



EU financing for biodiversity and nature: German experiences show need of fundamental changes

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Challenges, Best Practice and Options
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EU funding: German experiences

EU funding for nature protection relevant in Germany
(2014-2020)

- CAP Greening (1st pillar)
- European Funds („integrated approach“)
 - 16 States (regions)+ Federal Ministries are responsible for programming
- LIFE





German experiences – Greening

- 30% of direct payments for greening = EUR 1.5 billion/year

BUT

Greening requirements are too weak (on EU + national level):

80% of ecological focus areas still with agricultural production

- catch crops, green cover, nitrogen-fixing crops
- continued use of herbicides is allowed

20% consist of land laying fallows and landscape features that were present before >> not improved by greening measures

>> Greening has only minimal benefits for nature in Germany ☹️

...while greening payments are higher than greening operational costs.

Conclusion: Greening is lacking ecological effectiveness and economic efficiency



German experiences – EU funds (1)

1. Rural Development Fund (EAFRD)

- most important fund for nature conservation in Germany

BUT: problems in this funding period:

- tightened EU requirements on implementation and control
 - *good for “light” measures - bad for targeted conservation measures*
- increased **administrative burden** and **risks of sanctions**
- **no incentive component** for ambitious measures that offer alternative income for farmers
- **no single category** for nature measures in EAFRD
 - *programming + implementation much more complicated !*
 - *share for nature measures cannot be calculated !*



German experiences – EU funds (2)

2. Regional Development Fund (ERDF)

- biggest EU fund for Germany

BUT

- EU-wide **thematic concentration**
(80% for innovation, small enterprises, climate)
- only a few Federal States use ERDF for nature protection with a share **1.3%** of total national ERDF funding
 - **0.1%** of national ERDF funding for **Natura 2000**
 - ERDF became irrelevant for Natura 2000 in Germany

3. Cohesion Fund (CF): not relevant for Germany



German experiences – EU funds (3)

4. European Social Fund (ESF)

- **Can not longer be used** for nature protection due to changed EU legislation
(in previous period used for site managers of protected areas)

5. European Maritime and Fisheries Fund (EMFF)

- options for funding nature conservation expanded
- 8 Federal States use EMFF for nature measures

BUT

- overall volume is very small



German experiences – LIFE

- clearly aimed at nature and biodiversity
- therefore funding of ambitious conservation measures possible
- administrative overhead smaller than for integrated funds

BUT

- small volume
 - single projects managed centrally at EU level
- >> cannot have widespread impacts

LIFE's role is limited to "lighthouse" projects for implementation of Natura 2000 in selected areas.



German experiences – interim conclusions

- **Greening:** **only minimal effects** for nature protection

- **EU funds/Integrated approach:** **not successful**
 - ❖ EU funds are designed for the aims in other policies
 - ❖ biodiversity and nature do not have political priority
 - ❖ limited administrative capacities to serve different funds in parallel
 - ❖ Highly complex and bureaucratic implementation

- **LIFE:** very effective but **too small** (lighthouse projects)



Need for Action in Germany

- Need for improvements is **considerable – inside and outside Natura 2000**
- main problems are related to agricultural land use

Reference:

- *2013 German report on EU Birds and Habitats directives*
 - *2014 Indicator Report on National Biodiversity Strategy*
- >> *Corresponds to EU State of Nature Report and MTR to EU Strategy*

Inadequate funding is one of the main problems – in Germany and EU

- Result of EU studies (e.g. on Fitness check of Nature directives and on integration of Natura 2000 and biodiversity in EU financing)
- Several Council Conclusions (last in Dec 2015: calling COM to check the effectiveness of “integrated approach”)



How much funding needed nationally?

New estimation of funding needs for **implementation of Birds and Habitats Directive** in Germany (Sept. 2016):

EUR 1.416 billion/year

>> more than doubled compared to previous figure (EUR 627 Mio/year)

Reasons:

- better data (art. 17 reports) + improved calculation method
- additional sites, increases in prices, new political developments (e.g. renewable energy), new court rulings (e.g. on species protection), detailed management in place, more complex requirements for EU funds

...and new figure is comparable to CAP Greening volume in Germany

EU-wide estimation: EUR 5.8 billion/year (2011)

>> **A new estimation for EU might also be higher !**



How much EU funding is available?

Not possible to calculate for Germany

main reason: Nature protection/Natura 2000 is not targeted and concentrated in single categories in EU funds, esp. in EAFRD

EU fund/ programme	Total allocation to Germany 2014-2020 (Mio EUR/year)	Estimated funding for nature/biodiversity (Mio EUR/year - share)
EAFRD	1350	??
ERDF	1540	21 (1,3 %)
CF	0	0
ESF	1071	0
EMFF	31	??
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LIFE	no fixed national budget	<i>(average for 2007-2014) 25</i>



Need for change

EU Funding not sufficient regarding the implementation of EU biodiversity objectives and for Natura 2000 – now and in the past

>> Need for fundamental changes in the future !

Proposal for next EU funding period (2021-2027):

new dedicated EU Nature protection fund

Common position of:

- German Federal ENV Ministry (“Nature Conservation Campaign 2020”, Oct. 2015)
- Federal States (Nature Directors): LANA position paper, Sept. 2016
- German Environmental NGOs: position paper, Sept 2016

Even the German Farmer’s Association called for an own Natura 2000 financing instrument (position paper to Fitness Check of Nature Directives, May 2015)



New EU Nature Protection Fund (1)

serves to implement

- the overall principle: „**Public money for public goods**“
- **general EU funding principles**: effectiveness, efficiency, outcome oriented spending, ...

What measures should be funded?

- all measures for implementing Habitats and Birds directives
- all other requirements under the EU's Biodiversity Strategy including green infrastructure
 - measures for species conservation, land purchases, biotope-shaping measures, landscape management, planning, monitoring and reporting obligations, public awareness raising, educational measures, ...
- Nature related measures of water protection and climate protection



New EU Nature Protection Fund (2)

Who would be funded?

all stakeholders, especially farmers, but also forestry, fishery
(including compensation for loss of income),
nature conservation organisations, municipalities...

Volume?

all funding needs to implement Natura 2000 obligations and other
EU biodiversity goals

Governance?

- shared management (EU + MS)
- DG Environment + Ministries of MS responsible for nature



Consistency needed

- We need solid and realistic data for **EU Biodiversity Tracking** (share of overall EU budget for biodiversity; 8% - 9% is unrealistic)

>> calculation method with Rio markers should be reviewed
- **Innovative financing instruments** - like „Natural Capital Financing Facility“ (NCF) and private funding - that are rather small cannot solve the problem. The debate on those approaches must not hinder fundamental changes needed for biodiversity financing in the future.
- Phasing out of **environmentally harmful subsidies** (7th EAP)



Way forward

- avoid misunderstandings concerning „integration“:

Policy integration (mainstreaming) of biodiversity in other relevant sectors is still essential !

The more mainstreaming is realized, the less money is needed for nature!

- **Farmers:** main recipients of a new EU Nature Fund !
- Need for linkage to strategic debate on **future EU spending**
 - MFF Review, new MFF after 2020, CAP review...
 - implementing SDG´s, added value, efficiency, multiple benefits, less social costs,
- Need of **strategic partners** on EU and national level



Thank you for
your attention