OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2023-all sections (2022/0212(BUD))

Rapporteur for opinion: Pascal Canfin
SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses that the Union must be committed to obtaining a resilient, sustainable, socially fair recovery for all through the 2023 Union budget concluding the revised 2030 framework for Union climate, energy and environmental targets; calls on the Commission and Member States to ensure a smooth adoption and implementation of the files included in the ‘Fit for 55’ package to help ensure that the Union meets its 2030 targets and that it achieves climate neutrality by 2050 at the latest, whilst recognising that current Union policies need substantial improvements to be consistent with a pathway compatible with limiting global warming to under 1.5°C;

2. Welcomes the Commission REPowEU Plan to accelerate the green transition and to increase the Union’s energy independence, in particular by ending fossil fuel imports from Russia as soon as possible; highlights that accelerating the equitable implementation of the European Green Deal will reduce both the Union dependency from third countries as well as allowing us to achieve our climate and energy targets; is highly concerned about the limited new funds for the Recovery and Resilience Facility REPowEU chapter; expresses therefore deep concern about the proposal to use the ETS Market Stability Reserve to finance part of these measures, thereby putting the financial and environmental integrity of ETS at risk, while underlining its commitment to not creating a funding gap and ensuring the integrity and ability of the ETS system to deliver on the 2030 climate target and looking at all the options available within the scope of the ETS regulation to deliver both on climate goals and REPowEU; stresses, in this context, that Article 191 of the Treaty on the Functioning of the European Union commits the Union to pursue a high level of protection of the environment and to improve the quality thereof, inter alia by applying of the precautionary principle and the principles stipulating that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay; believes, furthermore, that access to justice must be ensured at all times by the Commission and Member States during the implementation of the REPowEU Plan; reminds that the revival of coal power plants in some Member States is a direct threat to the union objective of reducing greenhouse gases emissions by 55% in 2030;

3. Reiterates its call for the phase-out of harmful subsidies and for coherence between all EU funds and programmes; insists that projects and programmes, which are inconsistent with the objective of limiting global warming to under 1,5°C or with the objective of halting and reversing biodiversity loss, should not be eligible for support under the EU budget in line with the do no significant harm principle; recalls that the 8th Environment Action Programme lays down the enabling condition of phasing out of environmentally harmful subsidies, including through setting a deadline for the phasing out of fossil fuel subsidies consistent with the ambition of limiting global warming to 1,5°C as well as a binding Union framework to monitor and report on Member States’ progress towards phasing out fossil fuel subsidies, based on an agreed methodology;
4. Expects the climate and biodiversity mainstreaming targets to be achieved in the Union budget and the European Union Recovery Instrument expenditures, in line with the targets laid down in the Interinstitutional Agreement (IIA)\(^1\); recalls the biodiversity-related spending targets of 7.5% from 2024 and 10% from 2026 onwards of the Multiannual Financial Framework; stresses that all efforts should be made to reach 10% biodiversity-related spending from 2023 onwards; in this regard welcomes the efforts for a more transparent and comprehensive reporting, in particular the clarifications to Climate Mainstreaming in the Programme Statements of operational expenditure (Working Document 1 of the Draft Union budget for financial year 2023)\(^2\), the relevant chapter in the Statement of Estimates of the Commission for the financial year 2023\(^3\), and the Commission Staff Working Document on Climate Mainstreaming Architecture\(^4\) and emphasises the need to carry out sufficient ex-post evaluations and to work on the granularity of the data available; calls on the Commission to address the conclusions of the European Court of Auditors regarding overstated climate spending\(^5\) in particular as regards the mainstreaming targets in the CAP, and in this regard insists on the importance of CAP Strategic Plans, and biodiversity spending\(^6\); calls on Member States to ensure the integration of biodiversity in partnership agreements and operational programmes as well as in their CAP Strategic Plans, and to increase their efforts to reach the Multiannual Financial Framework biodiversity spending target of at least 10% as soon as possible; welcomes the final report Biodiversity Financing and Tracking\(^7\) and calls on the Commission and Member States to implement its recommendations swiftly; calls on the Commission to enforce the climate adjustment mechanism to take corrective actions to address potential gaps in the achievement of climate spending targets of individual EU spending programmes;

5. Stresses that more than 50% of the total biodiversity spending is forecasted using the old methodology\(^8\); whereas the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development forecasts for 2023 and 2027 are yet to be updated in line with the CAP Strategic Plans; highlights, that the biodiversity financing gap over the period 2021 and 2030 is around 18.69 Billion per year\(^9\); calls for the biodiversity tracking methodology to be fully updated as soon as possible and

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\(^1\) Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 4331, 22.12.2020, p.28-46)

\(^2\)https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/wd_i_final_web_v2_kv ao22003enn.pdf

\(^3\)https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/wd_0_final_web_v4_kv ao22002enn.pdf

\(^4\) Climate Mainstreaming Architecture in the 2021-2027 Multiannual Financial Framework, SWD(2022)0225 final, 20.06.2022

\(^5\) Special report of the European Court of Auditors: Climate spending in the 2014-2020 EU budget

\(^6\) Special report of the European Court of Auditors: Biodiversity on farmland: CAP contribution has not halted the decline


\(^8\) https://ec.europa.eu/info/strategy/eu-budget/performance-and-reporting/mainstreaming/biodiversity- mainstreaming_en

stresses the need to close the financing gap in line with paragraph 3 of this report;

6. Calls for immediate action and continuous work towards the achievement of the overall ambition of providing at least 30% of the Multiannual Financial Framework (MFF) and NextGenerationEU (NGEU) expenditure to climate objectives and 7.5% of annual spending under the MFF to biodiversity objectives in the year 2024 and at least 10% in 2026 and 2027, revised upwards in the next MFF, while considering the existing overlaps between climate and biodiversity goals; expresses concern over the latest figures of the Statement of Estimates pointing at an imminent risk of falling way short of the biodiversity expenditure commitments for 2026 and 2027; deplores the fact that the share of the 2023 EU Draft Budget contributing to biodiversity is only 5.5%; recalls that 37% of the spending under Regulation (EU) 2021/241 should contribute to climate objectives;

7. Welcomes the reporting on biodiversity-related expenditure and welcomes the publication of the Commission study that will underpin the biodiversity tracking methodology and the shift towards outcome (effects-based) indicators and the forecast for reaching the mainstreaming targets as agreed in the IIA; stresses the need to ensure consistency between climate and biodiversity funding; recalls the primary importance of the CAP for biodiversity mainstreaming and calls on the Commission to implement the recommendations of the study in this regard; calls on the Commission to address the concerns raised by the Court of Auditors as regards the ineffectiveness of biodiversity spending in the CAP

8. Calls on the Commission to publish the amounts and shares of expenditures that will contribute to both biodiversity and climate targets per program when presenting annual budgets; welcomes the Commissions efforts for impact reporting and calls for this to be a regular part of the performance reporting framework as soon as possible;

9. Stresses that the Court of Auditors found in its special report on sustainable finance that the do no significant harm principle is not applied to all EU expenditure and that several EU spending programmes permit the funding of environmentally harmful activities; highlights the need to ensure that the do no significant harm principle is mainstreamed in all Union activities, including in the Recovery and Resilience Facility, through the budgetary implementation as agreed in the IIA and welcomes the Commission proposal for amending the Financial Regulation to include the do no significant harm principle in the regulation in line with the Union’s commitment to sustainable financing and the green transition; calls on the Commission to monitor the proper implementation of the do no significant harm principle and to take immediate corrective measures if and when needed;

10. Recalls the need to assign sufficient human and financial resources for the implementation of the 2030 Biodiversity Strategy, the Farm to Fork Strategy, the Soil Strategy, the EU Pollinators Initiative, the Forest Strategy, the Circular Economy Action Plan, the Chemical Strategy for Sustainability and of a Zero-pollution Action Plan in the 2023 Union budget; strongly deplores that the Commission systematically fails to address the lasting problem of understaffing in DG Environment and has not

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10 Special Report 13/2020: Biodiversity on farmland: CAP contribution has not halted the decline
ensured any meaningful increase in human resources; in this line, calls on the Commission to promptly secure an adequate level of staff for the directorates which need to ensure full implementation of these strategies; remains concerned about the fact that the staffing level of the Commission’s DG Environment has been significantly reduced during last few years and that despite the workload stemming from the EU Green Deal agenda, it represents only 1.4% of all Commission staff; believes that by the absence of commitment to address this problem the Commission puts at risk the implementation and enforcement of EU policies and harms the health of officials in DG Environment; calls, furthermore, to significantly increase the budgetary support for the new LIFE programme and the Just Transition Fund and all other programmes that support and protect nature conservation;

11. Notes that the European Regional Development Fund (ERDF) focusses its investment on several key priority areas, also known as "thematic concentration", allocating 30% to environment and climate measures; welcomes the fact that in the context of mobility, the ERDF supports a successful transition to alternative fuels, powertrains and "clean vehicles";

12. Notes the need to ensure sufficient resources in the 2023 Union budget for the achievement of the United Nations Sustainable Development Goals;

13. Notes the frontloading of EUR 45 million for the Union Civil Protection Mechanism; stresses nevertheless the importance of assigning adequate funding between 2024 and 2027, ensuring that the Union can respond together to emergencies such as pandemics, fires, floods and other unforeseen events;

14. Reminds the importance of taking due account of the lessons learned from the COVID-19 pandemic regarding public health and affordable and accessible health and care services; in this regard calls for increasing the level of support to the European Health Union in addition to the EU4Health Programme in the 2023 Union budget following a One Health and health in all policies approach, especially considering, that a substantial part of EU4Health is already committed to the European Health Emergency Prevention and Response Authority (HERA), and particularly for enlarged mandates of the European Medicines Agency (EMA), the European Center for Disease Prevention and Control (ECDC) and establishment of HERA; stresses that core funding for operations of EU agencies and bodies shall not depend on short-term financial programmes, such as the EU4Health, and shall not by default reduce financing of other activities in the area of health; notes with concern the significant decrease in EU4Health budget compared to the previous year and stresses the need to increase the amount to appropriately fund foreseen activities; stresses that new emerging strains of SARS-CoV-2 pose a challenge to public health in the union and therefore, sufficient resources should be allocated to prevention, preparedness, and protection; stresses the importance of a long term, coherent and coordinated strategy for emerging SARS-CoV-2 variants of concern, comprising from both medical and non-medical counter measures; calls for a specific action on mental health within the framework of the EU4Health Programme to tackle mental health. Particularly those derived from the COVID-19 pandemic; calls for further action and funding to address issues related to AMR; stresses that sufficient resources should be allocated for increasing investments in research and development in the area of health;
15. Notes with concern the lack of funding available to build a secure and interoperable digital health infrastructure in Member States, accompanied by the European Health Data Space (EHDS) proposal;

16. Recalls that in order to properly comply with their tasks the Union agencies under the remit of the Committee on the Environment, Public Health and Food Safety (EEA12, ECHA13, EMA14, ECDC15 and EFSA16) must be adequately funded and staffed; deplores the budgetary reduction for ECDC and EMA; notes that EEA's recently acquired new tasks have been covered with operational staff, but that the ratio of support staff has decreased significantly, requiring additional resources in order to ensure that the agency can fulfil its tasks, including in relation to the European Environment Information and Observation Network (EIONET); stresses that the deterioration of the staff levels of the agencies could jeopardise, among others, the achievement of the European Green Deal or the successful prevention and management of environmental and public health risks; stresses that the agencies should not be in a situation that forces them to establish negative priorities; underlines that assignment of new tasks to the agencies should be accompanied by additional and adequate resources;

17. Stresses the importance of transparency in funding of public authorities, including EU institutions, bodies and agencies; underlines that the EU bodies independence and integrity is crucial and therefore high degree of transparency needs to be ensured through all activities to avoid regulatory capture and ensure citizens' maintain their trust in EU decision-making;

18. Reaffirms its full commitment to a system of own resources capable to contribute to the Union’s goals on the climate, the environment and health; highlights the need to assess the impact of inflation on the union budget.

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12 European Environment Agency.
13 European Chemicals Agency.
14 European Medicines Agency.
15 European Centre for Disease Prevention and Control.
16 European Food Safety Authority.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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**Key to symbols:**
+ : in favour  
- : against  
0 : abstention