

Natural England Board



Meeting: 11
Date: 25 June 2008

Paper No: **NEB PU11 02**

Title: **Natural England's European Engagement Strategy**

Sponsor: **Guy Thompson, Executive Director External Affairs**

1. Purpose

1.1. The purpose of the paper is to outline a proposed European engagement strategy for Natural England. Its main focus is the period up until mid-2009, after which elections to the European Parliament and the installation of a new European Commission are likely to modify European Union policy priorities. Where they are already known, European Union policy developments and milestones beyond this period are also addressed.

2. Recommendations

2.1. It is recommended that the Board:

- endorses the approach and priorities proposed for a European engagement strategy for Natural England;
- agrees that engagement in Europe should be a key priority for Natural England;
- notes that it is proposed to assess the effectiveness and value for money of Natural England's involvement in specific European networks.

3. Introduction

3.1. This paper proposes a strategy that will enable Natural England to engage with the institutions of the European Union and other relevant European agencies and stakeholders in furtherance of the objectives set out for it in the Natural Environment and Rural Communities (NERC) Act 2006. It builds on the way in which we are developing our government relations under the External Affairs strategy, but explains its European dimension in greater detail.

3.2. The European Union has a powerful influence on environmental policy and regulation in England and the rest of the UK. It is estimated that around 80% of UK environmental legislation is derived from European Union law. The European Union has more than 200 legal acts in force, covering issues such as biodiversity, agriculture, fisheries, water management, soils, waste, pollution control, air quality, chemicals policy, and climate change. Uniquely for an international organisation, European Union measures are legally enforceable through the UK courts as well as the European Court of Justice.

- 3.3. It is therefore clear that Natural England needs a European engagement strategy designed to influence the strategic thinking, policies and programmes of the European Union institutions, and that this is pivotal to the future delivery of our strategic outcomes.
- 3.4. Implementation of an engagement strategy can only be achieved through strong collaboration across Natural England teams, and, where appropriate, with the other UK statutory agencies/inter-agency groups.
- 3.5. Engagement at a European level raises particular political sensitivities, and as an Non-Departmental Public Body, Natural England needs to work closely with Defra, keeping it informed at all times of its European activities.

4. Scope

4.1. Institutional focus

In view of its overarching importance for biodiversity and rural land use in England, the policies and institutions of the European Union must form the core of Natural England's European engagement strategy. However, wider global and European institutions – such as the United Nations' Commission on Sustainable Development, the United Nations' Environment Programme or the Council of Europe and its conventions – are often important in setting the political context in which the European Union operates. We will therefore keep abreast of their developing agendas to inform our future engagement.

4.2. Time horizon

The strategy is concerned principally with the period until the end of 2009. This is because a new European Commission and Parliament will take office during the autumn of 2009, with new members, policy priorities and possibly institutional arrangements, all of which are currently unknown. However, where milestones beyond this period have already been set out (in relation to the EU budget review, for example), these are taken into account.

4.3. Policy domains

The European Union has varying levels of legal competence over a wide range of policy areas with direct or indirect impacts on the state and use of the natural environment. However, it is beyond the scope of Natural England's limited resources to engage directly in all of these European Union policy domains - even with a more extensive 'mainstreaming' of the European dimension across our policy, strategy and evidence work. Prioritisation is unavoidable. The key European Union policy areas which it is proposed should lie at the heart of an European Union engagement strategy are set out in section 8 below.

5. Objectives

- 5.1. The objectives of a European engagement strategy are to:
 - create and sustain positive relationships with the European Union and wider European institutions to support the delivery of Natural England's Strategic Direction, corporate plan and policy priorities;

- build Natural England's reputation among European audiences for environmental leadership, by delivering high quality evidence and policy solutions;
- co-ordinate and support tailored programmes of engagement to influence the development and implementation of specific European Union policies and programmes.

6. Audiences

- 6.1. The process of developing European Union policies and legislation is diffuse and complex, and is set to change in significant ways with the likely entry into force of the new Treaty of Lisbon in January 2009¹. The role of each of the European Union institutions also differs between different European Union policy domains, and with the stage in policy development.

To influence the European Union's legislative process, Natural England's target audiences should be the following:

6.1.1. The European Commission

Has the exclusive legal responsibility for initiating legislation and is of prime importance in the development of new European Union legislation. The Commission Directorates-General of most direct relevance to Natural England's objectives are: Environment; Agriculture and Rural Development; Fisheries and Maritime Affairs; Energy and Transport; Budgets; Regional Policy; Health; and Research. In addition, of the 24 executive or advisory agencies responsible to the Commission, the European Environment Agency, and two agencies responsible for Fisheries Control and Maritime Safety respectively, are important contacts on some specific issues.

6.1.2. The European Parliament

The power of Members of the European Parliament (MEPs) in amending draft legislation continues to increase with the extension of co-decision, particularly now in relation to agriculture and fisheries. The 64 English MEPs form Natural England's principal audience, but Committee Chairs and Rapporteurs of whatever nationality must also be a key target in relation to specific items of relevant legislation. MEPs' researchers, and the staff of Parliamentary Committees and political groups can also be influential – the latter particularly so in the run-up to the next European Parliament elections in June 2009.

6.1.3. The European Council (Defra and UKREP)

The substance and conduct of the negotiations on draft European Union legislation between the Member States in the Council of Ministers and its working groups are the responsibility of the relevant UK Government Departments (particularly Defra) and the UK's representation in Brussels

¹ At the time of writing, the outcome of the Irish referendum on 12 June 2008 is unknown. Since the unanimous support of all 27 Member States is required for Treaty changes, a 'no' vote in Ireland would severely delay the entry into force of the provisions of the draft Treaty. In particular, it would pose severe difficulties for the elections to the European Parliament and the appointment of a new Commission in 2009. In this event, EU Member States can be expected to seek to address Irish objections so as to enable the principal institutional changes in the draft treaty to come into effect.

(UKREP). As a sub-national Non-Departmental Public Body, Natural England must not seek directly to influence the negotiating positions of other Member States. Instead, the key audiences at this stage should be the lead UK Government Department (particularly Defra), and relevant staff in UKREP, in relation to the structure and processes of negotiations.

6.1.4. 'Comitology' committees.

Legislation negotiated between the European Union institutions often gives the Commission delegated powers to make detailed implementing Regulations. The scope of this power is growing with the increased use of more strategic, framework legislation, and would be extended further by the draft Treaty of Lisbon. Member States supervise the Commission's exercise through a range of so-called 'comitology' committees. Important examples are the committees established by the Habitats and Birds Directives – now amalgamated, with a network of working groups. Targeted engagement with UK representatives on these committees will become increasingly important. Opportunities to extend the direct participation of Natural England staff on the currently small number of comitology committees and working groups where this applies should be sought wherever possible, even though this could have significant resource implications

6.1.5. English regional implementation authorities.

The highly decentralised implementation of some European Union policies means that decisions taken within the UK can be as much a determinant of their ultimate impact on the environment as decisions taken in Brussels. This applies in particular to European Union structural funds and rural development programmes. In England, the nine Regional Development Agencies (RDAs) play a leading role in the development of operational programmes and in project selection. In partnership with Stakeholder Relations Team, and in the context of the current sub-national Review, the European function should develop engagement strategies with the RDAs, in particular with a view to gathering evidence on how far 'mainstreaming' environmental objectives through European Union financial instruments is happening in practice.

7. **Principles**

- 7.1. Our European Union engagement will comply with the overarching principles for our government relations. These are that the management of relationships with all levels of Government should be: impartial and non-partisan; transparent; informed by high quality evidence and analysis; engaged closely with external agendas; collaborative, with partners inside and outside Natural England; inter-departmental, to advance the mainstreaming of our objectives across Government, and to foster joined-up working; and creative.
- 7.2. Beyond these, the specific characteristics of engaging at a *European* level suggest an additional three principles:
 - the European function should seek to maximise the cost-effectiveness of its operations by prioritising those European Union policies with the biggest potential impact on biodiversity and landscape in England;

- Natural England should work in the first instance with Defra (or other UK or English Departments as appropriate) to seek to develop UK Government policy positions that are consistent with Natural England's objectives;
- as a Non-Departmental Public Body, Natural England's engagement in Europe should respect the policy sensitivities of the UK Government, and ensure that its messages are not inconsistent with those of Defra or other relevant Government Departments. Defra should be kept informed of our European engagement activities.

8. Policy priorities

8.1. The following European Union policies are proposed as priorities for Natural England's European engagement strategy:

- Common Agricultural Policy (CAP) reform, including the CAP Health Check;
- The European Union Budget Review;
- The European Union Maritime and Fisheries Policies;
- climate change policy, including climate change adaptation and the draft Directive on renewable sources of energy;
- environment and health.

These have been selected to reflect Natural England's current policy and advocacy priorities, and to respond to the European Union's 2008 work programme and policy strategy for 2009.

8.2 The EU's Habitats and Birds Directives are clearly of fundamental importance to the work of Natural England. Recently, pressure has been mounting from a number of directions for a review of the directives, which it is feared might lead to a reduction in the level of protection for protected sites (see section 8.8). Should such a revision occur, it is unlikely before 2010 (which is beyond the period of this strategy), but would then clearly need to become the top priority for European engagement. The European function will therefore keep the situation under the closest review. A watching brief will also be maintained on other issues of importance to Natural England's work, including the 7th Research Framework Programme. We will circulate separately in advance of the Board meeting, a table showing future milestones.

8.3. CAP reform and associated Health Check

8.3.1. Spending on the CAP remains the biggest item in the European Union's budget, and alongside world commodity prices is the largest determinant of rural land use in England. By far the largest proportion of the CAP is spent on direct payments to farmers under Pillar 1, but these have provided comparatively few environmental benefits. Natural England is directly responsible for the administration of environmental incentives for farmers through agri-environment schemes part-funded under Pillar 2. There remains considerable scope for expanding such incentives through shifting money

from Pillar I to Pillar 2. CAP reform therefore should be the leading priority in Natural England's European engagement strategy.

8.3.2. The Commission published draft legislation on the CAP Health Check in May, and together with Member States, is seeking agreement by December 2008. The focus will now need to shift from seeking to influence the Commission to engaging with the European Parliament, whose influence over the legislation has been greatly increased by the prospect of increased powers over CAP legislation under the forthcoming Lisbon Treaty reforms. On the assumption that the legislation is agreed by the end of the year, during 2009 Natural England will need to be closely engaged with both the Commission and Defra in the development of implementing measures.

8.3.3. Beyond the Health Check, the debate on further CAP reform measures will be subsumed within the major review of the European Union budget (see below), and will have to take account of the emerging food security issue.

8.3.4. Recommended action:

- influence key MEPs in relation to Parliament's opinion on the CAP Health Check legislation;
- influence content of implementing Regulations during 2009.

8.4. European Union Budget Review

8.4.1. What has been promised as a 'no taboos', root and branch review of the European Union spending and sources of revenue will begin in earnest with the publication by the Commission of a White Paper in late 2008 or early 2009. Since over 75% of the European Union budget is allocated to the CAP and Cohesion policy – both of which can have both positive and negative environmental impacts – Natural England needs to take the closest interest in the progress and outcome of the budget review. The review will set the framework for the European Union's next multi-annual financial framework ('Financial Perspective') for the period after 2013.

8.4.2. In addition to the Commission, negotiations on the budget review will involve Member States and the European Parliament as equal partners. Talks are likely to last several years, not beginning in earnest until the second half of 2009, following the installation of a new European Parliament and Commission in the summer and autumn.

8.4.3. Natural England's long-term objective for the budget review is to secure large-scale public funding for environmental land management, achieved primarily through a reformed CAP, with more effective 'mainstreaming' of environment objectives into other European Union funds, so that current and future environmental challenges facing Europe are properly addressed. In conjunction with partners in the Land Use Policy Group (LUPG), work is well advanced on a long-term vision for the CAP, but a further key priority is to develop an authoritative evidence base.

8.4.4. The Commission will adopt a Green Paper on Territorial Cohesion Policy in September 2008 which will subsequently be put out to consultation. This Green Paper could have significant influence on the proposals on the reform

of the European Union Budget – the first set of concrete proposals for Cohesion Policy post-2013 will be published in Spring 2009.

8.4.5. Recommended action:

- compile necessary evidence to influence the Budget Review to ensure adequate resources for environmental land management;
- influence and respond to European Union Budget White Paper;
- respond to the Commission Green paper on Territorial Cohesion.

8.5. EU Marine and Fisheries Policy

8.5.1. The past year has seen the beginnings of a major extension of the European Union intervention in the marine environment, beyond the existing management of fisheries through the Common Fisheries Policy (CFP). This expanded activity arises from two linked initiatives:

- the European Union's Marine Strategy Directive, which came into effect in May 2008. This aims to secure the 'good environmental status' of regional seas by 2020. Transposition must take place within 2 years;
- the European Union's integrated maritime policy, set out in a Green Paper ('Blue Book') and Action Plan issued in October 2007. This seeks to integrate the various, often conflicting economic, social and environmental uses of Europe's seas.

8.5.2. Meanwhile, a major review of the CFP will begin formally in 2009 and is due for completion in 2012. The Commission has not yet put forward a timetable for actions and consultations – more importantly, it is still unclear what the main focus of the reform will be. The next steps toward reform are likely to become clearer once the new Commission takes office.

8.5.3. Recommended action:

- monitor the implementation of the Commission's Action Plan on an European Union Integrated Maritime Policy;
- analyse the effectiveness of previous involvement in the earlier CFP review (2002-2007);
- seek to influence the development and content of the CFP 2012 review, in conjunction with the other UK agencies.

8.6. Climate change

8.6.1. Climate and energy issues will remain an overriding environmental priority for the foreseeable future. In January 2008, the Commission published a package of proposals on climate and energy, aimed at achieving the commitments made by European leaders in March 2007 to reduce greenhouse gases and boost renewable energy use. The package includes legislative proposals to revise the European Union Emissions Trading Scheme (ETS); tighter national reduction targets for greenhouse gas

emissions not covered by the ETS; differentiated national targets for the uptake of renewable energy; new rules on carbon capture and storage and amended guidelines on state aid for environmental measures.

8.6.2. The proposal for a new Renewable Energy Directive contains a controversial target to increase biofuel use to 10% of road transport fuel by 2020. In order to achieve this target there is a need to put in place sustainability requirements to prevent major negative impacts upon the environment. Many have criticised the approach put forward in the proposed Directive and both the Council and the European Parliament's rapporteur have been looking at ways to strengthen sustainability requirements.

8.6.3. The White Paper on Adaptation to Climate Change is expected to be published in November 2008 and is likely to be a policy statement on measures to ensure adaptation to climate change in a broad range of areas (e.g. industry, agriculture, energy, fisheries and forestry) to reduce their vulnerability and increase their resilience. The Commission has affirmed that measures in the White Paper will also imply changes in existing Community policies.

8.6.4. Recommended action:

- work with Defra and DBERR to influence the sustainability criteria for biofuels in the draft Directive on Renewable Energy. Engage with European Parliament rapporteur;
- brief MEPs on Natural England's policy position on adaptation, including organising another Brussels event;
- engage with the European Commission to influence the content of the White Paper on Adaptation.

8.7. European Union Environmental Health Strategy

8.7.1. The European Union's legal competence in health policy has so far been rather limited, but the forthcoming Lisbon Reform Treaty makes citizens' well-being an explicit overarching European Union objective, and also encourages co-operation among Member States on health and health services. The Commission's European Union Health Strategy for 2008-2013 states that physical activity will form part of a forthcoming Green paper on urban transport, and guidelines on sustainable urban transport plans.

8.7.2. A forthcoming revised European Union Environment and Health Action Plan for 2008-2013 will place greater emphasis on the links between health, and outdoor leisure and access to the natural environment, and is expected to pledge European Union financial support in this area. The White Paper on adaptation to climate change may also encourage the use of green infrastructure to mitigate health impacts of flooding and urban hot spots. European Union funding for initiatives in this area is also available through the new Interreg IV programmes.

8.7.3. Recommended action

- ensure that environmental health impacts of climate change are taken into account in the Climate Change Adaptation White Paper;
- influence the development of the Health Action Plan and preparations for the 5th Ministerial Conference on Environment and Health in 2009, in conjunction with other European health networks.

Other policy areas to be kept under review

8.8. Review of the European Union Habitats and Birds Directives

8.8.1. In 2007, Member States (MS) submitted their reports on implementation of the Habitats Directive from 2001-2006 to the Commission. A preliminary summary of MS reports is due to be published by the European Union in Summer 2008, followed by a public consultation. A final European Union synthesis report will be published in mid-2009, offering a first assessment of conservation status based on best available data. There is a risk that opponents of the Directive will see this as an opportunity to weaken it. Natural England is directly represented on some of the working groups established in the framework of the implementing committee for the Habitats and Birds Directives. Influencing the process of reform will also depend on Natural England's active engagement in selected European networks.

8.9. 7th Research Framework Programme (FP7)

8.9.1. FP7 is the European Union's main instrument for funding research in Europe, running from January 2007-2013 with a budget of €54 billion. FP7 provides new impetus to increase Europe's growth and competitiveness. It includes an "Environment and climate change" theme, with an allocation of 1.8 billion Euros. This is aimed at advancing knowledge of the interactions between climate, biosphere and ecosystems and human activities, and developing new technologies, tools and services for the sustainable development of the environment and its resources. The "Energy" theme has been allocated €2.3 billion and is linked to achieving climate and natural environmental objectives. FP7 provides an opportunity for Natural England to commission research proposals in order to inform our evidence base on climate change adaptation issues, as well as policy development.

9. Implementing a European Union Engagement Strategy

9.1. The proposed objectives, audiences and policy priorities set out above suggest that the strategy should be delivered through three main work streams:

9.1.1. Raising Natural England's profile and reputation in Europe:

- relationships with relevant European Commissioners, their Cabinets and senior Commission officials, and MEPs will be developed and sustained through periodic meetings in Brussels with Chair, the Chief Executive or Executive Directors as appropriate, focused on topical issues on the European Union's policy agenda;

- Natural England will host an annual Brussels dinner with senior Commission officials, MEPs and representatives from the wider European Union environmental policy community;
- MEPs from English constituencies, together with relevant European Parliament committee chairs and rapporteurs, will be provided with targeted briefings in Europe and through site visits in their own region, on the latest evidence collected by Natural England on the environmental impacts of current and proposed European Union legislation;
- in the run-up to the European elections in June 2009, we will seek to engage in the debates on the manifestos of the main political groups on which English MEPs are represented. This will be undertaken in conjunction with the European Parliament's representation in London.

9.1.2. Internal awareness-raising:

- the breadth of the European agenda means that the delivery of the strategy can only be achieved by embedding its objectives across the organisation. Enhancing staff awareness of the European dimension of their work will be undertaken through training sessions, briefings and workshops, and the establishment where appropriate of joint task groups.
- awareness training will be offered to Regional Advocacy and Policy Teams (RAPTs), particularly in relation to the use of European Union financial instruments, and the regional application of the Strategic Environmental Assessment (SEA) Directive.

9.1.3. Influencing specific European Union policies and legislation:

- engagement plans with the relevant audiences will be developed, on the basis of close monitoring of the European Union legislative process. Such plans will be medium-term, tailored to the opportunities provided by the specific policy area, and to the stage in the legislative process. They will include responses to stakeholder consultations; participation in Commission and Parliament hearings and workshops; and meetings in Brussels at Chief Executive, Executive Director, or operational levels, depending on the nature of the issue at hand.

9.2. Working with the Joint Nature Conservation Committee (JNCC)

- The Joint Nature Conservation Committee (JNCC) is the statutory adviser to Government on UK and international nature conservation issues. Under the Natural Environment and Rural Communities Act 2006 the JNCC has responsibility for providing advice to Defra, the devolved administrations and the UK conservation agencies on nature conservation policies or issues which arise throughout the UK; or in parts of the UK, but which affect the UK as a whole; or on those which arise internationally;
- Natural England will continue to work closely with the JNCC and the other UK conservation agencies through a network of inter-agency groups. This helps to inform the JNCC's advice and policy positions, and supports and strengthens the JNCC's influence in international and European fora.

- After almost ten years of devolution in the UK, divergences of view between the UK Government and the devolved administrations on some EU initiatives are inevitable. In such cases, the JNCC has an important enabling role in supporting the individual UK agencies themselves to engage with the EU institutions. Where specifically English issues arise, Natural England will work to influence European policies directly, while keeping both the JNCC and Defra informed at all times;
- Although distinct from the JNCC, the Land use Policy Group (LUPG) brings together all the UK conservation agencies (including the JNCC itself) with the Environment Agency, and its advice has also been influential with European audiences. Natural England will continue to work within the LUPG where there is a coincidence of policy objectives between the country agencies, and the timeliness of engagement is assured. A meeting of Board members of the LUPG's constituent agencies will be arranged in Brussels to help develop further areas of co-operation.

9.3. Working within European and International networks

- 9.3.1. Natural England is a member or partner in several European networks of nature conservation and countryside organisations. These include the European Environmental and Sustainable Development Advisory Councils (EEAC); Eurosite; Europarc; the European Centre for Nature Conservation (ECNC); Heads of European Nature Conservation Agencies (ENCA-Net); and the Health and Environment Alliance (HEAL).
- 9.3.2. These networks differ in relation to their remit, the type of organisations they attract, and the level at which member organisations are represented. However, they all provide a forum for exchanging information, experience and good practice, and for undertaking joint studies or projects. Most also seek to influence the development of relevant European policy initiatives through position papers or joint responses to Commission consultations. The European Commission has made it known that it prefers to deal with European Union -level organisations, rather than a large number of separate national agencies.
- 9.3.3. However, the process of reaching agreement with European partners on joint policy positions can be excessively lengthy, and may serve to obscure Natural England's own individual profile among European audiences. Moreover, the operational effectiveness of a particular network can vary over time, and even between its working groups. There is also some overlap in the focus of their work, particularly between Eurosite, Europarc, ECNC, ENCA-Net and the EEAC's Biodiversity Working Group.
- 9.3.4. The annual subscriptions paid by Natural England for membership of European networks range from £8,500 (Eurosite) to £300 (HEAL), and additional staff and travel costs arise from attendance at meetings. Although individually modest, together these costs are not insignificant, and represent a major part of the Government Relations Team's budget. This raises the question as to whether it is cost-effective for Natural England to be a member of all of them, or whether particular networks should be prioritised. Relevant here is that the JNCC is a member of some of them and represents UK-wide interests where these can be agreed.

9.3.5. It is therefore suggested that a more systematic review of the effectiveness of each European network and each of its working groups is required to determine their value in achieving Natural England's objectives. The results should be put alongside the total costs (fees, travel and subsistence, and the time commitment of Natural England staff) of membership. It is recommended that we review our engagement in all European networks against their potential value in delivering this strategy.

9.4. Evaluating Performance

9.4.1. Evaluating our effectiveness in influencing final policy outcomes is notoriously difficult. This is particularly so at a European level, where the final shape of European Union legislation reflects the highly diverse influences of 27 Member States, and a diffuse institutional structure.

9.4.2. At a basic level, simple output indicators (e.g. number of meetings with Commission officials over a given period) are helpful in monitoring the delivery of a detailed European Union engagement plan, but unfortunately say nothing about the outcomes arising from such meetings.

9.4.3. In relation to raising Natural England's profile and reputation with European audiences, it is proposed to commission market research to assess MEPs' familiarity with, and favourability towards, Natural England. An initial baseline survey will be undertaken in the autumn of 2009 of the newly elected cohort of English MEPs, with periodic follow-up research to assess the effectiveness of our engagement with the European Parliament.

9.4.4. The feasibility of more fine-grained approaches to assessing outcomes will also be assessed. These would focus on specific policy issues, and could involve research to establish how far Natural England's detailed policy positions have been reflected in Commission proposals, or MEPs' reports. Questionnaires to Commission officials might also be used to assess Natural England's influence in the development of specific policies.