The EU Nature Restoration Law

REWET Training, Nature Restoration Law and Wetlands Conservation

Sevilla, 3 October 2024

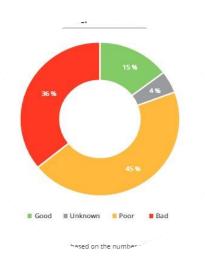
Florian Claeys and the NRL team

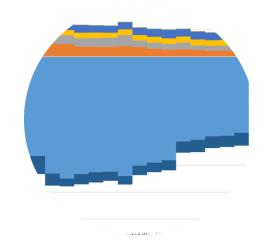
European Commission, DG ENV

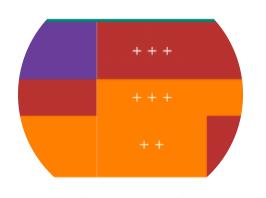
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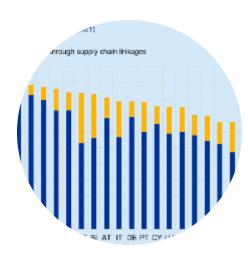
Arguments for nature restoration











only 14% of habitat assessments are favourable

State of the nature in the EU

-35% in EU natural carbon sinks since 2010

EEA greenhouse gases (europa.eu)

"Critical" risk of crop failures or bad harvests (hotspot: southern Europe)

European Climate Risk Assessment (europa.eu) 30% of EU rivers exceeded high flood thresholds at least one day in 2023
Flooding | Copemicus

72% of EU companies highly dependent on at least one ecosystem service

The economy and banks need nature to survive (europa.eu)



the EU

Wetlands under Annex I of Habitats Directive

- 174,352 km² (4.5% of EU terrestrial area)*
- 28 habitats types: coastal and salt habitats (11), wet heat and peat grasslands (3), bogs, mires and fens (12) wet forests (2)

Conservation status

- 80% of wetland lost in last centuries
- 89 % of assessments unfavourable
- Among which, 51% deteriorating trends
- Additional stress by climate change

Condition of habitats

- At least 27 100 km² (16 %) to be restored
- 84 300 km² (48%) of unknown status
- At least 3 100 km² (1.8 %) to be re-created

Carbon stocks and sequestration

- Potential stock: 1,6-4,7 GtC
- Potential sequestration: 10-38 MtCO2e/yr

Peatland

- 3% of area, 25% of emissions from agricultural land use
- With water table decrease, more carbon mineralization

Based on Habitats Directive Article 17 reports (*excluding Romania)
Impact assessment of the Nature Restoration Law proposal. <u>Annex VIII-a (part 6/12)</u>.
Biodiversity Information System for Europe: <u>Wetlands (coastal and inland) (europa.eu)</u>

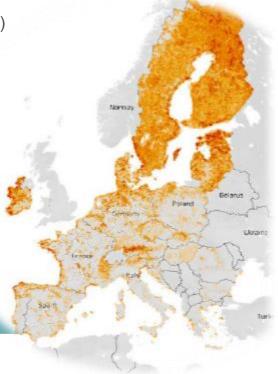


Figure 1 – Conservation status at the EU level per wetland type (in percentage)

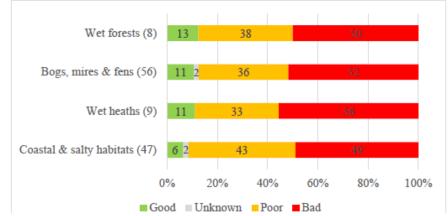
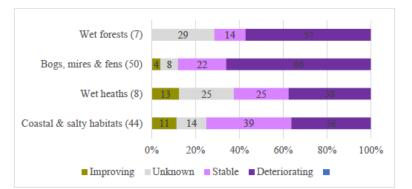
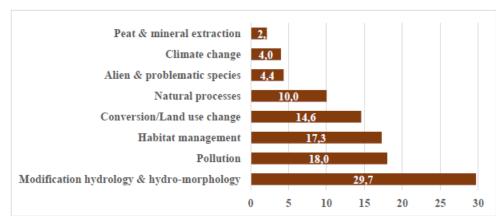


Figure 2 – Conservation status trends at the EU level per wetland type (in percentage)



Note: Number of assessments/habitats per region shown in brackets.

Figure 3 – Pressures reported for wetlands habitats (in percentage)



EU proposal for a regulation on nature restoration

Need for reinforcing large-scale restoration

- Continuing ecosystem degradation and biodiversity loss across the EU
- Protection needs to be strengthened but is not enough
- 2020 EU Biodiversity Strategy voluntary targets not met

Important aspects for designing restoration policy

- Legal form of a regulation applies directly, no transposition (urgency!)
- Complement and build on existing policy framework
- Focus on the synergies between climate change and biodiversity

Marine Strategy Framework Directive **Habitats** Directive **Nature** Restoration Water Framework Directive Birds **Directive**

Proposal for a Nature restoration law - European Commission (europa.eu)



Legislative process

- 22 June 2022 Commission proposal for a Nature Restoration Regulation
- 20 June 2023 Council's general approach
- 12 July 2023 Parliament's amendments
- 19 July 2023 1st trilogue: kick-off of co-legislators negotiations
- 5 October 2023 2nd trilogue: guidance on remaining political issues
- 9 November 2023 3rd trilogue: political agreement reached
- 22 November 2023 COREPER endorsement (Member States)
- 27 February 2024 Parliament's adoption
- 17 June 2024 Council's adoption
- 29 July 2024 Publication in the Official Journal
- 18 August 2024 Entry into force



A key regulation for EU commitment under the CBD Global Biodiversity Framework (December 2022)

2050 Vision: 4 outcome-oriented goals

Goal A: 'The integrity, connectivity and resilience of all ecosystems are maintained, enhanced, or restored, substantially increasing the area of natural ecosystems by 2050; [...]'

2030 Mission: 23 action-oriented targets

- Target 2: Ensure that by 2030 at least 30 % of <u>degraded areas</u> are under <u>effective</u> restoration'
- Other targets relevant for restoration: 6 invasive alien species, 7 pollution, 8 climate change, 11 nature-based solutions, 12 urban biodiversity, 19 support to biodiversity

Implementation – Monitoring, planning and reporting

- Monitoring framework (Decision 15/5)
- Planning, reporting and review (Decision 15/6)



Nature Restoration Regulation

Overarching objectives

Restoration targets and obligations

Implementation framework

Financing

Article 3(3): 'restoration' means the process of actively or passively assisting the recovery of an ecosystem in order to improve its structure and functions with the aim of conserving or enhancing biodiversity and ecosystem resilience [...]

20% of EU land and sea by 2030

All ecosystems in need of restoration by 2050

Recovery of ecosystems

Climate action and land degradation neutrality

Enhancing food security

EU international commitments



Specific restoration targets and obligations

Protected Habitat Types



Habitats of protected species



Marine Habitats



Urban ecosystems



River connectivity



Pollinators



Agroecosystems

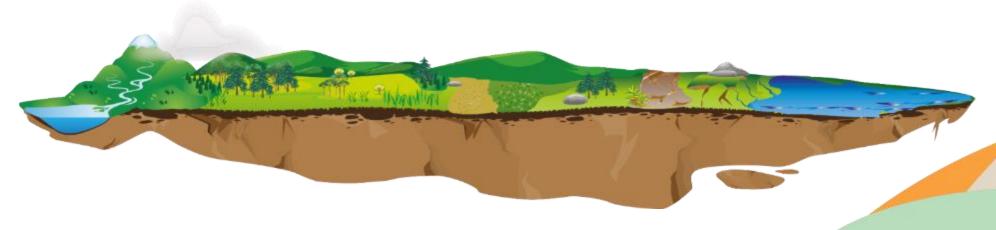


Forest ecosystems



3 billion additional trees by 2030







Terrestrial, coastal and freshwater ecosystems (Art. 4)

Annex I habitats as under the Habitat Directive

- Over 230 habitats in 7 groups
 - wetlands (coastal and inland); grasslands and other pastoral habitats; river, lake, alluvial and riparian habitats; forests; steppe, heath and scrub habitats; rocky and dune habitats

Improvement to good condition of area not in good condition

- 2030 at least 30% of total area of all groups
- 2040/2050 at least 60%/90% of each group

Re-establishment for reaching favourable reference area

• 2030/2040/2050 – 30%/60%/100% of additional area for each group

Restoration of habitats of species

Quality, quantity, connectivity

Knowledge gap filling

- 2030 90% of total area of all groups
- 2040 all areas of all habitat types
- Best available knowledge and the latest scientific evidence

Non-significant deterioration requirement

- Area where good condition has been reached
- Area in good condition or necessary to reach restoration targets



Derogations and flexibilities

- Very common and wide-spread habitats
- Re-establishment at 90% if 100% not possible
- Non-deterioration: national biogeographic option,
- Non-deterioration: derogation for force-majeure, unavoidable habitat transformations directly caused by climate change, overriding public interest, action or inaction of third country
- Further derogation for renewable energy and defence activities



Marine ecosystems (Art. 5)

Restoration of seabed habitats (Annex II) important for biodiversity and climate

- •Groups 1 to 6: seagrass beds; macroalgal forests; shellfish beds; maerl beds; coral, sponge and coralligeneous beds; vents and seeps (mainly overlapping with Habitats Directive)
- •Group 7: soft sediment (not deeper than 1000 metres of depth) (mainly overlapping with broad benthic habitat types of the Marine Strategy Framework Directive)

Improvement to good condition of area not in good condition

- •2030 at least 30% of total area of all groups 1 to 6
- •2040 at least 60% of each group from 1 to 6, 2/3 of a percentage so as not to prevent good environmental status (MSFD) for group 7
- •2050 at least 90% of each group from 1 to 6, a percentage so as not to prevent good environmental status (MSFD) for group 7

Re-establishment for reaching favourable reference area

•2030/2040/2050 - 30%/60%/100% of additional area for each group from 1 to 6

Restoration of habitats of species

- •Covered by the Birds and Habitats Directives + additional species (Annex III)
- Quality, quantity, connectivity

Knowledge gap filling

- •2030 at least 50% of total area of all groups 1 to 6
- •2040 all areas of all habitat types in groups 1 to 6, 50% of total area of group 7
- •2050 all areas of all habitat types in group 7

Non-significant deterioration requirement

- Area where good condition has been reached
- •Area in good condition or necessary to reach restoration targets

Use of tools from the common fisheries policy (Art. 18)

•Submission of joint recommendations - 18 months before deadline targets



Derogations and flexibilities

- Re-establishment at 90% if 100% not possible
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Urban ecosystem targets (Art. 8)



- No net loss of urban green space at national level by 2030 and increasing trend thereafter until satisfactory level is reached.
- No net loss of **urban tree canopy cover** in urban ecosystem areas by 2030 and increasing trend thereafter, until satisfactory level is reached
 - Exemption possible for already very green urban ecosystems (>45% green space and >10% tree canopy cover).



River connectivity target (Art. 9)



Artificial barriers to the natural connectivity of surface waters:

- Inventory of all barriers
- Identification and removal of those needed to contribute to...
 - → the targets for riverine habitats
 - → the objective of restoring at least 25 000 km of free-flowing rivers in the EU by 2030
 - → The functionality of floodplains



Pollinator populations target (Art. 10)



- Improve pollinator diversity and reverse the decline of pollinator populations by 2030
- Achieve thereafter an increasing trend for pollinator populations until satisfactory levels are reached
- with a methodology for annual monitoring.



Agricultural ecosystems (Art. 11)

Enhance biodiversity of agricultural ecosystems

• in addition to protected habitats (Art. 4)

Indicators at national level

- Achieve an increasing trend until satisfactory levels are reached
- At least 2 out of 3 indicators
 - Grassland butterfly index;
 - Stock of organic carbon in cropland mineral soils;
 - Share with high-diversity landscape features;

Common farmland bird index

Specific target to enhance by 2030/40/50 at national level

Peatlands restoration and rewetting targets

- At least 30% by 2030, 40% by 2040 and 50% by 2050 of drained peatlands under agricultural use,
- 1/4 (2030) and 1/3 (2040 and 2050) of which shall be rewetted.
- Flexibilities and modalities
 - Possibility to count peat extraction sites and partly other types of drained peatlands.
 - Exemptions possible for reduced rewetting.
 - Rewetting to be incentivised, no obligation on farmers and land-owners.





Forest ecosystems (Art. 12)

Enhance forest biodiversity

- In addition to Art 4 (i.e. not only Annex I habitats)
- Taking into the risk of forest fires

Indicators-based targets

- Achieve an increasing trend at national level until satisfactory levels are achieved.
- 1 mandatory indicator
 - Common forest bird index
- At least 6 out of 7 indicators:
 - Standing deadwood;
 - Lying deadwood;
 - Share of forest with uneven age structure;
 - Forest connectivity;
 - Stock of organic carbon;
 - Share of forests dominated by native tree species;
 - Tree species diversity.



Exemption

- Large scale force majeure (incl. wildfire);
- Unavoidable habitat transformations directly caused by climate change.





Planting 3 billion additional trees (Art. 13)

- When implementing the restoration measures above, Member States must aim to contribute to the commitment of planting at least 3 billion additional trees by 2030 at Union level;
- in full respect of ecological principles, including
 - ensuring species and age structure diversity,
 - prioritising native tree species*
 - increasing ecological connectivity
 - be based on sustainable afforestation, reforestation and tree planting and the greening of urban areas.



Planning: an encouragement for strategic visions on restoration

MSs flexibilities for planning restoration

- MSs decide which measures and where to achieve targets.
- MSs identify areas needed and satisfactory levels
- MSs decide the timing for putting in place measures

Thinking restoration as an inclusive solution

- Optimise ecosystems contribution to sustainable development of relevant regions and communities
- Take into account the diversity of situations in various regions related to social, economic and cultural requirements, including the specific situation of the Union's outermost regions
- Open, transparent, inclusive and effective process. Early and effective opportunities for the public to participate in its preparation.

Prioritizing restoration investments

- Synergies with climate action, land degradation neutrality, disaster prevention
- Synergies with agriculture and forestry
- Synergies with the national restoration plans of other Member States



Immediate implementation implications

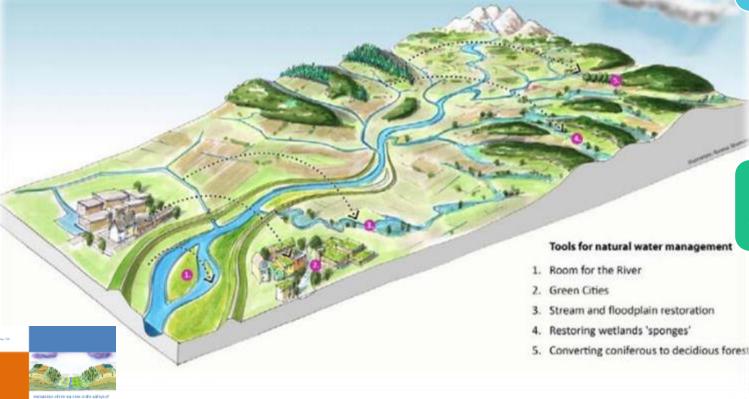
Timeline for national restoration plans	
November 2024	Draft implementing act to establish a uniform format
August 2026	Draft national restoration plan, strategic overview beyond 2032
January 2027	Assessment by the Commission of the draft national restoration plans
August 2027	Final national restoration plan to be finalised by Member States
July 2032	Revised national restoration plans, strategic overview beyond 2042

The implementation of restoration measures must start now and not wait until the national restoration plans have been finalised!



Example of synergies with EU climate policies

Otterman et al. (2017)



Restoring 'sponge landscapes' to reduce net GHG emissions

- Land with high carbon stocks, such as forests and peatlands
- EU Climate Law: climate neutrality by 2050
- Land use, land-use change and forestry regulation
- Carbon removals certificatory framework

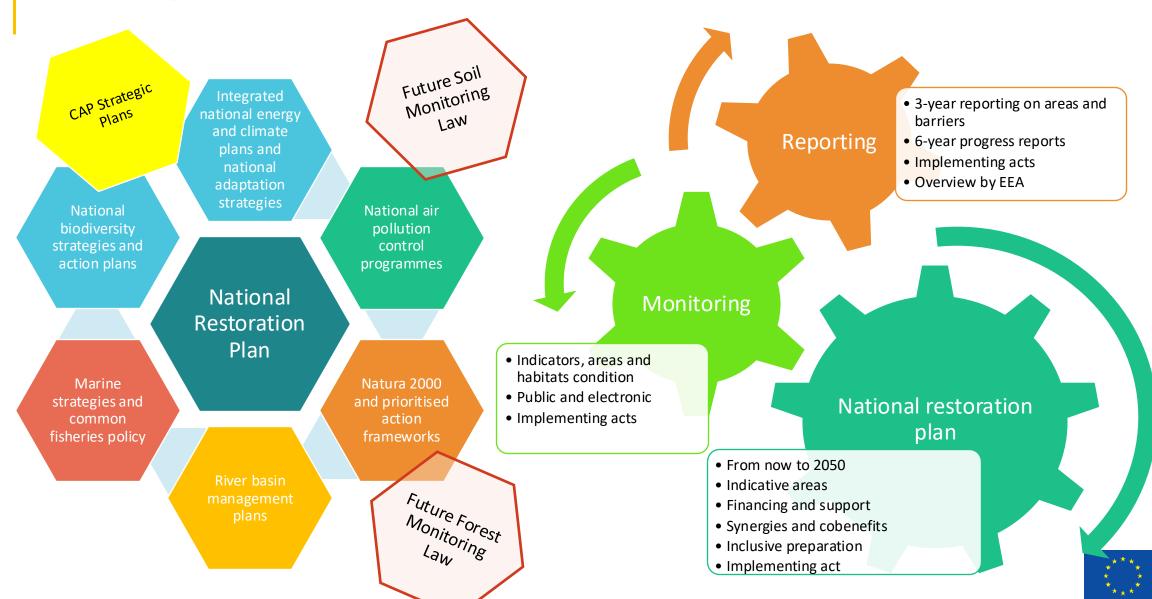
Restoring 'sponge landscapes' for better climate resilience

- Droughts and floods in Europe set to get worse
- EU Climate Law, Article 5: 'duty to adapt' & emphasis on nature-based solutions
- EU Adaptation Strategy: chapters on nature-based solutions and freshwater availability

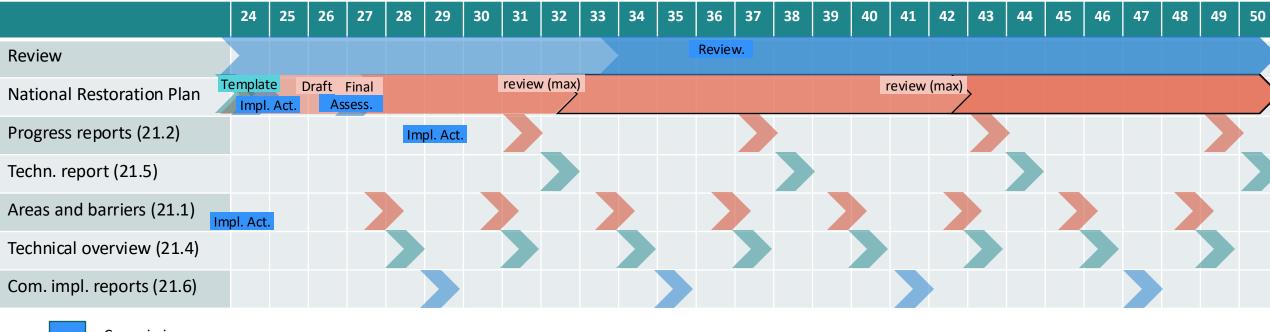




An integrated implementation framework



Long-term perspective for nature restoration



Commission Member States

EEA

Evaluation of application by 31/12/2033

- Impact on agricultural, forestry and fisheries sectors
- Wider socio-economic effects

Where appropriate, legislative proposal for amendment

- Additional restoration targets
- Updated targets for 2040 and 2050



How to finance EU nature restoration



Investments rather than costs

- Impact assessment of the Nature Restoration Law
 - Benefits by far outweigh the costs
 - Every €1 spent on restoration → return on investment of at least €8
 - Invest needs: €6-8 billion/year

€112 billion in the current EU budget

- EU Biodiversity Strategy 2030
 - More than €20 billion/year 'unlocked' for biodiversity

Toward a renewed support to restoration

- Nature Restoration Regulation
 - Article 14(12): deployment of **private or public support schemes** to the benefit of stakeholders
 - Article 21(7): by August 2025, **financial report** on resources, needs, gaps, proposals for adequate measures

EU funds available under current EU budget

- LIFE programme
- European Maritime Fisheries and Aquaculture Fund (EMFAF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Agricultural Guarantee fund (EAGF)
- European Regional Development Fund (ERDF)
- Cohesion Fund
- Horizon Europe
- Recovery and Resilience Facility (RRF)
- InvestEU

National funds

- National budget
- State aid schemes

Public/private investment mechanisms

- EU Taxonomy for sustainable finance
- Environmental protection and restoration activities <u>(europa.eu)</u>
- Forestry (europa.eu)
- Private sector investment
- Public-private partnerships



Toward an EU engagement on nature credits

COP 28 high level event on carbon markets, 01/12/2023

We also need private money to flow into projects that enhance biodiversity [...] Here too, credits – let us call them nature credits – can play an important role.

Clean Transitions Dialogue Communication, 10/04/2024

Instruments like carbon removal certification or biodiversity credits can promote new business models and reward stakeholders for nature-based solutions.

Statement and political guidelines for 2024-2029, 18/07/2024

"Anyone who manages nature and biodiversity in a sustainable way and helps to balance the carbon budget must be properly rewarded." Strategic Dialogue on the future of EU agriculture 04/09/2024

[The initiative for a European Rural Contract" could include the idea of] rewarding farmers and foresters for producing public goods, such as biodiversity and carbon sequestration, including through a repurposed spending of EU funds.

<u>Digital-Life-Design Nature</u> <u>Conference</u>, 13/09/2024

Work is already ongoing at the United Nations and in the European Commission, to define a global standard for nature credits. Because these have to be true nature credits, and no greenwashing. This is an essential first step, to scale up this rising market. And we are working intensively with our Member States to develop the first pilot projects to support this process.

Target 19 of the Global Biodiversity Framework under the Convention on Biological Diversity Mobilize \$200 billion per year for biodiversity from all sources, including \$30 billion through international

Mission letter for Commissioner-designate for Environment, Water Resilience and Circular Economy Jessika Roswall, 17/09/2024

I would like you to prioritise the design of **incentives for nature positive actions and private investment.** You will lead the work on **nature credits** in close cooperation with Member States, international partners and organisations.



finance





The EU #NatureRestoration Law (europa.eu) https://eur-lex.europa.eu/eli/reg/2024/1991/oj

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