



INVESTMENT TIPS FOR HIGH RETURNS



Making the EU budget deliver for people and nature



TOWARDS A GREEN EU BUDGET

A healthy and diverse environment provides the basis for human survival, well-being, and economic prosperity. The ongoing destruction and degradation of ecosystems and biological diversity is putting our future at risk.

EU governments and institutions are currently designing new policies and budgets for the rest of this decade. Decisions taken now will determine the health and productivity of our land and seas in 2020. Given scarce public financial resources and high

governmental debts, precious European taxpayers' money must deliver for society. We cannot afford to accumulate more ecological debt that will turn into economic losses in the future.

This brochure seeks to demonstrate why and how EU funds should be invested in the conservation and restoration of biodiversity. It is an invitation to all decision makers and interested citizens to raise their voices for nature in this crucial debate on the future budget of the EU.

WHY IT PAYS TO INVEST IN NATURE



- **Nature delivers the goods and services our society needs.** Only healthy ecosystems will provide us with food, fuel and fibre, clean water and air, fertile soil and a stable climate. Globally, an expanded protected area network covering 15% of the land and 30% of the sea would deliver environmental services of 3.1 trillion EUR, 8% of the world's annual GDP.
- **Nature is our life insurance against climate change.** Healthy forests, grasslands and oceans store huge amounts of carbon – as long as they are not destroyed or degraded. Functioning floodplains and wetland ecosystems are cost effective buffers against the already increasing risks of floods, droughts and soil erosion.
- **Conserving nature secures and creates jobs.** In the EU it is estimated that almost 14.6 million jobs (7% of total employment) depend on the conservation of biodiversity – be it through direct employment in protection and management activities, through benefitting sectors like fisheries, forestry, agriculture or tourism, or through the provision of wider ecosystem services to society. A new study supports the estimate that investing the necessary 6 billion EUR annually into the Natura 2000 network alone could create 180,000 jobs, often in economically less developed areas, without counting wider employment effects in sectors depending on healthy ecosystems.
- **Investing in nature today makes economic sense.** Protecting our environment has a cost – this cost however is tiny, compared to the price society will pay if we follow a “business as usual” approach. By 2050 it is estimated that the loss of biological diversity would cost the world 7% of global GDP – no responsible decision maker can put this burden on future generations.
- **Nature is beautiful, a source of inspiration and recreation.** The diversity of life is a value we have to preserve, ensuring that future generations can enjoy and benefit from it. In a 2010 Flash-Eurobarometer poll, more than 8 in 10 EU citizens felt that biodiversity loss was a serious problem at national, European and global levels.

BEST VALUE FOR PUBLIC MONEY



“Biodiversity is integral to sustainable development, underpins competitiveness, growth and employment, and improves livelihoods. Biodiversity loss, and the consequent decline of ecosystem services, is a grave threat to our societies and economies.”

José Manuel Barroso,
President of the European Commission

Why it is smart to use EU funds for biodiversity

The ongoing financial and public debt crisis in the EU should be a lesson in the need to invest sustainably for the future benefit of citizens. It is now more important than ever to ensure the money we spend today does not create future costs for society. While the EU budget is relatively small (about 1% of the Union's GDP) it can make a big difference – if used in line with agreed policy priorities and where most added value can be achieved. Investing in nature and biodiversity is one of those areas.

- **European commitment:** In 2010 EU governments committed to halt the loss of species and habitats by 2020 and to start restoring ecosystems. They promised to phase out environmentally harmful subsidies and recognized that adequate financial support would be needed to achieve the 2020 targets.
- **European challenge:** Species and habitats do not recognise national borders, so we need to support their conservation at European and global level for the benefit of all citizens. For example, protected areas in the Mediterranean are essential for the survival of migratory birds breeding in the Northern EU Member States.
- **European solidarity:** Biodiversity, as well as economic wealth are not distributed equally across the EU – the EU budget can help by investing money where it makes the biggest difference and where it is most needed, for the benefit of all Europeans.
- **European potential:** Existing instruments for safeguarding and restoring our natural environment are still massively underfunded, and so cannot fully achieve their objectives. The Natura 2000 network is a world class network of sites for priority species and habitats that Member States have set up on almost one fifth of the EU's terrestrial area. Per year less than 6 billion EUR (about 0.03 EUR per day per EU citizen) would be needed to make Natura 2000 work and produce enormous benefits for society. However, it is estimated that so far not even 20% of these costs are met through EU and national funds.

Don't waste our taxes ...

At the moment significant parts of the EU budget are wasted – by creating future costs that exceed present benefits. Untargeted and even perverse agricultural and fisheries subsidies are driving the degradation of soil, water and biodiversity, while EU support for unsustainable road infrastructure is contributing to habitat fragmentation and causing additional greenhouse gas emissions. The costs of this damage will be borne by the public. Therefore the key is to redirect existing funds towards more sustainable purposes.



... but spend them wisely!

In many cases investing in nature conservation produces multiple benefits and is more cost efficient than other public investments – as the examples on the following page show.

SMART INVESTMENTS – HIGH RETURNS



Redirecting agriculture subsidies saves costs for industry and consumers

The UK Environment Agency estimates that water pollution from agriculture costs between £445 and £872 million per year in England and Wales. It costs water companies at least £129 million each year in England and Wales alone to remove diffuse pollution from water – costs passed on to customers in higher water bills. Reforming EU Agriculture payments so that they do not increase but reduce water pollution would help cut these costs. Achieving good water quality by 2015 would bring economic benefits of £1 billion to £3.8 billion a year to English and Welsh households.

Flood prevention: ecosystem-based solutions are smart and cost effective

The risk of flooding is predicted to rise as a result of climate change. There is evidence that restoring natural river valleys is a much cheaper response to this than building higher dykes. It is also more effective, as dykes usually only export the floods further downstream, where other people will suffer. Furthermore, natural floodplains provide other free services such as water purification, breeding space for commercially used fish species, recreational opportunities and habitats for biodiversity. Along the Lower Danube, for example, it is estimated that the planned restoration of more than 2,300 km² of floodplains would reduce extreme flood peaks by 40 cm and provide additional ecosystem services to the economy worth 500 EUR/ha/year. In the future, EU Structural Funds need to focus on such modern solutions.



Investing in Natura 2000: at least 700% return rate

Studies from several European countries have shown that investments in the Natura 2000 site network can generate ecosystem services worth seven times the amount spent or more:



- For the French Natura 2000 site “Plaine de la Crau” net benefits of 142 EUR/ha/year were calculated, around seven times higher than the costs associated with managing this site.
- The protection of all 300 Natura 2000 sites throughout Scotland was estimated to have an overall benefit to cost ratio of around 7 over a 25-year period.
- Benefits provided by Natura 2000 in the Netherlands were estimated to be around 4,000 EUR/ha/year – in particular through recreation and tourism, but also wider ecosystem services. For the whole country, Natura 2000 provides benefits to the public worth 4.5 billion EUR/year (while the government estimated its costs to be 315.4 million EUR/year).



*In Biebrza, Poland, LIFE funding used by the OTOP (BirdLife Poland) for the conservation of the Aquatic warbler (*Acrocephalus paludicola*), has successfully protected key habitats for continental Europe's rarest songbird, while also delivering climate change benefits through avoided emissions and sustainable biomass production. The project developed machinery that is able to mow large expanses of fen mires without destroying the delicate peat soil, and started a sustainable bioenergy business. This best practice was also used to develop an agri-environment programme that rewards farmers for Aquatic warbler-friendly land management (www.wodniczka.pl).*

LIFE: big effects of a small fund

The EU's LIFE funding instrument for the environment (making up only 0.23 % of the EU budget) has proven to be excellent value for money – by supporting best practice projects undertaken by local stakeholders and authorities. According to the European Court of Auditors, LIFE is an essential tool with regard to the objectives of the European Union's environmental policy.



MAKE THE EU BUDGET PROFITABLE FOR OUR FUTURE

Five investment tips for responsible decision makers



1. Stop using European taxpayers' money to destroy nature.

- ▶ All EU funds must include strict rules for assessing and avoiding any negative impacts of programmes and projects on the environment.
- ▶ The European Commission must respond to the repeated requests from governments and civil society to produce a long overdue action plan and timetable for the abolition of environmentally harmful subsidies.

2. Allocate 1% of the EU Budget to the LIFE programme (at least 1.5 billion EUR annually) – as a direct investment for the environment.

- ▶ Within LIFE, 1 billion EUR per year should be earmarked for biodiversity, with the bulk earmarked for Natura 2000.
- ▶ LIFE should also cover EU overseas entities and support conservation action outside the EU benefitting European protected species and habitats.



3. Ensure the Natura 2000 network will receive at least 4.5 billion EUR per year from the EU budget's relevant funding lines (rural and regional development, fisheries fund, LIFE).

- ▶ Earmark resources for Natura 2000 in all relevant EU Funds.
- ▶ Ensure all Member State governments will develop "Prioritised Action Frameworks (PAFs)" defining the funding sources they plan to use for key Natura 2000 measures; the European Commission must then ensure that all relevant EU funds are spent in line with these PAFs.

4. Target agriculture and fisheries subsidies at the delivery of public goods and services.

- ▶ Make direct farm payments conditional on adequate ecological standards, such as 10% environmental priority areas on each farm ("greening of pillar 1").
- ▶ Increase the budget and quality of targeted agri-environmental schemes ("strengthening pillar 2").
- ▶ Stop subsidising overfishing: EU money must only be used to support conservation of the marine environment and sustainable fishing and aquaculture practices.



5. Put Europe's regions on a firm path to sustainable development.

- ▶ Make resource and energy efficiency, as well as ecosystem restoration and "Green Infrastructure" an investment priority of the EU's Structural and Cohesion funds.

YOU CAN MAKE THE DIFFERENCE

If you are a Member of Parliament:

- ▶ Make sure the European Parliament and Member State governments adopt EU budget Regulations that make taxpayers' money work for an environmentally friendly future.
- ▶ Ask your government or the European Commission about the effect of certain public spending on biodiversity and urge them to abolish environmentally harmful subsidies.
- ▶ Ask national BirdLife Partners about the effect of public money on biodiversity in your region. They can arrange visits for you to their projects and nature reserves.

If you work for a government authority or the European Commission:

- ▶ Ensure that EU funds are distributed in ways that do not harm the environment but support biodiversity and functioning ecosystems.
- ▶ Insist on high quality cost-benefit-analyses and environmental impact assessments for publicly funded projects.
- ▶ Contact BirdLife for more information in your respective area of work.

As a citizen caring about the future:

- ▶ Write to your Members of Parliament and ask them to make your taxes deliver for nature and people, in line with our "investment tips".
- ▶ Contact your national BirdLife Partner (www.birdlife.org/worldwide/national) and ask how you can support our work.



Contact

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NABU - Nature and Biodiversity Conservation Union is Germany's biggest environmental membership NGO with around 500,000 members and supporters. NABU is the German Partner of BirdLife International. www.NABU.de

BirdLife International is a global Partnership of conservation organisations that strives to conserve birds, their habitats and global biodiversity, working with people towards sustainability in the use of natural resources. BirdLife Europe supports the European and Central Asian Partnership for BirdLife and is present in 45 countries and all EU Member States. <http://europe.birdlife.org>



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