

WORKSHOP ON A COMMON FRAMEWORK FOR BIODIVERSITY PROOFING OF THE EU BUDGET

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1 INTRODUCTION TO BIODIVERSITY PROOFING

1.1 Background

The EU Biodiversity Strategy to 2020 aims to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020. The EU Budget is an important tool to achieving this target by functioning as a policy lever by supporting actions that result in positive biodiversity outcomes. Nevertheless, financial support from a range of funds has the potential to contribute more to the achievement of the biodiversity target than is currently the case whilst also meeting the other primary goals of the funds concerned.

In addition, the EU Budget has the potential to increase some of the *pressures* on biodiversity, for example through investments in transport infrastructure and agricultural intensification. The development of policies that are consistent with the EU's environmental objectives are therefore needed if such impacts are to be avoided or reduced to acceptable levels.

Biodiversity proofing should be a step-wise process that follows the mitigation hierarchy under which appropriate actions are taken in the following order of priority:

1. avoidance of negative impacts for biodiversity;
2. reduction of negative impacts;
3. rehabilitation/restoration measures; and
4. compensation measures for significant adverse residual impacts.

Box 1. Definition of biodiversity proofing in a European context

What is biodiversity proofing of the EU budget?

Biodiversity proofing refers to a structured process of ensuring the effective application of tools to avoid or at least minimise biodiversity-harmful spending and to act as a catalyst for biodiversity-friendly spending (ie a *process-oriented outcome*).

It applies to all spending streams under the EU budget, across the whole budgetary cycle and at all levels of governance. It is intended to contribute to a significant improvement in the state of biodiversity and to meeting agreed biodiversity targets (ie a *result-oriented outcome*).

Source: IEEP, GHK and TEPR (2012)¹

¹ IEEP, GHK and TEPR (2012) *Background Study towards Biodiversity Proofing of the EU Budget*. Report to the European Commission. Institute for European Environmental Policy, London. <http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/BD%20Proofing%20Main%20Report.pdf>

To be effective biodiversity proofing should be carried out at all stages of the policy cycle, ie:

- the development or reform of policy frameworks;
- programming and associated plans within Member States;
- project implementation;
- project monitoring and reporting; and
- policy evaluation.

1.2 Development of a Common Framework on biodiversity proofing

In 2012, the Commission published a review of the opportunities for biodiversity proofing the Budget² which found that numerous tools exist to facilitate biodiversity proofing such as ex-ante regulatory impact assessments, spatial planning, environmental selection criteria for projects, cost-benefit analysis that takes into account ecosystem services values, and mid-term and ex-post policy evaluations. It stressed that effective biodiversity proofing is dependent on the integration of biodiversity considerations into high-level policies across *all* EU policies to ensure a strategic mandate to both avoid biodiversity impacts and to include biodiversity beneficial spending in the funding programmes. At this time, further work was needed to develop and test biodiversity proofing processes and to develop fund-specific guidance.

The Commission recently launched a follow-up contract to create a practical Common Framework for Proofing the EU Budget including general and fund-specific guidelines to be used by national and regional authorities as well as by Commission services.

The study, which is being carried out by the Institute for European Environmental Policy, ICF GHK and Transport and Environmental Policy Research, is currently developing a proposed common framework for discussion at this workshop. The common framework will represent a standardised approach that can be applied to most EU funds, but will not apply to centralised and non-programmed funds (most notably Pillar 1 of the Common Agricultural Policy) since opportunities for proofing centrally managed non-programmed funds are very different to other funds.

The study will then use the common framework to produce more detailed, adapted and targeted fund-specific guidance for the:

- Common Agricultural Policy (CAP), in particular the EAFRD.
- Cohesion Fund, European Regional Development Fund (ERDF), and European Social Fund (ESF) under Cohesion Policy.
- Ten-E and Ten-T facilities under the Connecting-Europe Facility (CEF)
- European Maritime and Fisheries Fund (EMFF).

As the EU and Member States are currently negotiating Partnership Agreements, Operational Programmes and Multi-annual Programmes there is little opportunity for this study to influence the process. Therefore the fund-specific guidance will mainly focus on

² IEEP, GHK and TEPR (2012) [see above]

biodiversity proofing the project cycle, ie calls for proposals, project development and selection, project execution and project monitoring and evaluation.

1.3 The role of this workshop

The workshop comes at an important stage in the implementation of the EU Multi-Annual Financial Framework (MFF) with important decisions particularly by fund management authorities lying ahead with significant implications for biodiversity. The workshop aims to obtain feedback from key officials and stakeholders involved in the implementation of funding instruments at regional, national and European levels on proposals for:

- a common framework for biodiversity proofing; and
- fund-specific guidance on biodiversity proofing.

The focus will be on ensuring the framework and guidance is practical and useful for the relevant authorities. The workshop will cover the funds listed above³, and consist of a mixture of plenary and break out group sessions, as outlined in the agenda.

³ Due to specific nature the EMFF may not be covered if there is inadequate attendance by fund specialists