



## **NDICI PROGRAMMING:**

**An opportunity to deliver on the European Green Deal  
ambition in the EU's international partnerships**

# 1. INTRODUCTION

The Covid-19 pandemic has been a painful wake-up call to our fractured relationship with nature. That cost is revealing itself in terrible ways: from the mounting loss of life and untold suffering of families, to the global economic shock that's destroying jobs and livelihoods. The longer the crisis continues, the greater the threat will be to global peace, security and stability.

The crisis has also exposed systemic weaknesses in our societies and economies all around the world, deepening poverty and inequalities and hampering progress towards the achievement of the Agenda 2030 and its Sustainable Development Goals. The crises of climate change and biodiversity loss add to the high costs that most vulnerable and marginalised groups and communities already pay and highlight the need to tackle them in a systematic and integrated way. Zoonotic diseases are driven by the same activities that cause nature loss: illegal wildlife trade, the trade and consumption of high-risk wild animals, deforestation, habitat loss, and large-scale land conversion for food and livestock production. Environmental degradation increases the risk of future pandemics and weakens our resilience against climate change and other disasters.

The pandemic has also highlighted the crushing weight of inequality in our societies. The global economic system, underpinned by extractive business and financial models and weak labour rights, has left millions of formal and informal workers unable to meet their basic needs. Unequal access to essential services such as healthcare, nutritious food, clean water, sanitation, hygiene, and safe housing, has exacerbated the impact of the pandemic and left public authorities unable to effectively respond.

The Covid-19 crisis is a reminder that everything is connected. Our health, our economies, and the natural environment are all interlinked. Tackling problems in siloes is no longer an option.

Back in December 2019, the European Commission set out the principles and ambitions of the European Green Deal, which should guide all policy and decision making of the European Union going forward, such as achieving climate neutrality, preserving biodiversity, as well as fulfilling the international commitments in line with the Paris climate agreement, biodiversity goals and the Sustainable Development Goals (SDGs). These principles must also guide EU Delegations (EUDs), European External Action Service (EEAS) and DG International Cooperation and Development (DEVCO) in their programming process of the EU instrument for the Neighbourhood, Development and International Cooperation (NDICI) for the period 2021-2027, as well as the economic recovery from Covid-19 of partner countries outside Europe.

This paper lays out the principles and recommendations of WWF for prioritising and mainstreaming the environment and climate in the NDICI programming at country, regional and global level. The objective is to deliver on the ambitions of the European Green Deal. It builds on recommendations from a joint NGO paper 'Making the European Green Deal work for International Partnerships'<sup>1</sup> and a joint NGO statement 'European Green Deal must strengthen partner countries' recovery from the Covid-19 crises'<sup>2</sup>. It is also aligned with WWF European

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<sup>1</sup> [https://d2ouvy59p0dg6k.cloudfront.net/downloads/egd\\_international\\_partnerships.pdf](https://d2ouvy59p0dg6k.cloudfront.net/downloads/egd_international_partnerships.pdf)

<sup>2</sup> [https://wwfeu.awsassets.panda.org/downloads/ngo\\_statement\\_on\\_covid\\_19\\_crisis.pdf](https://wwfeu.awsassets.panda.org/downloads/ngo_statement_on_covid_19_crisis.pdf)

Policy Office paper ‘Building resilience: WWF recommendations for a just sustainable recovery after Covid-19’<sup>3</sup> but is tailored to development cooperation.

The European Green Deal can offer a framework for the EU to draw up the NDICI priorities in a way that helps tackle social inequalities, climate and environmental breakdown, and the need to improve long-term resilience, by taking a consistent approach across the board, and aiming clearly at a green, equitable, socially just and resilient development and recovery plans in partner countries in the Global South.

The recommendations in this paper are structured around the key programmatic areas which have been announced by the DG DEVCO under the external dimension of the European Green Deal:

- Biodiversity and wildlife
- Forests
- Food systems
- Freshwater
- Oceans
- Climate and sustainable energy
- Green and Smart cities
- Circular Economy
- Sustainable finance and investments

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<sup>3</sup> [https://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf\\_recommendations\\_for\\_just\\_and\\_sustainable\\_recovery\\_april\\_2020\\_final.pdf](https://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf_recommendations_for_just_and_sustainable_recovery_april_2020_final.pdf)

## 2. SUMMARY OF PRINCIPLES AND RECOMMENDATIONS

Promoting the green and digital transition in the post-Covid recovery is among the top priorities for the EU's action, both internally and in cooperation with partner countries. This report lays out a set of key principles and recommendations for NDICI programming, which will help the EU translate the objectives of the European Green Deal in its external action instruments.

Overall, it is critical to mainstream and prioritise the EGD's climate and biodiversity objectives throughout the NDICI programming process. Further, the NDICI funds must comply with the EGD's 'Do no harm' oath, by excluding support to any environmentally and socially harmful activities.

A human rights-based approach must underpin all EU development interventions, and the NDICI programming should comply with and strengthen human rights and natural resources rights. This must include a recognition and empowerment of Indigenous People and local communities (IPLCs).

These principles must be operationalised by strengthening environmental expertise and capacity of EU delegations, and providing them with clear guidance on conducting environmental and climate screenings for all programmes, and on achieving genuine mainstreaming. Equally, the capacity of governments in partner countries should be enhanced, as they have the ultimate responsibility for mainstreaming biodiversity and climate action into their national systems and programmes.

WWF's recommendations for NDICI programming touch on a broad range of environmental policy areas.

### **Biodiversity & wildlife**

Global biodiversity loss is driven by unsustainable human activities such as illegal and unsustainable wildlife trade, poorly planned infrastructure development, deforestation and ecosystem conversion from agricultural supply chains. Evidence shows that these drivers are also linked to the emergence of zoonotic diseases, such as Covid-19, and increase the likelihood of future pandemics with devastating consequences for people's health, wellbeing and livelihoods, both in the developed and the developing world.

In order to halt biodiversity loss, WWF recommends that the EU should promote integrated and inclusive landscape approaches that ensure ecological connectivity, which would deliver multiple benefits for local communities and biodiversity. Initiatives should involve all relevant stakeholders, especially Indigenous Peoples and local communities, and take a holistic and systemic approach to tackle all drivers of biodiversity loss and environmental degradation. In addition, efforts to fight wildlife crime and high-risk wildlife trade should be scaled up by recommitting to funding for the EU Wildlife Trafficking Action Plan.

### **Forests**

Deforestation is rampant, partly driven by EU consumption. The EU must thus take urgent action by adopting a comprehensive set of measures, including new legislation to stop products linked to deforestation and ecosystem conversion from entering the EU market, in order to

reduce the EU footprint. In addition, the EU should strengthen cooperation with producers and other consumer countries to support them in halting deforestation, forest degradation and conversion or degradation of natural ecosystems and human rights violations.

As part of the NDICI programming, the EU must prioritise the protection, restoration and sustainable management of forests and other important ecosystems through inclusive governance and human-rights based approaches, and also invest in innovative, cross-regional and multi-sectoral approaches to fight deforestation and illegal logging, building on existing EU frameworks.

## **Food systems**

Land use change, including deforestation and destruction of key natural habitats, together with unsustainable agricultural and fishing practices are the major drivers of the rapid and dramatic loss of nature and biodiversity today. As the world's largest agri-food trader, the EU should support not only an internal but also a global transition towards sustainable and equitable food systems, and use NDICI as a strategic tool to help achieve this. As the Covid-19 crisis has exacerbated hunger in the world and put a spotlight on the intersections of human and planetary health, EU policies must support diversified, ecologically and socially sustainable food systems, particularly those based on agroecology.

For NDICI programming, the EU should support sustainable production and the implementation of transparent, sustainable value and supply chains, while promoting and respecting smallholders' and farmers' rights. In addition, it must support actions to reduce food waste and loss in developing countries as a shared value across the chain.

## **Freshwater**

The world's freshwater ecosystems are particularly vulnerable to climate change, with effects often felt through floods, droughts, eutrophication and other extreme weather events. At the same time, water can play a central role in climate adaptation, so it is critical to design programmes to enhance water resilience from the basin to the community level. The EU can support a mainstreaming of adaptation projects linked to freshwater ecosystems that reduce disaster risks to people and support healthy ecosystems that support healthy societies.

In order to achieve this, NDICI programming should focus on mainstreaming water-focused climate adaptation projects and investment at scale. In addition, the connectivity of rivers should be improved by allowing them to flow freely by removing obsolete dams and favouring non-hydro renewable energy. Lastly, efforts must be undertaken to improve governance, management and sustainable use of water resources with key stakeholders, private sector and communities in partner countries.

## **Oceans**

The ocean economy is estimated to be worth more than \$2.5 trillion per annum, and fish is a crucial source of food, nutrition and income for more than 800 million people, mainly living in developing countries. However, we are rapidly eroding this value through the destruction of precious ecosystems and overfishing in our ocean. As the world's largest seafood market, the EU should continue to strengthen its efforts to fight overfishing and Illegal, Unreported and Unregulated fishing, and increase cooperation with partner countries to support fisheries dependent coastal communities and promote the sustainable management of marine resources.



The programming of NDICI should in particular adopt and facilitate the implementation of a sustainable blue economy approach, strengthening efforts to restore, manage and protect productive coastal zones. It should also accelerate coastal community led conservation, by pursuing an inclusive conservation approach which recognises, and protects the legitimate tenure rights to marine resources, and ensures that indigenous and local knowledge is incorporated into decision making.

## **Climate and energy**

The climate crisis, and its aggravating impacts on nature loss, disproportionately affects the most vulnerable people and ecosystems in developing countries. Domestically, the EU should increase its 2030 emissions reduction target to -65%, reduce its global footprint, and ensure policy coherence for sustainable development to avoid negative impacts on developing countries of new policy initiatives. Further, it should drive global climate action and provide additional support to developing countries to adapt to climate impacts and to strengthen their climate and socio-ecological resilience.

In particular, the EU should support the revision, enhancement and implementation of partner countries' Nationally Determined Contributions (NDCs) - with revised NDCs reflecting greater ambition, based on countries' mitigation potential, adaptation needs, historical responsibilities and respective capabilities - and also support the network of Alliances for Climate Action. In addition, the EU should support the transition to a sustainable energy system by boosting investments in renewable energy and energy efficiency in partner countries.

Finally, to support adaptation to climate impacts, the EU should strengthen its support for nature based solutions, as a cost-effective and smart way to increase resilience, support adaptation and contribute to livelihoods of vulnerable communities.

## **Green and smart cities**

Already now, cities are responsible for over 70% of CO<sub>2</sub> emissions and 75% of natural resource consumption, and their populations are expected to double by 2050 with the fastest urbanisation rates expected in Africa. The challenge of achieving sustainable, equitable, and healthy living standards needs to be solved within urban systems connecting all functions and services in a city. The EU's support to cities in partner countries can contribute to ensuring they have the knowledge, capacity, and resources to redesign themselves in a way that prioritises people and nature, while addressing health, equity and inclusive economic development opportunities.

In particular, the EU should support the central role and capacity of local governments to establish and implement local climate goals, and encourage synergies with biodiversity conservation targets and localisation of the SDGs. It should also support integrated urban planning with nature-based solutions at the heart of more inclusive and resilient cities. Lastly, programmes that support public awareness and engagement of urban citizens should be fostered, including to address cities' ecological footprints and promote equity.

## **Circular Economy and Footprint**

The EU should continue to support partner countries in promoting the circular economy both as an opportunity and a tool to achieve a truly sustainable and inclusive development in line with the SDGs and decarbonisation objectives and to “build back better” in the post Covid-19 context,

to a climate-neutral, sustainable, equitable and resilient economy. Future EU support to partner countries in moving towards a circular and more sustainable economy should build on successful programmes financed to date, but be strengthened beyond reducing waste and improving resource efficiency, to aiming towards absolute decoupling of economic activities from the consumption of limited resources.

In particular, the EU should expand and strengthen existing “Switch to Green” programmes while promoting multi stakeholders approaches, both at country and regional level, to support companies, particularly MSMEs, develop circular, regenerative business models.

In addition, in order to help reduce the EU's own ecological footprint by changing behaviours of European citizens on topics related to global sustainability, the NDICI Development Education and Awareness Rising (DEAR) programmes should be strengthened and fully aligned with the objectives of the EGD.

### **Sustainable finance and investments**

To effectively tackle climate change and nature loss, scaled up financing is needed, through an effective mix of grants, loans, private investment, more effective domestic resource mobilisation, as well as debt relief. The future EU external financial architecture, funded by NDICI through the expansion of the EFSD+, should be implemented through a “people and planet” approach, prioritise de-risking investments that can demonstrate sound financial and development additionality and deliver social and environmental impacts.

In particular, this means prioritising sustainable investments to target inclusive and circular business models and local micro, small and medium size enterprises to undertake more sustainable and resource efficiency practices. In addition, the EU sustainable finance taxonomy should be used to identify investments that could be supported by NDICI. Finally, a strong ‘do-no-harm’ list of investments explicitly excluded from NDICI support should be developed to ensure that NDICI does not support investments or activities that are counterproductive in social, climate and environmental terms.

# 3. GUIDING PRINCIPLES

## Mainstreaming and prioritising climate and biodiversity objectives

Climate and biodiversity must be prioritised and mainstreamed throughout the NDICI programming process, both in the policy dialogue, formulation of “Team Europe” flagship initiatives, and choice of strategic priorities and objectives to achieve at country, regional and global level. This should be done in line with the partner country's sustainable development plans in respect of development effectiveness principles. Detailed provisions in the NDICI programming guidelines and policy notes to EU Delegations should provide clear guidance and incentives to achieve this, while contributing to meeting the set spending target for climate and biodiversity objectives.

WWF, together with many CSOs partners, has been calling for an ambitious and comprehensive 50% climate and environment spending target in the NDICI to incentivise investments that deliver multiple benefits for climate mitigation, adaptation and nature protection, as well as a wide range of other sectors, for example health and human wellbeing. These are all interlinked, and can increase resilience in anticipation of increasing disaster risks.

European Green Deal also needs to contribute to human development and social inclusion, to improve health, particularly nutrition and the right to food, and quality and access to public services. NDICI programming guidelines and instructions need to give due consideration to this, and outline how EU Delegations can identify and support programmes across these sectors. For example, energy access and electrification of the health sector, programmes preparing the health sector for climate and environmental impacts, or nutrition and food security projects which strengthen adaptation through use of local indigenous knowledge and agroecological practices. Identifying programmes and projects with multiple outcomes and benefits will maximise impacts, for example water resource management using nature based solutions, which contributes to health and adaptation to build community resilience.

## Do not support environmentally harmful activities

In line with the EGD “do no harm” oath, the NDICI funds must be ‘climate and environment proof’, compatible with the objective of limiting temperature rise to 1.5°C; support adaptation and be climate-resilient. The NDICI must not support any environmentally and socially harmful activities such as fossil fuel production, overfishing and unsustainable animal farming, industrial agribusiness, or commodity production and imports which cause deforestation, biodiversity loss, or land and water grabs.

To fulfil the “do no harm” principle, the programming instructions should include clear guidance on how to conduct environmental and climate screenings (encompassing mitigation and adaptation) and a rights-based assessment for any programmes financed under the NDICI. The EU should consider using and adapting existing screening tools such as EIAs, SEAs and the EU Taxonomy which has clear ‘do no harm thresholds’ for climate (and will contain thresholds for biodiversity, freshwater and marine etc. by the end of 2021) and foresee clear exclusion



criteria for fossil fuels and other harmful activities in line with the forthcoming NDICI regulation, similar to the exclusion lists for InvestEU<sup>4</sup>.

## **Promote gender equality and gender sensitive approaches**

Women and girls are more exposed and vulnerable to the impacts of biodiversity loss and climate change, as well as to inequalities and inequity. Women, girls and women's organisations are often at the forefront of defence and sustainable management of natural resources, first responders in climate disasters and they play a key role in ensuring food security<sup>5</sup>. And yet, the knowledge, skills and decision-making tactics of both women and men are currently absent from discourse on natural resource management and adaptation to climate change. Levelling the playing field between genders has already proven beneficial for environmental conservation, sustainability and gender equality, and women's rights are and should remain a high priority in EU development cooperation, as reflected in the Consensus for Development and the EU Gender Action Plan.

## **A human rights-based approach to underpin all EU development interventions**

In line with the EU's Action Plan on Human Rights and Democracy, a human rights based approach should be promoted and upheld at all levels of the programming process and throughout implementation. Strengthening human rights in partner countries is the pathway to better environmental outcomes. Strong social and environmental safeguards, along with the "do no harm" principle should apply to the NDICI, in order to counteract potential adverse human rights impacts on people in the Global South, as already exemplified by biofuels and commodity imports, which cause deforestation and land and water grabs.

The NDICI programming should comply with and strengthen human rights and natural resources rights, including the right of local communities and indigenous peoples to Free, Prior and Informed Consent (FPIC). Increased support should be directed to environmental defenders and community-led solutions. Strong social and environmental safeguards, as well as effective monitoring and complaint mechanisms should apply to all programmes and investments funded by the EU in partner countries, including blended finance operations and budgetary guarantees signed in the context of the EFSD+. The EU should also adopt robust and binding rules on corporate accountability for human rights violations and environmental degradation, and should engage constructively in the negotiations for a UN Treaty on Business and Human Rights

## **Inclusive and equitable partnerships for conservation**

A significant increase in the area of land and sea under effective and inclusive conservation and sustainable use is required as part of efforts to bend the curve of nature loss and mitigate climate change. This can only be achieved by recognising the important role that Indigenous

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<sup>4</sup> <https://ec.europa.eu/transparency/regdoc/rep/1/2020/EN/COM-2020-403-F1-EN-ANNEX-5-PART-1.PDF>

<sup>5</sup> [https://wwfeu.awsassets.panda.org/downloads/wwf\\_genderequalityandfisheriespolicybrief.pdf](https://wwfeu.awsassets.panda.org/downloads/wwf_genderequalityandfisheriespolicybrief.pdf)

People and local communities (IPLCs) as nature custodians have played for generations and continue to play in safeguarding most of the planet's remaining biocultural diversity.

An estimated 65% of the world is under some form of community governance and/or management (RRI, 2015); some estimate this coincides with areas holding 80% of the planet's biodiversity. However, IPLCs hold effective legal rights to only a fraction of the lands and territories they have used and conserved for generations. The EU, as a global donor and actor, can play an important role in working with governments, civil society and private sector to advocate and promote the recognition of those IPLCs who have been custodians of their lands and territories over generations and intend to conserve these areas effectively for the long-term (indigenous and community conserved areas-ICCAs, or territories of Life), support their efforts to secure rights to their ICCAs, and strengthen the governance systems of their territories, lands and waters, their culture and to build sustainable economies. Recognition and empowerment will better enable IPLCs to restore and defend these areas against encroachment of unsustainable development activities and become champions of sustainable, holistic development and equitable conservation.

## **Regular dialogue and meaningful consultations with civil society**

Dialogue and consultations with civil society should be ensured throughout the programming process - and beyond -, by supporting the timely and meaningful participation of a broad and diverse group of civil society organizations, including youth and women's organizations, environmental defenders and climate activists, Indigenous Peoples, and other marginalized groups. The process should be fully transparent and information readily available to ensure all views are shared and taken into account in determining future cooperation strategies. During implementation, significant and predictable funding should be available to civil society organizations, to safeguard civic space and enable CSOs' participation to democratic life. Funding should also be made available to CSOs to support their right of initiative and run their own programmes.

## **Strengthen capacities and climate/biodiversity expertise of EU Delegations and government counterparts**

Capacity and expertise of EU Delegations (EUDs) should be strengthened as well as those of governments in partner countries who have the ultimate responsibility for mainstreaming in their national systems and programmes. As the volume of funding programmed and managed by EUDs will increase under the NDICI, the Commission services should offer clear guidance, technical support and improvements to available tools and guidelines on Climate and Biodiversity mainstreaming, to ensure a more systematic and effective use of screening tools, such as Environmental Impact Assessments and Strategic Environmental assessments. It should be mandatory for all EUDs to employ climate and environmental experts in order to pursue green alliances and lead the green diplomacy efforts tailored to the needs of partner countries, and offer technical assistance.

# 4. WWF KEY RECOMMENDATIONS IN RESPONSE TO THE EUROPEAN GREEN DEAL PRIORITIES

## Biodiversity and Wildlife

Global biodiversity loss is driven by unsustainable human activities such as illegal and unsustainable wildlife trade, poorly planned infrastructure development, deforestation and ecosystem conversion from agricultural supply chains. Evidence shows that these drivers are also linked to the emergence of zoonotic diseases, such as Covid-19, and increase the likelihood of future pandemics with devastating consequences for people's health, wellbeing, livelihoods and cost to the global economy<sup>6</sup>. Connectivity of landscapes is also at stake, undermining the ability of wildlife to migrate or disperse to feed and breed, and of ecosystems to function properly. Transformative action is needed to halt and reverse nature loss, and the EU should continue to play a leading role in shaping and adopting an ambitious post-2020 Global Biodiversity Framework, and commit to provide adequate finance for its implementation while following through on the global aspects of the new EU Biodiversity Strategy. Through the NDICI programming process, the EU should in particular work with partner countries to:

- 1. Promote integrated and inclusive landscape approaches that ensure ecological connectivity to deliver multiple benefits for local communities and biodiversity**

Initiatives such as NaturAfrica should be developed by involving all relevant stakeholders, especially Indigenous Peoples and local communities, and take a holistic and systemic approach to tackle all drivers of biodiversity loss and environmental degradation. Appropriate and far reaching solutions should be put forward including:

- Support for well managed and sufficiently funded protected areas, which also ensure solutions for shared-governance models based on full respect of IPLCs rights, promote their involvement and empowerment and opportunities for developing alternative livelihoods;
- Extending support beyond PAs to conserved areas and other critical ecosystems to secure the structural and functional connectivity between them, which is necessary to ensure long-term resilience of biodiversity and ecosystem services, and to deliver socio-economic benefits<sup>7</sup>, noting that ecological connectivity can be effectively strengthened via other mechanisms, such as forest restoration in connectivity zones or agroecology approaches to food production that are ecologically permeable
- Fully integrating biodiversity considerations into key sectors, such as agriculture, energy, transport, extractives and infrastructure, by promoting effective spatial land use planning and governance and by collecting and streamlining detailed spatial information on areas of biodiversity importance, such as Key Biodiversity Areas (KBAs)<sup>8</sup>. This can be quite effective since KBAs are already integrated into the policies of several sectors,

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<sup>6</sup> <https://science.sciencemag.org/content/369/6502/379>

<sup>7</sup> [Guidelines for Connectivity Conservation](#)

<sup>8</sup> As per the IUCN WCC Motion 096 [Strengthening national spatial planning to ensure the global persistence of biodiversity](#)

particularly the financial sector much of which has specific lending requirements for KBAs, and that many countries including in Africa have completed or initiated KBAs identification processes.

## **2. Scale up efforts to fight wildlife crime and high-risk wildlife trade**

Wildlife crime can only be effectively tackled by working across the whole wildlife trade chain to stop poaching, trafficking and buying of endangered wildlife, with coherent and integrated approaches in source, transit and demand countries. Stopping illegal, unregulated and high-risk wildlife trade and consumption not only contributes to biodiversity conservation but also reduces the risk of the emergence and spread of novel zoonotic diseases, whose potential for devastating impact has so recently been illustrated by the Covid-19 crisis, as well as more localised epidemics, such as Ebola. These efforts should include support for work to reduce the elements of wildlife trade that pose the highest risk of zoonotic spill over.

Complementary efforts should aim at promoting sustainable and resilient alternatives to support the livelihoods of those who currently rely on high-risk species as a protein or income source and ensuring biosafety standards are taught and respected; for pathogen surveillance and capacity building to enable it, increased coordination between public health, enforcement and environmental agencies at local and national levels, as well as strengthening government and civil society efforts to reduce consumer demand for high-risk wildlife products, through broad public education and evidence-based campaigns targeting known consumer groups. To support this, the EU should recommit to funding for the EU Wildlife Trafficking Action Plan.

## **Forests**

The EU should follow through on the commitments laid out in the EC communication on “Stepping up Action to protect and restore the world’s forests” by adopting and implementing a comprehensive set of measures and initiatives, including new legislation to stop products linked to deforestation and ecosystem conversion from entering the EU market, in order to reduce the EU footprint on the world’s natural ecosystems and to address underlying drivers. As an essential and complementary effort, the EU should strengthen cooperation with producers, and other consumer countries to support them in halting deforestation, forest degradation and conversion or degradation of natural ecosystems and human rights violations. The proposed “forest partnerships” in the context of the EGD should be complementary and supportive of ongoing work in the context of FLEGT Voluntary Partnership Agreements. They should take a comprehensive approach, tackling threats and key drivers of deforestation and other ecosystem conversion (including grasslands, savannahs, and wetlands), ensuring involvement and respect of local communities and indigenous people’s rights. In particular, through the NDICI programming process the EU should:

### **1. Prioritise protection, restoration and sustainable management of forests and other important ecosystems through inclusive governance and human-rights based approaches**

Financial and technical assistance to partner countries are needed to protect the last remaining ecologically intact areas of forests and other ecosystems that are of extremely

high importance for biodiversity, carbon storage, and Indigenous Peoples and local communities.

In order to achieve this, the EU should:

- Support advancing and scaling up forest landscape restoration and reforestation, including regional initiatives, that help regain ecological functionality, increase the value of ecosystem services and enhance human wellbeing;
- Develop incentive mechanisms for smallholders and IPLCs to maintain and enhance ecosystems and products provided by sustainable forest management and agriculture;
- Help partner countries to implement sustainable and fair forest-based value chains and promote sustainable biocultural-economies.
- Continue to promote transparency, inclusiveness and participatory forest governance by stepping up action and increase funding for civil society actors to engage in policy, advocacy and legislative reform processes, independent monitoring, as well as to secure land and resource rights to local and Indigenous communities in forests as well as in other ecosystems;
- Assist producer countries in tracking progress in the implementation of policy objectives, including commitments related to deforestation, the forest-related components of Nationally Determined Contributions (NDC)s, legal and sustainable commodity production and related trade.

## **2. Invest in innovative, cross-regional and multi-sectoral approaches to fight deforestation, ecosystem conversion and illegal logging, building on existing EU frameworks**

Regional and global dynamics and trade flows are driving deforestation, ecosystem conversion and illegal logging. For instance, Asia imports timber from Africa in large quantities and this is expected to increase in the future due to a number of factors related to policies, market demand and consumption habits of domestic consumers. According to IIED<sup>9</sup> and Forest Trends<sup>10</sup> reports this has negative impacts on producers African countries, like DRC, Cameroon, Gabon, such as low contribution to local employment, weak labour standards, and fuels deforestation, illegal logging and timber trade. The EU should use existing instruments (e.g. FLEGT) and future regional/global thematic programmes to promote collaborative and ground-breaking South–South-North partnerships, and foster multi-sectorial and driver-focused approaches but also to help fulfil requirements under the EU Timber Regulation (EUTR). More particularly, priorities should be to (i) strengthen Africa-Asia mechanisms to promote sustainable forest industry and address illegal timber trade and forest governance with an effective mix of financial and market tools, incentives, and regulation and deterrence mechanisms, (ii) Strengthening Government-to-Government cooperation to reduce illegal and unsustainable logging and timber trade between the two continents, and (iii) Piloting companies and Incentives for lessons and scale-up. This would improve traceability and support EUTR enforcement as well as minimize risks of loopholes in FLEGT VPAs implementation.

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<sup>9</sup> <https://pubs.iied.org/17569IIED/>

<sup>10</sup> <https://www.forest-trends.org/publications/forest-products-trade-between-china-and-africa/>

# Food systems

Humanity has succeeded in dramatically increasing food production in the last decades but at a very high environmental cost. As announced in the recently published Farm to Fork Strategy, the EU should support not only an internal but also a global transition towards sustainable and equitable food systems. Our global food systems are heavily interconnected, and as the world's largest agri-food trader, the EU should use the NDICI as a strategic tool to drive their sustainability and fairness. Special attention should be given to working with partner countries and local communities, farmers and smallholders in promoting food security, food sovereignty and improved nutrition, fostering local food systems, and reducing negative and promoting positive impacts on biodiversity.

The Covid-19 pandemic has exacerbated many of the cracks in our food systems that are threatened by climate change, land degradation, nature loss, incoherent policies, and chronic underinvestment<sup>11</sup>, with the World Food Programme (WFP) estimating that the number of people experiencing crisis level hunger will rise to 270 million before the end of 2020 as a result of the pandemic, an 82% increase over the previous year. To address this crisis and the linked challenges of climate change and biodiversity loss, the EU has to focus on the intersections of human and planetary health in our food systems. EU policies must support diversified, ecologically and socially sustainable food production models, particularly those based on agroecology, seeking nature-based solutions and taking into account the rights, needs and aspirations of local groups and communities.

## **1. Support sustainable production and implementation of transparent, sustainable value and supply chains, while promoting and respecting smallholders' and farmers' rights**

There is huge potential for sustainable agricultural systems within multi-functional landscapes to provide habitat and corridor functions for biodiversity, contribute to greenhouse gas reduction, enhance - rather than erode - ecosystem services, ensure food security and nutrition, and promote food sovereignty and respect of farmers rights.

NDICI programming should focus on:

- Activities that avoid any further natural habitat conversion, rebuild ecological systems and enhance farm resilience, conserving natural resources and reducing agrochemical inputs like synthetic fertilisers and pesticides;
- Adoption of sustainable agriculture practices based on agroecology principles, such as regenerative and organic agriculture, which embrace the diversification of farming systems. This involves, for instance, promoting intercropping and mixing of crop varieties, as well as agroforestry systems, which have shown numerous benefits for food security such as more consistent crop yields, diversified food options and improved nutrition;
- The recovery of agrobiodiversity, pollinators and organisms critical for soil fertility and health, as part of larger efforts towards soil restoration and rehabilitation;

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<sup>11</sup> The Hunger Virus: how covid19 is fuelling hunger in a hungry world - Oxfam, July 2020 <https://policy-practice.oxfam.org.uk/publications/the-hunger-virus-how-covid-19-is-fuelling-hunger-in-a-hungry-world-621023>



- Sustainable land use planning to eliminate deforestation and conversion of natural habitats from food supply and value chains;
- Promotion of small and subsistence farming, land rights and farmers' rights to seeds and other genetic resources for agriculture in line with the UN Declaration on the Rights of Peasants;
- Establishment of sustainable and transparent value chains with special focus on local communities and short supply chains;
- Enhancement of extension services and trainings; support urban-rural relations (including young people education and job creation);
- Support a transition to efficient irrigation and sustainable water use levels;
- Investments in digital technology including for better weather information, traceability of supply chains, early warning of pest and disease outbreaks;
- Strengthen and support local and regional food markets, where most economic interactions around food take place.

## **2. Support actions to reduce food loss and waste**

Food loss and waste exacerbates the agricultural pressure on land-use and biodiversity, contributes to climate change and costs the global economy billions of dollars every year. Current estimates show that one third of all food goes uneaten. It is either lost at harvest or in the supply chain, or simply thrown away at the point of consumption.

NDICI programming should help minimise food losses and eliminate waste at consumption.. Eliminating waste and elevating waste reduction as a shared value across the value chain is a critical element that should be part of any sustainable consumption strategy. Specific actions which need support are

- Investment in supply chain infrastructure and storage facilities to reduce post-harvest food loss including equipment and techniques;
- Support of short supply chain management (e.g. transport to local markets; urban-rural linkages; and connection between food producers and consumers);
- Investment in renewable energy and energy-efficient cold chains, especially in hot, tropical countries;
- Adoption and implementation of policies that target food loss and waste reduction, including awareness-raising activities informed by country-specific research;
- Behaviour change interventions that reduce consumer food waste generation;
- Support of voluntary agreements in the retail and food processing sectors to measure and reduce food waste, and encourage these businesses to help their providers and consumers reduce food waste.

## **Freshwater**

As the European Green Deal increases the focus on climate and environment globally, water should be at the heart of the project design. Climate change is most often felt through water, in the form of floods, droughts, eutrophication and other extreme weather events. However, water can also play a central role in climate adaptation for people, economies, and nature when programmes are designed to build water resilience from the basin to the community level.

The EU can support a mainstreaming of adaptation projects linked to freshwater ecosystems that reduce disaster risks to people and support healthy ecosystems that support healthy societies. There are also important learnings from the EU's transformational Water Framework Directive that can be shared and adapted through the NDICI, such as the importance of connectivity and ecological flows, water quality, and data quality and monitoring systems for effective management. Finally, the EU can build on its focus on natural resource consumption, through programs like Switch-Asia, by engaging private sector water users around better water stewardship practices and interlinking water management with WASH programs. The latter is becoming increasingly important, particularly in Africa, where downstream water users and WASH infrastructure can be impacted by water resource decisions made upstream.

The main priorities are described in more detail below:

### **1. Mainstream water-focused climate adaptation projects and investment at scale**

The landmark Global Commission on Adaptation report *Adapt Now* concluded that the impacts of climate change will "most immediately and acutely be expressed through water". Healthy rivers, lakes and wetlands underpin societies, economies and ecosystems and will be critical to mitigating these impacts and building resilience. Freshwater ecosystems provide a range of services that support many global sustainable development objectives, often for the most vulnerable communities: these include provisioning services such as drinking water and inland fisheries and regulating services such as waste assimilation; sediment transport; flow regulation; and the maintenance of estuarine, delta and near-shore marine ecosystems.

But freshwater systems are under increasing pressure - exemplified by the 83% collapse in freshwater species populations on average in the past 50 years. Critical to successful adaptation will be investment in *nature-based solutions* (NbS), which reduce the impact of extreme floods, droughts, storms on rural communities and cities by enhancing the natural functioning of rivers, lakes and wetlands. Examples include reconnecting rivers to floodplains, restoring urban and coastal wetlands, safeguarding water supplies in degraded watersheds by replacing invasive species with indigenous trees and plants, and using natural, restored or constructed wetlands to improve water quality. NbS for climate change adaptation can also be used to improve the use of and availability of water for farming, industrial and household use.

### **2. Prioritize river connectivity through free flowing rivers, removal of obsolete dams and favouring non-hydro renewable energy**

Rivers underpin entire landscapes, and contribute to economic growth, food security, and human well-being. However, around the world there is a boom in infrastructure development that is drastically changing river ecosystems. Hydropower is the biggest infrastructure threat to freshwater ecosystems and it is continuing to grow in many regions to meet rising energy demands. Many countries still prioritise hydropower in their energy plans because it is viewed as a low cost domestic source of power and a 'green' alternative to coal.

As highlighted in the climate and energy section below, investing in "shovel ready" non-hydro renewables will help power a green recovery. With the plunging price of solar, wind and energy storage, research shows that investing in low carbon, low cost and low

impact power grids could keep global warming below 1.5 degrees, provide access to electricity for the one billion people who currently lack it and safeguard free flowing rivers from the Amazon to the Balkans to Africa. Accelerating investment in non-hydro renewables will require facilitating the right enabling environment, particularly engagement with investors to leverage finance and a clear and transparent regulatory environment.

Further, governments should prioritize management policies and planning practices that increase river connectivity and basin resilience. This includes policies to ensure sufficient natural sediment flow in rivers, which is particularly important to keep deltas above rising seas; and policies and funding to remove obsolete dams and other river obstructions, particularly in the EU Neighbourhood countries, which allows rivers to flow naturally from source to sea, supports more predictable river flows, recharges aquifers, improves water quality, and brings back biodiversity. In the EU Neighbourhood countries, where rivers are already saturated with hydropower, there should be no new hydropower development.

### **3. Improve governance, management and sustainable use of water resources by working with key stakeholders, private sector and communities to tackle water risks, increase water security and improving access to safe water, sanitation and hygiene**

Ready access to sufficient, clean water underpins every global health goal, yet billions of people still lack safe water, sanitation and handwashing facilities, resulting in high disease burdens linked to waterborne infections, toxins and pollutants. The Covid-19 crisis throws in sharp perspective how communities living with poor health care, poor nutritional status and inadequate hygiene, are highly vulnerable to additional negative health outcomes, including those from established (dengue, malaria) and emerging zoonotic diseases<sup>12</sup>.

As climate change and human intervention disrupt the natural levels and connectivity of rivers, lakes and groundwater, the long-term availability of freshwater for human populations becomes a distinct uncertainty in many places. Two billion people rely on rivers for drinking water<sup>13</sup>; nearly half the world's population already experiences water scarcity at least one month per year and this number could rise to 5 billion by the year 2050<sup>14</sup>. To increase healthy and resilient ecosystems that are well managed (ensuring that there is enough water in the system for people and nature, of good quality and at the right time of year), working with key water users will be important. Supporting governments to include water access in their climate action and national adaptation plans, and technical assistance and investment in climate resilient Water, Sanitation and Hygiene (WASH) services is an essential part of adaptation planning, safeguarding health and community resilience. Of particular importance is working with the private sector on water stewardship and communities around water and WASH management:

The private sector has a critical role to play in the sustainable use and management of water resources. Companies are increasingly recognising the water risks they face along their supply chain, however most have yet to proactively address many of their potential risks nor account for the impact they are having on the wider basin. Corporate water

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<sup>12</sup> A pathogen that 'spills over' from an animal to people

<sup>13</sup> WWF Valuing rivers report: [https://www.panda.org/our\\_work/our\\_focus/freshwater\\_practice/rivers/](https://www.panda.org/our_work/our_focus/freshwater_practice/rivers/)

<sup>14</sup> World Water Development Report 2018: <https://www.unwater.org/publications/world-water-development-report-2018/>

stewardship is the globally recognised best practice approach to transform corporate use of water resources and increase collective action by businesses within their river basin to improve water governance and management. This has been an effective approach particularly with textile and food and beverage sectors, increasing efficiency while decreasing costs. Investing in scaling up water stewardship and collective action will enhance the health of river basins and freshwater ecosystems, enhancing water security and strengthening the resilience of societies and economies. Donor funds can help to create enabling environments and de-risk landscape projects, which will pave the way for private finance to drive water stewardship.

There has been little substantial integration to date on river basin management and WASH projects, however more coordination through governance processes and engagement of communities is needed to increase water security and reduce water risk. Interventions that focus on protecting and managing healthy water source areas, recharging aquifers, maintaining environmental flows, promoting sustainable allocation policies, particularly related to agriculture, and increase nature based resilience to climate impacts are also important to ensure water availability for consumption and sanitation. Projects which train communities to monitor rainfall and water supply equip communities with early warning systems for climate impacts and enable them to plan and take appropriate measures to mitigate risks, which can have benefits for agriculture and food security, as well as health and well-being. At the same time as well as using climate screening tools for projects, building on local knowledge and involving communities in design processes for WASH and local water infrastructure is important to ensure the best choices are made for sustainable and resilient technologies.

## Oceans

The ocean economy is estimated to be worth more than \$2.5 trillion per annum, equivalent to the world's seventh largest economy, and is projected to double over the coming decade (OECD). Much of this value is concentrated on the coasts, with coral reefs, mangroves and seagrass beds being some of the planet's most productive ecosystems, providing food security, important breeding and feeding grounds for fisheries and other species, protection from storms and many other goods and services. However, we are rapidly eroding these assets, having lost half of our coral reefs and mangroves over the last 30 years. Further, our seas are overfished but fish is a crucial source of food, nutrition and income for more than 800 million people, mainly living in developing countries.

The EU, the largest seafood market, should continue to strengthen its efforts to fight overfishing and Illegal, Unreported and Unregulated (IUU) fishing, based on existing legal frameworks (CFP and IUU regulations). It should increase cooperation with partner countries, notably in the framework of Sustainable Fisheries Partnership Agreements (SFPAs), support fisheries dependent coastal communities and promote the sustainable management of marine resources, maintaining healthy fish populations and marine ecosystems.

The programming of the NDICI should in particular:

- 1. Facilitate the implementation of a sustainable blue economy**

The case for protecting healthy natural infrastructure, such as reefs and mangroves, is strong and momentum is building for scaled-up intervention, including from a climate

change perspective<sup>15</sup>. However, conservation efforts are at risk of being undermined, and overtaken by the proposed development on the horizon and projected tens of trillions of investment in heavy infrastructure and exploitation expected in the next decade, much of which will take place on or within reach of the coast. In order to 'bend the curve' on biodiversity loss, efforts must be focussed on restoring, managing and protecting productive coastal zones.

Through its programmes, the EU should work with investors, governments, developers and community stakeholders on approaching coastal infrastructure development in a way that recognises the true value of natural capital, making clear links with how intact natural infrastructure supports the Agenda 2030 ambitions and taking actions to underpin its integrity and build its resilience. Adopting a Sustainable Blue Economy approach will reduce the risks to coastal communities, protect and enhance biodiversity, mitigate the impacts of climate change and reduce misguided investments that can result in stranded assets.

## **2. Accelerate coastal community led conservation**

In many parts of the world, the sustainable management of coastal ecosystems, essential to the food and livelihood security of some of the world's most vulnerable people, is severely lacking. Small-scale fisheries, which mainly operate in coastal and inland freshwater ecosystems, account for more than 90% of the world's commercial fishers, processors, and other employees along the value chain - roughly 108 million people<sup>16</sup>. Women also play a very significant role in the fisheries sector, but their contributions are still undervalued, underreported, and consequently overlooked. Access to natural resources and appropriate local community led governance continues to be limited by a lack of resources, ownership, information and enforcement resulting in coastal communities marginalisation from power and decision-making processes.

An inclusive conservation approach should be pursued, by recognising, protecting and securing legitimate tenure rights to marine resources, promoting women's rights, as well as ensuring that indigenous and local knowledge is incorporated into decision making through sustained engagement with decision makers at local, regional and global scales.

This must be supported by systematic capacity building efforts across coastal communities, so they can effectively mobilise, self-organise and join forces to ensure their voices, needs and rights are recognized and fulfilled. Support for finance, tools, equipment and methods to effectively manage coastal habitats and small-scale fisheries while simultaneously dealing with pressing needs such as accessing health care, security and education is needed. Ongoing efforts have been fragmented and isolated: strategic investments are needed to rapidly scale up, out and deep local scale successes to build lasting change.

## **Climate and Energy**

The climate crisis, and its aggravating impacts on nature loss, is among the biggest challenges of our time, with its effects disproportionately affecting the most vulnerable people and ecosystems

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<sup>15</sup> UNFCCC so-called 'Blue CoPs' in 2019 and 2020 have a substantial focus on oceans and the importance of the ocean's so-called blue natural capital to achieving climate change mitigation and adaptation

<sup>16</sup> Illuminating Hidden Harvests – FAO, 2018; Hidden Harvest report - WB, 2012

in developing countries who have contributed the least to the climate crisis. According to the IPCC, limiting temperature rise to 1.5°C is thus an essential prerequisite to achieving the Sustainable Development Goals.

In order to meet its commitment under the Paris Agreement to limit global warming to 1.5°C, the EU should significantly revise upwards its 2030 GHG emissions reduction target to -65%, reduce its global footprint and ensure policy coherence for sustainable development to avoid negative impacts on developing countries of new policy initiatives. Further, it should seek to drive and accelerate global action towards a just, net-zero carbon and climate resilient future and help partner countries deliver on their commitments under the Paris Agreement. To be a leader of international efforts to fight climate change, and to deliver on the equity principle under the Paris Agreement, the EU should provide additional support to developing countries to adapt to climate impacts and to strengthen their climate and socio-ecological resilience.

In particular, the EU should:

- 1. Prioritise enhancement of partner countries' Nationally Determined Contributions and support the network of Alliances for Climate Action**

The Covid-19 pandemic has revealed the fragility of our societies and its vulnerability to a destabilised environment and climate. Accelerating the transition towards a climate-neutral future is vital to ensure a resilient future, and Nationally Determined Contributions (NDCs) are a key tool to bring at the centre of green and just recovery plans. In this context, the EU should support the revision, enhancement and implementation of partner countries' NDCs through inclusive, bottom-up approaches, embedding strong governance principles to ensure gender-sensitive and inclusive development outcomes.

Revised NDCs should reflect greater ambition, based on countries' mitigation potential, adaptation needs, historical responsibilities and respective capabilities. Revised NDCs should contribute to systemic change across all sectors of the economy recognising the opportunities to make it more sustainable and to tackle inequalities - both those that exist and may be aggravated by an unmanaged transition.

Further, the EU should strengthen the capacities of partner countries to develop long-term strategies and decarbonisation plans, integrated and aligned with SDG plans, National Adaptation Plans (NAPs), National Biodiversity Strategies and Action Plans. Resilience building, Disaster Risk Reduction (DRR) and preparedness should be mainstreamed into the NDICI, and pre-emptive DRR investment at government and community level should be increased.

As a complementary effort, the EU should help mobilise climate action among subnational and non-state actors, using its green diplomacy channels as well as fostering and supporting "informal" efforts, including the Alliances for Climate Action (ACA)<sup>17</sup>. Such national alliances play a unique role in the ecosystem of climate action because they bring together and mobilise the subnational and non-state institutional actors that shape social and economic activity at the country level. Well-organised domestic alliances of subnational and non-state actors committed to ambitious climate action are critical to creating stronger market signals and political space to speed up the net-zero transition domestically in the crucial years ahead, and create the positive ambitious loops between

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<sup>17</sup> <https://www.alliancesforclimateaction.org/about>



voluntary action and progressive national policies that can help countries meet and exceed their national climate commitments (NDCs, LTSs) and help embed climate more deeply in the near to mid-term Covid-19 national economic recovery packages of ACA countries.

## 2. **Boost investments in Renewable Energy and Energy Efficiency**

The transition to a sustainable energy system is underway and reinforcing and accelerating the shift to a system based on highly efficient use of renewable energy will be a key part of the recovery from Covid-19. Investments in energy efficiency and renewable energy create 2.75-2.85 times as many jobs as investments in fossil fuels and as much as four times as many investments as large hydropower<sup>18</sup>.

EU's support and investments should focus on high-leverage opportunities to shift energy systems towards compatibility with climate goals. The ongoing expansion of coal power in Asia (and the expected extension of this trend into Sub-Saharan Africa) is the biggest threat and opportunity for change. The EU, through its climate diplomacy and technical and financial support, must seek to impact the framework conditions for investment in renewable energy, particularly international investment from China, Japan, and South Korea, which continues to flow into coal power in Southeast Asia and Sub-Saharan Africa. Helping the destination countries for this investment to better understand the opportunities created by falling renewable energy costs and to reform the market and regulatory environment for renewables can draw international investment away from coal power and towards wind and solar energy and energy efficiency. This effort to shift investments is the focus of WWF's REpowering Asia initiative. This is also a big opportunity to invest locally in projects with municipalities and communities, destined to empower them and create jobs - especially where jobs in 'old, polluting sectors' like coal are going to be lost. In this way, the EU's development cooperation should also be implemented with the principles of a Just Transition in mind.

Energy efficiency should also be prioritised, as demand growth in Asia has so far overwhelmed the expansion of renewables. The greatest potential for reducing energy demand lies in the area of space cooling, which will otherwise grow rapidly in crowded and warming urban areas. Innovative solutions for space cooling can be particularly impactful if combined with installation of rooftop solar, which can provide power in times of peak cooling demand, as demonstrated in WWF's Cool and Solar initiative. These are major pillars of action for achieving the goals of the Paris Agreement, the SDGs as well as the Kigali Amendment to the Montreal Protocol<sup>19</sup>.

The EU must help ensure that investment in energy promotes inclusive access to affordable, reliable, sustainable and modern energy in accordance with SDG 7. The falling costs and improving performance of renewables, particularly solar and wind, offer opportunities to ensure that poor and rural communities can access energy while also promoting the transition to a sustainable energy system. Decentralised renewable energy access which leaves no one behind, and using the "energy efficiency first" principle should be prioritised. Distributed, smart, flexible, diverse, and democratised energy systems - as opposed to conventional approaches favouring grid-based systems with

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<sup>18</sup> Garrett-Peltier, Hedi. "Green versus brown: Comparing the employment impacts of energy efficiency, renewable energy, and fossil fuels using an input-output model." *Economic Modelling* Volume 61, February 2017, Pages 439-447.

<sup>19</sup> The Kigali Amendment to the Montreal Protocol is an international agreement to gradually reduce the consumption and production of hydrofluorocarbons (HFCs), agreed in 2016.

centralised control - offer more resilient forms of supply and ensure energy access to productive sectors such as small-scale agriculture, micro, small, and medium-sized businesses, and community services that form the backbone of livelihoods and economies in especially in the least developed countries. Civil society can play an important role, and support should be given to new forms of collaboration with civil society in governance and implementation beyond traditional advocacy and watchdog roles.

Finally, investments in renewable energy and energy efficiency should be implemented with the principles of a Just Transition in mind. Systemic change, while bringing a net increase in jobs, could lead to job losses and deprivation in some areas if these risks are not actively managed. Analysis of the impacts of the transition should be facilitated at the local level and wherever possible, projects should be developed in consultation with local communities and led at the level of local municipalities, ensuring decentralised benefits and fair sharing of transition costs.

### 3. **Strengthen support for Nature-Based Solutions (NBS) for Climate change**

Nature can be our best ally in fighting climate change, contributing approximately 30% of the solutions to remain within a 1.5°C scenario and effectively adapt to and mitigate negative climate impacts. Community led NBS for climate can provide a cost-effective and smart way to increase resilience, support adaptation and contribute to livelihoods of vulnerable communities while enhancing and protecting natural and socio-cultural capital, providing recreational and revenue-generating opportunities.

The EU should support partner countries in promoting and co-designing NBS for climate with indigenous peoples and local communities in a way that these are socially, ecologically and economically beneficial to all. Further, it should support partner countries to improve the integration of NBS into their NDCs and National Adaptation Plans (NAPs) in order to obtain updated and complete information on the quantity and quality of their mitigation and adaptation potential. These solutions should be promoted in parallel to and additional to systemic changes in our global energy, urban infrastructure and industrial systems. In fact, it is fundamental that NBS for climate are understood within the context of mitigation hierarchies: Avoid, Reduce, Restore, Compensate/Offset<sup>20</sup>.

## Green and Smart Cities

Home to 55% of the global population and 80% of GDP, cities are responsible for over 70% of CO<sub>2</sub> emissions, and 75% of natural resource consumption<sup>21</sup>. City populations are expected to double from the current 3.5 billion to 6.7 billion by 2050 with fastest urbanisation rates recorded in Africa. This growth will be more prevalent in low-income economies, with few resources, and a high proportion of informal settlements that lack basic services such as safe water and sanitation.

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<sup>20</sup> For more information on Mitigation Hierarchies, [https://wwf.panda.org/our\\_work/our\\_focus/forests\\_practice/forest\\_climate/forest\\_climate\\_news/?362819/First-Things-First-Avoid-Reduce--and-only-after-thatCompensate](https://wwf.panda.org/our_work/our_focus/forests_practice/forest_climate/forest_climate_news/?362819/First-Things-First-Avoid-Reduce--and-only-after-thatCompensate)

<sup>21</sup> <https://medium.com/@WWF/lets-make-the-world-s-cities-a-little-greener-bbe48847c3f>

The challenge of achieving sustainable, equitable, and healthy living standards needs to be solved within urban systems connecting all functions and services in a city. Cities hold untapped potential to decarbonize the economy, pilot new low carbon technologies and infrastructure as well as to prioritize nature-based solutions for urban resilience and support biodiversity protection, especially through better, more integrated urban and land-use planning in and around cities. Some of the most ambitious and innovative actions to tackle sustainability challenges originate in cities. Local governments also have great potential to engage their citizens, local and global businesses, the financial sector and other key urban stakeholders to move together on this transition.

In the era of Covid-19 , where cities have in many senses served as the epicentre of the pandemic, cities are increasingly realising that this is a critical moment of transition. The EU's support to cities in partner countries can contribute to ensuring they have the knowledge, capacity, and resources to redesign themselves in a way that prioritises people and nature, while addressing health, equity and inclusive economic development opportunities.

In particular the EU should:

1. **Recognise and support the central role and capacity of local governments to establish and implement local climate goals, and encourage synergies with biodiversity conservation targets and localization of the SDGs**

The EU and national governments should advocate for cities and local governments, supporting them with appropriate legal frameworks, capacity and financing, and where appropriate including them in decision-making processes, such as via the Local Governments and Municipal Authorities (LGMA) constituency within the UNFCCC. City networks, such as the Global Covenant of Mayors (GCoM) and the EU Covenant play a crucial role to advocate on behalf of cities and to foster learning, knowledge sharing, and interaction between cities in and outside of the EU.

An important part of this is the central role of city data to create baselines and track progress, as well as to support comparisons between cities. WWF supports cities to conduct their data collection and reporting on the CDP-ICLEI Unified Reporting System<sup>22</sup> as part of the One Planet City Challenge<sup>23</sup>. Their data is later assessed to see how closely the cities align to the Paris Agreement and provide feedback on actions cities can take to become aligned.

2. **Supporting and encouraging integrated urban planning with nature-based solutions at the heart of more inclusive and resilient cities**

Cities are responsible for climate change and biodiversity loss, including through current planning and consumption, but equally they are vulnerable to these complex challenges. As highlighted by the UN Secretary General<sup>24</sup>, Covid-19 provides a unique chance to roll out significant changes and push for more equitable and integrated urban planning to design cities for people and nature.

Expansion of nature in urban areas should be prioritised, as it can help mitigate and adapt to some of these challenges, beginning with essential services such as clean air and

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<sup>22</sup> <https://data.cdp.net/>

<sup>23</sup> [https://wwf.panda.org/our\\_work/our\\_focus/projects/one\\_planet\\_cities/](https://wwf.panda.org/our_work/our_focus/projects/one_planet_cities/)

<sup>24</sup> <https://www.un.org/en/coronavirus/covid-19-urban-world>

water. Street trees, green roofs and city parks clear air of dangerous airborne particles, help mitigate urban flooding from storm surges and act as noise buffers, while green spaces provide shade that helps to reduce cooling costs and energy use in warm climates.

Further measures to support adaptation in cities are urgently needed, including water and resource infrastructure, flood defences, and passive cooling systems for buildings, and all new urban development needs to be screened for its vulnerability to climate change impacts, and appropriate adaptive measures and plans developed. Adaptation measures improve the well-being and health of city dwellers, and ensure local economies are resilient. In cities, the transport sector is responsible for circa 25% of carbon emissions and a significant contributor to air pollution, with circa 90% of city dwellers breathing polluted air. A shift towards sustainable urban mobility, which prioritizes safe and continuously linked walking and cycling infrastructures, followed by clean, efficient and affordable public transportation and support for e-vehicles is needed. Tackling private vehicle dependence has multiple health, economic and environmental benefits: addressing air pollution and congestion, improving equity through accessibility, expanding biodiversity in cities and supporting job creation.

### **3. Fostering programmes that support public awareness and engagement of urban citizens, including to address cities' ecological footprints and promote equity**

Many cities and urban citizens have extensive footprints, stemming from urban dwellers' increasing appetites for different foods, goods and energy that put pressure on the world's land, waters and climate. Meanwhile the urban poor lack access to basic services, decent housing, or suffer disproportionately from pollution, such as poor water or air quality.

Covid-19 has in many respects exacerbated existing inequalities and disparities in cities. In the recovery phase, there is a unique opportunity to rethink urban development, making cities more affordable and liveable for all. As cities recover, one alternative would be to foster what C40 city mayors have recently called for<sup>25</sup>, based on what planners in Paris are calling a "15-minute" city, with all services within 15 minutes of cycling or walking from home.

Moreover, cities could act within their own administrations, with stakeholders such as business and citizens on consumption-based emissions (CBE) where these are high, or promoting local, sustainable urban food systems. An urban citizen's consumption choices are influenced by a mix of information, choice, affordability and availability. Circular economy solutions can play a significant role (see below section for more), while cities urgently need innovative solutions and supporting frameworks, including policy standards and incentives, to manage key waste categories, such as plastics. Engaging citizens and youth in particular on the kind of city they want to live in, as WWF is doing as part of its educational work in "Our City 2030", can support the transition towards more equitable and resilient cities of the future.

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<sup>25</sup> See: <https://www.youtube.com/watch?v=McGyONofhi4> and <https://www.bloomberg.com/news/articles/2020-07-15/mayors-tout-the-15-minute-city-as-covid-recovery>

## Circular economy and footprint

The urgency for a systemic transformation has never been greater. Out of all the materials we extract globally, only 10% end up in products. The rest is wasted along the supply chain, before it ever reaches the hands of consumers. Even then, within six months, 80% of the products we produce end up in our waste system, where they have little chance of ever returning to products again.

Our linear economic model leads to resource scarcity, global humanitarian issues related to both material extraction and waste processing, vulnerability to global shocks and the environmental impacts associated with the inefficient and wasteful consumption of materials. Despite interest from the private sector to increase circularity, there is no evidence of the necessary decoupling of environmental impact and material throughput from economic growth, and the urgency to drive this has never been greater. To ensure that humans can thrive within planetary boundaries, a shift towards circularity must be accelerated and the private sector has a key role to play in this transition.

The EU has a clear role to play: pushing the ambition level, creating momentum around sustainable transformation, and working with all stakeholders on impactful solutions. Future EU support to partner countries in moving towards a circular and more sustainable economy should build on successful programmes financed to date, such as Switch Asia and Switch Africa. They should be strengthened and go one step further, from reducing waste and improving resource efficiency, to “designing out” negative impacts and help transform our global and interconnected economies towards absolute decoupling of economic activities from the consumption of limited resources, thereby promoting positive environmental and society-wide benefits for all within planetary boundaries.

In this view, the programming of the NDICI should be geared towards:

- 1. Expanding and strengthening “Switch to Green” programmes while promoting multi-stakeholders approaches.**

This should be done both at country and regional level, to support companies, particularly micro, small and medium sized enterprises (MSMEs), develop circular, regenerative business models which help to create and share value across the economy, support new employment opportunities and reduce poverty. Support should be provided to “design out” waste and pollution, increase utilisation of existing assets (sharing economy) and make decarbonisation a priority; keep products and materials in use as long as they maintain their quality, and up-cycle materials to optimise the use; design high quality products which can be upgraded and repaired; accelerate circular high positive impact innovations in order to avoid emissions from resource and energy-intensive sectors.

Continuing to support innovative financial mechanisms and access to finance for MSME as well as cooperatives and informal workers who often play a leading role in waste prevention and material re-use should be ensured. Similarly, multi-stakeholder approaches should be promoted, in the context of “Switch” initiatives and beyond, by designing and implementing programmes that bring together companies, investors, civil society organisations, the public sector and other actors to foster, among others: regulatory changes and more conducive business environment; capacity building and

cross-company cooperation for circular economy across companies' supply chains; investments in local supply chains and shorter producers-consumers links important to revitalise rural and decentralized economies that can be more sustainable and equitable, and create green and blue jobs.

## 2. **Contribute to the reduction of the EU's material footprint through DEAR**

If everyone lived and consumed like an EU citizen, we would need 2.6 planets. To achieve a true circular economy, the EU will have to reduce the total environmental and resource footprint of its own production and consumption, which often leads to deforestation and ecosystem conversion in developing countries.

While the EU's Circular Economy Action Plan will be setting a headline target on reducing the EU's material footprint, NDICI Development Education and Awareness Rising (DEAR) programmes can complement the plan by raising awareness and changing behaviours of European citizens on topics related to global sustainability, particularly climate change, the SDGs, biodiversity loss, poverty, inequalities and social justice, as well as on global interdependencies and interconnectedness between the EU and developing countries. These interventions can help shape and deliver alternative solutions to growth, consumption and lifestyle narratives for companies, consumers and decision makers that provide society-wide benefits and help remaining within planetary boundaries.

Future DEAR programmes should continue to encourage multi-country and multi-partners projects, fostering collaboration between civil society, progressive businesses, public sector as well as youth and women groups, and be aligned with the objectives of the EGD.

## **Sustainable finance and investments**

To close the financing gap to achieve the SDGs, Paris Agreement objectives and bending the curve of nature loss, scaled up financing is needed, through an effective mix of grants, concessional and non-concessional loans, more private investment, more effective domestic resource mobilisation, as well as debt relief.

The future EU external financial architecture, funded by NDICI through the expansion of the European Fund for Sustainable Development plus (EFSD+) should be implemented through a people and planet centred approach, prioritise de-risking investments that can demonstrate sound financial and development additionality and deliver social and environmental impacts.

Strong social, environmental and human rights safeguards should apply to the future EFSD+ and to institutions signing guarantee agreements. Accessible and effective monitoring and complaint mechanisms should be in place to allow addressing any negative impact of EU-funded investments on local communities and final beneficiaries.

The EU should:

- **Prioritize Sustainable investments for Nature and People and** target inclusive and circular business models and local MSMEs to undertake more sustainable and



resource efficiency practices. Civil society organisations can play an important role in supporting the development and design of such investment projects, and act as conveners of different investors, private and public sector actors.

- **Encourage application of EU sustainable finance taxonomy to EFSD+.** The EU taxonomy of sustainable investments is a tool developed by the European Commission to identify economic activities that are compatible with the European Green Deal and the EU's 2050 targets. The taxonomy should therefore be used pre-emptively to identify investments supported by the NDICI. The NDICI climate and environment spending target should be monitored against the activities included in the EU taxonomy.
- **Develop a strong 'do-no-harm' list of investments explicitly excluded from NDICI support.** To ensure that NDICI does not support investments or activities that are counterproductive in climate and environmental terms, a clear list should be created to determine those activities which will not be financed by NDICI. This list could be modelled on Annex V of the InvestEU regulation and completed. Furthermore, the do-no-harm criteria of the EU taxonomy of sustainable investments should be used to integrate the exclusion list, as the taxonomy covers a broader scope of sectors, including for environmental objectives such as protection of biodiversity and marine and freshwater. Each investment should be screened using the exclusion list and the Taxonomy criteria to ensure full consistency with the Green Deal's objectives.

# ANNEX: RESOURCES AND PUBLICATIONS

## Biodiversity and wildlife

[Covid19: Urgent call to protect People and Nature](#)

Nature in All goals:

[https://wwfeu.awsassets.panda.org/downloads/nature\\_in\\_all\\_goals\\_2020.pdf](https://wwfeu.awsassets.panda.org/downloads/nature_in_all_goals_2020.pdf)

Guidelines for Connectivity Conservation

<https://portals.iucn.org/library/sites/library/files/documents/PAG-030-En.pdf>

IUCN World Conservation Congress Motion on Strengthening National Spatial Planning to

ensure the Global Persistence of Biodiversity <https://www.iucncongress2020.org/motion/096>

<https://www.iccaconsortium.org/>

## Forests

<https://forestsforward.panda.org/>

<http://forestsolutions.panda.org/approach/sustainable-landscapes>

<https://forestsolutions.panda.org/approach/forest-landscape-restoration>

<https://www.wwf.org.uk/below-the-canopy>

[http://www.trafficj.org/publication/17\\_Timber-trade-East-Southern-Africa.pdf](http://www.trafficj.org/publication/17_Timber-trade-East-Southern-Africa.pdf)

<https://www.iufro.org/capacity-building/article/2020/02/14/forest-landscape-restoration-implementation-lessons-learned-in-selected-landscapes-in-africa-asia/>

<https://www.nature.com/articles/s41558-017-0061-1>

[https://wwf.panda.org/knowledge\\_hub/?353302/Report-The-critical-role-of-policies-for-deforestation-and-conversion-free-supply-chains](https://wwf.panda.org/knowledge_hub/?353302/Report-The-critical-role-of-policies-for-deforestation-and-conversion-free-supply-chains)

[https://wwf.panda.org/knowledge\\_hub/?357123/WWF-Enforcement--Review-of-the-EU-Timber--Regulation-EUTR](https://wwf.panda.org/knowledge_hub/?357123/WWF-Enforcement--Review-of-the-EU-Timber--Regulation-EUTR)

## Freshwater

Adaptation:

[Valuing Rivers Critical to Climate Change](#)

[Water is Climate](#)

[Working with Nature to reduce climate risk in Europe](#)

[Global Commission on Adaptation AdaptNow report](#)

Connectivity:

<https://www.forbes.com/sites/jeffopperman/2020/01/14/moving-to-the-system-scale-can-improve-hydropower/#6841059e7dff>

[https://wwf.panda.org/our\\_work/our\\_focus/freshwater\\_practice/freshwater\\_news/?364583/Connected-and-Flowing-report-shows-world-can-achieve-global-climate-and-energy-goals-without-damming-worlds-remaining-free-flowing-rivers](https://wwf.panda.org/our_work/our_focus/freshwater_practice/freshwater_news/?364583/Connected-and-Flowing-report-shows-world-can-achieve-global-climate-and-energy-goals-without-damming-worlds-remaining-free-flowing-rivers)

[https://wwfeu.awsassets.panda.org/downloads/hydropower\\_pressure\\_on\\_european\\_rivers\\_the\\_story\\_in\\_numbers\\_web.pdf](https://wwfeu.awsassets.panda.org/downloads/hydropower_pressure_on_european_rivers_the_story_in_numbers_web.pdf)

Renewable Energy Creating Jobs:

<https://www.forbes.com/sites/jeffopperman/2020/07/13/wind-and-solar-can-power-green-recovery-with-lower-risk-projects/#4d62647342fe>

<https://www.sciencedirect.com/science/article/abs/pii/S026499931630709X>

<https://www.sciencedirect.com/science/article/abs/pii/S0301421509007915>

[http://www.oit.org/wcmstp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_625865.pdf](http://www.oit.org/wcmstp5/groups/public/---dgreports/---inst/documents/publication/wcms_625865.pdf)

Water Stewardship

[https://wwf.panda.org/our\\_work/our\\_focus/freshwater\\_practice/water\\_management/ws\\_coll active\\_action\\_map/](https://wwf.panda.org/our_work/our_focus/freshwater_practice/water_management/ws_coll active_action_map/)

## **Food systems**

Enhancing NDCs for Food systems, recommendations for policy makers

[https://wwfeu.awsassets.panda.org/downloads/wwf\\_ndc\\_food\\_final\\_low\\_res.pdf](https://wwfeu.awsassets.panda.org/downloads/wwf_ndc_food_final_low_res.pdf)

## **Oceans**

This [video](#) outlines WWF's approach to inclusive conservation and how we intend to scale our efforts globally

[Sustainable Blue Economy Finance Principles](#)

[Reviving the Ocean Economy](#)

[Joint position paper: 10 priorities for the future of EU fisheries agreements](#)

[Seafood Sustainability, Stability and Security](#)

## **Climate and energy**

[Enhancing NDCs through Nature-Based Solutions](#)

[Enhancing Nationally Determined Contributions through Protected Areas](#)

[Climate, Nature and our 1.5 Future](#) - a synthesis of IPCC and IPBES reports (WWF, 2019)

[NDCs: A Force For Nature](#)

WWF Publications: [#TheNDCsWeWant](#)

[WWF's work on Cool and Solar](#)

Renewable Energy Creating Jobs:

<https://www.forbes.com/sites/jeffopperman/2020/07/13/wind-and-solar-can-power-green-recovery-with-lower-risk-projects/#4d62647342fe>

<https://www.sciencedirect.com/science/article/abs/pii/S026499931630709X>

<https://www.sciencedirect.com/science/article/abs/pii/S0301421509007915>

[http://www.oit.org/wcmstp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_625865.pdf](http://www.oit.org/wcmstp5/groups/public/---dgreports/---inst/documents/publication/wcms_625865.pdf)

[Building Socio-ecological resilience to climate change: WWF recommendations for national adaptation plans \(NAPs\)](#)

[Building Socio-ecological resilience to climate change: WWF recommendations for national adaptation plans \(NAPs\)](#)

World bank (2018): Groundswell: Preparing for Internal Climate Migration

(<https://openknowledge.worldbank.org/handle/10986/29461>)

The UNFCCC National Adaptation Plans (<https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans>)

## **Green and smart cities**

WWF webpage: <http://panda.org/cities>

WWF Work on One Planet City Challenge:

[https://wwf.panda.org/our\\_work/our\\_focus/projects/one\\_planet\\_cities/one\\_planet\\_city\\_challenge/](https://wwf.panda.org/our_work/our_focus/projects/one_planet_cities/one_planet_city_challenge/)

SDG 11 in Nature in All Goals:

[https://wwfeu.awsassets.panda.org/downloads/nature\\_in\\_all\\_goals\\_2020.pdf](https://wwfeu.awsassets.panda.org/downloads/nature_in_all_goals_2020.pdf)

WWF & UN-Habitat blog: <https://medium.com/@WWF/lets-make-the-world-s-cities-a-little-greener-bbe48847c3f>

Covid-19 blog:

[https://wwf.panda.org/our\\_work/our\\_focus/climate\\_and\\_energy\\_practice/blog/?363690/Covid-19-urban-living](https://wwf.panda.org/our_work/our_focus/climate_and_energy_practice/blog/?363690/Covid-19-urban-living)

The Case for Investment in Green Infrastructure in African Cities:

[https://www.wwf.org.za/our\\_research/publications/?31761/The-case-for-investment-in-green-infrastructure-in-African-cities](https://www.wwf.org.za/our_research/publications/?31761/The-case-for-investment-in-green-infrastructure-in-African-cities)

WWF's Plastic Smart Cities: <https://plasticsmartcities.org/>

WWF Our City 2030 (Education programme envisioning future cities):

[https://wwf.panda.org/wwf\\_news/?334980/Our-City-2030-Project-Set-to-Thrive](https://wwf.panda.org/wwf_news/?334980/Our-City-2030-Project-Set-to-Thrive)

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