



# CALL FOR A DEDICATED EU NATURE RESTORATION FUND

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# A dedicated EU Nature Restoration Fund

The EU urgently needs a dedicated funding instrument to address the escalating impacts of nature degradation and the climate crisis. Across Europe, we are witnessing an increase in droughts, floods, and wildfires, along with the decline of pollinators, soil erosion, and water eutrophication. These issues threaten livelihoods, food security, and place a significant burden on national disaster relief budgets.

But there is a solution: nature itself. Every €1 invested in nature restoration can generate benefits from €8 to €38.<sup>1</sup> Despite this, nature conservation and restoration in the EU are critically underfunded. The value of biodiversity and why it is critical to invest in it are outlined in the Annex.

The current approach, which relies on diverse funds to support nature conservation and deliver the objectives of the EU Biodiversity Strategy, has been insufficient. A study commissioned by the European Commission highlights a growing funding gap of approximately €19 billion annually until 2030.<sup>2</sup> New funding needs exacerbate this shortfall, as the nature and climate crises intensify and the Nature Restoration Law enters into force.

**In the next Multiannual Financial Framework (MFF), the EU must allocate more funds for biodiversity. It is imperative that the next EU budget includes a dedicated Nature Restoration Fund in addition to the current mainstreaming approach.**



Green Sea Turtle (Chelonia Mydas)

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<sup>1</sup> EU Commission, "Impact Assessment accompanying the proposal for a Regulation of the European Parliament and of the Council on nature restoration." 2022 - [EUR-Lex - 52022SC0167](#)

<sup>2</sup> European Commission, Directorate-General for Environment, Nesbit, M., Whiteoak, K., Underwood, E. et al., "Biodiversity financing and tracking – Final report", Publications Office of the European Union, 2022

# Proposal for the EU Nature Restoration Fund

## Purpose

The fund should support the implementation of the Nature Restoration Law and its targets. Eligible measures should include monitoring and reporting requirements as well as administrative needs. Broader nature protection measures apart from restoration should be considered eligible as well, provided that they contribute to the completion, coherence, and effective management of the Natura 2000 network.<sup>3</sup>

## Beneficiaries

The fund should be accessible to a broad range of stakeholders, including local and regional authorities, associations and NGOs.

## Size

Estimates suggest the fund should range between €15 and €25 billion annually to ensure effective implementation of the Nature Restoration Law and Natura 2000. The exact size of the fund will depend on its scope and on the amount of co-funding. While a significant proportion of the necessary funding must be provided through the MFF, contributions from Member States and the private sector are also vital.

## Management

The fund should be managed flexibly at Member State level, with a competent EU institution or agency in a governing role, responsible for monitoring and tracking expenditures. Environmental authorities at national, regional, and local levels should handle on-the-ground management.

## Resource allocation

Indicative national envelopes should ensure a fair distribution among Member States based on assessed needs to prevent competition between the States.

Nature is our best ally in combating the climate crises, which in turn will ensure a liveable future on our planet. Prioritizing nature conservation and restoration is crucial for maintaining and enhancing its invaluable benefits. The EU must allocate resources accordingly, especially as investing in nature comes at a far lower cost than addressing the aftermath of natural disasters.

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<sup>3</sup> Apart from the focus on nature restoration, the fund should be eligible for any needs arising within the framework of the EU Biodiversity strategy, including the Birds and Habitats and directives, facilitating a thorough implementation and enlargement of Natura2000 and enhanced tracking and monitoring.

<sup>4</sup> Annual costs to implement the Nature Restoration Law have been estimated at €6 - 8.2 billion annually. Although the true costs are expected to be higher, as restoration and maintenance costs for marine, urban and soil ecosystems as well as pollinators were not included in this calculation. The numbers are based on the impact assessment by the EU Commission accompanying the Nature Restoration Law proposal ([EUR-Lex - 52022SC0167](#)). To implement Natura 2000 an annual funding need of €10.6 billion was estimated by the Commission, based on the Prioritized Action Frameworks (PAF) of the Member States. True costs can also be considered to be higher, as not all Member State's PAF were included ([European Commission, Directorate-General for Environment, Financing Natura 2000 – EU funding opportunities in 2021-2027 – Revised report May 2022, Publications Office of the European Union, 2022](#)). As the cost estimates by the Commission are considered to be incomplete, several NGOs have estimated the funding needs to be higher.

# Annex: The value of nature and ecosystem services

The ecosystem services provided by a thriving and biodiverse nature are immense. Nature restoration and protection offer benefits that far outweigh their implementation costs and are among the most cost-efficient solutions for mitigating and adapting to climate change.<sup>5</sup> The economic benefits of all assessable ecosystem services are estimated at €157 - €175 trillion annually,<sup>6</sup> almost twice the world's GDP.<sup>7</sup> However, many of these services are in decline due to human pressure.

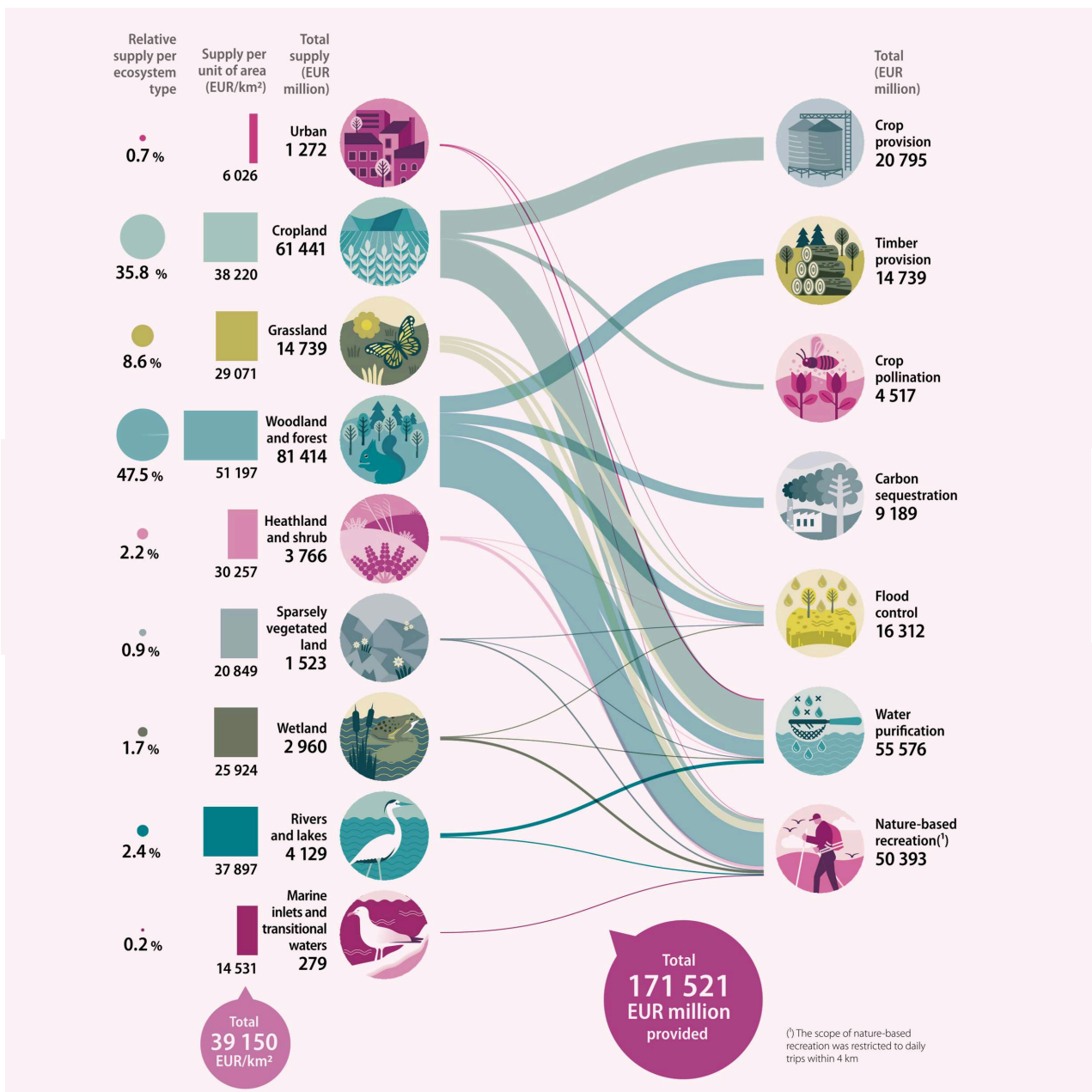


Figure 1: Financial accounting of selected ecosystem services and their specific use.<sup>8</sup>

<sup>5</sup> European Commission, Directorate-General for Environment, Restoring nature – “For the benefit of people, nature and the climate”, Publications Office of the European Union, 2022

<sup>6</sup> Boston Consulting Group, NABU, BirdLife - “The Biodiversity Imperative for Business”, 2020

<sup>7</sup> €92T in 2023 (World Bank)

<sup>8</sup> Vysna, V., et al. "Accounting for ecosystems and their services in the European Union." Final report (Statistical report. Publications office of the European Union, Luxembourg) (2021)

Alongside its intrinsic value, nature provides a variety of regulating, provisioning, habitat and cultural services, as illustrated in Figure 1. The true benefit of these ecosystem services is often underestimated, as many are taken for granted, and their value and loss have only partially been assessed economically.

## Regulating services

These services constitute approximately 65% of the value of ecosystem services, making it the largest part.<sup>6</sup> One crucial regulating service is pollination. In the EU, 80% of all agricultural crops and wild flowering species depend on pollination.<sup>9</sup> Without pollinators, EU agricultural output would decrease by €5 billion annually.<sup>10</sup> Regulating services are increasingly in a critical state due to climate change.

## Natural water retention and floodplain restoration services

These services are essential for mitigating the increasing frequency of floods and droughts. They can reduce the population's exposure and damage from floods by nearly 70%.<sup>9</sup> These are cost-efficient solutions that offer additional benefits such as water purification and reduced erosion. Soil erosion alone causes an annual drop in soil productivity of 0.43%<sup>11</sup> and a loss of almost 3 million tonnes of wheat across the EU.<sup>8</sup>



Little Owl (*Athene noctua*)

## Water and air pollution

Healthy ecosystems reduce and buffer the negative effects of pollution by filtering water and air and removing pollutants, such as medicinal products, pesticides, and fertilizers. The damage cost for nitrogen pollution alone is estimated at €70 - €320 billion annually throughout the EU.<sup>12</sup>

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<sup>9</sup> EU Commission, "EU Pollinators Initiative", 2018, [EUR-Lex - 52018SC0302R\(01\)](#).

<sup>10</sup> EU Commission, Directorate-General for Environment, "Factsheet on Biodiversity and resilience", 2022

<sup>11</sup> Panagos, Panos, et al. "Cost of agricultural productivity loss due to soil erosion in the European Union: From direct cost evaluation approaches to the use of macroeconomic models." *Land degradation & development* 29.3 (2018): 471-484

<sup>12</sup> Sutton, Mark A., et al., eds. "The European nitrogen assessment: sources, effects and policy perspectives". Cambridge university press, 2011

## Habitat services

These provide approximately 10% of the total economic value of ecosystem services, with marine ecosystems contributing significantly.<sup>6</sup> Properly enforced marine protected areas are proven to positively impact surrounding fisheries, increasing fish stock resilience. Implementing sustainable fishing practices and establishing Marine Protected Areas and coastal restoration, has the potential to significantly increase the annual value of fisheries production by €30 billion.<sup>9</sup>

## Cultural services

Cultural services, particularly their recreational aspects, account for 18% of the total ecosystem value.<sup>6</sup> The recreational value of intact nature and protected areas is increasingly appreciated throughout Europe, and has numerous positive effects on human health. Regular exposure to nature has shown to improve both physical and psychological well-being as well as cognitive performance.<sup>13</sup>



Iberian Lynx (*Lynx pardinus*)

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<sup>13</sup> Keniger, L.E.; Gaston, K.J.; Irvine, K.N.; Fuller, R.A. "What are the Benefits of Interacting with Nature?" *Int. J. Environ. Res. Public Health* 2013, 10, 913-935

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Endla nature park, Natura 2000, Estonia



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