

The background of the entire page is a photograph of a clear blue sky. In the lower-left foreground, there are several rows of dark blue solar panels with white grid lines, reflecting the sunlight. In the middle ground, a white wind turbine with three blades is visible, extending upwards towards the sky. The overall scene represents clean, renewable energy.

BOOSTING EU RESILIENCE AND INDEPENDENCE THROUGH THE EUROPEAN GREEN DEAL

**RECOMMENDED EU ACTION IN LIGHT OF THE
WAR IN UKRAINE**

WWF is appalled by the escalating war in Ukraine, which violates both the United Nations Charter and international humanitarian law. We condemn the extreme violence against civilians and the destruction, and our hearts and thoughts are with everyone who is affected, especially the people of Ukraine who are suffering, and all those in the impacted regions.

Urgent action must be taken to address the catastrophic humanitarian crisis that is rapidly unfolding.

Meanwhile, the climate and environmental catastrophe that humanity faces looms larger with every day that passes, and we need to address the ramifications of the war in Ukraine in a way that also tackles that longer term existential threat - particularly by reducing the EU's dependence on fossil fuels as quickly as possible.

INTRODUCTION

The war in Ukraine has shone a spotlight on global energy and food systems, which have witnessed sharp rises in commodity prices amidst fears of shortages. These and other impacts on raw material supply chains show how vulnerable today's economies are to external shocks, particularly when based on fossil fuels and the unsustainable production and consumption of natural resources.

While world leaders prepare and implement urgent short-term responses to the war, it is imperative they also assess the long-term consequences of those responses and take decisions to address the systemic weaknesses that undermine the stability and resilience of our economies and societies. Not only the war in Ukraine, but other conflicts around the globe as well have proven that the world's sustainability, stability and security are inextricably linked¹.

Alongside required actions to address the short-term social and humanitarian impacts of the war, there is now a growing recognition in the EU of the urgent need to tackle our reliance on fossil fuels and, more broadly, our unsustainable consumption and production, both of which are driving the climate and biodiversity crises.

However we are also witnessing attempts by vested interests, supported by some politicians, to use the war as a justification for watering down crucial environmental standards in the EU, and to postpone or even scrap policy action aimed at restoring nature or making food production more sustainable. Such attempts are deeply misguided: short-term measures to address immediate shocks to the economy must also support longer term resilience, which means prioritising nature, planetary boundaries and climate protection, and supporting the most vulnerable, both at home and abroad.

There is therefore an even more urgent need for a speedy and consistently implemented green and just transition. This is the only way that long-term food, energy and indeed climate and overall socio-economic security can be achieved.

Since the start of the war in Ukraine, many governments have declared their intention to reduce their reliance on fossil fuel imports from Russia. While this is to be welcomed, there is an acute risk that these imports will simply be replaced with other sources of oil and gas, or that other harmful alternatives will be pursued, such as extending the lifespan of existing coal-fired power plants or burning even more trees and crops. Instead, decision-makers need to accelerate the deployment of energy and resource options that genuinely benefit climate and nature, such as energy efficiency and energy saving measures, and a rapid expansion of appropriately sited wind and solar power.

All solutions to the immediate crisis must be effective and support long-term climate and biodiversity goals. To achieve this, policy makers must ensure that:

- **all action is taken in an inclusive, socially fair and climate-just manner**, so that any price increases or other costs caused by the war in Ukraine do not disadvantage the most vulnerable people or communities, whether in the EU or elsewhere.
- **all short-term action is compatible with the EU's long-term strategic priorities, as set out in the European Green Deal**, including the legal commitment under the Paris Agreement to try and limit global warming to 1.5°C and the commitment to reducing the EU's footprint and protecting and restoring biodiversity, as set out in the EU Biodiversity and Farm to Fork Strategies, amongst others.

This paper presents solutions which are sustainable, socially fair and support the EU's climate and environmental objectives, while enhancing its resilience and independence. It also counters the most dominant false narratives aimed at undermining or derailing key initiatives of the European Green Deal - narratives which have been used in an opportunistic way by vested interests to further their own narrow commercial agendas.

SUMMARY OF RECOMMENDATIONS

In order to boost the EU's energy and resource independence in a way that is inclusive, socially fair, and compatible with the Union's strategic priorities set out in the European Green Deal, EU leaders must:

SPEED UP THE JUST AND ECOLOGICALLY SUSTAINABLE ENERGY TRANSITION

Accelerating the phase out of all fossil fuels and related infrastructure by shifting towards an efficient and 100% renewable energy system is the most cost-effective and sustainable way to increase the EU's energy and resource independence.

The EU must prioritise cutting its energy consumption, through a combination of energy efficiency and demand reduction measures. At the same time, the EU must help Member States speed up the roll-out of wind and solar power, without weakening rules on nature protection, and raise national renewable targets in an all-EU effort to cut dependence on fossil fuels as fast as possible.

1. Reduce the EU's energy consumption by at least 45% by 2030²

- Mandate large scale and easily accessible national programmes for deep renovation of buildings, accelerating the EU's Renovation Wave Strategy, with up to 100% financing for economically disadvantaged households;
- Encourage a modal shift from private vehicles to public transport, cycling and walking, by investing in public and shared transport options and related infrastructure;
- Speed up the electrification of transport, including by setting much stricter vehicle emission standards;
- Help citizens, businesses and public authorities cut their energy consumption and bills through high profile information campaigns promoting the economic and environmental benefits of reduced energy consumption.

2. Increase the share of renewables to at least 50% by 2030

- Ensure that rooftop solar is deployed on all suitable existing and new buildings;
- Identify the best sites for large-scale deployment of wind and solar energy by improving terrestrial and maritime spatial planning and investing in biodiversity sensitivity mapping tools and socio-economic analysis;
- Accelerate permitting procedures for wind and solar energy and related infrastructure through better spatial planning and the mandatory inclusion in tenders of criteria on nature and environment, through funding adequate staffing in competent authorities, and through the early and full involvement of independent experts, citizens and local authorities;
- Scale up efficient electrification in buildings, industry and agriculture, including by helping EU citizens switch from polluting heating sources such as burning coal and wood and promoting district heating supplied by large scale heat pumps;
- Encourage the expansion of local energy communities and distributed energy generation, in order to boost social engagement in the clean energy transition.

3. Reject false solutions that will accelerate the climate and/or biodiversity crises, that are high risk, or that will lead to stranded assets

- Ban any new oil or gas infrastructure or exploration;

- Ban subsidies for burning primary forest biomass or dedicated crops for energy, or for converting such feedstocks to biofuels or biogas; bioenergy should be based on fast-decaying wastes and residues with no other uses;
- Reject the idea of converting the existing EU gas grid to carry hydrogen and instead plan for its decommissioning;
- End public investment in the construction of new hydropower plants, which would make a negligible contribution to power supply but have huge impacts on the health of freshwater ecosystems;
- End public investment in the construction of new nuclear plants;
- Ban deep sea mining for minerals, which causes irreversible harm to the ocean and its biodiversity.

ACCELERATE THE TRANSITION TO SUSTAINABLE FOOD SYSTEMS

Reducing our food system's reliance on fossil fuel and agrochemical inputs such as synthetic fertilisers and pesticides helps farmers and fishers become more resilient to the price volatility and market shortages of such inputs. And by shifting towards sustainable food consumption and production practices, long-term food security at a global level can be ensured.

The 2030 agricultural targets set out in the Farm to Fork and Biodiversity Strategies provide a good basis to increase the environmental sustainability of farming.

4. Address the immediate humanitarian and food crisis caused by trade disruptions, price distortions and harvest losses

- Provide immediate financial support for food assistance and agricultural production in the most vulnerable regions including East Africa, North Africa and the Middle East;
- Ensure availability of food supplies and agricultural inputs in import-dependent countries that rely on food and fertiliser imports and help them diversify their sources of supply.

5. Enhance environmental and social sustainability as the fundamental condition for long-term food security:

- Promote sustainable and more plant-based diets for the benefit of human and planetary health;
- Establish binding food loss and waste reduction targets and measures for the EU and Member States;
- Present an EU legislative framework for sustainable food systems that holistically addresses consumption and production;
- Make use of the new Common Agricultural Policy and the approval of Strategic Plans to boost the support for organic farming, local supply chains, agroforestry and other agroecological practices that lower our dependence on imported agrochemical inputs and fuel;
- Fully implement the Common Fisheries Policy to end overfishing and ensure productive and resilient fish stocks.

6. Reject misguided attempts to postpone needed action or to support harmful practices

- Publish without further delay the Nature Protection Package, which includes the EU laws on nature restoration and sustainable use of pesticides with legally-binding and time-bound, monitored targets as set out in the Biodiversity and Farm to Fork Strategies;

- Adopt ambitious legislation to ensure commodities and products placed on the EU market are not linked to the conversion or degradation of forests and other natural ecosystems or to human rights violations through a new EU Regulation on Deforestation-Free Products;
- Do not sacrifice the biodiversity and ecosystem services - including carbon sequestration - provided by fallow areas, peatlands and natural vegetation on farmland - to seek short term, meagre increases in food or feed production;
- Ban all dedicated bioenergy crops and apply caution when expanding EU biogas or other energy production at farm level.

BRING INVESTMENTS INTO LINE WITH THE EUROPEAN GREEN DEAL

7. Increase public and private expenditure aligned with the European Green Deal

- Reallocate existing EU recovery funds wherever feasible and provide additional financing by amending the existing Recovery and Resilience Facility, fully consistent with the 1.5°C goal of the Paris Agreement, the 'energy efficiency first' principle, and the proper application of the Do No Significant Harm criteria set out under the EU Taxonomy;
- Ensure member states tax windfall profits in the fossil fuel sector and allocate these funds to help vulnerable consumers to meet their energy needs and shift to a more sustainable and cheaper energy consumption.

8. Ensure that public and private investments do not reward polluters or lock-in fossil fuels and fully align with the EU Green Deal

- Reject the proposed second delegated act on the EU climate taxonomy that would classify fossil gas and nuclear energy as green;
- Do not offer additional tax cuts or subsidies to industry to mitigate fuel price increases and set a binding deadline for phasing out all EU fossil fuel subsidies;
- Make EU Emissions Trading System (ETS) revenues work for people and climate;
- Ban advertising and sponsorship by fossil fuel companies in the EU;
- Require financial institutions to set climate targets and transition plans consistent with the EU net zero goal in EU corporate legislation.

9. Ensure access to EU funding to help Ukraine recover following the destruction brought about by the war, including by restoring its nature and environment

- Provide new sources of official development assistance ensuring that essential funding to the humanitarian needs in Ukraine and neighbouring countries should predominantly be additional aid, not taken from funding for existing crises;
- Open the LIFE programme to Ukraine with attractive participation conditions and a large financial allocation.

Key policy decisions in the months ahead should be seized by EU policy makers to translate these recommendations into action. Relevant initiatives include:

- Providing a clear strategy through the **REPowerEU Plan** for the EU to shift away from dependence on fossil and nuclear fuels altogether, and in particular not to fall into the trap of replacing Russian imports with fossil fuels from other countries, which will only continue to perpetuate the EU's energy dependence, and risks resulting in stranded assets and putting at risk the temperature goals of the Paris Agreement. RePowerEU must accelerate the deployment of energy sources that genuinely benefit climate and nature, such as energy efficiency and energy saving measures, and a rapid expansion of appropriately sited wind and solar power, without weakening rules on nature protection.
- Increasing the ambition of key policies in the **EU "Fit for 55" package**, by bringing these in line with science and making them socially fair: higher targets across the board, ensuring polluters pay, supporting the most vulnerable and ending support for fake solutions like burning trees and dedicated crops for energy.
- Speeding up the adoption of key policy initiatives and targets under the **EU Farm to Fork and Biodiversity Strategies**, which will increase the resilience and long-term sustainability of our food systems and, more broadly, our consumption and production, as well as create more space for nature. This includes the adoption of the EU law on deforestation-free products, the EU Nature Restoration Law and the upcoming Legislative Framework for Sustainable Food Systems.

This paper does not exhaustively address all possible policy initiatives or changes. There are additional ones to those listed above, including but not limited to adopting absolute resource consumption ceilings and reduction targets, promoting fully circular economies and sustainable mining practices. WWF is not actively engaged at EU level on all these topics. The recommendations listed in this paper are also provided within a European context, and differences may exist in applying these recommendations across other regions.

SPEED UP THE JUST AND ECOLOGICALLY SUSTAINABLE ENERGY TRANSITION

CONTEXT

It has been clear for years that to stop the escalating climate crisis, and the resulting consequences for nature and people, we urgently need to transform our energy system and stop burning coal, oil and gas. The latest IPCC report³ highlighted once again that without immediate and deep emissions reductions across all sectors, limiting global warming to 1.5°C is beyond reach.

But the war in Ukraine has brought the EU's dependence on fossil fuels and its overall level of energy consumption into even sharper focus. Before the war, Russia provided over 40% of the EU's total gas consumption, and accounted for 27% of its oil imports and 46% of its coal imports⁴. Through the Versailles declaration⁵, Member States committed to increase the EU's energy independence. However, simply shifting our fossil fuel dependency from Russia to other countries such as the US, Norway, Algeria and Qatar will not achieve this and provides no solution to the climate crisis.

As a result of possible sanctions and price speculation, wholesale gas prices were six times higher in the first quarter of 2022 compared to one year earlier⁶, with wholesale electricity prices following a similar pattern, which in turn has driven up retail gas and electricity prices for consumers⁷. These price surges are unfortunately nothing new: a similar situation occurred in 2008 in the aftermath of the financial crisis⁸. But they confirm once again the significant volatility of fossil fuel prices, and the disastrous impacts that price spikes can have on EU jobs and the economy, and particularly on households living in energy poverty. It also makes clear that the EU has done far too little to reduce its dependence on fossil fuels, leaving its citizens and companies critically exposed to such external shocks.

Recent analysis⁹ shows that the EU could end imports of all Russian fossil gas by 2025 - two years earlier than in the latest estimates by the European Commission - and that 66% of gas demand currently met using Russian supplies could be eliminated by delivering the EU's 'Fit for 55' package and accelerating the deployment of renewable electricity, energy efficiency and electrification. The same analysis finds that under such a scenario there is no need to build new gas infrastructure or extend the lifespan of coal power plants.

To meet immediate and longer term challenges, the EU must prioritise cutting its energy consumption, through a combination of energy efficiency and demand reduction measures¹⁰. Political leaders have paid lip service to this issue for years, but most attempts to tackle it have been half-hearted, despite the unparalleled gains that can be realised by reducing our consumption. Such benefits are not only limited to meeting climate targets and reducing the EU's dependency on imported fuels, but also include helping cut energy costs for consumers, tackling energy poverty, and creating long-term local jobs.

At the same time, the EU must take action to increase its share of renewable energy, to at least 50% by 2030, by fast tracking large scale and ecologically sustainable deployment of solar and wind energy. It also needs to avoid any investment in energy sources that are either ecologically harmful or incompatible with the goal of limiting global warming to 1.5°C.

RECOMMENDATIONS

Reduce the EU's final energy consumption by at least 45% by 2030¹¹

Every kilowatt-hour of energy saved makes us less dependent on fossil fuel imports and helps to cut energy bills. Investing in energy efficiency is a win-win-win solution for energy security, climate and social goals.

To ensure the EU can reduce its energy consumption swiftly, WWF calls on policy makers to:

- **Mandate large scale and easily accessible national programmes for deep renovation of buildings**, accelerating the EU's Renovation Wave Strategy: Buildings are responsible for about 40% of the EU's energy consumption and 36% of greenhouse gas emissions from energy¹², but only 1% of buildings undergo energy efficient renovation every year. Boosting energy efficiency would bring down consumption, costs and emissions, and also provide better protection from cold during the winter and heat during the summer, reduce maintenance costs and increase the value of buildings¹³. Public support must be scaled up to make energy efficiency programmes more accessible to all citizens, and to create decent and sustainable jobs for hundreds of thousands of people across the EU to work on insulation, renovation, and efficient electrification of heating and cooling, starting with the homes of those in energy poverty, with up to 100% financing for economically disadvantaged households. As many countries have included investments in energy efficiency in their national Recovery and Resilience Plans (NRRP), the European Commission should carefully monitor implementation of the plans and facilitate sharing of good practice among member states.
- **Encourage a modal shift from private vehicles to public transport, cycling and walking, by investing in public and shared transport options and related infrastructure**: Transport remains highly dependent on oil, with oil-derived fuels accounting for 95% of energy consumption in transport¹⁴ and cars consuming around a third of all Russian oil imports into the EU¹⁵. The average European car transports 1.7 people, making cleaner modes, such as public transport, cycling and walking, a better alternative from both a climate and energy dependence and a public health perspective, by lowering air pollution and creating more green spaces. The EU should support a more sustainable transport system by promoting better urban planning, greater investments in public transport, rail and cycle infrastructure, carpooling measures, and greater accessibility of alternative means of transport. Where train alternatives exist, the EU should also ban short-haul flights.
- **Speed up the electrification of transport, including by setting much stricter vehicle emission standards**: In parallel to a shift towards more sustainable modes of transport, greater efforts must be made to accelerate the electrification of the transport sector as a whole to rapidly reduce CO₂ emissions and fuel dependency. Research by Transport & Environment shows that it is feasible for all cars and vans sold in the EU to be fully electric by 2035 at the latest¹⁶. For some segments - notably corporate and urban fleets - a battery car is already the best option today, so these can phase-out conventional engines even sooner. This transition should be supported by an EU level ban on the sales of combustion engine vehicles, ambitious intermediate targets for electric car and van sales, and significantly raising the emission reduction targets for combustion engines up to 2030. For long distance aviation or shipping - where electrification is difficult - the use of renewable hydrogen produced from solar and wind energy (or other e-fuels derived from it) should be scaled-up rapidly.
- **Help citizens, businesses and public authorities cut their energy consumption and bills through high-profile information campaigns** promoting the economic and environmental benefits of switching off public and office lighting when not needed, turning down thermostats, more efficient use of office space, slower and more efficient driving¹⁷, keeping shop doors closed etc. These can help with short-term energy demand reduction.

Countries such as Belgium¹⁸ and the Netherlands¹⁹ have already started implementing large scale government-led citizen awareness raising campaigns to this end.

Increase the share of renewables to at least 50% by 2030

The costs of wind and solar power have fallen dramatically²⁰. And they bring huge benefits in terms of jobs, health and energy security. Co-legislators should adopt a Renewable Energy Directive that ensures at least 50% of our gross final energy consumption by 2030 comes from renewable sources. Such a target must be met through the large-scale expansion of wind and solar power deployment across the EU in a way that is guaranteed to respect nature by requiring full compliance with EU and national level environmental law and the EU's Biodiversity Strategy. This shift towards a 100% renewable energy system must furthermore be done in an inclusive and socially just manner that avoids worsening existing inequalities and exploits synergies with achieving social goals.

To ensure the EU can increase its share of renewables swiftly, WWF calls on policy makers to:

- **Ensure that rooftop solar is deployed on all suitable existing and new buildings.** Solar Power Europe estimates that an additional 23.3 GW of solar PV capacity could be deployed in the EU by the end of the year alone²¹. This would add to the existing 165 GW of solar capacity already in operation.
- **Identify the best sites for large-scale deployment of wind and solar energy:** Improve terrestrial and maritime spatial planning by investing in biodiversity sensitivity mapping tools and socio-economic analysis to identify suitable sites for renewable energy deployment (including in urban areas), while avoiding protected areas and other ecologically valuable areas for vulnerable species and habitats. The European Commission should consider requiring Member States to define areas as particularly suitable for onshore and offshore wind power and ground-mounted solar power plants ('go-to' areas) as part of reliable and ecosystem-based spatial planning, using wildlife sensitivity mapping, avoiding environmentally sensitive areas, such as protected areas and areas designated for nature restoration. Today, Member States can already use the review of their maritime spatial plans under Maritime Spatial Planning Directive to further the deployment of offshore renewable energy projects following a full stakeholder consultation.
- **Accelerate permitting procedures for wind and solar energy and related infrastructure** through effective digitisation of the process, adequate staffing of the competent authorities, adapting public support to regional and local conditions, promoting knowledge sharing between regions and Member States, early and effective stakeholder engagement. Environmental Impact Assessments (EIAs) and Strategic Environmental Assessments (SEAs) should also be integrated into the planning and permitting procedures as early as possible and aligned with other procedures such as the appropriate assessment under the Habitats Directive, where applicable, and nature-inclusive design in the preliminary research and development or conception phase used to reduce/minimise the impacts of renewables on nature.
- **Scale up efficient electrification in buildings, industry and agriculture**, including in urban areas by rapidly replacing gas grids with heat networks supplied by community-scale heat pumps, geothermal energy, waste heat and inter-seasonal heat storage. Production processes in industry, wherever possible, must be electrified with direct use of renewable electricity - which will require a scale up of electrification in the industrial sector. A scale-up of renewable hydrogen will have to be considered only to meet the demand for high temperature heat in certain resources and energy intensive industries (like steel and basic chemicals). The EU should, as a priority, consider how renewable energy and related value chains can be developed in Europe, guaranteeing decent, quality jobs and maximising the economic benefits that the shift to renewable energy can bring.
- **Encourage the expansion of local energy communities and distributed energy generation.** Enabling individual home owners and local communities to become producers

of renewable energy and participate in markets on the same footing as private operators can boost social engagement in the clean energy transition, speed up deployment and create local jobs.

Reject false solutions which are neither ecologically sustainable nor socially fair or compatible with our climate goals

Despite the need for quick solutions to wean ourselves off Russian - and indeed all - fossil fuels, policy makers must avoid supporting any false solutions which put at risk the EU's ability to meet the Paris Agreement commitment to 1.5°C or which harm our natural environment and are not compatible with the commitments in the EU's Biodiversity and Farm to Fork Strategies, amongst others. Some of the most obvious such false solutions include building more fossil gas infrastructure or additional gas exploration, which will lead to stranded assets, reactivating or extending the operation of coal power plants, burning more trees or dedicated crops for energy - something that risks increasing emissions and pollution compared to fossil fuels and can harm food security - and relying on unrealistic levels of renewable hydrogen. WWF therefore calls on policy makers to:

- **Ban any new oil or gas infrastructure or exploration**, for example pipelines or LNG import terminals. Diversification of supply sources has a short term role during the initial crisis, but investment in more gas infrastructure isn't necessary (see above) will perpetuate dependence on fossil fuels and lead to stranded assets. Any investments in gas import infrastructure would be better spent on energy efficiency and renewable energy, which have long-lasting economic, societal, environmental and geopolitical benefits. Building new gas infrastructure takes up to 15 years until completion, which is too slow for having relevance: by then, EU gas demand will have rapidly declined given EU 2030 climate and energy targets. In addition the EU taxonomy thresholds will be regularly tightened, which will exclude new fossil gas plants.
- **Ban subsidies for burning primary forest biomass or dedicated crops for energy - or for converting such feedstocks to biofuels or biogas** - as that will typically increase emissions compared to fossil fuels and therefore accelerate climate change. Phasing out all dedicated biofuel, biogas and energy crops would also free up large areas of land for food production or carbon sequestration²² (see below under the section on food). Subsidies for bioenergy also risk skewing markets, with potential negative implications for more long-lived bio-based products and the circular economy.
- **Reject the idea of converting the existing EU gas grid to carry hydrogen.** Hydrogen must be renewable (e.g. produced from additional wind and solar power) and, as a scarce and expensive resource, targeted at applications where direct electrification isn't feasible (e.g. high temperature heat in industries such as steel and chemicals). It should not be used for heating buildings or fuelling cars and light duty vehicles as direct electrification in these applications is much more efficient and will deliver higher greenhouse gas emission reductions. Furthermore, most of the current and future hydrogen demand in industry will be for pure hydrogen (i.e. not blended with other gases) as it is the case in steel and chemicals sectors. Taken together this means that the EU should plan for decommissioning of most of the current gas grid, leaving only those parts of the network providing fully renewable hydrogen to hard-to-electrify sectors.
- **End public investment in the construction of new hydropower plants**, which would only make a negligible contribution to power supply but have huge impacts on the health of freshwater ecosystems, and increase vulnerability to climate change. European rivers are the most fragmented in the world, partly due to more than 20,000 hydropower plants in Europe. It would be far better to invest in the refurbishment of existing hydropower plants to lessen their impact on biodiversity.
- **End public investment in the construction of new nuclear plants**, which can take decades to build, are significantly more expensive than wind or solar energy, and leave a poisonous legacy in the form of nuclear waste. Despite seven decades of nuclear power

exploitation, no country has so far managed to build facilities for final storage of their highly radioactive waste. Evidence also shows how EU countries such as France dispose of their nuclear waste in countries outside of the EU, which risks leading to situations where radioactive waste is being mismanaged and unsafely stored.

- **Ban deep sea mining for minerals, which causes irreversible harm to the ocean and its biodiversity.** The war in Ukraine has highlighted the vulnerability of mineral supply chains and provided impetus to supporters of deep-sea mining, a controversial method for sourcing valuable minerals. It has also pushed up the price of several minerals, and triggered fears of supply chain disruption, especially considering the energy transition, as Russia and Ukraine are key producers of several minerals which are used to make electric vehicle (EV) batteries, semiconductors, electronics, electrical grids, solar panels and wind turbines. However, deep-sea mining is highly risky and will cause irreversible harm to the ocean, to its biodiversity and its ability to help mitigate climate change^{23 24}. Any short-term incentives offered are far outweighed by the long-term benefits of a healthy ocean.

FACTS

Purpose-grown crops for bioenergy makes no sense, even for the climate:

- Using biofuel, biogas or other dedicated energy crops will typically increase emissions compared to fossil fuels, because using land to grow food or sequester carbon would be better in climate terms²⁵.
- In the EU, 12 million tonnes of grain, including wheat and maize, is turned into ethanol, around 7 per cent of the bloc's production²⁶. If the US and Europe were to decrease their use of ethanol made from grain by 50%, that would effectively make up for a complete loss of Ukraine's grain exports - and be beneficial in climate terms.
- Every day Europe turns 10,000 tonnes of wheat – the equivalent of 15 million loaves of bread – into ethanol for use in cars²⁷.
- Russia is one of the world's largest wood pellet exporters, used for heating, with half its export going to Sweden and Denmark, and expanding to other European countries²⁸.

Environmental impacts of fossil gas and hydrogen produced using fossil fuels:

- A deal was struck to import 15 bcm (billion cubic metres) of liquefied natural gas into the EU from the US, which is mostly sourced from hydraulic fracking wells, even though fracking is banned across much of Europe due to its environmental impact, including the use of chemicals that contaminate groundwater²⁹. By importing such gas, the EU will simply shift its environmental footprint to other parts of the world.
- Currently, over 95% of hydrogen globally is produced using fossil fuels like fossil gas and coal³⁰. Hydrogen production from gas and coal is responsible for around 830mt CO₂ per year, equivalent to the combined CO₂ emissions of the UK and Indonesia. High gas prices also make hydrogen from gas uncompetitive.

Big gains can be made through energy demand reduction:

- The heating sector is responsible for 35% of the EU's gas demand³¹. On average, buildings are heated to more than 22°C in the EU according to the IEA³². As much as 10 bcm could be saved every year for each degree of downward adjustment of thermostats - equivalent to about 7% of Europe's annual imports from Russia - while also reducing energy bills. While such temperature changes would not be appropriate in all households, better insulation would be universally positive, including for health.
- Industry is responsible for around 20.5% of annual EU fossil gas use as energy (around 860 TWh in 2019). Agora Energiewende estimates that industry can save up to at least 223 terawatt hours of gas by 2027 through energy savings, electrification; material efficiency and other actions³³.
- The WHO estimates that over 30% of car journeys in Europe cover distances of less than 3 km; 50% cover less than 5 km. These distances can be travelled within 15–20 minutes by bicycle or 30–50 minutes by brisk walking³⁴.
- Almost 70% of all fossil oil in the EU is used for transport. With Russia as the single largest supplier of oil (27%) to the EU, around one in four cars, planes, and trucks in the EU are effectively powered by Russian oil³⁵.

ACCELERATE THE TRANSITION TO SUSTAINABLE FOOD SYSTEMS

CONTEXT

The war in Ukraine and the associated disruptions to energy and agricultural markets remind us once more how fragile our food systems are, and lay bare the dependence of EU food production on imports of key commodities and inputs, such as feed for livestock, fossil resources and agrochemical inputs such as fuel, synthetic fertilisers and pesticides. Just like it is the case for our energy systems, the war shows that we need to accelerate the transition towards more resilient, sustainable, healthy and fair food systems, rather than delay necessary action.

Our globalised food systems face many deficiencies and problems, but shortage of supply is not one of them. Global food production today is sufficient to nourish the entire world population, even when factoring in the reduced exports and production losses in Ukraine. For example, the FAO forecasts that in 2022 global cereals production will even increase further, reaching record heights - despite the impacts of the war³⁶.

Rather than the production of food commodities, accessibility and affordability represent the most pressing challenges now, particularly for low-income countries relying on food imports. Before the war in Ukraine started, price levels in the agricultural and fisheries sectors were already rapidly rising, in part due to climate change, supply chain disruptions and the economic impacts of the Covid-19 pandemic. This situation has further accelerated during the war, which is not only attributable to the reduced farm production levels and higher difficulties in shipping commodities, but also to speculation on the global markets³⁷.

As a result, vulnerable people in low-income, food-importing countries are increasingly unable to access food at affordable prices. And farmers globally are struggling to purchase fertilisers, feed, and pay their energy bills, especially those with energy-intensive and feed-intensive farms³⁸. The FAO now estimates that an additional 7.6 to 13.1 million people globally are at risk of undernourishment as a result of the war in Ukraine³⁹. This comes on top of a rising number of people already suffering from malnutrition including undernourishment, overweight and obesity, and corresponding diet-related diseases due to existing conflicts, inequality and lack of access to healthy affordable food⁴⁰.

In this context, any suggestion for the EU to increase its domestic food production in order to help “feed the world”, is misguided and false: it would not help those that are suffering, would only serve the economic interests of few in Europe, and would further worsen the climate and biodiversity crises. While more than 811 million people are going to bed hungry every night⁴¹ and 3 billion are unable to afford a healthy diet⁴², the EU must rather take a critical look at the inefficient use of the food currently produced. For example:

- More than 60% of all cereal crops used in the EU is used to feed animals and only 24% is used directly as food for people⁴³;
- An additional 12% of cereal crops and more than 50% of plant-based oils is used for fuel, and millions of hectares of cropland are dedicated to biogas production, often increasing rather than decreasing emissions (see above);
- An estimated 88 million tonnes of food are lost or wasted every year in the EU - equivalent to 20% of total food production⁴⁴.

Instead of trying to further increase our agricultural and seafood production in Europe, and

encroaching even more on the limited space for nature available, the EU should provide immediate and short-term economic and humanitarian assistance to avert a hunger catastrophe from happening in vulnerable regions, including East Africa, North Africa and the Middle East. In parallel, the EU must urgently provide long-lasting solutions by stopping speculation on global food markets, supporting more resilient, diversified and local food supply chains and ensuring that the priority use of the food produced is direct human consumption. This implies reducing the EU's excessive consumption of animal products, stopping its support for burning food or other dedicated crops for fuel, and reducing food waste along the entire chain - from farm to fork and bait to plate.

Furthermore, the EU's agricultural output is largely sustained with the input of mineral fertilisers, which are mostly imported or, in the case of nitrogen, produced locally with imported fossil gas. High or inefficient fertiliser use causes greenhouse gas emissions and pollution, so lowering and improving its application can decrease dependence and environmental impacts.

The EU must take bolder steps to accelerate the transformation towards a sustainable food system. After all, the fundamentals have not changed: our current unsustainable food system is depleting natural resources, causing a third of our greenhouse gas emissions and driving biodiversity loss worldwide, posing an ever-growing threat to the health of people and our planet.

Long-term food security and environmental protection go hand in hand: little food will be available in the future if we continue emptying the ocean, degrading soils, depleting scarce water resources, or wiping out pollinators.

RECOMMENDATIONS

Address the immediate humanitarian crisis caused by trade disruptions, price distortions and harvest losses

To feed their people, 14 low or lower-middle income countries were importing more than 50% of their wheat from Russia and Ukraine, with cases of almost entire dependence such as Eritrea and Somalia, and some already facing famine-like conditions⁴⁵.

The EU must urgently help address the food crisis and concerns of accessibility and affordability, especially in vulnerable regions. It should help countries heavily dependent on Russian and Ukrainian imports to diversify their imports from other sources, while also supporting regional production and increased food system resilience. WWF calls on policy makers to:

- **Provide immediate financial support for food assistance and agricultural production in the most vulnerable regions including East Africa, North Africa and the Middle East.** Even before the war in Ukraine, governments of high income countries were not doing enough to fulfil the UN's appeals for humanitarian aid. The EU must step up assistance to food-deficit countries to ensure that all people can realise their right to adequate nutrition.
- **Ensure availability of food supplies and agricultural inputs in import-dependent countries that rely on food and fertiliser imports and help them diversify their sources of supply.** This will require maintaining global markets open and functional in this critical period, and to enable local food producers, especially smallholders, and local food processors, to maintain decent livelihoods and to contribute to increases in local and national food production.

Enhance environmental and social sustainability as the fundamental condition for long-term food security

The EU agricultural and fisheries sectors are severely dependent on imports of food commodities, fossil fuels, feed and fertilisers, and the war in Ukraine has brought this to the highest political

attention. The measures currently agreed at EU level may address the short-term impacts on agri-food markets but will not shift us away from this dependence. This can only be done with a longer-term transition to a more resilient and sustainable food system: producing food with fewer agrochemicals, reducing the enormous share of crops that are used to feed livestock whilst at the same time producing crops and food commodities more sustainably, stopping overfishing and using EU subsidies appropriately to support farmers and fishers in this transition are the real way forward.

The EU Farm to Fork Strategy, which is at the heart of the European Green Deal, sets out an agenda for a transition to a fair, healthy and environmentally-friendly food system, with diverse policy initiatives aiming to ensure more sustainable food production and processing, lower food waste, and facilitate the shift towards healthy sustainable diets. This is further supported by the actions set out in the EU Biodiversity Strategy. Together, these strategies already propose many of the necessary actions to enhance the resilience of the EU food system. They now need to be implemented, even more urgently than before.

To successfully implement these two strategies and achieve greater resilience of Europe's food system, WWF calls on EU policy makers to:

- **Promote sustainable and more plant-based diets for the benefit of human and planetary health:** The EU should reinforce the policy initiatives under its Farm to Fork Strategy to bring about a rapid change in food consumption in Europe, supporting a shift to healthy and sustainable diets, where the excessive share of animal products - which is almost twice our nutritional needs⁴⁶ - is lowered and plant-based foods encouraged. The average EU citizen consumes 60.6 kg of soy per year, the majority of which is 'hidden soy' used for animal feed used to produce meat, eggs, fish and dairy products. Indeed, livestock farms absorb 60% of all cereals and nearly 70% of oilseed consumed in Europe⁴⁷. By shifting towards healthier diets with less animal products and with higher consumption of legumes, vegetables and fruits, the EU can reduce its dependence on imported feed and ensure food is available at affordable prices globally. And reducing the EU's use of grains to feed livestock by about one-third could already compensate for the collapse of Ukrainian exports of grains and oilseeds⁴⁸.
- **Establish binding food loss and waste reduction targets for the EU and Member States:** In the EU, an estimated 88 million tonnes of food are lost or wasted every year - equivalent to 20% of the total food produced or 173 kilogrammes per person⁴⁹. Tackling food waste more seriously could make our food system more efficient and help compensate for production or export losses in Ukraine and Russia. The EU and Member States must ensure more effective use of and encourage action by all actors in the food chain, from farm to fork and bait to plate, by immediately putting forward binding targets and accompanying measures aiming to lower food demand by halving current levels of food waste by 2030.
- **Present an EU legislative framework for sustainable food systems that holistically addresses consumption and production:** As part of the Farm to Fork strategy, the European Commission will present a legislative framework by end 2023. This initiative should bring together EU policies affecting food systems that have largely developed in silos in the last decades, leading to gaps and inconsistencies, environmentally harmful subsidies and contributing to the emergence of diet-related chronic diseases. To drive a system-wide transition, the EU will have to set up - via this law - a long-term vision and strategy and support the efforts of all food system actors in this direction.
- **Make use of the new Common Agricultural Policy and the approval of Strategic Plans to boost the support for organic farming, local supply chains, agroforestry and other agroecological practices that lower our dependence on imported agrochemical inputs and fuel:** The European Commission must only approve national CAP strategic plans that ensure farm subsidies offer comprehensive support - incentives, advice, investments, marketing - to farmers adopting more sustainable practices. Preliminary assessments have shown that Member States' plans are currently far from

adequate⁵⁰.

- **Fully implement the Common Fisheries Policy to end overfishing and ensure productive and resilient fish stocks⁵¹.** In doing so, European fishers could fish less to catch more, thereby increasing production and profit while reducing fuel consumption. For this to happen, all quotas must be set at a sustainable level, wasteful practices such as discarding must be eliminated⁵², and the impact of fisheries on marine ecosystems must be minimised.

Reject misguided attempts to postpone needed actions or to support harmful practices

The war in Ukraine cannot be used as a justification to weaken the objectives and actions announced as part of the European Green Deal or support types of bioenergy that increase emissions compared to fossil fuels. Nor should it be used to weaken provisions in the Common Agricultural Policy, Common Fisheries Policy or in environmental legislation that helps strengthen the resilience of our farming, fishing, ecosystems and societies, and reduces the environmental impacts of food production.

Instead, upcoming policy initiatives that aim to make the EU food system more sustainable and resilient should be sped up. The EU must adopt and implement ambitious policies to reduce the EU's impact on nature and to restore nature, to guarantee food security in the long-term and to address the negative impacts of EU consumption, which is fuelling biodiversity loss and climate change.

Global food systems will continue to be afflicted by crises and uncertainties - notably the climate and biodiversity crises - over the coming years and decades. The impacts of these crises will pose far greater threats for farmers and fishers within and beyond Europe.

It is now time to act responsibly and take the necessary steps to ensure the EU is better prepared and more resilient in the future. WWF calls on EU policy makers to:

- **Publish without further delay the Nature Protection Package, which includes the EU laws on nature restoration and sustainable use of pesticides.** In March 2022, the European Commission announced the delay of the nature restoration law and revision of the EU's pesticides law, as the Commission was occupied with its crisis response to the war. These delays can however under no circumstance span beyond June 2022 as there is no good reason to postpone these initiatives any further - and any delays can most certainly not be misused to reduce the ambition that is currently being discussed. Environment Ministers of Germany, Spain, Austria, Belgium, Denmark, the Netherlands and Luxembourg have already expressed concerns with the Commission's decision to postpone these initiatives⁵³. The EU must bring back biodiversity through a strong EU nature restoration law, including by establishing proper farm level ecological infrastructure (trees, hedges, ponds, etc.), to improve the resilience of farming itself. Large scale nature restoration will contribute to mitigating climate change by removing carbon from the atmosphere - and carbon neutrality by 2050 is not possible without absorption - and will improve societies' resilience against climate change impacts like droughts, flooding and forest fires.
- **Adopt ambitious legislation to ensure commodities and products placed on the EU market are neither linked to the conversion or degradation of forests and other natural ecosystems nor human rights violations.** Through the EU Regulation on Deforestation-Free Products currently in development, the EU plans to put in place requirements for products being placed on the EU market, ensuring that these are no longer causing deforestation, forest degradation or other ecosystem destruction. Due to temporary market disruptions, opponents of this new law are now attempting to exclude soy from the new law and weaken the obligations on companies, under the guise of supporting and relieving the EU livestock sector which is struggling because of high feed prices. The EU

should however maintain its course as sustainable supply chains are a precondition for our resilience - given that current agricultural practices around the globe are fueling the climate crisis and will jeopardise our food security in the medium to long-term with increased droughts, forest fires and soil degradation.

- **Do not sacrifice the biodiversity and ecosystem services - including carbon sequestration - provided by fallow areas, peatlands and natural vegetation on farmland to seek short term, meagre increases in food or feed production.** Despite the European Commission's own reassurances that there are no food availability issues, the Commission caved into the pressure from agricultural lobbies and lowered environmental requirements under the current CAP in its hurried Communication from March 2022 on "Safeguarding food security and reinforcing the resilience of food systems"⁵⁴. By granting a derogation to Member States to authorise the intensive production of crops on fallow land and other Ecological Focus Areas under the Common Agricultural Policy in 2022, the European Commission effectively took a step back in rebuilding healthy agro-ecosystems for farming and biodiversity. Similar derogations should under no circumstance be applied in the upcoming 2023-27 Common Agricultural Policy. Analysis has shown that putting into production the small share of fallow areas in the EU would only have a minor effect on the global market price for grain, as the extra quantity that could be produced on the new cultivated areas would be low on a global scale⁵⁵. Likewise, the requirement in the new CAP to have 3-4% of non-productive areas and landscape features on arable farmland can only result in very marginal reductions in grain production in the EU. This would therefore hardly affect the global market price. The EU should furthermore stick with its existing timeline for the start of the new Common Agricultural Policy (January 2023), ignoring the opportunistic calls by some farmers' lobbies that are seeking to delay action⁵⁶.
- **Ban dedicated bioenergy crops and apply caution when expanding EU biogas or other energy production at farm level.** In addition to banning all dedicated biofuel or energy crops (see above) care must be taken when incentivising renewable energy in agriculture. It is worrying in this context that the European Commission has proposed to increase EU biogas production tenfold by 2030, without any solid impact assessment and understanding of the effects of such a measure. While biogas, originating from both organic waste in the agricultural sector and from municipal waste, can play a minor role as a sustainable energy source, a rapid expansion risks having perverse and unintended consequences - especially in the agricultural sector. the production of biogas in agriculture should be incentivised only in the context of a circular economy, and where based on sustainable levels of extraction of crop residues and wastes such as livestock manure. The production of renewable energy on farms should instead be prioritised through the development of photovoltaics in ways that prevent land consumption solely for energy production, such as mounting solar panels on existing farm infrastructure or using agrophotovoltaics, in which crops are grown underneath elevated solar panels.

FACTS

The food currently produced is inefficiently used:

- In the cereal sector, Russia and Ukraine's contribution to global production is especially significant for barley (19%), wheat (14%) and maize (4%). These figures are averages for the period between 2016/17 and 2020/21, comparing the production in both countries combined with global outputs. In the oilseed complex, their contribution to global production was particularly important for sunflower oil, with just over half of world output originating, on average, in the two countries during this period⁵⁷.
- Shortages of cereals and grains affect different parts of the world differently. While Ukrainian and Russian imports are key to feeding populations in import-dependent countries in Africa and the Middle East, the European Union is less import-dependent with a degree of self-sufficiency for e.g. meat of >120% and for grains of >100% . As a result, imports from Ukraine to the EU are often used as livestock feed to produce animal products (dairy, meat), with an excess production that is destined for export out of the EU. In times of scarcity, the key question should therefore be how to achieve an optimal allocation of food crops, to ensure humans' basic needs are prioritised over less essential uses - both in Europe and globally⁵⁸.
- 53% of cereals used in Europe are dedicated to feed animals, while only 19% is dedicated to direct human consumption as food⁵⁹ and over 63% of all arable land in the EU is used to produce animal feed instead of food for people⁶⁰.
- More than half of most vegetable oils, such as rapeseed oil, used in the EU is turned into biodiesel for cars⁶¹.

EU food production depends on imports of key commodities and inputs:

- European agriculture is very dependent not only on fossil fuels, but also on fertilisers, such as nitrogen fertilisers (which are produced with fossil gas) and potash, with one third of imports coming from Russia and Belarus respectively⁶². As a result fertilisers' prices had jumped since mid-2021 to reach levels unseen in Europe in the past decade⁶³.

The relation between climate, biodiversity and our food systems:

- Researchers estimated that under a 2°C scenario, wheat production yields would be reduced by 12% in the southern regions of Europe, or even by half in some areas. Grain maize yield potential would also be reduced, reaching crop losses of up to -80% in some southern European countries (Portugal, Bulgaria, Greece and Spain)⁶⁴.
- The absence of insect pollination would result in a reduction of between -25% and -32% of the total production of crops which are partially dependent on insect pollination in the EU⁶⁵.
- When restored, the 47.2 million hectares of Annex 1 habitats under the Habitats Directive that are currently degraded – an area roughly the size of Sweden – could sequester around as much CO₂ each year as the entire EU land use, land-use change and forestry (LULUCF) sector⁶⁶.
- Food waste is estimated to cost the EU economy some €143 billion per year, and is responsible for 15% of all greenhouse gas emissions associated with the food supply chain⁶⁷.

INCREASE PUBLIC AND PRIVATE EXPENDITURE ALIGNED WITH THE EUROPEAN GREEN DEAL

CONTEXT

Today's high energy prices, which according to the European Commission are expected to stay with us until at least 2023, drive up commodity, transport and food prices, as well as inflation. A resulting economic crisis would further risk undermining the efforts of the EU recovery package to mitigate the economic impact of the Covid-19 pandemic.

Many governments have already made significant fiscal efforts to lessen these impacts, at high costs for public finances. While this may be justified from a short-term social perspective - if it benefits the most vulnerable -, such fiscal measures are not structurally aligned with the European Green Deal and thus fail to trigger the needed transformation to a net zero emission, resource-efficient economy by incentivising investment that would reduce the EU's dependence on fossil fuels and lead to lower energy bills in future. Instead, such costly short-term fiscal measures leave consumers and companies as exposed to future high prices as before.

RECOMMENDATIONS

Accelerate investments in a socially fair transition towards climate neutrality and a sustainable food system

Substantial funding is necessary to cover the upfront costs of energy efficiency and renewable energy projects. Incentives are needed to help project promoters develop many more such projects. This is more relevant and necessary than ever in the current context: the sooner such projects are developed, the quicker their positive impacts will be felt.

EU policy makers should provide additional investments by ensuring that they:

- **Make better use of existing recovery funds and provide additional financing by amending the Recovery and Resilience Facility (RRF).** The EU can accelerate its energy independence by investing better and more in energy efficiency and environmentally sustainable renewable energy deployment (see above). For this purpose, use of both existing and additional recovery funds should be fully consistent with the 1.5°C goal of the Paris Agreement, the 'energy efficiency first' principle, and the proper application of the Do No Significant Harm criteria set out under the EU Taxonomy, thereby actively supporting the UN Sustainable Development Goals. RRF funding could also help support a just transition in the food sector, by investing in reducing food waste and our dependence on feed and fertiliser imports, incentivising dietary shifts to plant-based proteins, and helping vulnerable farmers shift to a sustainable model with lower production of animal products.
- **Tax windfall profits in the fossil fuel sector and allocate these funds to help vulnerable consumers meet their energy needs and shift to more sustainable and cheaper energy consumption.** Research by Greenpeace shows that the oil industry alone made €3 billion in profits through the sale of diesel and petrol in Europe since the beginning of the war in Ukraine⁶⁸. When comparing prices of crude oil against prices at pumps, revenue margins show how the oil companies have been driving up prices without

good reason. EU governments should tax these profits and reinvest the revenues by supporting the most vulnerable directly, and providing public subsidies to ensure large-scale renovation and energy efficiency improvements.

Avoid any public or private investments that reward polluters or locks in fossil fuels and increase emissions

Considering the urgent need for substantial additional investments, public finance should be freed up by phasing out any environmentally harmful subsidies, including fossil fuel subsidies. Any public financial support to fossil fuels should be halted immediately, to avoid societal lock-in and further dependence on fossil fuels and other environmentally harmful energy sources.

- **Say “no” to an EU climate taxonomy that classifies fossil gas and nuclear energy as green.** Less than 24 hours after publishing its plan to cut EU dependence on Russian gas⁶⁹, and as President Ursula von der Leyen called for the EU to ‘get rid of its dependency on fossil fuels’⁷⁰, the European Commission kick-started the final stage in the possible approval of fossil gas and nuclear power as ‘green’ investments. The European Commission had justified its original inclusion of gas and nuclear in the EU Taxonomy on the grounds that it provided energy security while renewables could not. The new geopolitical context, however, has rendered this argument void: Not only has gas become a key source of energy instability and insecurity, but in addition, nuclear incidents in Ukraine have shown how vulnerable nuclear infrastructure becomes at times of war. As a result, unless the European Commission withdraws the Complementary Delegated Act, co-legislators must reject it.
- **Do not offer additional tax cuts or subsidies to industry to mitigate fuel price increases and set a binding deadline for phasing out all EU fossil fuel subsidies.** The European Climate Law already recognises that fossil fuel subsidies are incompatible with the EU’s climate neutrality objective, and the EU’s recently adopted 8th Environment Action Programme⁷¹ requires a deadline to be set for phasing out fossil fuel subsidies at Union and national level, consistent with the ambition of limiting global warming to 1.5 degrees. This is urgently needed, as in 2020 fossil fuel subsidies in the EU amounted to 52 billion euros annually, according to the European Commission⁷², with no significant reduction in sight – subsidies even increased during the period from 2015- 2018.

Fossil fuel subsidies exist across the whole economy, with the lion’s share of them being applied in the transport, industry, energy, agriculture and fishing sectors. They also take various forms depending on the instruments used, such as tax relief, grants, price or income support.

Given the current crisis, governments are called upon by some industries to mitigate the fuel price increase so that their businesses can remain viable. This has been the case in the fishing sector⁷³, for instance. However, many of these industries are already benefiting from tax reductions intended to cut fuel prices - which were granted before the war. When considering additional aid packages, the EU and national governments should reconsider such use of public money, not only in light of their climate impacts but also geopolitical insecurities. Instead, these businesses should be helped to transition towards more sustainable practices all together. The European Commission will, pursuant to the Climate Law, review by 30 September 2023 the consistency of all Union and national measures with climate neutrality and “take the necessary measures in accordance with the Treaties”. By this time at the latest, the Commission must table a legislative proposal, either standalone or as part of the review of existing legislation such as the upcoming revision of the European Climate Law or the Governance Regulation, to set a legally binding deadline and process to ensure that EU and Member States’ policies in this area are brought in line with climate targets.

- **Make EU Emissions Trading System (ETS) revenues work for people and climate.** In order to meet the EU climate neutrality target, resources and energy-intensive industries like cement, steel and chemicals, which produce 15% of all EU greenhouse gas emissions, must decarbonise. But for years, the EU ETS has failed to implement the polluters pay principle - despite its aim to put a price on carbon emissions. This is mainly because

those industries receive most of their emission allowances for free. With the revision of the ETS, as part of the Fit for 55 package, it is critical for free allowances to be phased out as soon as possible so that industry is finally pushed towards decarbonising. Auctioning free ETS allowances must be the norm. This will help speed up the decarbonisation of EU industry, lead to a competitive advantage for industrial frontrunners and also significantly increase member state's revenues. With higher carbon price, revenues are also expected to increase. This increased carbon price must be coupled with a requirement that all ETS revenues be spent on the transition to climate neutrality, so that those most vulnerable and least able to pay do not bear a disproportionate cost if sectors pass on price increases to consumers.

- **Ban fossil fuel advertising and sponsorships in the EU.** Such advertisement encourages the use of fossil-fuelled products by consumers and companies, such as transport that uses fossil fuels, thereby further increasing emissions and air pollution, and keeping Europe addicted to massive fossil fuel imports. A European Citizens Initiative⁷⁴ has to date already attracted the support of more than 200.000 citizens in favour of a ban on these practices. The European Commission should immediately take action and, in line with its competences, propose an EU legislative act that prohibits advertisement for fossil fuel-related products, as well as advertising and sponsorships by any undertakings active in the market for fossil fuels.
- **Require financial institutions to set climate targets and transition plans consistent with the EU net zero goal in EU corporate legislation.** The EU is currently negotiating a Corporate Sustainability Due Diligence Directive. To ensure that companies will integrate EU sustainability goals in their strategy where relevant, and end counter-productive investments, they should be required to set climate targets and transition plans that are 1.5°C aligned.

Ensure access to EU funding to help Ukraine recover following the destruction brought about by the war, including by restoring its nature and environment

In addition to the terrible impact on the population and the destruction of infrastructure, the war has also impacted on Ukraine's environment. The country is a biodiversity hotspot, but many vital ecosystems - including in protected areas⁷⁵ - have already been damaged, with military operations impacting wildlife, and important conservation work in disarray. There are also indirect consequences in terms of pollution of air, land and water.

It is too soon to know the full extent of the environmental impact of the war and a thorough assessment will be needed to set priorities for clean-up, restoration and reconstruction. Nevertheless, it is clear that significant funds will be required to support the restoration of the Ukrainian nature and to mitigate the pollution generated by the war. The long-term prospects for Ukrainian wildlife will depend on re-establishing the effective management of protected areas, habitat restoration and sustainable management of the country's agricultural and forest areas.

The EU must make available substantial environment and climate funding to support these efforts in the Ukraine and mitigate global impacts of the environmental destruction:

- **Provide new sources of official development assistance.** Essential funding to the massive humanitarian needs in Ukraine and neighbouring countries should predominantly be additional aid, not taken from funding for existing crises. Diverting scarce aid resources risks worsening these crises with devastating human costs. The global consequences of redirecting aid and attention towards the Ukraine response are extremely worrying. Some donor governments have started shifting aid budgets to pay for Ukrainian assistance and the domestic costs of hosting more than 4.6 million people who have fled recently^{76 77}. Others are holding back funding approvals for other crises as they await to see the impacts of this new crisis. All people suffering crises, whether new or protracted, have equal rights to survive and ultimately rebuild their lives and livelihoods. Redirecting development aid from resilience,

peace-building and other humanitarian efforts, will undermine long-term efforts and can have unintended long-lasting global implications for peace, stability, and green transition.

- **Open the LIFE programme to Ukraine with attractive participation conditions and a large financial allocation.** In April 2022, the Commission announced a start of negotiations with Ukraine to offer the country the possibility to join the LIFE programme for climate and environment funding⁷⁸. This would allow Ukrainian civil society organisations, local authorities and private entities to seek much needed funding for nature restoration, after the destruction and brought about by the war, for the clean energy transition and circular economy projects. The participation conditions should ensure that a large panel of actors working in Ukraine are eligible for funding with an advantageous co-financing rate.

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

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