



WWF

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# WWF priority demands to the Cypriot Presidency 1 July – 31 December 2012

This document presents WWF priority demands to the Cypriot Presidency in relation to the following policy areas:

1. EU budget reform
2. Climate and energy policies
3. Biodiversity policy
4. Reform of the EU Common Fisheries Policy (CFP)
5. Future of the EU water policy
6. European development policy

WWF is looking forward to working with the Cypriot Presidency and the EU institutions to ensure that the key asks within these priorities are achieved.

# 1. EU BUDGET FOR SUSTAINABLE AGRICULTURE AND COHESION POLICIES

A 2011 Eurobarometer poll showed that **89% of EU citizens want more EU funds to be spent in supporting environmentally friendly activities.**<sup>1</sup> In times of budgetary constraints, WWF is calling for EU public money to deliver **for the wider public interest.**

The preparation of the 2014-2020 EU Financial Framework provides a unique opportunity for all European Governments to:

- Mobilise investments for a low-carbon sustainable economy which is Europe's path out of the crisis.
- Target funding to support agreed EU 2020 targets for climate, energy savings, renewable energies and biodiversity, as well as ensuring compliance with EU environmental policies;
- To secure a healthier and safer environment for all EU citizens.

WWF promotes solutions to address the combined challenges of climate change, biodiversity loss and overconsumption of resources. This will create new and quality jobs in a decarbonised, resource and energy efficient and socially just economy. President of the European Commission Barroso announced that 3 million additional green quality jobs could result from the transition towards a Green economy by 2020.

The European Commission's legislative proposals for the reform of the Cohesion Policy and Common Agriculture Policy include some important changes that need to be enhanced and supported.

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<sup>1</sup> Eurobarometer « Attitudes of European citizens towards the environment », European Commission, fieldwork 13/04 – 08/05/11, interviews of 26,825 people in EU27

WWF calls on the Cypriot Presidency to support the following concrete priorities for an effective transition to a modern and sustainable low-carbon economy for the EU:

## 1. Multiannual Financial Framework (MFF)

- Increase MFF support for climate action from 20% to 25% of funds to reach climate and energy targets by 2020 and create new quality jobs;
- Ensure that 10% of MFF benefits Europe's nature capital;
- Tighten the principles of transparency, public participation and environmental pre-conditions in all budgetary legislative proposals to ensure better quality spending;

## 2. Cohesion Policy

- Bring Cohesion Policy spending in line with EU priorities for climate and environment;
- Allocate increased funds to energy savings and renewable energies: 20% of the European Regional Development Fund for developed regions (ERDF) and 15% of ERDF for less developed regions;
- Allocate targeted funds for resource efficiency and the environment;

## 3. Common Agricultural Policy (CAP)

The CAP must shift from a policy focused on agricultural productivity to a broader based environment and rural development policy which supports sustainable use and management of rural areas, environmental friendly farming and maintaining biodiversity and ecosystem services.<sup>2</sup>

- Allocate 50% of total CAP funds to rural development (pillar 2);

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<sup>2</sup> Reforming the CAP – WWF vision for Rural Europe after 2013", WWF Discussion paper, April 2009.

- Ensure that at least half of rural development funds are used to deliver environmental benefits;
- Allocate 30% of direct payments (pillar 1) to support good agricultural practices at farm level to benefit natural resources and ecosystems as well and rural population.

#### 4. LIFE: (Environment and Climate fund)

The LIFE fund is the only stand-alone EU fund for the environment, part of which is dedicated to nature and biodiversity. Financing of conservation projects via LIFE plays a strategic role in achieving EU environmental policy objectives, and is necessary to complement the cross-sectoral approach in financing biodiversity conservation and the Natura 2000 network to achieve the 2020 targets of the EU Biodiversity Strategy.

WWF calls for an increase funding for LIFE to reach 1% of MFF to support innovative environmental projects and best practice.

## 2. CLIMATE AND ENERGY POLICIES

### Rescuing the Emissions Trading System

The EU ETS is **failing to deliver** on its goal of steadily transforming power and industry to more climate-friendly forms of production. Excess emission allowances and a low-carbon price mean the measure has little effect on operations or construction. The effect could be a **lock-in of emitting facilities** that will make it far more difficult to achieve future, more ambitious, greenhouse gas reduction requirements.

Short-term changes to the ETS are mentioned in the Energy Efficiency Directive, and the Commission is likely to propose delaying the auctioning of credits to avoid flooding the market. Setting aside

on the order of 1.4GT of credits is an important measure to rescue the ETS and to provide Member States with income from auctioning emission allowances.

EU Member States should also step up to their political commitment made to earmark at least 50% of the EU ETS auctioning revenues for further climate protection in the EU and third countries. Particularly helpful in light of international controversy around aviation in the ETS would be clear signals about use of revenues from the system to support developing country climate action.

The elements above point to urgent fixes that are needed to save the reputation of the ETS.

WWF calls on the Cypriot Presidency to:

- Guide Council support for further quality restrictions of certain types of Clean Development Mechanism credits eligible under the EU ETS, in particular offset credits from coal fired power plants under the Clean Development Mechanism. New research points to serious methodological problems in accounting for such projects.
- Stand ready with EU Ministers to take forward the first annual report on the ETS that will be prepared the European Commission in the beginning of the summer of 2012.
- oversee the legislative proposal to include shipping into the EU's greenhouse gas reduction commitment. A European measure should be designed and framed explicitly as a stepping stone to a fair and effective global scheme agreed through a multilateral forum like the International Maritime Organisation. A key feature to take into account in this context is the way in which revenues from the EU measure are generated and re-distributed.

### Ensuring Energy sustainability

In September 2012, the Commission might develop a legislative proposal to

guide on how indirect land use change emissions from biofuels could be avoided through the inclusion into the GHG methodology for biofuels and propose other mitigation measures as the support of advanced biofuels and the production of low indirect impact biofuels.

The current situation of biomass being used for electricity, heating and cooling and not being regulated towards their environmental impacts, needs to be solved quickly. The Commission legislative proposal should include requirements to reduce GHG emissions taking into account the carbon debt, forest management, the protection of areas with rich biodiversity and social criteria.

### **Connecting Europe to share clean energy**

WWF is calling on the Cypriot Presidency to lead the Council to reach agreement on legislative Proposals for Energy Infrastructure Guidelines and the Connecting Europe Facility (CEF). These new frameworks must take full account of Europe's 2050 climate goals in addition to legal targets for 2020. This implies a clear priority for electricity system interconnections and interoperability over large fossil fuel import pipelines, with at least two-thirds of CEF financial resources earmarked for that purpose. Infrastructure is built to last a long time. Short-termism would lock-in higher emissions and so, in later years, make it more difficult to catch-up.

### **Build the basis for more adequate climate and energy regime**

Discussions are already beginning, and will intensify during the months of the Cypriot Presidency, about how to align EU climate and energy policy with the 2050 climate and energy roadmaps published in 2011. This begins with improvements to policy for the period to 2020, but continues on to consideration of post-2020 approaches.

Future policy should continue with successful approach to renewable energy targets, integrated with energy efficiency and greenhouse gas targets to avoid repeating inconsistencies in current policy

in which all three were not considered together. Council should also signal its support for adjustment of ETS to modify the 1.74% annual linear reduction requirement to a value sufficient to meet at least 90% emission reductions in the ETS sectors (e.g. 2.5%), as outlined in the 2050 low-carbon roadmap.

## **3. BIODIVERSITY POLICY**

Biodiversity and ecosystems provide vital services and benefits to our societies. These include protection from floods and soil erosion, storing carbon, cooling and filtering the air, providing food, fibres, fuel, clean water, medicines and healthy soil. In the EU the economic benefits that flow from the network of Natura 2000 sites are estimated to be of the order of €200 to 300 billion/year. This includes estimates of carbon sequestration and storage, water provision and purification, national hazards prevention, tourism & recreation. As only a subset of ecosystem services is included in this estimate it is likely that the value of Natura 2000 is much higher.

In 2010, taking stock of the importance that nature continues to deliver these benefits, EU Heads of States renewed their commitment to restore and stop the loss of EU biodiversity and ecosystem services by 2020 and to increase the efforts towards global biodiversity conservation.

The effective implementation of the new EU Biodiversity Strategy 2011-2020 requires political leadership and effective resources, across all policy concerned and not only from the environmental sector. The European Parliament has shown its commitment to achieve the 2020 target agreed by Heads of State – now it is time for the Council to deliver. No government can afford again the failure of halting the biodiversity loss.

### **WWF calls on the Cypriot presidency to:**

- Lead all relevant Councils to take the necessary decisions for an

effective implementation of the EU Biodiversity Strategy;

- Support mainstreaming of biodiversity financing in all future EU funding lines for the new EU Multiannual Financial Framework 2014 – 2020;
- Support an increase of the budget for LIFE as a stand-alone funding instrument to implement specific requirements of the EU Biodiversity Strategy incl. Natura 2000 and climate related biodiversity measures;
- Lead an ambitious EU position to set new funding targets for global biodiversity finance to meet EU's commitments and achieve a successful CBD COP 11 in India in October 2012.

**WWF calls for *real* ambition in the implementation of the 2020 EU Biodiversity Strategy with:**

1. Full and timely implementation of environmental EU legislation and the adoption of legislative tools for soil protection and invasive alien species. The 'Green Infrastructure' strategy needs to be finalized in order to increase the ecological coherence of the wider countryside, ensure the ecosystem functionality and the delivery of the necessary ecosystem services.
2. Effective implementation of international commitments, in particular the three main outcomes of the CBD COP 10: the CBD Strategic Plan (2011-2020); the resource mobilisation strategy; and the Nagoya Protocol on Access and Benefit Sharing.

**WWF calls for *real* integration of the EU Biodiversity Strategy in sectoral policy reforms:**

The EU Biodiversity Strategy must be reflected in all upcoming EU reforms in order to ensure mainstreaming and cross-sectoral integration, drawing in areas such

as regional development, agriculture, fisheries, climate and energy policies, development and trade policy which are crucial for delivering the 2020 EU biodiversity targets.

1. **Mainstream biodiversity and ecosystem conservation in the EU Common Fisheries Policy Reform** (CFP Reform) and take all necessary measures to reach the "Good Environmental Status" required under the Marine Strategy Framework Directive.<sup>3</sup>
2. **Mainstream biodiversity in the EU Common Agriculture Policy Reform** (CAP Reform).
3. **Mainstream biodiversity in EU Regional Policy**. For many European regions, nature is an important asset for economic development. WWF promotes measures for the European Regional Policy to support the protection of biodiversity and ecosystem services.
4. **Mainstream biodiversity in the EU Development Policy**. As the largest provider of Official Development Assistance, it is crucial for the EU to increase financial support for the conservation and sustainable use of biodiversity in developing countries and to integrate environmental considerations throughout all the external policies and financial instruments to achieve the targets of CBD's Strategic Plan 2011-2020 the EU has committed to.<sup>4</sup>

**WWF calls for *real* financing for biodiversity**

Today only 0.1 % of the EU budget is directly allocated to nature and biodiversity. This does not even cover the core costs resulting from the implementation of the EU nature directives. The ambitious 2010

<sup>3</sup> „Now is the time to secure a future for European Fisheries“, WWF Manifesto, May 2010

[http://wwf.panda.org/what\\_we\\_do/how\\_we\\_work/policy/wwf\\_europe\\_environment/initiatives/fisheries/publications/?194169/Now-is-the-time-to-secure-a-future-for-European-fisheries](http://wwf.panda.org/what_we_do/how_we_work/policy/wwf_europe_environment/initiatives/fisheries/publications/?194169/Now-is-the-time-to-secure-a-future-for-European-fisheries)

<sup>4</sup> "Integrating Biodiversity in EU Development Cooperation – People need nature to thrive. How will the EU will bring biodiversity

commitment of the Head of States towards biodiversity needs to be reflected in the EU Multiannual Financial Framework 2014 – 2020. This shall include in particular:

1. **Improving the existing integrated approach to co-finance the management of the Natura 2000 network.** Funding for the Natura 2000 network from the different sectoral funds allows for financing of a diversity of measures required for the management and conservation of the sites in various contexts. However, to secure a higher uptake of the financing opportunities for the next EU financial perspectives, WWF supports the Commission's proposal for a "Natura 2000 Prioritized Action Framework" to be put in place in order to have a comprehensive and strategic approach for effective and adequate financing of Natura 2000.
2. **The establishment of Natura 2000 national financing programmes** – called 'Prioritized Action Frameworks' in the context of the EU Multiannual Financial Framework. This would improve transparency, coordination and focus to strategize the national uptake of funds from various EU sources to finance Natura 2000.
3. **LIFE to be substantially increased to 1% of EU's total budget** in the Multiannual Financial Framework 2014 - 2020 for the EU to secure adequate co-funding to meet EU's Biodiversity Strategy targets.

## 4. REFORM OF THE EU COMMON FISHERIES POLICY

The EU Common Fisheries Policy (CFP) is being reformed at present. At a time when between 54-72% of EU fish stocks, for which there are assessments, are overfished and between 40-59% are at high risk of depletion, it is crucial this reform changes the way fisheries resources are exploited and we move towards sustainable fishing practices.

Therefore, WWF calls on the Cypriot Presidency, working with other Member States to ensure that the new Common Fisheries Policy will deliver a framework under which fisheries can be exploited sustainably:

Ecological sustainability must be given top priority in the objectives of the reformed CFP, as a pre-requisite for healthy marine ecosystems and a viable fishing sector.

Comprehensive, mandatory multiannual plans (MAPs) for each EU fishery that establish a clear and robust regulatory framework that allows the best adapted management decisions to be made at the right level. The development and implementation of MAPs at a fisheries level must provide the framework for delivery of conservation and management goals and establish clear timeframes for their delivery.

Thus, key to the success of MAPs will be the establishment of a clear co-management mechanism involving stakeholders for each fishery, including fishermen, officials, scientists, industry and NGOs. These stakeholders need to be recognised as co-managers of their fishery, working together to implement multi-annual plans.

It is therefore vital that the implementation of a regionalised approach to fisheries management:



- can clearly recognise multiannual plans for each EU fisheries as the main vehicle to effective regionalization and to achieve the reform's objectives;
- maximizes the engagement of the stakeholders in an individual fishery ideally operating a system of co-management of the fishery;
- assures there is consultation and participation of stakeholders both in the upstream and downstream processes of drafting and implementing these plans;
- establishes clear timelines for agreement and implementation of the plans;
- leads to Member States sharing a fishery cooperating and ensuring consistency of approach at a fisheries level.

The consistency between fishing management in the EU and its foreign fishing policy must be ensured, both in international waters through Regional Fisheries Management Organisations (RFMOs) and in third countries through bilateral agreements.

The EU fisheries policy worldwide should comply with the rule and objectives of the CFP and relevant international agreements, in particular the UN Convention on the Law of the Sea, the UN Fish Stocks Agreement and the Convention on Biological Diversity. WWF also believes that all external fishing activities must be coherent with the EU's development policies.

The EU must ensure that there is no overcapacity in the industrial long distance fishing fleet. The EU must strengthen its international leadership role to facilitate the adoption of policies for the protection and sustainable use of high seas resources. Fisheries access rights should be separate from the financial sector contributions and development aid. The EU should introduce stronger conditionality for the provision of financial assistance, so that payments are linked to progress delivery.

WWF believes the fishing sector should contribute substantially to the payments for fisheries access rights. Reflagging should be prevented where possible. The EU should ensure human rights and democracy constitute an essential element of entering into bilateral agreements, and suspending such agreements in case of serious violations.

Harmful fisheries subsidies should be stopped, with any support to the fishing sector going to helping fisheries transition to more sustainable options, the European Marine and Fisheries Fund must be a tool to ensure conservation goals are achieved under the CFP, the Marine Strategy Framework Directive and associated directives.

**We call on the Cypriot Presidency to ensure environmental objectives are at the core of the reformed CFP, as described above.**

Finally, we call on the Member States, under the Cypriot leadership, **to transpose the Marine Strategy Framework Directive into national law**, and use the opportunity to provide fora for exchange of best practice and expertise amongst Member States while involving all relevant sectors.

## 5. FUTURE OF THE EU WATER POLICY

Cyprus will take over two very important debates on the future of the EU water policy from Denmark: (i) Council deliberations on review of the EU policy addressing water pollution by certain toxic chemicals and (ii) Council's debate and conclusions on the EU's long term plans to secure water resources for the future, with European Commission planning to adopt the Blueprint to Safeguard EU's Waters in autumn 2012 setting a 2050 water vision and policy options to achieve it.

WWF welcomes the increased political attention to our most precious natural resource which is so vital to people's

health and happiness, to the environment and wildlife and our economy.

At a time when the EU is becoming increasingly aware of its water challenges, exacerbated by anthropogenic climate change, WWF believes the EU must make **water the central plank of efforts to tackle lasting food security, public health, biodiversity and climate challenges**. The consequences of inaction can be significant in the form of diminishing water supplies, ever more expensive treatment, ever-increasing impacts on the economy and greater exposure to catastrophic events.

### **WWF calls on the Cypriot Presidency to:**

- Lead the Council negotiations for **an ambitious review of EU Priority Substances Directive** in order to control and phase out hazardous chemicals from aquatic environment. We urge the Council to maintain the standards for the 15 proposed chemicals and to introduce clear timelines and triggers for action to make full use of relevant EU legislation contributing to upstream control of these chemicals (e.g. REACH, pesticides, waste legislation).
- **Lead the Council debate on EU's 2050 water vision and plan for action** proposed in the European Commission's **Blueprint to Safeguard EU's Water** to ensure it is based on the firmest foundation, that of ecosystem integrity and boosts ambitious implementation of the EU Water Framework Directive and adequately addresses current shortcomings by providing political support to the following points:
- Secure Council's agreement to **widely apply proposed tools to improve quantitative aspects of water management (setting environmental flows and flexible water allocation mechanisms as well as boosting control of illegal water abstractions)** to bring

water use into a much better balance between economic development, consumer needs and the requirements of nature.

- Ensure that the **reforms of the Common Agricultural Policy and the EU Budget enable achievement of the water protection objectives** and investments in sustainable water management stimulate a shift to the green economy, create jobs and allow EU to remain a market leader of the future.
- Agree to use **river basin management plans** under the Water Framework Directive, **as regional planning instruments** for energy, transport, and other developments and investment decisions. We urge in particular to widen and improve the assessment of "environmentally friendly alternatives", and to promote strategic basin planning to siting and operating new infrastructure including identification of no-go areas for new hydropower for example.
- Give preference to **green infrastructure** approaches in order to maximise the synergies and multi-benefits and prevent mal-adaptation to climate change. This also calls for an **integrated approach for the implementation of the Floods and Water Framework Directives**.
- Promote **better use of market based instruments such as water pricing and adequate cost recovery** to boost ambitious implementation of the water protection legislation even in the age of austerity.
- Lead by example and strengthen EU's global leadership on transboundary cooperation by **ratifying and promoting the 1997 UN Convention on the Law of Non-Navigational Uses of International Watercourses**. The Convention



counts 26 contracting states, only 9 short of the number required for entry into force. Entry into force of the Convention will enable the countries across the globe to strengthen policy and institutional capacity and will level the playing field among the states globally and, where necessary, strengthening the ability of weaker countries and vulnerable stakeholders within the basin to voice their interests and concerns.

## 6. EUROPEAN DEVELOPMENT POLICY

As the largest provider of global development assistance, the EU has a particular responsibility towards the achievement of the **Millennium Development Goals (MDGs)** by 2015 and sustainable development in developing countries. Degradation of the natural environment and the loss of biodiversity and ecosystem services have a critical impact on agricultural activities, forests, fisheries and freshwater resources, on which the majority of the world's poor depend. The MDGs recognise environmental sustainability (Goal 7) as a crucial condition for human wellbeing.

Through its development cooperation programmes the EU has shown commitment to the global environment: it has financed and implemented multilateral environmental agreements, such as the Convention on Biological Diversity (CBD) and the Climate Convention, and developed programmes which support the sustainable management of natural resources.

The period during which the Cypriot Presidency takes place, provides a decisive opportunity for the EU to demonstrate coherence and environmental leadership

in its future development cooperation policies and funding instruments.

### **WWF calls on the Cypriot Presidency to:**

- Ensure that the new Development Cooperation Instrument provides the legal basis for support to natural resources, ecosystems, climate change actions and environmental protection globally.
- Ensure that the Communication on civil society in development delivers on the recommendations of the EU Structured Dialogue to support the roles of civil society from local to global levels.
- Support at least a doubling of the EU's current investment in environment, biodiversity and the protection of ecosystem services through its development cooperation programmes in the future EU budget. Such a commitment would also substantiate the EU's global commitment in Nagoya COP10 and in EU's Biodiversity Strategy to step up contributions to avert global biodiversity loss by 2020 and contribute to CBD's resource mobilization strategy.
- Ensure the preparation of a revised Strategy on Environmental Integration in Development Cooperation, which was requested by the Council in 2009. This strategy should operationalize the mainstreaming of environment and climate change as critical cross-cutting issues in the EU's development programmes and policies and must be ready before the next programming round in 2013.
- Prepare a workplan to follow up on the commitments made at the UN Rio +20 Conference on Sustainable Development.

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**Why we are here**

To stop the degradation of the planet's natural environment and  
to build a future in which humans live in harmony with nature.

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