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MAKING THE EU FIT FOR THE FUTURE:

GERMAN ENVIRONMENT NGOs CALLS ON THE GERMAN
COUNCIL PRESIDENCY

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In July 2020, Germany takes over the Presidency of the Council of the European Union for six months. The Presidency comes at a time of turbulence that will put solidarity and cohesion within the EU to the test. The effects of the climate and biodiversity crisis, which are already being felt today, are becoming increasingly evident in the form of forest fires, prolonged droughts and the deaths of insects, and require decisive political action for the benefit of people, animals and nature. In the current Corona crisis, moreover, the vulnerability of our economic and social model is becoming clearer than ever before. Risk analyses confirm that in addition to pandemics, it is particularly the climate crisis, heat waves, species extinction and environmental disasters that threaten our health, but also our infrastructure, our food supply and our prosperity. The political response to the looming economic downturn must be **to make our economic system and practices more resilient**. Responses to the health and economic crisis must remain within the planetary boundaries and must be characterised by European and international solidarity. Even if **the European Green Deal (EGD) does not go far enough in many areas, it offers promising starting points** for getting the European economy back on its feet after the pandemic and making the EU more sustainable and more resilient to crises. The EGD can become the operating system of a resilient EU. But for this to happen, the positive initiatives must now be strengthened and on no account postponed or even watered down.

1. USE PUBLIC FUNDS TO EMERGE STRONGER FROM THE CRISIS

The recession caused by the Corona virus will confront European public budgets with major challenges. This calls for solidarity with the member states worst affected. The EU Stability and Growth Pact must be reformed once its suspension comes to an end, so that it enables the member states **to make the investments required to better prepare for future crises**. Also Within the Eurozone, instruments must be strengthened so that member states can stimulate their economies. The key is always to develop the economy in such a way that it helps to limit global warming to a maximum of 1.5°C and to stop the extinction of species - because fighting one crisis must not fuel the next. In its Presidency role, the Federal Government must ensure that the national economic stimulus packages of all member states are equally geared towards this goal. Furthermore, the negotiations on the Multi-annual Financial Framework (MFF) and its sectoral regulations must be conducted so that the EU budget is increased and becomes a catalyst for the implementation of the EGD and the strengthening of European solidarity.

It is precisely because of the Corona crisis that the transformation of Europe must now be driven forward by means of targeted economic support in line with the EGD. Additional funds are needed in

the EU budget to combat the climate and biodiversity crisis. A prerequisite for the success of the EGD is **stopping climate-and biodiversity-harmful support schemes and subsidies and thus ending their counterproductive effects on the objectives of the EGD**. At the same time, it is important to switch funds from those support schemes into support programmes aimed specifically at climate and biodiversity protection and thus at furthering the EGD.

At least 40 percent of the total EU budget must be earmarked and implemented for climate protection and at least 10 percent for the protection and restoration of biodiversity. Something like 15 billion euros at least from the EU budget, and within the Common Agricultural Policy (CAP) in particular, must be earmarked for targeted measures in the area of Natura 2000 and species protection.

All future **operational programmes must be planned and implemented in a sustainable, „Paris-compatible“ and environmentally friendly way**, and monitored using a new, effective and measurable methodology. The current crisis is revealing the serious weaknesses of intensive and industrialised agriculture in particular. The European funds from the Common Agricultural Policy (CAP) offer great potential for bringing about a change of direction here. Within the **CAP**, the „Second Pillar“ (EAFRD) needs to be significantly strengthened compared to the current funding period, as it is the one that is best aligned with the objectives of the EGD, e. g. through funding for organic farming and nature conservation. Both CAP pillars should be used to earmark funds in line with requirements to reward specific nature conservation services provided by farmers. The automatic crediting of 40 percent of direct CAP payments against climate quotas in the MFF and the CAP is unjustifiable and must therefore be discarded. Adequate climate benefits must be ensured through appropriate measures under the Eco-Schemes (1st pillar) and agri-environmental and climate measures (2nd pillar).

Within the **regional funding programme (ERDF)**, support for the implementation of Natura 2000 and Green Infrastructure must be established on a Europe-wide basis. Both the delivery of technical assistance and the thematic objectives must reflect this and be enshrined by the German Federal Government as part of the Partnership Agreement. Interventions with negative environmental and climate impacts must be excluded without exception. The Federal Government's foremost task during its Council Presidency should be to steer all relevant negotiations in the right direction in the interests of sustainability.

At least one percent of the EU budget must be allocated to the **LIFE Programme** for outstanding projects in nature and environmental protection. The European Marine and Fisheries Fund should be transformed into a **genuine marine protection fund**. Instead of subsidising overfishing, these funds must be used for the ecological restoration of our seas.

The Federal Government should ensure that a mid-term review is carried out halfway through the EU funding period to check whether programmes and measures need to be tightened up in order to effectively serve the objectives of the EGD.

2. ENSURE COMPLIANCE WITH THE PARIS AGREEMENT - RAISING THE EU CLIMATE TARGETS

The European climate target for reducing greenhouse gas emissions by 2030 is not in line with the Paris Agreement. Germany must ensure that, as the centrepiece of the Green Deal, the EU raises its 2030 climate target to a level of ambition sufficient to make a fair contribution to meeting the global target under the Agreement of limiting temperature increase of 1.5 degrees Celsius. In line with climate science, the organisations brought together under the umbrella of the DNR call on the EU to assume responsibility for a greenhouse gas reduction of at least 65 %, recognising that serious steps towards this goal present a challenge for some actors. In addition, Germany must pave the way for successful negotiations for a robust European Climate Law. This must set as binding targets both climate neutrality well before 2050 and the phase-out of fossil fuels by 2040 if possible, and must underpin these with interim targets, strong ambition and review mechanisms and climate mainstreaming in all sectors. The Just Transition Fund meanwhile will play an important role in supporting Europe's coal- and energy-intensive regions through the transition and must therefore receive massive support from the EU member states. However, it must be linked to clear criteria for decommissioning. Another key aspect is the strengthening of EU climate diplomacy and the establishment of strategic climate partnerships with third countries in order to raise the climate target.

In order to promote industrial transformation through economic incentives, a climate-oriented reform of the Energy Tax Directive, among other things, is required. The **EU Emissions Trading Scheme** (EU ETS) needs to be reformed in spring 2021 to bring about effective carbon prices and to take account of the forthcoming increase in the national climate contribution (NDCs). This requires in particular full auctioning of allowances and a steeper linear reduction factor, as well as a minimum price (at least in the electricity sector). In addition, the market stability reserve must be further developed. Among other things, its annual withdrawal rate should be increased. In addition, the kerosene tax exemption for shipping and aviation should be abolished, as it is incompatible with the climate targets, and aviation and shipping should be fully included in the ETS. It is also to be welcomed that the introduction of a carbon border tax adjustment at the EU's external borders is being considered. It is crucial that such a measure is only introduced, if the free allocation of emissions allowances in emissions trading is stopped. We see a danger in the initiative to extend the EU ETS to road transport and the building sector, as this promises only a small incentive effect in both sectors.

3. MAKING CLIMATE NEUTRALITY THE OVERRIDING GOAL OF ENERGY POLICY

The EU's engagement in the fight against the climate crisis must be based on an energy infrastructure that is oriented towards the goal of climate neutrality while at the same time being environmentally friendly. However, the focus on fossil natural gas locks in an energy system that undermines this goal. In the negotiations on the strategy for Smart Sector Integration, the Federal Government must therefore concentrate on the goal of an energy transition based on reduced consumption of energy and resources and an environmentally-friendly supply system based on 100 percent renewable energy. The Federal Government should lead the negotiations towards an agreement that **fossil fuels,**

including fossil gas, should no longer receive subsidies or political support. The same applies to nuclear power. The expansion of renewables and of the associated infrastructure should be carried out in a way that minimises its impact on land use and nature. This is particularly true for the negotiations on a strategy for offshore renewables. The forthcoming TEN-E regulation on major energy infrastructure projects must **ensure the environmentally friendly expansion of renewables, a focus on energy and resource efficiency and the phasing out of nuclear power, coal, oil and fossil natural gas.**

4. FOCUSING ON CLIMATE-FRIENDLY MOBILITY

The EU **strategy for sustainable and smart mobility** announced for the end of 2020 must include a concept for a European mobility transition: for example, it must create a framework for shifting as much traffic as possible to rail and waterways, or avoiding it altogether. Overall, the price must reflect the costs to the environment and to health, and the strategy must set out a clear and binding path for the complete decarbonisation of the transport sector. This means that as soon as possible after 2030 the target of 100 percent emission-free new cars must be achieved. The German Council Presidency must therefore create the necessary conditions to ensure that the forthcoming revision of the Energy Taxation Directive is aligned with this target and that the member states agree to **abolish tax exemptions for air and sea transport fuels.** The introduction of **emission-free propulsion systems** must be pushed through for road traffic. Priority should be given here to the direct use of electricity. Infrastructure investments should only be financed, if they are considered sustainable in terms of the planned EU Taxonomy Regulation, i.e. if they demonstrably and significantly reduce greenhouse gases without creating new lock-in effects. The new **Battery Directive** expected in the autumn offers the opportunity to make Europe a leading location for the sustainable production of electric vehicle batteries. In order to ensure that the raw materials for batteries are ethically and sustainably sourced and recycled in an environmentally sound manner, demanding specifications are required, which must also apply to industrial and appliance batteries. It is also absolutely essential to implement the planned **reform of the CO₂ standards for cars and light commercial vehicles.** **Green hydrogen and synthetic fuels** could help to reduce CO₂ emissions from aircraft and especially from ships. The German Presidency should take the initiative to create the necessary framework at European level for responsible, efficient and sustainable hydrogen production for use in air and sea transport. This can be achieved by defining appropriate criteria for production and setting appropriate, binding additive quotas. The revision of the **Eurovignette Directive** offers a unique opportunity during the German Council Presidency to apply CO₂ as an external cost factor and to differentiate road tolls accordingly. The rail system, which is still very much structured in line with national borders, urgently needs to be Europeanised. In addition, an EU strategy for shifting intra-European flights to the potentially climate-neutral rail system needs to be developed. The negotiations on the EU Passenger Rights Regulation, which have been postponed until the autumn, provide an opportunity to firmly establish direct ticketing for rail journeys across borders. The German Council Presidency should also seek to use the European Commission's European Year of Rail 2021 for a number of concrete measures, and in particular **to bring forward cross-border rail infrastructure projects.**

5. SET THE EU ON COURSE FOR AN ENVIRONMENTALLY-FRIENDLY AND CLIMATE-NEUTRAL AGRICULTURAL SYSTEM

During its Presidency, Germany must ensure that **the Common Agricultural Policy (CAP) finally fulfils scientific and societal requirements in the areas of climate, environmental, nature and animal protection**, that it organises and protects farming on ecological principles, and makes it more resilient to global crises. The fact that today's intensive and industrial agricultural model is not sustainable is currently becoming more apparent than ever before. The current reform proposals, already drafted by the previous Commission, do not go far enough and thus jeopardise the success of the EGD and compliance with global and EU targets on biodiversity and climate. The **complete transformation of flat-rate area payments** into a targeted system that rewards public goods provided by farmers must be initiated now and completed by 2027. EU agricultural funding, using a triad of conditionality, eco-schemes and agri-environmental and climate measures, must deliver significantly more for climate, environmental, nature and animal protection than has been the case to date. Among other things, these three instruments must be used to maintain and create high-quality nature conservation habitats on at least ten percent of total farmland.

As a facilitator of this process in the responsible Councils of Ministers, Germany must also ensure that concrete targets and measures underpin the new EU food strategy („**Farm-to-Fork**“). This applies, among other things, to reducing the consumption of foods of animal origin and developing animal-free protein sources as well as reducing the toxicity and quantity of pesticides and the levels of food waste. It also includes the revision and tightening of EU animal welfare legislation, an EU-wide mandatory animal welfare-labelling scheme for foods of animal origin and clear rules to reduce animal transportation and the consumption of antibiotics in animal husbandry.

6. RESTORE BIODIVERSITY AND ECOSYSTEMS

The Corona pandemic must provide the impetus for finally taking the collapse of biodiversity and species diversity seriously and tackling it in a targeted manner. While the illegal trade in wildlife and the loss of ecosystems has so far been criticised almost exclusively for reasons of species protection, issues such as biosecurity, public health and economic impacts are now the focus of attention.

Even though the Conference of the Parties to the Convention on Biological Diversity (CBD COP 15) will most likely not be held under the German Council Presidency due to the Corona pandemic, this does not release the German government from its responsibility to play a leading role in this process. It must lobby for an **ambitious global framework agreement on biodiversity** and ambitious, measurable and adequately funded targets and measures. To this end, it must set an example to the EU member states, but also to other states, by increasing its financial contributions to international nature conservation to one billion euros per year from 2021. The conservation of biological diversity must be recognised as a crosscutting issue for every policy area (agriculture, transport, etc.) with appropriate specific targets, measurable indicators of success and defined responsibilities.

In the EU negotiations in the framework of the post-2020 **EU Biodiversity Strategy**, Germany must support legally binding, area-based targets for the restoration of ecosystems as well as an implementation and financing strategy for Natura 2000, and promote these during its presidency. In addition, Germany must seek to ensure that the member states give encouragement and support to the strategy and the targets agreed there (e. g. for pesticide reduction and soil protection).

On the basis of the EU Council conclusions on the protection and restoration of the world's **forests** of 2019, the German Council Presidency should aim to ensure that the EU member states agree to promote deforestation-free supply chains by means of legislative measures. In this context it will be crucial that the Federal Government itself takes a clear position in order to facilitate resolute and consistent decisions. The forest strategy must also serve to preserve and restore biodiversity.

7. FINALLY IMPLEMENT WATER AND MARINE CONSERVATION

The Federal Government must ensure that the **Water Framework Directive** is not opened up for discussion and that the focus is on full implementation of the targets set up to 2027. This can only be achieved through ensuring coherence with other European policy areas, especially transport, agriculture and chemicals, which must be adapted to align with the objectives of the Water Framework Directive. Germany, as the country holding the Council Presidency, must explicitly commit itself to the core demands of a „2020 Marine Offensive“, as set out by German environmental and development organisations, as well as to the objective of the **Marine Strategy Framework Directive** to achieve a „good environmental status“ for our oceans by implementing the measures already adopted and by agreeing new, specific and time-bound targets and measures. The basis for this is a coherent and well-managed network of protected areas covering 30 percent of the world's oceans and providing sufficient unused areas to serve endangered species and habitats in particular as important areas for recovery and restoration, flanked by ecologically sustainable fisheries and a reduction of harmful inputs into the oceans by 2030. It is important that the science- and ecosystem-based fisheries management regime set out in the **Common Fisheries Policy (CFP)**, including sustainable catch limits, is fully implemented, and that Germany puts its weight behind a fundamental reform of the EU fisheries control regulations to ensure effective controls.

8. UTILISING THE POTENTIAL OF A TRUE CIRCULAR ECONOMY

Part of the German government's role will be to initiate an ambitious **implementation of the new Circular Economy Action Plan** in accordance with the Council conclusions of 2019. An overarching **target for the reduction of resource consumption** is needed, as are targets for waste prevention. The carbon cycle must be effectively closed. A comprehensive **sustainable product policy** and a new product information system must be used to promote a clean circular economy in which non-toxic products are re-used, repaired and recycled. The **market for recycled materials must be strengthened** by means of a mandatory quota for the use of recyclates for products and packaging, with as little downcycling as possible. The German Council Presidency must press ahead with rapid measures,

especially in the resource-intensive sectors of textiles, furniture, batteries and information and communication technology, as well as in construction projects and materials. Circular economy measures must be linked more closely with European climate policy, for example by systematically recording net CO₂ balances for the value chains of products and materials on the European market. In addition, the German Council Presidency has a key role to play in organising strong support from EU Member States for a UN negotiating mandate for a convention against marine plastic waste in the run-up to the UN General Assembly (UNEA5), in accordance with the Council conclusions of November 2019 on marine protection and the Commission's Circular Economy Action Plan of March 2020.

9. PUSH FORWARD THE NEW INDUSTRIAL REVOLUTION

Industrial emissions have barely been decreasing since the turn of the millennium. The **EU Industrial Strategy** must convert the EU economy to fully resource-efficient and climate-neutral production and a true circular economy by 2050. The Federal Government must therefore conduct the upcoming negotiations with this aim in mind and must press for the introduction and funding of instruments that can bring about a conversion of the entire raw material and energy supply for industry, and of all industrial plants and facilities, to climate-neutral processes. This requires the targeted allocation of financial resources through EU innovation funds, product-related climate levies and Carbon Contracts for Difference. Clear and binding guidelines for green procurement, as well as quotas, norms and standards, must drive the demand for low-emission and resource-efficient products. In addition, the review of the Industrial Emissions Directive (IED) and the revision of the Best Available Techniques Reference Document (BREF) must fully integrate the goals of recycling, climate protection and zero pollution. These industrial measures must be backed up by a robust „Just Transition Mechanism“. The climate partnerships for the implementation of ambitious climate targets must promote industrial transformation in cooperation with other economic regions.

10. A NON-TOXIC FUTURE FOR EVERYONE

The Council must urge the EU Commission to put forward an overarching **chemicals strategy** based on prevention and sustainability, as well as the **strategy for a non-toxic environment**, which has been overdue since 2018. The strategy must close legislative gaps regarding the use of chemicals, push for the enforcement of animal-free testing procedures, strengthen legislation to prevent exposure and find a solution for dealing with endocrine disruptors, highly toxic pesticides and persistent pollutants. Substances of concern must be replaced by safe alternatives, not by questionable substitutes from the same substance group. The Federal Government must advocate or initiate processes to ensure that, within the framework of **the international chemicals management regime (the SAICM Beyond-2020 Process)**, an ambitious agreement is developed for a sustainable global chemicals and waste management system that is effective in limiting the impact of hazardous substances and waste on people and the environment. Producers and industrial users must be held accountable and reliable support and cooperation must be made available for countries of the global South.

11. COHERENT LEGISLATION THAT PROTECTS PEOPLE AND THE PLANET

In addition to many other priority issues within the EGD, the Federal Government must also make progress on an overall strategy for the implementation in all EU institutions of the **UN Sustainable Development Goals (SDGs)** - with clear common minimum standards for objectives, timetables, targets and specific measures in all policy areas. The European Semester review can make an important contribution to this. Sustainable development must become the overarching objective for all EU policy areas and programmes. This also means that all new legislative proposals must from now on be compatible with the path to climate neutrality from the outset. The „do no harm“ approach, based on clear criteria, should be introduced in all sectors as an overriding qualifying test to support the precautionary principle as enshrined in the Treaties. In addition, an ambitious and legally binding Environmental Action Programme (**8th EAP**) is needed which sets a framework for the transformative change towards a socio-ecological Europe (Just Transition). This must include ambitious, legally binding, amendable and measurable targets, a mechanism for monitoring and implementation, and a commitment to adequate funding to ensure that the EU retains the power and capability to act both internally and externally. Each department must be assigned its own goals, enforceable across all sectors. The far-reaching transformation of the EU, as outlined in the EGD, can only be achieved **if the regulatory policy framework is reinforced** with new core legislation, better implementation of existing EU rules and adequate access to the courts. Germany must stop deregulation efforts such as the implementation of a „one in, one out“ rule and strengthen legislation that brings the ecological footprint of Europe's economy back within the planetary boundaries. Accordingly, the Federal Government must put strengthening the public interest and public goods at the forefront of its efforts. To this end, **the costs and benefits in areas such as health and environmental policy as well as the indirect economic consequences of legislation** must be fully integrated into impact assessments, with binding consequences. **Public participation** - as provided for in the **Aarhus Convention** - should be further enhanced. The right of recognised environmental organisations to bring collective actions must be secured and extended in order to combat the implementation deficit and to create legal certainty in Europe; at the EU level, among other things, the Aarhus Regulation must be adapted to this end and a directive on access to justice in environmental matters must be tabled. Any restrictions on collective actions in environmental protection, or a weakening of the standards required by the Aarhus Convention, must be strictly rejected.

12. FOCUS DIGITALISATION ON THE COMMON GOOD

New digital technologies offer many opportunities and can contribute to a sustainable energy, transport, industrial, agricultural and resource transition. The signatory organisations to this paper welcome the fact that the Federal Government explicitly seeks to link the issues of sustainability and digitalisation. In order to fully exploit its potential in this respect, the technology sector must be committed to **sustainable product design**, which guarantees the reduction of electricity consumption, longevity, reparability, recyclability, the necessary data protection, restrictions on the power of the data companies and the observance of human rights, as well as environmental and nature conservation standards, along the supply chains. This applies not only to electronic devices, but also to

software, which users must be able to operate and repair themselves, as is often the case already with open source software. It is essential for data security that the Federal Government obliges companies to disclose source codes if they do not provide security updates for software. In addition, the enormous power requirements of the Internet infrastructure must be curtailed through regulations for data centres, and these requirements must be met using renewable energy. In light of the progressive expansion of digitalisation into all areas of life, the responsibility of the public sector is growing. This is why it is essential in areas with high social significance **to extend the responsibility for guaranteeing the security of public supply** to IT infrastructures.

13. A NEW TRADE POLICY AND NEW EXPORT PROMOTION MEASURES

Like all other policy areas, **trade policy must in future be geared towards the objectives of the EGD, such as climate neutrality and the preservation of biodiversity, through effective mechanisms.**

During the German Council Presidency, the Federal Government must do everything in its power to ensure that the member states discuss trade policy under new auspices, thus paving the way for a change of direction and approach. The aim should be to use trade policy instruments to reduce, rather than facilitate, the import and export of products - from cars with combustion engines to meat products - whose use or production run counter to the EGD. The EU must therefore review all agreements already in place and under negotiation to see what changes might make a positive contribution to the EGD, the UN sustainability goals and human rights. Only in exceptional cases should this lead to a further reduction of tariffs. In fact, new duties on imports and changes to export structures will often be necessary, for example in order to protect the climate. This is where the Federal Government can provide significant impetus during its Presidency of the Council. A key issue here is that **the sustainability chapters in trade agreements must be made binding and actionable.** In addition, the member organisations of the DNR reject further „investment protection agreements“ that establish a parallel justice system favouring international investors. This means, among other things, no such investment protection agreement with China. Existing agreements and those currently under negotiation must be amended in relation to the EGD, the UN sustainability goals and human rights. Germany can use its Presidency to focus the discussion between the member states.

The introduction of a European supply chain regulation for companies requiring due diligence with regard to environmental and human rights would create legal certainty and competitive advantages for companies that are already voluntarily committed to applying human rights and environmental due diligence. Germany must actively support the regulation promised in 2021, play a leading role in this area and make a fundamental decision on the key points of a German supply chain law in the summer of 2020. Only in this way can Germany establish credibility in working for a European-level solution during its Presidency of the Council.

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The German League for Nature and Environment (DNR) is the umbrella organisation of 94 organisations working in nature, animal and environment protection and together representing eleven million people. The organisations under DNR's umbrella are united by the goals to stand up for biodiversity, resource protection, combatting climate change and a sustainable and environmentally sound economy.

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