



WORKING TOWARDS A SUSTAINABLE EUROPE
WWF PRIORITIES FOR THE FRENCH, CZECH AND SWEDISH
PRESIDENCIES OF THE EUROPEAN UNION
JULY 2008 - DECEMBER 2009



WWF believes that Europe has the potential to become the world's first sustainable society. France, the Czech Republic, and Sweden, as the Presidencies in the upcoming EU Troika from July 2008 to the end of 2009 can help deliver this future for the EU. These countries must put their full weight behind an issue that European citizens want to have regulated at the EU level, namely environmental protection.

Some important issues on the international and on the EU agenda will define the future of Europe, and the world, during this period. Climate change challenges us to keep within certain scientific limits. The oceans will need to continue to supply sustainable stocks of fish. The European Union's development and neighbourhood policies are crucial tests of the EU's commitment to fairer and more just societies and eliminating world poverty. WWF looks towards the next three Presidencies to lead Europe in a direction which results in concrete action on the ground to ensure environmental protection.

WWF is pleased to present the priorities in this paper to the EU member states - and to the troika counties in particular. If the EU Presidency countries can ensure these priorities are achieved, Europe will take a further step toward showing leadership on the world stage on sustainability issues - and bequeathing an environmentally secure world for future generations.

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1. CLIMATE CHANGE AND ENERGY

“Emission trading is the key to climate protection. Emission trading scheme is - next to the ecologic tax reform - the most efficient economic stimulation towards GHG emission cuts. It is logical that the growing market price of carbon will drive industry and energy production away from fossil fuels”.

Martin Bursík, Minister of Environment, Czech Republic,
18 March 2008

“ Je ferai de la défense des droits de l'homme et de la lutte contre le réchauffement climatique les priorités de l'action diplomatique de la France dans le monde”.

Nicolas Sarkozy, Président de la République, France.
Cérémonie d'installation, 16 May 2007

“Our ambition is to set a tougher goal than EU and thereby take the lead” Swedish

Environment Minister about the EU climate and energy package,
January 2008

1.1 The target: joint fulfilment by the EU to achieve -30% GHG reduction by 2020 domestically

The groundbreaking IPCC ¹ report released in 2007 and new additional science on the state of the global climate strongly indicate that in order to limit global warming well below 2°C temperature increase compared to pre-industrial temperatures, immediate and globally ambitious actions are required. We presently observe an enhanced climate sensitivity, faster sea level rise, more rapid ice melting and stronger marine CO₂ saturation compared to earlier assessments. Worldwide greenhouse gas emissions therefore need to peak and decline within the next 15 years. IPCC refers to 50-85% emissions cuts compared with 2000 levels, which still would not guarantee that global warming is being contained below a 2°C increase. For industrialized countries, in any case this means an 80 to 95% emissions cut by 2050 compared with 1990² levels while developing countries should substantially deviate from their baseline. Furthermore, this requires developed countries such as the EU to be net emissions-free³ by about the same time.

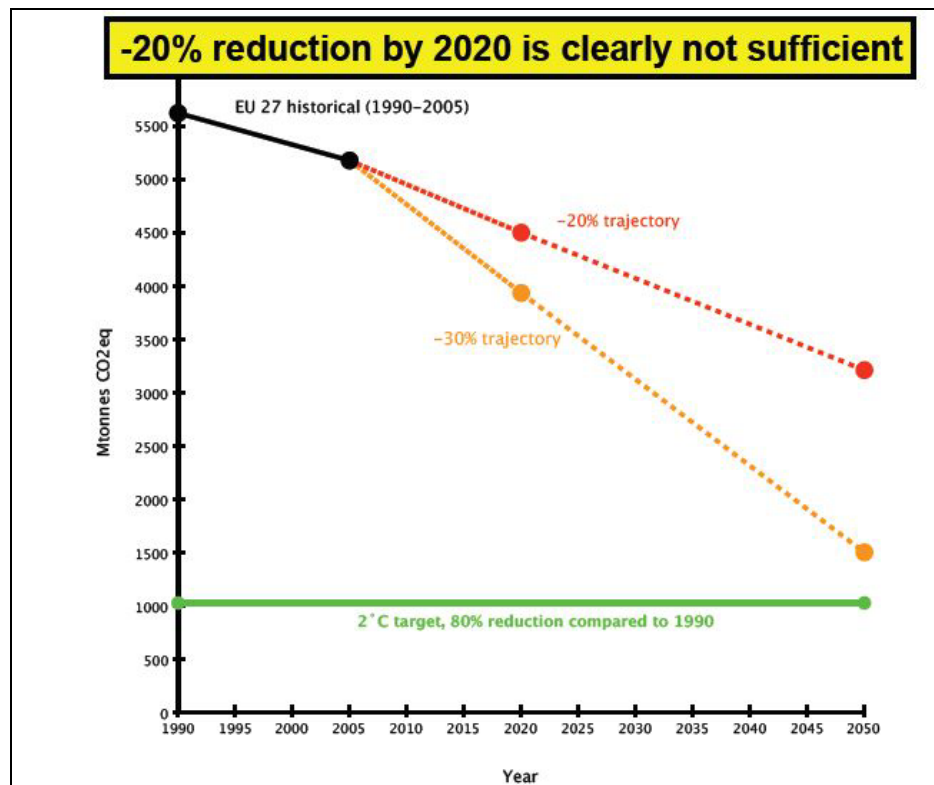
¹ IPCC: Intergovernmental Panel on climate change, the ca. 2500 scientists from 130 countries elaborating the world's most authoritative scientific review on climate change

² The lowest carbon scenarios that justify 50 - 85% GHG emissions reduction recommended by IPCC by 2050 below 1990 still have probability of 66% to miss the 2 degree threshold. Also, the CO₂ stabilization of atmospheric concentration of those low-carbon scenarios (420 - 480) is higher than the pathway of 400 CO₂ equiv, preferred by WWF.

³ Net emissions free means 'zero net emissions' indicating that remaining emissions in one sector in a low/zero carbon economy are fully offset by reductions/sinks in another sector.

Despite the fact that developing countries as a group have now slightly higher overall greenhouse gas emissions than developed countries, the rich nations including the EU have both the present and historic responsibility and the financial and technological means to address the problem adequately and faster than developing countries. If one looks at historic responsibility, which is at least the correct legitimate and moral, if not legal indicator for equitably sharing the loading of the atmosphere with long-lived greenhouse gases, the rich nations are responsible for about three quarter of all CO₂ emissions from fossil fuels since 1850.

But still today, the OECD countries with less than one fifth of the global population emit almost 50% of all fossil fuel CO₂. OECD's annual per capita emission is even almost five times as high as that of the non-OECD countries. Similarly, the GDP of the OECD totals approximately three quarter of global GDP.



Graph 1 (source: CAN Europe): If targets of 20% and 30% reductions by 2020 are extrapolated until 2050, it becomes clear that -20% cuts will strongly deviate from the 2°C line. The pace of cuts given by -20% target is therefore not sufficient.

Those are the key reasons why rich countries including the EU have to reduce their emissions more rapidly and might be expected to become carbon neutral before 2050 in order to leave to the less developed countries sufficient space to develop and industrialize. This target will not be reached if the EU negotiates the post-2012 international Kyoto framework on the basis of only a 20% GHG emissions reduction by 2020. This unfortunately is the case with the current 'Energy Package' proposed by the European Commission in January 2008. The EU needs to come to the international negotiation table of the UNFCCC for the post-2012 debate with a proposal for a 45% reduction of all greenhouse gases by all developed nations by 2020 based on 1990 emission levels. Demanding this from all other developed nations requires the EU to take the lead and implement this unilaterally. The '45%' number is composed of two

components: first a share of 30% emissions reductions domestically and deemed necessary for developing the global decarbonisation pathway in order to stay below 2 degree global warming led by the high-polluting developed nations. Second an additional requirement for funding of decarbonisation of energy sectors and clean sustainable development as well as for combating deforestation in developing countries.

The financial contribution required should be expressed in (at least) 15% of credit/finance equivalents of emissions reductions objectives. The latter requirement for additional finance for developing countries either through an expanded carbon market and Gold Standard CDM credits or/and through direct financial support is a must for rich nations to substantially increase the scale of efforts to help poorer nations to contribute to this “3rd industrial revolution”. Significant funding for technology transfer in the future is the prerequisite for success for a global deal post-2012 and constructive participation by all countries to solve this truly global climate crisis.

Industrialised countries in 1990 emitted 18.4 Gt CO₂equiv. An average carbon price of 30-40 EURO/t CO₂, which is a conservative estimation, and based on strong domestic caps for post 2012, may leverage up to 110 billion EURO⁴ per year. Full 100% auctioning of emission permits in the EU ETS cap and trade regime may yield another 50 billion EURO/y revenues which could be used for global decarbonisation pathways. WWF urges that all the revenues from auctioning the emissions permits to large industrial polluters be used for combating climate change. At least half of them need to go to developing countries to address deforestation, clean energies and adaptation to climate change.

The historic climate and energy agreements of the European Spring Council 2007 to reduce overall primary energy consumption by 20% and at the same time to increase the share of renewable energy by 20% as well by 2020 may already contribute to reduce the EU CO₂ emissions by more than 20% compared to those of 1990. During this very Spring Council, the EU heads of state had committed themselves to a 30% reduction within the framework of an “overall satisfactory agreement”. However, the recent Climate and Energy Package by the Commission does not address a 30% GHG emissions reduction target adequately.

In effect, the proposal for an overall 20% emissions reduction below 1990 is only a 12% reduction from today onwards as the EU-27 Member States have reduced their GHG emissions by about 8% already compared to 1990. Although for the EU ETS emissions reductions of about 446 Mt CO₂ below the 2005 baseline have been proposed, the non-EU ETS sector has gotten a much weaker target of about 240 Mt CO₂equiv emissions reductions only. In order to enhance the overall target towards a 30% target, it is therefore necessary to upgrade these numbers. For instance, based on construction industry’s analysis, a strengthened Building Directive alone may deliver up to 460 Mt CO₂ emissions reductions. But also, in the EU ETS sector, strong emissions ceilings of 350 g CO₂ / kWh electricity produced for all new coal-fired power stations by 2015 and for all existing ones by 2020, may add an additional 685 Mt CO₂ reduction potential. This compares to less than 200 Mt CO₂ reductions by 2030(!) as calculated by the Commission if the “market-based” approach to Carbon Capture and Storage is being

⁴ This refers to the idea that industrialised countries need to accept that they have to pay to developing countries for decarbonisation at about the 15% equivalent value of their 1990 emissions which were 18.4 Gt CO₂equiv. An estimated average carbon price of 30-40 EURO/t CO₂, which is a conservative estimation, and based on strong domestic caps for post 2012 may leverage up to 110 billion EURO per year.

pursued. Facing the global climate crisis, Europe has to take the lead in phasing out business-as-usual coal power.

In the upcoming EU negotiations on the joint fulfilment proposal of the Commission from January 2008, **France** will have to lead the EU towards an agreement by the end of its Presidency containing this target. It will also have to be the EU ambassador at the United Nations conference in Poland (COP14/MOP4, end 2008) in defending a 30% reduction target of industrialized countries GHG emissions by 2020, so that a strong Europe can present to the whole world a clear, realistic and feasible programme paving the way for global emission reductions. This includes talking on behalf of the EU to the US presidential hopefuls/ president elect, to forge stronger action in the US. It will fall to the Czech Republic and particularly Sweden to lead the EU to ensure that a strong post 2012 agreement will be agreed at the deadline of the Bali-Mandate during the COP/MOP in Denmark at the end of 2009.

WWF demonstrated earlier how the EU can reduce its emissions by more than 30% by 2020⁵. This requires from the EU the adoption of strong policies that all three presidencies will have to promote.

In 2008 a package of policies and measures on energy and climate change, including the effort sharing of the Non-ETS sectors, the review of the ETS Scheme, the operationalisation of the 20% renewables target, CO2 emissions from cars, a strengthened Directive on energy efficiency in buildings, operationalisation of Carbon Capture and Storage and others will be discussed in the EU. This package needs to be finalised at the end of the French Presidency, to free the hands of the Czech and Swedish presidencies to negotiate the post 2012 climate deal with the rest of the world – with proof in their luggage that the EU can deliver on its targets. Clearly the three Presidency countries must be leaders for the other Member States.

For **France**, the NEGAWATT experts Association has also shown the feasibility of domestic emission reductions of 30% by 2020. To agree this goal is essential if France wants to reach the laudable target it has set itself by law in July 2005, to reduce its emissions by 75% by 2050. The Presidencies must also provide an example in terms of energy efficiency enhancement and renewable energies development. For all three, the 20% European target for these two pillars is really a minimum.

Equally, **Sweden** also showed it can do at least 40% overall reduction⁶, an ambition shared by parts of the Swedish Parliament. There is now complete political agreement between Swedish parties that at least a 75-90% reduction is needed from Sweden by 2050 and close to zero by 2100. The interest for Swedish sustainable energy solutions is a record high both from developed and developing countries since Sweden has started to break oil dependency and reduce carbon dioxide emissions relatively early. Therefore Sweden is in a good position to be one of the European hubs and competitive leader for technology and knowledge transfer from Europe to China and India. One of the most important reasons that allows the Swedish prime minister to present Sweden

⁵ http://assets.panda.org/downloads/target_2020_low_res.pdf

⁶ See studies of the Swedish Scientific Council on Climate Issues and of the Swedish Society for Nature Conservation. The former also states that: * the EU's 2°C target is a reasonable basis for emission-reducing measures, but that the possibility of lower temperature rises having severe impacts cannot be ruled out; * the 2°C target can likely be achieved if GHG concentration in the atmosphere is stabilised at 400 ppmv CO2e. If it is stabilised at 450 ppmv CO2e, there is significant risk that the 2°C target will not be achieved; * global GHG emissions in 2020 will need to be ca. 10% lower than the 2004 level if GHG concentration is to be stabilised at 400 ppmv CO2e and 50% lower than in 1990 by 2050, and by the end of the century global emissions need to be reduced virtually to zero.

as a good example of a country that has managed to combine GHG reductions with high growth are economic instruments, of which the CO₂ tax of around 100 Euros per tonne is the most important factor. Policy integration is another area where Sweden has a lot of experience. Sweden could launch a new Stockholm strategy; the successor of the Gothenburg strategy where the EU's budget drives sustainable development and where the Lisbon process is more in sync with sustainable development. The **Czech Republic** with its large energy efficiency potential can also at least do a 40% reduction from 1990.

Commission President Barroso and Swedish Prime Minister Reinfeldt in the Swedish papers (13.2.08) in a joint article called "Climate can be EU's profit maker" declared:

"the market for climate smart energy could be 3000 bn \$ and employ 25 million people 2050", "if we manage to turn climate change into an economic opportunity and in the same time realise the remaining steps of the renewed Lisbon strategy we can give Europe a strong place in globalisation [...]. If we do not see the global challenges we will get a stagnant Europe with no possibility to influence global development".

1.2 EU Policies and Measures

- **The EU emission trading scheme (ETS) review, which covers industrial emissions after 2012, covering about half of all EU CO₂ emissions, needs to become more effective⁷.** The Commission proposal asks for a cut of 21% of the sectors in the EU ETS by 2020 below 2005. This would contribute about 2/3 of efforts required to meet the proposed 20% overall emissions reductions target. It may sound large but it is not sufficient. An ambitious emission reduction target is required contributing to a 30% cut, in addition, 100% of emission allowances should be auctioned. The Commission proposes this level of auctioning only for the power sector. Finally, the use of external credits must be quantitatively limited and their quality must be guaranteed; only certified gold standard credits must be allowed. Environmentally sound implementation of the EU ETS is not only Europe's "business card", but also crucial in the context of the UN treaty debate, as the potential blue print for an expanded carbon market post 2012 into both fast emerging developing countries such as China and developed nations, such as the US.
- **To strengthen policies relating to energy efficiency.** At the Spring Council in 2007, the EU has set a target concerning the first pillar of the overall GHG reduction: a 20% reduction of its primary energy consumption by 2020. Energy efficiency is often profitable or cost neutral. Actually the EU plan on energy efficiency presented on 19 October 2006 says in its introduction that *"Europe continues to waste 20% of its energy through lack of energy efficiency. The direct cost of this incapacity to use energy efficiently will be more than 100 billion Euros per year in 2020⁸".* Therefore efficiency is the first option to ensure emission reductions and the 20% goal must become binding, by the Spring Council of 2009. To achieve the target, the existing directives on energy efficiency must be strengthened. The review of the Buildings directive must result in strong standard

⁷ WWF's full Position Paper on the Review is available on www.panda.org/eu

⁸http://ec.europa.eu/energy/action_plan_energy_efficiency/doc/com_2006_0545_fr.pdf

settings for overall efficiency of all building envelopes, particularly ensuring all buildings, not just those over 1000m² are affected, as well as strengthening the standards. This alone could deliver about 460Mt reductions by 2020 according to industry estimates. The Energy-using Products (EuP) Directive must agree on dynamic legally-binding minimum energy efficiency standards for all 20 or so energy-consuming product categories negotiated and should be supported by wider and updated use of energy labels. The EuP-Directive includes entertainment & information electronics, household white goods, industrial motors and boilers but excluding cars or houses. WWF supports the French proposal to apply a reduced VAT for the most energy efficient appliances. France, Czech Republic and Sweden need to propose national efficiency action plans which are really ambitious to show the way.

- **Renewables 20% roadmap to encourage all forms of renewable energy.** The deployment of renewable energy sources is another key pillar of the combat against climate change. Based on the Spring Council 2007 the Commission has proposed individual targets for each Member State to achieve the 20% target by 2020. Here, it is essential that each Member State creates the necessary economic framework for priority grid access and does not undermine existing successful support schemes. Generally, the largest share of the renewable energy target needs to be met by renewable electricity. And here, it is very likely that until 2020 rapid expansion of large offshore wind schemes in the Atlantic will be the key deliverable. For biomass, clear and rigorous sustainability certification domestically and for imports is key. If such a rigorous certification is not adopted, biofuels targets will have to be reviewed. This requires from European governments that they make use of a whole range of means to implement this target: fiscal policy, regulations etc.
- **To develop a real Transport Policy.** Another way to improve energy efficiency is to deal with the problem of transport. After the failure of the voluntary commitment of European car manufacturers, a binding legislation on car engines should be adopted and the current Commission proposal strengthened: in 2012, 120gCO₂/km as a fleet emissions average is a reasonable target. Sweden's fleet on average still has an outrageous 189 gCO₂/km average. Furthermore, the CO₂ and cars legislation proposal needs to contain 2020 and 2025 specific and ambitious energy efficiency targets for new cars to incentivise non-oil transportation in particular electrification (maximum 80gCO₂/km till 2020). To facilitate modal shift, it is necessary and economically viable to internalize freight transport external costs. To do so, the Eurovignette Directive revision process must be launched rapidly following the evaluation of external costs foreseen for may 2008. France with its more efficient car fleet is a natural leader on these issues and should ensure successful closure of the dossier. The proposal on an ETS for the shipping sector likely to emerge next year needs to ensure that shipping emissions are reduced by a significant amount. For the aviation sector, the proposal for an EU wide kerosene tax needs to be relaunched in view of the aviation sector ETS not very likely delivering the reduction necessary from the sector.
- **Legislation on Carbon Capture and Storage (CCS):** Any power station should only be built after thorough assessment of whether demand side measures, supply efficiency such as Combined heat and Power and renewable energy

wouldn't cover the perceived energy need. If it should still be necessary to use conventional fossil fuel technologies, the proposal of the Commission needs to ensure mandatory emissions ceilings. WWF advocates strong GHG emissions ceiling of 350 g CO₂/kWh for all NEW power stations by 2015 to ensure that Business-As-Usual stations aren't being built anymore, and the SAME GHG ceilings by 2020 for all EXISTING power stations.

- **EU Budget: Public European Funding of fossil fuels and nuclear energy must be stopped.** To achieve the 20% target in energy efficiency and renewable energies requires funding, particularly public funding. These sectors are not yet as well structured as the fossil and nuclear industry, but are creating not only technological know-how and export markets for the EU, but also large numbers of jobs, as the example of Germany shows, where almost 70000 jobs were created in just 2 years (2004 157.000 jobs; 2006 214.000⁹). Furthermore, they make the EU less energy dependent and reduce its energy bill. This is the reason why the EU Budget as well as the EU funding institutions such as the European Investment Bank should progressively put a stop to funding fossil and nuclear energy and transfer funds to renewable energy and energy efficiency. **At present the EIB massively sponsors fossil fuels** projects: between 2002 and 2006, it has financed fossil projects for 11,3 billion Euros, against only 3 billion Euros for renewables projects. Similarly, the **Common Agricultural Budget** should be restructured to minimise GHG emissions, for instance by reducing direct payments to high-carbon intensive activities by farmers such as industrialised raising of cattle, pig and poultry.
- **Ownership unbundling of energy and gas markets:** A key issue for access to electricity networks by new actors such as renewables, combined heat and power plants (CHP), etc. France needs to step up towards a liberalisation policy ensuring fair access to renewable and CHP energy, particularly in the context of expansion of offshore wind energy.

"Sweden must be proactive in bringing about strategic energy cooperation among the EU, China and India with the aim of supporting their efforts to limit their emissions of greenhouse gases."

Statement of Government Policy presented by Prime Minister, Mr Fredrik Reinfeldt, to the Swedish Riksdag (Parliament) on 6 October 2006.

"We must dispel the myth that growth is the enemy of the environment. Sweden is a living example of the contrary (the economy has grown by 44 percent and emissions decreased by 9 percent (...)) the environment becomes a springboard for both new companies and jobs.(...) The price of polluting our environment must be high, and the rewards for opting for carbon dioxide-free solutions must be tempting."

www.sweden.gov.se/sb/d/10296/a/98630

Fredrik Reinfeldt, European Parliament, Strasbourg 19 February 2008

⁹Meldung vom 2007-02-27 12:35, Umwelt/Energie Gabriel sieht «gewaltige Erfolgsstory» bei erneuerbaren Energien, Berlin (ddp)

2. FISHERIES AND MARINE ISSUES

2.1 Fisheries in the European Union

Throughout the European Union waters, fish stocks are in crisis: the North East Atlantic, the Mediterranean Sea and the Black Sea are identified by the FAO as three of seven global marine regions with fish stocks in greatest need of recovery¹⁰. Once thought of as a never ending supply, fish is becoming scarce due in large part to overfishing. In the EU waters, eighty per cent of commercial fish stocks are below safe biological limits or classified as being at risk of overfishing¹¹.

The Common Fisheries Policy (CFP) was created to manage the fisheries sector in the European Union. Its result has been less than impressive. Fish stocks have been steadily declining, with most stocks now on the verge of collapse. One of the latest analyses by leading marine scientists concludes that, by 2048, stocks of all of the major species currently fished for food will collapse¹².

By then, thousands of fishermen will have lost their jobs while hundreds of millions of Euros will have been wasted in building up Europe's fishing fleet only to scale it back down again.

Fishing activities also damage the marine environment through habitat destruction caused by gears that catch marine species indiscriminately. This not only damages sensitive and ecologically important marine ecosystems, but also leads to the capture of vast quantities of unwanted marine life. This 'bycatch' causes the death of many key species, such as turtles, harbour porpoises and sea birds and also catches huge amounts of juvenile fish and invertebrates, most of which are discarded dead.

This section addresses WWF's key concerns regarding the current state of the European Union's Fisheries and highlights WWF's recommendations to secure sustainable Fisheries in Europe, supported by healthy marine ecosystems.

2.1.1 Implementing and Reforming the Common Fisheries Policy (CFP)

In 2007, WWF assessed the EU's progress in implementing the Common Fisheries Policy (CFP), since the reform that took place in December 2002 and half-way through the CFP's mandate¹³. Introduced to ensure that European fisheries are managed in a sustainable way, the new regulation (2371/2002/EC) entered into force on 1 January 2003 and it may be reviewed before the end of 2012. WWF's mid-term review of the CFP concludes that, five years from its next reform, the EU Common Fisheries Policy still fails to achieve sustainable management of European fish stocks, mainly because the way fisheries quotas are set is fuelling the chronic problem of overfishing in Europe. Whilst the CFP framework may be sound, its operation by the Commission and the Council distorts the original legislative intent, especially when it comes to the core issues of setting TACs and quotas and of applying the precautionary principle.

¹⁰ FAO, 2005. State of World Fisheries and Aquaculture, 7 March 2005.

¹¹ ICES (International Council for the Exploration of the Sea): www.ices.dk

¹² Worm Boris (2006) Impacts of biodiversity loss on ocean ecosystem services. Science 314:787-790.

¹³ WWF (2007) Mid-Term Review of the EU Common Fisheries Policy:
http://assets.panda.org/downloads/wwf_cfp_midterm_review_10_2007.pdf

a. TACs and quotas

TACs and quotas agreed by the Fisheries Ministers, very often exceed the scientific advice given by the International Council for the Exploration of the Seas (ICES). Due to quotas being set too high, effort not being in line with available resources and the apparent rising practice of illegal fishing, there has been little sign of improvement of the EU fish stocks since 2002. This has led to the current situation where Europe's fish stocks have continued to deteriorate, with 80% of EU fish stocks outside safe biological limits in 2007. This constitutes a continued delay of the implementation of an ecosystem-based management in fisheries – a key commitment made by Member States under the reformed Common Fisheries Policy (CFP).

One of the principles of good governance outlined in the basic Regulation of the Common Fisheries Policy¹⁴ is "(...) *decision-making process based on sound scientific advice which delivers timely results*" (Art.2(2)(b)). However, Europe has become a case study for what **not** to do in fisheries management due to the watering down and lack of implementation of scientific advice.

For instance, the North Sea cod fishery is currently facing a large mismatch between the fishing effort and current TAC level in favour of fishing effort. According to ICES¹⁵, a fishing effort reduction of 76% is needed to bridge this mismatch in the North Sea. However, in 2007 fishing effort reductions of only 10-18% were adopted.

In the case of Atlantic and Mediterranean bluefin tuna, although the EC is largely contributing to scientific research on the species, it has not always been supportive of the scientific recommendations made by the ICCAT (International Commission for the Conservation of Atlantic Tunas) scientific committee when setting TACs and closed season measures. EC implementation and compliance with ICCAT recommendations since the reform of the CFP appear to be lacking. This unveils the systematic failure of the EU management and decision-making structure for fisheries.

WWF urges the Presidency States to take leadership so that the Commission and Member States follow the scientific advice when setting quotas and take account of fishing effort during the Fisheries Councils and other Regional Fisheries Management Organisations meetings to allow fish stocks to recover

b. EU multi-annual Management and Recovery plans

The set-up of EU multi-annual Management and Recovery plans, even if adequate, has been too slow and their success often hindered by the EU's reluctance to cut quotas. In fact, no stock has yet recovered through the direct intervention of an EU recovery plan because of the quotas issue. In the case of cod, the Council has only rarely adopted reductions in TACs that are consistent with the cod recovery plan, and therefore the stock is still showing little sign of recovery in many areas. This problem is exacerbated by the bycatch of cod juveniles in fisheries targeting other fish. Long Term Management Plans and Recovery Plans need to be assessed by ICES before they are proposed to Council. Neither the Plaice and Sole Long Term Management Plan nor the Southern Hake Recovery Plan have been assessed by ICES, for instance. Presently, these plans are not delivering conservation measures needed to recover the stock.

WWF asks the Presidency States to agree on management or recovery plans for all fisheries as appropriate. Improvements must be achieved at the speed with

¹⁴ COUNCIL REGULATION (EC) No 2371/2002

¹⁵ ICES (International Council for the Exploration of the Sea)- Advice for North Sea cod, October 2007- 2007, Cod in Subarea IV (North Sea), Division VIIId (Eastern Channel), and Division IIIa (Skagerrak): <http://www.ices.dk/committe/acfin/comwork/report/2007/oct/cod-347d.pdf>

which recovery plans are put in place for fish stocks falling outside safe biological limits, once they have been assessed by ICES

c. Reduce bycatch and discard levels

The reliance on TACs as the main management instrument in mixed fisheries has led to discarding when “above-quota” quantities of some species are taken onboard while there are still quotas left over for other species. The fishing industry believes that increasing quotas is one way to solve the discard problem in the North Sea fisheries. WWF is firmly of the opinion that increasing quotas is not an effective way to improve the condition of stocks such as cod – a major bycatch species. Instead, limiting fishing effort and implementing more selective fishing methods or gear alterations must be at the heart of the management of such stocks. Using this approach, fishermen will avoid catching cod in the first instance, rather than catching and discarding it.

One of the main problems with the TACs and quotas system is that it only limits landings. As a result, discard levels can and do remain high in many fisheries. If we are to achieve sustainable fisheries management, it is essential that serious efforts are made to reduce levels of bycatch and subsequent discards. The use of more selective gear and area avoidance needs to be mainstreamed.

Mandatory use of bycatch reduction measures, such as square mesh panels in the nephrops fishery in the case of North Sea cod, must be adopted as well as additional measures to protect juveniles, such as appropriate area closures. Bycatch quotas should be considered and the deployment of onboard observers must become standard practice in all fisheries under recovery and long-term management plans. The comprehensive use of observers in fisheries that are bycatching cod (e.g. flatfish, whitefish and Nephrops) and in fisheries where discarding, high-grading, slipping and unaccounted-for catches are significant, would provide the data needed to conduct thorough stock assessments and improve management of these fisheries. The gathering of such knowledge is critical to the implementation of an ecosystem-based management of Europe’s fisheries.

WWF urges the Presidency States to ensure that effective measures to reduce bycatch are implemented as a matter of urgency across EU fisheries. These should include effective temporal and spatial closures as well as the adoption of more selective gear

WWF also asks the Presidency States to ensure that effort reductions and quota setting are based on best available scientific advice

d. Reduce overcapacity

According to the European Commission’s estimates from 2002, the European fleet operates with about 40% overcapacity¹⁶. In other words, there are still far too many vessels chasing too few fish. Most Member States still have to reduce their fleet capacity to solve the EU’s chronic problem of over- and illegal fishing.

A recent report from the European Court of Auditors¹⁷ emphasizes that the overcapacity of the Community fleet is an incitement to non-compliance with catch limitations and also affects the quality of the data submitted. The Community’s current approach, based essentially on reducing the fishing effort, is unlikely to resolve the problem of overcapacity, as concludes the report.

¹⁶ http://ec.europa.eu/fisheries/publications/information_notes/archives/magp_iv_2000_en.htm

¹⁷ European Court of Auditors (2007) Special Report No 7/2007 on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources: <http://eca.europa.eu/portal/pls/portal/docs/1/673627.PDF>

Despite the fact that there is an agreement that the European fleet operates with large overcapacity, there is still little detailed information about how much overcapacity there is. However, to tackle the overcapacity issue, the EU should first be able to assess the current fleet's capacity in Europe. Up to now, the majority of the Member States' reports to the European Commission have not described their fishing fleets¹⁸ in a manner allowing the Commission to analyse the efforts made to achieve a balance between the capacity of the fishing fleet and the available fishing opportunities. A throughout assessment of the European fleets' capacity is the pre-requisite to any serious plan to tackle and solve the problem of overcapacity.

WWF urges the Presidency States to require that Member States provide the necessary information on their fleets in order to convey a full assessment of the European fleet's capacity

EU subsidies have played a major role in building up this overcapacity, and it is clear that a reform of fisheries subsidies is needed to reduce fleet capacity, improve selectivity and, in turn, to promote stock recovery and a more sustainable fisheries sector. In the context of the EU budget for 2007-2013, it is crucial that future financing instruments for fisheries exclude the most harmful subsidies, such as aid for engine replacement, and better target aid to adapting the EU fleet's capacity to existing resources. In addition, support should primarily be aimed at issues of common concern, such as monitoring and enforcement instead of supporting individual operators. Next to direct aid, other environmentally harmful subsidies, in particular fuel tax exceptions or other fuel aid, must be abolished.

WWF asks the Presidency States to tackle the problem of European fleet's overcapacity in order to achieve a balance between fishing capacity and fishing opportunities

e. Integrated management

In 2007, the Environment Round Table in France¹⁹, called "Grenelle de l'Environnement"²⁰, made a pledge for a specific effort to halt the decline of the seas' biodiversity²¹. For the next five years, the French government has committed to follow and apply a plan that will ensure the restoration of the marine ecosystem, including specific measures to better manage fisheries.

The "Grenelle" acknowledges that fisheries should be organised in a more coherent and consultative manner through the creation of a network of "concerted exploitation and management units" that seek to broaden consensus between the fishing sector and other stakeholders.

Each unit would manage its fishing ground, or "territory", with access restricted to its "members" and would regulate the type of fishing techniques and gears used. This collaborative management system is built around territories and products and would fix objectives on a scale from 5 to 10 years.

This new approach to fisheries management is aimed at better fighting pollution, introducing non-fishing zones, developing a framework for land-based recreational fishing and eradicating illegal fishing in French waters.

¹⁸ as required by Article 13(1)(a) of Regulation (EC) No 1438/2003.

¹⁹ On 25 October 2007, the conclusions of the Round Table were presented by the French President

²⁰ For more information on the "Grenelle", check: <http://www.legrenelle-environnement.gouv.fr/grenelle-environnement/>

²¹ Report of the third part of the Roundtable "Halting the erosion of biodiversity": http://www.legrenelle-environnement.gouv.fr/grenelle-environnement/IMG/pdf/gb_mini_ecole_JL_8_biodiversity.Grenelle.pdf

WWF is asking the Presidency States to take principles of integrated management into account when deciding on measures to improve the sustainability of the CFP

f. Focus on deep sea species and sharks

Deep-sea fisheries are expanding rapidly, a consequence of mismanagement of shelf waters that has forced expansion into offshore areas for previously untapped resources. The deep sea is an extremely vulnerable ecosystem. Because most deep-sea species are long-lived, have low fecundity and a slow growth rate, these stocks are particularly vulnerable to exploitation and are becoming rapidly depleted. Although inshore stocks may recover in a few years or decades, deep-sea stocks may take a few centuries to recovery, and there is no guarantee recovery would occur at all.

For the Northeast Atlantic, ICES has repeatedly, and consistently with the precautionary approach, recommended an immediate reduction in established deep-sea fisheries unless they can specifically be shown to be sustainable. The orange roughy population has been practically wiped out from European waters in 20 years, argentinines have crashed in the Irish deepwater fishery in 1990, roundnose grenadiers suffer very high levels of juvenile mortality in trawls, monkfish catches are now composed of juveniles, and for many other species the state of the stocks is unknown.

In order to minimize the impact of fishing activities on marine ecosystems and with consideration given to the basic regulation of the Common Fisheries Policy²², the application of the precautionary approach would mean that deep-sea fish stocks whose stock status is not known should not be targeted.

In addition to affecting vulnerable deep-sea fish stocks, deep-water fisheries often have contact with the seafloor, causing damage and/or destroying important deep-water habitats such as cold-water coral reefs and associated benthic habitats. At seamounts and at relatively shallow offshore banks like the Rockall and Hatton Banks off the UK and Ireland, a very high fishing intensity coincides with a particularly rich and sensitive fauna.

Effective management and conservation efforts to conserve deep-sea species are urgently needed. Lack of adequate management and problems with enforcement have to date made the exploitation of these fisheries problematic. To manage the fisheries in accordance with the precautionary approach and to minimise impacts on deep-water habitats fishing effort in most of these fisheries needs to be radically reduced as well as effectively monitored with data collection systems in place.

The trend toward fishing deeper and deeper has to be reversed. Morato *et al.* (2006) showed that the mean fishing depth is increasing in the North Atlantic, as fishermen are fishing deeper and deeper to target species at unsuitable levels due to their inability to withstand fishing pressure. Currently there are discussions regarding the expansion of some of the deep-water fisheries. WWF does not support the establishment of new deep-water fisheries or spread to new areas (expansion), unless the current deep-water fisheries can be demonstrated to be managed effectively using the ecosystem-based approach, which would require demonstrating that the effects on the ecosystem due to commercial exploitation is minimal or negligible.

²² Council Regulation 2371/2002

WWF is urging the Presidency States

- **To further cut the quotas and fishing effort for deep sea stocks according to scientific advice;**
- **To have a comprehensive use of onboard observers on all deep sea fisheries within the European Community in order to implement effective monitoring and data collection programmes which in turn will improve stock assessment of these vulnerable species;**
- **To further restrict the fishing activities beyond 1000 miles both in Community and outside Community waters, unless regional/area specific environmental and ecological impact assessments show that such activities can occur safely**

For Sharks²³, the European Commission has started a consultation process for the development of the International Plan of Action on Sharks, as the EU has committed to develop a Community Plan of Action (CPOA) for sharks in 1999 with the adoption of the United Nations Food and Agricultural Organization International Plan of Action (IPOA) for the Conservation and Management of Sharks.

According to ICES, the majority of shark and ray populations (especially those assessed in the North Sea, Skagerrak and Eastern English Channel areas) are in decline. Although most shark and ray stocks are yet to be assessed, the situation is probably already dire for most of them, due to their biological vulnerability to over-exploitation.

WWF recommends that the Community Plan of Action (CPOA) for sharks takes into account management, monitoring and research needs for both target and non-target species within Community and regional waters.

WWF is urging the Presidency States

- **To ensure that effective bycatch reduction measures are adopted by fisheries that are incidentally catching sharks and rays;**
- **To ensure that exploitation of sharks and rays is only allowed when indicators and reference points for stock status and future harvest have been identified and a management strategy, including appropriate monitoring requirements, have been decided upon and are implemented**

2.1.2 Fighting Illegal, Unreported and Unregulated Fishing (IUU)

Illegal, Unreported and Unregulated fishing (IUU) represents a significant threat to virtually all fisheries, causing serious economic, social and environmental problems. It further prevents the achievement of sustainable fisheries in Europe. For cod in the Baltic Sea, the amount of illegal fishing is estimated to account for an additional 35-45% above the legally reported catches²⁴. In the Mediterranean, bluefin tuna catches are more than 40% higher than the quota set by ICCAT²⁵. In the Barents Sea, the illegal catch of cod for 2005 is estimated to be more than 100,000 tons, which represents almost 300 million Euros²⁶. In 2006 and 2007, efforts undertaken by several States in the region, such as banning all transshipment vessels flying flags of convenience, implementing the NEAFC port control regime, concluding several new bilateral port control agreements, and

²³ The term "shark" is used here to describe all cartilaginous fishes, incl. sharks, skates, rays and chimaeras.

²⁴ ICES, 2006 Baltic Fisheries Assessment Working Group.

²⁵ WWF (2006) The plunder of bluefin tuna in the Mediterranean and East Atlantic in 2004 and 2005 -Uncovering the real story, http://assets.panda.org/downloads/wwfbtreportfinalaeditionreducido_final.pdf

²⁶ Norwegian Directorate of Fisheries, Status Report for 2006 – Russian fishing of cod and haddock / transshipment at sea.

encouraging voluntary initiatives by the seafood industry, have led to significant improvement of the situation. However, illegal fishing continues to be a problem and there is a risk that this positive trend may not continue, as IUU fishing can take new shapes and IUU products can find new ways to the market.

Illegal fishing does not only affect marine biodiversity, but it also deprives coastal populations from their main source of protein, particularly in non-EU waters. The Marine Resources Assessment Group estimates the yearly losses in sub-Saharan Africa due to pirate fishing at 1 billion US Dollars²⁷.

The European Union is the world's largest fisheries market and importer of fisheries products. In 2005, fisheries imports amounted to nearly 14 billion Euros. WWF therefore believes that the European Community has a specific responsibility to ensure that the European fleets do not contribute to the global illegal fishing activities and that its markets are not used by illegal operators to launder their catches. In October 2007, the Commission tabled a proposal for a Regulation that aims to prevent illegal fishing products from entering the EU market. This Regulation is expected to be adopted in 2008 when the Commission also reviews the existing control and enforcement Regulation (2847/93).

In this context, it is of particular importance that the Presidency States take up a leadership role on fighting IUU during their upcoming presidencies.

For WWF, the public "blacklist" of vessels caught in illegal activities and their subsequent banning from EU ports as foreseen in the proposed legislation are key measures.

To better fight IUU fishing and to ensure transparency and responsibility of the fisheries sector, the following is needed:

- The Commission should create and maintain lists of vessels authorized to fish in European waters as well as blacklists of vessels found to be in violation of EU, coastal state or Regional Fisheries Management Organisation (RFMO) conservation and management measures (on the model of the A-List in the NEAFC regime). Together, these lists would help identify "suspected vessels", "offenders" and "repeat offenders" and allow for enhanced but differentiated coastal state, port state and market state measures to be applied. The Community Fisheries Control Agency could run these schemes. Establishing a transparent database of all EU vessels authorized to fish both within and outside Community waters, including areas and species being authorized to fish, identification of beneficial ownership, history of violations of fisheries regulations and penalties, and ongoing infringement procedures.
- The database should be accessible to the public, particularly to distributors of seafood products.
- Harmonising reporting standards with respect to definitions and reporting periods to facilitate data comparisons among Member States.
- Development of a harmonised and mandatory (i.e. minimum required) penalties for infringements of sufficient severity to act as a deterrence. Next to financial fines, this should include more widespread use of confiscation of catches, gear and vessels and/or of shipments of fish and fish products and the revocation of the license to fish or trade in fish products. At present, penalties in many Member States are inadequate to deter IUU fishing. In some cases, a 400-fold difference

²⁷ MRAG (2005) Review of IUU fishing on developing countries-Synthesis report (p.8): <http://www.dfid.gov.uk/pubs/files/illegal-fishing-mrag-report.pdf>

exists on the penalty imposed between Member States for the same infringement.

- Excluding vessels, companies and individuals who have been convicted for IUU activities from benefiting from public aid. Moreover, aid granted in the past should be recovered from EC nationals found to have been involved in IUU fishing.
- Excluding Member States who systematically fail to ensure compliance with Community laws from benefiting from Community funds to the fisheries sector.
- Applying Article 23(4) of Council Regulation 2371/2002 and Article 5.2 of Council Regulation 847/96 on offending EU fleets to ensure payback of over-harvests.

These steps are essential to the effectiveness of the fishing system. They would benefit fish stocks, EU fishermen as well as fishermen and populations of developing countries.

WWF is urging the Presidency States

- **To make the list of IUU offenders publicly accessible, to allow market actors to adapt their sourcing policy and governments to adapt their granting of access rights and subsidies accordingly;**
- **To exclude vessels and operators convicted for illegal activities from benefiting from any EU subsidies;**
- **To address the over-shoot of quota**

2.1.3 Ensuring a future for Mediterranean Bluefin Tuna

The situation of the bluefin tuna is particularly dire in the Mediterranean. Illegal, Unreported and Unregulated fishing (IUU) is widespread. Most fleets targeting bluefin tuna openly operate in contravention of ICCAT rules, contracting parties often deliberately fail to implement these rules, and catch figures are often deliberately under-reported at the official level. Total actual catches of Mediterranean bluefin tuna stock are thus some 50% higher than the TAC set by ICCAT.

Overcapacity of fishing fleets is also a key issue for the bluefin tuna. A report recently published by WWF²⁸ has revealed that the Mediterranean bluefin tuna purse seine fleet alone has twice the fishing capacity of current quotas, and three and a half times the catch levels recommended by scientists to avoid stock collapse. These figures do not yet take into account the catch capacity of the rest of the bluefin tuna fleet (i.e. longliners, traps, bait boats, pelagic trawlers, hand line boats, etc.). The report also reveals that fleet overcapacity is greatest in Turkey, Italy, Croatia, Libya, France and Spain, and that 283 large purse seine vessels need to be decommissioned to reduce fishing effort to scientifically recommended levels.

The loss of the bluefin tuna fishery would be both an economic and a socio-cultural disaster (given the importance of tuna in coastal communities in the Mediterranean since ancient times) – as well as an ecological disaster. As bluefin tuna is a key top predator in the Mediterranean ecosystem, its ecological extinction would have knock-on effects and entail unexpected consequences to many other species in the food web (including possible negative effects on related fisheries). The 2007 fishing season saw a massacre

²⁸ WWF (2008) Race for the last bluefin – Capacity of the purse seine fleet targeting bluefin tuna in the Mediterranean Sea and estimated capacity reduction needs, http://panda.org/about_wwf/where_we_work/europe/what_we_do/mediterranean/about/marine/bluefin_tuna/bluefin_tuna_news/index.cfm?uNewsID=126820

of the Mediterranean bluefin tuna population, as ICCAT failed to impose effective management measures. In November 2007, WWF thus requested drastic management measures, by calling for an immediate 3-year closure of the fishery. Sadly, only Canada and the USA supported the proposal, while other countries involved in the fishery even succeeded in getting an increased overall quota for the 2008 fishery.

2008 is thus an important year in the fight for the Mediterranean bluefin tuna fishery.

WWF calls for the European Commission to support an in-depth review of the current management plan of the Mediterranean bluefin tuna stock, during the mandatory amendment of the ICCAT management plan in November.

WWF urges ICCAT to reduce catch possibility of the stock by extending the closed fishing season from June to August (currently from mid-July to mid-August), to adopt a management plan sticking to scientific advice, and to once and for all gain control over the fishery. Further,

WWF urges Member States to take responsibility and ensure their fleet capacities are reduced.

France has a particular responsibility to end the deadlock on fisheries issues, in view of its own lack of implementation of controls against illegal fishing, while recognising that French fisheries surpass e.g. the quota of bluefin tuna by 50%. France's maritime space is furthermore the second largest in the world in terms of surface. WWF expects strong progress under France's presidency on the issues mentioned above. Sweden would like to see the Baltic Sea recognised as a pilot area for the EU, and sustainable management of the marine environment, given the failures of the Helsinki commission. WWF Sweden will support the Swedish government on a decision to go for integrated sea management. The work WWF has done with the Great Barrier Reef will provide experience and examples on how to achieve this.

Joe Borg, European Commissioner for Fisheries and Maritime Affairs, commented²⁹,

"(...) Member States (...) need to go much further to tackle the root of the problem (...) by ensuring the necessary scrapping of vessels till a sustainable balance is found between fishing capacity and fishing possibilities. Public funding is available under the European Fisheries Fund for vessel owners and crews affected by such scrapping. Financial support is also available to the fishing communities concerned to help them diversify their economies."

WWF urges the Presidency States to take real measures to ensure the recovery of bluefin tuna and encourage fishermen to use EFF funds to switch from their destructive fishing practices to sustainable ones

²⁹ EC press release, 14 March 2008:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/448&format=HTML&aged=0&language=EN&guiLanguage=fr>

2.2 The Sea and the European Union

The status of Europe's seas has been deteriorating for decades. Over-exploitation of fish stocks and the impact of fishing gears, diffuse sources of pollution such as agricultural run-off, and climate change are recognised as the most serious causes of degradation today. Today, in the Baltic Sea, the input of nutrients from human-origin in the sea is the major factor harming biodiversity and fish stocks.

The current framework of policy and regulation in Europe for the protection and management of marine resources is not delivering the level of protection envisaged under international commitments. Up to now, the management of Europe's seas was looking at short term results and did not seek to aspire to the long term sustainability that is essential to build healthy ecosystems.

The newly proposed EU Maritime Policy together with the Marine Strategy Directive will be the key framework for the evolution of this situation towards an ecosystem-based approach and a sustainable use of marine resources.

This section addresses WWF's concerns over the state of the European Union's marine ecosystems and highlights WWF's recommendations for the sustainable future of Europe's seas and oceans.

2.2.1 A Maritime Policy for the EU

The 2007 Commission's Blue Paper for a European Maritime Policy has outlined important actions for the period 2008-2009 which deserve the next Presidencies' particular attention and support, including:

- Guidelines for national integrated maritime policies,
- Steps towards the development of maritime spatial planning by Member States in a regionally-coordinated way,
- Guidelines on the application of environment legislation to port development,
- A communication on the ecosystem approach in fisheries,
- A strategy for adaptation to climate change,
- A strategy for the protection of marine biodiversity on the high seas.

With a view to implementing the 2006 UN General Assembly Resolution on Sustainable Fisheries, the Commission has already tabled a strong proposal to regulate bottom trawling and other destructive fishing practices for EU vessels operating on the high seas, with a focus on areas where Regional Fisheries Management Organisations (RFMOs) are not established yet. The Presidencies also need to ensure that the EU takes a proactive role to prevent damage to vulnerable marine ecosystems in those areas where existing RFMOs to which the Community is contracting party make poor progress. Furthermore, such action on the high seas must not exclude the urgent need for additional measures to control destructive fishing practices in EU waters.

The years 2008-2009 will be a crucial deadline for Member States to nominate marine candidate sites of Community importance according to the Habitats Directive.

WWF calls on the forthcoming Presidencies to actively facilitate this process by encouraging Member States to complete the Natura 2000 network of protected areas in their offshore waters. The EU must speed up the process in order to deliver on the international commitments to establish coherent and representative networks of marine

protected areas it has signed up to at the World Summit on Sustainable Development, under the Convention on Biological Diversity, and under Regional Seas Conventions (e.g. OSPAR, HELCOM).

True and consistent integration between the provisions of the EU Habitats and Birds Directives and the Common Fisheries Policy is overdue. The Presidencies must roll out comprehensive criteria and generic procedures, and ensure the adoption of pertinent regulations to enable the application of fisheries management measures in marine Natura 2000 sites in the years to come.

WWF urges the Presidency States to ensure vulnerable marine habitats and ecosystem in the high seas as well as in European waters are protected from harmful human impacts, particularly from destructive fishing

2.2.2 The EU Marine Strategy Directive

Integration and spatial protection measures will also be instrumental to achieve the objectives of the Marine Strategy Directive which forms the environmental pillar of the EU Maritime Policy. The Presidencies must start the process of implementing this Directive so as to advance the achievement of the goal of “good environmental status” for the marine environment by 2020 at the latest.

WWF urges the next Presidencies to make every effort to pave the way for Member States’ initial assessments, marine strategies and programmes of measures for each marine region or sub-region by:

- **providing further guidance with regard to the critical human pressures, impacts and activities to be considered;**
- **ensuring co-operation by Member States bordering the same region; and**
- **developing means to use the mechanisms and structures of Regional Seas Conventions to deliver on the objectives of the Directive**

The Baltic Sea has been proposed as a pilot area under the EU Marine Strategy Directive, for a regional implementation of the Directive and to achieve sustainable management of the human-induced activities affecting the marine environment. WWF supports this proposal and also calls on the forthcoming presidencies to agree on a strong Baltic Strategy that will set a solid foundation for integrated sea use management of the Baltic Sea. As the Helsinki Commission’s Baltic Sea Action Plan fell short of its original praiseworthy intentions, the need to introduce a holistic and ecosystem-based approach is greater than ever. The Baltic Sea provides a fantastic opportunity to showcase a truly integrated approach to conservation and sustainable development. An ecosystem-based approach to integrated management of human activities, based on transnational spatial planning, can be a strong tool to achieve this. The work done in other parts of the world, such as at the Great Barrier Reef, can provide experience and inspiration on how to achieve it.

WWF supports the proposal to make the Baltic Sea a pilot area under the EU Marine Strategy Directive. WWF also urges the next Presidencies to take a holistic and integrated approach in the planning and management of the Baltic Sea and agree on a strong Baltic Strategy. WWF expects increased efforts on this issue, especially under the Swedish Presidency of the EU

3.SUSTAINABLE AGRICULTURE

In the wider EU budget review, the review of the Common Agricultural Policy (CAP), the CAP Health Check has been launched by the Commission, with legislative proposals expected for Spring 2008. France would like to conclude the CAP Health Check at the December 2008 Agriculture Council and will propose prospective orientations and principles for the CAP after 2013 at the informal Agriculture Council (Sept 2008). WWF welcomes this timeline and would like to highlight some specific priorities as to how to spend the ca. 45 billion Euros per year – the amount disbursed at present through the CAP. Over the last 20 years, CAP subsidies have increasingly conditioned agriculture in many Member States. Over two decades, WWF has criticised that this policy has significantly contributed to biodiversity loss, contamination, landscapes destruction and, mainly in the Mediterranean countries, to increasing water consumption. The production excess, for its part, requires more incentives for its output (export subsidies, market withdrawal).

The EU needs a new vision as well as intermediate targets to ensure the rural environment can recover without further degradation of ecosystems or biodiversity loss, and adapt to climate change. WWF hopes for a new CAP delivering on public goods such as biodiversity conservation and improved ecosystems services, including funding for Natura 2000 sites and high nature value farming systems and implementation of the Water Framework Directive (WFD). The CAP must also contribute to climate change mitigation and adaptation. Particularly, money needs to be shifted from Pillar I to Pillar II, to promote a transparent, accountable and objective driven CAP.

The present model dominating EU agriculture generates **major health and environmental impacts**, and affects rural livelihoods and national economies:

- From the **environmental** perspective, all ecosystems are affected, to a different extent, by agricultural activities:
 - pressure on water resources due to irrigation (for example: more than 75% of water in Spain and 68% in France are devoted to irrigation, largely subsidised by the CAP), pesticides and fertilisers cause considerable water pollution (in France, 96% of waterways measured by IFEN³⁰ in 2004 were affected by pesticides, while fertilizers are a major source for eutrophication of the Baltic Sea); agriculture contributes ca. 30% to France's greenhouse gas emissions; soils are increasingly damaged by erosion and loss of fertility;
 - for European livestock feeding to aliment meat production and for European agribusiness, ecosystems (particularly forests and savanna) are decimated in soy and palm oil producing countries in latin America and Indonesia.
 - Furthermore, apart from its own negative environmental impact, agriculture is itself affected by climate change, with southern Europe facing increased droughts and crop failures, and northern Europe more runoff.
- From a **health** perspective, overall pesticides contamination affects both farmers and consumers: almost half of all fruits and vegetables available on the French market

³⁰ French Institute for the Environment

and analysed by the French authority in charge of ensuring fair trade, competition and fraud repression (DGCCRF) contain residues of pesticides; and farmers succumb to neuro-degenerative diseases (Parkinson's disease in particular); factory farming conditions favour the development of animal pathologies (avian flu, foot-and-mouth disease...), likely to be passed on to humans.

- From a **socio-economic** point of view, the results in terms of rural employment and food independence of France are not convincing: massive losses of rural employment are not compensated by jobs in the agro-alimentary industry (one million small farms disappeared between 1970 and 2003); subsidies represent 77% of average income of French farmers; European Union's deficit in vegetable protein represents 77% of the needed amount.

Furthermore, these impacts are aggravated by the major **financial burden** carried by the public to remedy them: water treatment (2 billion euro/year in fees paid by households in France alone to water agencies); spending on social security, etc.

However, solutions exist to reconcile agriculture, environmental protection, social equity and economic performance. WWF foresees that a sustainable European agriculture in 2020 would respond to the following three objectives:

- Protecting the environment and rural landscape at large, including important social and environmental farming landscapes (e.g. disadvantaged zones), in fragile and degraded ecosystems, and in rich-biodiversity areas such as Natura 2000 and High Nature Value (HNV) sites.³¹
- Maintaining a productive and remunerative rural economy, which provides qualitative and healthy food, alternative income sources (e.g. ecotourism) and a range of services (e.g. environmental education, landscape management services).
- Promoting rural development and maintaining rural populations, including by addressing important social, cultural and aesthetic needs (or aspects), ensuring healthy working conditions for farmers and strengthening local production for local consumption through local markets.

Sustainable agriculture is to ensure the production of safe, affordable and healthy food and fibre³² in ways that are ecologically responsible, economically viable and socially equitable. A fundamental principle of sustainable agriculture is that it does not deplete natural resources.

Farmers engaging in sustainable agriculture daily prove its economic viability. Examples of this include organic agriculture, Swiss and Danish models of integrated production, cattle meadow farming based on models adopted by CIVAM and the Sustainable Agriculture Network in France, or the Green meat concept in Sweden.

³¹ About 15-25 per cent of the agricultural area in use in Europe is defined as high nature value agriculture. More than 40% of threatened species in Europe are dependent on extensively used agricultural landscape systems.

³² Note that the term fibre is used in a broad sense here and would also encompass biomass used for energy purposes. Natural fibres refer to the threads or filaments from which a plant or animal tissue is formed. Several field crops (e.g. cotton) are grown for their fibres, which are used to make paper, cloth, or rope.

France, as a key agricultural country in the international context and as the number one recipient of the EU's Common Agricultural Policy subsidies, is a major actor with the means to effect a change towards sustainability within both the national and European agricultural model.

All Presidency countries need to promote an ambitious national policy **reconciling agriculture and environmental protection, with the aim of transforming 100% of the agricultural area into sustainable agriculture by 2020** (with clearly defined minimum requirements for this, such as maximum toxicity allowed in pesticides, compulsory use of organic fertilizer instead of chemical products, efficient and legal use of water, reduced inputs and optimisation of production whilst respecting the ecosystems, including 30% of organic agriculture).

Under the French EU presidency, the Common Agricultural Policy's health check needs to be agreed with a view to better mainstreaming environmental issues at high level, by including environmental stakeholders and working towards a refurbishing of the CAP which restores the legitimacy of agricultural subsidies through a more equitable distribution of funds on the one hand and through the distribution of these funds on the basis of strong environmental criteria on the other. WWF believes that the longer term future of the CAP and of Pillar I payments in particular should be examined by the forthcoming EU Budget Review. In the short term, the Health Check should introduce a much simpler, more equitable and transparent system and require Member States to make all SPS payments as flat-rate payments at national or regional level. WWF wishes to stress the following proposals for both CAP pillars:

1. Restoring the legitimacy of 1st pillar subsidies with environment, employment and territories objectives by:

- Submitting subsidies to proper cross-compliance requirements:
These requirements should be based on standards established by EU and national legislation (e.g. Water Framework Directive, Nitrates Directive, EU marine strategy, sustainable biomass production). Furthermore, requirements and standards need to be better specified, in particular Good Agricultural and Environmental Conditions (GAEC), which should be reviewed to include a much broader set of environmental/sustainability issues (climate change, water management, biodiversity protection) and basic agronomic principles (e.g. input management, crop rotation).
The same strict cross-compliance has to be applied to bio-mass and bio-fuel crops; to agroindustry and forest managers that receive Rural Development payments. A proper cross compliance has to be designed and applied to them.
- Switching from the system of historical references to a system of allocation on the basis of the provision of public goods as well as the recipient farming income and employment:
The 2003 CAP reform gave Member States various options of decoupled payments to farmers under the Single Payment Scheme (SPS), including payments on the basis of 'historic' entitlements – which is what the majority of the EU 15 Member States opted to do. This system continues a pattern of inequitable CAP payment distribution based on past production levels, which means that larger, more commercial farm holdings continue to receive the lion's share of the CAP budget.

WWF believes the use of public funds in this way is likely to be increasingly difficult to justify in the longer term.

A system of flat-rate payment is needed to allow a redistribution of income in different sectors and areas. In general terms, income has to shift from intensively to more extensively managed farms and from arable to grassland areas. Such redistribution is likely to lead to positive environmental impacts as farmers adjust their businesses accordingly and Member States undertake Regulatory Impact Assessments of a move to flat-rate payments in order to understand the likely economic, social and environmental impacts. This would allow Member States to consider possible flanking measures (through the use of Article 68 or agri-environment schemes) in order to address any negative outcomes. There would also be benefit in phasing in flat-rate payments over a number of years in order to give farmers time to adjust to changes in income levels.

- Maintaining the coupling of subsidies to production in certain regions, should there be an economic and environmental benefit (particularly in the case of cattle farming, steppelands):

The payments in these sectors are currently lower than those received by intensive agriculture (usually irrigated); it is thus necessary to ensure special support for agriculture that maintains high nature value zones, possibly by redesigning the Single Farm Payment (SFP) system. Alternatively, since coupled payments are open to challenge under WTO, it might be better to find other ways of supporting environmentally important farming systems e.g. extensive cattle farming. Agri-environment payments or area-based environmental payment could serve this purpose.

- Putting in place particular measures to protect water resources:

The current Single Farm Payment (SFP) still favours intensive water-consuming farms (irrigation olive, corn, sugar beet) to the prejudice of “traditional” farms (rainfed crops). The CAP subsidies must favour a drastically reduction of water consumption in agriculture. With a more efficient use of water, this activity will also be more competitive and resistant to drought and climate change effects. CAP reforms should improve irrigation efficiency and sustainability, allocating in a compulsory manner the water saved to environmental objectives; clearly promote the application of the Water Framework Directive (WFD) and ensure its implementation; avoid that agricultural activities and the possible changes in exploitations use affect the network of protected Natura 2000 sites and their ecosystems, habitats and species.

With reference to the current reforms of the **First Pillar** (Market Measures), WWF proposes:

- To eliminate the Common Market Organisations (CMO) subsidies which favour the production of high water consuming crops (like sugar beet, corn or alfalfa).
- To eliminate subsidies from Common Market Organisations that facilitate the transformations from rain fed into irrigated crops (both pillar 1 and 2). WWF considers that the enlargement and creation of new irrigation should not count on subsidies, being the public funds allocated to other measures as proposed in this document for the rural livelihood.

2. Supporting environmentally friendly practices by strengthening Pillar II and article 68

While the demands on Pillar II and EAFRD are increasing all the time, the funding levels are not keeping pace. To achieve concrete changes, WWF considers that it is essential to:

- Strengthen pillar 2 (rural development) instead of Pillar 1 : set up an obligation for all Member States for a high modulation from pillar one to pillar two, and not funded at the desire of each Member State: WWF is in favour of modulation rate increasing by 4% every year from 2009 to 2013 (which results in a total of 25% modulation in 2013) to achieve concrete change on the ground. In addition, WWF supports the Commission's new proposal of 20th May 2008 for additional cuts for bigger farms through progressive modulation of 3%, 6% and 9% for farms receiving more than 100,000, 200,000 and 300,000 Euros respectively, with the money raised used to target key environmental challenges.³³ On the other hand, WWF is opposed to applying a lower limit to support as it may have severe adverse impacts on small, semi-subsistence or part-time farmers who farm on environmentally sensitive land³⁴.
- To include WFD and Natura 2000 objectives as a priority and proper measures in the Rural Development Programmes to achieve them (to ensure that water efficient and sustainable management is a priority and be eligible as a measure, and assure its practice in organic farming; to implement incentives to high environmental value farms located along Natura 2000, in order to allow them to go on and improve agricultural practices needed for the maintenance of their natural values, foreseen in the Management Plan)
- Assure that at least 50% of total rural development investment is devoted to axis 2 measures (nature conservation) in Rural Development Programmes
- Design the Agro environmental Programmes so that it secures measurable environmental objectives,
- In the 'measure of less favoured areas', give priority to those located in marginal dry areas which profitability could be limited by water stress situations and which have a positive influence over the ground and water, the landscape and the biodiversity.

3. Other measures

A renewed Common Agricultural Policy would enable to limit the economic, environmental and social impacts of the present CAP on developing countries, which is possible by:

- putting a stop to export subsidies, as the latter destroy food producing farming in developing countries;
- putting in place a proper plant protein autonomy policy in the EU, in order to reduce the large European dependency towards soy imports destined for

³³ Under the EC's new proposal, all farms will have direct payments modulated by a flat rate amount of 7% in 2009 rising to 13% by 2012. In addition, large farms would face higher cuts: an extra 3% for farms receiving more than €100,000 per year; 6% for those receiving more than €200,000 and 9% for those receiving more than €300,000. The money raised will be used to fund Pillar II and address key environmental challenges.

³⁴ These types of farmers or land users currently are CAP payment receptors, so they are included under cross-compliance schemes.

livestock feed, the reason being that this consumption induces deforestation in producing developing countries:

this could be done by adding value to legume growing by way of financial and fiscal incentives, and redeveloping complementarities between cultivation and breeding activities on a farm or local scale.

Finally, WWF proposes to establish a “contract per farm”, that links CAP payments (both pillar 1 and 2) to the maintenance of environmental values. Including clear socioeconomic and environmental objectives for every farm and the proper commitments and measures to achieve them. Every farm would have a plan which identifies environmental risks and areas/features of environmental importance and identifies what actions are needed.

4. BUDGET REFORM

The budget review starting 2008 must be focussed on addressing future threats through innovation and the building of an efficient, intelligent infrastructure. It needs to use the public funds for public goods such as the environment. The review will affect all three presidencies strongly, and go even beyond their remit. How the EU spends its money is a key test of its priorities, and at the moment the EU fails this test.

The budget review in 2008 should make a major shift from maintaining a false food security towards addressing particularly biodiversity decline and climate and energy security, two major threats to human well-being and socio-economic development. European structural programmes should focus on promoting intelligent, sustainable infrastructure and climate proofing in the poorer member states, and to managing the risks to stability on European borders through the neighbourhood policy. An intelligent sustainable EU budget should set the standard for Member State public spending. It should be designed to open up sustainable business opportunities and leverage private investment from around the world in the fields of renewable energy, resource efficiency and intelligent infrastructure. The contribution such a budget would make to the attainment of Europe's goals would provide a concrete example of the benefits of cooperative European action, creating positive public pressure for sustainable and sustained investment. It would also contribute to making Europe truly the most energy and resource efficient economy in the world.

The EU budget review is a once in a generation opportunity to steer the ca. 126 billion/year Euros into a sustainable future for Europe, and the Commission has promised a no-taboo debate. In WWF's opinion, the budget review does indeed represent a unique opportunity to discuss and define the direction Europe should head to. The Commission has in its Communications "Reforming the Budget, Changing Europe" (12 September, 2007) outlined the EU challenges of tomorrow. They include the challenges posed by globalization, migration and demographic developments; the need to boost investment in research and development; security issues; education; climate change and energy.

Europe's citizen would certainly prefer a Europe which is independent from energy imports, because it has an energy policy based on renewables, on energy efficiency and on regional self-sufficiency.

This is the kind of policy, both for the farming sector and the energy sector which will also provide sustainable jobs for European citizens. Moving boldly into this direction would strengthen Europe's role as a global leader for a sustainable world and it would be a European Union which can clearly demonstrate its added value for the majority of its citizen.

The key to achieving this is to make effective connections between climate change and other European priorities, in particular the Lisbon competitiveness agenda. There is growing recognition of the connections between environmental and economic policy. An ambitious approach can deliver multiple benefits, making Europe a world-leader in the transition to a stable climate and in the technologies that will achieve this. A major increase in global public investment is a prerequisite to an effective response to climate change. The current EU budget may well increase rather than reduce EU emissions, due

to investments in high carbon transport and energy infrastructure and the impact of intensive farming practices.

EU spending must be focused where it can make the greatest impact in Europe and beyond; it must address the global and regional inequities of climate change; and set the standard for global public investment. The EU budget should invest around 32-38 billion Euros annually in five priority areas:

- For Europe's energy and transport infrastructure, a new dedicated low-carbon fund should be established with an annual budget of 13-16 billion Euros. All EU cohesion fund spending should be climate proofed by assessing it for its consistency with national emissions targets.
- For carbon capture and storage, 3-5 billion Euros per year should be set aside to secure the 10-12 pilot plants proposed by 2015 and kick start the global discovery of the viability and cost of carbon capture and storage technologies. Future plants should be financed without the use of public funds.
- For research and development, 7.5-8.5 billion Euros per year should be dedicated to bringing breakthrough technologies to market, in line with the Stern report's call for a doubling of global spending on research and development.
- To support the development of low-carbon infrastructure in countries such as China and India, the EU should establish a sovereign investment fund of about one billion Euros a year, managed by the private sector. This would give the EU a stake in their low carbon economies, as the EU has done closer to home.
- For adaptation in the poorest countries, 7.5 billion Euros per year should be provided at EU level to ensure that Europe meets its fair share of the global cost of enabling the poorest countries to adapt to climate change.

The majority of this funding could be found from within the current budget, through the use of cohesion funds and a radical reform of the Common Agricultural Policy. The Union can and should achieve major shifts in structural and cohesion funding, research and development and adaptation prior to 2013. The full transition to investment on this scale should take place rapidly after that. If Europe's leaders fail to make that shift, the prospects for peace and security in Europe and beyond will be radically diminished. Europe's leaders have recognised the urgency and scale of the threat of climate change. They must now offer solutions commensurate with that analysis.³⁵

The debate on these issues will only start under the French Presidency – but in view of the strong statements of France to engage in the reform of the CAP, WWF hopes that a similar will for change will prevail in the overall budget discussion, and that the Czech Republic and Sweden will continue to reform the budget to serve a sustainable future for Europe.

³⁵Note that these demands are consistent with the Green Alliance report : investing in our future : a European budget for climate security, October 2007, www.green-alliance.org.uk

5. REGIONAL AND COHESION POLICY

EU Regional and Cohesion Policy contains vast amounts of funds, which, if used adequately, can further the EU's sustainable development considerably. The points below are intimately linked with the points in the budget review section above. The most important process in 2008 and 2009 is the debate about the future of EU Cohesion policy, which will have to contain the following elements to serve this goal:

1) Cohesion policy needs to develop into the ONE and ONLY vehicle to shift development patterns in Europe towards sustainability. This means the policy needs to be more self-assured and reduce the eligibility of investments drastically to those only who are politically relevant for European goals: Kyoto and Kyoto+ targets, Lisbon agenda, freshwater availability and environmental status, halting the loss of biodiversity. Cohesion policy needs to translate policy priorities into the regions for energy, eco-efficiency and innovation.

2) Cohesion policy needs to translate EU policy standards into the regions - environmental scrutiny, SEA (Strategic Environmental Impact Assessment, sustainable development, transparency, partnership. WWF sees the need for more impact monitoring towards reaching goals in sustainable development to answer the question whether at present, Cohesion policy is not rather halting than furthering sustainable development. The EU needs quality criteria for partnerships, full transparency concerning beneficiaries and decision-making processes.

The three Presidencies need to start shaping the new Cohesion Policy into this direction. Most importantly, the Czech Presidency with in-depth experience on this issue should take a leadership role on this dossier, together with Sweden.

6. EU NEIGHBOURHOOD AND DEVELOPMENT POLICY

The European foot-print exceeds its territory by far. European policies affect the environment and livelihoods of populations across the globe. The European Neighbourhood and Development Policies are therefore essential to minimise this footprint as well as reaching out to help poorer nations to develop sustainably.

Regarding the Neighbourhood Policy, WWF calls on like France to concentrate on the environmental integration strategy (see below in development section) as this is due to be adopted during its presidency. The Czech and Swedish Presidencies we will be looking inter alia at the plans and outcomes of their panel on climate change in development cooperation, where significant new funding needs to be leveraged to ensure the technology transfer and adaptation needs agreed in Bali can be supported adequately.

6.1 Neighbourhood Policy South/Mediterranean Dimension

The French Initiative to promote a Mediterranean Union announced by the French President, Nicolas Sarkozy, is foreseen to include an important environmental component. WWF asks that the Mediterranean Union initiative is developed in coherence with the existing policy framework, ENP/Euromed and contributes to the Mediterranean environmental initiative, Horizon 2020, launched by the EU in Cairo in October 2006. WWF encourage involvement and support (including financial) from EU Member States for Horizon 2020. The Mediterranean Union could be seen as the greatest opportunity, since 1989, for the European Union to make a step forward in building a peaceful, wealthy and environmental friendly region. WWF, which is working with local NGOs, companies and governments in almost all the Mediterranean countries, is ready to share its experience in the Mediterranean and encourage the EU presidency, and particularly France, in involving NGOs and civil society from the beginning until the end of the process. This participation has been lacking in the European Neighbourhood policy building process.

6.2 Freshwater in the Mediterranean

Freshwater scarcity and quality are major problems for Southern Europe and the Mediterranean Partners. These problems will be exacerbated by climate change impacts leading to irreversible land degradation, desertification, and increased poverty and migrations ("environmental refugees"). A special ad hoc Euro-Mediterranean ministerial Conference on water is to take place in the second semester of 2008. WWF asks that France support and lead the organisation and the follow up to the Ministerial conference, with the aim to promote a more coherent approach to water management in the Mediterranean notably through making sure that the Water Framework Directive (WFD) principles are properly adapted to each policy context and that there is appropriate financing for sustainable freshwater management initiatives such as the EU Water Initiative.

6.3 Greater Black Sea Basin

The Czech and Swedish presidencies (EECA are priority for Sweden) need to focus on the Black Sea Region. The Black Sea region has become an area of particular geopolitical interest to the EU not only due to the accession of Bulgaria and Romania but mainly because it is a transit area for oil and gas resources coming from Russia and the Caspian Sea. Due to its strategic importance, the area is subject to political conflicts and tensions, some of which could be mitigated, if not solved, through improved regional cooperation notably on the environment. The German Presidency strongly promoted a “Black Sea dimension” and a “Black Sea Synergy” (BSS) presented in a Communication of the Commission (COM(2007)160 final). WWF asks that the Czech and Swedish Presidencies contribute to the strategic development of the Black Sea Synergy making sure it takes into account the strong linkages between energy, climate change, security and environment. Promote a road map towards strengthened regional cooperation in the greater Black Sea basin with specific targets and milestones including on how joint regional initiatives can be supported by the EU.

6.4 Revision of European Neighbourhood and Partnership Instrument

The Czech and Swedish Presidencies need to focus on the preparation of the ENPI Revision. The ENPI regulation was adopted in 2006 and entered into force in 2007. A revision of the ENPI regulation and the related ENPI strategic funding documents (CSPs, RSPs, NIPs, RIPs) will take place in 2010. The text of the ENPI regulation allows for support to environmental projects and for civil society participation in general, but has still several gaps notably with regards to the evaluation of the potential environmental impacts of major activities funded with ENPI money. WWF asks that the EU contribute and lead on the revision process of the ENPI regulation to ensure gaps in terms of environmental impacts are filled and environmental protection, nature conservation and civil society participation in decision making are made more specific both in the regulation it self and in the strategic papers.

6.5 Integration of the Environment in EU Development Cooperation

The 2005 European Consensus on Development explicitly acknowledges the link between environmental sustainability and poverty reduction and calls for efforts in environmental integration to be strengthened. WWF is asking for the adoption by all Member States of a strong and comprehensive strategy for the integration of environment into development cooperation which:

- comprises a joint approach by all Member States and the Commission in their dialogues, assessments, programming and implementation of development aid.
- covers the complexity of environmental issues including biodiversity, freshwater resources management, forestry, marine resources, fisheries and the vulnerability of people and ecosystems to the impacts of climate change.
- Includes an adequate monitoring framework with identified areas of responsibility to facilitate regular evaluation of progress.

7. BIODIVERSITY

In May 2006, the Commission adopted its Communication on “Halting the Loss of Biodiversity by 2010 and Beyond” (COM(2006)216). The Communication reviewed the progress in achieving the set commitments and it also provided a new ‘EU Action Plan to 2010 and Beyond’. This Action Plan includes several objectives and actions that will help to achieve the 2010 biodiversity target. Both the European Parliament and the Council also stressed the importance of biodiversity and of meeting the 2010 goal. By now the “EU Action Plan to 2010 and Beyond” has instigated some positive initiatives like the EU Business and Biodiversity Initiative – established by the former Troïka Presidencies (Germany, Portugal and Slovenia) and the European Commission. However, this is not enough; a full implementation of all actions is needed. Because, biodiversity is further on in decline.

Not only in this Communication but also in many publications the importance of the Natura 2000 network to achieve the 2010 goal is highlighted. Referring to the “EU Action Plan to 2010 and Beyond” the terrestrial and marine Natura 2000 site designation should be finalized by 2008 - their management plans should be established by 2010 (for marine by 2012). WWF therefore calls on Member States to designate their biodiversity hot spots to Natura 2000 which have not done it so far. Special attention has to be given to the marine Natura 2000 site designation. This has to be reflected in the workplan of the EU presidencies. For France, a key step forward would be to adopt the Birds- and Habitats Directives for their Outermost Regions, as well as starting the process for marine Natura 2000 sites.

Overall we must recognize that there is only a slow implementation of the “EU Action Plan to 2010 and beyond”. Too slow to meet the 2010 goal. The challenge of the French, Czech and Swedish Troïka Presidency is to get not only further commitments for biodiversity but also to speed up the implementation of the “EU Action Plan to 2010 and beyond”. They should provide positive cases of implementation and promote them. Europe should discuss biodiversity but at the same time it must set positive actions to save their benefits and natural beauty – otherwise the 2010 goal will become a lip service only.

Biodiversity is one of the main environmental priorities of the European Commission -its current loss implies the loss of its basic benefits for our survival (water, air, food, mitigation of disasters), plus its relevant role in climate change mitigation and adaptation-, and the EU Presidency can play a key role in ensuring it keeps this high position in the environmental agenda.

At the same time it is key that biodiversity has to get more support from the non-environment sector. For that reason, biodiversity has to get back on the agenda of Heads of the States. The CBD COP 9 meeting taking place in Germany in May 2008 should be seen as kick off for such an initiative. Only 1,5 years remain from COP 9 to 2010 and therefore the French, Czech and Swedish Troïka Presidency must be the motor of such an important step towards “Halting the loss of Biodiversity”.

8. FORESTS

Together with the USA, Japan and China, the EU is one of the biggest net importers of wood products. The EU imports about 560 Mill. m3 (RWE) of industrial roundwood (annual production 1,7000 Mill. m3 (RWE)). It is estimated that 23% of wooden products (including paper) imported into the EU come from so called “high risk countries”, countries where the likeliness of illegal logging is very high³⁶. This means that the wood is logged in a destructive manner, destroying fragile ecosystems, causing the disappearance of rare animal species, such as the Orang-utan in Borneo, the Siberian Tiger in Russia, the Jaguar in the Amazon or the Mountain Gorillas in the Congo. In addition, these illegal practices destroy the livelihood of poor people depending on the forest and giving way to deforestation causing climate change. Furthermore, with the growing demand for bionenergy and biofuels in the following years, the figures above might increase substantially.

Illegal logging is a problem whose consequences are mostly seen in wood producing countries outside the EU. However, the problem of illegal logging has to be addressed within the European Community as well³⁷. As a major importer of tropical (and other) timber and timber products, the EU carries a big responsibility for developments in countries outside its borders. Although generally portrayed as a problem in tropical forests, illegality also occurs in developed countries and economies in transition. It is estimated that around 30%³⁸ of wood removal for industrial round wood takes place in high-risk countries, where the extent of illegal logging ranges between 20-90% of the production³⁹.

Illegal and destructive logging have a particularly devastating effect on biodiversity because the main targets are the remaining high-conservation-value forests, including protected areas, which contain highly valuable hardwood species that have been overexploited elsewhere. Illegal logging also affects human communities through loss of natural forest resources and deterioration of living standard. The hundreds of millions of dollars of tax revenues lost around the world as a result of illegal logging and related trade also has a wide social impact.

WWF believes that illegal logging is part of a larger problem that includes issues of forest governance and corruption. These extend far beyond some individuals violating resource-management laws.

The three presidencies need to:

- enforce the implementation of the EU FLEGT (Forest Law Enforcement Governance and Trade) Action Plan to address the problem of illegal logging from various perspectives

³⁶ A. Contreras-Hermosilla, R. Doornbosch, & M. Lodge. 2007. The Economics of Illegal Logging and Associated Trade. OECD Round Table on Sustainable Development.

³⁷ See WWF Position Paper “Illegal Logging and Related Trade”

³⁸ A. Contreras-Hermosilla, R. Doornbosch, & M. Lodge. 2007. The Economics of Illegal Logging and Associated Trade. OECD Round Table on Sustainable Development.

³⁹ See WWF Keep it Legal – Best practises for keeping illegally harvested timber out of your supply chain (2006)

- enforce the adoption of legislation to halt the trade in illegal timber on EU markets, as presented by the Commission as one additional option to combat illegal logging
- ensure environmental and social safeguards for the production and trade of raw material sources for bioenergy and biofuels
- support the development and implementation of sustainable forest management within and outside the EU to halt the destruction of forests and reduce the impacts of climate change

France, as the 6th largest European wood product importer from risky areas⁴⁰, is classified in terms of fighting against illegal logging only at the 11th rank of European countries, long after the UK or Austria⁴¹. France has therefore a particular responsibility to ensure that illegal logging is eradicated. It needs to lead by example together with the Czech Republic and Sweden, by implementing its commitment to getting 100% of its public procurement from credibly certified wood (such as FSC), increasing and improving its border controls, by actively supporting an EU legislation to halt the trade in illegal timber, and increasing development aid for the protection of forest biodiversity.

⁴⁰ Rapport « Failing the forests, Europe's illegal timber Trade », WWF-UK, 2005, <http://assets.panda.org/downloads/failingforests.pdf>

⁴¹ Etude annuelle WWF "government barometer", <http://www.wwf.org.uk/barometer/barometer.asp>

9. FRESHWATER

Protecting freshwater resources is a key priority for WWF. There is work for all three Presidencies on this issue.

9.1 Promote early implementation of the Floods Directive

Between 1998 and 2004, Europe suffered over 100 major damaging floods, including the catastrophic floods along the Danube and Elbe rivers in summer 2002. Catastrophic floods endanger lives and cause human tragedy as well as heavy economic losses. Floods are natural phenomena but through the right measures we can reduce their likelihood and limit their impacts. In addition to economic and social damage, floods can have severe environmental consequences, for example when installations holding large quantities of toxic chemicals are inundated or wetland areas destroyed. The coming decades are likely to see a higher flood risk in Europe and greater economic damage.

The EU Directive on the assessment and management of flood risks entered into force on 26 November 2007. This Directive now requires Member States to assess if all water courses and coast lines are at risk from flooding, to map the flood extent and assets and humans at risk in these areas and to take adequate and coordinated measures to reduce this flood risk. The Directive also reinforces the rights of the public to access this information and to have a say in the planning process.

WWF calls on the three Presidencies to promote the early implementation of this directive and to build on synergies with the Water Framework Directive implementation by incorporating the ongoing national work on flood risk management during the public participation for the first River Basin Management Plans under the Water Framework Directive.

France should pursue its risk prevention processes review policy with the view to improving people participation in the follow up of the Borloo ministerial instruction on foreseeable natural risk prevention (July 3rd, 2007).

9.2 Climate change adaptation and water

2007 is the year the world woke up to climate change. We are facing the greatest environmental challenge humanity has ever known, and the next decade is our last best chance to keep the extent of climate change and our vulnerability to its effects within feasible bounds. We have no option but action, and there is no contingency plan if our actions fail.

The European Commission's June 2007 Green Paper on adaptation made a good start in outlining the challenges and possible responses.

WWF advocates an approach to climate change adaptation that increases the resilience of the natural environment against the impacts of climate change by addressing already existing pressures and through additional efforts helping it to adapt to climate change (for example ambitious implementation of the Water Framework Directive). WWF

promotes the following basic principles to be followed to ensure sustainable climate change adaptation:

- Work with nature not against it
- Find the right balance between use and protection & support innovative technology
- Turn agriculture from problem driver to solution facilitator
- Achieve full integration of EU policies and ensure wise use of EU funds

WWF calls on the three Presidencies:

- **to give the issue of adaptation to climate change a high political profile on the EU agenda**
- **to promote the principle of increasing ecosystem resilience as the key objective for all adaptation measures**
- **to ensure ambitious implementation of the Water Framework Directive as key first action measure for climate change adaptation**

Specifically for French Presidency, WWF calls on France to address the following points in the **Action Plan to address water scarcity and droughts**:

Access to good quality water in sufficient quantity is fundamental to the daily lives of every human being, environment and to most economic activities. But water scarcity and droughts have now emerged as a major challenge – and climate change is expected to make matters worse.

In recognition of the acuteness of the water scarcity and drought challenges in the EU, the European Commission adopted a Communication on these issues on 18 July 2007. WWF supports the integrated approach presented by the Commission's promoting full implementation of the Water Framework Directive, improving water savings and efficiency and adequate water pricing and cost recovery. We also support the suggested hierarchy of measures with water-saving measures at the top and creating new water supplies as option of last resort. According to the European Commission, the EU's estimated water-saving potential is on average 20%, but increases to 45% of 2025 demand in Mediterranean countries, and exceeds 43% for agriculture and industry, and even 100% for electricity production. It is only logical that this potential should be fully exploited before opting for capital and energy-intensive engineering solutions to increase water supply which, owing to their high environmental, energy and social costs, do not increase water security.

However, the policy orientation lacks specific measures to deal with the **agricultural sector**, which has been identified as one of the main water-users (see also section on agriculture). The European Commission will present an Action Plan for an EU-wide effort to tackle water scarcity and drought problem during the French Presidency (provisionally in September 2008).

WWF calls on France to further promote a shift for EU and national policies towards a three-fold approach: manage water demand, increase the efficiency in the water use, and apply integrated and sustainable water management. In addition, in order to address

the agricultural sector, as the main water user in many areas prone to water scarcity and droughts, WWF urges France

- To call for introducing full decoupling of production support for crops, addressing water quantity issues within the cross compliance mechanism, and ensuring that the environmental benefits provided by the set-aside system are maintained through an alternative system when the set-aside system is abolished;
- To call for reinforcing rural development policy (CAP 2nd pillar) by a major transfer from direct payments (CAP 1st pillar) while at the same time putting rural development expenditure under a much stronger scrutiny in order to ensure Rural Development funding is spend on water saving programmes rather than on an increase in irrigated farm land.
- To urge Member States to ensure beneficiaries of CAP payments and other subsidies are authorised water-users (i.e. do not abstract water illegally);
- To ensure that “saved water” as a result of for example modernizing irrigation systems is allocated where it is most needed in the river basin (including to improve health and resilience of vital freshwater ecosystems).



WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by:

- conserving the world's biological diversity
- ensuring that the use of renewable natural resources is sustainable
- promoting the reduction of pollution and wasteful consumption

FOR FURTHER INFORMATION:

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