



Biodiversity Proofing and the No Net Loss initiative: the EU Policy Context

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The EU mandate (March 2010)

- Adoption of a **long term (2050) vision**

*By 2050, European Union biodiversity **and the ecosystem services it provides – its natural capital – are protected, valued and appropriately restored** for biodiversity's intrinsic value and for their essential contribution to human well-being and economic prosperity, and so that catastrophic changes caused by the loss of biodiversity are avoided*

- Adoption of a **mid term (2020) headline target**

*Halting the loss of biodiversity **and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible**, while stepping up the EU contribution to averting global biodiversity loss*

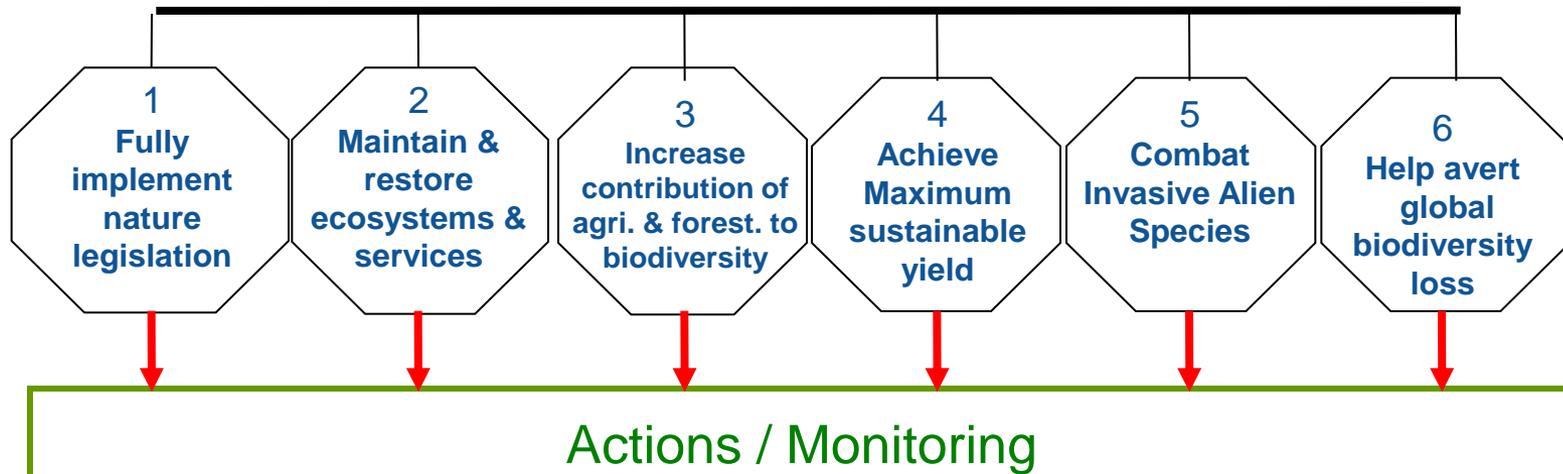


EU Biodiversity Strategy to 2020

2050 Vision

2020 headline target

6 Targets:





Target 2 in the Biodiversity Strategy

- Target 2 and related measures

- *"By 2020, ecosystem services are maintained and enhanced by establishing Green Infrastructure and restoring at least 15% of degraded ecosystems."*
 - **Map** and **assess** state of ES by 2014, **value** and **integrate** in National Accounts by 2020 (A.5)
 - **Green Infrastructure** Strategy by 2012 to encourage investments in GI (Action 6)
 - Ensure **no net loss** of biodiversity and ecosystem services (Action 7)

- Action 7: Ensure no net loss of biodiversity and ecosystem services

- Methodology for assessing the impacts of EU funded projects, plans and programmes on biodiversity (**Biodiversity Proofing**)
- Commission to propose by 2015 an initiative to ensure there is **No Net Loss** of ecosystems and their services (e.g. through compensation or offsetting schemes)



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Biodiversity Proofing



Background to Biodiversity Proofing

- **The EU Biodiversity Strategy to 2020**

2020 Headline Target

Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020 [...]

- This means measures need to be taken to reduce:
 - Environmental degradation, habitat loss and fragmentation, land use intensification, disturbance and pollution (of land, water and air)
- EU Budget is a key tool to achieve the Headline Target:
 - Provides important funding for measures that benefit biodiversity e.g. through the LIFE programme and aspects of the Common Agricultural Policy (CAP)
- But some EU policies and funds can create pressures on Biodiversity:
 - This could happen with relation to e.g. Cohesion Policy and specific funds promoting fisheries, transport and energy developments.
- Background study launched in 2011:
 - To investigate what funds could be harmful to biodiversity and what tools can prevent can prevent harmful spending



What is Biodiversity Proofing?

- **Ensure that spending under the EU budget is not harmful to biodiversity:**

Definition according to Background Study

A structured process of ensuring the effective application of tools to maximise the biodiversity benefits of spending and avoid or minimise harmful impacts. It applies to all spending streams under the EU budget, across the whole budgetary cycle and at all levels of governance, and should contribute to a significant improvement in the state of biodiversity according to the 2010 baseline and agreed biodiversity targets.

- BD Proofing is a step-wise process in the early steps of the mitigation hierarchy:
 - **Directly - (1) avoidance of impacts; (2) reduction of negative impacts;**
 - Indirectly - (3) rehabilitation/ restoration measures; (4) compensation measures for significant adverse residual impacts.
- Main focus is on avoiding negative impacts of fund spending:
 - A secondary focus is on highlighting and enhancing spending that is positive for biodiversity



Tools for Biodiversity Proofing

- **Biodiversity related EU Law:**

- All spending programmes under the EU budget should be compliant with the;
 - Birds Directive – conservation status
 - Habitats Directive – conservation status
 - Water Framework Directive – ecological status
 - Marine Strategy Framework Directive – environmental status

- **Procedural Instruments supporting the Directives**

- Environmental Impact Assessment
- Strategic Environmental Assessment

- **Other tools fill in the gaps and help reinforce the process:**

- Environmental selection criteria for projects, cost-benefit analysis taking into account ecosystem services values, the setting of environmental targets and indicators, and mid-term and ex post policy evaluations.

- **Aim is to develop a 'best frame of actions':**

- Based on holistic and integrated processes with interventions at all stages of the policy cycle, applying relevant Directives and Tools



Funds and Policies for Biodiversity Proofing

- **A number of EU funds and policies are most relevant to biodiversity proofing:**
 - **The Common Agricultural policy** - limited opportunity for Pillar 1, main focus on Pillar 2; EU funds for land management with positive biodiversity impacts. Positive aspects in agri-env measures
 - **Cohesion Policy** – Biodiversity and GI are priority actions for the ERDF and Cohesion Fund under the thematic objective "protecting the environment and promoting RE"
 - **Connecting Europe Facility Energy** – numerous "Projects of Common Interest" (PoCIs) that could be funded by the Connecting Europe Facility (CEF) and TEN-E fund.
 - **Connecting Europe Facility Transport** – Expected significant investment in TEN-T infrastructure in the 2014-2020 programming period. CEF sets rule for granting funds to TEN-T projects.
 - **Maritime and fisheries policy** – Important that European Maritime and Fisheries Fund (EMFF) Regulation for the 2014-2020 programming period is ambitious in terms of biodiversity consideration.
 - **Research and Innovation** - Horizon 2020, the new financial instrument implementing the Innovation Union 2014-2020; €80 billion budget and significant funding for ecosystems and BD projects.
 - **LIFE Programme** – LIFE+ (2007-13) and post-2014 is the main pro-biodiversity funding instrument for the Commission especially supporting implementation of the Habitats and Birds Directives.



Step-by-step approach to the Proofing Process

ILLUSTRATIVE

- Support material includes:
 1. **Screening check-list** (for step 1 and 2)
 2. **Guide for intervention** in case of possible negative impacts (for step 3)
 3. **Information to support the analysis** (for all steps to guide thinking and assessment)
- **Step 1** – use screening checklist to identify whether the programme or planned project could have negative impacts to biodiversity
- **Step 2** – determine if intervention is needed based on output of step 1 in order to ensure that negative impacts are avoided/minimised/compensated
- **Step 3** – use the guidance for intervention to identify the available/possible entry points for intervention and possible outcomes



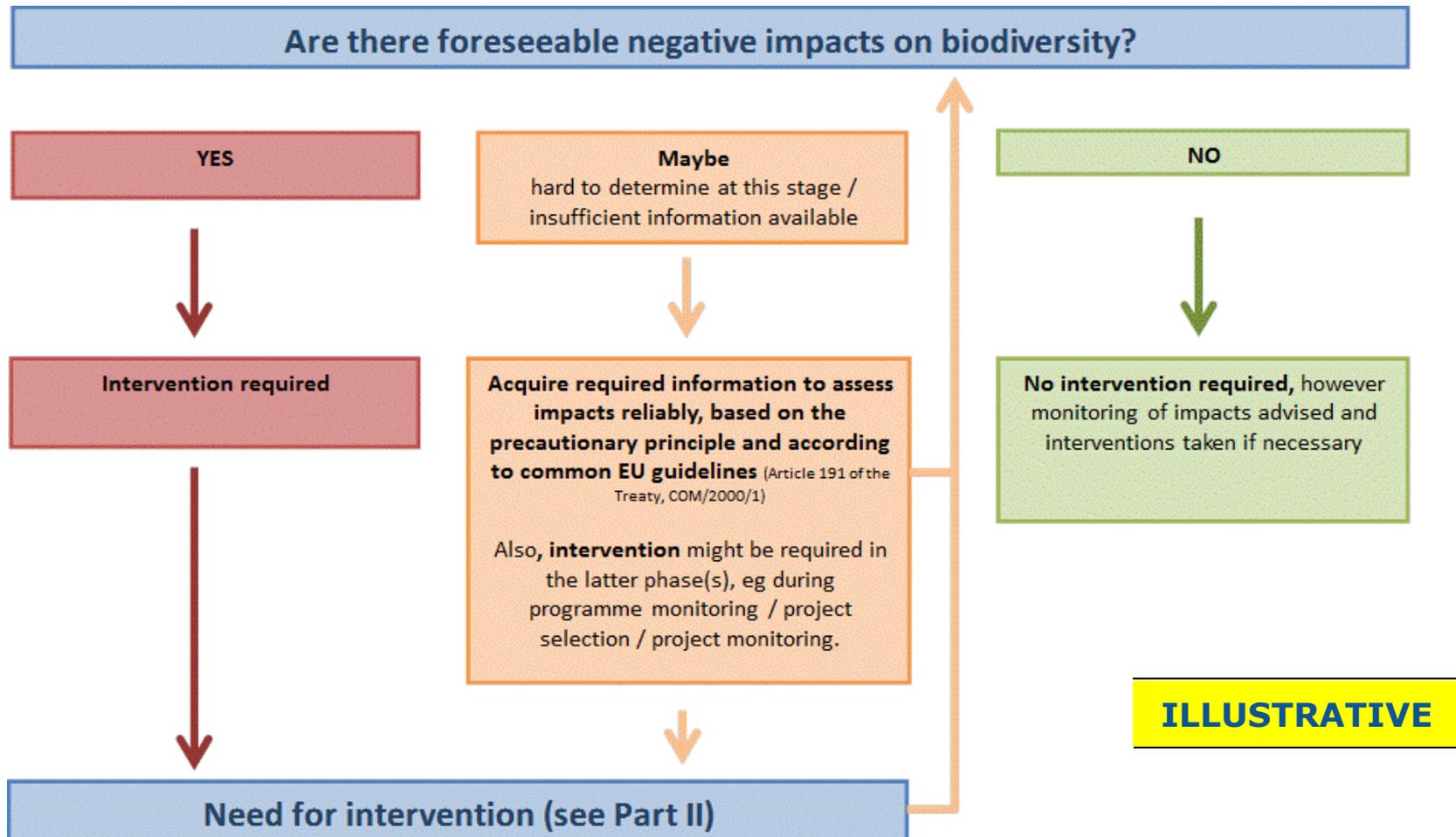
The screening checklist

ILLUSTRATIVE

Programming phase (including ex-ante evaluation and / or evaluations while monitoring implementation of programme)			
Criteria for screening programmes	Your assessment	Comments	Information to support your assessment
Are there projects in the core network corridors targeted by the Work Programme that have risks of adverse impacts on biodiversity?		In order to biodiversity-proof the Work Programme, it is essential to understand whether, and if so where, the projects potentially-funded under the Work Programme risk adversely affecting biodiversity.	See the ex-ante evaluation of the CEF/TENT programme
Has the requirement that projects should effectively protect biodiversity by avoiding damage, or if not mitigating, or at worst compensating for any damage caused to biodiversity, been included in the Work Programme?		There is always a risk that the construction and use of transport infrastructure has an adverse impact on biodiversity. The challenge is to ensure that potential impacts have been identified. Otherwise, damage cannot be avoided, or mitigated or in the worst case compensated if damage is unavoidable.	See Biodiversity Risk table in supporting information See the draft Regulations
Project / proposal selection phase (ex-ante and / or ex-post)			
Criteria for screening project proposals	Your assessment	Comment	Information to support your assessment
Has the project proposal demonstrated that the potential impacts on biodiversity have been assessed, eg as part of the EIA? What evidence has been provided? Is this convincing?		As transport infrastructure requires land, it is likely that there will be some impact on biodiversity. Hence, the potential impact should be assessed.	See Biodiversity Risk table for preliminary supporting information. In addition, seek project-specific information and expertise (eg area, species, habitat etc specific assessments and expert information) to support your assessment.
Has the project application made reference to there being no impact on Nature 2000 sites and other sites of importance listed in the respective national biodiversity action plans?		At the most basic level, these plans should be checked to ensure that there are no important nature and biodiversity sites in the way of, or near, the proposed route.	Also, see EIA guidance such as IAIA (2005), Duke and Aycrigg (2000), Netherlands



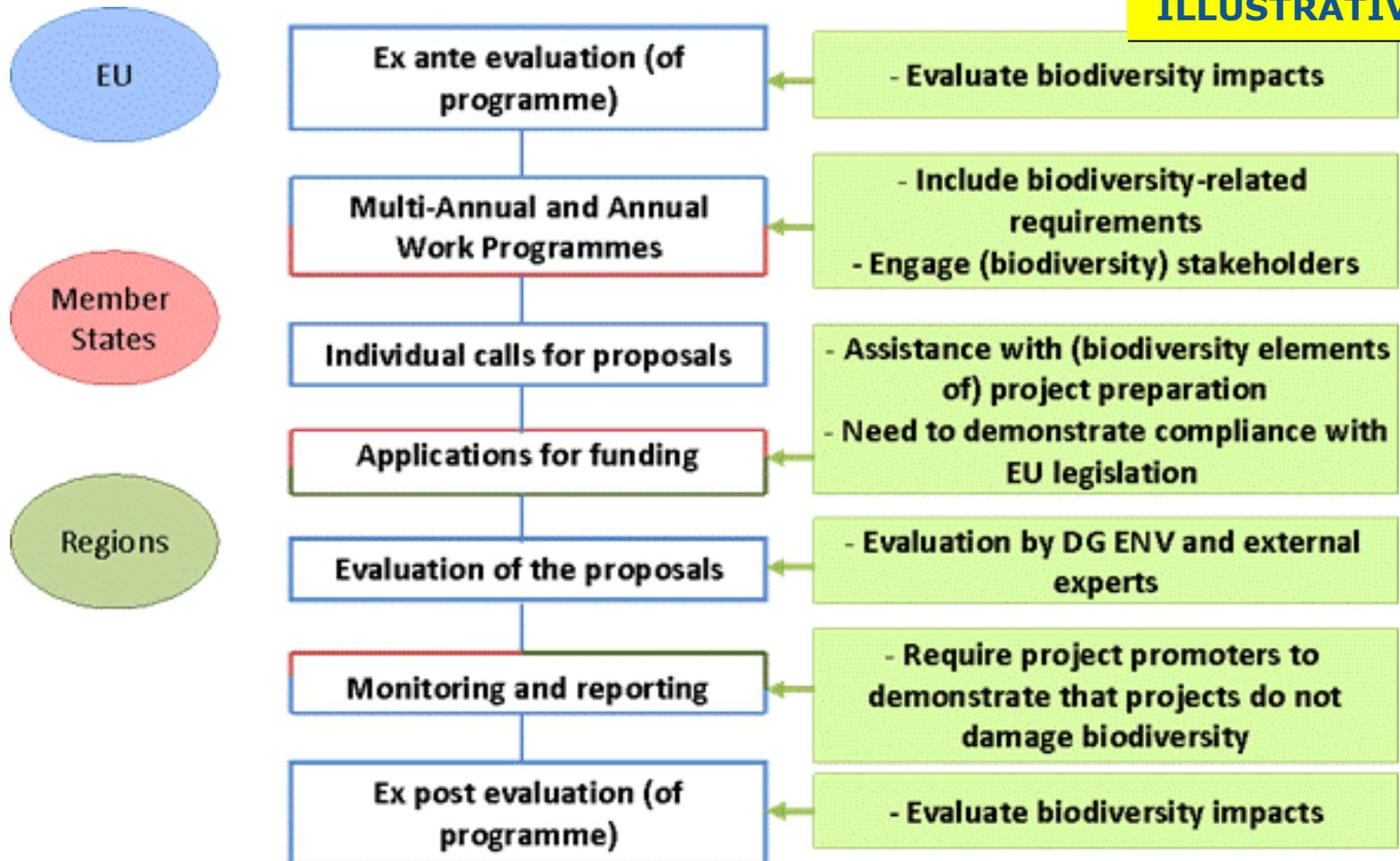
Decision tree for interpreting screening results





Guidance for Intervention – Best Frame of Actions

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December 2011 Council Conclusions

- "agrees that a **common approach** is needed for the implementation in the EU of the NNL principle and invited the Commission to address this as part of the preparation of its planned initiative on NNL by 2015, taking into account **existing experience as well as the specificities of each Member State**, on the basis of in-depth discussions with Member States and stakeholders regarding the clear **definition, scope, operating principles and management and support instruments** in the context of the common implementation framework of the Strategy."
- Recalling preliminary definition: "conservation losses in one geographically or otherwise defined area are balanced by a gain elsewhere provided that this principle does not entail any impairment of existing biodiversity as protected by EU nature legislation."



April 2012 EP resolution

- Urges the Commission to develop an **effective regulatory framework** based on the 'No Net Loss' initiative, taking into account **the past experience of the Member States** while also utilising the **standards** applied by the Business and Biodiversity Offsets Programme; notes, in this connection, the importance of applying such an approach to all **EU habitats and species not covered by EU legislation**.



No Net Loss Working Group

- Context of the Common Implementation Framework
- Objectives:
 - collect views from Member State representatives, stakeholders and experts on the way forward for the NNL initiative announced for 2015, within the mandate of the 2011 December Council conclusions
 - support the European Commission in its preparation of a NNL initiative
- Composition: Member States, stakeholders, experts - geographical balance; balanced representation of different interests; priority to EU level; experience of NNL and offset projects



NNL Roadmap

	NNL	Other initiatives
2012	<ul style="list-style-type: none"> - 3 Meetings of NNL WG - Habitat Banking study 	<ul style="list-style-type: none"> - Green Infrastructure Green Paper - EIA review proposal
2013	<ul style="list-style-type: none"> - 2 Meeting(s) of NNL WG and recommendations by mid-2012 - Formal consultation process - Impact Assessment Steering Group (IASG) - Study on NNL options 	
2014	<ul style="list-style-type: none"> - Further Meetings of IASG on NNL 	<ul style="list-style-type: none"> - Mapping and assessment of ecosystems and services - Biodiversity proofing methodology - Restoration prioritisation framework
2015	<ul style="list-style-type: none"> - Adoption of NNL initiative 	



Definition and scope

- Need for common definition

Council Conclusions Definition

NNL: "conservation/biodiversity losses in one geographically or otherwise defined area are balanced by a gain elsewhere provided that this principle does not entail any impairment of existing biodiversity as protected by EU nature legislation"

- WG working on expanding definition in context of the mitigation hierarchy
- Discussions based on MS experiences; existing initiatives e.g. DE, FR, UK, SE
- Scope and next steps:
 - Drivers covered
 - Species, habitats, ecosystems, ecosystem services
 - Need for metrics – measuring losses and gains
 - Links with Target 1 and Natura2000
 - Links with other Target 2 Actions



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BACKUP



Biodiversity offsets in the EU

- Germany:

- Impact Mitigation Regulations aiming to ensure no net loss by avoiding damage, restoration and replacement compensation for residual impacts
- Increased flexibility in 1990s led to compensation pools, with associated issue
- Ongoing reforms, including state level regulation of the storage and trading of credits and long term management
- Recent involvement of private agents in process

- France:

- Legal requirement for avoidance, minimisation, and compensation of environmental impacts
- CDC Biodiversité launched first biodiversity bank in 2009, to sell biodiversity credits in advance of impacts from development
- 2nd pilot in early stages, developed by CDC Biodiversité and the Ministry of Ecology
- Ultimately 5 pilots planned overall



Biodiversity offsets in the EU

- UK:
 - White Paper released June 7 2011 includes plan to start a biodiversity offset program in spring 2012.
- Sweden:
 - Provisions in Environmental Code, but no strong legally binding requirements, beyond Natura 2000
 - Compensation taking place at governmental, county, and municipalities level
 - Developing guidance on 'ecological compensation'



June 2011 Council Conclusions

- "STRESSES the importance of further work to operationalise the 'no net loss' objective of the Strategy for areas and species not covered by existing EU nature legislation and of ensuring no further loss or degradation of ecosystems and their services"
- Preliminary definition: "conservation losses in one geographically or otherwise defined area are balanced by a gain elsewhere provided that this principle does not entail any impairment of existing biodiversity as protected by EU nature legislation."



2020 roadmap to a Resource Efficient Europe

- Promote the use of innovative financial and market-based instruments and explore their wider potential [...]
- Put forward proposals to foster investments in natural capital, to seize the full growth and innovation potential of GI and the 'restoration economy' through a Communication on GI (2012) **and a 'No net loss' initiative (2015)**



Definition of NNL objectives

- Council conclusions - **NNL**: "conservation/biodiversity losses in one geographically or otherwise defined area are balanced by a gain elsewhere provided that this principle does not entail any impairment of existing biodiversity as protected by EU nature legislation"
- BBOP – **Biodiversity offsets**: measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development after appropriate prevention and mitigation measures have been taken. Goal is to achieve no net loss and preferably a net gain of biodiversity on the ground with respect to species composition, habitat structure, ecosystem function and people's use and cultural values associated with biodiversity.
- **Compensation** vs. Offsets;
- **Compensation** provisions under the Habitats Directive



Other Issues

- Need for gap analysis
- Offsets in context of mitigation hierarchy and habitat banking just one of the options
- From presentation of Member State experiences and concrete case studies:
 - Additionality
 - Need for metrics – measuring losses and gains
 - Long term management issues
 - Availability of land
 - Different approaches to 'habitat banking'

Next Steps

- Draft definition and scope
- Glossary of terms
- Operational principles, developed/adapted from BBOP principles
- Management and support instruments

