



8th Environmental Action Programme

WWF RECOMMENDATIONS ON THE TRILOGUE NEGOTIATIONS

AUGUST 2021

Following the publication by the European Commission of its proposal for an 8th Environment Action Programme (8th EAP) in October 2020, the Council and the European Parliament have adopted negotiating positions which build on the ambition of the future EAP and add crucial detail to the actions proposed. The upcoming trilogue negotiations are an opportunity to ensure the finalised 8th EAP is fit to tackle the environmental and climate challenges the EU faces, highlighted by the extreme weather events experienced over parts of Europe in the summer of 2021.

WWF wishes to share its analysis of the key issues that emerged from the co-legislators' positions that we believe should form part of the final agreement, in order to inform the discussions the three institutions will be having during negotiations. The following issues must be comprehensively addressed by the new EAP in order for it to be set up for success:

1. Shifting to a sustainable Wellbeing Economy by putting in place 'Beyond GDP' indicators;
2. Phasing out fossil fuel subsidies by 2025, and all other environmentally harmful subsidies by 2027 at the latest, based on a common methodology and annual reporting;
3. Strengthening the 8th EAP's enabling conditions and environmental governance;
4. Regularly assessing progress and reorienting and introducing new actions as required, via annual reports to be discussed as part of the annual EU programming cycle as well as a comprehensive mid-term review.

Shifting to a Wellbeing Economy based on 'Beyond GDP' indicators

The 8th EAP is an opportunity to embed the idea that the EU needs to shift to a wellbeing economy. A sustainable wellbeing economy monitors and values what truly matters: our health, nature, education, and communities. In its role as a guiding framework for European environmental policy making until 2030, the 8th EAP can be a determining strategy to embed this approach.

The Commission's proposal hints towards this by putting forward the concept of the regenerative economy, and mentioning in the explanatory memorandum that there are calls for 'measuring economic performance and societal progress "beyond GDP" and shift towards using 'wellbeing' as a compass for policy'. However, these remain too vague to truly enact the shift needed. Concrete commitments in the 8th EAP's text are needed.

In this regard, **both the Parliament and the Council's position contain elements that can build towards this approach and should be retained in the final text.** The Parliament calls for the shift to a 'sustainable wellbeing economy', whereas the Council calls for an 'economy of wellbeing', most notably in Article 2 – paragraph 1. WWF welcomes these additions from the co-legislators.

WWF has called for the [EU to shift to a wellbeing economy](#), and due to the adoption and recognition of this term by a range of actors internationally, not least the governments of countries including Finland, New Zealand and Iceland among others, and as such, **we consider the term of 'sustainable wellbeing economy' to be more precise and legible.** This term also captures more clearly the principle that the economy should be at the service of our societies' and planet's wellbeing, instead of the opposite approach where their wellbeing is relegated into narrow economic indicators.



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Beyond calling for this shift, **the 8th EAP should also include concrete actions to make these commitments to a new model operational. WWF welcomes the addition by the Parliament in Article 3 – paragraph 1 a (new) to develop a report** in which the Commission would identify the interlinkages between the various indicator sets, monitoring frameworks and processes in use at Union level that measure social, economic and environmental progress, with the aim of developing a comprehensive dashboard of 'beyond GDP' indicators to guide and inform future policy making. This report would be separate from the 8th EAP's monitoring framework which exclusively looks at environmental indicators.

With this new provision, the omission of 'beyond GDP' and wellbeing as a compass for policy from the Commission's legal text proposal (but contained in the explanatory memorandum) would be corrected. **The inclusion of this commitment is also further supported by the Porto declaration from 8 May 2021**, adopted since the Council's mandate was finalised, in which heads of state and government welcomed proposals for an alternative set of indicators to measure economic, social and environmental progress, supplementing GDP. **Supporting the call from the Parliament would provide much needed clarity on the kind of indicators needed to supplement GDP in high-level decision-making, and enable this important element of the Porto declaration to be fulfilled.** This report could also form a valuable contribution from the EU for next year's Stockholm +50 conference, which will mark fifty years since the first UN conference on the environment and consider how to redefine humankind's relationship with nature and create conditions for prosperity within planetary boundaries.

Phasing out harmful subsidies

The 7th Environment Action Programme already included commitments towards phasing out environmentally harmful subsidies. **However, in the absence of comprehensive plans, specific phase-out deadlines or detailed information on the state and extent of the harmful subsidies being distributed at EU, national, and local level, little progress has been achieved on those pledges.** According to Commission research, fossil fuel subsidies in the EU amounted to 50 billion euros in 2018 alone, with no significant reduction in sight. Without injecting urgency into the process of phasing out these subsidies, public money will continue to be spent in ways that accelerate the climate and biodiversity crises. This trend urgently needs to be reversed. Clear deadlines can also provide clarity for business and investors.

For this reason, building on the commitments in both the Commission proposal and the Council position to phase out harmful subsidies, legally binding **deadlines should be adopted in line with the Parliament's position for the phase out** of all fossil fuel subsidies by 2025 as well as other environmentally harmful subsidies by 2027.

The requirement introduced by the European Parliament (Article 3 – paragraph 1 b (new)) for the Commission to produce a report assessing which subsidies, other than fossil fuel subsidies which are already identified today, are harmful to the environment and exploring pathways for their phase out, is an important addition that can facilitate the rapid phase out of harmful subsidies. Correctly identifying and quantifying these subsidies is an important step in their phase out, which is why WWF welcomes the Parliament's call for the Member States to share with the Commission the harmful subsidies at national, regional and local level, as well as measures they are taking to phase them out.



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This is an essential step if the EU is to successfully phase out harmful subsidies, and avoid once again failing to meet this objective as was the case under the 7th EAP. As an EU environmental governance instrument, the 8th EAP is the most relevant place for setting and monitoring the deadlines and actions for the phase out of harmful subsidies.

Enabling conditions and governance to achieve the 8th EAP

The 7th EAP's evaluation highlighted that addressing policy integration and coherence were key elements of the 7th EAP, and for improving the implementation and effectiveness of EU environmental legislation. While the enabling conditions may seem minor in comparison to putting forward ambitious policy objectives, set by flagship proposals such as the European Green Deal, they are nonetheless essential to deliver successful outcomes. Without solid governance underpinning environmental policy, policy coherence cannot be achieved, as good policies in one area risk being counteracted by harmful incentives in others. The 7th EAP failed to reach many of its objectives on time, in part due to policy incoherence with other policy areas.

In WWF's view, the 8th EAP proposal did not sufficiently develop the enabling conditions and governance that will ensure the 8th EAP's thematic priority objectives are met, and there is therefore a risk the lessons of the 7th EAP will not be incorporated. The additional detail contained in the Parliament's position on Article 3 have the potential to make the 8th EAP much more credible on tackling the incoherencies and inefficiencies that impede environmental legislation from reaching its full potential.

WWF particularly wishes to emphasise the following aspects that were strengthened through the Parliament's position, and that should be retained through the trilogue discussions:

- A 'think sustainability first' approach should be taken for all initiatives, comprehensively considering how they will permit the EU to reach the long term objective of the EAP of 'living well, within planetary boundaries' (Article 3 – paragraph 1 – point b – indent 3 a (new)). Such an approach means embedding the transition towards a sustainable society within policy-making and policy evaluation processes, by making sure all proposals contribute to achieving the SDGs;
- Impact assessments carried out by the European Commission should **systematically and comprehensively** evaluate synergies and potential trade-offs between environmental, social and economic objectives for **all initiatives** (Article 3 – paragraph 1 – point b – indent 3);
- The costs **of action and inaction** should be taken into account when evaluating existing policies and preparing new initiatives, and consider the full range of immediate and long-term impacts on the environment and climate, including their cumulative effects (Article 3 – paragraph 1 – point b – indent 4) – a key priority when considering the rising costs of extreme weather events;
- Better implementation of the EU's body of environmental laws need to be prioritised, notably through ensuring that **sufficient financial and human resources** are allocated at both Union and Member State level, and **swift and systematic follow-up of infringement proceedings** (Article 3 – paragraph 1 – point a b (new)).



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Establishing political accountability and stepping up actions

WWF welcomes that both the Council and the Parliament considerably strengthened the monitoring and evaluation provisions of the 8th EAP. Compromises negotiated during trilogues should ensure that progress made towards achieving environmental goals is regularly assessed, and that actions can be taken to step up actions when needed.

Both the Parliament and the Council's additions in Article 4 – paragraph 1 for annual progress reports should be supported, and these should include the actions taken and planned as included by the Council. Furthermore, as called for by the Parliament, distance to targets reporting should be included as well as funding contributing to the achievement of the priority objectives (Article 4 – paragraph 1 b (new)). We also **welcome the inclusion of 'systemic approaches' or progress made towards systemic change'** called for by both institutions.

In order for these annual reports to bear results and inform policy-making, we welcome the inclusion by the Parliament's position in Article 4 – paragraph 2 a (new) for an **annual exchange of view between the EU institutions** to identify and discuss measures that would need to be taken as a consequence as part of the Union's annual programming.

Furthermore, the mid-term evaluation of the 8th EAP by the end of current European Commission's mandate in 2024 called for by both co-legislators is a key moment to test the success of the 8th EAP (Article 4a and Article 5 – paragraph 1). This should lead, as both institutions are proposing, to the Commission presenting the further actions it will take to ensure the achievement by 2030 and 2050 respectively, of the 8th EAP's objectives.

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