

EU nature restoration regulation Setting binding targets for healthy ecosystems

OVERVIEW

As announced in the EU biodiversity strategy for 2030, on 22 June 2022 the European Commission tabled a proposal for a nature restoration regulation. The proposed regulation would set multiple binding restoration targets and obligations across a broad range of ecosystems, from forests and agricultural land to urban areas, rivers and marine habitats, complementing other existing legal instruments. Altogether, these nature restoration measures should cover at least 20% of the EU's land and sea areas by 2030, and all ecosystems in need of restoration by 2050. Member States would be required to develop nature restoration plans to reach these targets at national level.

While nature restoration enjoys strong public support, the proposal has raised concerns among stakeholders as regards the enforceability and achievability of the targets, the economic and social implications, the protection of property rights and the financial support for restoration.

The European Parliament adopted its position on the proposed regulation on 12 July 2023. The Council adopted its general approach on the file on 20 June 2023. Interinstitutional negotiations concluded on 9 November 2023 with a provisional agreement substantially amending the Commission's original proposal. The agreed text, endorsed by Member State representatives on 22 November 2023, and by the ENVI committee on 29 November 2023, now awaits formal adoption by Parliament and the Council. The vote in plenary is scheduled during the February II session.

$Proposal for a \ regulation \ of the \ European \ Parliament \ and \ of the \ Council \ on \ nature \ restoration$

Committee responsible: Environment, Public Health and Food Safety COM(2022) 304

(ENVI)

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Shadow rapporteurs: Christine Schneider (EPP, Germany)

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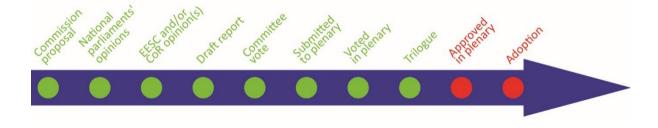
Jutta Paulus (Greens/EFA, Germany) Alexandr Vondra (ECR, Czechia) Mick Wallace (The Left, Ireland)

Next steps expected: Plenary vote on trilogue agreement

Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')

22.6.2022

2022/0195(COD)





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Introduction

<u>Ecosystem restoration</u>, as framed by the <u>UN Decade on Ecosystem Restoration</u>, covers a wide range of activities, applied singly or jointly, with the aim of repairing degraded ecosystems. These activities fall into four major categories: 1) reduction of negative environmental and societal impacts (e.g. pollution, unsustainable use of resources); 2) remediation (i.e. removal of contaminants, pollutants and other threats); 3) rehabilitation of ecosystem functions and services in highly modified areas (e.g. those used for production or by human settlements); and 4) <u>ecological restoration</u>, which aims to move a degraded ecosystem to a <u>trajectory of recovery</u> allowing adaptation to local and global changes, as well as persistence and evolution of its component species.

The EU has a comprehensive legal framework to protect nature. However, recent assessments show that the condition of ecosystems across the EU needs to improve significantly to halt biodiversity loss, secure essential ecosystem services for human wellbeing and support climate change mitigation and adaptation. Under the EU biodiversity strategy for 2030, part of the European Green Deal, the European Commission pledged to develop an ambitious EU nature restoration plan. One core element of this plan is a proposal for legally binding EU nature restoration targets to restore degraded ecosystems, in particular those with the greatest potential to capture and store carbon and to prevent and reduce the impact of natural disasters. Under its previous biodiversity strategy, the EU had set itself a voluntary target to restore by 2020 at least 15 % of degraded ecosystems, in line with the global commitment under the UN Convention on Biological Diversity (Aichi Target 15). This target was not met. Studies indicate that restoration activities did take place in all Member States, but at a level that was significantly lower than required to reach the goal set. ¹ The voluntary nature of the objective was identified as a reason why ecosystem restoration had failed. ²

The Commission tabled a proposal for a <u>regulation on nature restoration</u> on 22 June 2022, together with a <u>proposal</u> to revise the current rules on the sustainable use of plant protection products.

Existing situation

The EU framework for nature protection is based on two main pieces of legislation, the <u>Birds Directive</u> and the <u>Habitats Directive</u>, commonly referred to as the 'nature directives'. The Birds Directive is aimed at maintaining the populations of over 460 species of wild birds naturally occurring in the EU. It requires special conservation measures for a list of threatened species and for migratory species (see box), while allowing for a sustainable exploitation of certain others. On restoration, Article 3 of the directive entails a general obligation for Member States to maintain or

re-establish a sufficient diversity and area of habitats for all those bird species (for instance, reestablish destroyed biotopes). The Habitats Directive, which established the EU-wide Natura 2000 network of protected areas, requires that measures be taken to 'maintain or restore, at favourable conservation status,3 natural habitats and species of wild fauna and flora of Community interest'. The directive covers 1389 species (listed in its Annexes II, IV and V), as well as 233 rare and characteristic habitattypes, listed in its AnnexI. Some of these are key habitats for pollinating insects, the most important being grassland, sclerophyllous scrubs and temperate heath. The Habitats Directive also directly protects selected pollinator species, including some butterflies and moths.

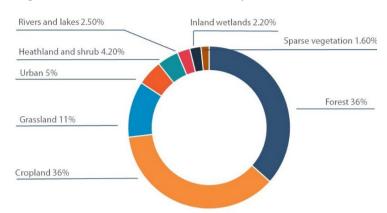
How Natura 2000 is taking shape

Under Article 4 of the Birds Directive, Member States are required to designate 'special protection areas' (SPAs) to protect bird species listed in Annex I of the directive as well as migratory species. Under Articles 3 and 4 of the Habitats Directive, Member States need to first propose 'sites of Community importance' (SCIs) for habitat-types listed in Annex I and species listed in Annex II of the directive. They then have to designate them as 'special areas of conservation' (SACs). SPAs and SCIs-SACs form the Natura 2000 network. As of the end of 2021, the network numbered over 27 000 sites across the EU27 and covered some 18.6% of the EUs total land area, as well as 9 % of its seas.

Sources: EIONET; Natura 2000 Barometer.

While subject to the nature legislation, freshwater and marine ecosystems are covered by specific directives aiming to bring them in a good condition. The Water Framework Directive (WFD) requires all bodies of surface water lakes, rivers, transitional and coastal water – and groundwater bodies to achieve 'good' status⁴ by 2015, unless there are grounds for exemption, with the maximum deadline being 2027. The Marine Strategy Framework Directive (MSFD), currently <u>under review</u>, is aimed at achieving and maintaining 'good environmental status' of all EU marine waters by 2020. It requires Member States to develop and implement marine strategies, with the primary aim of

Figure 1 – Share of terrestrial ecosystems, EU-28, 2018



Source: JRC, <u>EU ecosystem assessment</u>, Summary for policymakers, 2021, p. 26.

protecting the marine environment, preventing its deterioration or, where practicable, restoring marine ecosystems in areas where they have been adversely affected.

Further, cross-cutting instruments relevant to nature restoration include the <u>Invasive Alien Species Regulation</u>, which requires Member States to conduct restoration measures to assist the recovery of an ecosystem that has been degraded, damaged or destroyed by invasive alien species of Union concern (unless a cost-benefit analysis shows that costs would be too high for the benefits gained). The <u>Environmental Liability Directive</u> establishes a <u>framework</u> based on the polluter pays principle to prevent and remedy <u>environmental damage</u> (including damage to protected species and natural habitats; water; and land).

Recent assessments⁶ have shown that the Member States are still far from reaching the objectives of the directives. The European Environment Agency's 2020 assessment on the state of nature found that a high proportion of habitats protected under the Habitats Directive have a poor or bad conservation status (81%). Over one third of those habitats in unfavourable condition are further deteriorating on an EU-wide scale. The Commission report the MSFD's on first implementation cycle

Table 1 – Proportion (area) of the EU ecosystem types covered by the Habitats Directive, the Natura 2000 network, the WFD and the MSFD

	Annex I HD	Natura 2000	WFD	MSFD
Urban	0%	3%	0%	0%
Cropland	0%	8%	0%	0%
Grassland	47%	19%	0%	0%
Forest	28%	23%	0%	0%
Heathland and shrub	69%	41%	0%	0%
Sparse vegetation	54%	53%	0%	0%
Wetlands	96%	41%	44%	16%
Rivers and lakes	64%	37%	100%	0%
Marine ecosystems	9%	11%	6%	100%

Source: JRC, <u>EU ecosystem assessment</u>, Summary for policymakers, 2021, p. 26. For wetlands, the <u>extended layer</u> is considered for the analysis.

suggested that the achievement of good environmental status for all EU marine waters by 2020 was unlikely. In the freshwater environment, 36% of water bodies have so far achieved the good chemical status and 39% the good ecological status prescribed in the WFD. The <u>EU-wide assessment</u> of terrestrial, freshwater and marine ecosystems led by the Joint Research Centre (JRC) concluded that the actual condition of ecosystems covered in EU legislation remains largely unfavourable. At the same time, the report identified <u>large gaps</u> in the legal protection of terrestrial ecosystems. Urban ecosystems, cropland and forests are least protected (Table 1 above). The latter

two represent the EU's two dominant ecosystem types (see Figure 1 above). The report notes that if sustainably managed, these ecosystems can contribute significantly (given their size) to the EU-wide conservation of biodiversity and the maintenance of ecosystems and their services.

Preparation of the proposal

The proposal is based on an impact assessment (IA). The IA builds on a range of scientific reports and publications; stakeholder consultation activities; and evaluations of existing legislation and policies, including the evaluation of the EU biodiversity strategy to 2020; and the respective fitness checks of EU nature and water legislation. The IA identifies a series of shortcomings and gaps in the existing legal framework, as well as the absence of a comprehensive approach to address restoration effectively. For instance, the nature directives do not set deadlines for maintaining or restoring natural habitats and species to favourable conservation status. They also lack specific requirements to restore ecosystems that lie outside the Natura 2000 network. The achievement of good environmental status for marine waters under the MSFD has been hampered by the absence of specific measures or targets and by the insufficient precision in the monitoring of specific habitats or species. Difficulties in reaching good surface water status under the WFD are in part due to the fact that the water body condition is affected by diffused pollution (such as nitrates and pesticides) from surrounding habitats. Restoring and protecting these would help accelerate progress. Another element is that the WFD does not necessarily require removing barriers that may disrupt the natural connectivity of a river/lake system.8 However, many terrestrial ecosystems (such as wetlands and floodplains) and several habitats and species protected by the nature directives directly depend on aquatic ecosystems being in almost natural condition (free-flowing state). Moreover, as shown by the <u>EU ecosystem assessment</u>, many ecosystems, representing vast areas of EU territory, are not comprehensively covered by legislation. The same goes for pollinators. The IA considered four policy options for remedying those shortcomings, analysed in detail in the EPRS initial appraisal.

The changes the proposal would bring

The proposed regulation sets an overarching objective as a common ambition that the EU should strive towards: overall, restoration measures should cover at least 20 % of the EU's land and sea areas by 2030, and all ecosystems in need of restoration by 2050. This reflects the headline ambition set out in the EU biodiversity strategy that by 2050, all ecosystems will be restored, resilient and adequately protected, and that, as a milestone, the EU's biodiversity will be on the path to recovery by 2030. The overarching objective is underpinned by a set of binding ecosystem-specific targets, defining more concretely what needs to be achieved by the Member States – and by when. Member States would have to develop national restoration plans on how to reach these targets at national level, with assessments of condition, restoration planning, reporting and financing.

Targets and obligations to restore ecosystems and maintain them in good condition aim to complement existing legal instruments. The approachtaken is to first set targets for ecosystems for which data and monitoring mechanisms are available. Those include the habitat types listed in Annex I of the Habitats Directive and the habitats of the species covered by the Birds and the Habitats Directives. For other ecosystems, for which such data and monitoring are not yet fully developed (such as agro-ecosystems and forest habitats not listed in Annex I of the Habitats Directive), Member States would need to achieve a positive trend for some key biodiversity indicators. In parallel, a process would be established for developing an EU-wide methodology for assessing the condition of these ecosystems. This would allow specific, additional restoration targets to be set at a later stage (by amending the regulation).

Ecosystem-specific targets and obligations

Key terms as defined in the proposed regulation

Restoration: process of actively or passively assisting the recovery of an ecosystem towards or to good condition, of a habitat type to the highest level of condition attainable and to its favourable reference area, of a habitat of a species to a sufficient quality and quantity, or of species populations to satisfactory levels, as a means of conserving or enhancing biodiversity and ecosystem resilience.

Good condition: state where the key characteristics of an ecosystem, namely its physical, chemical, compositional, structural and functional state, and its landscape and seascape characteristics, reflect the high level of ecological integrity, stability and resilience necessary to ensure its long-term maintenance.

Favourable reference area: total area of a habitat type in a given <u>biogeographical region or marine region</u> at national level that is considered the minimum necessary to ensure the long-term viability of the habitat type and its species, and all its significant ecological variations in its natural range. It is composed of the area of the habitat type and, if that area is not sufficient, the area necessary for the re-establishment of the habitat type.

Sufficient quality/quantity of habitat: quality/quantity of a habitat of a species that allows the ecological requirements of a species to be met at any stage of its biological cycle so that it is maintaining itself on a long-term basis as a viable component of its habitat in its natural range.

Terrestrial, coastal and freshwater ecosystems (Article 4)

Member States would be required to put in place restoration measures to:

- improve to good condition degraded areas of habitat types listed in Annex I of the proposal (and of the Habitats Directive, 10 with all necessary restoration measures in place on at least 30 % of the degraded area of each group of habitat types by 2030, at least 60 % by 2040, and at least 90 % by 2050;
- re-establish Annex I habitat types on at least 30 % of the additional overall surface needed to reach the area necessary for their long-term viability (i.e. favourable reference area) by 2030, at least 60 % of that surface by 2040, and 100 % by 2050;
- improve the quality and quantity of the habitats of species listed in the Habitats and Birds Directives, including by re-establishing them, and enhance connectivity, until sufficient quality and quantity of those habitats is achieved.

The restoration measures should consider the need for **improved connectivity** between Annex I habitat types, while taking into account the ecological requirements of the protected species there. Member States would need to ensure that areas under restoration show continuous improvement in condition; and that the condition of ecosystems **does not deteriorate** before or after restoration, with certain exceptions. Non-fulfilment of this non-deterioration obligation could be justified in cases of *force majeure*; unavoidable habitat transformations directly caused by climate change; or a plan or project authorised in accordance with <u>Article 6(4)</u> of the Habitats Directive (for Natura 2000 sites), or a plan or project of overriding public interest, for which no less damaging alternative solutions are available, to be determined on a case by case basis (outside Natura 2000 sites).

Marine ecosystems (Article 5)

Article 5 sets out the same restoration targets and obligations as Article 4, but for **other marine habitats and species** not covered by the Habitats Directive (such as soft sediments; sharks and rays, otherwise covered by the <u>Convention</u> on the Conservation of Migratory Species of Wild Animals). Those habitats and species are listed in Annexes II¹¹ and III of the proposed regulation, respectively.

Urban ecosystems (Article 6)

Member States would be required to ensure:

- **no net loss** of urban green space¹² and of urban tree canopy cover by 2030, compared to 2021, in all cities and in towns and suburbs;
- at least 3 % increase in the total national area of urban green space by 2040 and at least 5 % by 2050;
- **a minimum of 10 % urban tree canopy cover** in all cities and in towns and suburbs by 2050;
- a **net gain of urban green space** that is integrated into existing and new buildings and infrastructure developments, in all cities and in towns and suburbs.

River connectivity and floodplains (Article 7)

Member States would need to **identify and remove barriers** to the connectivity of surface waters with a view to contributing to the **restoration targets set out in Article 4** (for riverine habitats and ecosystems, e.g. floodplains); and to the objective of restoring at least **25 000 km** of rivers into free-flowing rivers in the EU by 2030, set out in the EU biodiversity strategy. Barrier removal should primarily focus on obsolete barriers (i.e. those that are no longer needed for renewable energy generation, inland navigation, water supply or other uses); and be complemented by the measures necessary to improve the natural functions of the related floodplains.

Pollinators (Article 8)

An obligation would be set for Member States to **reverse the decline of pollinator populations** (i.e. decrease in abundance or diversity, or both) by 2030; and to achieve thereafter an increasing trend for pollinator populations, measured every 3 years after 2030, until satisfactory levels ¹⁴ are achieved. A monitoring method would be established through an implementing act.

Agroecosystems (Article 9)

Member States would be required to put in place the restoration measures necessary to enhance biodiversity in agricultural ecosystems, in addition to the areas subject to restoration measures under Article 4. They should achieve an **increasing trend in three indicators** (i.e. <u>grassland butterfly index</u>; stock of organic carbon in cropland mineral soils; and share of agricultural land with high-diversity landscape features) ¹⁵ measured in the period from the regulation's entry into force to 31 December 2030, and every 3 years after that, until the satisfactory levels are reached. In addition, a specific objective would be set to enhance **the farmland bird index** at national level, with targets to be reached by 2030, 2040 and 2050. Those would be higher for Member States with historically more depleted farmland bird populations.

Member States would also be required to restore and partly rewet **drained peatlands in agricultural use**: at least 30 % of these areas should be restored by 2030 (with at least a quarter being rewetted), 50 % by 2040 (with at least a half rewetted), and 70 % by 2050 (with at least a half rewetted). Flexibility clauses would allow Member States to count restoration and rewetting work in areas of peat extraction sites and, to a certain extent, in drained peatlands under other land uses as contributing to the achievement of the targets for agriculturally used drained peatlands.

Forest ecosystems (Article 10)

Mirroring the approach taken for agroecosystems, Article 10 would require Member States to achieve an **increasing trend in six indicators**, until the satisfactory levels are reached. Those include standing deadwood; lying deadwood; share of forests with uneven-aged structure; forest connectivity; commonforest bird index; and stock of organic carbon.

The proposed regulation would give the Commission the possibility to adopt implementing acts on the methods for monitoring the indicators for agricultural and forest ecosystems (Article 17(9)).

National restoration plans

To implement the regulation, Member States would have to **develop national restoration plans** covering the period up to 2050, with intermediate deadlines corresponding to the various targets and obligations set in the regulation (Article 12). Preparation of the plans would involve quantifying the area that needs to be restored to reach the restoration targets set out in Articles 4 and 5, taking into account the condition of the habitat types and the quality and quantity of the habitats of the species that are present on their territory; setting satisfactory levels for pollinators and indicators for agricultural and forest ecosystems; and identifying and mapping the agricultural and forest areas in need of restoration. Member States should also **identify synergies** with climate change action and with plans and strategies adopted under other environmental instruments. In particular, they should coordinate the restoration plans with the designation of <u>renewables go-to areas</u> (Article 11).

Member States would have to **submit a first draft of their plans within 2 years** of the entry into force of the regulation (Article 13). The Commission would then have six months to assess the drafts, evaluating in particular their adequacy for meeting the ecosystem-specific targets and obligations, and the EU overarching restoration objective. It could address observations to the Member States, which they must take into account in their final national restoration plans.

The plans should include a quantification of the areas to be restored; a description of the restoration measures to be implemented; the timing for implementing the proposed restoration measures; the monitoring planned for newly restored areas; and the process for assessing the effectiveness of measures and for revising them where needed. They should also provide an estimate of co-benefits for climate change mitigation and wider socio-economic benefits; an estimate of financing needs, including co-financing with EU funds; and an indication of the subsidies that negatively affect the achievement of the targets. The plans should describe the process for preparing the plan, including public consultation and participation; and how the Commission's observations on the draft plan have been taken into account (and if not, why). Member States would have to **review** their plans at least once **every 10 years** (Article 15). If the Commission deems a Member State's progress insufficient to comply with the regulation's targets and obligations, it could request an updated draft national restoration plan with supplementary measures.

Monitoring, reporting and review

Monitoring and reporting requirements are set out in Articles 17 and 18. Member States would report annually to the Commission the area subject to restoration measures referred to in Articles 4 to 10, including the river barriers removed. Progress reports would be submitted at least every 3 years (with a first report in June 2031, covering the period up to 2030). The Commission would be empowered to adopt delegated acts to amend the annexes of the proposed regulation (in order to adapt the groups of habitat types; lists of marine species and species used for the common farmland bird index; and indicators for agroecosystems and forests). The application of the regulation would be evaluated by 31 December 2035. If appropriate, the Commission could then present a legislative proposal with possible additional restoration targets.

Advisory committees

In its <u>opinion</u> adopted on 25 January 2023, the European Economic and Social Committee (EESC) expressed concern that the economic impact of the necessary measures on land users has not been taken into account. It recommended strengthening the targets by encouraging, in particular through extensive agricultural activities, the restoration of all aquatic environments, including the rewetting of peatlands. It also pointed to the potential of approaches based on voluntary action and economic incentives. The European Committee of the Regions (CoR), in its <u>opinion</u> adopted on 9 February 2023, stressed that 'the proposal must be adapted to take account of the widely differing current situations in the various Member States, regions and municipalities in terms of quantity and quality of different ecosystems, regional, urban, municipal and agglomeration structure,

administrative structure and land ownership'. The CoR pointed to the substantial financial resources required for implementation, and asked for a comprehensive technical support system.

National parliaments

The Swedish Parliament (Riksdag) issued a reasoned opinion on 21 September 2023.

Stakeholder views

Welcoming many elements in the proposal, environmental organisations BirdLife, Client Earth, the European Environmental Bureau and WWF ask to ensure the enforceability of the overarching objective; to raise significantly the percentage targets for the different milestones in Articles 4 and 5, and to bring forward the timeline to reach 100% (instead of the proposed 90%). They call for a clear and timely framework and guidance on the minimum requirements for Member States to define satisfactory levels; and for adding an obligation for the Commission to assess existing EU funding support for nature restoration and explore the possibility of establishing dedicated funding for this purpose. Seas at Risk calls for ensuring coherence with the common fisheries policy and adding a safeguard mechanism that would allow the Commission to intervene if Member States cannot agree to the measures required to achieve the restoration targets. The Living Rivers Europe coalition asks for raising the barrier removal target to 15% of EU river length restored to a free-flowing state by 2030 and making it legally binding. It recommends requiring Member States to prioritise barrier removals according to the ecological potential of the removal, in particular the connectivity between marine and freshwater ecosystems. Wetlands International Europe calls for higher ambition on peatlands: e.g. making rewetting a prerequisite of restoration, increasing significantly the proposed drained peatland targets, and expanding the scope to all non-residential land use on drained peatland.

<u>Copa-Cogeca</u> warns against the implications of the proposal, which would remove large swathes of productive agricultural land from use or reduce its productivity with rewetting, at a time when the EU should put the objective of food security at the forefront. It criticises in particular the lack of clear financial backing for the proposal; the lack of available, affordable, and appropriate alternatives to peat-based products; the potential economic and social impact on rural areas; and the inappropriate definitions used. It also stresses that the protection of property rights must be a priority.

Sharing this concern, <u>European Forest Owners</u> wonders how prior and informed consent of forest owners would be guaranteed in the process of designation of land for restoration, which is mandatory for Member States. It takes the view that the choice of a regulation decreases the level of flexibility given to the Member States to tailor their restoration plans according to their local needs. The European Landowners' Organisation deplores the missed opportunity to adopt a bottom-up approach building on lessons learnt from the Natura 2000 designation process. It stresses that there are no concrete solutions for unlocking the capacities to fully implement the demanding efforts required by the regulation at EU, national and local levels; and warns against the lack of scientific justification and clear indicators to guide the practical designation process.

<u>Croplife Europe</u> recommends that the setting of satisfactory levels for agricultural indicators include a solid assessment of the social, environmental and economic implications of the restoration levels set. It suggests extending the focus of Article 8 beyond pollinators to cover other beneficial soil organisms and functions and natural pest control organisms, and recommends including a landscape restoration hierarchy in the nature restoration plans.

The Union of the Electricity Industry <u>Eurelectric</u> asks for consistency between the development of national restoration plans and the designated renewables go-to areas. Concerning freshwater ecosystems, the association notes that, as requirements for restoration could affect hydropower plants located in designated restoration areas, it is essential that these plants are not restricted in operation if they comply with existing EU legislation, specifically the WFD.

For the <u>Confederation of the European Paper Industries</u> (CEPI), it is unclear which players will ultimately bear the responsibility and cost for implementing the restoration measures, which require sizeable human and financial resources. CEPI considers that in order to be efficient, restoration should first be targeted at areas where its benefits for biodiversity are maximised, such as those already designated in the Natura 2000 network or those affected by natural disturbances.

Legislative process

European Parliament

Parliament adopted its <u>position</u> on 12 July 2023 with 336 votes in favour, 300 votes against and 13 abstentions. While aligning on many points with the Council's general approach adopted in June (see below), Parliament's position further amends core elements of the proposal. In particular, in terrestrial, coastal and freshwater ecosystems, Parliament requests that restoration measures apply to **Natura 2000 sites**, and removes the proposed quantitative, time-bound targets. It deletes the non-deterioration obligation put forward by the Commission. Instead, Member States would have to make efforts to ensure that **no significant decrease** occurs over time in the total national area in good condition and the total amount of area with sufficient quality of species habitats.

Parliament deletes the provisions on the restoration of agroecosystems altogether. It reinforces requirements related to **pollinators**, with an obligation to both improve pollinator diversity and reverse the decline of pollinator populations at the latest by 2030. It also specifies that pollinator monitoring data must come from an adequate number of sites to ensure representativeness across the territory, and requests the Commission and competent EU agencies to jointly address the main pressures on pollinators and assist Member States on request. For forest ecosystems, Parliament would keep only one mandatory common indicator (the common forest bird index). It deletes the 2 deadwood-related indicators, and takes over the Council suggestion allowing Member States to pick 3 indicators from a list of 5 (the 3 remaining indicators proposed by the Commission plus 2 new ones). A new article would require Member States to help achieve the EU objective of planting at least 3 billion additional trees by 2030, in full respect of ecological principles. Parliament introduces new provisions to ensure coherence with the **common fisheries policy** (CFP) in the implementation of measures to restore marine ecosystems. Member States whose national restoration plans include conservation measures under the CFP that require the submission of joint recommendations with other Member States would have to submit those within given deadlines (by 1 January 2028 for the restoration measures necessary to secure the 2030 targets, 1 January 2036 for the 2040 targets, and 1 January 2046 for those set for 2050). If they fail to do so in due time, the Commission should step in and adopt the measures no later than 1 year after the deadline expires, using the tools provided for by the <u>CFP Regulation</u> in the absence of a joint recommendation.

Echoing the Council, Parliament requires the Commission to submit, within 1 year of the regulation's entry into force, a report assessing any gap between restoration **financial needs** and available EU funding, and propose, where appropriate, measures to bridge such gap. The Commission would have to evaluate the regulation by end 2030 and every 2 years after that, looking in particular into its impacts on the agricultural sector, food supply and rural areas. Parliament introduces a possibility to postpone the regulation's restoration targets in the event of exceptional socio-economic consequences ('**emergency brake**'). Within 1 year of the regulation's entry into force, and every year after that, the Commission would have to publish a notice in the EU Official Journal, indicating whether one or more specific conditions apply (lagging planning permits for housing- and renewable energy-related projects in one or more Member States as a result of EU nature legislation requirements; increase in food price; drop in EU total food production). If such is the case, the targets must be postponed until all these conditions no longer apply. An amendment specifies that the regulation should only apply when the Commission has provided **robust and scientific data** on the necessary conditions to guarantee long term food security.

Council

The Council, which adopted its general approach on the file on 20 June 2023, supports the ambition that restoration measures, which Member States are required to put in place, should jointly cover at least 20 % of the EU's land and 20 % of sea areas by 2030. It however seeks to afford Member States greater flexibility when implementing the restoration obligations. On terrestrial, coastal, freshwater and marine ecosystems, the 30 % target to improve the condition of the habitats listed in Annexes I and II by 2030 would apply to the total area of the habitat types, rather than to the area of each habitat group as proposed by the Commission. By contrast, targets for 2040 and 2050 would still refer to the area of each habitat group. For the group of marine soft sediment habitat types, Member States would be allowed to apply a lower percentage for the targets – provided this does not prevent good environmental status from being achieved or maintained – and the 2030 target would not apply. The Council draws a distinction between the non-deterioration requirement for areas subject to restoration and for areas where the habitat types occur, which are in good condition or necessary to achieve the restoration targets. For the former, Member States would have to ensure that 'significant' deterioration does not occur (result-based obligation), while for the latter, they should 'endeavour to put in place' necessary measures to prevent significant deterioration (effortbased obligation). A derogation from the obligations of continuous improvement and nondeterioration would be introduced for **renewable energies**, with a new provision clarifying that planning, construction and operation of plants for the production of energy from renewable sources, their connection to the grid and the related grid itself and storage assets are presumed to be of overriding public interest. Member States could exempt them from the obligation to demonstrate that no less damaging alternative solutions are available, if a <u>strategic environmental</u> assessment or an environmental impact assessment has been conducted. A similar derogation would be introduced for plans and projects carried out for the sole purpose of national defence (with an added requirement to implement mitigation measures).

Flexibilities would be added to the ecosystem-specific targets. Quantitative targets for **urban ecosystems** would be replaced with an obligation for Member States to achieve an increasing trend in urban green areas until a satisfactory level is reached. The description of high-diversity landscape features in Annex IV would be amended. As regards the **rewetting of peatlands**, the Council proposes to decrease the targets on areas to be restored by 2040 and by 2050 from 50 % to 40 % and from 70 % to 50 %, respectively; and to raise from 20 % to 40 % the share of rewetted drained peatlands under other uses that can contribute to the overall target. Member States would have the possibility to reduce the extent of rewetting of peatland under agricultural use in duly justified cases. For **forest ecosystems**, the Council would keep standing deadwood, lying deadwood and the common forest bird index as mandatory common indicators. From the 3 remaining indicators proposed by the Commission plus 2 added indicators (share of forests dominated by native tree species; tree species diversity), Member States could select the 3 best suited to demonstrate the enhancement of biodiversity of forest ecosystems according to national circumstances.

The Council proposes a **stepwise approach** to the preparation and implementation of the national restoration plans. Member States would first submit restoration plans covering the period until June 2032, with a strategic overview for the period beyond this date. By June 2032, they would submit plans up to 2042, with a strategic overview up to 2050, and by June 2042, plans up to 2050. Within 1 year of the regulation's entry into force, the Commission would be required to submit a report with an overview of financial resources available at EU level, an assessment of the **funding needs** for implementation, an analysis to identify any funding gaps, and where appropriate, proposals for adequate measures, including financial ones, to address the needs identified.

Trilogue agreement

On 9 November 2023, the co-legislators reached a <u>provisional agreement</u> on the text, backing the ambition to restoreat least 20 % of the EU's land and 20 % of sea areas by 2030, and all ecosystems

in need by 2050. They agreed to keep time-bound, quantitative **restoration targets** for both terrestrial and marine ecosystems, but with additional flexibilities. On land, in line with Parliament's demands, Member States should, until 2030, give priority to areas of habitat types not in good condition that are located in **Natura 2000** sites when putting in place restoration measures. Derogations from the targets are added, notably for very common and widespread habitat types covering over 3 % of the national territory. Co-legislators agreed on an **effort-based requirement** to prevent significant deterioration of areas subject to restoration that have reached good condition and of areas where the terrestrial and marine habitats listed in Annexes land II occur, and on **derogations** for renewable energies and national defence. Parliament's proposal for coherence with the CFP in marine ecosystems is retained with amendments.

In **agroecosystems**, Member States will have to put in place measures aiming to achieve an increasing trend in at least 2 of the 3 indicators on biodiversity proposed by the Commission (the description of high-diversity landscape features in the annex being amended); and increase the common farmland bird index. Measures aimed at restoring peatlands should cover at least 30% of these areas by 2030 (with at least a quarter being rewetted), 40% by 2040 (with at least a third rewetted), and 50% by 2050 (with at least a third rewetted). The share of rewetted drained peatlands under other uses that can contribute to the overall target is raised to 40%, and Member States will have the possibility to reduce the extent of rewetting of peatland under agricultural use in duly justified cases, as suggested by the Council. The deal specifies that the obligation for Member States to achieve the rewetting targets does not imply an obligation for farmers and private landowners to rewet their land. The application of relevant provisions on the restoration of agroecosystems could be **temporarily suspended** by Commission implementing acts in the case of an exceptional event outside EU control with severe impacts on the availability of land necessary to secure sufficient agricultural production for EU food consumption. Those acts would be in force for maximum 1 year.

On **forests**, the common forest bird index is retained as a mandatory common indicator. Member States will also have to achieve a rising trend in at least 6 of a list of 7 indicators (including standing and lying deadwood). Parliament's proposed article on planting 3 billion additional trees, and reinforced provisions on **pollinators** are taken on board with amendments. Removing quantitative targets for **urban ecosystems**, the text requires Member States to ensure no net loss in the total national area of urban green space, and of urban tree canopy cover by the end of 2030 (with an option to exclude from that total areas with a share of urban green space above 45 % and a share of urban tree canopy cover therein above 10 %), and to achieve thereafter an increasing trend in the total national area of urban green space, and of urban tree canopy cover in each urban ecosystem area. **River**-related obligations will focus on artificial barriers. The Commission will have to explore **funding gaps** within 1 year of entry into force; and **evaluate** the regulation by end-2033, assessing its impacts on the agriculture, forestry and fisheries sectors and wider socio-economic effects.

The <u>agreement</u> (with <u>annexes</u>) was endorsed by the Council's Permanent Representatives Committee on 22 November, and by Parliament's <u>ENVI committee</u> on 29 November 2023 (with 53 votes in favour, 28 votes against and 4 abstentions). It now needs to be formally adopted by the co-legislators. The vote in plenary is planned during the February II session.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Frizberg D., Regulation on nature restoration, EPRS, European Parliament, December 2022.

OTHER SOURCES

European Parliament, Nature restoration, Legislative Observatory (OEIL).

ENDNOTES

¹ No comprehensive overview of restoration conducted by Member States is available. However, estimates suggest that between 2 850 km² and 5 700 km² of habitat restoration occurs annually in the EU, while the restoration needs of

Annex I habitats alone could concern an area of between 167 000 km² to 263 000 km². See Eftec et al., <u>Technical support in relation to the promotion of ecosystem restoration in the context of the EU biodiversity strategy to 2020</u>, Final report, 2017.

- ² See the <u>evaluation</u> of the EU biodiversity strategy to 2020 of 6 September 2022, and the supporting external <u>study</u>.
- A favourable conservation status is understood as a <u>situation</u> where a habitat type or species is prospering, in terms of both quality and extent/population, and has good prospects to continue to do so. Under the directive, a species' conservation status is considered favourable when it maintains itself on a long-term basis, its natural range is not being reduced, and its habitat is sufficiently large to maintain it on a long-term basis. A habitat enjoys a favourable conservation status when its range or area is stable or increasing, its long-term maintenance is supported, and its typical species enjoy a favourable conservation status.
- ⁴ i.e. meeting standards for the ecology and chemistry of surface waters, and chemistry and quantity of ground waters.
- The directive defines it as 'the environmental status of marine waters where these provide ecologically diverse and dynamic oceans and seas which are clean, healthy and productive within their intrinsic conditions, and the use of the marine environment is at a level that is sustainable, thus safeguarding the potential for uses and activities by current and future generations'.
- The European environment state and outlook 2020 (EEA); The State of Nature in the EU report (Commission); the EU Ecosystem Assessment, 2021.
- The IA notes that the general obligation to preserve and restore the habitats of all bird species laid down in Article 3 of the Birds Directive has largely not been implemented. The Habitats Directive has no specific provision on the restoration of those Annex I habitats and habitats of Annex II species that are outside Natura 2000, even though this would be necessary for achieving the directive's objective. The same is true for species listed in Annexes IV and V of the directive.
- Only where this would be required to achieve good status and with possible exemptions where justified.
- Restoration targets can be set based on the existing framework and guidance for determining good condition of the habitat types, and sufficient quality and quantity of the habitats of species. See 'Reporting under Article 17 of the Habitats Directive: Explanatory notes and quidelines for the period 2013-2018' (2017); 'Interpretation manual of European Union habitats Eur 28' (2013).
- Annex I of the proposed regulation includes all terrestrial, coastal and freshwater habitat types listed in Annex I of the Habitats Directive, as well as six groups of those habitat types, namely 1) wetlands (coastal and inland), 2) grasslands and other pastoral habitats, 3) river, lake, alluvial and riparian habitats, 4) forests, 5) steppe, heath and scrub habitats and 6) rocky and dune habitats.
- Annex II includes seven groups of habitat types: 1) seagrass beds, 2) macroalgal forests, 3) shellfish beds, 4) maerl beds, 5) sponge, coral and coralligenous beds, 6) vents and seeps, and 7) soft sediments (above 1 000 metres of depth). The classification of marine habitat types used is based on the European nature information system (EUNIS). Annex II shows the relation with the habitat types listed in Annex I of the Habitats Directive, defined more broadly.
- 12 Urban green space and urban tree canopy cover can be calculated using Copernicus Land Monitoring Service data.
- Without prejudice to Article 4(3), (5) and (7) WFD, and Article 15 of the Trans-European Transport Network Regulation.
- Under Article 11(3), satisfactory levels of pollinators and of indicators for agricultural and forest ecosystems should be set by the Member States, by 2030 at the latest, through an open and effective process and assessment, based on the latest scientific evidence, and, if available, the framework that the Commission may develop in an implementing act.
- 15 Indicators for agroecosystems are detailed in Annex IV. Indicators for forests are detailed in Annex VI.

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