

### INTRODUCTION

In December 2021, the European Commission, European Parliament and Council of the EU agreed the 8th Environment Action Programme (8th EAP) following trilogue negotiations, and the law was formally adopted by the Parliament and Council in March 2022.

The 8th EAP contains a number of important commitments, actions and enabling conditions that the European Commission or the EU's Member States will need to implement. This paper aims to highlight – in a non-exhaustive way – the actions WWF considers to be key, and to offer ways forward for the EU on these issues.

Having learnt from the shortcomings of the 7th EAP, the actions committed under the 8th EAP to must be taken forward in a timely fashion, to ensure progress on the priority objectives as quickly as possible, and to ensure that the EU has significant progress to report on in the mid-term review due for 2024.







With the support of the LIFE Programme of the European Union. Views and opinions expressed are however those of the authors only and do not necessarily reflect those of the European Union.

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# ADVANCE TOWARDS A WELLBEING ECONOMY BY PRODUCING A 'BEYOND GDP' REPORT AND DASHBOARD

The adoption of the 8th EAP marks a significant step in the shift to an EU Wellbeing Economy. The 8th EAP sets as its long-term priority objective to 2050 that 'people live well, within the planetary boundaries in a wellbeing economy where nothing is wasted, growth is regenerative, climate neutrality within the EU has been achieved and inequalities have been significantly reduced' (Article 2 §1).

'Advancing towards a wellbeing economy that gives back to the planet more than it takes' is also included as one of the six thematic priority objectives to 2030 (please see p.8 for an overview).

The 8th EAP calls for progress towards these priority objectives to be monitored, assessed, reported, and discussed by the EU institutions on an annual basis, meaning it is essential actions are taken as quickly as possible to ensure there is progress to report on during these annual assessments. As the shift towards a wellbeing economy is one of the most far reaching objectives of the 8th EAP, its success will also require systemic change – defined by the 8th EAP as "requiring major shifts and reorientation in systems goals, incentives, technologies, social practices and norms, as well as in knowledge systems, and governance approaches".

The key action laid down in the 8th EAP's enabling conditions (set out in Article 3) to achieve this priority objective is the delivery of the summary dashboard and indicator set measuring 'beyond GDP'. The 8th EAP provides that the dashboard will be based on 'a targeted consultation with all relevant stakeholders as well as a report, which identifies the interlinkages between existing indicator sets, monitoring frameworks and processes at EU level measuring social, economic and environmental progress and which proposes action on how existing dashboards and indicator sets can be streamlined'.

## WWF calls on the EU to implement this commitment by:

- Launching in 2022 a targeted stakeholder consultation coordinated by the European Commission, in concert with the Council of the EU and the Parliament. This consultation should be transparent and allow all interested stakeholders to take part. It should focus not only on which indicators to track in the dashboard, but also how stakeholders consider the dashboard should interact with the existing, and often fragmented, monitoring frameworks at EU level measuring social, economic and environmental progress. Importantly, the consultation must also call for feedback on how the dashboard should be used and communicated.
- By summer 2023, the European Commission should publish its report in the form of a political Communication, taking account of the stakeholder feedback collected in 2022. This Communication should kick off a high-level debate amongst the EU institutions, including the European Council, on the political narrative around the new dashboard, and the clear objectives for how it is going to be used. This debate is necessary, in order to drive reflection and commitment on which measures to use to drive policy-making in future. Without this, this initiative risks just being another framework that receives limited attention and doesn't impact day-to-day policy-making.
- From this discussion a political consensus at EU level, in time for the 2024 EU elections, should be found on the headline indicators to track when pursuing societal progress and wellbeing within planetary boundaries, and how these can guide all EU policy-making.

A process for how the dashboard will be used and integrated into the EU decision-making cycle and institutional structures (such as designating the Commissioner(s), Parliament committee(s) and Council configuration(s) responsible for taking it forward) also needs to be considered and should be agreed in time for its adoption. This is necessary so that wellbeing within planetary boundaries becomes

the compass for all policy, rather than all policies needing to conform to GDP growth. One avenue for this could be reforming the communication around GDP: instead of the regular reporting of GDP on its own, it could be reported on alongside the other indicators included in the dashboard, in order to provide a more complete picture of economic, social and environmental progress.



# SET A BINDING DEADLINE FOR PHASING OUT FOSSIL FUEL SUBSIDIES

The 8th EAP requires a deadline to be set for phasing out fossil fuel subsidies at Union and national level, consistent with the ambition of limiting global warming to 1.5 degrees (Article 3 §1 e). Regrettably, the 8th EAP however does not establish a set process on when and how this will happen, but urgency is needed now that consistency with the 1.5 degrees limit is required.

The most recent IPCC report states that 'any further delay in concerted anticipatory global action on adaptation and mitigation will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all'. In 2020, fossil fuel subsidies in the EU amounted to 52 billion euros annually, according to the European Commission, with no significant reduction in sight – subsidies had even increased during the period from 2015- 2018.

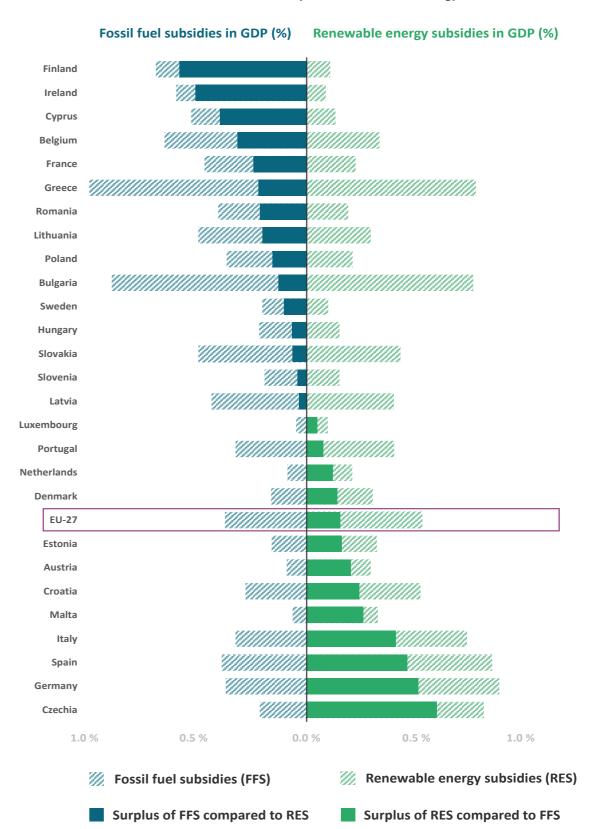
The European Parliament's position on the 8th EAP, ahead of the trilogue negotiations, was for all fossil fuel subsidies to be phased out by 2025 at the latest.

WWF calls on the EU to now implement this commitment and to phase out all fossil fuel subsidies as soon as possible, through either of the following options:

- A new standalone legislative proposal setting a binding framework for phasing out all EU and Member States' fossil fuel subsidies as soon as possible, and in any event before the EU elections in 2024;
- A revision of the European Climate Law, which already includes climate targets and provisions for ensuring that EU and Member States' policies are consistent with these targets.
- A revision of the Governance Regulation in 2022 or 2023 at the latest to set a deadline to the phase out of fossil fuel subsidies in EU Member States. This regulation already contains reporting provision for the phasing out of energy subsidies.
- Make use of the opportunity of the 8th EAP's midterm review, by setting a binding deadline for phasing out fossil fuel subsidies in the legislative proposal for adding annex to the 8th EAP, referred to in Art 4a §2.

The European Climate Law already recognises that energy subsidies are incompatible with the EU's climate neutrality objective. Furthermore, the European Commission will, pursuant to the Climate Law, review by 30 September 2023 the consistency of all Union and national measures with climate neutrality and "take the necessary measures in accordance with the Treaties". The Commission could use this opportunity to implement any of the options mentioned above.

### Level of fossil fuel subsidies compared to renewable energy subsidies



**Source**: Review 01/2022: Energy taxation, carbon pricing and energy subsidies, European Court of Auditors, based on Trinomics, Study on Energy costs, taxes and the impact of government interventions on investments, October 2020

# DELIVER THE METHODOLOGY TO IDENTIFY AND ASSESS OTHER ENVIRONMENTALLY HARMFUL SUBSIDIES

Beyond the (relatively) well-defined and well-known fossil fuel subsidies, there are other considerable public subsidies which harm the climate and the environment. According to new research, the world is spending at least \$1.8 trillion a year on subsidies driving the destruction of ecosystems and species extinction<sup>3</sup>.

While fossil fuel subsidies make up a third of that amount, two thirds of these environmentally harmful subsidies include support towards activities that promote overfishing, unsustainable agriculture that causes soil erosion and water pollution, hydropower that causes populations of migratory freshwater fish to collapse, or bioenergy that harms nature and increases greenhouse gas emissions.

The scale and diverse nature of these environmentally harmful subsidies mean that there is to date no agreed methodology for identifying and assessing them in the EU, rendering their phase-out challenging. In this regard, it is welcome that the 8th EAP tasks the European Commission to set out by 2023 a methodology to identify all other environmentally harmful subsidies. On the basis of this methodology, EU Member States will identify other environmentally

harmful subsidies and report them regularly to the Commission, allowing for a Commission report on the level and type of such subsidies in the Union, and on progress towards phasing them out. This offers a chance for the first time ever to uncover the scale of the problem of environmentally harmful subsidies, particularly for agriculture, fisheries, hydropower and bioenergy, in the EU and its Member States.

The European Parliament's position on the 8th EAP proposed 2027 as a deadline to phase out all environmentally harmful subsidies, aligning with the next phase of the EU's Multiannual Financial Framework (MFF). This would ensure the considerable sums dedicated to agriculture and fisheries, among others, within the MFF are aligned only with sustainable activities and do not continue to support damaging incentives into the 2030s.



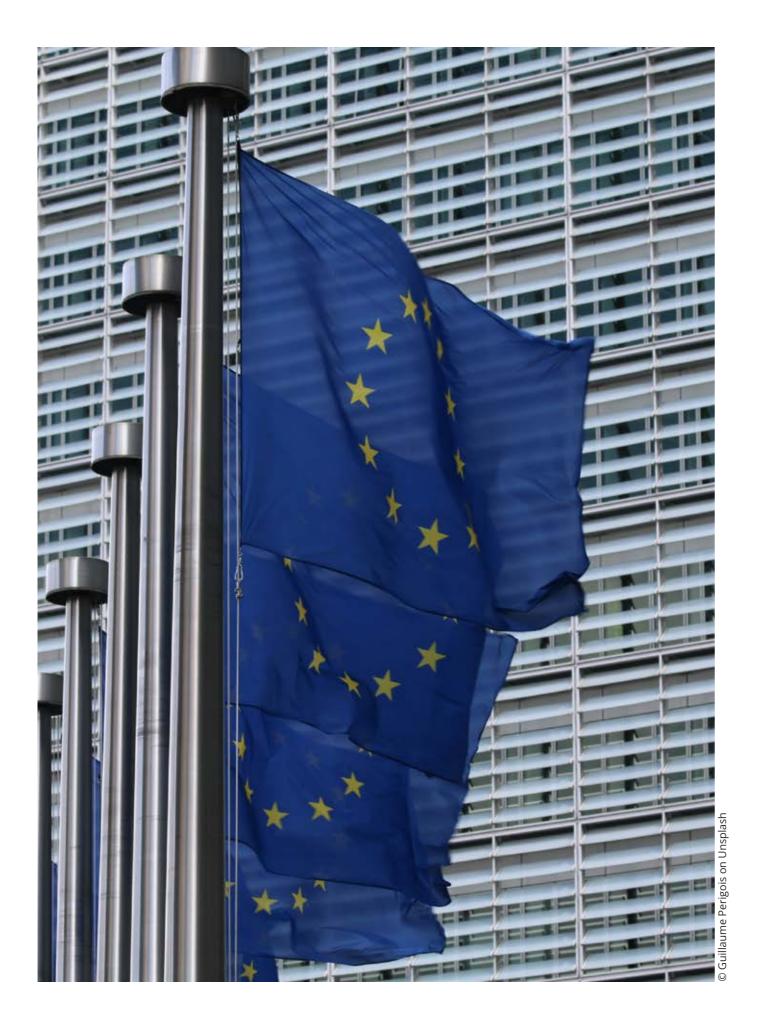
WWF calls on the EU to ensure that:

- The European Commission should adopt a science-based methodology for identifying and assessing environmentally harmful subsidies as soon as possible in order to be ready for the 2023 deadline set by the 8th EAP, with a process that is participatory and transparent, involving a wide range of stakeholders in consultations.
- A clear process is set, with timelines and milestones for Member States to report at least annually to the European Commission, capturing the level of environmentally harmful subsidies they have and what their plans and progress for phase
- out are. In parallel, the European Commission must examine what environmentally harmful subsidies are included in the EU 2021-2027 EU MFF.
- Based on national and EU level reporting,
  the European Commission should provide

   as required by the 8th EAP a political
   Communication to the co-legislators proposing clear pathways for phasing out these subsidies, including setting a process for a legally binding deadline which should be 2027 at the latest to ensure no EHS are included into the next EU budget cycle.







# INTEGRATE THE 8TH EAP'S COMMITMENTS ON BETTER REGULATION, NOTABLY ON THE COST OF INACTION

The 8th EAP includes several provisions in its enabling actions and conditions to strengthen the approach to policy development and implementation. These are especially important, as a lack of policy coherence between different policy areas has regularly been identified as one of the biggest barriers to the success of environmental policies.

In the EU, policy development is governed by the European Commission's Better Regulation rules, set out in the Better Regulation guidelines and toolbox. The following actions listed in Art. 3 § 1 (b) of the 8th EAP are relevant to the EU's Better Regulation:

- mainstreaming the 8th EAP's priority objectives as well as the SDGs in all EU initiatives and agreements concluded by the EU;
- systematically screening and assessing synergies and potential trade-offs between environmental, social and economic objectives for all EU initiatives:
- adopting a 'think sustainability first' approach
  by integrating the SDGs in the Better Regulation
  guidelines and toolbox, as well as operationalising
  the 'do no harm' principle;
- ensuring that impact assessments and evaluations take into account immediate and long-term impacts on the environment and climate, including cumulative effects, as well as the costs of action and inaction;
- presenting, within eight weeks of closure of a public consultation, detailed feedback on stakeholder consultation responses, distinguishing between contributions from different types of stakeholders.

While some of these actions are already partly addressed by the update to the Better Regulation guidelines and toolbox from November 2021, the assessment of the cost of policy inaction and the cumulative effects of delay is still missing; it does not feature prominently in guidance on impact assessments, cost calculations and integration of strategic foresight. The overall narrative of Better Regulation still casts costs primarily in terms of the immediate compliance costs for businesses and citizens, rather than the costs to society of inaction on climate, environmental degradation and planetary health.

### WWF calls on the EU to ensure that:

 The European Commission should make clear in the Better Regulation toolbox that the cost of policy inaction on climate and the environment should be an integral part of impact assessments for new policies and evaluations of existing ones. Such cost of policy inaction studies should be presented in a mix of qualitative, quantitative and monetary

# ENSURE SUSTAINABLE USE OF SOIL AND TRANSFORM THE EU'S FOOD SYSTEM TO PROTECT AND RESTORE BIODIVERSITY

Current levels of unsustainable food consumption and production constitute a primary cause of biodiversity loss, land use change, depletion of natural resources and greenhouse gas emissions. Major shifts are needed to reduce the impact of food consumption and waste in Europe, as well as of our production systems, including their external footprint.

Furthermore, soil erosion costs European farmers €1.25 billion a year, and the ongoing trends of converting fertile soil to infrastructure, industrial and commercial uses are putting one of our most precious natural resources in jeopardy, and much more political attention is needed for preserving and restoring healthy soils.

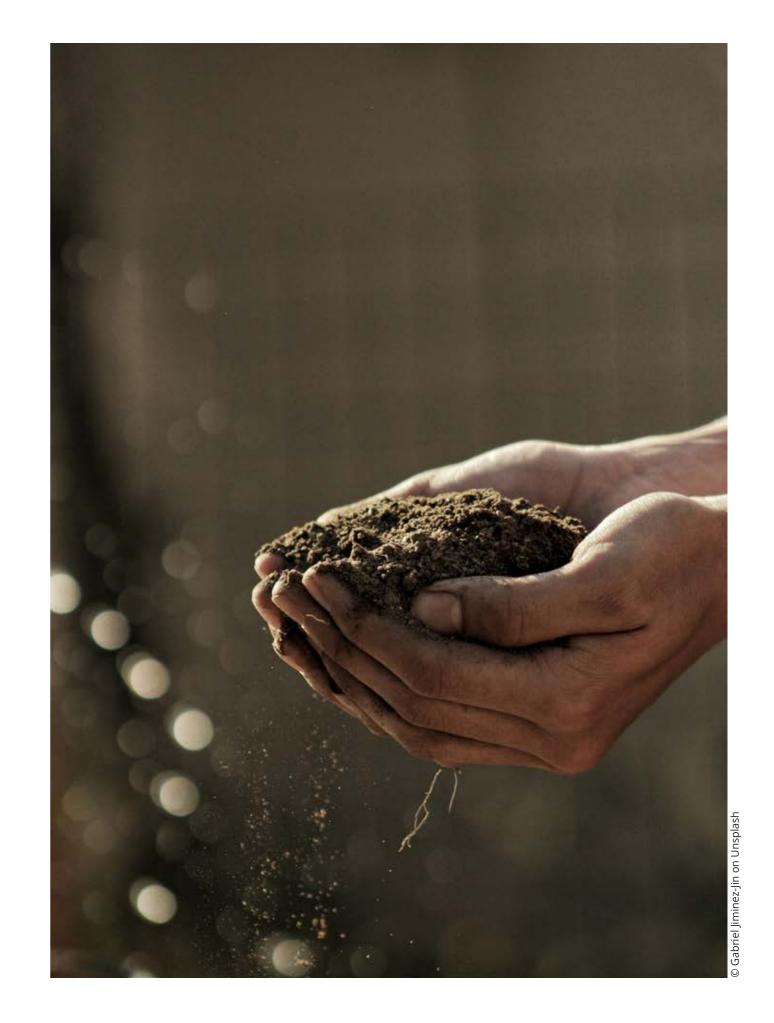
The 8th EAP contains two important actions for ensuring the sustainability of our food production and consumption systems, which must be taken forward in a timely manner: first, addressing land degradation and ensuring the protection and sustainable use of soil through a dedicated legislative proposal on soil health by 2023 (article 3 §1 fg), which has already been announced by the European Commission; and second, transforming the Union's food system so that it contributes to protecting and restoring biodiversity within and outside the EU (article 3§1 fh).

Through the Farm to Fork Strategy, the European Commission has already committed to implement a series of well-integrated policy initiatives to help transform the EU food system and make it more fair, healthy and environmentally-friendly.

To fully deliver on the 8th EAP's promise, we consider that the following actions by the European Commission are particularly relevant:

- Reinforce EU policy action for healthy sustainable diets: in light of the strong dependence of the EU food system on imported fossil fuels, fertilisers and feed for livestock, which the war in Ukraine has dramatically brought into the highest political attention, fostering more plant-based food and lowering the excessive consumption of animal products can substantially lower this dependence, while also contributing to a healthier, more resilient and sustainable food system.
- Monitor progress toward food system sustainability and assess whether the action taken under the Farm to Fork Strategy is sufficient to achieve

- its objectives, publishing recommendations for additional action by mid-2023.
- Produce an ambitious Sustainable Food Systems framework law, announced in the Farm to Fork Strategy for 2023, setting a clear long-term vision and direction of travel for the EU food system, with legal obligations and governance mechanisms to ensure sustainability becomes a high-ranking priority in all EU food-related policies and that major agri-food actors become engaged and can be held accountable.



# DEVELOP A LEGALLY BINDING INITIATIVE TO DECREASE THE EU'S MATERIAL CONSUMPTION FOOTPRINTS

The EU's impact on the planet's resources is inequitable: the EU uses almost 20% of the Earth's biocapacity although it comprises only 7% of the world population. 2.8 planets would be needed if everyone consumed at the rate of the average EU resident. This is well above the world average which is approximately 1.7 planets<sup>4</sup>.

At present, there is no EU framework for reducing the EU's material consumption footprint. This is a significant gap that needs to be considered, if the EU is to meet its commitments under the 2030 Agenda for Sustainable Development. Goal 12 (Responsible consumption and production) is one of the most challenging for the EU, notably due to negative international spillovers, with EU consumption contributing to environmental degradation outside the EU, notably by deforestation and biodiversity loss driven by trade in commodities such as soy, palm oil or timber<sup>5</sup>.

The 8th EAP addresses this by calling for further developing the scientific knowledge base on planetary boundaries and environmental footprints, and for decreasing the EU's footprint via 2030 reduction targets (Article 3 § jb). This follows on from the European Parliament's call in its resolution of 10 February 2021 on the New Circular Economy Action Plan for the Commission to propose binding EU targets for 2030 to significantly reduce the EU material and consumption footprints and bring them within planetary boundaries.

## Therefore, in order to advance on this goal in time for the 2030 deadline, the EU should:

- Support developing further the scientific knowledge base on planetary boundaries and environmental footprints, in order to feed into the impact assessment for the initiative to decrease the EU's material consumption footprint;
- Take forward the initiative to decrease the EU's material consumption footprint as soon as possible, setting a headline binding target to halve EU material footprint by 2030, supported by further specific material sub-group binding targets and plans.



# ADVANCE TOWARDS THE RECOGNITION OF A RIGHT TO A CLEAN, HEALTHY AND SUSTAINABLE ENVIRONMENT INTERNATIONALLY

In October 2021, the United Nations Human Rights Council (UNHRC) adopted with overwhelming support a resolution on the right to a clean, healthy and sustainable environment<sup>6</sup>. This is the first formal recognition of this right at a global level; however, now it is crucial that this right is recognised universally by the United Nations General Assembly (UNGA).

The Right to a Healthy environment encompasses: the rights to clean air, a safe climate, healthy and sustainably produced food, access to safe water and adequate sanitation, non-toxic environments in which to live, work and play, and healthy ecosystems and biodiversity. It also includes the guarantee of non-discrimination, which makes it a right to be enjoyed by everyone everywhere and a means to put into practice the Sustainable Development Agenda principle of leaving no one behind.

While more than 100 states have recognised this right in their constitutions and it is included in a number of regional human rights treaties and environmental treaties, in the European region, the recognition of this right is less explicit. According to IUCN, the international recognition of this right has not much advanced, with no binding legal instrument recognising this right<sup>7</sup>.

The 8th EAP includes as an enabling condition advancing towards the recognition of a right to a clean,

healthy and sustainable environment internationally (Article 3 §1 gb). The recognition of this right at international level, as well as enshrining this right in law in the EU, would better allow communities and individuals to bring their search for environmental justice to court. Moreover, it would present an important change to the way society thinks about and protects a healthy environment – as something everyone has a right to.

# Ways the EU could demonstrate it is serious about supporting the recognition of this right include:

- Firstly, by supporting the tabling of an UNGA resolution on the recognition of the right to a clean, healthy and sustainable environment in 2022;
- By enshrining the right to a safe, healthy, and sustainable environment in the EU Charter of Fundamental Rights.

### The 8th Environment Action Programme's six priority objectives

- 1. Swift and predictable reduction of greenhouse gas emissions and, at the same time, enhancement of removals by natural sinks in the Union, to attain the 2030 greenhouse gas emission reduction target as laid down in Regulation (EU) 2021/111917, in line with the Union climate and environment objectives whilst ensuring a just transition that leaves no one behind;
- 2. Continuous progress in enhancing and mainstreaming adaptive capacity, including on the basis of ecosystem approaches, strengthening resilience and adaptation and reducing vulnerability of the environment and of society as well as all sectors of the economy to climate change, while improving prevention of, and preparedness for weather and climate related disasters;
- 3. Advancing towards a wellbeing economy that gives back to the planet more than it takes, and accelerating the transition to a non-toxic circular economy, where growth is regenerative, resources are used efficiently and sustainably, and the waste hierarchy is applied;
- 4. Pursuing zero-pollution, including in relation to harmful chemicals, in order to achieve a toxic-free environment, including for air, water, soil as well as in relation to light and noise pollution, and protecting the health and well-being of people, animals and ecosystems from environment-related risks and negative impacts;
- 5. Protecting, preserving and restoring marine, terrestrial and inland waters biodiversity inside and outside protected areas by, inter alia, halting and reversing its loss and improving the state of ecosystems and their functions and the services they provide, and the environment, in particular air, water, and soil, as well as combating desertification and soil degradation;
- 6. Promoting environmental aspects of sustainability and significantly reducing key environmental and climate pressures related to the Union's production and consumption, in particular in the areas of energy, industry, buildings and infrastructure, mobility, tourism, international trade and the food system.

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# WWF'S MISSION IS TO STOP THE DEGRADATION OF THE PLANET'S ENVIRONMENT AND TO BUILD A FUTURE IN WHICH HUMANS LIVE IN HARMONY WITH NATURE

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