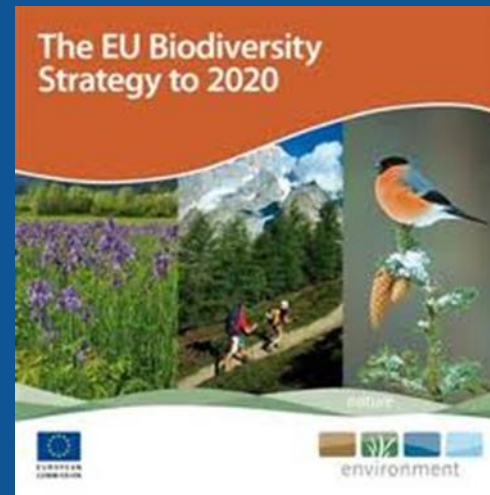


# Tracking biodiversity-related expenses in the EU budget

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# EU reporting to CBD on resource mobilisation for biodiversity

- International financing flows
- Domestic flows:
  - Many MS report using Eurostat environmental expenditure data
  - Internal tracking methodology for central budget
- Other aspects of resource mobilisation

# Why tracking?

- Linking expenses to output to increase effectiveness
- Tool for mainstreaming biodiversity in the EU budget
- Tracking international commitments - CBD financial reporting framework to report and monitor domestic and international biodiversity finance flows

# Policy context

- Previous EU policy commitments:
  - 2011 Communication a 'Budget for Europe':

'to maximise synergies between different policy objectives, a tracking procedure for environment-related expenditure similar to that proposed for climate-related expenditure is envisaged. As regards biodiversity, the 'Rio markers' established by the OECD and already used by the Commission for external instruments will be integrated in the existing methodology for measuring performance used for EU programmes.'
  - 7<sup>th</sup> EU Environmental Action Plan

'Developing and applying a system for reporting and tracking environment-related expenditure in the EU budget, notably on climate change and biodiversity, by 2014.'
- CBD Financial reporting framework

# Methodology

- Method used to track climate and biodiversity-related expenses in EU external instruments
- Apply reduction factors depending on categories:
  - 100% - biodiversity is the principal (primary) objective: biodiversity objectives fundamental in the design and impact of the activity, and an explicit objective of the activity
  - 40% - biodiversity is a significant, but not predominant, objective - biodiversity objectives not one of the principal reasons for undertaking the activity
  - Expenditure not targeted to biodiversity objectives
- Accounting for measures with multiple objectives
- Centrally managed vs shared management instruments
- Ex ante vs ex post tracking

# Development steps

- Transition years
  - agreements developed bilaterally to adapt methodology to specificities of each policy area (2014: LIFE+, cohesion, agriculture, fisheries, research & innovation, development & cooperation. 2015: + Copernicus)
  - Ex ante estimates: use "projections" about the expenditure distribution between categories, based on historical allocations. Publication of biodiversity tables in communication on EU budget for 2014 and 2015.
- During 2014, improvement of methodology through contractual support. Feedback from stakeholders through workshop

# What are biodiversity-related expenses (1)

- Expenditure that supports activities that contribute to the three objectives of the Convention on Biological Diversity (CBD) and the targets and actions set out in the EU Biodiversity Strategy to 2020.

# What are biodiversity-related expenses (2)

- These include activities that support:
  - The conservation and restoration of biodiversity (ecosystems, species, and genetic diversity) and the maintenance of related ecosystem services;
  - The sustainable use and management of biodiversity and ecosystems (including activities within agriculture, forestry, fisheries and other sectors); and
  - The fair and equitable sharing of the benefits of the utilisation of genetic resources, with foreseen benefits to the conservation, sustainable use and management of biodiversity and ecosystem services.



# Rio markers

- **100 per cent marker:** conservation, restoration and sustainable management of biodiversity and the maintenance of related ecosystem services as primary objective; expected to lead to direct biodiversity effects / benefits; activity would not have been carried out in the absence of such objectives.
- **40 per cent marker:** conservation, restoration and sustainable management of biodiversity and the maintenance of related ecosystem services AS one of the principal reasons for undertaking the activity; expected biodiversity effects on / benefits significant but not the primary intended effect; and
- **0 per cent marker:** neither directly nor indirectly seek to contribute significantly to above objectives.

# Examples of classification

Type of expenditure	Examples of expenditure with a primary biodiversity objective (100% marker)	Examples of expenditure with a significant biodiversity objective (40% marker)	Examples of expenditure which are not biodiversity related (0% marker)
Species conservation measures	<ul style="list-style-type: none"> <li>All species conservation measures (in situ and ex situ) which focus primarily on the conservation and sustainable use of the species; and</li> <li>Development and enforcement of policies, plans and strategies designed primarily to further species protection and sustainable use.</li> </ul>	<p>Activities with a significant species conservation objective among other objectives, e.g.:</p> <ul style="list-style-type: none"> <li>Species research with objectives to further commercial exploitation, where species conservation is a secondary objective.</li> </ul>	<p>Species focused actions with a purely commercial or recreational focus, e.g.:</p> <ul style="list-style-type: none"> <li>Commercial agriculture and aquaculture, hunting, commercial R&amp;D on use of species.</li> </ul>
Infrastructure investments	<p>Green infrastructure: Development, restoration, protection and management of green infrastructure with a primary objective of conservation and management of biodiversity and related ecosystems, e.g.:</p> <ul style="list-style-type: none"> <li>Habitat restoration, re-creation and management;</li> <li>Creation of ecological networks; and</li> <li>Related research, education, advisory and monitoring activities.</li> </ul>	<p>Green infrastructure combined with grey infrastructure: Expenditures which include some green infrastructure elements, where biodiversity is a significant objective alongside other benefits and services, e.g.:</p> <ul style="list-style-type: none"> <li>Urban drainage and water purification schemes which include some green infrastructure elements; and</li> <li>Recreation investments for which biodiversity and ecosystems form a significant element alongside other measures.</li> </ul>	<p>Grey infrastructure: Infrastructure investments with no objective relating to biodiversity. This may include expenditures that target specific ecosystem services which are not dependent on the diversity or natural functioning of ecosystems. e.g.:</p> <ul style="list-style-type: none"> <li>Plantation of single species non-native trees;</li> <li>Hedges purely for landscaping, screening, prevention of erosion; and</li> <li>Grey infrastructure projects (e.g. constructed drainage or flood defence schemes).</li> </ul>

# 2015 draft budget (1)

Programme	Objectives [Outputs]	Draft budget 2015 (M EUR)
<b>HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS</b>		
<b>Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020)</b>	Societal challenges – to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services, alongside competitive and low carbon supply chains ..... Societal challenges – to achieve a resource efficient and climate change resilient economy and a sustainable supply of raw materials ..... Non-Nuclear Direct Actions of the Joint Research Centre – to provide customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands ..... <div style="text-align: right;"><b>Total</b></div>	<div style="text-align: right;"><b>138,4</b></div>
<b>HEADING 1b — COHESION POLICY</b>		
<b>European Regional Development Fund (ERDF) and European Cohesion Fund (CF)</b>	Supporting the shift towards a low-carbon economy in all sectors ..... Promoting climate change adaptation, risk prevention and management ..... Protecting the environment and promoting resource efficiency ..... Others: sustainable transport, SMEs, social inclusion, sustainable and quality employment ..... <div style="text-align: right;"><b>Total</b></div>	<div style="text-align: right;"><b>1 353,7</b></div>
<b>HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES</b>		
<b>European Agricultural Fund for Rural Development (EAFRD)</b>	Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry ..... Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors ..... <div style="text-align: right;"><b>Total</b></div>	<div style="text-align: right;"><b>3 272,7</b></div>
<b>European Agriculture Guarantee Fund (EAGF)</b>	Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through cross-compliance. Contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water. Contribute avoiding a massive conversion into arable land ..... <div style="text-align: right;"><b>Total</b></div>	<div style="text-align: right;"><b>5 332,8</b></div>
<b>European Maritime and Fisheries Fund (EMFF)</b>	Promoting sustainable and competitive fisheries and aquaculture ..... Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy ..... Promoting a balanced and inclusive territorial development of fisheries areas ..... Fostering the implementation of the Common Fisheries Policy ..... <div style="text-align: right;"><b>Total</b></div>	<div style="text-align: right;"><b>199,0</b></div>

# 2015 draft budget (2)

Programme for the Environment and Climate Action (LIFE)	Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	3,6
	Halting and reversing the biodiversity loss	147,8
	Support better environmental governance and information at all levels	4,1
	<b>Total</b>	<b>155,5</b>
<b>HEADING 4 — GLOBAL EUROPE</b>		
European Neighbourhood Instrument (ENI)	Sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience	29,0
	<b>Total</b>	<b>29,0</b>
Development Cooperation Instrument (DCI)	Poverty reduction and fostering sustainable economic, social and environmental development	82,9
	<b>Total</b>	<b>82,9</b>
Cooperation with third countries under the Partnership Instrument	To support the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern	4,0
		4,0
<b>Total Biodiversity</b>		<b>11 733,4</b>
<b>Total EU budget (Commission — Section III)</b>		<b>142 003,1</b>
<b>Biodiversity / EU budget</b>		<b>8,3 %</b>

## Conclusions and next steps

- Implementation of new methodology in 2016 draft EU budget
- Tracking applied at the most detailed level practical - administrative burden vs meaningful information
- Recognising 'grey areas' - sustainable fisheries, agriculture, forestry, water and pollution mitigation
- Tool in further advancing the mainstreaming of biodiversity into the EU budget.
- New contract underway on financing biodiversity, including through improving ex post reporting.

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## Green Infrastructure

What is Green Infrastructure?

Green Infrastructure is addressing the spatial structure of natural and semi-natural areas but also other environmental features which enable citizens to benefit from its multiple services. The underlying principle of Green Infrastructure is that the same area of land can frequently offer multiple benefits if its ecosystems are in a healthy state. Green Infrastructure investments are generally characterized by a high level of return over time, provide job opportunities, and can be a cost-effective alternative or be complementary to 'grey' infrastructure and intensive land use change. It serves the interests of both people and [nature](#).

The Commission has produced a brochure explaining the main issues of Green Infrastructure. More detailed background on Green Infrastructure, including relevant studies with best practice examples, can be found [here](#).



For illustrations of the Green Infrastructure concept click [here](#).

### An EU-wide strategy on Green Infrastructure: Enhancing Europe's Natural Capital

**NEW** The Commission has adopted a Green Infrastructure Strategy, 'to promote the deployment of green infrastructure in the EU in urban and rural areas'.

Communication from the Commission: Green Infrastructure (COM(2013) 240 Final)

[http://ec.europa.eu/environment/nature/ecosystems/index\\_en.htm](http://ec.europa.eu/environment/nature/ecosystems/index_en.htm)