



Financing Natura 2000 in the current and future Cohesion Policy

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Financing Natura 2000 in 2007-2013 Cohesion Policy



Legislative background

Treaty

- Article 175 of Treaty: defines aim of Cohesion Policy as reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions
- Article 177 of Treaty: Cohesion Fund shall provide a financial contribution to projects in the fields of environment
- Article 192 of Treaty: polluter pays principle applies, except when costs deemed disproportionate for the public authorities of a Member State support from Cohesion Fund can be used



Legislative background (2)

ERDF Regulation

- Art 4: in Convergence Regions promotion of biodiversity and nature protection, including investments in NATURA 2000 sites
- Art 5: in Regional Competitiveness and Employment regions: promoting the development of infrastructure linked to biodiversity and investments in NATURA 2000 sites, where this contributes to sustainable economic development and/or diversification of rural areas;
- Art 6: in European Territorial Cooperation: protection and management of river basins, coastal zones, marine resources, water services and wetlands, and protection and enhancement of the natural heritage in support of socio-economic development and sustainable tourism

Cohesion Fund Regulation

- Art 2: the environment within the priorities assigned to the Community environmental protection policy under the policy and action programme on the environment



Legislative background (3)

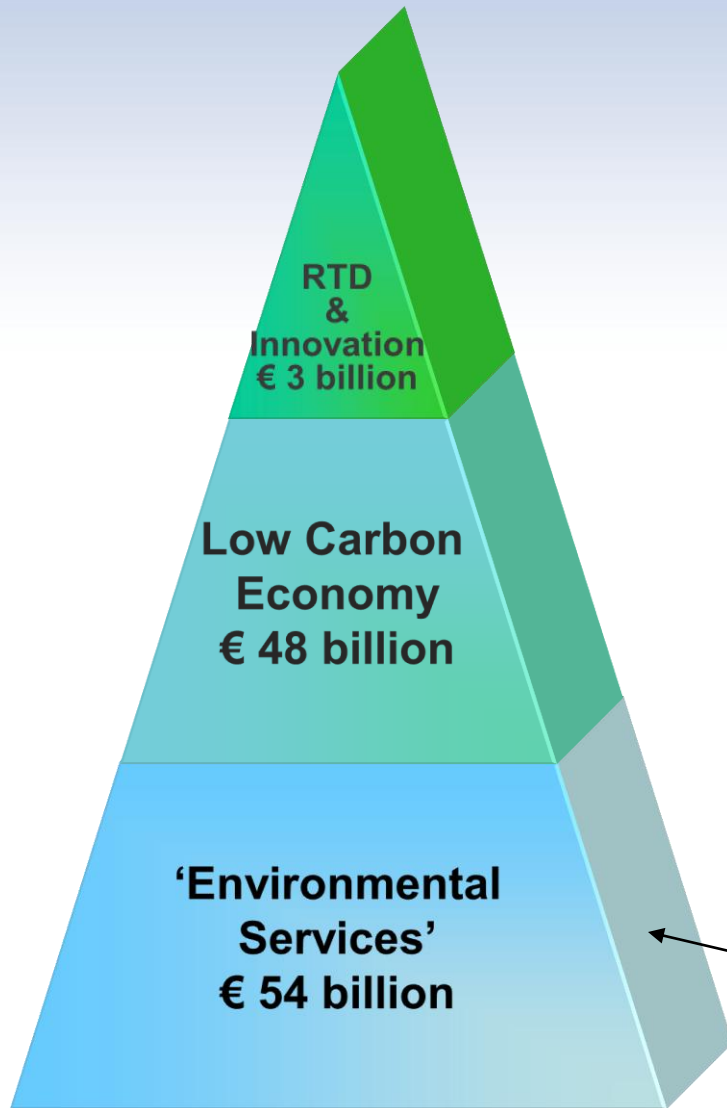
Community Strategic Guidelines

- Environmental investments can contribute to the economy in three ways: they can ensure the long-term sustainability of economic growth, they decrease external environmental costs to the economy (e.g. health costs, clean-up costs or damage recovery) and they stimulate innovation and job creation.
- the recommended guidelines for action include
 - addressing the significant needs for investment in infrastructure, particularly in the Convergence regions and especially in the new Member States, to comply with environmental legislation in the fields of water, waste, air, nature and species protection and biodiversity.
 - take advantage of, and seek to preserve and develop natural and cultural assets which can have important positive spin-offs by protecting habitats and supporting investment in biodiversity. The integrated approach should aim to have a positive impact on the tourism sector, the local economy, the people working in the tourism sector, visitors and the local population, as well as the natural and cultural heritage.



What can be funded in relation to Natura 2000 sites?

- Recall general aim of policy
- One time costs and not O&M
- Purchase of land (10% of total eligible expenditure but higher for environmental conservation)
- Soft investments in e.g. education and training
- Investments in “construction” related to tourism, transport infrastructure, risk prevention (e.g. flood protection), buildings (e.g. environmental education centres, museums), restoration of environment, etc.
- Territorial cooperation element
- Ultimately left up to MS and regions whether they wish to use the opportunity to fund certain interventions in Natura 2000 areas
- Higher amounts of money available in poor MS and regions (81% of total funding for Convergence regions, almost $\frac{3}{4}$ in Cohesion Countries)



Planned environmental expenditure 2007-2013

Environment total:

- € 105 bn (30% of total Cohesion Policy funds 2007-2013)
- € 30 for indirect investment (e.g. sustainable transport) and € 28 bn for environmental infrastructure (water, waste water, waste)
- 3 times more than in 2000-2006 (€ 37 bn)

Includes biodiversity & nature protection € 3.9 bn



Funding of nature protection & biodiversity in Cohesion Policy

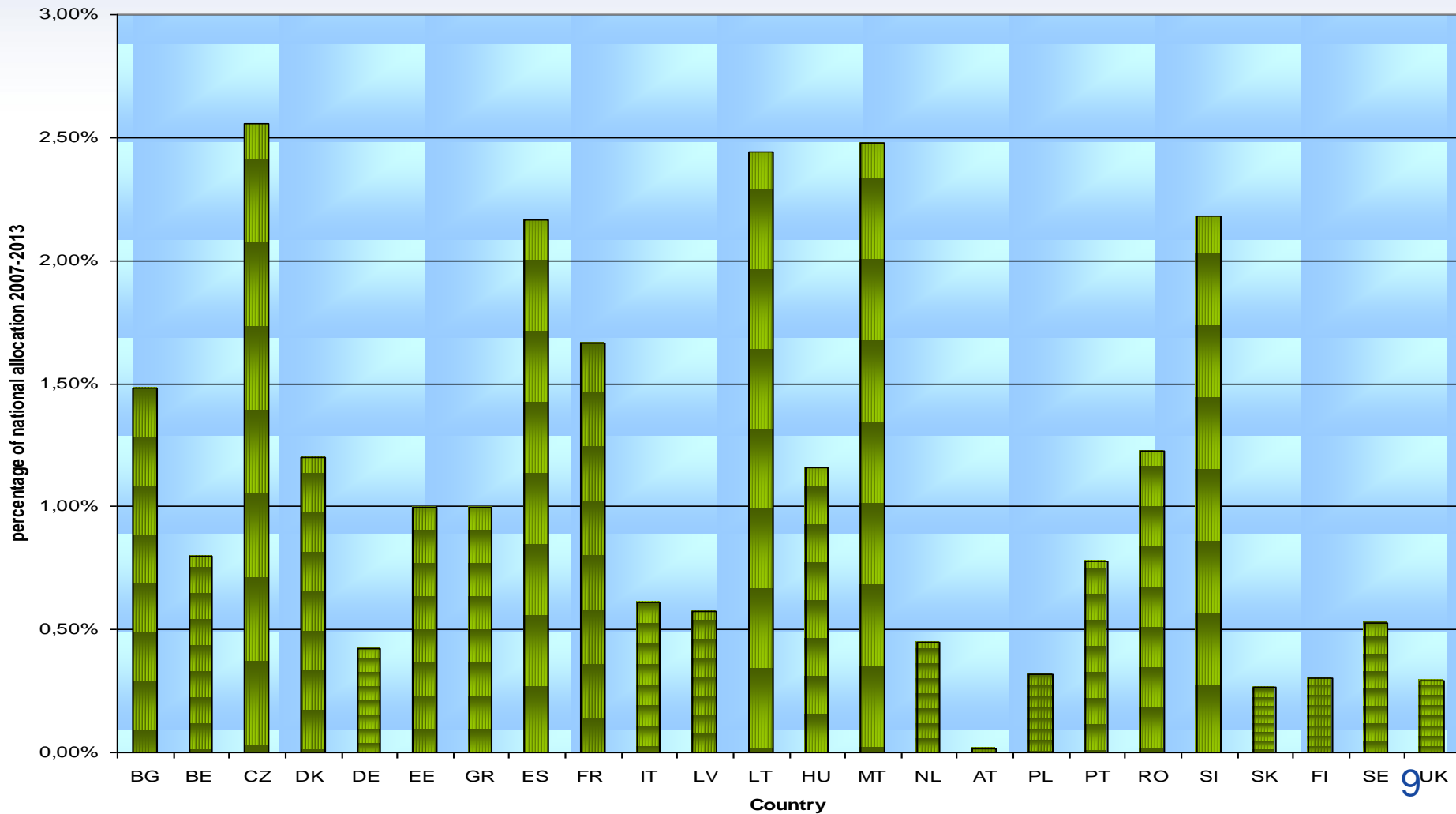
- Support for biodiversity and nature protection:
 - Direct support (€ 3.9 billion):
 - Promotion of biodiversity & nature protection,
 - Promotion of natural assets
 - Indirect support (€ 19.3 billion):
 - Waste water treatment = clean river & water bodies
 - Natural risk prevention = floodplains, wetlands conservation
 - Rehabilitation of contaminated land
- Investments leveraged by national contributions



Share of direct investments within Cohesion Policy funds by MS (2007-2013)

Expenditure in Biodiversity and Natura 2000

€ 3,9 billion





Example of coordination of different EU funds

Moors and wetlands protection in Haute Vézère, Limousin, France



Natura 2000 site established in 1996

Two combined actions:

- Local agro-environmental measures (EAFRD): maintain/ enhance open habitats management with local farming partnerships
- Interpretation paths for education/tourism (ERDF) on the largest peat bog of Limousin.
- Successful measured in economic terms: more than 15 000 visitors per year



Example of combining flood protection, local development and environment

Eco-region along the Tisza river, Hungary



- Natura 2000 sites in some areas involved, including Szamos-Kraszna and Bereg
- Crisis of agricultural areas, population decline of 3,6% over 7 years on floodplain of Tisza river
- Part of a concept of integrated regional development
- Linked with flood protection (flooding of large reservoirs – artificially restore close to natural conditions which existed before the regulation of the river)
- Also linked with tourism, bicycle lanes, change in agricultural practices
- Interventions financed: water inlet and outlet structures, sluice, bicycle lanes, land purchase, afforestation



Evaluations of integration of environment into Cohesion Policy

- No evaluations available specifically for investments in Natura 2000
- Biodiversity and nature protection was one of the elements recognised as being linked to high economic and population growth
- Despite this, it did not receive much attention in OPs and strategies
- Very little has been done theoretically and empirically to understand the interactions between environmental investments and regional economic and social development;



Absorption issues

Investment allocated by 30 September 2009 compared with total planned investment for 2007-2013

- Promotion of biodiversity and nature protection (including Natura 2000) 18,1%
- Promotion of natural assets 22,0%
- Protection and development of natural heritage 17,3%

- Average for funds 27,1%

⇒ the problem is not so much the amount of funding than making use of it, having the adequate institutional background to generate typically small but complex projects and deliver them (this in turn linked to low political priority in MS?)



Recommendations of evaluators for interventions in field of environment (ERDF ex-post 2000-2006)

- Need to systematically analyse at OP level:
 - state of environment,
 - risks to environment,
 - interactions with factors of growth at regional level,
 - main constraints for ensuring the preservation of natural resources
- Institutional capacities are increasingly needed for:
 - analysing a region's environmental and economic situation,
 - Selecting, implementing and monitoring projects (currently poor indicators and monitoring),
 - coordinating interventions,
 - evaluating effectiveness, efficiency and sustainability



Reflections on financing Natura 2000 in future Cohesion Policy post-2013



Future Cohesion Policy

- No official position on future yet
- Complete alignment with Europe 2020 (Natura 2000 not featured, biodiversity mentioned but not prominent)
- Increased thematic focus
- Treaty basis remains same (aim of policy, role of Cohesion Fund in environment, etc.)
- But regulations will change
- And Community Strategic Guidelines will change
- Need to find linkages between development aimed at achieving economic, social and territorial cohesion and investing in Natura 2000



Why is there a role for nature protection in future Cohesion Policy?

- Natura 2000 an EU-wide network of nature protection areas established with the aim of assuring the long-term survival of Europe's most valuable and threatened species and habitats
- Cohesion Policy a development policy aimed at achieving harmonious development across the EU by reducing disparities between regions and promoting the development of least favoured regions

⇒ Seemingly two separate issues



Why invest in nature protection through Cohesion Policy?

Ecosystem services have value

- direct contribution to human well-being (tourism, recreation, etc.)
- Provision of goods and services (food, water, etc.)
- Regulatory role of ecosystems (e.g. climate)
- Future options (pharmaceutical value, drought resistant crops, etc.)

Win-win interventions: Investment in nature can help generate economic growth and employment within an integrated strategy



Future work

Change focus of debate (at least towards economically oriented policies) to value of ecosystem services and links to economic growth: need to demonstrate to decisionmakers that protecting habitats is linked to economic development (also over the short term)

TEEB good starting point, makes the economic case for protecting ecosystems which also implies protecting habitats



Thank you for your attention!