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Committee on Budgetary Control

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WORKING DOCUMENT

on the European Court of Auditors' Special Report No 12/2014 (2013 discharge) entitled 'Is the ERDF effective in funding projects that directly promote biodiversity under the EU biodiversity strategy to 2020?'

Committee on Budgetary Control

Rapporteur: Louis-Joseph Manscour

Introduction

Protecting biodiversity is a key environmental priority for the European Union, which is expressed both through an EU strategy for biodiversity and a wide variety of relevant EU policies and legislation. In June 2011, the Council endorsed the 'EU biodiversity strategy to 2020', presented by the Commission¹. It also encouraged Member States to integrate the new strategy into their national plans, programmes and/or strategies. The European Parliament welcomed and supported this strategy².

According to the Commission's data, Member States allocated EUR 2.8 billion in the 2007-2013 programming period to the direct promotion of biodiversity and nature protection, including Natura 2000, under the European Regional Development Fund (ERDF). This represents 0.8% of the amount allocated to the ERDF.

The Court of Auditors' findings

The Court found that the ERDF financing opportunities available had not been fully exploited by the Member States, which did not always consider the ERDF to be an appropriate instrument for promoting biodiversity. Its potential as a source of financing was not sufficiently known about or recognised among the various sources of integrated financing relating to biodiversity.

The projects audited by the Court were in line with national and EU priorities with regard to biodiversity. They had been selected by the national authorities on the basis of the priorities of the operational programmes concerned. In the same way that some ERDF projects may have support for biodiversity as a secondary rather than primary objective, about half of the projects audited had secondary objectives relating to other issues, such as flood prevention actions, recreation, and limiting visitor access.

A third of the audited projects dealt with the preparation of future investments and activities designed to promote biodiversity. This meant that tangible results would not be immediately forthcoming. Specific protection measures had been carried out in two thirds of the projects audited. However, no results indicators or monitoring systems had been put in place by Member State authorities to assess the development of habitats and species.

The Court of Auditors' recommendations

The Court recommends that that Commission should:

- support Member States in setting biodiversity restoration priorities in operational programmes and promote complementarity between actions identified by the Member States in ERDF operational programmes and projects financed by other EU funds;
- support Member States in following up preparatory projects with a view to drawing up an active protection policy;

¹ COM(2011) 244 final of 3 May 2011 'Our life insurance, our natural capital: an EU biodiversity strategy to 2020'.

² European Parliament resolution of 20 April 2012 on our life insurance, our natural capital: an EU biodiversity strategy to 2020 (P7_TA(2012)0146).

- require provision to be made in operational programmes for procedures to evaluate the environmental changes in habitats and species following interventions.

The Court also recommends that the Commission and the Member States should monitor the actual implementation of operational programmes.

The Commission accepted the recommendations.

Comments and recommendations by the rapporteur for possible inclusion in the 2013 Commission discharge report

The European Parliament,

- points out that the Convention on Biological Diversity (CBD) defines biodiversity as variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; points out, further, that the CBD recognises several major threats to biodiversity such as loss and fragmentation of habitats, overexploitation of forests, oceans, rivers, lakes and soils, pollution, climate change, and incoming species that compete with native flora and fauna;
- emphasises that biodiversity is essential for human life and for the wellbeing of societies; emphasises, furthermore, that climate change, the loss of biodiversity, the threats posed by invasive species and the overconsumption of natural resources are major challenges affecting every EU citizen;
- regrets that the EU has been unable to meet its headline target of curbing biodiversity loss in the EU by 2010;
- notes that, economically speaking, the loss of biodiversity is enormously costly to society, and that not enough attention has yet been paid to this in global policies; notes, furthermore, that the Economics of Ecosystems and Biodiversity study estimates that the cost of inaction and the deterioration of ecosystem services could amount to as much as 7% of global GDP per year by 2050¹;
- is convinced that there is, therefore, an urgent need to act and attach greater political importance to biodiversity in order to meet the relevant commitments for 2020;
- notes that project outcomes often take a long time to materialise, which makes the assessment of those outcomes difficult;
- takes the view that, despite the limitations relating to the low level of funding allocated to biodiversity and to the difficulties involved in assessing the way in which such funding is used, it is essential to maintain the funding at this stage;
- emphasises the fact that protecting biodiversity is not just a noble environmental aim, but that such a policy also has significant potential to create new skills, jobs and business opportunities;

¹ Leon Braat, Patrick ten Brink (eds. el al.), *The Cost of Policy Inaction: The case of not meeting the 2010 biodiversity target*, Wageningen/Brussels, 2008, p. 28.

- highlights the importance of mainstreaming biodiversity protection and conservation in the development, setting-up and financing of all other European policies (including agriculture, forestry, fisheries, regional development and cohesion, energy, industry, transport, tourism, development cooperation and aid, and research and development) so as to make European sector-specific and budget policies more consistent and to ensure that the EU honours its binding commitments to protect biodiversity; points out, in this context, that cooperation between local, regional, national and European authorities ought to be stepped up;
- notes that, despite the guidance and impetus provided by the Commission, it is for the Member States alone to set financing priorities in accordance with their own needs, and that the vast majority of Member States does not use the ERDF as an instrument with which to protect biodiversity;
- takes the view, therefore, that given the low takeup rate (0.79%) there is a need to consider making it mandatory for a proportion of ERDF funding (percentage to be confirmed) to be earmarked for the promotion of biodiversity.