

## INCEPTION IMPACT ASSESSMENT

**Inception Impact Assessments aim to inform citizens and stakeholders about the Commission's plans in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options.**

<b>TITLE OF THE INITIATIVE</b>	EU nature restoration targets
<b>LEAD DG (RESPONSIBLE UNIT)</b>	DG ENV.D.2 – Biodiversity
<b>LIKELY TYPE OF INITIATIVE</b>	Legislative proposal
<b>INDICATIVE PLANNING</b>	Q4 2021
<b>ADDITIONAL INFORMATION</b>	<a href="https://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm">https://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm</a>

**The Inception Impact Assessment is provided for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.**

### A. Context, problem definition and subsidiarity check

#### Context

Recent assessments of the state of biodiversity in [the EU](#) show that biodiversity loss and the degradation of [ecosystems](#) and the benefits these provide to society continue at an alarming rate. The [IPBES Global Assessment report](#) states that an average of around 25 per cent of species in assessed animal and plant groups are threatened, suggesting that around 1 million species already face extinction, many within decades, unless action is taken. According to the 2020 [State of Nature in the EU report](#), the proportion of wild bird species with poor and bad status has increased to 39% between 2013 and 2018; only 27% of non-bird species assessments show a good status, with 63% showing poor or bad status of which 35% are further deteriorating (and only 6% improving); and only 15% of [habitats](#) assessments show a good status.

Furthermore, the [first EU-wide assessment of ecosystems](#) provides an overview of the trends in condition of the main ecosystem types across the EU (urban, cropland and grassland, heathland and shrub, woodland and forest, sparsely vegetated lands, wetlands, freshwater and marine). The report shows that most of these ecosystems show deteriorating trends and concludes that the current potential of ecosystems to deliver timber, protection against floods, crop pollination, and nature-based recreation is equal to or lower than the baseline value for 2010.

The [EU Biodiversity Strategy for 2030](#) is a key element of the [European Green Deal](#). It aims to put Europe's biodiversity on the path to recovery by 2030 for the benefit of people, planet, climate and the economy. The Strategy responds to the [Council Conclusions of December 2019](#) and the [European Parliament's resolution of January 2020](#).

The Biodiversity Strategy for 2030 outlines an EU Nature Restoration Plan to restore damaged ecosystems and ensure their sustainable management. A key element of this plan is a commitment for the European Commission to put forward a proposal, in 2021, for legally **binding EU nature restoration targets to restore degraded ecosystems**, in particular those with the most potential to capture and store carbon and to prevent and reduce the impact of natural disasters. The Strategy also announces that the Commission will look at the possibility of an EU-wide methodology to map, assess and achieve good condition of ecosystems so they can deliver benefits such as climate regulation, water regulation, soil health, pollination and disaster prevention and protection.

#### Problem the initiative aims to tackle

**Biodiversity and ecosystems continue to be degraded across the EU**, as a result of [pressures](#) from human activities, such as changes in land and sea use, over-exploitation, climate change, pollution, and the spread of invasive alien species. As a result, essential ecosystem services that people depend on are in decline. For instance, the loss and degradation of ecosystems reduce the natural function of ecosystems to sequester and store carbon as well as their capacity to contribute to climate change adaptation by reducing flooding or acting as coastal buffers.

Ecosystems can be effectively restored by reducing key pressures (such as preventing further pollution or halting the over-exploitation of resources) in order to help ecosystems recover by themselves, or by actively helping damaged ecosystems to recover (for example by introducing native species, changing landscape/seascape

features, or by increasing the extent of ecosystems). The restoration of degraded ecosystems can address various elements (i.e. specific habitats or specific species) and be carried out at different scales. Furthermore, restoration approaches need to take into account that future restored ecosystems should be climate resilient.

To date, the efforts to restore ecosystems in the EU have been insufficient<sup>1</sup>. In 2011, a key voluntary target of the [EU 2020 Biodiversity Strategy](#) was to restore at least 15% of degraded ecosystems by 2020. This voluntary target has not been met, and plans for restoration plans were only developed by a couple of Member States. Some progress has been reported, in particular in areas where legal obligations exist, but implementation and enforcement challenges remain<sup>2</sup>.

Even though nature restoration is already partially required from the Member States in existing EU legislation in the [Birds](#) and [Habitats](#) Directives, the [Water Framework Directive](#), the [Floods Directive](#) and the [Marine Strategy Framework Directive](#), there are still a number of regulatory failures that hinder progress. For instance, there is no requirement for Member States to have biodiversity restoration plans. There are not always clear or binding targets and timelines and no definition or criteria on restoration, or on the sustainable use of ecosystems.

Moreover, existing legislation covers only a subset of the EU's ecosystems. For example, the Birds and Habitats Directives cover many natural and semi-natural parts of ecosystems but not cropland, intensively used grassland, a large part of natural and semi-natural forests, forest plantations and urban ecosystems. Soil health and soil biodiversity are not covered by EU legislation in a comprehensive and coherent manner<sup>3</sup>. Thus, there is no legislation to explicitly address a number of ecosystems and habitats in need of restoration or species whose decline needs to be reversed. Furthermore, in most cases (with the exception of the [prioritised action frameworks](#)) there are no clear links between restoration needs and EU funding instruments.

Furthermore, there is no requirement to comprehensively map, monitor, assess and achieve good condition of ecosystems so they can deliver benefits such as climate regulation, water regulation, soil health, pollination and disaster prevention and protection across the EU. The EU [Mapping and Assessment of Ecosystems and their Services](#) initiative has made methodological progress in this respect, but there are still significant data gaps.

#### **Basis for EU intervention (legal basis and subsidiarity check)**

The legal basis is Article 191 of the Treaty on the Functioning of the European Union. Intervention at EU level is justified in view of the scale and transboundary nature of biodiversity-related issues, including the pressures on ecosystems. Effective and coordinated contributions by all Member States are necessary to achieve significant levels of biodiversity restoration in the EU.

## **B. Objectives and policy options**

The general objective is to **restore degraded ecosystems**, in particular those with the most potential to capture and store carbon and to prevent and reduce the impact of natural and man-made disasters. This objective is supported by the twin aim to ensure the sustainable use of ecosystems, and to improve knowledge and monitoring. The initiative should contribute to all ecosystems being in good condition by 2050 – the headline ambition of the Biodiversity Strategy for 2030. Reflecting the urgency to act, the initiative also needs to lead to measurable results by 2030.

The [EU Biodiversity Strategy for 2030](#) underlines the importance of restoring ecosystems across land and sea, and proposes setting legally binding EU targets to restore degraded ecosystems. It suggests several important ecosystems, habitats or species to be considered, such as: wetlands/peatlands; free-flowing rivers; floodplains; pollinators; primary and old-growth forests; marine ecosystems (in particular, seagrass and seabed); coastal ecosystems; soil; and urban ecosystems.

The impact assessment will analyse a set of policy options for restoration targets. In the baseline scenario, the EU would implement the policies set out in the [EU Biodiversity Strategy for 2030](#) with the exception of legally binding targets on restoration. A number of non-binding measures would be put into place to support restoration activities, including the provision of guidance, financing and governance mechanisms.

Building on the baseline scenario, the policy options will consider the choices for legally binding targets for

<sup>1</sup> [Mid-term review of the EU Biodiversity Strategy to 2020; Technical support in relation to the promotion of ecosystem restoration in the context of the EU biodiversity strategy to 2020. Final Report.](#)

<sup>2</sup> [Fitness Check of the Birds and Habitats Directives, Fitness Check of EU Water Legislation, Report on the Implementation of the Marine Strategy Framework Directive.](#)

<sup>3</sup> [The European environment — state and outlook 2020](#): “The lack of a comprehensive and coherent policy framework for protecting Europe’s land and soil resources is a key gap that reduces the effectiveness of the existing incentives and measures and may limit Europe’s ability to achieve future objectives related to development of green infrastructure and the bioeconomy”; “Europe is not on track to protect its soil resources based on the existing strategies. There is a lack of binding policy targets; and some threats to soil — compaction, salinisation and soil sealing — are not addressed in existing European legislation”.

ecosystem restoration. Some targets could build on relevant legislation that is already in place such as the [Birds](#) and [Habitats](#) Directives, the [Water Framework Directive](#) and the [Marine Strategy Framework Directive](#). This could apply, for instance, to wetlands, peatlands, free-flowing rivers, or to marine ecosystems, such as seagrasses or the seabed. Other targets could address ecosystems, habitats or species that are not covered by existing legislation (such as pollinators or soils).

Further aspects of the options analysis for legally binding targets will include:

- The need to ensure sufficiently broad ecosystem coverage whilst also taking into account the urgent need for action.
- How the targets should be formulated, and the most effective measures to achieve them.
- The monitoring and reporting of progress towards the targets, based on existing monitoring schemes where possible.
- The possible development of a step-wise approach for different targets, based on the availability of monitoring mechanisms.
- How to ensure no deterioration of ecosystems following their restoration.
- The governance mechanisms and the allocation of responsibilities between Member States.
- The legal design to support the implementation of the targets, including the type of legal instrument(s) such as directive, regulation or their combination.
- The provision of guidance and finance mechanisms to support the legally binding targets.
- The possibility of developing an EU-wide methodology to map, assess and achieve good condition of ecosystems.

### C. Preliminary assessment of expected impacts

In line with the abovementioned objective, some preliminary impacts can be identified.

#### Likely economic impacts

The economy is dependent on the state of nature. For example, over half of [global GDP depends](#) on nature and services it provides. Biodiversity underpins [healthy and nutritious diets](#) and improves rural livelihoods and agricultural productivity. More than 75% of [global food crop types](#) rely on animal pollination. The restoration of ecosystems and the services they provide would also contribute to climate change mitigation and adaptation, thereby reducing the negative economic impacts of climate change (e.g. floods, droughts, soil erosion, loss of productivity, natural disasters). Restoration would have positive effects on the economy, with corresponding implementation costs. The specific balance of costs and benefits will be analysed in the assessment.

#### Likely social impacts

Improving the condition of ecosystems would have a positive social effect by contributing to human physical and mental health. Healthy ecosystems bring recreation opportunities and help assure quality food and water. More broadly, improved ecosystem health reduces negative social effects from climate change and natural disasters. There could be negative impacts on specific stakeholder groups that would need to adapt their management practices, such as those involved in land management, agriculture, or fisheries.

#### Likely environmental impacts

Restoring EU nature to the largest degree possible would contribute to reducing and reversing biodiversity loss. Through restoration a broad range of ecosystems and habitats would be brought back to good health, species decline would be reversed and populations would start returning to acceptable levels corresponding to properly functioning ecosystems. This would in turn lead to increased resilience of ecosystems to disturbances, damage, and potential disasters, and would have positive effects on other environmental aspects such as water quality. It would also contribute to improved climate mitigation and the capacity to adapt to climate change.

#### Likely impacts on fundamental rights

No impacts on fundamental rights are expected.

#### Likely impacts on simplification and/or administrative burden

The initiative will promote the integration of data reported by the Member States under existing obligations, such as the [Birds](#) and [Habitats](#) Directives, the [Water Framework Directive](#) and the [Marine Strategy Framework](#)

[Directive](#). It could lead to some streamlining of existing assessments of the state of ecosystems and decision-making processes. It could also lead to new reporting obligations depending on the options chosen. The impact on administrative burden will be investigated as part of the impact assessment using the EU Standard Cost Model.

## **D. Evidence base, data collection and Better Regulation instruments**

### **Impact assessment**

An impact assessment will be prepared to support the preparation of this initiative and to inform the Commission's decision.

### **Evidence base and data collection**

The initiative will build on relevant policy evaluations and assessments (i.e. [Fitness check of EU nature legislation](#), [Water Framework and Floods Directives fitness check](#), [EU State of Nature Report 2020](#) and [ongoing evaluation of the Biodiversity Strategy to 2020](#)). It will also build on work on ongoing initiatives such as the upcoming strategies on forest and soil, the review of the [EU Pollinators Initiative](#) and the review of the [Invasive Alien Species Regulation](#). The data processed by the Commission and the European Environmental Agency on [species and habitats](#), [ecosystems](#), [ecosystem services](#) will also underpin the analysis.

### **Consultation of citizens and stakeholders**

The Commission will consult citizens and stakeholders in order to gather facts and views on the different options. Relevant stakeholders will include national, local and regional authorities, experts, NGOs and organisations specialised in biodiversity restoration. A public consultation will be launched, and will be available in all 24 official EU languages on the Commission's ["Have your say" website](#). The Commission will also carry out targeted consultations via bilateral and multilateral meetings. A synopsis of the consultation results will be published once all activities are closed.

### **Will an Implementation plan be established?**

The need for an implementation plan will depend on the final nature of the proposal.