For an EU budget serving nature and people

Position Paper adopted by all BirdLife Partners in the European Union

21 September 2017

Summary

In 2020, the current EU Strategy and Multiannual Financial Framework (MFF) will come to an end. Debate on the future of the EU is rife in the wake of grave humanitarian, socioeconomic, financial and political crises. More than ever, the EU must prove that it listens to its people and responds to their needs. One clear way to do so is by ensuring that the next EU Strategy and MFF – as a matter of political priority – takes firm, well-resourced actions to protect our shared natural heritage and the essential ecosystems (air, water, food etc.) on which our health and economy depends. Europe-wide polls reflect an over-whelming belief that mankind has a responsibility to halt spiralling biodiversity loss; and the EU’s most successful public consultation to date, the ‘Fitness Check of the EU Nature Directives’ in 2015, saw half a million Europeans call on the EU do more to protect nature.

The EU has a high level of environmental ambition: it is committed to meeting the UN Sustainable Development Goals by 2030; Natura 2000 is the world’s largest coordinated network of protected areas; and the Nature Directives provide a comprehensive legal framework for wildlife protection. Yet, an alarming proportion of protected species and habitats are still in decline and the EU has made no significant progress towards meeting the targets of its own Biodiversity Strategy, signed in 2011. Numerous studies, the European Commission’s own findings, and the conclusions of the EU Environment Council are all aligned: significant additional financial resources must be found if the EU is to halt, let alone reverse, current negative trends.

The BirdLife vision for the next MFF makes a strong case for a significant increase in funding for biodiversity, based on a set of 10 key principles. They should be upheld by the EU as the fundamental tenets of a budget and strategy that serves both nature and people. These principles are shaped by certain benchmark requirements: honouring the EU’s international commitments; commitment to social responsibility and socio-economic innovation; adequate regulation and proper enforcement; and a decision-making process that is transparent, collaborative and inclusive. Several principles elucidate upon the modalities of balancing ‘public funds for public goods’, co-financing with Member States and the ‘polluter pays principle’. Meanwhile, others outline how funds must be ring-fenced on a needs-based and results-oriented basis to ensure that ‘green’ funds are truly green rather than ‘green washed’.
Based on these principles, BirdLife proposes the creation of several new policies and funding instruments: a ‘Nature and Biodiversity Instrument’ of 15 billion EUR per annum, supported through a new European Food and Land-use Policy; Priority Trans-Boundary Green Corridors (TEN-G) to maintain ecological connectivity at landscape level; a Sustainable Ocean Fund for a healthy marine environment; and, the elaboration of a new forward-thinking EU Research Policy. Certain existing programs and policies should also be supported through significantly increased funding – most notably, the LIFE Programme, as well as targeted support for greater global environmental governance and an improved EU Cohesion Policy.

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I. Why the EU needs a strategy and budget that serve nature and people

EU biodiversity policy – the case for more funding

The EU can be proud to have created ‘Natura 2000’, the largest coordinated network of protected areas for nature in the world, with over 27,000 sites covering 18% of the EU land surface and 6% of EU marine waters. The EU Birds Directive and Habitats Directive, which together form the legal basis for this network, also offer comprehensive legal protection for wildlife and form the centrepiece of the EU Biodiversity Strategy, adopted in 2011. However, whilst a European Commission review of both nature directives confirmed in December 2016 that their legal provisions are appropriate, the mid-term review of the Biodiversity Strategy concluded that no significant progress has been made towards the headline target of halting biodiversity loss by 2020. The EU thus risks repeating its previous failure, to halt biodiversity loss by 2010.

A lack of adequate funding is one of the factors impeding progress in achieving the EU’s objectives for nature, and a number of studies suggest that the current ‘integrated approach’ to financing biodiversity conservation has failed on many accounts. Both the European Commission’s Action Plan for Nature, People and the Economy, launched in April 2017 following the review of the nature directives, and subsequent Environment Council conclusions, recognize the need to increase funding, but they identify only partial solutions, with no clear proposals for the period after 2020.

Public concern and support for nature

EU institutions can count on the support of EU citizens to tackle these challenges. Over 500,000 people answered the European Commission’s consultation on the ‘Fitness Check of the EU Nature Directives’ in 2015, and more than 250,000 responded to the consultation on the future of the Common Agricultural Policy through the ‘Living Land’ initiative in 2017. Such massive participation shows that EU people want the EU to do more for nature. In addition, more than three quarters of Europeans (76%) believe that mankind has a responsibility to look after nature and that it is important to stop biodiversity loss; and six out of 10 (60%) people agree that our health and well-being are based upon nature and biodiversity.

This public concern for nature has strong justifications. The EU’s own experts raise serious concerns about the ongoing loss of EU biodiversity and its implications for our future, with a high proportion of protected species and habitats in unfavourable condition and no favourable trends detected in the underlying drivers of biodiversity loss. 1 in 6 jobs depends to some extent on biodiversity. Nature provides us with food, water, clean air, medicines and guarantees our well-being in many other ways. Not only is the EU internationally and domestically committed to saving biodiversity, but protecting nature is simply vital to us all.

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1 http://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm#stra
2 http://ec.europa.eu/environment/nature/legislation/fitness_check/index_en.htm
6 http://ec.europa.eu/environment/nature/legislation/fitness_check/action_plan/index_en.htm
8 https://ec.europa.eu/commmfrontoffice/publicopinion/index.cfm/ResultDoc/.../68148
**Investing for nature, listening to EU citizens**

The failure to reverse EU biodiversity decline is one element of a much wider global environmental crisis, the European dimension of which is highlighted comprehensively in the European Environment Agency’s “State of the Environment Report 2015”\(^{11}\). In parallel, a number of grave humanitarian, socioeconomic, financial and political crises in recent years have prompted the European Commission to launch a wide debate on the future of the EU\(^{12}\), including the options for financing the EU budget. In 2020, the current EU Strategy (for ‘Smart, Sustainable and Inclusive Growth’) and its associated Multiannual Financial Framework (MFF) will come to an end. The Commission’s discussion papers about the future, and subsequent EU Council conclusions in June 2017\(^{13}\), recognise clearly the need for EU policy, legislation and expenditure to stimulate progress in achieving the UN Sustainable Development Goals for 2030.

This wider political debate must address head-on the need for the EU to halt and reverse the socioeconomic and financial drivers of biodiversity decline. Significant additional financial resources must be found if the EU is to halt and reverse this trend in the short to medium term, and achieve its 2050 vision for biodiversity. The EU must only pursue economic prosperity and employment which is compatible with maintaining and improving social well-being and environmental quality\(^{14}\). A new direction, clear political priorities and firm, well-resourced actions are needed, so that the next EU strategy and MFF truly reflect the Union’s high level of environmental ambition and public concern for nature, and deliver clear results.

EU politicians and decision-makers have become increasingly perceived as remote from citizens and their daily lives. Decisive, effective action is needed to respond to that perception; and delivering a substantially increased EU funding package for nature is one clear way for the EU to show that it listens to its people and responds to their needs.

This document sets out BirdLife’s vision for the next financial framework and makes the case for a significant increase in funding for biodiversity in the EU budget after 2020. It first lists a set of key principles that BirdLife believes the future MFF should comply with. It then describes the financial tools that the future MFF should fund in order for the EU to effectively serve people, nature and future generations.

**II. Principles for an MFF serving nature and people**

**Principle 1: the UN Sustainable Development Goals and Convention on Biological Diversity at the centre of the MFF**

1. The EU was key in shaping the 2030 Agenda for Sustainable Development, including the 17 [Sustainable Development Goals](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)\(^{15}\) (hereafter the “SDGs”). The EU is strongly committed to implementing the SDGs both internally and externally, including to “Conserve [...] the oceans, seas and marine resources” (SDG 14) and to “Protect, restore, and promote sustainable use of terrestrial ecosystems [...] and halt biodiversity loss” (SDG 15). The SDGs are designed as an indivisible set, reflecting the fact that sustainable development requires

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11 [https://www.eea.europa.eu/soer](https://www.eea.europa.eu/soer)
joint action in all spheres. The next MFF must reflect the EU’s overarching commitment to achieving the SDGs.

2. As a party to the Convention on Biological Diversity, the EU is also bound by its provisions and decisions, such as the commitment made during the 13th Conference of the Parties, held in Cancun in 2016, to mainstream biodiversity conservation in sectoral policies, in particular in the fields of agriculture, forestry, fisheries and tourism.

Principle 2: Healthy biodiversity should go hand-in-hand with thriving local communities

3. Just as economic wealth is not evenly distributed across the EU, so biodiversity is also not evenly distributed. Although biodiversity conservation benefits all through the provision of ecosystem services and a more resilient natural environment, achieving EU biodiversity policy objectives often requires biodiversity conservation measures in economically poorer rural and coastal communities. Greater efforts are needed not only to increase financial support to local communities in areas where biodiversity action is most needed, but also to provide significantly better information and advisory services, and to stimulate employment and socio-economic innovation. These are essential to encourage and apply models for business, development and social progress which are compatible with biodiversity needs, and recognise the key role these communities play in delivering public goods and conserving Europe’s natural heritage.

Principle 3: public money and regulation should be used to complement each other

4. Adequate regulation and proper enforcement provide a strong baseline to protect our natural heritage and to maintain the conditions for nature to provide important ecosystem services e.g. air and water cleaning, pollination, pest and climate control, production of food and of recreational benefits, etc. The EU has introduced a number of important and successful legal instruments with environmental aims, such as the Birds and Habitats Directives, the Water Framework Directive and the Ambient Air Quality Directive.

5. Public funding may be needed in certain circumstances where regulations are not sufficient or where market mechanisms cannot deliver. These might include the need to restore damaged ecosystems, to reintroduce species, or for investment or actions that are not rewarded by the market, such as promoting innovation and incentivising good practices until they are widely spread, or supporting land users in cases of loss of income or for the costs of implementing specific conservation measures or transitional investments. In general, the main focus of EU funding in this policy area should be to achieve objectives over and above those required by minimum legal standards. Legal compliance should not be contingent on the receipt of public funding, and public authorities must strive to ensure compliance with minimum legal standards at all times.

Principle 4: biodiversity action must be co-funded by the EU and member states

6. Although much of the EU’s biodiversity and especially most of Europe’s biodiversity hotspots are located in socially and economically least favoured regions, this natural richness is a common heritage and a common good. Therefore, it makes sense that a significant proportion of the resources required to safeguard biodiversity should come from the EU

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17 This factsheet looks at a recent study of a selection of 244 infringement cases that were handled between 1994-2014 in several areas of environmental policy. The results show that EU enforcement action brings considerable benefits for citizens and environment. [http://ec.europa.eu/environment/pubs/pdf/enforcing_EU_environmental_law_factsheet.pdf](http://ec.europa.eu/environment/pubs/pdf/enforcing_EU_environmental_law_factsheet.pdf)
common budget, rather than from national budgets. Also, the EU has an obligation, under Art. 8 of the Habitats Directive, to co-finance the implementation of Natura 2000 in Member States. However, it is important that national budgets also contribute to financing biodiversity action, as a means of guaranteeing Member State involvement with, and commitment to, nature protection.

7. Any key action in this field, in particular the implementation of the Nature Directives, should be co-financed at an average rate of 75% by the EU. This average rate might be adjusted based on both the economic wealth of a region (e.g. at ‘NUTS 3’ level) and how important the measure considered for funding is for reaching EU objectives.

Principle 5: no subsidies or incentives that are harmful to the environment

8. Art. 11 of the Treaty on the Functioning of the European Union stipulates that “Environmental protection must be integrated into the definition and implementation of the Union’s policies and activities”18. Efforts are therefore needed to ensure that spending under the EU budget has no negative impacts on biodiversity and overall supports achieving the biodiversity targets (Biodiversity proofing)19. Hence, the future MFF has to focus on “biodiversity proofing” all EU funds. What is more, the EU is a party to the global Convention on Biological Diversity (CBD) and as such is committed to end subsidies that are harmful for biodiversity by 202020. BirdLife asks that the EU budget and all policies and programmes of the EU should be assessed to make sure they do not contribute in any way, directly or indirectly, to damaging the environment and biodiversity.

9. Most of the funding under the EU Budget will be spent on purchasing goods and services. This gives the EU the opportunity to use its purchasing power to influence suppliers for the wider benefit of the environment. Therefore, Green Public Procurement is a key component of value for money to secure long-term benefit rather than focussing on short term advantage. Green Public Procurement allows public authorities to achieve environmental targets, set an example to private consumers, and raise awareness on environmental issues. The benefits associated with Green Public Procurement are not just limited to environmental impact and also include social, health and economic benefits. Green Public Procurement should be obligatory for the realisation of all EU-funded projects.

Principle 6: polluters, not taxpayers, must pay the costs of pollution

10. All payments under the MFF must be conditional on compliance with all relevant environmental regulation, ranging from fundamental principles, such as the ‘polluter pays principle’ set out in Art. 191 of the Treaty on the Functioning of the European Union, to detailed EU rules and environmental quality standards. This principle must be applied through any relevant national level legislation and implementation mechanisms, such as environmental permitting, and in taxation regimes which incentivise ‘clean’ practice and penalise pollution, and through direct penalties (e.g. fines) for non compliance with environmental obligations. For the future MFF, a strong legal framework and genuine implementation of conditionality must ensure that beneficiaries of payments would at the least lose such funding if found to be contravening any environmental protection law. This

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19 http://ec.europa.eu/environment/nature/biodiversity/comm2006/proofing.htm
20 CBD Aichi Target 3: “By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied.” CBD COP12 Decision XII/3 asks Parties to ensure by 2018 that policy plans are in place to ensure that this target is achieved.
means that Member States must fully implement all EU legislation including the following: Birds and Habitats Directive, Water Framework Directive, Nitrates Directive, Sustainable Use of Pesticides Directive (including the obligation to use integrated pest management). BirdLife also believes that the EU is lacking crucial legislation on the protection of soils which must be adopted as soon as possible.

**Principle 7: the budget must be developed and implemented in an inclusive manner**

11. Discussions on the next MFF as well as programming and implementation should be done in a way that guarantees efficiency and legitimacy of EU spending. This involves:

a. **Transparency** and easy access to simplified information: how spending priorities are being decided on and what EU citizens’ taxes are used for must be made available to the public; further, citizens should be given the tools to understand the basic principles and priorities of EU spending.

b. **Participatory approach:** anyone – citizen or interest group – who wishes to become involved in discussions on the Budget of the EU should be given an opportunity to do so at each stage of the process at the appropriate political level.

c. **Partnership:** programming and spending must be realised in collaboration with all concerned stakeholders, to involve relevant bodies representing civil society, including environmental partners such as non-governmental organisations. There should be an obligation for public authorities to involve stakeholders with appropriate expertise. Also, the EU and national authorities must provide the financial support necessary to allow all stakeholders, especially non-for-profit organisations, to make use of their participatory rights.

d. **Member States co-financing:** In general, any EU spending should be co-financed by public and/or private sources from Member States. Approaches of 100% EU funding such as that of the current "first pillar" of the CAP are neither efficient nor a sustainable use of taxpayers' money. Co-financing increases ownership and leverages additional resources. The rate of EU financing should vary according to the accuracy in achieving the objectives and priority of the respective measure as well as the socio-economic strength of the benefitting region. In well-founded cases the share of EU funding should reach up to 95%.

**Principle 8: funding for nature must be ring-fenced**

12. EU funding for biodiversity must be **legally ring-fenced**, i.e. earmarked for specific actions with no possibility for that money to be then used for any other purpose. Too little funding has been earmarked under the current MFF for the specific, targeted biodiversity actions that should have been prioritised. Furthermore, the absence of ring-fencing has produced a massive lack of funding for biodiversity as funds are redirected to other areas of spending.

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Principle 9: spending for biodiversity protection must be needs-based and result-oriented

13. It is an overarching principle of the EU budget that public spending must be **result-oriented**[^1]. For biodiversity spending, BirdLife considers that this must be based on the funding needs for biodiversity identified in national and regional assessments (e.g. biodiversity strategies; Priority Action Frameworks).

14. The approach to spending should be **contractual, not based on any sort of previous entitlement**. Area based payments without objectives, for example, should be phased out. Spending should be clearly targeted, and whenever possible, receiving public money should be conditional upon achieving tangible results, to ensure that there is a strong linkage to delivering associated policy objectives. Clear accountability for the use of EU funds is essential, both at Member State and individual beneficiary level.

15. Regardless of which sectoral policy they are attached too, EU programmes for biodiversity must be developed and approved and their implementation overseen by **environmental authorities** at all levels, in close cooperation with all relevant authorities and other relevant stakeholders. Collaboration with farming, fisheries and forestry authorities could prove particularly useful where these already have experience and capacity to handle large funding streams and programmes.

16. **Eligibility** for funding should be conditioned to contributing significantly and in a demonstrable manner to the restoration of biodiversity of EU importance.

17. There must be a fair balance between the need to **control how public money is used** and the need for public money to deliver efficiently for biodiversity. The current approach often applied by those national Ministries and Commission DGs not responsible for the environment is to sideline measures that are effective but difficult to control, while favouring those that are easier to control, but often much less effective in nature conservation terms. In many cases, result oriented controls could be a way to address this challenge.

18. Managing authorities must ensure good implementation and enforcement. **Effective tracking of spending and monitoring of results** should be a priority in order to ensure that money is effectively and efficiently spent, and to allow adjustments and improvements where necessary. In a recent report on Natura 2000, the European Court of Auditors points to the fact that poor reporting and monitoring render impossible a comprehensive assessment of the effectiveness of the network[^2].

Principle 10: funding for nature must be easy to deal with

19. In order to ensure good uptake and efficient use by Member States authorities and beneficiaries, EU funds for biodiversity should be easy to use. Administrative work and transaction costs should be kept to a minimum, subject to the above principles, so that is worthwhile for stakeholders with limited capacity, in particular, as well as others, to apply for and deal with EU funds for biodiversity.

III. Elements of an MFF serving nature and people: what EU public money should be used for

This section details how - according to BirdLife - the post 2020 MFF should fund biodiversity action. Proposals for existing or new policies or funding instruments are made based on the principles explained in the previous section.

A new European Food and Land-Use Policy’s funding structure

Agriculture has been identified as one of the main drivers of biodiversity decline. The Common Agricultural Policy (CAP) has, so far, not played its part in reversing or even halting environmental degradation in many rural areas. At the same time, and in far too many cases, the CAP is also failing farmers on both a social and economic level. The CAP has also not done enough to halt other alarming trends such as malnutrition, climate change, rural depopulation and lack of generational renewal in farming. In short, the CAP has created a food and farming system that is failing on all fronts: farmers, our health, nature, the climate, farm animals, etc. The future policy must, once the current EU financial period ends, replace the CAP’s current two pillar system with a new set of funds that serve the principle of an EU “budget for results”. While a transition period will be required, the new structure must be determined from the very start of the next financial period, with a clear timetable to its completion. In BirdLife’s position paper “Towards a new European Food and Land-Use Policy” we suggest four funding instruments the future policy:

A “Nature and Biodiversity Instrument” of 15 billion Euros per annum

20. At the heart of European environmental protection are the EU Nature Directives (the Birds Directive26 and the Habitats Directive27). These regulations are crucial to protecting highly endangered species and habitats in Europe and the world’s largest network of protected sites – Natura 2000. Following a thorough ‘Fitness Check’ of this legislation, EU Member States, the European Parliament, the European Commission, the Committee of the Regions and many stakeholders from civil society and the private sector have agreed: this legislation is fit for purpose but must be far better financed.

21. Whereas strong and targeted management measures are required on these sites and despite legal requirements and global commitments, the EU has failed to provide adequate co-funding for the implementation of its biodiversity strategy and nature conservation legislation28. No money has been earmarked in the EU Budget specifically for Natura 2000 to effectively achieve the protection objectives of the Directives and according to various studies29, nature conservation is chronically underfinanced. A 2010 report30 by the Institute

28 The European Commission concluded from its Fitness Check of the Birds and Habitats Directives: “The evidence strongly indicates that achievement of the objectives of the Directives requires a significant effort, both in terms of better use of available funding at EU and national level (leading to improved capacity to absorb and apply the funds in a targeted and cost-effective manner, including through result based payments) and increase total resources allocated to it...” (European Commission 2016: Staff Working Document “FITNESS CHECK of the EU Nature Legislation (Birds and Habitats Directives)” SWD (2016) 472 final).
for European Environmental Policies (IEEP) indicates that 5.8 billion Euros per year are necessary to implement the network; a conservative estimate according to the authors. In 2011 the same institute estimated that EU funds directed to Natura 2000 during the 2007-2013 programmatic period only covered 9 to 19% of the needs, with Member States unlikely to have been able to cover the gap\textsuperscript{31}. In 2016, the Commission referred to the two above-mentioned studies to conclude that Natura 2000 was significantly underfunded\textsuperscript{32}. Estimates from Member States and other data suggest that the costs for full implementation of the Nature Directives are significantly higher than those published so far by the European Commission (see below and Appendix).

22. At the same time, the Common Agricultural Policy has been found to severely undermine the objectives of the EU’s nature legislation and biodiversity policy\textsuperscript{33}. This is also a clear finding of the above-mentioned Fitness Check. As a consequence, any new European Food and Land-Use Policy must have a significant strategic focus on tackling the biodiversity crisis.

23. Our asks:

a. BirdLife asks for the creation of a stand-alone Nature and Biodiversity Instrument administered ultimately by environmental authorities. This instrument would be the main financing tool for biodiversity action on land, providing land managers with strong economic incentives to protect and restore biodiversity. Financing from this proposed source must be clearly earmarked without any possibilities to use it for other purposes than nature conservation and biodiversity. BirdLife proposes this instrument as one of four which would operate within a new European Food and Land-Use Policy.

b. Estimates of funding needs\textsuperscript{34} show that this instrument should amount to at least 15 billion Euros per annum, with an additional average co-financing by Member States of at least 5 billion Euros per annum.

c. Beneficiaries of the Nature and Biodiversity Instrument should be all who implement eligible measures (e.g. farmers, land and forest owners and managers, managers of fish ponds, public bodies, foundations and environmental organisations).

d. The priorities of the Nature and Biodiversity Instrument should be to support Member States in:

i. Restoring and maintaining species and habitats of EU importance to a favourable conservation status.

ii. Completing and managing the terrestrial Natura 2000 network according to legal requirements.

iii. Undertaking other key targeted biodiversity measures as well as monitoring and communication activities that underpin the achievement of EU biodiversity legislation and policy.

iv. Combating invasive alien species\textsuperscript{35}, the rapid eradication of recently established populations of species included on Union list and the long-term

\begin{footnotesize}
\begin{itemize}
    \item http://ec.europa.eu/environment/nature/legislation/fitness_check/docs/nature_fitness_check.pdf
    \item https://www.eea.europa.eu/soer-2015/europe/agriculture/download.pdf
    \item Details on the cost estimates for the implementation of the EU’s Nature Directives can be found in the appendix to this position.
    \item Through the preparation of EU risk assessments so species may be included on the list of invasive alien species of Union Concern: http://ec.europa.eu/environment/nature/invasivealien/list/index_en.htm
\end{itemize}
\end{footnotesize}
post-eradication monitoring and biosecurity measures to reduce the risk of reinvasion.36

24. The Nature Directives are part of a wider EU environmental *acquis* that supports nature conservation efforts, while contributing to the achievement of EU sustainable development objectives. Key policy instruments include the Water Framework Directive, Marine Strategy Framework Directive, EIA Directive, SEA Directive, and the Regulation on Invasive Alien Species. The EU must ensure that this wider set of environmental laws is fully implemented by Member States, so that action to achieve nature conservation objectives is supported, and not undermined, by inaction or inadequate implementation of complementary policies.

A public goods payment “Space for Nature Instrument”

25. In light of the major failure of current ‘greening’ requirements within the basic payment system37, and the need for CAP simplification, BirdLife proposes a simpler and more effective voluntary system to ensure actual biodiversity conservation across the agricultural landscape, entitled the “*Space for Nature instrument*”

26. **Our asks:**
   a. The Space for Nature Instrument acts as an area-based entry level payment scheme for dedicating a varying percentage of each farm to non-productive use only, thereby fostering biodiversity and ecosystem services, allowing easy accessibility for the vast majority of farmers and contributing, together with legislation and targeted schemes, to the health of larger ecosystems in rural areas.
   b. The aim of this instrument is to ensure that natural vegetation can be found across the rural landscape, such as fallow land, flower strips or landscape features.
   c. It consists of a contractual payment for dedicating an area of land to non-productive use and biodiversity conservation.

A “Transition Instrument for sustainable farming”

27. The most effective way to ensure Europe benefits from generational renewal in rural areas, sustainable management of resources and better market resilience in the farming sector is a transition to sustainable farming, both socioeconomically and environmentally.

28. Though managing to deliver some crucial environmental outcomes, the current Rural Development ‘pillar’ of the Common Agriculture Policy still retains many environmentally harmful measures. Funding for the transition to sustainable farming, allowing farmers to access the required finances to change their farm structure, management practices and infrastructure will be crucial. As an outcome, farmers should be able to meet ambitious legal requirements as well as to generate an adequate income, without permanent basic subsidies under the new European Food and Land-Use Policy.

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36 Please note: BirdLife’s estimate of 15bn Euros per annum for the Nature and Biodiversity Instrument does not include the cost for the management of IAS, also see Appendix. However, measures on IAS could be included in the new standalone fund, if the budget of the Nature and Biodiversity Instrument was increased in accordance with appropriate cost assessments on IAS for all Member States. For further information on IAS see [www.birdlife.org/europe-and-central-asia/programmes/invasive-alien-species-europe-and-central-asia](http://www.birdlife.org/europe-and-central-asia/programmes/invasive-alien-species-europe-and-central-asia)

29. Our asks:

a. With the long term goal to make farming sustainable and independent from public subsidies, BirdLife proposes a “Transition instrument for sustainable farming” which should help farms switch to a high-quality, nature-and-animal-friendly and profitable economic model and invest in healthy, economically diverse rural areas.

b. The instrument would allow the policy to reorient its focus towards a new rural economy, higher environmental and animal welfare standards, support for switching to organic farming, the objective of a circular economy and sustainable bio-economy, as well as farm business diversification and short supply chains.

c. It should take a ‘whole farm approach’, ensuring that beneficiaries ensure that the entire farm holding meets the new requirements, not simply certain aspects of it. The investments would focus on a farmer’s ability to ‘add value’ rather than increase production, and illustrate that the total environmental impact is being reduced across the farm.

d. The transition instrument, programmed by Member States, should take the form of multi-annual payments for projects, but each measure or programme should have a clear set of objectives which can be checked against its social, economic and environmental impacts as well as strong monitoring and evaluation, providing safeguards to ensure genuine sustainability. It should, by its very nature, be time-limited to one or two EU financial periods.

A “Sustainable Food Instrument”

30. Tackling issues in the food system is not a key priority of the current agricultural policy. However, Europe needs a holistic approach to ensure that its food system is sustainable enough to tackle issues such as our environmental footprint, nutrition and health. Further, the EU still fails to ensure the sustainable production, processing, trade and consumption of food and other products without harm to the environment in the EU and elsewhere, in line with the Sustainable Development Goals (SDGs).

31. Our asks:

a. Given the importance of food and health for the European population, specific investments are needed to build up sustainable value chains, reduce food waste and promote the healthy and environmentally sound consumption of food. With the long term goal to tackle pressing issues such as our environmental footprint, nutrition and health (including food waste and dietary changes) BirdLife proposes a “Sustainable Food Instrument” as part of the new European Food and Land-Use Policy.

b. First, the new instrument must provide support for investments that make all food production, trade and consumption sustainable in line with the SDGs. It should put an end to any public support and incentives for environmentally harmful production and trade of foodstuffs.

c. Second, the instrument should support sustainable diets. This must include programmes that raise awareness about health and diet issues, in particular meat and dairy consumption. Specific investments are required to support short value chains and to increase demand for high quality sustainable products with fair prices, e.g. by schools and other public organisations. We also need to improve transparency and consumer awareness related to the environmental, social and health aspects of food production and consumption.
d. Finally, the instrument must support Member States in measures to minimise food waste.

**LIFE Programme for innovation and experimental approaches for biodiversity protection**

32. Large scale biodiversity decline and loss is a new challenge, and finding ways to address it requires out-of-the-box thinking, experimenting and exchange of experience. This is the “raison d’être” of the already existing, centrally managed LIFE fund.

33. LIFE is so far the only EU funding instrument dedicated to biodiversity action. Since its creation in 1992, it has proven to be a very efficient tool to finance innovative projects in the field of biodiversity protection: it has saved many species and habitats in the EU. It delivers innovative solutions, helps sharing and rolling out best practices across the EU and contributes to sustainable development, including through job creation, also after projects have ended. The LIFE instrument only receives 0.3% of the entire EU budget while its absorption rate is close to 100%, which suggest that the potential benefits of LIFE are largely limited by lack of funding.

34. **Our asks:** the LIFE programme must remain centrally managed by the Directorate General for the Environment of the European Commission and should be significantly strengthened. The budget of the priority area “Nature and Biodiversity” under the LIFE sub-programme Environment should be increased from approximately 150 million Euros per annum today to 1 billion Euros per annum under the next MFF.

**Priority Trans-Boundary Green Corridors (TEN-G) to maintain ecological connectivity at landscape level**

35. European ecosystems have been fragmented by human activities, and this is detrimental to nature. Migrating species must be able to move freely throughout their migration cycles. Different populations must be able to mix genes to ensure survival of their species. Those that are faced with changes in their habitats, as a result of climate change for example, must be able to shift range to adapt.

36. The concept of a Trans-European Network for Green Infrastructure (TEN-G) was developed as part of the European Commission’s Green Infrastructure Strategy. According to the Strategy, the TEN-G should be equivalent to the Trans-European Networks for Energy (TEN-E), and Transport (TEN-T) and financed through the Connecting Europe Facility. It should consist of large scale green infrastructure initiatives along Trans-European priority axes that maintain the connections of habitats and facilitate migration and adaptation of species e.g. to changing environmental conditions. As such, the TEN-G should contribute to a co-ordinated, EU-wide implementation of Article 10 of the Habitats Directive at a broad scale, from inter-regional to international.

37. **Our asks:** in accordance with the BirdLife Position on the Trans-European Network of Green Infrastructure, we ask for a sum of at least 1 billion Euros per year to be earmarked in the Connecting Europe Facility under the next MFF to fund projects which clearly and demonstrably contribute to the integrity of the Natura 2000 network and other protected areas.

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areas such as nature reserves, national parks etc. A wide range of actions should be eligible for funding, always complementing spending from the EU Nature Instrument, LIFE and other instruments as appropriate. Eligible actions would include ecological restoration and creation of wilderness areas, removal and bypass of key barriers such as hydro-electric dams and roads, and land purchase. This “TEN-G” tool should only benefit certain large scale transboundary projects, at regional level and beyond, for which currently no adequate EU funding opportunities exist. We ask that the management of this tool be overseen by DG Environment of the European Commission.

**A Sustainable Ocean Fund for a healthy marine environment**

38. European marine ecosystems vary, encompassing oceans, seas, salt marshes, sand dunes, intertidal zones, estuaries, lagoons, reefs, the deep sea, and the sea floor. They provide important services including not only as a source of food, income and employment, but also ecosystem services such as coastal protection and carbon sequestration.

39. Marine Protected Areas (MPAs) play a key role in the protection of marine biodiversity and ecosystems. Although that is their principal objective, MPAs also provide benefits beyond biodiversity conservation. In particular coastal and marine nature-based tourism employs over 3.2 million people and generates 183 billion Euros per year in gross value added in the European Union.

40. However, the marine environment faces multiple challenges, driven by human pressures that are expected to rise. These include the impacts associated with fisheries and aquaculture, pollution, mineral extraction, energy production, maritime transport, coastal development and tourism, as well as the effects of high CO$_2$ levels and climate change (acidification, temperature rises, changes in ice cover and currents). These pressures furthermore reinforce each other leading to cumulative impacts. The European Union is committed to tackling these multiple challenges through establishing a coherent marine Natura 2000 network and also reaching Good Environmental Status of European seas by 2020. However, very little financing has been made available to manage these pressures in a way which ensures the conservation of the marine environment.

41. Although the EU Budget through the current European Maritime Fisheries Fund (EMFF) has made efforts to finance management of the marine environment and Marine Protected Areas and tackle challenges such as fisheries bycatch, the reality is that very little funding has actually been spent on these objectives. On the contrary, EMFF funding is still focused on trying to directly finance economic activity without any guarantee of public goods delivery, and over 85% is directed especially at national fisheries and aquaculture activities, despite other very important demands on the fund’s resources. This is a particular problem in the aquaculture sector, where the emphasis has been on subsidising the sector almost regardless of its environmental impact. Furthermore, national authorities are still very reluctant to allow EMFF resources to be spent on ‘non-industry’ actors or activities– even if the EMFF rules are not restrictive. In some cases, for example, NGOs are not eligible to apply for projects where this relates to improving fishing techniques.

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42. It was estimated some time ago that the cost to manage one Km$^2$ of MPA would be on average 707 Euros$^{43}$. Therefore to reach the IUCN goal of 30% of MPAs managed in national waters by 2030$^{44}$, the annual cost would be at least 1 billion Euros.

43. Overall, BirdLife considers that the current EMFF is not fit for purpose and needs to be overhauled, having failed to not only to deliver for the improvement of the marine environment but to also achieve its aims, in particular to help fishers move to sustainable fishing models, support coastal communities in diversifying their economies, finance projects to create new jobs and improve quality of life, and to make it easier for applicants to access financing.

44. **Our asks:**

   a. The continued overwhelming emphasis on directly supporting the fisheries and aquaculture sectors is no longer acceptable and should be replaced with a more balanced and conditional approach, as existing EMFF environmental objectives are insufficiently funded and the diverse pressures from many other sectors mean that a much more broadly-based fund is needed.

   b. A new fund for the marine environment should be entirely re-focused on sustainable management of the marine environment. It should total 7 billion Euros for the entire period 2021-2027 and tackle all challenges and pressures faced by the marine environment, focusing on (1) data collection and monitoring of pressures; (2) enforcement and control of rules including via improvement of surveillance technology at sea; (3) testing mitigation techniques to identify solutions to pressures; (4) active management of MPAs; (5) Education, awareness raising (e.g. ocean literacy) and training; and (6) diversification of the sectors that links to the improvement of sustainability.

   c. This new ‘Sustainable Ocean Fund’ would not discriminate eligibility for accessing of funds, and instead focus on delivering quality results to support the management of the marine environment. The fund should be separated into two parts:

      i. EU direct management that tackles common challenges such as cross-border management or testing of solutions at European/regional scale. Financing should be delivered on a project basis, in particular, to move towards more sustainable practices, for example by implementing measures against bycatch or by reducing the production of marine litter.

      ii. Financing at national level that tackles national needs through operational programmes focusing mostly on active management of MPAs within Member States’ jurisdiction, including Natura 2000.

**Protecting migratory species and global environmental governance**

45. Nature knows no borders, and to protect wildlife in the EU, the EU Budget must provide support for species that migrate outside of the EU for part of their life cycle, and ensure that cross-boundary threats are well managed. Beyond this, the EU also has a normative role in supporting developing countries to recognise and protect their biodiversity and ecosystem services, through financial and non-financial assistance.


$^{44}$ See [https://portals.iucn.org/congress/motion/053](https://portals.iucn.org/congress/motion/053)
46. DG International Cooperation and Development (DEVCO), European Neighbourhood Policy and Enlargement Negotiations (NEAR) and the European External Action Service (EEAS) command significant external aid resources, which have the potentially to significantly influence protection of the natural environment in neighbouring and developing countries.

47. Our asks:
   a. The SDGs as well as other Multilateral Environmental Agreements (MEAs) such as the CBD, CMS and UNFCCC should be strongly mainstreamed through DG DEVCO, DG NEAR and EEAS, with the role of biodiversity and ecosystem services in supporting poverty alleviation and sustainable livelihoods integrated into programming.
   b. Neighbourhood Policy should explicitly seek to bring the EU’s neighbours up to its high environmental standards, to provide a level economic playing field. This should be linked to supporting countries to achieve the requirements of the MEAs to which they are parties, thus supporting global environmental governance.
   c. Current EU funding, channelled through DG DEVCO, should be scaled up to significantly contribute to the implementation of the “Larger than...” strategies, which estimate conservation needs in Africa (terrestrial), Africa (coastal and marine), Asia and South America. This should happen in collaboration with other donors. Dedicated programmes and funds should be considered to facilitate the implementation of the strategy and ensure funds are accessible as well to CSOs.

48. The EU’s Cohesion Policy seeks to strengthen the process of reducing the gap between the poor and the rich regions of the EU, namely by promoting economic, social and territorial cohesion. It is based on reducing social disparities by enhancing employment and social inclusion. The Cohesion Policy is built on a growth paradigm, one that focuses on the quantitative expansion of economies under the auspices of the EU’s Lisbon Strategy.

49. Achieving environmental goals goes hand in hand with the objectives of the Cohesion Policy, in particular the ability to produce jobs. However, the Cohesion Policy is still not aligned to the objectives of environmental policy. This is seen both in the Operational Programmes of Member States and financing for which the European Commission has direct management responsibility, for example in European territorial cooperation.

50. As a consequence, several major failures can be observed in the current use of the Cohesion Policy funds, e.g.:
   a. With some exceptions, opportunities to support key environmental objectives through EU funding are being systematically missed, e.g. financing management of Natura 2000 sites or investing in climate mitigation projects are negligible among Member States’ Operational Programmes.
   b. European funding still supports projects with negative environmental impacts, increasing GHG emissions, harming eco-systems and otherwise contradicting European overall environmental objectives. For example, incinerators are often promoted at the expense of more economic and environmental friendly alternatives, such as waste prevention, recycling and composting.

45 ‘Larger than Elephants’, the strategy for African conservation, estimates that 7 700 million Euros is needed over 10 year.
51. **Our asks:** The new Cohesion Policy should aim to place all EU regions on a sustainable development path, in line with the UN Sustainable Development Goals and specifically supporting strategic investments in nature based solutions. The following principles should therefore be supported:
   i. Priorities and objectives need to be redefined “beyond GDP” and should focus on enabling sustainable development that takes into account the ecological limits of the planet.
   ii. At least 25% of the financing under cohesion policy should go towards nature based solutions such as floodplain restoration and greening cities.
   iii. Refocus investments in favour of ecosystem-based solutions in order to protect biodiversity, and reduce the current emphasis on hard physical infrastructures (e.g. ecosystem-based water treatment instead of only building water treatment plants, or natural flood protection instead of higher flood defences).
   iv. In line with repeated EU political commitments, end fossil fuel subsidies by banning specific types of financing that are fundamentally perverse, contradict EU climate objectives and harm the environment, including support for air transport, oil and gas.
   v. Spending categories have to be revised, better defined and need clear guidelines to avoid contradictory approaches (e.g. natural flood protection versus the destruction of floodplains for water infrastructure) and provide guidelines for eligible measures, linked to measurable targets in line with clear objectives for each spending category.

**Research Policy**

52. Europe is committed to a knowledge based society. Research should therefore prioritise long-term added value that will also support achieving commitments and policies that support biodiversity.

53. Although the current Horizon 2020 facility has seen an improvement in aligning its research with European policies under its ‘Societal Challenges’ section, there are still several inconsistencies. In particular, Horizon 2020 focuses on theoretical research and lacks applied research. There are very few new data collected and most projects involve meta-analysis of existing data. Furthermore, under “Societal Challenges”, research consortiums currently restrict participation of stakeholders. Although the legislation is not restrictive, the reality is that most consortiums do not include the relevant stakeholders who are the most connected to the delivery of the policies.

54. Horizon 2020 also lacks opportunities for delivering much-needed research for biodiversity. On the contrary, it often focuses on enabling growth at the cost of biodiversity. For example, in the context of “Blue Growth”, the work programmes have focused on delivering innovation to commercially apply new technologies, and labelling these “sustainable”. However, if such technologies are promoted in the absence of basic research on the state and functioning of the natural ecosystem, and systematic biodiversity monitoring to detect natural trends and the effects of human pressures, these technologies are far from being sustainable, especially in places such as in deep sea where very little information is currently available. Therefore, not only does Horizon 2020 fail to apply a precautionary approach in its research priorities, it also fails to gather relevant data on ecosystems that is needed before enabling innovation to commercially exploit natural resources.

55. **Our asks:**
a. Active incentives need to be built within a new research facility that enables the cooperation between scientific institutions and stakeholders such as NGOs and practitioners. At least one member of the consortium must be from a stakeholder.

b. A new research fund should implement a facility that utilises new methodologies and technologies to identify protected areas, especially at sea, including through the use of tracking devices of species. This facility should also support the sensitivity mapping of threats to biodiversity, especially to support spatial planning.

c. A targeted small research grants facility for conservation should be applied to identify solutions for specific ecological challenges, for example: rapid decline of seaduck species; the impact of pharmaceuticals on raptors; testing different methods to remove the invasive alien algae in the Mediterranean coast.

d. Repeated systematic monitoring of biodiversity is fundamental to understand ecological changes and to drive sustainable innovation. Therefore, a new research facility must have a specific allocation for basic biodiversity monitoring needs to complement the monitoring activity funded by the Nature and Biodiversity Instrument and the Sustainable Ocean Fund, for example to meet wider biodiversity needs beyond those of protected areas and species, particularly in especially costly cases such as marine monitoring.

e. Increased research is needed to support European species where information is lacking on their ecology and threats beyond the EU’s borders. Therefore the new facility should establish a work programme to conduct research outside the EU on migratory species, such as birds and marine mammals, which spend part of their life cycle in other continents.
Appendix

Detailed description on the estimate costs of at least 15bn Euros per annum for the implementation of the EU’s Nature Directives

The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety recently presented a report on EU Nature Financing at the 88th Conference of Environmental Ministers, covering funding needs as well as current cost coverage for the implementation of the EU Birds and Habitats Directives in Germany\textsuperscript{46}.

The report shows that at least 1.4 Billion Euros annually are required in Germany alone to fully implement the Birds and Habitats Directive in terrestrial areas. Although, this new cost assessment does not take all necessary conservation tasks and measures into account (e.g. marine areas, invasive alien species, habitats not covered by the Natura 2000 network), it is to date the most accurate estimate of funding needs for the implementation of the EU’s Nature Directives available for any of the EU Member States. It also significantly exceeds the last assessment of 630 Million Euros (5.8 Billion for EU-27) per annum in Germany\textsuperscript{47}. Further, an analysis of the past funding period showed that at most 20% of the costs of implementing Natura 2000 were covered by the EU budget. The allocation of financial resources from national budgets is insufficient to fill the remaining funding gap\textsuperscript{48}. In Germany e.g. just over 500 million Euros are allocated to nature conservation financing every year\textsuperscript{49}. Therefore, evidence suggests that the current funding needs to implement the EU Nature Directives exceed the current allocation by over 50%.

Presuming that funding needs in other Member States have increased at a similar rate or were underestimated to a similar extent, BirdLife estimates the annual EU-wide costs for the implementation of the Nature Directives and wider conservation measures at a minimum of 15-20 Billion Euros at. Due to the lack of cost estimates for the implementation of measures tackling IAS, funding needs on IAS are not included in BirdLife’s estimated budget of the Nature and Biodiversity Instrument. However, measures on IAS could be included in the new MFF, if the budget of the Nature and Biodiversity Instrument was increased in accordance with appropriate cost assessments on IAS for all Member States.


\textsuperscript{49} Please note: staff costs of the nature conservation authorities, financial resources provided by environmental NGOs, private foundations and the private sector are not covered in the calculation