



# **Financing Natura 2000:**

**emerging conclusions of the fitness-check, perspectives for the future**

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Unit D.3 "Nature Protection"  
DG Environment**

**Bratislava**

**10 October 2016**



# Fitness-check: costs of Natura 2000



**5.8 bn EUR**

33% one-off investments (e.g. infrastructure or land purchase)



67% recurrent costs (e.g. habitat management or personnel costs)



## PAFs:

- updated estimates for some MS
- not possible to aggregate (different methodologies)

## FC evidence:

- biggest N2000 costs: management, administration, land purchase
- difficult to separate N2000 costs from other (national/regional) nature protection systems (national parks, reserves etc.)
- opportunity costs: overall likely to be small but in individual cases could be high (e.g. for mining companies)
- cost of species protection (incl. compensation of losses)



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# Fitness-check: benefits of N2000

## Intrinsic value



## Ecosystem benefits

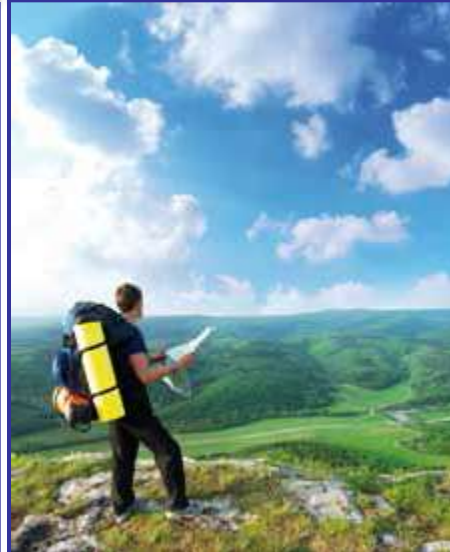


## Storing carbon



9.6 bn tonnes  
 ≈ 35 bn tonnes of CO<sub>2</sub>  
 (worth  
 between €600 and €1,130  
 bn - 2010 prices)

## Tourism



Expenditure supported  
 by visitors to Natura  
 2000 sites  
 ≈ €50–85 billion/year  
 (in 2006)

## Other:

- Food
- Clean water
- Flood protection

Altogether:  
 EUR 200-300  
 bn/year  
 1.7 - 2.5 %  
 of EU GDP

Currently  
 52.000 FTE  
 jobs, with up  
 to 174.000  
 potentially



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# Fitness-check: EU funding for N2000



**Article 8  
HD**



**PAFs**



EU contribution to  
N2000: EUR 550–  
1,150m/ year  
→ 9-19% of the  
needs

## FC study findings:

- funding is insufficient
- lack of funding: one of the key constraints to achievement BHD objectives
- available funds could be used more effectively and efficiently
- LIFE: best value for money





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# EU funding: integration approach



EUROPEAN COMMISSION

Communication 2004



**N2000 to be financed  
through integration**

## Main funds:

- **European Agricultural Fund for Rural Development (EAFRD)**
- **European Maritime and Fisheries Fund (EMFF)**
- **Structural funds and cohesion funds (ERDF, ESF and CF)**
- **LIFE**
- **Framework Programme for Research and Innovation (Horizon 2020)**





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# Integration approach: evaluation



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ASSESSMENT OF THE NATURA 2000 CO-FINANCING ARRANGEMENTS  
OF THE EU FINANCING INSTRUMENT

A project for the European Commission  
No 0788072010/647838/ETU/PL  
March 2011

FINAL REPORT

M. Boffone, G. Caray, J. Haidich B.G. Rablück (IEEP)  
R. Tarkenton, A. Araya Schell, A. Baumüller & E. Gerthoff (COWI)  
M. Assmann, C. Daly & M. Pálková (GHK)



EUROPEAN  
COURT  
OF AUDITORS

N2000  
performance  
audit 2015-  
2016

Others :

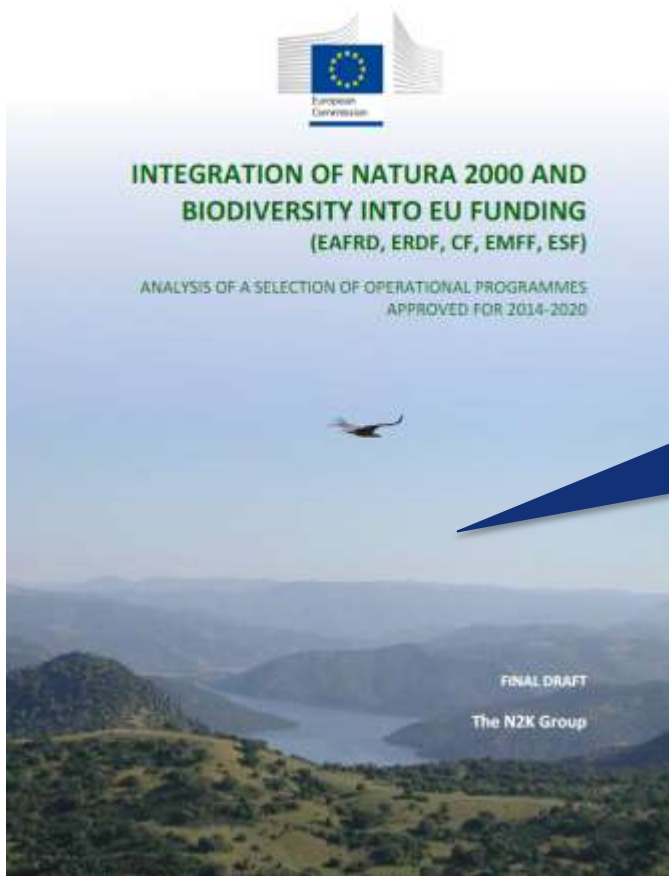
- IEEP (2016) Integration approach to financing of biodiversity
- COWI (2017) Study on the integration of env into cohesion policy funds



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- **16 Member States and regions**
- **101 programmes**
- **RDPs, ERDF, CF, ESF, EMFF**

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/Natura2000\\_integration\\_into\\_EU%20funds.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/Natura2000_integration_into_EU%20funds.pdf)



## Assessment of RDPs

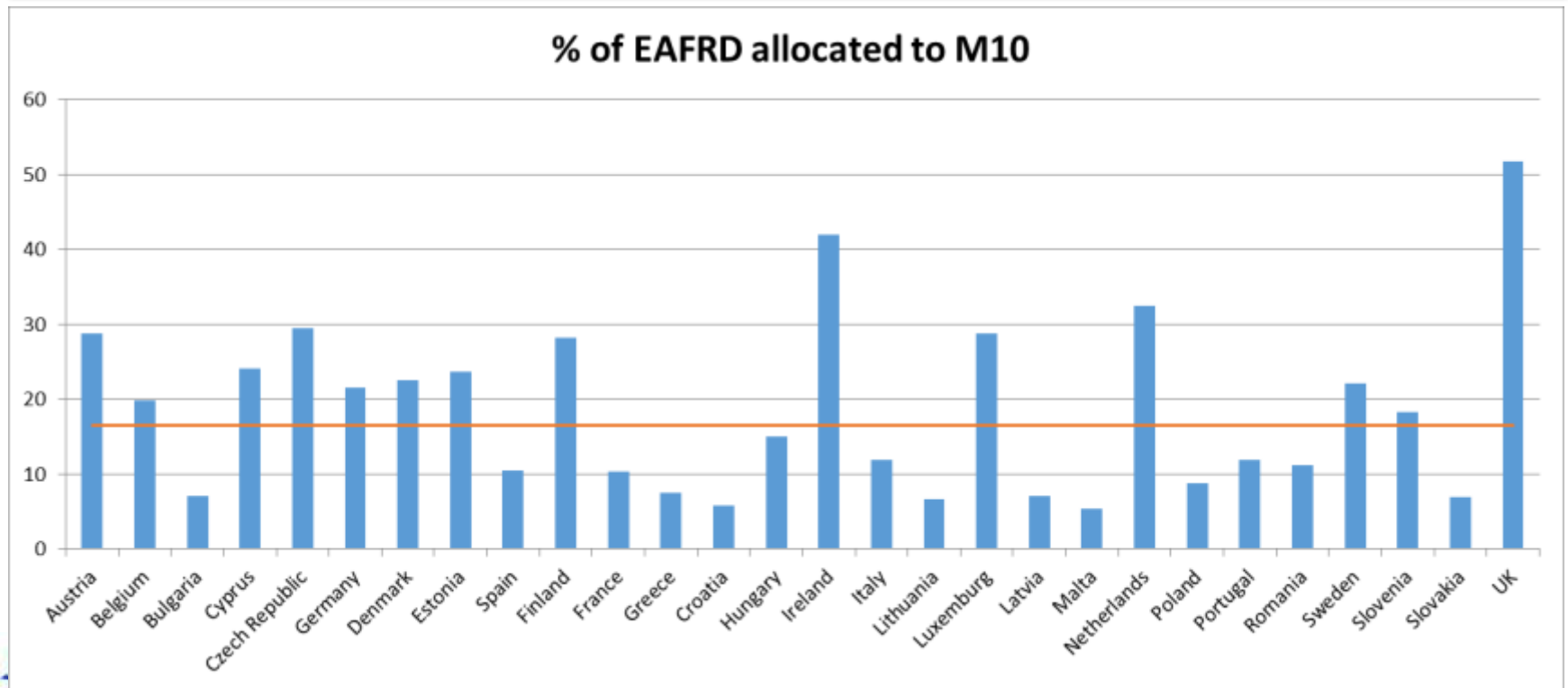
- **Forest measures only in half of the RDPs**
- **In some RDPs serious gaps compared to PAFs**
- **Not enough "soft" measures**
- **IAS and GI: not enough**
- **Allocations too small**



- **All RDPs address N2000**
- **Broad consistency with the PAFs**
- **Grasslands and landscape features comparatively well covered**



# Agri-environment-climate



RDP	M12	M10	P4 (% of total)	Allocations to N2000, habitats & species*	PAF 2014- 2020	*Estimates based on expenditure in rele- vant sub-measures under:
ARAGON (SPAIN)	0.56	96,2	293.1 (32.3%)	88	N.A.	M10, M12, M8.5
BULGARIA	139.7	215	983.1 (34%)	209	1,718	M10, M12, M8.5, M12
BURGUNDY (FRANCE)	0.04	107	497.7 (59.4%)	N.A.	N.A.	Expenditure in relevant measures not available
CYPRUS	4	52	111.7 (46%)	26	880	M10,M12
ENGLAND (UK)	M12 not included	2,895	3,452 (85.1%)	N.A.	2,982	Expenditure in relevant measures not available
ESTONIA	32.7	244.9	365.6 (36.8%)	73	405	M10, M12
FINLAND (MAIN- LAND)	M12 not included	1,586	5,699 (69.5%)	229	2,604	M10.
GREECE	10	429	2,471 (42%)	40	685	M10, M12
MECKLENBURG- VORPOMMERN	20	156	486.3 (52%)	144	N.A.	M10, M12, M15, M8.5.
POLAND	M12 not included	1,184	4,160.6 (30.8%)	385.3	1,621	M10
PORTUGAL (MAINLAND)	49.7	477.5	1,093.9 (26.2%)	N.A.	951	Expenditure in relevant measures not available.
ROMANIA	M12 not included	1,052	2,813,7 (29.7%)	239.3	3,527	M10, M15.
SARDINIA (ITALY)	M12 not included	163	491.9 (37.6%)	35	N.A.	M10.
SLOVAKIA	8.8	143	896.5 (43%)	75.2	543	M10, M12, M15
SLOVENIA	M12 not included	203	575.2 (52%)	N.A.	1,627	Expenditure in relevant measures not available
SWEDEN	M12 not included	963	2,624.3 (61%)	N.A.	1,246	Expenditure in relevant measures not available.

- Information based on financial plans in the RDPs
- Not possible to provide info for all MS/regions
- Clear gaps between the allocations in the RDPs and needs identifies in the PAFs

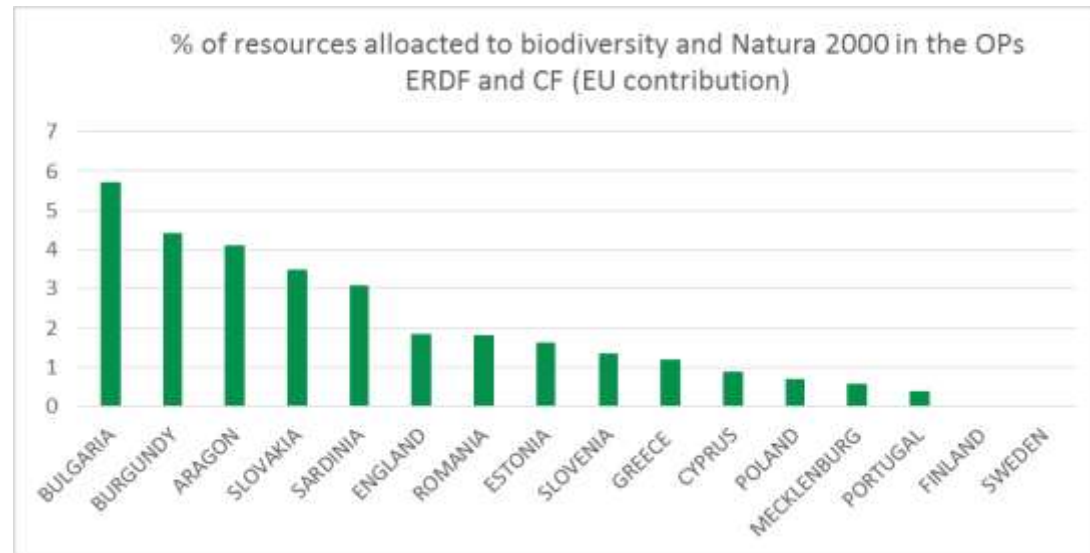
# European Regional Development Fund (ERDF) and Cohesion Fund (CF)



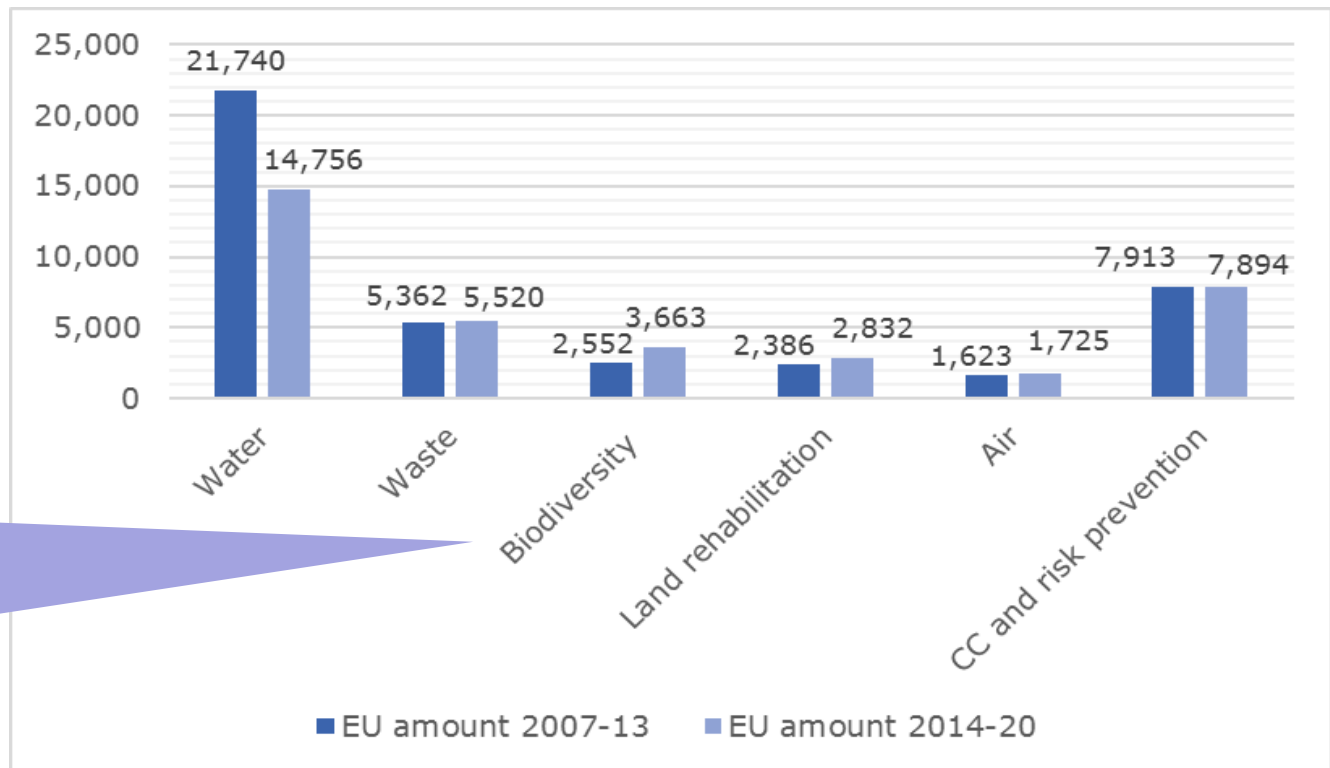
- ❑ Less developed regions/MS have used the opportunity
- ❑ Good integration of measures for non-agri habitats and species (freshwater)
- ❑ Connectivity, capacity building/knowledge base



- ❑ Some MS/regions (FI, SE, MVP-DE) did not use TO6(d)
- ❑ Indicators not well adapted to track progress
- ❑ Not enough allocations (on average less than 2%)



## ERDF and Cohesion Fund allocations to nature and biodiversity



Slight increase between 2007-2013 and 2014-2020



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# European Maritime and Fisheries Fund (EMFF)



- **all OPs include measures for nature and biodiversity**
- **some OPs: measures for inland waters**



- **generic measures**
- **not possible to know allocations for N2000**
- **no indicators**





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# European Social Fund (ESF)



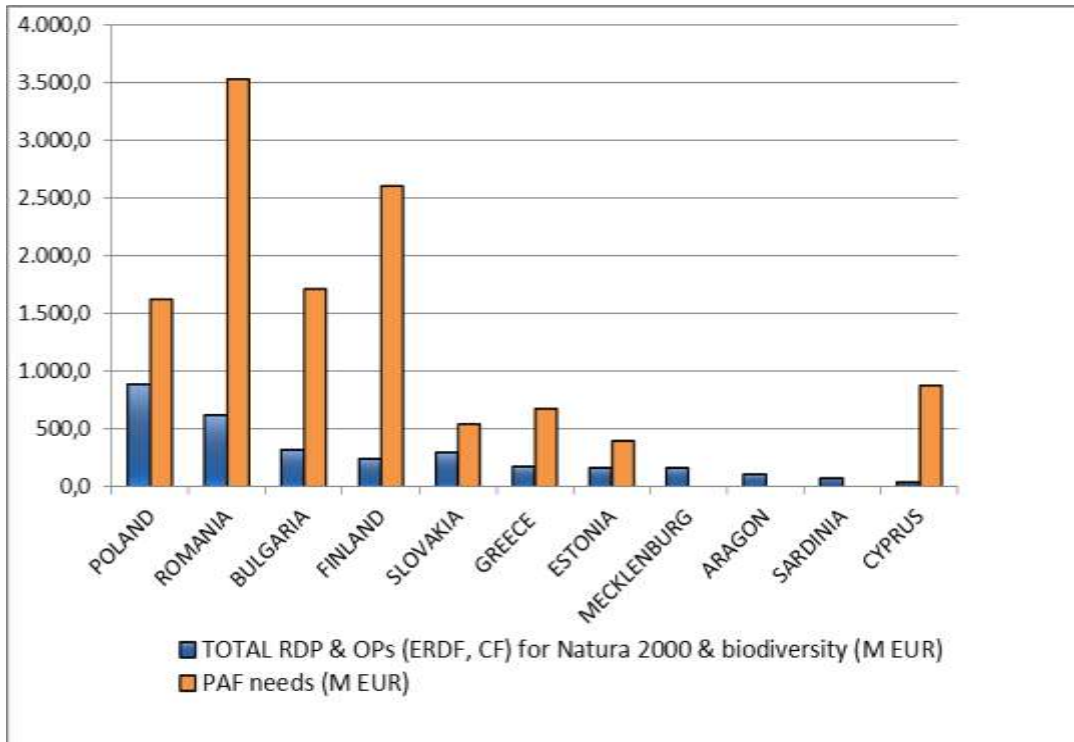
- **capacity building for N2000**
- **information and education, creation of new jobs and green business (e.g. BG, PL, RO).**



- **very little integration of nature and biodiv**
- **not possible to estimate allocations**
- **targets and indicators very generic**
- **no specific indicators**



# Allocations to Natura 2000 and biodiversity and financial needs estimated in the PAF





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## Conclusions of the study

- **Better integration in the RDPs than other OPs**
- **PAFs helpful but not sufficiently covered**
- **Allocation: not possible to calculate precisely**
- **Targets and indicators often not adapted to monitor progress specifically for Natura 2000**







# LIFE Programme for the Environment and Climate Action

- ❑ New structure: sub programmes for the Environment and Climate Action;
- ❑ Budget: €3.4 billion with 75% for ENV and 25% for Climate;
- ❑ New concept: integrated projects;
- ❑ More coordination with other funds;
- ❑ Multiannual work programmes;
- ❑ National allocations to be phased out;
- ❑ Co-financing rates: nature and biodiversity 60%, priority habitats and species 75%.





## Dedicated fund for nature and biodiversity

PROS

- no competition with other EU priorities
- possibility for targeted measures
- Result-based payments
- better indicators, facilitating monitoring progress

CONS

- overall availability of funding does not increase
- limited possibility to shape other funds
- May have to be a shared management fund (LIFE XXL not feasible or practical) → MS would be responsible for admin/ institutional set-up

## Innovative financing instruments

- **Payments for ecosystem services;**
- **Public-private partnerships;**
- **Pro-biodiversity businesses;**
- **Low/Zero rate loans;**
- **Tax incentives;**
- **Carbon credits;**
- **User fees;**
- **Sponsorship, charities, crowd funding.**
- **Linking offsetting and nature restoration???**





# Natural Capital Financing Facility (NCFF)

- € 100-125 million for the period 2015-2019 for some 9-12 operations.
  - EU contribution to the EIB: € 60 million
- Four project categories: 1. Payments for ecosystem services, 2. Green infrastructure, 3. Pro-biodiversity and pro-adaptation businesses, 4. Projects involving biodiversity offsets.
- Direct loans, indirect loans through financial intermediaries and indirect investment via equity funds
- € 10 million Support Facility to help developing projects
- <http://www.eib.org/products/blending/ncff/index.htm>





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[http://ec.europa.eu/environment/nature/index\\_en.htm](http://ec.europa.eu/environment/nature/index_en.htm)  
<http://ec.europa.eu/environment>