile investments under Pillar 2 are mitigation-related. There is a danger that adaptation-related aspects of these investments may be reliant on technological solutions, rather than building broader adaptive capacities to cope with unforeseen developments.
- There is a need for improved capacity building, learning and exchange in Rural Development Programmes. The current ‘menu’ is good but Member States need help in understanding how to use it to best effect.
- Lack of trust is a huge issue between different levels of governance. The upper levels want to maintain control, but might allow more innovation if they trusted farmers and others at lower levels. Learning will come through co-creation and co-learning through experimentation. Pressure to adapt to climate change adds urgency to this already existing need.

³ The CAP has a two-pillar structure. Pillar 1 is 100% funded from the EU budget; payments provide direct income support to farmers subject to cross-compliance rules. Pillar 2 (the Rural Development Fund) is co-financed between the EU budget and Member States over a multi-annual planning cycle. Pillar 2 provides additional payments to farmers for undertaking specific additional forms of management or investment, including for environmental protection.

- Under CAP pillar 1, Commission's proposal is that 30% of funding is conditional upon compliance with a set of 'green' measures (e.g. conserving pasture, ecological focus areas). At present, ecological focus areas relate more to mitigation than adaptation. This approach carries some risks, e.g. in promoting crop diversification. If the new crops being promoted are water-intensive (e.g. rice in Spain), they may promote mal-adaptation.
- The EU ought to use cross-compliance as an opportunity to engage farmers in considering climate change, as opposed to a problem to avoid.

Water

- The Water Framework Directive is a more advanced vehicle for mainstreaming than many other pieces of EU legislation (in this and other sectors).
- To a large extent resilience will be improved by more concerted implementation of the directive. This will require RBMPs and related institutions to be better and more evenly resourced. Currently there is great variation in capacity among them.
- However, the WFD lacks an explicit legal requirement to include climate considerations. Arguably, the new EU Adaptation Strategy should look at how to include such a requirement. In 2018 there will be a revision of the directive, presenting the next opportunity in the policy cycle. In the meantime, SEA's monitoring provisions present opportunities, but it will be important to consider indicator choice.
- Provision could be improved for reporting of robust information by competent authorities under the Water Framework Directive, and public scrutiny of it (not just consultation). There is a danger that the Commission may not see failures coming because Member States may not offer timely, correct information.
- Water pricing remains an Achilles heel of EU water policy. Coordination efforts in view of implementation of Art. 9 of the WFD need to be stepped up. Through pricing, clearer economic incentives could be created to act adaptively in key sectors such as agriculture and industry.

Cohesion and regional development

- Much of the climate-related investment envisaged in the new MFF will fall under cohesion and regional development. Since the management of expenditure programmes and investment projects is entrusted to national and regional managing authorities, ensuring effective and consistent climate mainstreaming will very much depend on political will and implementation capacity at these governance levels.
- Strategic Environmental Assessment (SEA) is due to be part of the ex-ante evaluation of Operational Programmes (OPs). Past experience, however, has shown how environmental analysis is simply 'added' to the socio-economic elements, rather than being taken into account in an integrated way, and has had relatively little impact on the priority-setting and design of the OPs. The overall application of SEA needs to be considerably improved.
- The monitoring requirements in SEA can help the identification of appropriate climate indicators that should be integrated in the established monitoring and reporting requirements of EU expenditure programmes. So far the links between SEA

monitoring and OP monitoring have rarely been established. SEA indicators could also include indicators for the implementation phase, perhaps even down to project level.

- A large number of barriers can be identified, e.g. lack of awareness in managing authorities of how to design calls for proposals in relation to adaptation, the lack of involvement from environment/ climate authorities in infrastructure planning and sectoral decision-making, and lack of appropriate training. The need for investing in the knowledge base, governance tools and implementation capacities therefore becomes acute.
- The European Social Fund (ESF), as well as technical assistance under the European Regional Development Fund (ERDF), can be used for institutional capacity-building, but is not always used for climate change mainstreaming purposes. A lack of understanding among beneficiaries about how to put together a meaningful project application militates against more funding here. Improved leadership on adaptation, as well as better networking and dedicated help-desks to inform potential beneficiaries, may improve this. Civil society organizations, which can be involved in monitoring committees, can also receive ESF money. Technical assistance under the ERDF may make sure that there is more uptake/better use of information.
- It will be important to motivate actors to reframe adaptation so that it becomes core business. The experience of past extreme weather, and costs incurred would help to prime local authorities to look at adaptation in future activities.
- To drive through climate mainstreaming better monitoring and reporting will be needed and there may be a need to consider ‘sticks’, i.e. suspension of funds. More use of ex ante conditionality and performance checks would be one possible approach for this.

General themes

- Given different climate risks across Member States and differing capacities of authorities to manage these, a ‘burden sharing’ challenge arises that has yet to be confronted. How far should it be left to Member States to define and address relevant risks themselves, especially given possible spill-overs of risk and response measures to others? Burden sharing is a generic mainstreaming issue, concerning the extent to which a range of EU policies should be re-balanced to take account of the differentiated climate risks (or the differentiated risks of maladaptation) that arise across the Member States in different sectors. Previous *Responses* project work has shown that this is a very complex issue for the EU to take on.
- Discussion of the most important levels where mainstreaming should be taking place emphasised local level and/or functional geographies (e.g. at the farm level or river basin). However, this may have been a product of the sectoral focus of the symposium. It is also critical to observe that local level actors must receive appropriate signals from higher levels of governance.
- An important part of mainstreaming at a high policy level may be to consult more with local level actors regarding the policies that are helpful to them and those that present obstacles to adaptive actions. These may not be apparent from a ‘top-down’ perspective.
- The continuing importance of capacity building, among e.g. local authorities, farmers and those carrying out adaptation is a common issue across all sectors.

- Climate concerns would be more seriously considered if there were more incentives for climate mainstreaming practices (perhaps including the threat to withdraw/ withhold funding, or more binding requirements for consideration of climate change when designing policies, through SEA).
- Much better science-policy interfaces are needed. Adaptation strategies are knowledge-intensive, requiring high quality information and capabilities to apply this to project implementation and problem-solving.
- As well as ex ante and ex post assessment (procedural measures), ex durante appraisals may help to build flexibility and improve project development and execution. Continuous change requires monitoring to be continuous and with faster feedback on risks and effects of adaptation measures. Data collection, monitoring, sensing, analysis and institutions that can do that, e.g. by vulnerability maps, require significant investment.
- There is potential tension between having clear indicators for monitoring, in order to define adaptation goals on the one hand, and encouraging innovation. Indicators and standards can be misleading and freeze innovation if actors make no effort to go beyond them. The process of policy evaluation and the process of state of the environment monitoring should not necessarily be put together, as they are often not possible to combine.
- There is a need for longer-term vision. A climate signal is likely to become evident over periods of time that are generally longer than the policy cycles that are typical of EU policy, e.g. the MFF of 7 years. In agriculture, obliging member states to conduct ‘foresight’ style impact assessments could be a powerful mainstreaming instrument (especially in member states which have been slower to recognise climate imperatives).
- ‘Change agents’ and networks are needed to overcome NIMBY opposition and promote innovation.

About the

RESPONSES

Project:

The RESPONSES project addresses EU policy challenges by: developing new global low emissions scenarios, placing EU efforts in a global context; building an approach for assessing EU policies against mitigation and adaptation objectives and for developing alternative policy options; applying this framework in five EU policy sectors (water and agriculture, biodiversity, regional development/ infrastructure, health and energy), linked by a set of cross-sectoral integrative activities; and synthesizing the results to new policy strategies.

Partner Institutes:



IVM, Institut for Environmental Studies



UEA, University of East Anglia



IIASA, International Institute for Applied Systems Analysis



PBL, Planbureau voor de Leefomgeving



ISI, Fraunhofer Institute for Systems and Innovation Research



CSIC, Consejo Superior de Investigaciones Científicas



CAS-IPM, Institute of Policy and Management, Chinese Academy of Sciences



TERI, The Energy and Resources Institute



JRC, Joint Research Centre - European Commission



UH, University of Helsinki



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