



Fundación Biodiversidad

## **Briefing paper for seminar participants**

“Challenges of financing Natura 2000”

Organised by the EEB with support from the Fundación Biodiversidad

### **Natura 2000**

Natura 2000 is the EU's main tool to help deliver on one of its key environmental objectives: to halt the loss of biodiversity by 2010. The importance of natural ecosystems for human well being and the need to maintain these services, has been made very clear by the conclusions of the UN's Millennium Ecosystem Assessment. Implementing Natura 2000 is not a luxury we can only afford during a time of economic growth. Rather, it is a key condition for making this growth sustainable.

### **The financing question**

The question of how to finance Natura 2000 has been the subject of much debate over the last year. The Commission has estimated the total costs to be approximately 6 billion EUR but this is likely to be an underestimate. The Commission's communication in 2004 defined that funding should be integrated within the Structural and Rural Development Funds. However, the communication gave little guarantee that Member States will actually use these funds for Natura 2000. In order to make the integration successful, very strong guarantees are needed. One such guarantee would be to give strong priority to Natura 2000 in the Strategic Guidelines for the Structural and Rural Development Funds. Blocking the release of funds if countries fail to make clear how they will finance Natura 2000 is another example. An alternative to integration is to create a large dedicated fund, which could take the shape of a greatly enlarged LIFE+ with a total annual budget of approximately 3 billion EUR.

### **Recent developments**

The recent publication of the Commission's draft Strategic Guidelines for Structural Funds, which completely fails to mention Natura 2000, as well as other related environmental legislation such as WFD and SEA, is a very worrying

signal and, if adopted in its current form, will make it very difficult for national environmental authorities to demand funding under the Structural Funds. It essentially undermines the Commissions communication on integration. Another very worrying trend is the current discussion on the total size of the EU budget. The six net contributors within the EU are insisting on a spending cap of 1%, less than the 1.24% proposed by the Commission. A lower EU budget poses a major threat to the Rural Development and Regional and Cohesion Policy budget.

### **Key Decisions to be made**

During the upcoming weeks and months a number of key decisions will be made. Tomorrow, the EP's Committees on Rural Development and Regional Policy will vote on the Regulations for the EAFRD and the Structural Funds respectively. On June 16, EU heads of state are still hoping to come to an agreement on the EU spending levels for the period 2007 – 2013. Prior to this, the European Parliament is scheduled to adopt the EP Temporary Committee's final report for the Financial Perspectives during its June plenary session. In the meantime the Strategic Guidelines for the Structural Funds are going into interservice consultation after having been discussed last Friday, 20<sup>th</sup> May, during an informal meeting of the Regional Council. The Strategic Guidelines for the Rural Development Fund that are expected to be published somewhere in June will follow a similar route. All these decisions will impact the future funding of Natura 2000.

### **What is needed?**

Firstly, it is imperative that any decision made on the future spending of the EU budget will not threaten the necessary investments in Natura 2000. These investments are the very minimum if the EU is to deliver on its agreed commitment to halt the loss of biodiversity by 2010. Secondly, the Strategic Guidelines for the Rural Development and the Structural Funds have to identify the environment, including Natura 2000, as an EU priority. As these guidelines are being developed at this very moment it cannot be repeated often enough that Natura 2000 is a key environmental priority for the EU. A failure to do so would be a major set back for EU policy making and a break from past developments in making the use of EU funds more sustainable.