



WWF

POSITION
PAPER

DECEMBER
2011

WWF priority demands to the Danish Presidency 1 January – 30 June 2012

This document presents WWF priority proposals to achieve a smart, resource efficient and low-carbon European economy, respecting the ecological limits of the planet.

The Danish Presidency could not be coming at a more important time. The very future of Europe is now out in the open as a live political issue. But close behind in these momentous times are the business as usual discussions for the once in a seven year budget reform and the detailed implementing regulations for everything from the Common Agricultural Policy, cohesion funding to the external affairs dimension not to mention fisheries reform and funding biodiversity protection.

Close to the top of the list will be the Danish role in making the EU budget negotiations a success. The one trillion euro budget for 2014-2020 will need to focus on two complementary priorities:

1) Making intelligent investments in green economic sectors that will be the lead markets of the future. These surely include renewable energies, energy savings, sustainable agriculture, biodiversity management. In WWF's view, not less than half of the EU budget should focus on these sectors. They are clearly some of the sectors where Denmark already enjoys global leadership.

2) Smarter spending through phasing out subsidies that are environmentally harmful and economically ineffective. This would maximize win-win opportunities delivering benefits for the environment, jobs and our economy.

One of the places Denmark should start on subsidy reform is with the Common Fisheries Policy. Although the Council cannot reach their political agreement before the 1st reading in Parliament in September 2012, Denmark should press for an informal agreement on the Basic Regulation and Common Markets Organisation proposals as well as an informal agreement on the European Maritime and Fisheries Fund proposal before the end of June 2012. We should also expect them to discuss the External Dimension and prepare Council Conclusions based on the 2004 Council Conclusions during their presidency.

The Energy Efficiency Directive should be used to help re-launch the European economy in a moment of crisis. An ambitious directive that puts the European Union back on track to achieve its target of savings 20% energy by 2020 would create and retain up to 2 million jobs in Europe, stop wasting around 200 billion euro annually in energy imports and reduce by about 1000€ annually the energy bills of European families.

Denmark will also lead the Council negotiations to review the EU Priority Substances Directive in order to control and phase out hazardous chemicals from aquatic environment ranging from pesticides to pharmaceuticals. The European Commission proposal needs strengthening in particular on establishing strong links with REACH legislation, setting specific mechanism to tackle emerging pollutants, and preventing dilution of existing obligations under the Water Framework Directive.

The UN Conference on Sustainable Development taking place in Rio in June 2012 will fall under the Danish Presidency. WWF believes the EU, under the Danish presidency, could take a particularly strong stance on ways to improve global freshwater and marine governance and to develop targets with the relevant investments and financial support to ensure access to reliable and affordable energy for all. Finally, recognising that GDP (Gross Domestic Product) is a poor indicator of a country's true performance and wealth flows because it does not take into account damage to ecosystems, the EU can propose new ways to measure human wellbeing and environmental performance.

WWF is looking forward to working with the Danish Presidency and the EU institutions to ensure these priorities are achieved.

1.UNLOCKING THE POTENTIAL OF THE EU BUDGET

The preparation of the new EU financial perspectives (2014-2020) provide a unique opportunity for all European Governments to support an ambitious approach to radically shift the EU budget and effectively contribute to priority EU targets for 2020:

- improving energy efficiency by 20% (which should be made binding);
- sourcing 20% of energy needs from renewables;
- reducing greenhouse gas emissions domestically by 20% (to be increased to 30%);
- stopping biodiversity loss.

These priorities also underpin the objectives of the EU 2020 Strategy of delivering a European economy which is smarter (through eco-innovation and green technologies), more resilient and sustainable (through the emphasis on climate, biodiversity and resources), and more inclusive (through the creation of millions of green jobs).

Making the EU budget work for EU citizens is also critical to give a new impetus and legitimacy to the European Union. Public money must be invested for public goods, focussing on new European and global challenges and increasing delivery through a more result-oriented budget.

The consultation done by the Commission on the EU budget in 2007-08 revealed that the fight against climate change was a top priority for a vast majority of contributions¹. Currently, only 8% of the EU budget is devoted to all issues of climate change mitigation and adaptation and biodiversity. This includes climate change (5%), energy efficiency (1,3%), renewable energies (1,3%), nature

conservation (0,2%) and green innovation (0,2%).

WWF calls for **mainstreaming** of EU environmental priorities in the EU budget **and environmental proofing** of the EU funds in order to ensure that no EU funded project undermines the achievement of environmental priorities.

Mainstreaming and environmental proofing can be achieved with a set of selected complementary tools such as environmental thematic priorities, reforming categories of expenditures, applying eco-conditionality, supporting earmarking for climate or biodiversity benefits, improving Strategic Environmental Assessments, supporting capacity building in Member States, setting targets and improving monitoring and reporting systems, implementing multi-annual financing plans for Natura 2000, etc.

WWF calls for an **increase in allocations for EU investments in areas and sectors that stimulate a green economy, create jobs and will be the lead markets of the future**. This concerns in particular investments for energy savings (with a priority for the housing sector), renewable energies, intelligent railway and urban public transport, eco-innovation and green technologies (notably through SME support), organic farming, ecosystem-based risk prevention and adaptation to climate change (flood prevention, floodplain restoration), nature conservation and restoration, promotion of sustainable rural tourism.

EU budget support to these priority objectives can make a great difference and **maximise the European added value compared to national approaches**. Allocating substantial EU funds to these priorities would allow for a strong leverage with national and private finance. In addition, they have the potential to create a massive number of green jobs all over Europe² with a positive social and cohesion impact, contributing in particular to reducing energy bills of consumers and energy poverty through energy efficiency programmes.

In time of austerity, it is important to note that these proposals imply in particular **phasing**

¹ COM, Consultation report - Reforming the Budget, Changing Europe: Short Summary of Contributions, SEC2008(2739), 3.11.2008

² Cf WWF report : Low carbon jobs for Europe: current opportunities and future prospects.
http://wwf.panda.org/wwf_news/?167022/Going-green-is-where-the-jobs-are-new-study

out subsidies which are undermining EU policies and 2020 targets by increasing energy consumption, CO₂ emissions or biodiversity loss. This will free significant amounts of money that can be better reallocated for urgent investments in sustainable job-creating sectors.

Recommendations on specific EU funds include:

- a more balanced CAP with half of financial support for rural development, a radical shift to support sustainable agriculture with targeted measures for farming systems delivering public goods (e.g. organic farming, High Nature Value farming), and a mandatory greening component at farm level representing half of direct payments;
- environmental thematic priorities and earmarking (notably for climate change and biodiversity) and a reform in funding categories of Cohesion Policy to boost direct and indirect support for the environment up to 50% of Cohesion Policy (against 30% today);
- improvements and increase of external support to the poorest countries to respect EU commitments, in particular for climate (UNFCCC) and biodiversity finance (CBD);
- a better support to Natura 2000 through national Natura 2000 financing plans committing €4,5 billion a year from EU funds.;
- an increase of LIFE+ budget to reach a modest 1% of the EU budget and at least half of it devoted to biodiversity;
- 50% of the European Maritime and Fisheries Fund directly or indirectly supporting the environment;

In addition, WWF insists on three general conditions to ensure accountability and transparency of the EU budget:

- target payments to the delivery of clear outcomes;
- improved implementation and monitoring (with clear indicators);
- ensure full transparency, accountability and public participation.

WWF calls on the Danish Presidency to support this vision and priorities for an effective transition to a modern and sustainable low carbon economy for the EU.

2. CLIMATE AND ENERGY POLICIES

Getting climate policies back on track

Denmark will be able to help the Council get the discussion about the EU's climate and energy policy back on track. A previous year full of 2050 roadmaps should be translated into real measures, starting with correcting our trajectory towards 2020.

Based on the expected Commission analysis of the impacts of a 30% EU emission reduction target by 2020 at member state level, Denmark should secure an EU Council commitment to move to beyond 20% emission reductions by 2020.

Council should also signal its support for adjustment of Emissions Trading System legislation before the end of 2013, to modify the 1.74% annual linear reduction requirement to a value sufficient to meet at least 90% emission reductions in the ETS sectors, as outlined in the 2050 low carbon roadmap.

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.

Following leadership on F-gas offsets, Denmark can guide Council support for further quality restrictions of certain types of CDM credits eligible under the EU ETS, in particular offset credits from coal fired power plants under the CDM: new research points to serious methodological problems in accounting for such projects.

Securing a high-efficiency, high-renewables future, sustainably

The proposed Energy Efficiency Directive is a key piece of legislation that should contribute to achieving a 20% reduction of energy consumption in Europe by 2020. Denmark is one of the most progressive EU countries on energy efficiency; therefore,

its ambition should be reflected in the way it conducts negotiations as a Presidency. This means in practice trying to avoid a compromise on the final text that is based on the lowest common denominator among the Member States in the Council (e.g. just to save time – completing the deal before the end of the Presidency is a secondary consideration to getting an effective piece of legislation.)

Following on from the 2050 energy roadmap, the Council should highlight the two main expected results of that communication – needed reductions in energy use and high growth in renewable energy. In particular, a signal is needed that a 2030 renewable energy target is needed to continue European momentum towards 100% renewables by 2050.

Regarding biofuels production, effective measures should be introduced to mitigate the indirect land use change effects, which create significant greenhouse gas emissions. The 'ILUC factor' approach should be included in the Renewables and the Fuel Quality Directives. Low indirect impact biofuels (including second generation) should be supported.

Compliance with meaningful sustainability criteria should be made obligatory for the use of biomass for the production of electricity, heating and cooling.

Connecting Europe to unlock renewable electricity

The Council needs make good progress on the Energy Infrastructure proposals as part of an overall agreement on the new Multi-Annual Financial Framework. The Commission proposals should be adjusted to take account of Europe's 2050 emissions objectives in addition to those for 2020. This implies a much greater emphasis on electricity inter-connections rather than large gas import pipelines. Since by definition infrastructure is built to last a long time, a short-term single-decade perspective to such development would only lead to lock-in to a higher emissions pathway a greater challenge to change direction at a later date.

3. NATURE AND BIODIVERSITY

Natural systems based on healthy biodiversity 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 addition, there is now increasing evidence that healthy ecosystems can significantly mitigate the effects of climate change and help human societies to adapt.

In 2010, ahead of the 10th Conference of the Parties to the Convention on Biological Diversity, EU Head of States and governments renewed commitment to stop the loss and restore EU biodiversity by 2020 and to increase the efforts towards global biodiversity conservation. No government can afford the failures of the last decade. In Europe, land-based nature destruction alone is predicted to cost around € 1.1 trillion per year in 2050, or nearly 4 % of EU's GDP if no action is taken to reverse current trends and drivers.

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.

WWF calls on the Danish presidency to:

- Lead all relevant Councils to take the necessary measures for an effective implementation of the EU Biodiversity Strategy;
- Support mainstreaming of biodiversity financing in all future EU funding lines for the new EU Financial Perspective 2014 – 2020
- Support an increase of the budget for LIFE so that direct funding for biodiversity protection is made easier.
- Take leadership for the full and timely implementation of newly adopted EU timber regulation with the development of clear, strict and thorough implementing measures in the framework of the comitology procedure.

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. A 'Green Infrastructure' strategy needs to be developed 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 particularly the three main outcomes of the CBD COP 10: the Strategic Plan (2011-2020) with its five strategic goals and targets addressing conservation, drivers, and footprint; the resource mobilisation strategy with the agreement to set targets for financing by 2012; and the Protocol on Access and Benefit Sharing Protocol.

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

The be effective the EU Biodiversity Strategy must be reflected in the upcoming major EU reforms in order to ensure cross-sectoral integration, drawing in areas such as regional development, agriculture, fisheries and climate and energy policies which are crucial for delivering the 2020 EU biodiversity target.

1. **Mainstream biodiversity and ecosystem conservation in the EU Common Fisheries Policy Reform** (CFP Reform). The 2012 reform of the EU Common Fisheries Policy is a milestone to achieve the maritime component of the future EU biodiversity strategy; only by adopting the right reforms will the EU be able to attain the "Good Environmental Status" required under the Marine Strategy Framework Directive³.

2. **Mainstream biodiversity in the EU Common Agriculture Policy Reform** (CAP Reform). The CAP must shift from a policy focused on agricultural productivity to a broader based environment and rural development policy which supports sustainable land management and biodiversity⁴.

³ „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

⁴ Reforming the CAP – WWF vision for Rural Europe after 2013“, WWF Discussion paper, April 2009.

3. Mainstream biodiversity in EU Regional Policy. For many European regions nature is an important asset for economic development for this reason the European Regional Policy should support the protection of biodiversity and ecosystem services across all regions in Europe.

4. Mainstream biodiversity in the EU external dimension policy. The EU is the largest provider of global Development Assistance. There is the need to increase support for biodiversity in developing countries and to integrate environmental considerations throughout all the external policies and financial instruments⁵.

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 commitment of the Heads of States and Government towards biodiversity needs to be reflected in the future EU 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, a higher uptake of the financing opportunities must be secured for the next EU Financial perspectives and a strategic framework should be put in place for Member States 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' for the future EU Financial Framework. These would improve the national uptake of financing Natura 2000, support the intersectoral discussions at all levels, as well as improve the transparency and monitoring by clarifying the actions that should be financed under EU or national funding lines for Natura 2000.

⁵ "Integrating Biodiversity in EU Development Cooperation – People need nature to thrive. How will the EU bring biodiversity and ecosystems into development?", BirdLife, Conservation International, WWF, June 2010.
http://wwf.panda.org/what_we_do/how_we_work/policy/wwf_europe_environment/initiatives/biodiversity2/biodiversity_publications/?195054/Integrating-Biodiversity-in-EU-Development-Cooperation

3. Strengthening the dedicated fund for the environment/LIFE. The LIFE fund is the only dedicated EU fund for the environment: € 0.3 billion a year only (about 0.2 % of the total EU budget). Part of it is dedicated to nature and biodiversity. Financing of conservation projects via LIFE plays a strategic role in achieving EU environmental policies objectives and more specifically in the management of the Natura 2000 network. However, the LIFE budget only allows to finance best practice and innovative projects.

WWF is calling for LIFE in the Financial Perspective 2014 - 2020 to be used for financing specific management needs not covered by other EU funds on the whole Natura 2000 network and not only some sites of best practice.

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 Danish Presidency, working with other Member States to ensure that the new Common Fisheries Policy will deliver:

- secure stock recovery (following scientific advice), and the precautionary principle;
- the protection of the marine ecosystem as a whole in management decisions;
- the effective implementation of the IUU and Control regulations, ending illegal fishing and ensuring penalties are equal and significant in all Member States;
- progress on the commitment to implement an ecosystems-based approach to fisheries management.

WWF is calling on the Danish Presidency to support proposals to ensure the new CFP delivers a

framework under which fisheries can now 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.
- Mandatory Long Term Management Plans (LTMPs) that must meet clear targets and follow scientific recommendations must be established for all European commercial fisheries.
- Commitment to the precautionary principle must be reaffirmed, and a clear acknowledgement to meet Marine Strategy Framework Directive (MSFD) commitments.
- A new policy that will minimize discards should be adopted: catch limits should include all sources of fishing mortality. To this end, TACs and quotas should include all fish that are caught – not just landed catch (i.e. discards should count against quota and be included in scientific assessment).
- Substantial and permanent reduction of fishing capacity is urgently required in many fisheries to lessen impacts on fish stocks and the overall status of the environment. Legally binding fleet reduction targets must be agreed by Member States, under the LTMPs, with heavy penalties for failure to comply.
- Harmful fisheries subsidies should be ended, with any support to the fishing sector instead going to helping fisheries transition to more sustainable options, the EFF should be a tool to ensure conservation goals are achieved under the CFP, the MSFD and associated directives.
- A model of more decentralised governance should be established. High level objectives should be set in Brussels, but these should be complemented with appropriate means at regional and local level, that is driven by strong stakeholder co-management.
- **The consistency between fishing management in the EU and its foreign fishing policy must be ensured**, both in international waters and in third countries. The EU should

strengthen its international leadership role to facilitate the adoption of policies for the protection and sustainable use of high seas resources.

We call on the Danish Presidency to ensure environmental objectives are at the core of the reformed CFP, as described above, and in particular to:

- Promote environmental sustainability, call for a radical cut in fleet capacity and ensure that the operational fleet structure is compatible with sustainable fishing.
- Promote a mandatory requirement for all European fisheries to have functional LTMPs agreed within a specific timeframe, and that these comply with a basic set of requirements set out in the CFP Basic Regulation.
- Ensure CFP principles apply to all fisheries in all EU waters and where EU vessels fish outside EU waters.

Finally, we call on the Member States 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. MAKING SURE EU WATER POLICY DELIVERS LONG TERM SOLUTIONS TO EU'S AND GLOBAL WATER CHALLENGES

Denmark will be at a helm of EU Council during major debate on EU long term plans to secure water resources, with European Commission planning to adopt the Blueprint to Safeguard EU's Waters in autumn 2012 setting a 2050 water vision and policy options of how 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.

The water challenges in the EU and globally are many including pollution, mismanagement and over use often resulting in rapid degradation of freshwater ecosystems. At a time when Europe is becoming increasingly aware of its water challenges, exacerbated by anthropogenic climate change, WWF believes the EU must take **resolute steps to bring water use into a much better balance between economic development, consumer needs and the requirements of nature and make water the central plank of efforts to tackle lasting food security, public health, 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 Danish 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 including establishing strong links with REACH legislation, setting specific mechanism to tackle emerging pollutants, and preventing

dilution of existing obligations under the Water Framework Directive.

- Lead the Council negotiations to **extend the proposed limitations of phosphates in laundry detergents to include dishwashing detergents with tight deadlines** due to their contribution to the eutrophication in the Baltic Sea for example, cost-effectiveness of this measure, and existence of alternatives. (provided first reading agreement is not reached in 2011).
- **Provide necessary political support to the Blueprint to Safeguard EU's Water** and the the debate on EU's long term water vision and plan for action to ensure it is based on the firmest foundation, that of ecosystem integrity and boosts ambitious implementation of the Water Framework Directive and adequately addresses current shortcomings.
- Ensure the **reforms of the Common Agricultural Policy and CAP and EU's financial perspectives** 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.
- Promote **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 make the plans a central part of strategies to mitigate and adapt to climate change and reverse the loss of biodiversity and ecosystem services. Ensure that sustainable water management and ecosystem based adaptation approaches are at the heart of the emerging EU policy to adapt to the impacts of climate change.
- Promote an **integrated approach for the implementation of the Floods and Water Framework Directives** in order to maximise the synergies, implement multi-benefit "green infrastructure" measures to tackle flood

risks and prevent mal-adaptation.

- Promote **better use of market based instruments such as water pricing and adequate cost recovery** to boost implementation of the water protection legislation even in the age of austerity.
- 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 24 contracting states, only 11 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 and developed programmes which support the sustainable management of natural resources.

The period during which the Danish 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.

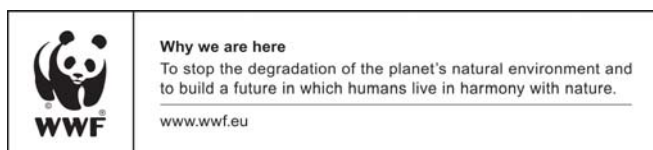
WWF calls on the Danish Presidency to:

- Ensure that the new Development Cooperation Instrument provides the legal basis for support to natural resources, ecosystems, climate change actions and environmental protection globally. It should also deliver on the recommendations of the EU Structured Dialogue to support the roles of civil society from local to global levels.

- Advocate 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 pledge in Nagoya COP10 to step up contributions to avert global biodiversity loss and develop a resource mobilisation 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.

- Show EU leadership in preparations for the UN Conference on Sustainable Development in June 2012, working with the Brazilian Government to ensure a positive outcome. In particular, the EU could push for progress on ocean and freshwater governance, on access to energy for the poor, for a global target for renewable energy and to promote the internalisation of environmental costs through the use of "beyond GDP" indicators.



© 1986 Panda Symbol WWF - World Wide Fund For Nature (Formerly World Wildlife Fund)
® "WWF" is a WWF Registered Trademark.

**For further
information:**

Sandra Jen

Policy Advisor
WWF European Policy Office

E-mail: sjen@wwf.eu
Mobile: +32 498 10 80 96