



EU MFF 2021-2027 and recovery fund

River restoration financing opportunities

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| EU Biodiversity Strategy commitments



- **at least 25,000 km of rivers will be restored into free-flowing rivers by 2030** through the removal of primarily obsolete barriers and the restoration of floodplains and wetlands. Guidance late 2021.
- **‘at least €20 billion a year should be unlocked for spending on nature’** – through private and public funding at national and EU level, including through a range of different programmes in the next long-term EU budget.
- **‘a significant proportion of the [25]% [note: now 30%] of the EU budget dedicated to climate action** will be invested on biodiversity and nature-based solutions’
- ‘under Invest EU, a dedicated **natural-capital and circular-economy initiative** will be established to mobilize at least €10 billion over the next 10 years, based on public/private blended finance’
- ‘The Commission will strengthen its **biodiversity proofing framework**

| New biodiversity target in EU MFF

- MFF: **€1 074 bn** (€153 bn/year)
- Co-legislators agreed to work towards the ambition of dedicating **7.5% of the 2021-2027 MFF to biodiversity objectives as of 2024, and 10% as of 2026** (Inter Institutional Agreement on MFF)
- Commission is working on **operationalizing** this target under EU funds and programmes, including through ongoing trilogues on sectoral legislations: Commission proposes to systematically reflect biodiversity target in operative article or recital
- The Commission will improve **biodiversity tracking** in the MFF: the Commission issued a Declaration stating that it will ensure that the biodiversity tracking methodology is **accessible, transparent, and publicly available**.
- Ongoing **study** – by ENV Biodiversity unit – aiming at:
 - Updating methodology to track biodiversity in MFF and Next Generation EU
 - Assessing funding needs to implement the BDS, assess current funding levels (including from MS and private sector), identify financing gap

| Perspectives for restoration funding under next MFF

- CAP (80% of biodiversity funding): new green architecture
 - CAP Pillar 1: enhanced conditionality + ecoschemes
 - CAP Pillar 2: agri-environment measures
- Cohesion Fund and European Regional Development Fund
- LIFE
- Horizon Europe
- European Maritime and Fisheries Fund
- InvestEU (will build upon lessons learned from NCFF)
- Neighborhood, Development and International Cooperation Instrument
- European Space Programme (Copernicus), Pre-Accession Assistance
- Other programmes may contribute: Just Transition Fund, Erasmus, European Social Fund Plus

| EU recovery plan: Next Generation EU



- **Next Generation EU:** €750 bn
- **Recovery and Resilience Facility:** main tool - €672.5 billion (€312.5 bn grants and €360bn loans)
- No biodiversity target under RRF, but green target of **37%**
- **Additional funding** for ReactEU, Horizon, RescEU, InvestEU, Just Transition Fund, Rural Development
- **Investments in key environmental sectors** – including nature restoration
- **Key role of “plans” required by EU law** – including Prioritized Action Frameworks under N2000
- Investments must respect the **“do no harm principle”** (environmental integration)

| Biodiversity under MS Recovery and Resilience Plans

- Key importance of **Recovery and Resilience Plans** by MS
- Deadline for submission of RRP by MS to Commission: **30 April 2021**
- Several references to nature in RRP **guidance** adopted by Commission provide a good basis for MS to fully integrate biodiversity in their recovery plans: e. g. *'protection and **restoration** of biodiversity and ecosystems', 'Investments in biodiversity and nature-based solutions to increase resilience against natural disasters and climate change (**restoration of ecosystems such as forests, wetlands, peatlands, free-flowing rivers and coastal ecosystems**); improving infrastructure in protected areas and investing in nature-tourism; planting trees; greening urban spaces'*, etc.
- Lots of examples (e.g. in Cohesion) of nature restoration projects that can be **replicated on large scale** under RRF, with high economic and job creation benefits

| Do no significant harm under RRF

- **WHAT?** All measures of RRFs.
- **WHEN?** As of adoption and implementation of RRFs.
- **WHO?** MS authorities/Commission – role of environmental authorities.
- **HOW?** Several tools
 - ✓ Key role of compliance with EU law
 - ✓ Relevance of EU policies and targets
 - ✓ Use of Taxonomy principles (Article 17)
 - ✓ Sustainability (env/climate/social) proofing for investments
 - ✓ Tracking green investment (climate and/or environment)
 - ✓ Indicators (link with EU environment laws and policies)

| Take away messages

- Funding needs are important, but there are **many financing solutions** for river restoration
- Funding must come **from all sources**: EU MFF and EU recovery plan, but also MS national budgets, philanthropy, private sector etc.
- **Water investments by MS** (in particular WFD investments, including reduction of diffuse pollution, river restoration, reconnection with riverbanks/floodplains etc): investment needs are huge and will need to be met in the next years as the **final deadline of WFD is 2027**