

# Turning fear into hope

Corona crisis measures to help build a better future

With one third of humanity currently in lockdown, people all over the world are learning from the Coronavirus pandemic that we cannot take our lifestyles for granted. In the face of fear and suffering we need to have hope. With governments starting to think beyond the crisis, it is time to decide what we value the most, and to share a vision for a better future.

We are experiencing an unfolding human catastrophe, of lives lost, widespread sickness, social hardships, jobs disappearing, on an unprecedented scale. The impact on poorer countries with weak health systems and a high number of people working in the informal sector without any social protections cannot even be foreseen at this stage. If handled badly, we risk facing consequences as severe as the Great Depression of 1929. If handled well, we can get through this together, save lives and societal wellbeing, transform our socio-economic models to ones focused on people and the natural world and boost global partnership for sustainable development.

It is, however, far from clear whether the responses to the crisis will be such that they bounce us forward to a more sustainable future, or whether we witness knee-jerk responses propping up polluting activities that risk creating more problems in the future and making us more vulnerable. Climate change, chemical pollution and the drivers of biodiversity loss, such as deforestation and illegal wildlife trade, may increase the risk of further pandemics and their impact. Indeed, research suggests that the emergence of new human diseases is closely linked to loss and degradation of ecosystems and habitats, which in turn are driven by climate change, resource extraction, urban and agricultural expansion and pollution - all problems meant to be addressed by prioritising environmental action, notably through the European Green Deal.

We have a choice. One way forward is to focus on stronger communities, greater responsibility, a thriving natural world and genuine economic resilience, with human wellbeing at the heart of our policies. This is our hope, and our mission. But we face a risk. Bailouts could be offered to carbon-intensive industries without conditions, state funding could be unduly focussed on propping up corporations rather than supporting working people and the SMEs that drive much of our economy and create many of the jobs. There is a risk of panicked decision makers falling into the trap of regulatory rollback.

We now need to focus on the essentials for everyone: good living and working conditions, equal access to health care, clean food, water, air and consumer articles, a thriving natural world, a safe climate for the next generation, and strong and functioning democracies that will continue to protect us in times of need. To achieve this, we need to be ambitious and we need to make the right decisions at the right time.

### Five things our leaders must get right in the coming weeks:

- 1. Develop the European Green Deal as a 'greenprint' for a better future
- 2. Avoid throwing good money after bad
- 3. Ensure good governance and democratic accountability
- 4. Step up cooperation across borders
- 5. Share a vision for a better future

Further details are provided on each of these five priorities in the following pages.

## Develop the European Green Deal as a 'greenprint' for a better future

The implementation of the Green Deal should continue with the minimum of delay and the maximum of determination, and should form the basis of a stimulus package to relaunch the EU economy in line with sustainable development. This can support human wellbeing, secure jobs, and sustainable economic activity. It will need the ambition and tools to deliver. More specifically, we need to see leaders:

- Scale up the investment in climate neutrality, nature restoration and zero pollution as part of the stimulus package. This will lead to significant levels of jobs in renewables and energy efficiency, in the building sector through restoration programmes, through agro-ecological farming and ecological fishing practices, sustainable industrial production, zero emissions infrastructure, and green chemistry. At the same time this will save on fuel import bills, resource input costs, and health costs for Europe, and improve the resilience of our ecosystems, society and economy.
- Reform economic incentives to support the stimulus packages and drive the transformation towards sustainability. The fairness of the tax system also needs to be considered in light of what have proven to be essential services and sectors during the crisis, the scale of the public investments made, the needs for tax revenue and the needed incentives for a transition towards sustainability. In response, leaders need to reform tax systems alleviating taxes for those in precarious situations, closing tax loopholes for companies, passing wealth taxes to improve equity and financial viability and shifting taxes away from labour towards pollution to put people and nature first. Environmentally harmful subsidies must be systematically removed and money released for key policy priorities, including the EGD. With the EU's Emissions Trading Scheme's (ETS) prices having fallen to a level where they provide scant incentive to cut pollution, governments must commit to a "floor price" for the EU ETS - to create incentives and raise desperately-needed funds. Economic instruments must be created or strengthened to incentivise safe and sustainable products and clean production (e.g. dissuasive fees for the use of hazardous substances, differential taxation, extended producer responsibility, green public procurement and links to environmental footprinting approaches).
- **Deliver an ambitious Farm to Fork Strategy** that sets a clear direction for the EU's food system beyond the current health crisis, and drives transformational action to build more sustainable, resilient, and equitable food supply chains. Short-term measures are needed to address seasonal labour shortages and prevent supply chain disruptions. In the longer term, the Farm to Fork Strategy and Common Agricultural Policy must increase the resilience and sustainability of our food system by re-building more diversified farming models, promoting localised food distribution hubs and shorter supply chains, and improving small-scale farmers' and low-impact fishers' and aquaculture producers' access to the market.
- Commit to an EU 2030 Biodiversity Strategy that among other things creates a legal framework for the restoration of degraded ecosystems for biodiversity and climate, strengthens the management and protection of nature and the implementation of the EU nature laws, and tackles the drivers of biodiversity loss. The strategy needs to embrace stronger measures against environmental pollution and wildlife trade, and prioritise the implementation of laws so that we invest in healthy terrestrial freshwater and marine ecosystems that are more resilient.
- Give due priority to zero pollution strategy to protect human health, the environment and increase resilience. Given that it is known that certain air pollutants and industrial chemicals can have negative effects on the immune system of people and wildlife and make us more vulnerable towards pandemics, the EU's chemical strategy should include swift action to identify and phase out chemicals that disrupt the immune system and other hazardous chemicals that weaken our health; and the Zero-Pollution Action Plan must drive action towards a coherent and comprehensive fight against pollution while the EU achieves air quality standards which are aligned with WHO recommendations. Exposure to toxic chemicals should be addressed horizontally in all related sectors and strategies (e.g. Biodiversity, Farm to Fork, Water, Circular Economy).

- Prioritise implementation of the Circular Economy Action Plan with its coherent product policy framework and transformation of consumption patterns so that no waste is generated. Investments that will form a part of the needed economic stimulus should lead to long term economic and environmental progress while reducing resource use, avoiding and removing hazardous substances and improving circularity of materials and systems.
- Reform how industrial activities **regulated**, by setting performance based on best available techniques to mean the lowest ratio of 'environmental impact of industrial activity' versus level of 'public good/service provided'. This should promote industrial activity with the least negative environmental impact for the provision of a given product/service. The Commission should re-prioritize the following essentials for society where industry can be a solution provider and key ally: energy production, water quality and supply, protein production, resource management and substitution of chemicals of concern.
- Do not allow a free pass for polluters and ensure a commitment to the rule of law as a response to Coronavirus do not weaken, waive or ignore legislation or embrace a deregulation agenda (see also discussion further below). We need better implementation and enforcement of laws to protect people and the natural world with sufficient resources allocated and no delays to infringement procedures. The rule of law is at the heart of a functioning Europe and a key pre-requisite for public trust in institutions and government.
- Ensure a strong just transition mechanism that takes on board the social realities of the Coronavirus crisis: this will strengthen the EGD and make it ever more fit-for-purpose to help catalyse a transformative just transition. It will also demonstrate the EU's preparedness for solidarity between EU member states and globally and prepare the EU for future crises.

Finally, **leaders should resist calls by business lobbies for weakening environmental standards**. Since the pandemic took off, we have seen efforts by some business interests to use the pandemic as an excuse to push for environmental standards to be weakened or have their introduction deferred, e.g. from the auto, digital, appliances and agriculture sectors.

There can be different reasons for deviating from the pre-corona regulatory trajectory: first, the difficulties in conducting normal operations during the pandemic have inevitably slowed down many commercial processes; second, many companies will face financial hardship due to loss of revenue and this can limit the possibilities for investment in new (greener) products and processes. The first of these reasons might provide legitimate grounds in a few cases to defer the introduction of some measures but only by a short period not exceeding the period of the lockdown and taking into account the extent to which it has hampered operations. The second reason is linked to the issue of economic recovery and the likelihood that public funding will be involved. Far from justifying any weakening of standards, this provides an opportunity to firmly ensure that the regulatory environment steers production and consumption in a sustainable direction and that public funding to support the recovery is strictly conditional on compatibility with the objectives of the European Green Deal (see further elaboration on this in the following section). By contrast, any weakening of agreed standards or unjustified extension of planned timelines for new standards could undermine legal certainty and regulatory predictability.

Any proposals to weaken environmental standards should therefore be opposed and any proposals to defer the introduction of tighter standards should be critically examined having regard not only to the commercial interests of the companies concerned but also to the broader societal interests. For example, energy efficiency, ecodesign and waste policy implementation are all triggering job creation, health improvement and reduced EU dependency which is much needed for a sustainable recovery.

# 2. Avoid throwing good money after bad

Bailouts may be necessary, but they should be particularly targeted on the health sector, on wellbeing and on protecting the livelihoods of workers, small and cooperatively-run businesses. The transformative agenda of an ambitious European Green Deal should help determine which measures are appropriate. Money should be targeted more on reducing inequalities rather than on topping up profits or compensating losses in dividends. And there should be no bailouts without conditions; taxpayers' money should never be used to issue blank cheques to business. We need to:

- Make the distribution of stimulus funds and bail-outs conditional on consistency with the European Green Deal and environmental improvements. EU leaders must ensure that these investments will deliver long-term benefits for our society, and help make our economies more resilient to increasing shocks. In particular, these investments must be fully aligned with the objectives and proposals of the European Green Deal, as well as the 1.5°C target of the Paris Agreement, and promote progress towards sustainability. Investments should also adhere to the principles of polluter pays and internalisation of external costs.
- Reform fiscal rules to ensure continued public investment in the transition towards zero pollution ambition, in particular decarbonising and detoxifying the economy. In the immediate emergency response, governments are making significant investments and tax exemptions to avoid bankruptcies and job losses and ensure that the healthcare sector is supported in these difficult circumstances. The EU should exclude public investment in decarbonising the economy from the calculation of national deficits.
- Launch large-scale sustainable initiatives in line with public interest. These projects must be in the public interest and be guaranteed to lead to direct emission reductions, health benefits and ecosystem restoration. Large scale initiatives should include: accelerated deployment of renewable energy; a renovation wave of buildings to make them energy efficient and reduce air pollution from domestic heating; infrastructures for a zero-emissions transport sector, including public transport, cycling paths, sustainable shipping, and electricity charging points; carbon neutral electricity and gas grids; an ambitious strategy for the substitution of toxic chemicals; and large-scale nature restoration initiative and projects.

- Accelerate EU sustainable finance policies to shift trillions from brown to green. Advance the work on the sustainability finance taxonomy to help ensure that it is a guide to the Coronavirus response and transformation more widely. In addition, to provide greater clarity and transparency, the EU should develop a "brown taxonomy" to complement the green one, which would enable financial institutions to identify their risk exposure. Standardised corporate sustainability disclosure should be introduced to ensure comparability between peer companies. In addition, large corporates and financial institutions should be required to set sustainability strategies and targets in line with the EU's climate neutrality target and the Paris Agreement.
- Ensure that measures taken will enhance levels of environmental health in order to strengthen the resilience of societies. A cleaner environment will have a positive impact on human health; for example, reductions in air pollution or elimination of hazardous chemicals in consumer products will improve the health of vulnerable segments of the population and can make them more resilient to health risks, on top of reducing the costs for our health systems.
- Systematically evaluate possible unintended negative environmental impacts of new shortterm fiscal and tax provisions. Screening of the environmental impacts of stimulus measures would significantly add coherence to policies and avoid creating perverse and unintended environmental consequences that might damage the future resilience and environmental health of societies.
- Ensure full transparency of where public money is spent in the response to the crisis.
  This also supports democratic accountability (see next priority).

For details on first four bullets above, see also the common position that eight NGOs signed, including the EEB.

# 3. Ensure good governance and democratic accountability

Big decisions that will have impacts for many years to come are being made. We need to see good governance of funding that ensures full transparency about where the money is spent; full public access to information on health risks and environmental conditions; people being put at the heart of policy making through the Climate Pact; and a systematic engagement with young people to ensure that they have a say in shaping the future. We therefore need to:

- Ensure full access to environmental and health information for citizens in real time. The current crisis has highlighted the dangers of late information provision, or not having a culture of understanding or heeding future dangers, as well as the power of early information. Democratic responses can only work if citizens have enough information to go on. Improvements are needed on quality and risks of bathing waters (as there is a potential risk of Coronavirus infection through sewage), air quality in cities (and results of research on links to coronavirus), emission levels (e.g. industrial emissions and pollution registers), health risks more broadly, including risk assessment of future risks - such as new viruses, antimicrobial resistance threats, flood zones from climate change, risks to crops from climate change – and responses to mitigate risks.
- Take concrete action to stop government embracing an "alarm state" that erodes human rights and the rule of law. Governments should not abuse the COVID-19 crisis and launch measures that go beyond what is absolutely needed to respond to the crisis e.g. measures that infringe on privacy, due process for legislation, judiciary powers and roles, or citizen and civil society rights. Any measure taken needs to be proportionate and aimed to ensure public safety. In particular, freedom of expression must be safeguarded for those who highlight challenges brought about by the current situation.
- Ensure responsible methods of contact tracing: The use of mobile phone data to gather information on who has been in close proximity with whom has proven effective in certain Asian countries as a tool to prevent the spread of COVID-19 but has also raised concerns about the potential erosion of civil liberties. Use of such data should preferably be based on explicit consent but as a minimum should involve full transparency about whatever levels of monitoring are being undertaken.

- Support and improve access to justice for citizens and civil society to enable them to hold governments to account for their actions and decisions: reducing costs, giving due standing, and improving judiciary training to cover wider environmental and health cases. In due course, transparent and impartial evaluations of decisions made during this crisis should be carried out, to learn from and improve governance for future crises.
- Systematically engage all sectors of society so that no one is excluded: ensure sufficient stakeholder engagement to guarantee inclusive and hence legitimate decision making. During the corona crisis some virtual meetings have led to key stakeholders being excluded and this threat to good governance and participation needs to be tackled. Funding for civil society organisations should not be compromised by emergency responses, as civil society is crucial in tackling the crisis, and in helping to bring society back to its feet. NGOs that have lost revenue as a result of the pandemic should be included among those eligible for compensation.

# 4. Cooperate across borders

Pandemics, like pollution, do not respect national boundaries. Combatting them calls for governments to cooperate and coordinate over their responses, rather than adopting fragmented national responses. The EU, the WHO and the UN each have important roles to support the fight against the Coronavirus. No country can tackle this crisis alone. It is global and a coordinated multilateral response is essential for success. We therefore need to:

 Make sure that the EU demonstrates strong solidarity, both between and within Member States. Crises that cross borders can only be tackled by cooperation that crosses borders too. National politicians must speak up for the benefits of European cooperation, keeping in mind the values that stand at the core of the European project, especially solidarity. European citizens need to feel and believe that the European Union is there to make them feel safer, welcomed. The EU is not just a place where national governments can make good deals, there is a much deeper reason for the EU to exist: promote solidarity and cooperation. This reason must guide its actions, today more than ever. There is no national interest which is more important than a strong and forward-looking European Union.

As we start to rebuild and imagine the better future we want for our children, the European Union will be essential to delivering change through initiatives like the European Green Deal. The European Commission, a body which is largely independent from national governments, has launched a number of initiatives, including a new solidarity instrument for short time work schemes, SURE and a relaxation of borrowing rules under the 'Maastricht criteria'. The European Investment Bank and European Central Bank have set up support for small businesses and a Pandemic Emergency Purchase Programme (PEPP) respectively.

However, frictions are clear when it comes to finding an agreement among the representatives of the Member States over measures to support the most afflicted countries. This revealed a major schism, leading the Prime Ministers of Spain and Italy and others to argue that the lack of solidarity shown went against the EU's underlying principles and threatened the future of the EU project itself. This lack of harmony, together with fake news and a lack

of communication about what the EU had achieved, fueled Eurosceptic sentiments, e.g. leading some mayors in Italy to remove the EU flag from institutional buildings. The compromise agreement reached on 9 April, unlocking €500 billion of relief funding, was an important step forward. But more is needed, especially from national governments, who need to demonstrate solidarity across Europe. It is critical that the role of Coronabonds, howsoever named, is carefully studied and the importance of EU solidarity to the European project factored in. Other innovative instruments should be considered too, such as debt-for-climate mitigation or debt-fornature swaps.

- The EU and its Member States need to make sure no one is left behind. The most vulnerable in our societies, in particular, older people, homeless people, refugees and minorities, need to be put at the heart of emergency response. Governments need to refrain from any discriminatory measures against minorities (e.g. Roma communities) or refugees. Targetting these people and making them scape-goats will not solve the Corona crisis, but add another layer of crisis.
- The EU should support partners worldwide in international solidarity with poorer nations as only a global response can truly tackle the Corona crisis. The EU should support low and middle income countries to step up their resources for health measures and social protection of vulnerable groups through direct cooperation, EU global cooperation schemes, the G20, the OECD and other global processes. Specific support should also be given to civil society organisations in cooperation countries to make sure no one is left behind and civic space is protected. This is the time to demonstrate solidarity and push for multilateralism. Nationalistic self-interest will be self-defeating with the Coronavirus.

- Reconsider trade deals, their impacts and the motivation behind them. We need to avoid trade deals that destroy nature, render ecosystems and humans more fragile, and encroach further on wild habitats, hence creating additional risks. All trade agreements needs to contribute to policy coherence for sustainable development. The resilience of the world's ecosystems, human health and Europe's food supply have been weakened severely under decades of producing where it is cheapest (often because environmental costs are externalised) and then trading produce globally. This approach needs fundamental questioning. We need to rethink the way we produce food and develop a global resilient food system with sufficient autonomy (not just in the EU), and think about how we produce the goods we consume and the impacts of production. Furthermore, we need to develop greater EU production, in light of the current problems around securing health equipment. Investment is needed in local products (markets and online) to ensure greater independence from international supply chains and societal and economic resilience to future shocks.
- International dialogue needs to continue in areas that are currently delayed or risk being delayed as is already the case for the climate COP, biodiversity COP, international chemicals meeting and international air meeting, all of which have been rescheduled to beyond 2020. Dialogue needs to continue to progress and measures are needed to ensure sufficient stakeholder engagement to ensure inclusive and hence legitimate process. Delays are understandable, but scaling down engagement, ambition or excessive delays will create more problems than they will solve.
- Limit future health crises by acting globally against climate change, biodiversity loss and chemical pollution. Multilateral action to address these three crises is essential to be able to avoid creating not only conditions for new coronavirus type outbreaks, but also other crises climate, ecosystem collapse, food chain problems, and nutrition, health and fertility crises that could prove to be even a bigger challenge than the current crisis that is taxing humanity's ability to react and manage.

### 5. Share a vision for a better future

Leaders need to be clear and offer hope. People are suffering and experiencing fear and uncertainty. We need to know that it is possible to emerge from this crisis stronger, rebuild our economy to prevent us being more vulnerable and protect us when we are vulnerable, improve our wellbeing, strengthen our communities and build a more resilient economy. We need to know that we will learn from this crisis so that we are prepared for the next. We need to believe in a better future where people and nature thrive together. The current crisis has grown from a lack of health and environmental protection, where sustainable living conditions and healthcare are not guaranteed. We must therefore:

- Put wellbeing at the heart of EU Policies. Instead of having policies focused on economic growth and competitiveness, policies should prioritise citizens' wellbeing, equity and equality and the resilience of society, the adequacy of institutions, the provision of public goods and investment in the resilience of the local to global ecosystems by tacking the climate and biodiversity crises. Leaders should let go of GDP as the ultimate yardstick of the recovery efforts, replacing it with targets for wellbeing for all citizens. The Stability and Growth Pact should be reformed into a Sustainability and Wellbeing Pact. And the Green Oath principle of "do no harm" in the European Green Deal needs to be systematically applied, indeed strengthened to an "invest in sustainability first" as this will strengthen the resilience of our ecosystems and society that can help avoid future crises or at least improve our ability to respond.
- Reiterate our commitment to fundamental values - freedom, democracy, equality, rule of law, human rights. The right to a healthy environment needs to be considered as a fundamental right. In addition, the rights of access to clean water, clean air, nature and safe products need to be respected.
- Look again at the role and rights of government and balance the power of big corporations to ensure that countries can have sufficiently strong and functioning health sectors, and rights of control to avoid shortages. For a number of sectors, greater governmental control may well be essential to keep them afloat and should be used to reform them for society's interest, i.e. transitioning the economy from the Great Acceleration to something we can call sustainable. We need a new economic system that promotes the wellbeing of people and the first thing to do is to have the ability to steer those sectors that make the highest contribution to our wellbeing.

- Review our relationship with nature, understand ecosystem tipping points and planetary boundaries and the risks of its over-exploitation, and recognise the benefits of reconnecting with nature.
- · Look again at what is "essential" for society and what is just. The Corona crisis has underlined a number of flaws with our economic and governance systems. It has also allowed people to revisit their sense of what is important. There is an urgent need to review the impact of production and consumption levels and reconsider what is "sufficient" and "right" and what is "excess" that creates risks. There is also a need to deepen the sense of responsibility within a global ecosystem whose fragility will impact us all. In practice, it will be critical to look at fair wages for essential work (e.g. public services such as the health sector), to tax and pay policies (including gender pay gap) to reflect this. New tools like universal basic income should be considered. Furthermore, habits and norms merit attention, from flights and transport modes, holidays, to consumption patterns and associated measures. This is a time to rethink to questioning current practices - from hunting and trading wild species, to nature's destruction that creates risks to society.
- We need to seriously consider changing our diets. Safeguarding people's welfare and ensuring a sustainable future for all would be a lot less challenging if we changed our diets. Reducing our meat consumption, already desirable on health and climate grounds, becomes even more pertinent if we recognise that the current coronavirus crisis would not have occurred if we were vegetarian or even if some of us did not eat wild animals. Even if it is accepted that people have a choice, choices need to be informed by knowledge of their impacts. Governments too have a choice, and given the evidence, they should choose to ban wildlife markets.

- "Digitalisation" is a double-edged sword and we need to make it work for sustainability, rather than against it. Digitalisation - from use of the internet to access information to virtual meetings to online shopping, to people and virus tracking, to using AI to find cures - has accelerated during the crisis, and particular care is need to foster sustainable behaviour and ensure that digitalisation does not compromise sustainability but supports it. There are risks to privacy, questions about the energy use of data centres, and clear implications for local shops that may lose out to giant internet retail platforms. Artificial intelligence for people and nature can help find cures and solutions to the challenges we face. It can also be used with negative consequences. Our choices will define the future we live in.
- Listen to and invest in science, including citizen science, and create an early warning system for identifying new and emerging risks. It is important to ensure a rapid policy response to crises based on the best science rather than political ideology or self-interest, and to identify risks of impacts and crises in the future and ensure that our governance systems are up to the challenge so that societies and economies can be as resilient and future-proof as possible.

- Listen to young people, consider their futures and involve them in decisions that will affect their lives. The decisions we make today, i.e. choosing whether to invest in fossil fuels or renewables, cut down forests or let them flourish, authorise the use of harmful chemicals in products or not, fish the oceans sustainably or run down fish stocks, will define the future the children of today will inherit tomorrow. It is essential that mechanisms are developed to hear young people and have decisions reflect the needs of the future.
- Invest systematically in the quality of nature and environment from healthy resilient ecosystems, to undisturbed wildlife, clean air, safe food, and accessible nature for everyone. The health and resilience of ecosystems will help with the resilience of our societies and economies.

We are all in this together and we have a choice. European leaders must now step up to the challenge, history will judge how they perform in the coming weeks.



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An International non-profit Association Association Internationale sans but lucratif EC transparency register number 06798511314-27 For more information on EEB's vision on responding to the Coronavirus crisis and the European Green Deal contact <a href="mailto:Patrick.tenBrink@eeb.org">Patrick.tenBrink@eeb.org</a>

See also EEB's briefings on the <u>Industrial Strategy</u>, on the <u>Farm to Fork Strategy</u>, <u>Just Transition</u>. <u>Mechanism</u>, <u>Circular Economy</u>, <u>Chemicals Strategy</u>, on <u>Better Regulation</u>, the <u>EU Budget to address the climate crisis</u>, <u>Environmental Crime</u>, and on <u>Access to Information</u>. For others, see <u>eeb.org/library</u>.



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