

Financing Nature Conservation to 2020 and Beyond

1. The New EU Budget 2014 - 2020

The European Commission has adopted a new budget for the seven-year period 2014 – 2020, which it outlined in a Communication in June this year, called 'A Budget for Europe 2020'. Budget-lines such as LIFE+ and the agricultural and regional development funds will change and new funding regulations are in the process of being published for various policy areas. This obviously has implications for the levels of funding available for nature conservation and Natura 2000.

As shown in the table below, the proportion of the total EU budget to be allocated to the new LIFE programme over the next seven years is 0.3% of the total EU budget over seven years. This is an increase from the €2.1 billion that was allocated to LIFE+ in the last EU budget round, but some of the funding will be dedicated for climate change. (The new LIFE regulation from 2014 – 2020, as a follow up to LIFE+, has just been announced – see Section 2.) Of the €3.2 billion allocated to this new instrument over the next seven years, €800 million will be allocated to a 'climate action sub programme' and €2.4 billion to an 'environment sub programme', which includes biodiversity. According to the Commission, the environment sub-programme will be organised under three priorities:

- LIFE Biodiversity - that will focus on Natura 2000 but will also target wider biodiversity challenges in line with the EU 2020 Biodiversity Strategy;
- LIFE Environment - that will focus on supporting the implementation of EU environmental policy, especially the implementation of environmental legislation relevant to the Europe 2020 resource efficiency objectives;
- LIFE Governance - which will support the creation of platforms for the exchange of best practice regarding compliance with EU policy and good governance. It will also support environmental NGOs and promote awareness-raising, advocacy and dissemination.

Selected EU Budget-lines from the 2014 - 2020 budget	Total Amount Allocated in EU Budget 2014 – 2020 (millions)	Approx Annual Amount Allocated in EU Budget 2014 – 2020 (millions)	Percentage of total budget
Total EU Budget over 7 years	€1,025,000		
LIFE	€3,200	€457	0.3%
CAP	€281,825	€40,261	27.5%
Rural development	€89,895	€12,842	8.8%
Maritime & fisheries	€6,685	€955	0.7%
Neighbourhood fund	€16,097	€2,300	1.6%
Development aid	€20,597	€2,942	2%
Pre-accession funding	€12,520	€1,789	1.2%
Cohesion policy fund	€336,020	€48,003	32.8%

N.B. the figures shown in this table are taken from the European Commission Communication (2011): A Budget for Europe 2020, COM(2011) 500 final, page 25

The amount left for Natura 2000 and other environmental policy areas is relatively small and will certainly not provide the €6.1 billion that is estimated to be needed per year to fund the management of the Natura 2000 network. Therefore, there is a clear emphasis being placed on the aim to promote shared policies on the environment, as well as increasingly integrated funding mechanisms: for example, the Commission says that funding for Natura 2000 management will require to be found by mainstreaming Natura 2000 financing into other EU budgets such as the Common Agriculture Policy (CAP) funds (see section 3).

Funding Information for priority policy areas

Accompanying the new budget Communication, the Commission published 'Policy Fiches', which give more details on the proposed new funding regulations for each policy area, including environment. To download the Communication and Policy Fiches, please go to: http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm#doc1 The Institute of European Environmental Policy (IEEP) has prepared an analysis of the mainstreaming of climate change, biodiversity and resource efficiency in the new EU budget which is available to read on their website at: www.ieep.eu/news/2011/08/mainstreaming-the-environment-and-climate-change-in-the-post-2013-eu-budget

Annual Work Programme

Each year, DG Environment publishes its Annual Work Programme, giving information on the grants it intends to make to support environmental policy making in the following year. The work programme for grants to be made in 2012 is now available online - to download DG Environment's 2012 work programme for grants, please go to: http://ec.europa.eu/environment/funding/grants_en.htm This includes information about the 2012 call for proposals for LIFE+ funding, and outlines specific priorities for 2012, which in the case of biodiversity are stated as being: "To protect, restore, monitor and facilitate the functioning of natural systems, natural habitats, wild flora and fauna, with the aim of halting the loss of biodiversity, including diversity of genetic resources, within the Union". The work programme states that the next LIFE+ call will be published in February 2012 with a deadline for applications in June 2012.

2. Natura 2000 Financing

2.1 Commission Communication on Natura 2000 Financing – UPDATE!

As reported in the June 2011 Euro-Site-Manager, in its Communication, entitled 'A budget for Europe 2020' (COM (2011) 867 final), the Commission announced that "a strengthened, integrated approach using the various EU sectoral funds, ensuring their consistency with the priorities of Natura 2000 action frameworks, together with an enhanced LIFE Biodiversity strand, will provide a strong basis for the new Natura 2000 financing strategy". The European Commission said then that it would no longer produce a specific Communication on Natura 2000 Financing during 2011 but, instead, a "Commission Staff Working Paper". The staff working paper was issued on Monday 12th December: entitled, "FINANCING NATURA 2000. Investing in Natura 2000: Delivering benefits for nature and people" (SEC(2011) 1573 final), it can be found on the nature and biodiversity web site of the Commission via the following link: http://ec.europa.eu/environment/nature/natura2000/financing/index_en.htm

Although a staffing paper traditionally carries less political weight than a formal Communication, it is nonetheless a crucially important document. The paper summarises the following key elements:

- The current state of play and perspectives for establishment of Natura 2000;
- Investment needs and benefits to be gained from effective management;
- An evaluation of the effectiveness of the current approach to EU co-financing of Natura 2000;
- An overview of the opportunities presented by the relevant Commission regulatory proposals for the next multi-annual financial framework;
- Key considerations for the future including the role of "prioritised action frameworks" as strategic planning tools to strengthen the integration of Natura 2000 into the use of relevant EU financial instruments for the next programming period.

The release of the staff working paper was timed to coincide with the adoption of a Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of a Programme for the Environment and Climate Action (LIFE) (COM(2011) 874 final). You can find information online at: <http://ec.europa.eu/environment/life/about/beyond2013.htm>

The Commission Staff Working Paper should also be read in conjunction with the proposed LIFE Regulation as well as the other relevant financial proposals from the Commission - in particular, the following:

- Commission Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM(2011) 627 final) http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/com627/627_en.pdf ;
- Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (COM(2011) 614 final) http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf/erdf_proposal_en.pdf ;
- Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation (EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy (COM(2011) 804 final) http://ec.europa.eu/fisheries/reform/com_2011_804_en.pdf .

The new proposed LIFE regulation has a strong “Biodiversity” component to develop best practices to halt biodiversity loss and restore ecosystem services. It keeps its primary focus on supporting Natura 2000 sites, especially via integrated projects that are consistent with Member States Prioritised Action Frameworks. As indicated in the Staff Working Paper, early planning is envisaged to help meet the objective of achieving a strengthened integrated approach as well as ensuring consistency by Member States and the Commission of Natura 2000 investments under the cohesion policy Funds, the EAFRD and the EMFF with the priorities of the Natura 2000 action frameworks.

2.2 Prioritised Action Frameworks (PAFs) for Natura 2000

As reported in previous Euro-Site-Managers, DG Environment is discussing with Member States the development of prioritised action frameworks (PAFs) to help guide future EC spending on Natura 2000. Most Member States expressed support for the idea. Although the format for the prioritised action frameworks has already been largely developed, the Commission will liaise with the Habitats Committee early in the new-year with a view to its finalisation. However, Member States are being strongly encouraged now to carefully examine the new Commission financial proposals and to commence work on preparing the prioritised action frameworks, if this is not already underway. This will involve prioritising their spending needs for different habitat and species types and identifying possible funding sources. The general PAF structure should be available soon and it is expected that Member States will have to complete them before the end of 2012.

3. Other EU Funds Relevant to Nature Conservation and Land Management

BEST

Most of the EU's biodiversity is found outside the European continent in the EU overseas territories and outermost regions. These areas are very diverse and include tropical islands and polar areas and are home to many globally significant species. However, despite their importance, these areas are not covered by the EU Birds and Habitats Directives and are not eligible for LIFE funding. In March 2011, the Commission published a ‘Financing Decision for 2011’ for a Voluntary scheme for Biodiversity and Ecosystem Services in Territories of the EU Outermost Regions and Overseas Countries and Territories, otherwise known as ‘BEST’ (http://ec.europa.eu/environment/funding/finansup_11_best.htm). This funding is for the conservation and sustainable use of biodiversity and ecosystem services in overseas entities, drawing on EU experience, including from Natura 2000. The specific objectives of this fund are to:

1. Promote the establishment and effective management of marine and terrestrial protected areas, also taking into account already existing protected areas.
2. Implement sustainable management of marine and terrestrial resources, which contribute to protecting important species, habitats and ecosystem functions outside protected areas.
3. Strengthen conservation and sustainable use of biodiversity and ecosystem services.
4. Encourage and facilitate trans-boundary working; addressing issues such as invasive alien species, the impacts of climate change and the implementation of international conventions in particular CITES and the three Rio Conventions.
5. Develop mechanisms to lever resources including ‘payments for ecosystem-services’ (PES).

UPDATE: Eurosite submitted a proposal for funding through BEST, together with its member organisation L’Atelier technique des espaces naturels (ATEN), in late summer 2011. The project aimed to partner organisations in EU Member States with those in their respective overseas countries and territories for mentoring, monitoring and actions to protect wetlands. Unfortunately, it was confirmed in November that the bid was not successful. The situation regarding future calls for proposals is not yet known.

3.1 Common Agricultural Policy (CAP) Funds

The current two-pillar structure of the CAP will be maintained in the next EU budget, with pillar one receiving by far the largest share (€281.8 billion) for income support to farmers and market measures. €89.9 billion is allocated to pillar two for the delivery of specific environmental public goods, improving the competitiveness of the agriculture and forestry sectors and promoting the diversification of economic activity and quality of life in rural areas. Support for biodiversity related activities will fall under pillar two but exactly what is funded depends to some extent on the preferences of individual Member States.

We announced in the last Euro-Site-Manager that new legislative proposals for the Common Agriculture Policy (CAP) were published on the Commission's website on the 12th October 2011, however, these versions have been replaced by amended versions from the 19th October. Article 5 of the new rural development regulation, known as the European Agricultural Fund for Rural Development (EAFRD), mentions biodiversity as one of its priority areas, in its fourth objective, which is:

“restoring, preserving and enhancing ecosystems dependent on agriculture and forestry, with a focus on the following areas:

- (a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;
- (b) improving water management;
- (c) improving soil management.”

Although Natura 2000 and biodiversity protection is mentioned in the proposals, the overall analysis by environmental organisations such as WWF, BirdLife and the European Environmental Bureau is that the new CAP proposals will actually deliver very little in terms of new environmental benefits and will instead mostly benefit larger, more intensive farms, at the expense of environmentally beneficial farming. To access the new CAP legislative documents, please go to: http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm

3.2 Regional Development Funds

As reported in the last Euro-Site-Manager, the new legislative proposals for cohesion policy funding for 2014 – 2020 were published by DG Regional Policy on the 6th October 2011. According to the Commission proposal, the Cohesion Fund will support:

- investments in the environment, including areas related to sustainable development and energy which present environmental benefits
- trans-European networks in the area of transport infrastructure
- technical assistance.

Outlined in the proposal is continued support for the construction of Trans-European Networks, including a high amount of road-building, which is likely to negatively impact biodiversity from habitat fragmentation. However, the proposals specifically mention biodiversity as an investment priority under Article 3 c) iii) which states “protecting and restoring biodiversity, including through green infrastructures”. To read the press release and text of the proposal, please go to DG Regio's website at: http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm#3

3.3 New Fisheries Fund

The Commission has just published its new proposal for a new fisheries fund for the period 2014-2020, called the European Maritime and Fisheries Fund (EMFF). The EMFF contains four pillars:

1. Smart, Green Fisheries to foster a transition to sustainable fishing which is more selective, produces no discards, does less damage to marine ecosystems and thus contributes to the sustainable management of marine ecosystems; and to provide support focused on innovation and value added, making the fisheries sector economically viable.
2. Smart, Green Aquaculture to achieve economically viable, competitive and green aquaculture.
3. Sustainable and Inclusive Territorial Development to reverse the decline of many fishing-dependent communities by adding more value to fishing and fishing related activities and diversification.
4. Integrated Maritime Policy to support those cross cutting priorities such as marine knowledge, maritime spatial planning, integrated coastal zone management and integrated maritime surveillance and adaptation to the adverse effects of climate change on coastal areas.

To read the new regulation, go to: http://ec.europa.eu/fisheries/reform/index_en.htm and to read the Commission press release, please go to: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1495&format=HTML&aged=0&language=EN&guiLanguage=fr>

3.4 Funding for External Countries and Development Cooperation

The new regulation for EU development aid has not yet been published, but according to the information so far provided by the Commission, there should be some opportunities for funding biodiversity and land management projects in countries outside of the EU.

New Pre-Accession Funding

The Commission has stated that an Instrument for Enlargement Countries will provide a single integrated funding instrument for all pre-accession funding for countries intending to join the EU. The emphasis of this fund will be on socio-economic development, regional cooperation, and on adopting and implementing EU law and preparing to manage internal policies upon accession. It will be implemented through national/multi-beneficiary programmes and some funding will be similar to EU regional development and agricultural funds.

A New European Neighbourhood Instrument (ENI)

The current European Neighbourhood Partnership Instrument from 2007 – 2013 is provided for projects in nearby countries, including those just east of the EU, southern Mediterranean countries and Russia. It focuses on themes such as transport, energy, the sustainable use of natural resources and socio-economic development which provides some limited opportunities for biodiversity-related projects. From 2014, this fund will be replaced by a new European Neighbourhood Instrument (ENI) for neighbouring countries which will support deeper political cooperation, closer economic integration and support to effective and sustainable transition to democracy. Until the new regulation is published it remains to be seen whether there will be any funding available for environmental projects under this budget-line.

EU Development Aid

It is hoped that biodiversity in low income countries will benefit from increased funding as the Commission has announced its intention to establish a new Global Climate and Biodiversity Fund. The amount of funding allocated to this fund and specifically for biodiversity projects is yet to be announced, although the total budget for overseas development assistance from 2014 – 2020 will be €70 billion.

4. Looking Back: Twenty Years of LIFE Funding

Next year, it will be twenty years since the start of DG Environment's LIFE funding. This will be celebrated during May 2012. As reported previously in Euro-Site-Manager, DG Environment is inviting people to take part in a photo and a words competition and also to organise events which can be publicised on their website. To upload information about an event on their online calendar, please go to: www.life20.eu/.

Many Eurosite members have contributed to the delivery of high quality LIFE projects over the past twenty years, for example, Scottish Natural Heritage ran a project to Conserve Atlantic Salmon in Scotland, which received a "Best of the Best LIFE Projects Award. Other Eurosite members who have also won the 'Best of the Best' award or have been partners in award winning projects include, The National Parks and Wildlife Service in Ireland for the 'Farming for Conservation in the Burren' project; English Nature (now Natural England) for strategic restoration and management on the River Avon; and the Natural Heritage Services of Metsähallitus for a project to restore boreal forests and forest-covered mires in Finland. To read more about these and other award-winning LIFE projects, please go to: <http://ec.europa.eu/environment/life/bestprojects/index.htm>. Also, the Best LIFE Nature Projects in 2010 have just been announced, representing the most successful of recently completed LIFE Nature projects, in terms of best practices and/or demonstration actions on nature conservation and the implementation of the Habitats and Birds Directives – details of the 18 projects selected can be found via: <http://ec.europa.eu/environment/life/publications/lifepublications/bestprojects/documents/bestnat10.pdf>.

5. Looking Forward: New Approaches to Nature Conservation Funding

Finding long-term sustainable sources of funding for nature conservation and land management activities has always been difficult but is especially so at the moment with the current financial crisis. Many governments and organisations are now looking at new, alternative forms of funding to finance land management. Financing for action on climate change surged after the publication of the Stern Report in 2006, which highlighted the economic benefits of taking action as well as the economic losses that would occur if climate change continues unabated: it was hoped that the TEEB report (The Economics of Ecosystems and Biodiversity) would achieve the same for biodiversity by highlighting the important services provided by biodiversity and ecosystems and the economic contribution that they make. Since its publication, new funding mechanisms are being explored, such as payments for ecosystem services (PES) to pay land-owners for the benefits provided by ecosystems that have previously been considered to be 'free'. Some environmentalists, however, are concerned about the potentially negative side-effects of schemes such as PES as they may over-

value some ecosystem services or species compared to others, which could even have negative impacts on biodiversity. To read more about the TEEB study, please go to: www.teebweb.org/

5.1 The CBD and Innovative Financial Mechanisms

CBD Resource Mobilisation Strategy

The need for new funding sources has also been highlighted by the UN Convention on Biological Diversity (CBD) in its strategy for financing that was adopted in 2010, known as the Strategy for Resource Mobilisation. Goal four of the strategy highlights the need to find new and innovative sources of funding and identifies where they may come from:

Goal 4: Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention

4.1. To promote, where applicable, schemes for payment for ecosystem services, consistent and in harmony with the Convention and other relevant international obligations.

4.2. To consider biodiversity offset mechanisms where relevant and appropriate while ensuring that they are not used to undermine unique components of biodiversity.

4.3. To explore opportunities presented by environmental fiscal reforms including innovative taxation models and fiscal incentives for achieving the three objectives of the Convention.

4.4 To explore opportunities presented by promising innovative financial mechanisms such as markets for green products, business-biodiversity partnerships and new forms of charity.

4.5. To integrate biological diversity and its associated ecosystem services in the development of new and innovative sources of international development finance, taking into account conservation costs.

4.6 To encourage the Parties to United Nations Framework Convention on Climate Change and its Kyoto Protocol to take into account biodiversity when developing any funding mechanisms for climate change.

To read the full text of the CBD Strategy for Resource Mobilisation, please go to: <http://www.cbd.int/decision/cop/?id=11654>

Green Development Initiative (GDI)

One initiative that the CBD is supporting to develop new funding streams is the GDI, which aims to establish a biodiversity standard and certification scheme for land management which will facilitate financial support from the private sector for conservation and development action on the ground. It is still in the development phase but aims to provide a verification mechanism that recognises good environment performance by companies and other organisations. More information is available at the following website: <http://gdi.earthmind.net/>

Reducing Emissions from Deforestation and Degradation (REDD)

Another new funding mechanism highlighted by the CBD is the REDD initiative being developed under the UN Framework Convention on Climate Change (UNFCCC) which aims to financially compensate low-income countries for reducing or halting deforestation or degradation of their forests. More recently, this has evolved into REDD+, which goes beyond reducing deforestation and degradation, to include emission reductions from “sustainable management of forests”, “conservation of forest carbon stocks” and “enhancement of forest carbon stocks”. It is focused on developing countries and therefore not of direct relevance to European land managers, but in case you are interested, more information is available at: www.un-redd.org

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