



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV.B.2 - Bio-diversity

Brussels,
ENV B2/ATS/fc Ares (2015)

[REDACTED]
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100 Boulevard Konrad Adenauer
L-2950 Luxembourg

Ncf-instrument@eib.org

Subject: Reply to the Eligibility Checklist [REDACTED]

[REDACTED]
Thank you for the submission of the eligibility checklist concerning the project [REDACTED]. Please find in the Annex our assessment in accordance with Article 6.5 of the Delegation Agreement.

We identified a number of issues for which we would like to ask you to submit a revised checklist for the Commission's approval. These concern the indicators and the expected contribution from the beneficiary, any financial intermediary or other third party. The annex provides as well some remarks that are relevant for any further assessment under the other eligibility criteria and the selection criteria, notably as regards the nature and size of the project, the conditions for this project to be considered green infrastructure and the demonstration value.

The present assessment under these eligibility criteria is without prejudice to the potential subsequent assessment under other eligibility criteria and under the selection criteria laid down in Section 5 of Annex 1a to the Delegation Agreement.

The Commission is available for further discussion and if deemed useful, we may consider expanding on the issues that arise from this case in the guidance to be developed pursuant to Section 5 of Annex 1a to the Delegation Agreement.

I look forward to the continued cooperation on the implementation of the NCFF.

Yours sincerely,

[Redacted signature block]

Annex: eligibility assessment of the project [Redacted]

c.c.: [Redacted]
[Redacted]
[Redacted]

Annex: eligibility assessment of the project

The present assessment follows the criteria set out in Annex 1c to the Delegation Agreement.

Measures and provisions to ensure conformity with the requirement to help achieving the LIFE Regulation objectives (point iv and v of subsection 1.3.2 of Annex 1a) including the relevant baseline indicators

Compliance with point iv of subsection 1.3.2

The Commission expects the envisaged project to contribute to the nature and biodiversity objectives of the Article 11 of the LIFE Regulation and, although the area is not a priority area as indicated in the EU Adaptation Strategy¹, to the climate change adaptation objectives of Article 15 of this Regulation.

Compliance with point v of subsection 1.3.2

Similar as for the previous point, the Commission expects the project to comply with the first indent of point v of subsection 1.3.2.

Relevant baseline indicators

The eligibility checklist does not provide the relevant baseline indicators as required pursuant to Annex 1c to the Delegation Agreement. Please provide us with these indicators, including a (rough) estimate of the baseline situation in relation to these indicators and the values that the project would aim to achieve. For this project, besides the indicators for biodiversity and climate adaptation ones and the societal and economic indicators, clearly the flood-related indicators would need to be taken into account as well. On a provisional basis, these indicators would be:

- Total terrestrial area potentially affected (ha, km²)
- Water retention or water loss (hm³, m³ water/year)
- Hydro-morphological pressure:
 - o No. of barriers,
 - o km (river) or km² (lakes, coastal) where hydrological alterations are present
 - o pressure directly expressed in m³/s, if applicable.

The establishment of the more precise baseline for the Operation and for the actual investments would need to be done at a later stage.

In this context, and as the Commission informed you about in its reply concerning the Irish Forestry Fund, the Commission is finalising the set of mandatory indicators for traditional LIFE projects in the fields of Nature, Biodiversity and Climate Change adaptation. These indicators are largely the same as those included in Annex 6a of the Delegation Agreement, whilst being more structured and defined in some greater detail for their application on project level. They will be sent to you as soon as they are finalised to discuss how to ensure alignment between the different sets of indicators in

¹ http://ec.europa.eu/clima/publications/docs/factsheet_adaptation_2014_en.pdf

view of an adequate and efficient evaluation of the NCFE. This would also be relevant for the present project.

Measures and provisions to ensure compliance with the requirement of additionality (point c) of Section 2 of Annex 1a)

The Commission takes note of the elements provided in the submitted Eligibility Checklist and has no comments.

Source of financing: expected Contributions from the EIB, financial intermediary and other third parties

The Checklist specifies that the proposal is for a loan of [REDACTED]. In order to allow the Commission to assess compliance with the Delegation Agreement, please provide information on the expected contributions from the beneficiary [REDACTED] and, if applicable, the expected contributions from any financial intermediary or other third parties.

Conclusion and further remarks

Provided the issues mentioned above are properly addressed, the project may be eligible as regards the above-mentioned criteria. In this respect you are invited to submit a revised and more detailed checklist for the Commission's approval.

In view of selecting solid projects with a strong contribution to the LIFE objectives and high EU added value, please take into account the following remarks in the further assessment of this project.

The project [REDACTED] is one of the projects foreseen in the Spanish Strategy for River restoration [REDACTED] which aims overall at restoring the river hydro-morphology in order to comply with the Water Framework Directive (WFD) and the Habitats Directive.

The whole project of [REDACTED] restoration (108 Km) has been subject to an Environmental Impact Assessment (EIA) screening [REDACTED] according to which the project will not significantly affect the integrity of the Natura 2000 site [REDACTED] taking into account the mitigation measures foreseen. The main objectives of this project are to improve river connectivity as well as improving the conservation status of riparian and river habitats and species.

The first stretch of the whole project (some 24 km) has already been implemented and it has actually been presented in studies developed by DG ENV, unit C1, as an example of natural water retention measure in Spain [REDACTED]

- Presumably, the envisaged Operation concerns the second stretch. If it concerned the first stretch the contribution to the LIFE objectives would be very limited as it has already been implemented.
- Completion of the whole project (covering the entire length of 108 km) is important, as the benefits of the restoration will be maximized only if the whole project is implemented. For example, longitudinal connectivity can be

jeopardized if the restoration of the remaining stretches is not implemented. If the project concerns only part of the river without clear perspectives for its completion for the entire length, would the contribution to the LIFE objectives reach the minimum threshold applied in the assessment under the selection criteria?

For the entire project to qualify as green infrastructure, two conditions should be respected:

- not only the river ecosystem, but also the floodplain ecosystems should be enabled again to deliver its multiple services;
- monocultures in poplar plantations should be excluded. Such monocultures would not be in line with the conclusions of the environmental assessment screening of the project [REDACTED] which foresees that in the river islands the existing poplar plantations will be replaced by natural riparian vegetation². The number, resilience and the amount of the various ecosystem services delivered is higher in structure-rich, with nature, locally adapted species forests.

The submitted eligibility checklist does not specify the identity of the envisaged beneficiary of the Operation, though it mentions the [REDACTED] as the likely provider of the balance of the required funds. In particular in the light of the objectives as described in Article 4.1 of the Delegation Agreement, is any contribution from private entities envisaged?

The demonstration value of the project should be carefully evaluated. Would the [REDACTED] (or anyone else) realise the envisaged project without the NCFE? Would it be realised at the same pace or at the same level of ambition? In case the project would be realised anyway: would the NCFE substitute for other subsidies, for direct financing from the authority's budget? If the latter, would the authority finance any of the required budget by public debt?

² P.55561 (first page): "sustitución de los cultivos forestales, choperas, por especies propias de ribera".



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Head of Division, Climate Change
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100 Boulevard Konrad Adenauer
L-2950 Luxembourg

Ncf-instrument@eib.org

Subject: Reply to the Eligibility Checklist 'Rewilding Europe'

[REDACTED]
Dear [REDACTED]

Thank you for the submission of the eligibility checklist concerning the project 'Rewilding Europe'. Please find in the Annex our assessment in accordance with Article 6.5 of the Delegation Agreement.

The Commission welcomes the interest from Financial Intermediaries in the NCFF. Indirect Operations enable the support of a large number of smaller projects, which otherwise might be too small for the EIB to finance as Direct Operations. Indirect Operations may also have an important demonstration value for other financial institutions. However, for a number of issues, the Commission was not able to make a meaningful assessment the checklist due to a lack of sufficiently detailed information. Therefore, I would like to ask you to submit a revised checklist for the Commission's approval.

The present assessment under these eligibility criteria is without prejudice to the potential subsequent assessment under other eligibility criteria and under the selection criteria laid down in Section 5 of Annex 1a to the Delegation Agreement.

The Commission is available for further discussion and if deemed useful, we may consider dedicating a section in the guidance to be developed pursuant to Section 5 of Annex 1a to the Delegation Agreement to restoration projects.

I look forward to the continued cooperation on the implementation of the NCFF.

Yours sincerely,

[Redacted signature block]

Annex 1: eligibility assessment of the project 'Rewilding Europe'

Annex 2: letter from the Commission to nature and biodiversity directors in the Member States of 23 April 2014.

c.c.: [Redacted distribution list]

Annex 1: eligibility assessment of the project 'Rewilding Europe'

General comment

The Commission welcomes the interest from Financial Intermediaries in the NCFF. Indirect Operations enable the support of a large number of smaller projects, which otherwise might be too small for the EIB to finance as Direct Operations. Indirect Operations may also have an important demonstration effect for other financial institutions.

Obviously, the assessment pursuant to Article 6.5 of the Delegation Agreement (concerning Indirect Operations) cannot go to the same level of detail as the assessment pursuant to Article 7.4 of the Delegation Agreement (concerning Direct Operations). In the case at hand, however, the submitted eligibility checklist provides very few details and the Operations may cover a very wide scope. It stipulates, e.g., that "*project categories likely are probiodiversity businesses and Payment for Ecosystem Services schemes*" without excluding the other two project categories. The description of the actual investments seems to be limited to "*returning ecosystems to a state of ecological health and dynamic balance making them self-sustaining*" and "*restoration of healthy vegetation communities*" and "*rewilding operations*". These elements suggest a focus on restoration of ecosystems in the meaning of Target 2 of the EU Biodiversity Strategy to 2020, but even this cannot be firmly established. Neither is it clear what actual measures would be financed in order to carry out the restoration.

At this level of detail of the information, the Commission is not able to perform a meaningful assessment under Article 6.5 of the Delegation Agreement.

The remainder of the present assessment follows the criteria set out in Annex 1c to the Delegation Agreement.

Measures and provisions to ensure conformity with the requirement to help achieving the LIFE Regulation objectives (point iv and v of subsection 1.3.2 of Annex 1a) including the relevant baseline indicators¹

¹ Footnote to be deleted from the final version. Points iv and v are:

iv/ contribute to the general and specific objectives laid down in Article 3 in conjunction with Article 11 (priority area "nature and biodiversity") and/or Article 15 (priority area "climate change adaptation") of the LIFE Regulation,

v/ pursue one of the following two objectives as the primary objective:

- promote the conservation, restoration, management and enhancement of ecosystems¹ including through ecosystem-based solutions applied to the sectors of land, soil, forestry, agriculture, aquaculture, water and waste; and/or
- promote ecosystem-based approaches that enable businesses and communities to address identified risks associated with current and projected impacts of climate change, including through urban, rural, and coastal green infrastructure projects;

Compliance with point iv of subsection 1.3.2

Ecosystem restoration falls under target 2 of the EU Biodiversity Strategy to 2020, but it is not entirely clear whether, or to what extent, the projects envisaged to be financed will qualify as restoration as meant under this target. It is, e.g., not clear how the project promoter would define the concept 'rewilding'. Please provide further information on how the projects to be financed by the intermediary would contribute to target 2 of the EU Biodiversity Strategy or to other objectives. For your assessment, and also for the potential later assessment under the selection criteria, please find attached a letter (including its annex) from the Commission to the nature and biodiversity directors in the EU Member States that sets out the policy as regards restoration.

The Checklist does not contain information on a potential contribution to the climate adaptation objectives of the NCFF. Please, clarify whether such a contribution is envisaged and which measures would be put in place to this effect.

Compliance with point v of subsection 1.3.2

See above; further information would be required in order to assess whether the Operation would comply with point v of subsection 1.3.2.

Relevant baseline indicators

The eligibility checklist does not provide the relevant baseline indicators as required pursuant to Annex 1c to the Delegation Agreement. Please provide us with these indicators, including a (rough) estimate of the (potential) baseline situation in relation to these indicators and the (potential) values that the project would aim to achieve.

The establishment of the more precise baseline for the Operation and for the actual investments would need to be done at a later stage.

In this context, and as the Commission informed you about in its reply concerning the Irish Forestry Fund, the Commission is finalising the set of mandatory indicators for traditional LIFE projects in the fields of Nature, Biodiversity and Climate Change adaptation. These indicators are largely the same as those included in Annex 6a of the Delegation Agreement, whilst being more structured and defined in some greater detail for their application on project level. I will send them to you as soon as they are finalised to discuss how to ensure alignment between the different sets of indicators in view of an adequate and efficient evaluation of the NCFF. This would also be relevant for the present project.

Measures and provisions to ensure compliance with the requirement of additionality (point c) of Section 2 of Annex 1a)

The Commission takes note of the elements provided in the submitted Eligibility Checklist and has no comments.

For projects in the category "innovative pro-biodiversity and adaptation business", measures and provisions to establish the innovative nature of the project

The checklist provides "N/A", but the description mentions pro-biodiversity businesses as one of the likely project categories. Hence, please provide the measures and provisions to establish the innovative nature of the projects that could be financed by the Financial Intermediary with the support from the NCFE. What would be the level of detail of the provisions on the innovative nature to be included in the contract with the beneficiary? Would the EIB (and the Commission) be involved in the assessment before the Financial Intermediary decides on the use of the NCFE for individual projects in this category?

Source of financing: expected Contributions from the EIB, financial intermediary and other third parties

The Checklist specifies that the proposal is for a loan of EUR [REDACTED]. Please provide information on the expected contributions from the financial intermediary and other third parties to allow the Commission to assess compliance with the Delegation Agreement.

Conclusion and further remarks

Provided the issues mentioned above are properly addressed, the project may be eligible as regards the above-mentioned criteria. In this respect I invite you to submit a revised and more detailed checklist for the Commission's approval.

This letter is without prejudice to the assessment under other eligibility criteria and to the assessment under the selection criteria.

In view of selecting solid projects with a strong contribution to the LIFE objectives and with high EU added value, the Commission is available for an exchange on the policy priorities with respect to restoration of nature and is happy to reply to any questions you may have on the letter the Commission sent to nature and biodiversity directors on 24 April 2014 (annex 2 to this letter).

Setting priorities for the restoration of ecosystems

1. Introduction

The EU Biodiversity Strategy to 2020¹ contains 6 operational targets. Target 2 of the strategy reads as follows:

By 2020, ecosystems and their services are maintained and enhanced by establishing green infrastructure and restoring at least 15% of degraded ecosystems.

Action 6a, which is one of the actions linked to Target 2, foresees that

By 2014, Member States, with the assistance of the Commission, will develop a strategic framework to set priorities for ecosystem restoration at sub-national, national and EU level.

In the present document the Commission offers guidance to the Member States in relation to the development and application of the strategic framework referred to in Action 6a. The Commission will continue to provide assistance to the Member States in the form of workshops and technical support during 2014 and beyond.

The Commission, supported by a contractor, has been working with the Member States and stakeholders regarding the development of the strategic framework referred to in Action 6a. During the period October 2012 to end 2013 there have been 4 meetings of a dedicated working group. In addition, a workshop was held on 29/30 May 2013 in Brussels. The final report from the contractor includes a model for ecosystem restoration, guidance regarding the steps to be taken for priority setting at national and sub-national level and information concerning support mechanisms and innovative financial mechanisms².

The present document takes account of the activities described above.

2. A common understanding of important terms and concepts.

Before developing a framework for identifying restoration priorities it is necessary to establish a common understanding of some of the key terms that are used in the EU Biodiversity Strategy to 2020 and in particular Target 2 and Action 6a.

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?url=CELEX:52011DC0244>

² <http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/2020/RPF.pdf>

Ecosystem Typologies: Under Action 5 of the EU Biodiversity Strategy, the Commission working together with the European Environment Agency, the Member States and other stakeholders and supported by a contractor is undertaking a major initiative in relation to the Mapping and Assessment of Ecosystems and their Services (MAES). This work includes a common understanding regarding ecosystem typologies as well as the methodologies for the mapping and assessment of ecosystems³. In order to promote consistency it is recommended that the ecosystem typologies developed under MAES are also applied in the development of the restoration prioritization frameworks.

Degradation and Restoration: Restoration objectives should be tailored to the ecosystem type, the services it provides, the recent history of the site and the location. For each ecosystem type, several states or ecological conditions can be described along a continuum from poor to excellent. Any significant improvement of ecosystem condition that moves an area of land/sea to a better state/condition should be regarded as a contribution to the 15% restoration target.⁴ Within the framework of the contract supporting the work on the restoration prioritization framework, a 4-level model of ecosystem condition was elaborated. An ecosystem can be assigned to one of 4 levels of condition and progress in a positive direction from one level to the next is recognized as restoration. The 4 –level model can be applied to all ecosystem types. The model, together with proposals for the descriptors of ecosystem condition, is included in the contractors report.

Terrestrial vs Marine Ecosystems: The 15% restoration target should be applied separately to terrestrial and marine systems i.e. restoration of 15% of degraded terrestrial ecosystems and restoration of 15% of degraded marine ecosystems.

The reference point (in comparison to which the restoration target should be evaluated): At EU level, the most suitable reference point and the foundation upon which the EU biodiversity Strategy was developed, is the EU 2010 Biodiversity Baseline⁵ as improved and refined within the framework of the MAES process. In addition, if Member States have more detailed information concerning the condition of their ecosystems in 2010 this can also be used to improve and refine the 2010 baseline.

The scope of the 15% restoration target: In principle, the target applies to all of the EU territory. This means there are no locations that can be considered as "un-restorable": urban areas can be made greener and the ecological function of intensively farmed land can always be improved. This does not imply that all urban areas, or intensively farmed land, need to be restored; it is simply an acknowledgement that restoration can, in principle, be carried out in any location no matter how degraded.

³ http://ec.europa.eu/environment/nature/knowledge/ecosystem_assessment/pdf/MAESWorkingPaper2013.pdf and http://ec.europa.eu/environment/nature/knowledge/ecosystem_assessment/pdf/2ndMAESWorkingPaper.pdf

⁴ This is in line with the concepts developed under the Birds and Habitats Directives, the Water Framework Directive and the Marine Strategy Framework Directive. For example, under the Habitats Directive, the objective is to achieve a favourable conservation status of species and habitats of European Importance. As agreed in the framework to measure progress towards target 1 of the Biodiversity Strategy, moving from unfavourable bad to unfavourable inadequate will contribute to the achievement of target 1 and will therefore also contribute to the achievement of the 15% restoration target, even if the favourable status has not yet been achieved.

⁵ <http://www.eea.europa.eu/publications/eu-2010-biodiversity-baseline/>

Quantitative and Qualitative components of restoration: Restoration will have both quantitative (how much) and qualitative (intensity of change) components. In addition, actions which contribute to a reduction of the overall negative burden on an ecosystem (e.g. reducing the amount of atmospheric pollution and atmospheric deposition) should also be counted as contributions to the restoration target e.g. reducing the number of grid squares where critical loads are exceeded by 15%.

The 15% restoration target at the level of the Member States: Each Member State should restore at least 15% of the degraded ecosystems within its territory. If each Member State achieves this objective then collectively the EU will also achieve the 15% target. Such an approach leaves considerable flexibility to the Member States to decide their own priorities but in order to ensure an equitable approach the Commission considers that national actions for restoration should be part of a common framework and respect certain common principles (see below).

3. Setting Priorities for Restoration at national and sub-national levels

3.1 General considerations

The over-riding objective for the EU is sustainable growth and employment, and restoration of degraded territory contributes to these objectives. Restoration will also stimulate research and innovation (cf. Horizon 2020). Healthy, resilient ecosystems provide services to human society and these services are essential for sustainable growth and long-term wellbeing. Restoration should be directed towards optimizing the diversity and value of these ecosystem services by promoting the multifunctional nature of landscapes (seascapes) and maintaining and enhancing natural capital. These principles are also the basis for the deployment of Green Infrastructure in the European Union⁶. The restoration of degraded ecosystems will contribute significantly to the preservation and enhancement of the EU's Green Infrastructure. As described in chapter 3.3, achieving existing legal obligations under e.g. the Birds and Habitats Directives, the Water Framework Directive and the Marine Strategy Framework Directive (such as restoring species and habitats in Natura 2000 sites, achieving good ecological status in lakes and rivers or good environmental status in marine waters) will already contribute significantly to the 15% restoration target. However, achieving the 15 % target will also require action across the wider land and seascape.

3.2 Cross cutting Issues

In the development of their national frameworks for priority setting there are a number of cross-cutting issues that Member States should take into account.

⁶ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013DC0249>

3.2.1 The Opportunity for synergies across different sectoral policy areas:

- Regional development and territorial cohesion including the urban environment: Restoration actions in both urban, rural, coastal and marine areas can offer cost effective solutions for delivering a wide range of benefits such as a better quality of life, better integration of cities and their surrounding areas, better management of water resources, better air quality, healthier and more attractive environments to live and work, improved social cohesion and recreational opportunities⁷. Restoration of degraded locations provides benefits for local communities and employment opportunities as well as reducing the pressure for access to new, green-field sites.
- Adaptation to climate change and disaster prevention: Climate change is increasing the severity and frequency of extreme weather events and related natural disasters. Restoration can increase the resilience of natural ecosystems and human settlements to the impacts of climate change and is an integral part of EU policy on climate change adaptation⁸.
- Agriculture and forestry: The greening measures introduced into the revised CAP provide some opportunities for restoring the condition of agri-ecosystems and optimizing the ecosystem services delivered by these ecosystems. The fact that restoration is regarded as a process and that restoration targets need to take account of the historic and recent use of the land means that restoration can be undertaken on all types of agricultural land and is not synonymous with a change in land-use.

3.2.2 Critical pressures undermining ecosystem health and resilience. There are many pressures affecting ecosystem condition and some of these pressures are addressed in the context of EU legislation. However, in the development of a framework for setting priorities for ecosystem restoration at national and sub-national level, the following issues are considered as deserving of particular attention:

- Nutrient enrichment by nitrogen and phosphorous represents a significant threat to ecosystem function. Measures which can be taken at national and sub-national level to reduce nutrient over-loading can make an important contribution to restoration.
- Loss and degradation of soil has a profound effect not only on biodiversity but also on the productive capacity and economic value of the land. Loss of top-soil, loss of organic matter and soil compaction are major challenges in rural areas across Europe and particularly in the Mediterranean region. Contaminated sites in urban and peri-urban and industrial areas represent a significant lost resource. Every year in Europe 1000 square kilometres are lost due to urban sprawl/soil sealing. Preventing the continued decline of soil resources and the restoration of degraded soils represents a significant opportunity with multiple benefits⁹

⁷ http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/guide_multi_benefit_nature.pdf

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013DC0216>

⁹ <http://www.cc.cec/dgIntranet/env/b1/soil.htm>

- **Fragmentation.** The landscape across the European Union is one of the most fragmented territories in the world¹⁰ with transport, public utility and communications networks criss-crossing the territory and dividing it up into ever smaller parcels. Fragmentation has a severely disruptive effect on biodiversity and ecosystem functioning. Reducing fragmentation and mitigating its impacts is an important part of the restoration agenda. Nature conservation (cf. Article 10 of the Habitats Directive) requires ensuring the connectivity between different sites in the Natura 2000 network in order to promote genetic diversity, avoid populations becoming isolated and provide a range of habitats needed by species for migration, feeding, nesting, wintering, etc.

3.2.3 Integrated actions and the importance of landscape.

The highly diverse and characteristic landscapes to be found across the EU are a defining feature of our identity. An individual's feeling of place and "home" is shaped by the landscape in which they grew-up and in which they live. The landscape is comprised of the natural, geological and biological features that have been shaped and modified by centuries of human activity and offers a readily understandable focus around which restoration action can be planned and carried out.

3.2.4 Transboundary considerations.

Some natural features extend across national borders (rivers, mountain ranges, forests etc.) and some phenomena and issues are of a trans-boundary nature (e.g. long-range atmospheric pollution or species such as large carnivores and large ungulates with extensive ranges). In developing national and sub-national frameworks for prioritizing restoration action it is desirable to promote synergies and complementarity on different sides of shared borders.

3.3 Domains in which a framework for identifying restoration priorities already exists at the level of the EU

3.3.1 Introduction

The European Union has extensive environmental legislation much of which relates directly to the restoration agenda. As a general principle, measures taken in domains where there is a legal obligation to conserve and restore biodiversity together with a framework for identifying priorities and for monitoring and assessing progress, will form an essential and integral part for any Restoration Prioritisation Framework.

3.3.2 Species and habitats falling under the birds' and habitats' directives and Natura 2000 sites.

Target 1 of the EU Biodiversity Strategy is *"to fully implement the Birds' and Habitats' Directives."* This target is further detailed as follows- *"To halt the deterioration in the status of all species and habitats covered by EU nature legislation and achieve a significant and measurable improvement in*

¹⁰ <http://www.eea.europa.eu/publications/landscape-fragmentation-in-europe>

their status so that, by 2020, compared to current assessments: i) 100% more habitat assessments and 50% more species assessments under the Habitats' Directive shown an improved conservation status; and ii) 50% more species assessments under the Birds' Directive show a secure or improved status"

For the species and habitats falling within the scope of these two Directives a legal framework exists, objectives have been established and mechanisms developed for identifying priorities for restoration. The adequate conservation and management of the over 27.000 Natura 2000 sites and the full implementation of the species conservation and other measures of the EU Birds and Habitats Directives will make an essential contribution to the 15% restoration target. Member States are currently in the process of establishing conservation objectives and measures for the sites, often within the framework of management plans, which include restoration objectives. There is already significant experience in relation to restoration within and around Natura 2000 sites, especially within the framework of EU LIFE projects which needs to be built on. The Commission services are financing a contract to assess the restoration needs associated with the full implementation of the nature legislation.

Progress towards achievement of the favourable conservation status of habitats as defined under Target 1 of EU 2020 BDS will be monitored under the Habitats and Birds Directives and restoration actions taken within this framework will be taken into account in assessing progress towards the 15% target.

3.3.3 Freshwaters and marine waters

The Water Framework Directive¹¹ establishes an environmental objective (good ecological status) as well as requiring Member States to identify the pressures in each river basin and to elaborate a programme of measures to address these pressures. The assessment and reporting requirements under the Directive also ensure that changes in ecosystem quality can be followed on a systematic basis. In the Water Blueprint for Europe¹² it is also foreseen that the protection and enhancement of the ecosystem services provided by water bodies should be integrated into the River Basin Management plans required under the WFD.

In the light of the above considerations, effective implementation of the Water Framework Directive is regarded as satisfying the objective set out in Action 6a of the EU Biodiversity Strategy for the ecosystems and habitat types (rivers including transitional waters, lakes and inshore -1 nautical mile offshore-coastal waters) included within the scope of the WFD. Restoration actions taken within the framework of the WFD will be taken into account in assessing progress towards the 15% restoration target.

In a similar vein, the Marine Strategy Framework Directive¹³ also includes ecological targets and provisions for setting priorities and developing programmes of measures. Consequently, a strategic

¹¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060>

¹² <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52012DC0673>

¹³ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0056>

framework for setting restoration priorities already exists for the marine environment. Therefore, effective implementation of the Marine Strategy Framework Directive is regarded as satisfying the objective set out in Action 6a of the EU Biodiversity Strategy for the ecosystems and habitat types (coastal water beyond 1 nautical mile offshore, oceanic shelf and open ocean) included within the scope of the MSFD. Restoration actions taken within the framework of the MSFD will be taken into account in assessing progress towards the 15% restoration target.

3.3.4 Reducing some of the generic pressures on biodiversity.

Atmospheric pollution such as tropospheric ozone and atmospheric deposition of acidifying substances and nitrogen compounds can have a significant, negative impact on biodiversity. Local restoration actions to re-create the natural vegetation cover, or improve the conservation status of species and habitats, may not be successful if the critical loads for sulphur or nitrogen are exceeded due to trans-boundary pollution. Several pieces of EU legislation have led to a significant reduction in atmospheric pollution but critical loads for sulphur and nitrogen are still exceeded in many locations and the threshold levels for tropospheric ozone are being exceeded with increasing frequency. In December 2013 the Commission adopted an extensive package of measures aimed at improving air quality and reducing long-range trans-boundary air pollution¹⁴. These measures will, if agreed by the other EU institutions, constitute an important contribution to ecosystem restoration in the EU.

At the local level, the impact of long-range nitrogen deposition is accentuated by local emissions of ammonia and the application of nitrate fertilizer and these pressures will need to be addressed by measures at the national and sub-national level.

3.4. Priorities for Restoration in relation to urban ecosystems, croplands, grasslands, forests/woodlands.

As indicated above, there are a number of ecosystem types, habitat types and individual species as well as specific sites or areas, for which existing pieces of EU legislation already provide essential elements for the prioritization of restoration actions and descriptors of the environmental status that is to be achieved. However, for some of the EU land and seascapes and many urban areas that are not specifically protected by virtue of EU or national legislation, including habitat and ecosystem types which are not covered by the habitat types mentioned in the Annexes of the Habitats Directive, the Member States should consider including them in their national and/or sub-national level Restoration Prioritization Frameworks. These ecosystem types include urban ecosystems, croplands, some grasslands (e.g. temporary grasslands and improved grasslands as opposed to natural and semi-natural grasslands that are covered by the Habitats Directive) and many areas of forest/woodland. Information of specific relevance to the restoration of some of these ecosystem types is included in the final report of the contractor.

¹⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013DC0918>

In planning and undertaking restoration activities in relation to these ecosystem types or areas, Member States should keep in mind the principles and the cross-cutting issues discussed in previous sections of this document. In particular, the ecological condition of any particular ecosystem can lie anywhere on a continuum from poor to excellent. Furthermore, the objectives for restoration will depend upon the location, history and the specific ecosystem type or area. Finally, all restoration actions that are designed to deliver significant improvements in ecosystem condition should be considered as contributing to the 15% restoration target.

4. The Information and knowledge base for developing a framework for identifying restoration priorities at sub-national and national level.

The identification of priorities for the restoration of degraded ecosystems is very much dependent on the availability and quality of information on the extent and condition of the ecosystems concerned as well as the variety and value of the ecosystem services associated with them. In addition to the information gathered under existing legislation such as BHD, WFD and MSFD, maps and assessments of ecosystems and associated services available at national and sub-national levels will be used to inform the selection of restoration priorities.

Action 5 of the EU Biodiversity strategy foresees that Member States, with the assistance of the Commission, will map and assess the state of ecosystems and their services in their national territory by 2014. The Commission together with the EEA and with the support of a contractor is working intensively with the Member States to support the Mapping and Assessment of Ecosystems and Services (at the national level). Guidance documents, recommendations and reports have been produced and the assistance and support provided by the Commission to the Member States will continue in 2014 and beyond. The output of the mapping and assessment exercise foreseen under Action 5 of the EU Biodiversity strategy will, taking into account the assessments made under the B&HD, WFD and MSFD, be used for underpinning and measuring progress towards the achievement of the 15% restoration target.

5. Monitoring, recording and reporting progress

As indicated in section 2, the reference point against which progress towards the 15% restoration target should be measured, is the EU 2010 Biodiversity Baseline (improved and refined as appropriate). To measure progress towards the target it will be necessary to monitor and record restoration actions as well as further degradation of ecosystems in order that, by 2020, we will be in a position to assess the net gains and whether the target has been achieved.

Member States are encouraged to document the restoration efforts that are made within their territory. Together with the mapping and assessment of ecosystems and ecosystem services being undertaken under Action 5 of the Biodiversity Strategy, this information should allow for an assessment of the extent to which the 15% restoration target has been achieved.

Assessment of progress towards the 15% ecosystem restoration target will be part of the Mid-Term Review of the EU Biodiversity Strategy and the final evaluation of the EU 2020 Biodiversity Strategy. It will include progress reported under the BHD, WFD, MSFD and NEC directives. MAES will be the process for integrating these information flows as well as information from other sources in order to cover the whole EU territory.

6. The costs of restoration and sources of financial support.

The Commission has financed a study to estimate the additional costs associated with the achievement of Target 2 of the EU biodiversity strategy to 2020¹⁵. The estimates of the total costs aggregated across the EU 27 range between € 0.5 and 11 billion per annum (up to 2020) dependent upon the scenario (even distribution of effort, low cost, maximizing biodiversity benefits, maximizing ecosystem services outputs). The study also provides cost estimate projections for each Member State as well as a review of potential sources of financial support.

At the EU level, the funding instruments linked to the cohesion policy, the CAP and CFP are potential sources of finance for restoration efforts. Opportunities for financing also exist under the LIFE funding instrument. Funding should be a key element in the restoration prioritisation frameworks to be developed at national, sub-national and trans-boundary level.

The restoration of degraded ecosystems may also offer opportunities for private investors. Land that is severely degraded has little ecological and economic value: it cannot be used for agriculture and is of little interest for development. Restoration efforts can significantly increase the value of the land providing economic and social gains as well as environmental benefits. Restoration of certain habitats such as peat-lands can also offer significant benefits in terms of carbon sequestration and as such can provide a sustainable return on investment and substantial contribution to climate policy.

¹⁵ <http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/2020/Fin%20Target%202.pdf> . AND <http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/2020/Financing%20Target%202.pdf>