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## **Consultant - Terms of reference to conduct research and write study on environmentally EU harmful subsidies**

### **1. Introduction**

In the coming months, WWF's European Policy Office and other WWF national offices in Europe will be campaigning together to put nature and climate policies at the forefront of the public debate ahead of the 2024 EU Elections, scheduled for 6-9 June.

In 2019, the EU elections triggered the inception of the European Green Deal - a meaningful step towards tackling the twin climate and biodiversity crises. Following the 2024 EU elections, political leaders must build on this vision, and ensure all sectors and systems finally become part of the transition.

An integral piece of this transition is the phasing out of environmentally harmful subsidies in all policy areas, from fossil fuels to agriculture and sustainable finance, and a clear shift to climate-neutral and nature-positive subsidies.

### **2. Concept and objective of the study**

As part of its EU elections campaign, WWF's European Policy Office is planning to publish a report on EU environmentally harmful subsidies in April 2024. This report shall include existing and new research on the scale of fossil fuel subsidies and other environmental harmful subsidies originating from the EU budget, as well as provide an estimate of indirect subsidies that are linked to EU laws. More specifically, it must include the estimated amount of EU taxpayer money spent from the EU budget on nature destruction, and compare it with the cost to achieve the ecological transition towards a climate-neutral economy.

The main objectives of the report are to:

- Provide a comprehensive overview of EU fossil fuel and other environmentally harmful subsidies drawing from existing and new research
- Reinforce the narrative that harmful subsidies must be phased out and that EU decision-makers should support the shift to climate-neutral and nature-positive
- Bring a complex and technical topic to people's everyday lives - create a public conversation around environmentally harmful subsidies

The target audience of this report is EU citizens who will cast their votes in the next EU elections. In order to ensure maximum reach, WWF will disseminate the findings of the report to media outlets across Europe. The topic of subsidies is often presented with complex and

technical language that is not always accessible to everyone. **The study should be developed with this in mind, aiming for content that is clear, concise, free of technical jargon when possible, easy to “visualise”, and which the average reader should be able to understand.**

### **3. Content of the work**

**This report will be composed of 4 different sections:**

1. An executive summary with the main findings (4 pages)
2. The study, supported by compelling figures, graphs and definitions (15-18 pages)
3. A set of case studies, providing specific examples of environmentally harmful activities supported by subsidies originating from the EU budget (6 pages)
4. Policy recommendations, drawing from the findings of the study and based on [WWF EPO's electoral asks](#) to policy makers (2 pages)

**The successful candidate shall provide the executive summary and the study (sections 1 and 2).** WWF will develop the case studies and policy recommendations (sections 3 and 4), and compile all the sections into a report.

More in particular about the study, it shall include the following:

- **A set of definitions** of harmful subsidies (fossil fuels and other environmentally harmful subsidies), both direct and indirect, and a **clear overview of the EU laws and policies that lead to harmful subsidies.**
- A figure on the **annual and overall share from the MFF 2021-2027 and NextGenEU dedicated to direct subsidies.** This shall be the bulk of the research. In order to provide the detailed share of harmful activities, the figure should be broken down by policy (linked to the EU budget). The targeted policies will be limited to the following:
  - **Agricultural policies: mainly the CAP, (Pillar 1 and 2)** including coupled support for livestock, investment grant for fertilisers and pesticides, direct payments, subsidies for fertilisers/pesticides
  - **Forestry policies:** primarily through the CAP where part of the money is used for forest measures
  - **Fisheries policies:** primarily through the European Maritime, Fisheries and Aquaculture Fund (EMFAF)
  - **Cohesion policies/structural funds,** including money spent to build infrastructure that are destroying or degrading EU nature (e.g. highways etc.)
  - Policies supporting the development of **water reservoirs and dams,** primarily through the CAP, NextGenEU and Cohesion policies, **including hydropower plants** (through CEF, NextGenEU)

- **Neighbourhood, Development and International Cooperation Instrument funding contributing to harmful activities** related to any policies mentioned above
- **NextGenEU**, in relation to any policies mentioned above
- An **estimated amount of indirect subsidies spent annually by the EU, covering a non-exhaustive selection of harmful indirect environmental subsidies and indirect fossil fuel subsidies**. As a significant amount of studies have already provided figures on fossil fuels subsidies, this estimation should only be an aggregation of data. It should be a non-exhaustive selection - mainly based on energy spending - and use specific EU policy examples, such as the ETS revenue, farmers and fishers tax exemptions on fuels, and bioenergy policies.
- An **estimated amount on the investment gap required to achieve the objectives of the Green Deal**. As a basis, this could be linked to the findings from the European Commission in the [2023 Strategic Foresight Report](#) and in the [2022 Biodiversity financing and tracking report](#).<sup>1</sup> This figure should not be a new calculation, but an aggregation.
- Graphics and tables, supporting the findings and narrative should be integrated into the study.

***\*\*\*The study and the executive summary should present a clear structure, telling a story and reinforcing the narrative about the need to phase out environmentally harmful subsidies. Examples to help readers visualise and understand the figures shall be provided when possible (e.g. fictitious example: "the EU spent 3 millions on fossil fuels subsidies in 2019. That's 10 times the amount that was spent on initiatives for clean air."). The language should be accessible, ensuring an average reader can understand the findings and their implications.***

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<sup>1</sup> In 2023, the EC found that an "additional investments of over EUR 620 billion annually will be needed to meet the objectives of the Green Deal and RepowerEU" and that "the EU is already set to spend EUR 578 billion – at least 30% of its budget – on climate-relevant action for the 2021-2027 period". In 2022, it estimated that to achieve the Biodiversity Strategy for 2030's objective, the EU would need to invest EUR 481.48 billion (undiscounted) between 2021 and 2030.

#### 4. Tentative timeline

<b>From Nov 9, 2023 to Nov 30, 2023</b>	Call for tenders
<b>Dec 6, 2023</b>	Selection of tenderer
<b>From Dec 7, 2023 to Dec 18, 2023</b>	Selected tenderer provides detailed outline
<b>Dec 21, 2023</b>	WWF's European Policy Office provides input
<b>Jan 19, 2024</b>	Selected tenderer provides a preliminary draft
<b>From Jan 22, 2024 to Jan 26, 2024</b>	WWF national offices review preliminary draft, provide specific suggestions (the European Policy Office will coordinate and provide a single set of comments)
<b>From Jan 29, 2024 to Feb 9, 2024</b>	Selected tenderer integrates feedback and finalises study, and drafts executive summary
<b>Mid-march</b>	Selected tenderer reviews edited document to ensure accuracy
<b>Week of Apr 8, 2024</b>	Publication of the report

#### 5. Application

If you are interested, please submit a short proposal, including:

- Economic offer, indicating the estimated number of days of work and people involved, and daily rate.
- A two-page CV or description of your expertise on the subject, particularly links to any recent work on EU budgetary policies and/or subsidies.
- A one or two-page proposal for the structure of the research and the methodology that will be used.

These documents, and any request for further information, should be sent by **29 November 2023** to Florian Martinez (fmartinez@wwf.eu), with Alejandra Morales (amorales@wwf.eu) in CC.