



# **FINANCING NATURA 2000 IN 2014-2020 GUIDANCE HANDBOOK**

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*Strengthening the uptake of EU funds for Natura 2000  
(ENV.B.3/SER/2012/002)*

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Please note this version of this Handbook is only an advanced draft and it has not yet gone through official inter-service consultation within the Commission services.

The current version of the Handbook is based on the proposed EU Regulations published in 2011. The authors are aware that the discussions on the final legal texts are on-going, with several parts of the Regulations being currently agreed and presented as “partial general agreement” by the Council. The foreseen changes in the Regulations will be systematically included in the Handbook during autumn 2013 when the Handbook will be updated and finalised, based on the final adopted legal texts.

This advance draft is made available for a wider public in order to facilitate the current discussions on the future opportunities for financing Natura 2000 and to support the on-going informal talks about the priorities for and content of national programmes.

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**Context:** The Handbook is one of three tasks of a project “Strengthening the uptake of EU funds for Natura 2000” (ENV.B.3/SER/2012/0020) funded by the European Commission. The tasks include:

1. financing Natura 2000 Handbook, a revision and update of the existing handbook for the financial period 2007-2013;
2. Toolkit to assess the consistency of PAFs and the Operational Programmes; and
3. national seminars to discuss the 2014-2020 funding opportunities for Natura 2000.

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[TBC]



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## **FOREWORD**

[By DG Environment]

## 1 INTRODUCTION: INVESTING IN NATURA 2000 FOR BIODIVERSITY AND PEOPLE

### 1.1 Natura 2000 network: the corner stone for conserving biodiversity in the EU

Natura 2000 is an EU-wide ecological network of conservation areas with the aim of maintaining and restoring endangered habitats and species of Community interest. The establishment of the Natura 2000 network was initiated in 1992 through the adoption of the Habitats Directive<sup>1</sup>. Together with the Birds Directive<sup>2</sup>, the Habitats Directive provides a common framework for the conservation of wildlife and habitats within the EU and is the key initiative for maintaining the biodiversity of the Member States.

Natura 2000 is the bedrock of conservation in the European Union, forming an integral part of the EU Biodiversity Strategy and EU's contributions to meet the global commitments for biodiversity conservation by 2020. The network consists currently of nearly 26 000 protected areas and has a total area of more than 850 000 km<sup>2</sup>, representing approximately 18% of the total EU terrestrial area and covering between 9–35% of the territory in different EU Member States.

In order to establish the Natura 2000 network, the EU has been divided into nine biogeographical regions: the Pannonian, Boreal, Continental, Atlantic, Alpine, Macaronesian, Steppic, Black Sea and Mediterranean regions. For each region the Member States propose to the Commission a list of sites selected on the basis of criteria contained in the Habitats Directive. With the assistance of the European Topic Centre on Biological Diversity (ETC), independent scientists, Member State experts and NGOs, the Commission then evaluates these proposals aiming to create a consistent, coherent and representative ecological network of sites. After the Commission has adopted the Community lists of Natura 2000 sites the Member States (within a certain transition period) are responsible for taking all necessary measures to guarantee the conservation of their sites and prevent their deterioration.

In order to meet their obligations to take the necessary conservation measures, Member States are required to make or continue investments in infrastructure, management activities, staff, and/or institutions. A great variety of activities are necessary for the effective management of sites, including field studies and inventories, developing management plans, habitat restoration and active management activities such as mowing or grazing, public consultation and species monitoring. While well-functioning Natura 2000 network provides a range of socio-economic benefits (see Chapter 2), management activities also incur costs on different levels ranging from national authorities to land owner and managers. The

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<sup>1</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, OJ L 206, 22.7.1992, p. 7.

<sup>2</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, OJ L 20, 26.1.2010, p. 7.



Habitats Directive Article 8, implemented with the help of strategic planning instruments called Prioritized Action Frameworks (PAFs), provides for the possibility of Community co-financing of Natura 2000 management activities where needed.

## 1.2 Socio-economic importance of Natura 2000

### 1.2.1 Socio-economic benefits of Natura 2000

Biodiversity has intrinsic value, and it can be argued that there is a strong moral obligation to ensure its conservation, and to commit the resources necessary to achieve this. This provides a strong rationale for funding the Natura 2000 network. However, a further rationale can be based on the benefits that Natura 2000 provides to society.

In addition to improving nature conservation efforts, the Natura 2000 network is also a core element of Europe-wide green infrastructure<sup>3</sup> supporting human welfare and bringing considerable economic and social benefits. According to recent estimates the ecosystem services<sup>4</sup> provided by Natura 2000 and related socio-economic benefits can be valued as 200-300 billion EUR per annum, amounting to around 1.7 - 2.5 % of EU GDP and far exceeding the estimated costs for managing the network<sup>5</sup> (see section 1.3.1 below).

A summary of ecosystem services and related socio-economic benefits provided by the Natura 2000 network (both directly and indirectly) is provided below, with more concrete examples included in Box 1.1.

**Food security:** sites support populations of species – both those for which they are designated and others - many of which high socio-economic importance, e.g. pollinating insects, game animals and fish. Furthermore, Natura 2000 sites can help to protect the genetic diversity of crops and husbandry animals. All these aspects are important contributors to food security at both local and regional level.

**Recreation and tourism:** Natura 2000 areas are known to provide a number of benefits related to recreation and tourism. In several cases Natura sites are also recognised as an important part of local cultural heritage and identity. Furthermore, as Natura 2000 sites provide a place for both physical exercise and relaxation they also play an important role in maintaining physical and mental health.

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<sup>3</sup> Green infrastructure can be defined as a strategically planned and delivered network of high quality green spaces and other environmental features which through ecosystem services provide multiple benefits to people and nature. By reconnecting existing fragmented natural areas or restoring damaged habitats, green infrastructure provides substantial added value to strengthening the ecological coherence of the Natura 2000 network.  
<http://ec.europa.eu/environment/nature/ecosystems/>

<sup>4</sup> Building in ecosystems' natural processes and structures, the term ecosystem service refers to the aspects of an ecosystem that are of direct or indirect benefit to humans.

<sup>5</sup> ten Brink et al. (2011)

**Public health:** Green space can improve life expectancy and decrease health complaints, providing opportunities for outdoor recreation and a sustainable means of preventing public health problems. Providing access to sites of high biodiversity interest, close to population centres, can therefore represent a cost-effective means of improving public health. There is therefore potential to use public health benefits (e.g. related budgets) as a reason to maintain Natura 2000 sites, and especially to fund access infrastructure and visitor facilities.

**Education, research and innovation:** Finally, Natura 2000 creates a range of opportunities for environmental education, research and innovation. Well-developed programmes on Natura 2000 sites across Europe have proved effective in drawing school groups to on-site classroom facilities, sites visits and outdoor learning opportunities. Natura 2000 sites also function as a ‘living library of science’ that conserves knowledge for future generations and provides material for a range of innovations. As such they provide an ideal setting for promoting and increasing the scientific understanding on ecosystem functioning, ecological interactions and provisioning of ecosystem services while also ensuring that traditional knowledge continues to be conveyed to future generations.

**Green infrastructure for risk management:** Natura 2000 sites, as part of broader green infrastructure, can perform a range of beneficial functions at comparatively low cost while at the same time maintaining their biodiversity values. For example, wetlands and sandy ridges can be important contributors to water security, retaining water quality through capturing excess nutrients and/or maintaining water quantity through groundwater renewal. Similarly, Natura 2000 sites (e.g. forested mountain areas, fire resistant vegetation patches) can help to protect against natural hazards such as wild fires, mud floods, avalanches and extensive erosion. In a number of cases, maintaining or restoring ecosystems’ natural functions and/or structure can be used to complement and reduce the cost of operating conventional “grey” infrastructure or even completely replace it.

**Climate change mitigation and adaptation:** Natura 2000 sites are also an integral part of climate change mitigation providing significant benefits in terms of carbon storage (e.g. old growth forests, peat bogs) and sequestration (eg coastal marine habitats)<sup>6</sup>. Furthermore, the ability of Natura 2000 sites to protect against natural hazards also makes them an integral part of nature-based strategies to adapt to climate change. There is also growing evidence that biodiversity confers greater overall resilience within ecosystems. Natura 2000 sites therefore not only supply ecosystem services but they provide ideal conditions for such services to be enhanced and sustained within broader landscapes over time, even in the face of environmental change and increasing number of extreme events.

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<sup>6</sup> European Commission (2012a)

It is also important to note that Natura 2000 sites provide and/or maintain ecosystem services that results in socio-economic benefits both within and outside their boundaries, this way supporting sustainability and rural / regional development at landscape level. For example, Natura 2000 sites with fire resistant vegetation may limit the spread and intensity of forest fires at broader local and regional levels. Alternatively, the site itself can support several recreational and tourism activities within its borders but it can also be essential in attracting tourism to the region at large. This is especially the case with “flagship” national parks that are also part of the Natura 2000 network.

**Growth and jobs:** The EU 2020 Strategy (see section 1.2.2 below) identifies jobs and growth as high priorities for the EU and aims to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. In addition to the direct benefits associated with different ecosystem services Natura 2000 provides more general socio-economic benefits that arise from the ecological significance of the site but are not associated directly with a certain ecosystem service(s). Such broader benefits include direct and indirect employment supported by Natura 2000 site, direct expenditure of the reserve benefiting local businesses, and spending created by Natura 2000 site employees and volunteers supporting local economy.

Furthermore, Natura 2000 areas can provide a basis for a range of sustainable business opportunities, supporting structural adjustment and diversification of rural and regional economies. For example, nature-based tourism and recreation helps to create sustainable jobs, with clear positive impacts on broader regional economy. Also, an increasing amount of SMEs (small and medium-sized enterprises) are being created around biodiversity-based innovations. Consequently, Natura 2000 sites can play an integral role in supporting employment and fostering rural and/or regional prosperity.

Consequently, implementing the Natura 2000 network has an important role to play in job creation, both through the work required to restore and manage nature sites and by supporting the development of employment opportunities in rural areas. A recent report for the European Commission highlighted the opportunities and implications that delivering the EU 2020 Biodiversity Strategy will have for job creation and skills development, and estimated that by closing the current funding gap to allow full implementation of the Natura 2000, the EU could create an additional 122,000 FTE jobs<sup>7</sup>. The report highlighted the role of a range of EU funding instruments – notably EAFRD, EFF, LIFE+ and ESF, in delivering the EU’s biodiversity objectives in the labour market.

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<sup>7</sup> Jurado et al (2012)

**Box 1.1: Examples of Natura 2000 related benefits, ranging from local and regional to national and European**

**FOOD SECURITY** - A study of bee populations in 40 Natura 2000 Special Areas of Conservation (SACs) in Ireland confirmed that management which prioritizes the maintenance of a diversity of high-quality habitats within a broad network of PAs best facilitates bee conservation (Murray et al, 2012).

**CLIMATE CHANGE MITIGATION** – Natura 2000 sites store around 9.6 billion tonnes of carbon, equivalent to 35 billion tonnes of CO<sub>2</sub>, which is estimated to be worth between €607 billion and €1,130 billion (stock value in 2010) (Ding, Nunes and Markandya in ten Brink et al, 2011).

**HEALTH** - Examples from the EU show that accessible green space has the potential to provide a wide range of physical and mental health benefits, increasing our wellbeing, and reducing health care costs (BirdLife International, 2007). Obesity caused by physical inactivity is one of the biggest health risks in the EU, affecting over 200 million people, including three million children. In 99% of cases the overwhelming influence on the increase in obesity is environmental. An estimated 40% of the EU population are physically inactive, including 10–20% of children in some countries. Inactivity leads directly to serious conditions, such as heart disease and type II diabetes. In the UK, inactivity costs over €11,700 million annually, and there is evidence that the greater the natural diversity of a site, the more likely people will be to visit it regularly and therefore maintain exercise regimes (Bird, 2004).

**PROTECTION AGAINST NATURAL HAZARDS** - A major coastal re-alignment project initiated in 2002 with the objective of restoring Natura 2000 salt marshes in Essex is estimated to provide approximately £500,000 in benefits over the next twenty years through savings or new incomes on issues such as sea wall maintenance, water quality, flood defence, created ecotourism opportunities and waste water management (Russi et al, 2012).

**RECREATION AND TOURISM** - Visitor spending for Natura 2000 network was estimated at €50 to €90 billion in 2006 for 1.2 to 2.2 billion visitor days per annum, which generated an additional income between €50 and €85 billion (Bio Intelligence Service, 2011)

**EMPLOYMENT** - Full time equivalent (FTE) jobs needed in maintaining the Natura 2000 network have been estimated to annually amount to 6,728 with an overall average salary of €28,000 across the EU Member States (17 Member States, Gantioler et al, 2010). Tourism and recreation activities related to the Natura 2000 network have been estimated to support between 4.5 and 8 million FTE jobs (Bio Intelligence Service, 2011).

**SUPPORT TO RURAL LIVELIHOODS, REGIONAL DEVELOPMENT, SOCIAL INCLUSION** - Educational visits to nature reserves can help improve pupils' confidence, self-esteem and learning skills, as well as greater knowledge of, and confidence in, the natural environment. Contact with nature is also associated with improved behaviour and self-discipline, enhanced emotional development, reduced crime and aggression, and improved community integration (BirdLife International, 2007).

**1.2.2 Natura 2000 in the broader EU policy context**

The EU's overall strategy for 2020, the strategy for smart, sustainable and inclusive growth (Europe 2020 strategy) (COM/2010/2020), has set five ambitious objectives on employment, innovation, education, social inclusion and climate/energy, to be reached by 2020. These objectives have been translated into more concrete targets by means of seven flagship initiatives including the flagship initiative on 'A resource-efficient Europe' (COM/2011/21). In general, the Europe 2020 strategy and its

flagship initiatives direct the priorities for funding during the 2014-2020 funding period.

As highlighted above, activities supporting biodiversity conservation can - both directly and indirectly - translate into increased food and water security, employment, educational opportunities and cost-effective solutions for mitigating and/or adapting to climate change, increasing social inclusion in rural areas and/or within regions. Consequently, in addition to being the bedrock for nature conservation, a well-managed Natura 2000 network forms an essential element of supporting sustainable and inclusive growth within the Union in line with Europe 2020 strategy.

The Natura 2000 network is also a key attribute of EU's natural capital<sup>8</sup> and forms an integral part of EU's endeavours towards green economy. The EU Roadmap to a Resource Efficient Europe outlines key considerations for green economy in the EU context. It recognises that the economic prosperity and well-being of EU regions depend on their natural capital, including the maintenance of ecosystems and their goods and services. The Roadmap states that investing in natural capital, such as green infrastructure, often brings higher returns than constructed or manufactured alternatives, with lower up-front costs. It also emphasises that the loss of biodiversity can weaken the resilience of ecosystems, compromising the delivery of ecosystem services and making them more vulnerable to environmental shocks. This can further hinder – or even jeopardise – the possibilities for sustainable development in a region.

The Marine Strategy Framework Directive (2008/56/EC, MSFD) provides dedicated opportunities to further strengthen the protected area networks in marine areas. Article 13(4) requires Member States to include in their programmes of measures spatial protection measures contributing to coherent and representative networks of marine protected areas (MPAs), adequately covering the diversity of the constituent ecosystems, such as for example special areas of conservation pursuant to the Habitats Directive. Article 22 of the Directive specifically foresees that the implementation of MSFD, including its MPA related measures, is to be supported by EU financial instruments. This results in opportunities for creating synergies between the implementation of MSFD and the Habitats Directive.

Climate change mitigation and adaptation are important objectives for the EU, which has agreed to spend 20% of its budget for the 2014 to 2020 period on climate related expenditures. To achieve this aim, climate mitigation and adaptation actions will be mainstreamed into all the major EU programmes, in particular cohesion policy, energy and transport, research and innovation and by greening the Common Agricultural Policy. As highlighted above, Natura 2000 sites have an important role to play in climate change mitigation and adaptation. In March 2012 the European

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<sup>8</sup> Natural capital is an economic metaphor that refers to the limited stocks of biophysical resources found on earth, commonly used to refer to the socio-economic importance and value of nature in the context of green economy.

Commission made a proposal to harmonise accounting rules for emissions and removals from Land Use, Land Use Change and Forestry across the EU, with a view to incorporating agriculture and forestry into the EU's emission-reduction efforts (COM/2012/93). These developments offer strong opportunities to fund habitat restoration, creation and management measures on Natura 2000 sites that have climate mitigation and adaptation benefits.

The EU has recognised the benefits provided by ecosystem services by proposing a new Green Infrastructure Strategy (COM/2013/249) to promote the deployment of green infrastructure in the EU in urban and rural areas, including through incentives to encourage up-front investments in green infrastructure projects and the maintenance of ecosystem services, for example through better targeted use of EU funding streams and Public Private Partnerships. Natura 2000 sites have a central role to play at the heart of the EU's green infrastructure (which also includes smaller green spaces, features, habitats and corridors). The greater focus on green infrastructure may offer new funding opportunities for Natura 2000 sites capable of delivering a range of ecosystem services and benefits to society.

### **1.3 Investing in Natura 2000 in 2014-2020**

#### **1.3.1 *Financing needs***

Reaching the set goals of the Natura 2000 network requires a range of management measures to be taken at the site level (see section 3.13 below). It has been estimated that the financial investment for managing the Natura 2000 network are 5.8 billion EUR / year for the EU-27<sup>9</sup>. In general, around 2/3 of these costs are related to the ongoing management activities at existing sites with 1/3 of the costs being linked with one-off investments such as infrastructure and land purchase.

While part of these costs should be covered by national budgets Article 8 of the Habitats Directive states that the implementation of the Natura 2000 network is eligible for financial support from relevant EU funds. The EU Biodiversity Strategy towards 2020 (COM/2011/244)<sup>10</sup> reinforces this view by stating that better uptake and distribution of funding for biodiversity is needed across all available EU instruments. Furthermore, the EU has made an international commitment to substantially increase financial resources for biodiversity (Target 20 of Aichi Biodiversity Targets, agreed in Nagoya)<sup>11</sup>. The EU Biodiversity Strategy also calls for maximising co-benefits for biodiversity from various funding sources including funding for rural and regional development. As shown in section 1.2, investing in

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<sup>9</sup> European Commission (2011), Gantioler et al (2010)

<sup>10</sup> EC (2011)

<sup>11</sup> CBD (2012)



biodiversity conservation can be a cost-effective response to several other policy challenges including striving towards sustainable green economy, improving food and water security, and combating climate change.

It has been estimated that the financial allocations for Natura 2000 from the 2007 – 2013 EU budget are between 550 – 1,150 million EUR / year<sup>12</sup>. While this estimated level of current contribution should be considered a rough approximation only - as the lack of transparency and detail in the EU funds' budgetary allocations makes it difficult to estimate the overall EU contribution – it indicates that the current EU co-financing covers only 9-19 per cent of the estimated financing needs for the network. This leaves a lot of room for improvement in taking up the opportunities for co-financing Natura 2000 in 2014-2020. A variety of measures, ranging from improved integration of Natura 2000 into national and regional funding priorities to capacity building at local level (see Chapter 7), are required to address this challenge. At a national level, the Prioritized Action Frameworks (PAFs) developed to facilitate a more systematic use of different EU funds for Natura 2000 provide an opportunity to address the financing needs in a more structured way (see Chapter 3).

### **1.3.2 Available financing instruments**

Since 2007, most EU co-funding for the Natura 2000 network has been made available by integrating biodiversity goals into different existing EU funds or instruments. This 'integrated co-financing model' will continue to form the basis for EU funding for Natura 2000 also in 2014-2020, supporting the strategic goals to further embed the implementation of the EU's biodiversity policy into other relevant policy sectors and their financing instruments and, at the practical level, linking biodiversity goals with the broader management of land and natural resources.

The EU funds available for financing Natura 2000 during the period of 2014-2020 include:

- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime and Fisheries Fund (EMFF)
- European Fund for Regional Development (ERDF)
- European Social Fund (ESF)
- Cohesion Fund
- European financial instrument for the environment (LIFE)
- Framework Programme for research and innovation (Horizon 2020)

It is important to note that under the integrated framework only LIFE provides dedicated support to biodiversity and Natura 2000 whereas all other EU funding instruments are primarily targeted to deliver the EU goals on rural, regional, infrastructural, social and scientific development. While this usefully allows the integration of Natura 2000 into the broader rural and regional contexts by

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<sup>12</sup> Kettunen et al (2012)

highlighting the range of socio-economic benefits related to the sites (see section 1.2) it also makes the availability of funding for Natura 2000 dependent on the overall goals and characteristics of the given funding instruments (e.g. creates a need to demonstrate return on investment). Furthermore, it means that it is crucial for Member States to ensure that opportunities for financing Natura 2000 are duly picked up when making funds available at the national and regional level.

Given the cuts in the EU budget and resulting increasing competition between different funding priorities, it is foreseen that more innovative use of existing funds - based on the concepts of ecosystem services, green infrastructure and green economy as shown in section 1.2 above - supported by dedicated innovative financing mechanisms could provide an essential additional resource for delivering the EU biodiversity goals, e.g. supporting the implementation of Natura 2000 network. A range of new instruments such as Payment for Ecosystem Service schemes (PES), biodiversity offsets and different types of partnerships with businesses and other private funders, are increasingly encouraged to be used to complement the EU co-funding. The innovative use of existing EU co-funding mechanisms is integrated into the fund-specific analysis in Chapters 5 and Annex 3 whereas more detailed consideration on how broader innovative funding (eg a range of non-EU mechanisms) can complement that EU funds is given in Chapter 7.

### ***1.3.3 Prioritized Action Frameworks (PAFs) - a more strategic approach for financing Natura 2000***

During the 2007-2013 funding period it became evident that to effectively implement the integrated co-funding approach cooperation and joint planning between different EU co-funding instruments was required. Consequently, in order to strengthen coordination and integration, co-financing of the Natura 2000 network in the 2014-2020 funding period will be carried out in the context of Prioritized Action Frameworks (PAFs).

The development of PAFs is based on the provisions of Article 8 of the Habitats Directive. The purpose of these documents is to establish a common national framework for implementing Natura 2000 within the context of the relevant EU financial instruments. In other words, PAFs are planning tools aimed at identifying required Natura 2000 conservation priorities and management measures as well as their related costs and potential financing sources, matching the former with the latter. Therefore, PAFs can help Member States to better prepare themselves to achieve the favourable conservation status of the network. It is anticipated that the PAFs will be useful to identify and ensure the uptake of funding opportunities provided through EAFRD, EMFF, ERDF, ESF and Cohesion Fund. Furthermore, the PAFs can assist member states to identify both funding needs and opportunities that can be financed via LIFE or Horizon 2020 as well as through national funds. Furthermore, PAFs can be valuable in the development of integrated projects in the context of the LIFE (see Chapter 5).

To give an example of integrated and complementary approach to financing Natura 2000: EAFRD could be identified as the most appropriate funding source for management of traditional rural landscapes, with possible links to possibilities for recreation and tourism in rural areas; EMFF could focus on supporting the maintenance of marine and coastal sites, with co-benefits to sustainable fisheries and marine wildlife tourism; ERDF and/or Cohesion Fund could be foreseen to finance the restoration of wetlands, with possible links with creating nature-based green infrastructure for water purification and/or carbon storage, while ESF could be used to increase stakeholders' capacity to establish relevant partnerships for such novel initiatives. LIFE projects could then focus on management priorities that cannot be covered under any of the other EU funds.

It is to be remembered, however, that PAFs are not foreseen to provide commitments for actual allocations under different funds but rather provide the framework for their uptake within Member States. In other words fund-specific Operational Programmes (OPs) (see Chapter 4) remain the 'implementing tools' for PAFs and, in order to seize funding opportunities, the measures included in OPs should be coherent with priorities identified in PAFs. Consequently, it is crucial that these programmes are consistent with PAFs to ensure the achievement of the goals of the Habitats Directive. Therefore, a systematic approach (as presented in the PAF Toolkit in section 3.3.1 below) should be taken to crosscheck the content of national and regional programmes with both PAFs and the funding opportunities identified with this Handbook is required, both at EU and Member State level. Section 3.3 provides guidance on how to do this.

National and regional PAFs were expected to be ready by the end of 2012 – early 2013<sup>13</sup>, before OPs are finalized. As a result, the PAFs can have the strongest possible influence during the planning of the 2014-2020 financial period and especially during the drafting of the national and regional programmes for the use of the EU funds. By identifying the funding needs of Natura 2000 and locating funding opportunities, Member States have the potential to develop a comprehensive funding plan for the 2014-2020 financing period.

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<sup>13</sup> It is noted that the year 2013 is of high importance for the completion of the PAFs, since they could play a decisive role when the Partnership Agreements and indicative allocations and programmes for the EU funds are negotiated between the Member States and the European Commission.

## 2 WHO AND WHAT THE GUIDANCE HANDBOOK IS FOR AND ITS BENEFITS

### 2.1 Who is the Guidance Handbook for?

This Guidance Handbook ('the Handbook') is primarily intended for the authorities responsible for the financing Natura 2000 at the national or regional level. The Handbook aims to assist these authorities in identifying the opportunities for financing of Natura 2000, particularly with regard to EU funds, and fully incorporating them into national and regional funding programmes (OPs) in the Union's financing period 2014-2020.

The Handbook could also be a useful instrument for authorities involved in the development of management plans for specific sites as it can provide valuable ideas as to how specific management measures could be financed in future. Moreover managers of Natura 2000 sites know quite well which measures are important and need to be financed and they could provide their experience and information to the relevant authorities that are responsible for formulating the national and regional programmes.

The analysis of the funds highlights opportunities for the different target groups of potential beneficiaries (i.e. those 'end-users' of Community funds who actually carry out activities related to Natura 2000 sites) including administrations, farmers, foresters, fishermen and aquaculturists, private land owners, public land owners, land managers, non-governmental organisations (NGOs), education organisations and Small and Medium Size Enterprises (SMEs). Details of the target groups and site types are given in the definitions and descriptions section. Even though the content of this Handbook does not directly address these target groups, it should help these groups and their representative organisations to be more informed about the planning being undertaken by national and regional authorities. Through use of this Handbook, national and regional authorities are invited to consider all potential target groups mentioned above.

### 2.2 What is the Handbook for - what are the benefits?

This Handbook aims to provide an accurate and up-to-date resource to identify the opportunities available for EU co-financing of Natura 2000 in the 2014–2020 funding period under the different instruments including:

- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime and Fisheries Fund (EMFF)
- European Fund for Regional Development (ERDF)
- European Social Fund (ESF)
- Cohesion Fund
- European financial instrument for the environment (LIFE)
- Framework Programme for research and innovation (Horizon 2020)

The Handbook can be used by national and regional authorities when planning the use of EU funds for Natura 2000 (e.g. completing, updating and/or implementing PAFs) in order to identify complementarities and synergies among the various financial instruments, while avoiding duplication and overlaps. The Handbook also supports the crosschecking of consistency between PAFs and national and regional Operational Programmes (OPs) (see section 3.3 below). Although some of the national programme planning for 2014-2020 is already at its final stages, the overall process of drawing up, approving and implementing programmes and selecting projects is still ongoing.

Furthermore, the Handbook could be used by a range of on-site stakeholders (e.g. site managers) to identify new ideas for financing different management measures. For example, a range of individual measures could be financed as a part of broader rural and regional projects not primarily focused on biodiversity (see Chapter 3 below).

Finally, the Handbook aims to highlight how EU co-funding could be complemented by different innovative non-EU funding sources, with a view to ensure adequate overall funding for the network in the light of reduced budget and increasing competitions.

In summary, the Handbook will

- signpost possibilities for funding Natura 2000 at the EU level, while drawing attention to funding options that may not be immediately obvious;
- help to check which management measures can be co-funded from the EU funds and where funding from other sources is required;
- highlight win-wins between financing Natura 2000 and achieving broader socio-economic benefits (e.g. links between Natura 2000 management measures with the thematic objectives for EU funding in 2014-2020);
- provide a reference when drafting PAFs and ensuring the consistence between PAFs and OPs;
- help in providing general understanding of the fund-specific regulations at an operational level;
- help to indicate how EU co-funding could be complemented by innovative funding opportunities;
- help to systematically check whether all known funding opportunities are taken up;
- support for the future review of national and regional programmes; and
- provide important background information when developing and/or updating Natura 2000 management plans.

It is to be noted that the Handbook focuses on analysing co-funding opportunities at the EU level, therefore presenting options that are, in principle, available at the national and regional level. However, concrete funding possibilities for Natura 2000 in 2014-2020 will be determined by the national and regional programmes prepared by the Member States and adopted by the Commission.

It is also to be noted that the Handbook does not cover funding for all the measures that are necessary to implement the Habitats and Birds Directives (e.g. elaboration of species action plans separate from site management). Its coverage is limited to only those activities that relate to Natura 2000 sites.

The analysis of the 2007- 2013 funding period shows that the funding opportunities provided by different funds have not been taken up fully<sup>14</sup>. Further dedicated efforts are therefore needed to ensure the integration of Natura 2000 into the Community funding instruments.

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<sup>14</sup> Kettunen et al (2012)



### **3 DEFINITIONS, STRUCTURE, CONTENT AND APPLICATION**

#### **3.1 Definitions**

##### **3.1.1 *Target groups***

This document aims to provide advice to the relevant authorities in the Member States responsible for formulating the national and regional programmes in the 2014-2020 funding period. Authorities are invited to consider all potential target groups that could carry out activities related to Natura 2000 sites. Table 3.1 sets out the categories of target groups involved. The categories have been defined in order to distinguish those with legal interests in land (e.g. owners, lessees) from others.

##### **3.1.2 *Types of Natura 2000 sites***

Table 3.2 sets out the types of Natura 2000 sites that were included in the analysis of the regulations presented in the next section. The Handbook invites the national and regional authorities - and other users - to consider the types of Natura sites listed below.

##### **3.1.3 *Types of activities***

Different activities related to the management of Natura 2000 sites have been categorised and set out in the Table 3.3 below. The purpose of this classification is to help to identify which activities (e.g. ongoing vs. one-off activities) are eligible for funding under different funds.

The list of 25 activities used on the context of this Handbook has been adopted from the list included in Annex 3 to the Commission's Communication on Financing Natura 2000 (COM(2004)431 final), which was in turn derived from the list of categories determined by the Article 8 Working Group and included in their Final Report on Financing Natura 2000.

##### **3.1.4 *Types of socio-economic benefits***

The main types of socio-economic benefits associated with the Natura 2000, arising from appropriate management of sites have been categorised in the Table 3.4 below. The purpose of this classification is to help to systematically highlight key benefits associated with the management of sites and to use these identified benefits to link different Natura 2000 management measures with the overall objectives of different funds (rural and urban development, investment etc.). Furthermore, the aim is to demonstrate how management of Natura 2000 is in line with the different broader EU objectives for 2020.

It is to be noted that ecosystem resilience, while considered to be one of the underlying benefits supported by Natura 2000 network is not included in the

categorisation. This is because all measures supporting the management of Natura 2000 sites are considered to directly contribute to maintaining this benefit.

**Table 3.1: Target groups**

Category	Description
Public administrations	Public administrations are government bodies and public advisory bodies, at national, regional or local level. Public administrations include: government agencies such as departments and ministries, regional bodies such as local government, water and health authorities, etc. Advice under this heading is directed at administrations that advise on land management but do not own land.
Farmers	Individuals or organisations involved in commercial agricultural activities.
Foresters	Individuals or organisations involved in commercial forestry activities.
Private landowners	Private individuals or organisations that own land (e.g. private forest owners). May include those involved in non-commercial activities on land (not Farmers. and foresters).
Public landowners	Public organisations and administrations that own land (e.g. public forest owners). May include those involved in non-commercial activities on land (not farmers and foresters).
Fishermen and aquaculturists	Individuals or organisations involved in commercial fisheries and aquaculture activities.
Land managers	Individuals or organisations that manage land, but do not own it. May include those involved in non-commercial activities on land (not farmers and foresters).
NGOs	Non-governmental organisations that neither own nor manage land but wish to support Natura 2000.
SMEs	Small and medium sized enterprises as defined in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, p. 36-41, of 20 May 2003).
Educational organisations	Organisations involved in providing educational programmes.
Others	Other individuals or organisations that do not fall into any of the previous categories.

**Table 3.2: Types of Natura 2000 sites**

Category	Description
Agricultural land	Utilised agricultural area only, including orchards under cultivation.
Forests	Forests, including multifunctional agrosilvopastoral systems known as dehesa or montado.
Other terrestrial land	Includes alpine areas, garigue, all other areas that are not included in the other categories (e.g. pasture that is not classified as utilised agricultural area). Includes abandoned farmland and orchards.
Inland waters	Rivers, lakes, freshwater.
Wetlands	Marshes, swamps, bogs, peatlands, estuaries <u>Note:</u> may be some cross-over with coastal areas.
Coastal areas	Sand dunes, beaches, mud flats, inshore waters (out to 12 nautical miles). <u>Note:</u> may be some cross-over with wetlands).
Marine areas	Offshore marine areas (outside 12 nautical miles).

Table 3.3: Natura 2000 management measures

No.	Category	Measure	Description
1	Establishment of Natura 2000 sites	Administration of site selection process	Funding for authorities carrying out the selection process
2		Scientific studies/inventories for the identification of sites – surveys, inventories, mapping, condition assessment	Scientific studies, research personnel, workshops and meetings, assembly of databases etc.
3		Preparation of initial information and publicity material	Handbooks, seminars, workshops, communication materials for training and capacity building etc.
4		Pilot projects	Initial 'trial' projects at sites
5	Management planning	Preparation of management plans, strategies and schemes	Elaboration and/or update of management and action plans, land use plans etc.
6		Establishment of management bodies	Start-up funding, feasibility studies, management plans etc.
7		Consultation - public meetings, liaison with landowners	Including costs incurred for the organisation of meetings and workshops, the publication of consultation outcomes, financial support of stakeholders, etc. Can include networking activities (travel, meetings, workshops etc.)
8		Review of management plans, strategies and schemes	Review and updating of management plans and strategies
9		Running costs of management bodies (maintenance of buildings and equipment)	Running costs incurred to meet depreciation of infrastructure, consumables, travel expenses, rents, leases etc.
10		Maintenance of facilities for public access to and use of the sites, interpretation works, observatories and kiosks etc.	Costs related to guides, maps, related personnel etc.
11		Staff (conservation/project officers, wardens/ rangers, workers)	Ongoing staff costs
12	Ongoing habitat management and monitoring	Conservation management measures - maintenance and improvement of habitats' favourable conservation status	Restoration work, provision of wildlife passages, management of specific habitats, preparation of management plans etc.
13		Conservation management measures - maintenance and improvement of species' favourable conservation status	Restoration work, provision of wildlife passages, management of specific species (flora and fauna), plans etc.
14		Conservation management measures in relation to invasive alien species (IAS)	Restoration work, infrastructure, management of specific species, preparation of management plans etc.
15		Implementation of management schemes and agreements with owners and managers of land or water for following certain prescriptions	Includes: <ul style="list-style-type: none"> <li>• Agri-environmental measures, e.g. wildlife-friendly production methods, habitat restoration on agricultural land, extensive livestock breeding, conservation of meadows, etc.</li> <li>• Forest-environmental measures, e.g. creation of no exploitation zones, retention of dead wood, control or eradication of invasive alien species, afforestation or reforestation activities, management of specific vegetation, etc.</li> <li>• Aqua-environmental measures, e.g. habitat maintenance in aquaculture zones etc. (relates to aquaculture rather than fishing)</li> <li>• Other possible agreements such as PES schemes, public-private partnership with business etc.</li> </ul>
16		Provision of services; compensation for rights foregone and loss of income; developing acceptability 'liaison' with neighbours	Costs of compensation, e.g. to farmers, foresters or other land owners or users for income forgone as a result of management prescriptions needed for Natura 2000
17		Monitoring and surveying	Refers mainly to one-off costs related to monitoring and surveying activities, such as development of monitoring plans, methods and equipment, training of personnel etc.

No.	Category	Measure	Description
18		Risk management (fire prevention and control, flooding etc.)	Preparation of wardening and fire / flood control plans, development of relevant infrastructures, and the acquisition of equipment etc.
19		Surveillance of the sites (ongoing)	Includes on-going surveillance, wardening and patrolling activities. Can include personnel costs, consumables, travel, etc. in order to implement surveillance and guarding activities, including surveillance for the control of harmful recreational activities, the control of harmful economic activities, and protection against wildfires.
20		Provision of information and publicity material	Establishing communication networks, production of newsletters and awareness and information materials, setting-up and maintenance of internet pages, etc.
21		Training and education	Production of handbooks, seminars, workshops, communication materials etc.
22		Facilities to encourage visitor use and appreciation of Natura 2000 sites	Investment in maintaining facilities increasing the use and appreciation of sites such as signage, trails observation platforms and visitor centres etc.
23	Investment costs	Land purchase, including compensation for development rights	Purchase of land in service of environmental protection and management schemes
24		Infrastructure needed for the restoration of habitat or species	Includes an array of measures for the creation of infrastructures specific to the management of the environment, e.g. for water management in peat bogs and mines. Can include equipment acquisition relevant to the running of protection and management institutions and actions such as office and IT equipment, monitoring materials, boats, diving equipment, cameras, etc.
25		Infrastructure for public access, interpretation works, observatories and kiosks, etc.	Infrastructure for public use that is conducive to environmental protection and management, such as infrastructure increasing the amenity value of sites such as signage, trails observation platforms and visitor centres etc. Can include equipment acquisition relevant to the running of protection and management institutions and actions such as office and IT equipment, monitoring materials, boats, diving equipment, cameras etc.

Table 3.4: Socio-economic benefits provided by Natura 2000

Category	Description
Food security	Synergies with / possibilities to support sustainable food production, maintenance of soil fertility, maintenance of pollinators, maintenance of natural pest control etc.
Water security	Synergies with / possibilities to support to purification of water, prevention of water shortage / occurrence of draughts etc.
Climate change mitigation	Synergies with / possibilities to maintain / enhance carbon storage and/or sequestration
Climate change adaptation	Synergies with / possibilities to mitigate against climate-induced natural hazards (below), ensure resilience of ecosystem processes in changing climate, even out temperature difference etc.
Health benefits	Creating health benefits (mental and physical)
Protection against natural hazards	Prevention of flooding, storms, avalanches etc.
Recreation & tourism	Creating opportunities for recreation and tourism
Support and/or diversification of sustainable rural livelihoods	Creating green, Natura 2000 related business opportunities (tourism, recreation, markets for certified products etc.)
Employment	Creating jobs (site management and Natura 2000 related business opportunities)
Cultural and natural heritage	Maintaining species and habitats with cultural significance (scenic views, iconic landscapes, culturally importance species etc.)
Education	Providing opportunities for environmental education
Research and innovation	Providing opportunities for research and innovation (hosting potential species relevant for pharmaceutical industry etc.)

### 3.2 Structure and content

The Handbook adopts the following structure:

Firstly, information on the different EU funds, including a summary of fund-specific articles, is provided in **Chapter 4**. This Chapter gives a brief description of the aims of the fund, the programming process, and list the articles that are relevant to Natura 2000. Systematic links between Natura 2000 management activities and broader agreed objectives of EU co-funding is also given in Chapter 4, laying the ground for the measure-specific analyses under Chapter 5 and Annex 3.

Information on funding possibilities under different EU funds in relation to the 25 measure types is presented in a series of analytical tables (**Chapter 5, supported by detailed analysis in Annex 3**). These tables provide references to the articles of the EU regulations that are foreseen to be relevant for the activity in question. The analysis of opportunities that is presented in the tables in Chapter 5 and Annex 3 is based on the text of the EU regulations (draft, or final where available) for each individual fund.

In Annex 3, in relation to each article the following information is provided:

- Article number
- Article's subject (title)
- Possible target groups
- Examples on how to use a given article in managing Nature 2000 sites
- Examples of socio-economic benefits associated with the management activity

Summary of the key lessons learned during the 2007-2013 funding period on how to achieve integration of Natura 2000 measures into other EU funds in practise is provided in **Chapter 6**. This information aims to highlight a number of key identified bottle necks in achieving integration and highlight solutions on overcoming them.

Information on the possibilities to complement EU co-funding with novel, non-EU funding mechanisms is provided in **Chapter 7**. This Chapter presents an overview of the range of possible instruments available and then proceeds to providing guidance on how suitable these different instruments might fund different Natura 2000 measures and/or how they might coincide with different EU funds.

References used in the context of this Handbook, together with key information sources, are provided in **Chapter 8**. This information is complemented with contact information for different relevant authorities in Member States (national and regional) for different funds.

Finally, concrete stand-alone examples of projects funded under different funds in 2007-2013 are given in **Annex 1**. These examples provide evidence on how different EU funds have been successfully used to implement the integrated co-funding model

while, at the same time, providing a range of socio-economic benefits and supporting sustainable rural and/or regional development.

### 3.3 Application and interpretation

The European funds analysed in the context of this Handbook each operate in accordance with the systems and requirements set out by a common EU framework and fund-specific regulations (see Chapter 4). Therefore, it is important to keep in mind that the identified funding possibilities are always subject to the broader context and objectives of the regulation (e.g. rural and regional development) and in some cases the article itself can be limited to a certain context (e.g. risk prevention, renewable energies). The analysis under Chapter 5 and Annex 3, including examples of possible eligible activities under different measure-article combinations, takes this context specificity into consideration.

Opportunities available will need to be in line with the set overall thematic objectives for EU co-funding. During the 2014-2020 funding period these thematic objectives are outlined in the context of the Common Provisions Regulation (CPR) consisting of altogether 11 objectives identified under the CPR (see Chapter 4 below). In order to help users to link funding for different Natura 2000 measures with the broader objectives, key socio-economic benefits associated with different measure-article combinations, reflecting the 11 thematic objectives, are systematically identified throughout the analysis.

In general, the purpose of this Handbook has been to identify as many funding opportunities as possible, with a view to be innovative in the use of different funds. Consequently, in addition to the foreseen most direct opportunities to fund Natura 2000 (e.g. articles specific to Natura 2000) the analysis under Chapter 5 and Annex 3 also identifies a range of indirect and/or 'creative' opportunities for funding. The latter opportunities are not foreseen to lead into a dedicated project on their own but rather be taken up in the context of broader rural and/or regional projects that are relevant - but not specific to – Natura 2000. Such opportunities include, for example, financing the integration of Natura 2000 into regional risk management plans and/or education curricula and improving transport infrastructure to sustainably reach Natura 2000 sites. In practise, taking up these indirect opportunities requires a proactive approach, including contacts to a broader group of rural and regional stakeholders. A systematic colour coding has been applied throughout the analysis in Chapters 4 and 5 to help the user of this Handbook to differentiate between direct and indirect opportunities.

In practise, a majority of the EU funds operate according to a programming process with shared management of funds between EU and Member States and concredited decisions on funding priorities taking place at national and regional level. Therefore, it is important to note that the opportunities identified at the EU level (i.e. opportunities under different regulations and articles) are only indicative and the availability of the funds for a particular activity 'on the ground' will depend on their



implementation through fund-specific programmes. In practise, the concrete opportunities are based on a combination of several strategic and operational documents and their implementation, including:

- Text in the regulation, as published in the Official Journal.
- The contents of strategic programmes and plans, drawn up by the Member States at the national level and accepted by the Commission, including Common Strategic Framework and Partnership Agreements for EAFRD, EMFF, ERDF, ESF and Cohesion Fund (See Chapter 4 for further information).
- The contents of regional and/or national Operational Programmes (OPs) under EAFRD, EMFF, ERDF, ESF and the Cohesion Fund, and national annual work programmes under LIFE.
- Implementation and management of fund-specific programmes, including the involvement of relevant environmental authorities.

These different levels of programming allow each Member State and/or region to identify the issues that are of most concern locally, and prioritise funds in order to address these issues. The amount of detail included at each level varies for each fund. For example, the Operational Programmes to be developed under EAFRD (i.e. rural development programmes) and EMFF, respectively, will contain very detailed descriptions of individual measures that can be funded. By contrast, Operational Programmes required under ERDF, ESF and the Cohesion Fund are more strategic and will often not contain detailed descriptions of measures. At the national and regional level, Ministries of Finance, Environment, Agriculture and Development (amongst others) have been involved in drafting programmes for use of EU funds. The Commission does not have primary responsibility for determining the contents of these programmes, but has a role in checking that programmes are in line with EU priorities as set out in the regulations or other strategic documents.

Given the above, users of the Handbook should note that the funding opportunities (i.e. different fund-specific articles) listed in Chapter 4 and analysed in Chapter 5 do not lead to identical opportunities in all Member States. The management of Natura 2000 sites is likely to consist of a set of measures that, depending on the site in question, may be funded through different European funds, and different Articles.

Finally, this Handbook focuses on providing information only on the Community funds. Therefore, it is not intended to be a replacement for carrying out regional or local research on funding opportunities. Many Member States operate funding programmes that are independent of EU funds, but applicable to Natura 2000 sites. Such funds can play a crucial role in financing a range of measures that fall outside the scope of EU co-funding. Furthermore, Chapter 8 encourages users of this Handbook to also explore the possibilities for innovative financing to complement often limited EU funds. Concrete opportunities for innovative financing can mainly be determined at the regional or local level.

### **3.3.1 *Application of this Handbook in the context of PAFs and OPs***

In addition to general guidance, this Handbook aims to provide specific support to the process of completing, updating and/or implementing PAFs, including crosschecking the consistency between PAFs and fund-specific programmes.

A dedicated Toolkit, available via [www.financing-natura2000.eu](http://www.financing-natura2000.eu), has been developed in parallel to this Handbook. The Toolkit provides two checklists aimed at assessing the consistency of PAFs with fund-specific OPs. In principle, the developed PAFs should identify all relevant Natura 2000 financing needs, related management measures and suitable funding sources at national level. Consequently, these identified measures should be integrated in the fund-specific national and/or regional OPs.

The 2014-2020 funding period will be the first time when OPs and PAFs are used together as programming tools for funding Natura 2000. Therefore, it will be very useful to assess the needs, measures and funding sources recognised in PAFs and OPs against the full range of EU-level opportunities identified in the Handbook.

## 4 DESCRIPTIONS OF FUNDS

### 4.1 General frameworks for funding in 2014-2020

The implementation of five Community funds used to financing Natura 2000, i.e. EAFRD, EMFF, ERDF, ESF and Cohesion Fund (also called European Structural and Investment Funds, ESI funds), will continue to be shared between the Member States and EU with concrete priorities being decided at national and regional levels. During the 2014-2020 funding period, the implementation of the ESI funds will take place according to joint common provisions as set out by Common Provisions Regulation (CPR) (COM2011/615). This joint approach aims to ensure an integrated use of the funds to deliver a set of common thematic objectives (see Table 4.1).

LIFE and Horizon 2020 continue to be centrally managed by the Commission, operating outside the above common framework on a basis of annual project calls from the Commission. However, in order to ensure synergies and consistency between the different funds, a number of strategic links are foreseen to be established between LIFE / Horizon 2020 and the joint framework for other funds. These include, for example, structured cooperation between LIFE Integrated Projects and programmes under the Common Strategic Framework (see sections below).

#### 4.1.1 EAFRD, EMFF, ERDF, ESF and Cohesion Fund

Under CPR, the Common Strategic Framework (CSF) establishes the implementation and coordination mechanisms, therefore providing the strategic direction for programming funds at the national and regional level.

One of the key functions of CPR is to identify thematic objectives that can be supported during the 2014-2020 funding period. These thematic objectives are outlined in Table 4.1 below. The table also identifies synergies between the objectives and management of Natura 2000. As well as their core objectives of conserving species and habitats, Natura 2000 sites are capable of contributing to a wider range of EU objectives (Chapter 2). This opens opportunities to use EU co-funding instruments in new ways to fund the management of Natura 2000 sites (see Annex 3 for more detailed analysis).

Dedicated fund-specific regulations (i.e. regulations analysed in the context of this Handbook) set out specific provisions concerning the different funds, determining the more detailed scope of intervention under each fund, e.g. defining more concrete investment priorities for the five funds under the CPR. In addition, the regulations also set out common indicators for monitoring support, including indicators for environment related investments.

The national and regional framework for implementation in 2014-2020 consists of a range of national and regional programming instruments – Partnership Agreements

and Operational Programmes. Partnership Agreements (PAs) will be agreed between the European Commission and each Member State, describing the approach taken by Member States in the prioritisation of the different thematic objectives under the different funds operating under CPR (i.e. one PA per MS adopted, covering all funds). PAs will be binding documents, with obligations on the part of the Member State. Operational Programmes (OPs) are drawn up by Member States authorities and they form the most concrete tools for implementation containing, for example, funding priorities, specific objectives and measures and related financial appropriations. Unlike PAs, OPs are fund-specific and they can consist of single national and/or multiple regional programmes per fund.

For all funds implemented under CPR, the Commission is adopting a single methodology for Community Led Local Development (CLLD). CLLD provides bottom-up opportunities across all CPR funds (similar to EAFRD LEADER) that are based on local action strategies, aimed specifically at mobilising and involving local communities and organisations (European Commission, 2012c). Local actors are responsible for developing their strategies and apply for funding in 2015. However, for CLLD to be eligible Member States have to incorporate this measure in their Partnership Agreements. As demonstrated by the LEADER approach, CLLDs can be well-suited for incorporating biodiversity issues into local development and therefore form a source of funding for managing Natura 2000.

**Table 4.1: EU thematic objectives for co-funding in 2014-2020 with examples on how investing in management of Natura 2000 can support these objectives. These synergies are further developed in the measure-specific analyses in Annex 3.**

**Note:** Thematic objectives that are most directly relevant for Natura 2000 are highlighted. However, it is also to be noted that the other thematic objectives can provide numerous indirect, synergy-based opportunities for financing Natura 2000. Thematic objectives 8-11 are mainly foreseen to be covered by the European Social Fund (ESF).

EU thematic objective	How investing in Natura 2000 is synergic with thematic objective?	Key socio-economic benefit See Annex 3 for detailed analysis
<b>Thematic objective 1:</b> Strengthening research, technological development and innovation	Well-managed Natura 2000 sites help to promote and increase the scientific understanding on ecosystem and they can form a source for a range of nature-based innovations for bioeconomy (eg biotechnology, pharmaceuticals and sustainable nature-based solutions for natural resources management).	Research and innovation
<b>Thematic objective 2:</b> Enhancing access to and use and quality of information and communication technologies (ICT)	Establishing cooperation between ICT and Natura 2000 sites to develop solutions that can support, test and/or pilot innovative e-solutions (e.g. environmental monitoring such as citizen monitoring, environmental governance, public access to information etc.). When developed and tested, such solutions can help to improve the management of Natura 2000 sites.	Research and innovation
<b>Thematic objective 3:</b> Enhancing the competitiveness of SMEs	Implementing Natura 2000 management goals while creating direct opportunities for SMEs including opportunities related to recreation and tourism and development of sustainable value added products; enhancing the competitiveness of SMEs indirectly via providing nature-based solutions that enhance the resource efficiency of SMEs, e.g. cost-effective solutions for water management.	Employment Support and/or diversification of sustainable rural livelihoods Recreation and tourism
<b>Thematic objective 4:</b> Supporting the shift towards a low-carbon economy in all sectors	Utilising Natura 2000 areas to provide low-carbon solutions for different sectors, for example using nature-based solutions such as restoration of Natura 2000 peat lands to sequester carbon, managing grassland areas Natura 2000 with a purpose to maintain / enhance soil carbon stocks.	Climate change mitigation
<b>Thematic objective 5:</b> Promoting climate change adaptation, risk prevention and management	Utilising Natura 2000 areas to provide nature-based cost-effective solutions to address environmental risks, including risks related to increased extreme events: restoring natural vegetation in Natura 2000 areas to mitigate wild fires risks, restoring wetlands to support water security, managing to maintain healthy pollination populations to support food security etc.	Climate change adaptation Protection against natural hazards Food security Water security Health benefits

<b>Thematic objective 6:</b> Protecting the environment and promoting resource efficiency [including investment in Natura 2000]	<p>Maintaining or restoring Natura 2000 sites' functions and/or structure can be used to complement and reduce the cost of operating conventional "grey" infrastructure or even completely replace it with green infrastructure (e.g. wetland restoration for water management).</p> <p>Improving quality of urban areas by restoring / managing Natura 2000 areas and their buffer zones (e.g. access to green areas, opportunities for recreation and support to mental and physical health).</p> <p>Promoting nature related self-employment and business creation, e.g. improvement / restoration of habitats linked with creation of sustainable bio-business such as tourism.</p> <p>Removal of excess biomass, such as restoration of overgrown coastal areas due to eutrophication, and using of biomass as biofuel.</p> <p>See also Thematic Objective 5 above.</p>	<p>Climate change adaptation</p> <p>Protection against natural hazards</p> <p>Food security</p> <p>Water security</p> <p>Health benefits</p> <p>Support and/or diversification of sustainable rural livelihoods</p> <p>Recreation &amp; tourism</p> <p>Cultural and natural heritage</p>
<b>Thematic objective 7:</b> Promoting sustainable transport and removing bottlenecks in key network infrastructures	<p>Developing nature-friendly transport corridors (e.g. new technology for over-passes and under-passes) as a part of larger transport network projects can support both Natura 2000 management and provide low-risk transport solutions. Development of low-carbon transport solutions can be used to sustainably increase visitor flows to Natura 2000 areas.</p>	<p>Support and/or diversification of sustainable rural livelihoods</p>
<b>Thematic objective 8:</b> Promoting employment and supporting labour mobility	<p>Implementing Natura 2000 management goals while creating direct and indirect employment opportunities: opportunities related to managing activities on the sites (e.g. seasonal employment related to ongoing management), opportunities related to tourism, opportunities related to production of Natura 2000 –branded produce etc.</p>	<p>Employment</p> <p>Support and/or diversification of sustainable rural livelihoods</p>
<b>Thematic objective 9:</b> Promoting social inclusion and combating poverty	<p>Natura 2000 related employment opportunities (thematic objectives 3 and 8) directly help to combat poverty in rural areas. Natura 2000 sites as green spaces provide a wide range of physical and mental health benefits, enhancing public wellbeing and health while reducing health care costs. Engaging minority groups to Natura 2000 related activities can help to increase social inclusion.</p>	<p>Support and/or diversification of sustainable rural livelihoods</p> <p>Health benefits</p> <p>Cultural and natural heritage</p>
<b>Thematic objective 10:</b> Investing in education, skills and lifelong learning	<p>Natura 2000 sites provide an ideal destination for educational visits enhancing knowledge of children and youth on the natural environment. Natura 2000 related opportunities for employment and/or resource effective solutions support lifelong learning within a range of economic sectors.</p>	<p>Education</p> <p>Support and/or diversification of sustainable rural livelihoods</p>
<b>Thematic objective 11:</b> Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations	<p>Developing solutions for institutional capacity and public administration by improving more integrated Natura 2000 management of and/or using Natura 2000 management as pilot example.</p>	<p>Support and/or diversification of sustainable rural livelihoods</p>



#### **4.1.2 LIFE Programme**

LIFE Programme funding will be based on a flexible approach with the Commission in consultation with the Member States being responsible for developing Multi-annual Work Programmes. The first programme will run for 4 years and the second for 3 years. They will lay out the allocation of funds between different LIFE priority areas within each sub-programme (see section 4.7 below), selection and award criteria for grants, and a list of project topics implementing the thematic priorities. The topics included in the work programmes will not be exhaustive in order to allow applicants to submit proposals in other areas as well and to incorporate new ideas and react to new challenges.

Within the framework of the Multi-annual Work Programmes, the Commission publishes annual calls for project proposals. Member States receive and collect the individual proposals and put them forward to be considered by the Commission. Finally, the Commission decides which projects should receive funding from the annual LIFE budget. When selecting the projects priority is given to projects making the greatest contribution to EU-wide environmental objectives, including transnational projects. Based on the experience gathered in the implementation of the multi-annual work programme, the Commission will analyse whether sufficient number of projects for a given area of action have been funded and, based on that, may make adjustments to the LIFE thematic priorities.

#### **4.1.3 Horizon 2020**

The EU co-funding to support research and innovation (R&I) will be based on a Specific Programme Implementing Horizon 2020, a single programme that sets out specific objectives and rules for implementation. The programme will be implemented through specific Work Programmes established for each of the themes under Horizon 2020 (see section 4.8 below).

Work Programmes set out the objectives, expected results, methods of implementation and total financial allocations for different themes. They also contain a description of the actions to be financed, an indication of the amount allocated to each action, an indicative implementation timetable, as well as a multi-annual approach and strategic orientations for the following years of implementation.

Finally, the concrete project opportunities, including possible elements focusing on / relevant to managing Natura 2000, are defined by theme specific calls from the Commission and the respective proposal by European R&I institutes and researchers.

**Table 4.2: Timeline for programming and implementation of EU funds**

Action	Date
Adoption of national Partnership Agreements, covering all five funds operating under CPR	[TBC]
Member States submit to the Commission their proposals for <ul style="list-style-type: none"> <li>• Rural development programmes (RDPs) under EAFRD</li> <li>• National OPs under EMFF</li> <li>• OPs under ERDF, EFS and Cohesion Fund</li> </ul>	[TBC]
OPs / RDPs approved by the Commission and adopted by means of implementing acts	[TBC]
LIFE first Multi-annual Work Programme adopted	[TBC]
Horizon 2020 Work Programmes adopted	
Partnership Agreements, PAs and OPs / RDPs enter into force	1 January 2014
LIFE and Horizon 2020 enter into force	1 January 2014
Calls for proposals under LIFE and Horizon 2020 are initiated	[TBC] and annually thereafter

## 4.2 European Agricultural Fund for Rural Development

Draft Council Regulation (COM/2011/627) of 19 October 2011 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

### 4.2.1 Objectives

EAFRD is foreseen to achieving the following objectives as set out in Article 4 of the Regulation:

1. competitiveness of agriculture
2. sustainable management of natural resources, and climate action
3. balanced territorial development of rural areas

The priorities of the EAFRD, in line with the overall EU thematic objectives (Table 4.1), are set out in Article 5 of the Regulation and outlined below.

Note: The priorities most relevant in the context of Natura 2000 are highlighted in bold.

1. Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on a) innovation and the knowledge base in rural areas, b) strengthening the links between agriculture and forestry and research and innovation and c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.

2. Enhancing competitiveness of all types of agriculture and enhancing farm viability, with a focus on a) restructuring of farms facing major structural problems and b) facilitating generational renewal in the agricultural sector.
3. Promoting food chain organisation and risk management in agriculture, with a focus on a) integrating primary producers into the food chain and b) supporting farm risk management.
4. **Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry, with a focus on a) biodiversity, including Natura 2000 areas and high nature value farming, and the state of European landscapes, b) improving water management and c) improving soil management.**
5. **Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on a) efficiency in water use by agriculture, b) efficiency in energy use in agriculture and food processing, c) supply and use of renewable sources of energy, of byproducts, wastes, residues and other non-food raw material for purposes of the bio-economy, d) reducing nitrous oxide and methane emissions from agriculture and e) carbon sequestration in agriculture and forestry.**
6. Promoting social inclusion poverty reduction and economic development in rural areas with a focus on a) diversification, creation of new small enterprises and job creation, b) local development in rural areas and c) accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

#### **4.2.2 EAFRD programming and funding**

The EAFRD will be implemented in the Member States through rural development programmes (RDPs). RDPs are required to build on an ex-ante evaluation of funding needs in specific countries and regions. Need analysis will underpin the choice of programme objectives contributing to the EU thematic priorities, budget allocations in relation to these objectives, and design of the packages of measures to deliver benefits for these objectives. Among other things, the Regulation stipulates that rural development programmes need to demonstrate a pertinent approach towards the environment, including the specific needs of Natura 2000 areas (Article 9 (c) of the Regulation).

A Member State may develop either a single programme for its entire territory or a set of regional programmes. Member States with regional programmes may also develop a national framework containing common elements for these programmes without a separate budgetary allocation. Member States may also include within their RDPs thematic sub-programmes, aimed to address specific needs identified under Article 8 and Annex 3 of the Regulation. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area. Regardless of the chosen structure of programme(s), it is highly important for Member States to develop integrated packages of measures under Pillar 1 and Pillar 2 (EAFRD) to

ensure economic viability of Natura 2000 farms, and then embed funding to specific Natura 2000 activities in these packages (see Box 4.1).

**Box 4.1 Use of EAFRD in the context of broader CAP payments**

Natura 2000 farming systems are often labour-intensive. Their economic viability is in many areas under threat due to difficult access to markets, product processing facilities, and economic pressures to abandon traditional methods or cease managing land entirely. Ensuring the stability of farm incomes, investing in farm infrastructure and farmers' capacity is a high priority in Natura 2000 systems.

Integrated packages of measures from CAP Pillar 1 and Pillar 2 should be therefore carefully designed to support the viability and continuation of the whole farming system first of all. Support to management practices for Natura 2000 habitats and for activities for Natura 2000 implementation should complement the package. In situations where only a part of a farm is in Natura 2000, for example in alpine areas, ensuring the viability of a whole farm is a pre-condition. In 2014-2020, the proposed Pillar 1 measures that can support economic viability of Natura 2000 systems are basic payment scheme, small farmers scheme and green payments. EAFRD measures to use for this purpose is support to payments for areas with natural constraints, Natura 2000 payments, support to young farmers, farm and business development, investment in physical assets and training, information and advice. It is equally important to support access of Natura 2000 farms to markets, and meeting quality standards, and several other EAFRD measures are available (e.g. setting up producer groups, quality schemes for agricultural products and support to organic farming). Co-operation and participation (LEADER) measures are provided in 2014-2020 as well.

### **4.2.3 Opportunities for Natura 2000 under EAFRD in 2014-2020**

EAFRD will continue to provide several opportunities to fund Natura 2000 during the 2014-2020 funding period. Direct opportunities include, for example, financing a range of Natura 2000 in the context of agri- and forest-environment schemes and providing for direct payments to compensate for implementing Natura 2000 related management requirements. Furthermore, a great variety of more indirect opportunities are available allowing linking the management of Natura 2000 with broader rural development, such as promoting organic farming, improving risk prevention and enhancing business development. While these indirect opportunities do not necessarily cater for all management measures relevant to a site, they can provide support to carrying out certain activities identified in site-specific management plans such as supporting biodiversity-friendly organic farming and branding of local produce from Natura 2000 sites.

A summary of the EAFRD articles relevant in the context of Natura 2000 is provided in Table 4.3 below. A detailed analysis of how these articles could be used in the context of the different 25 Natura 2000 management measures is provided in Chapter 5 and Annex 3. In addition, two dedicated schemes / approaches relevant for Natura 2000 in the context of EAFRD are outlined in Box 4.2.

**Box 4.2: Schemes and approaches under EAFRD relevant to Natura 2000***LEADER*

As during the 2007-2013 funding period, EAFRD will include specific provisions for LEADER approach supporting the implementation of EAFRD objectives through local public-private partnerships called local action groups (LAGs) (Articles 42 – 45 of the Regulation). The LEADER approach is used to encourage bottom-up rural development and improved governance which may be of high relevance in Natura 2000 farming systems. LAGs identify development needs within their own rural communities. These are then set out in a development plan. LEADER funding assists these local action groups to encourage and support the development of small-scale, innovative projects that meet local development needs in a sustainable way. LEADER also promotes cooperation between LAGs in different European countries to jointly develop projects and build networks at regional, national and European Union level.

In past programming periods, many LEADER projects have had clear benefits for Natura 2000. While LEADER is unlikely to provide a large funding source for single Natura 2000 measures, its key benefit is in promoting co-operation of local actors and the development of integrated projects. Therefore, it is very suitable for areas with strategies that combine nature conservation and land use in a sustainable way such as enhancing the value of Natura 2000 sites, e.g. by ecotourism, marketing of sustainable regional products or establishing nature-based solutions for water and/or risk management. Examples of past LEADER projects and programmes, and more information are available at: [http://ec.europa.eu/agriculture/rur/leaderplus/index\\_en.htm](http://ec.europa.eu/agriculture/rur/leaderplus/index_en.htm)

*European Innovation Partnership (EIP)*

The EAFRD in the 2014-2020 period also includes a provision to support the implementation of European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability. EIP aims at promoting resource efficiency, building bridges between research and practice and generally encouraging innovation. The partnership acts through operational groups responsible for innovative projects and is supported by a dedicated EIP network.

The objectives of EIP include

1. promote a resource efficient, productive, low emission, climate friendly and resilient agricultural sector, working in harmony with the essential natural resources on which farming depends;
2. help deliver a steady supply of food, feed and biomaterials, both existing and new ones;
3. improve processes to preserve the environment, adapt to climate change and mitigate it; and
4. build bridges between cutting-edge research knowledge and technology and farmers, businesses and advisory services.

The cooperation measures proposed in the 2014-2020 EAFRD could potentially play an important role in financing Natura 2000 and related EIP activities. The measures could be used to support partnerships between farmers, foresters, producers, other rural actors and researchers to, for example, co-develop closed and resource effective local resource loops or local added value products linked to Natura 2000 management (e.g. short supply chain and local markets for wildlife-friendly products). The EIP support through EAFRD could also be provided to pilot projects to test innovative agro-ecological approaches in Natura 2000 farming systems.

**Table 4.3: List of key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Note: Articles most directly relevant for Natura 2000 are highlighted<sup>15</sup>.

Article (EAFRD Regulation)	Short description
Article 15	Knowledge transfer and information action: supports for example 'vocational training and skills acquisition actions, demonstration activities and information actions'
Article 16	Advisory services, farm management and farm relief services: support for the setting up and use of these services
Article 17	Quality schemes for agricultural products: covers costs to farmers participating in quality / value added product or certification schemes
Article 18 (1d)	Investments in physical assets: for example 'non-productive investments linked to the achievement of agri- and forest environment commitments, biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value area to be defined in the programme; capital investments to farm infrastructure
Article 19	Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions
Article 20 (1b)	Farm and business development: business start-up aid for non-agricultural activities
Article 21 (1a)	Basic services and village renewal in rural areas: supports drawing up and updating development plans including protection of Natura 2000 management plans.
Article 21 (1d)	Basic services and village renewal in rural areas: investments for basic rural services and infrastructure
Article 21 (1e)	Basic services and village renewal in rural areas: investments by public bodies in recreational infrastructure, tourist information and sign-posting of touristic sites
Article 21 (1f)	Basic services and village renewal in rural areas: supports studies associated with the maintenance, restoration and upgrading of rural landscapes
Article 21 (1g)	Basic services and village renewal in rural areas: Investments targeting the relocation of activities and conversion of buildings or other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement
Article 22 (1a) and Article 23	Afforestation and creation of woodland
Article 22 (1b) and Article 24	Establishment of agro-forestry systems
Article 22 (1c) and Article 25	Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events
Article 22 (1d) and Article 26	Investments improving the resilience and environmental value of forest ecosystems
Article 28	Setting up producer groups
Article 29	Agri-environment-climate
Article 30	Organic farming
Article 31	Natura 2000 and Water Framework Directive payments
Article 32	Payments to areas facing natural or other specific constraints
Article 35	Forest-environmental and climate services and forest conservation
Article 36	Co-operation, including cooperation in the context of European Innovation Partnership (EIP)
Article 37 and Article 38	Risk management: crop, animal, plant insurance: Risk management
	<b>Strategic / crosscutting approaches under EAFRD</b>
Articles 42-45	LEADER approach
Article 51 and Articles 52, 53 and 55	Funding technical assistance: European network for rural development (Art 52), EIP network (Art 53) and national rural network (Art 55)

<sup>15</sup> Articles that are most directly relevant have been identified based on the European Commission Working Paper "Elements of strategic programming for the period 2014-2020" related to EAFRD [http://ec.europa.eu/regional\\_policy/conferences/sfc2014/doc/wp\\_prog.pdf](http://ec.europa.eu/regional_policy/conferences/sfc2014/doc/wp_prog.pdf)

### 4.3 European Maritime and Fisheries Fund

Draft Council Regulation (COM/2011/804) of 2 December 2011 on the European Maritime and Fisheries Fund

#### 4.3.1 Objectives

EMFF is foreseen to achieving the following objectives as set out in Article 5 of the Regulation:

1. Promoting sustainable and competitive fisheries and aquaculture
2. 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 (CFP)
3. Promoting a balanced and inclusive territorial development of fisheries areas
4. Fostering the implementation of the CFP

The priorities of EMFF, in line with the overall EU thematic objectives (Table 4.1), are set out in Article 6 of the Regulation and outlined below.

Note: The priorities most relevant in the context of Natura 2000 are highlighted in bold.

1. Increasing employment and territorial cohesion through a) promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal and inland communities depending on fishing and aquaculture and b) diversification of fisheries activities into other sectors of maritime economy and growth of maritime economy, including mitigation of climate change.
2. Fostering innovative, competitive and knowledge based fisheries through the focus on a) technological development, innovation and knowledge transfer, b) competitiveness and viability of fisheries, c) new professional skills and lifelong learning and d) market organisation for fishery products.
3. Fostering innovative, competitive and knowledge based aquaculture through the focus on a) technological development, innovation and knowledge transfer, b) competitiveness and viability of aquaculture enterprises (SME in particular), c) new professional skills and lifelong learning and d) market organisation for aquaculture products.
4. **Promoting a sustainable and resource efficient fisheries through the focus on a) reduction of the impact of fisheries on the marine environment and b) protection and restoration of marine biodiversity and ecosystems including the services they provide.**
5. **Promoting a sustainable and resource efficient aquaculture through the focus on a) enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture and b) promotion of aquaculture with high level of environmental protection and of animal health and welfare and of public health and safety.**



6. Fostering the implementation of the CFP through a) the supply of scientific knowledge and collection of data and b) the support to control and enforcement, enhancing institutional capacity and an efficient public administration.

#### **4.3.2 EMFF programming and funding**

The EMFF shall be implemented by Member States through national Operation Programmes developed within CPR (section 4.1 above). In comparison to the other funds, each Member State shall draw up a single OP, in close collaboration with the partners and structured around the CPR thematic objectives.

#### **4.3.3 Opportunities for Natura 2000 under EMFF in 2014-2020**

EMFF will provide several opportunities to fund Natura 2000 during the 2014-2020 funding period. In general, the Regulation stipulates an appropriate approach towards the environment, including the specific needs of Natura 2000 areas, needs to be integrated into the EMFF operational programmes (Article 20 (c) of the Regulation). According to the Regulation, dedicated support in accordance with PAFs is provided to the management, restoration and monitoring of coastal and marine Natura 2000 sites (Article 38 (d)). In addition, support is also made available to the management, restoration and monitoring other marine protected areas to support the implementation of Marine Strategy Framework Directive (MSFD) (Article 38 (e)). Such general support can also be used, for example, to contribute maintaining and/or restoring the overall ecological connectivity of Natura 2000 network. Finally, support is also provided to the uptake of aquaculture methods compatible with biodiversity conservation, including Natura 2000 management requirements (Article 52).

Furthermore, a variety of more indirect opportunities are available allowing linking the management of Natura 2000 with the broader development of fisheries and/or viability of fishing communities. Such opportunities include, for example, the establishment of cooperation between scientists and fishermen, and the diversification of livelihoods in rural communities. While these indirect opportunities do not necessarily cater for all management measures relevant to a site, they can provide support to carrying out certain activities identified in site-specific management plans such as development of Natura 2000 monitoring in the context of broader schemes aimed at monitoring the marine environment.

A summary of the EMFF articles relevant in the context of Natura 2000 is provided in Table 4.4 below. A detailed analysis of how these articles could be used in the context of the different 25 Natura 2000 management measures is provided in Chapter 5 and Annex 3.

**Table 4.4: List of key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Note: Articles most directly relevant for Natura 2000 are highlighted.

Article (EMFF Regulation)	Short description
	<b>Measures financed under shared management</b>
Article 30	Support to promoting partnerships between scientists and operators in the fisheries sector.
Article 30.1 (a)	Support to creating network of scientists and fishermen to help knowledge transfer.
Article 30.1 (b)	Support to the activities carried out by a network as referred under 30.1 (a), inc. data collection activities, studies, dissemination of knowledge and best practices
Article 31 (a)	Support to the acquisition of new professional skills in particular linked to the sustainable management of marine ecosystems, activities in the maritime sector, innovation and entrepreneurship
Article 32.1 (a)	Support to facilitating diversification and job creation, e.g. business start-ups outside fishing
Article 32.1 (b)	Support to facilitate diversification, retrofitting small scale fishing vessels to reassign them for activities outside fishing
Article 35 (b)	Support to stakeholder participation in designing and implementing conservation measures under the CFP
Article 36.1 (a – c)	Support to investments in equipment improving size selectivity or species selectivity of fishing gear (Art 36.1 a), reducing unwanted catches of commercial stocks or other by-catches (Art 36.1 b) and limiting the physical and biological impacts of fishing on the ecosystem or the sea bed (Art 36.1 c)
Article 37.1	Support to technical measures to reduce impact of fishing activities on the environment or to achieve a more sustainable use of marine biological resources, e.g. new technical knowledge or gear to reduce impact of fishing activities on the environment
Article 38.1 (a)	Support to the collection of waste from the sea such as the removal of lost fishing gears and marine litter
Article 38.1 (b)	Support to the construction or installation of static or movable facilities intended to protect and enhance marine fauna and flora
Article 38.1 (c)	Support to the contribution to a better management or conservation of resources
Article 38.1 (d)	Support to the management, restoration and monitoring Natura 2000 sites
Article 38.1 (e)	Support to management, restoration and monitoring of marine protected areas in view of the implementation of the spatial protection measures referred to in MSFD
Article 38.1 (f)	Support to the participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services, such as the restoration of specific marine and coastal habitats in support of sustainable fish stocks.
Article 42.3	Support to reassignment of vessels operating inland fishing to other activities outside fishing to sustain diversification
Article 42.5	In order to protect and develop aquatic fauna and flora, the EMFF may support the participation of inland fishermen in managing, restoring and monitoring Natura 2000 sites where these areas directly concern fishing activities as well as the rehabilitation of inland waters, including spawning grounds and migration routes for migratory species
Article 47.1 (c)	Support to diversification of the income of aquaculture enterprises through the development of complementary activities outside aquaculture (ie aquaculture environmental services)
Article 49.1 (a)	Support to lifelong learning, dissemination of scientific knowledge and innovative practices and acquisition of new professional skills in aquaculture
Article 50.1 (b)	Support to the improvement of infrastructures of aquaculture areas including through land consolidation, energy supply or water management;
Article 52 (a and b)	Support to investments allowing for a substantial reduction of impact of aquaculture enterprises on water (Art 52 a) and/or limiting the negative impact of aquaculture enterprises on nature or biodiversity (Art 52 b)
Article 52 (c)	Support to the purchase of the equipment protecting aquaculture farms from wild predators benefitting from protection under Birds and Habitats Directive
Article 52 (e)	Support to the restoration of existing aquaculture ponds or lagoons through removal of silt, or possible measures aimed at the prevention of silt deposition
Article 53 (a, b)	Support to the conversion of conventional aquaculture production methods into organic aquaculture (Art 53 a) and participation in the Union eco-management and audit schemes (EMAS) (Art 53 b)
Article 54.1 (a)	Support to aquaculture methods compatible with specific environmental needs and subject to specific management requirements resulting from the designation of Natura 2000 areas

Article 54.1 (b)	Support to the participation in ex-situ conservation and reproduction of aquatic animals, within the framework of conservation and biodiversity restoration programmes developed by public authorities
Article 54.1 (c)	Support to the forms of extensive aquaculture including conservation and improvement of the environment, biodiversity, and management of the landscape and traditional features of aquaculture zones
Article 65.1 (e)	Support to strengthening the role of fisheries communities in local development and the governance of local fisheries resources and maritime activities
Article 78.2(a)	Support to purchase or development of technology, including hardware and software, vessel detection systems (VDS), CCTV systems and IT networks enabling the gathering, administration, validation, analysis and exchange of, and the development of sampling methods for, data related to fisheries, as well as interconnection to cross-sectoral data exchange systems
Article 78.2(b)	Support to electronic recording and reporting systems (ERS), vessel monitoring systems (VMS), and automatic identification systems (AIS) used for control purposes
Article 78.2(d)	Support to implementation of programs aiming at exchanging and analysing data between Member States
Article 78.2(e)	Support to modernisation and purchase of patrol vessels, aircrafts and helicopters, provided they are used at least 60% of the time for fisheries control
Article 78.2(g)	Support to pilot projects related to fisheries control, including DNA and websites related to control
Article 78.2(h)	Support to training and exchange programmes, including between Member States, of personnel responsible for monitoring, control and surveillance of fisheries activities
Article 78.2(j)	Support to initiatives aimed at enhancing awareness both among fishermen and other players of the need to fight IUU fishing and on the implementation of the CFP rules.
Article 79.2 (a – d)	Support to management and use of data for the purpose of scientific analysis and CFP implementation (Art 79.2 a), national multi-annual sampling programmes (Art 79.2 b), at-sea monitoring of commercial and recreational fisheries (Art 79.2 c) and/or research surveys at sea (Art 79.2 d)
<b>Measures financed under direct management</b>	
Article 82.1 (a)(b) (f)	Support to studies, projects, development operation and maintenance of IT systems
Article 82.1 (c)	Support to public information, publicity campaigns, stakeholder platforms, communications, to promote the protection of the marine environment
Article 82.1 (d) (e)	Support to providing public information and dialogue, events, stakeholder platforms, and information sharing.
Article 82.2 (b)	Support to activities of coordination and cooperation among Member States to develop maritime spatial planning and integrated coastal zone management
Article 85.2 (a)	Support to studies and pilot projects needed for the implementation and development of the CFP, including on alternative types of sustainable fishing management techniques
Article 85.2 (b, c and e)	Support to the provision of scientific opinions and advice by scientific bodies and research institutions (Art 85.2 b), participation of experts in meetings on fisheries scientific and technical issues (Art 85.2 c) and/or cooperation activities between MS in field of data collection, including setting up regionalised databases (Art 85.2 e)
Article 86.2(a)	Support to purchase of patrol vessels, aircrafts and helicopters, provided they are used at least 60% of the time for fisheries control
Article 90	Support to travel and accommodation costs of stakeholder representatives invited by the Commission to meetings
Article 91	Support to technical assistance, the setting up of a European network of FLAGs aiming at capacity building, disseminating information, exchanging experience and best practice and supporting cooperation between the local partnerships

#### 4.4 European Regional Development Fund

Draft Council Regulation (COM/2011/614) of 6 October 2011 on specific provisions concerning the European Regional Development Fund (ERDF) and the Investment for growth and jobs goal

##### 4.4.1 Objectives

The scope of ERDF support is set out in Article 3 of the Regulation as follows:

- productive investment contributing to creating and safeguarding sustainable jobs, through direct aid to investment in small and medium-sized enterprises (SMEs);
- investments in infrastructure providing basic services to citizens in the areas of energy, environment, transport, and information and communication technologies (ICT) [support to investments in environment, transport and ICT only available for less developed regions];
- investments in social, health and educational infrastructure;
- development of endogenous potential by supporting regional and local development and research and innovation including a) fixed investment in equipment and small-scale infrastructure and b) support for and services to enterprises, in particular SMEs; c) support to public research and innovation bodies and investment in technology and applied research in enterprises and d) networking, cooperation and exchange of experience between regions, towns, and relevant social, economic and environmental actors;
- technical assistance

The investment priorities of the ERDF, in line with the overall EU thematic objectives (Table 4.1), are set out in Article 5 of the Regulation and outlined below.

Note: The priorities most relevant in the context of Natura 2000 are highlighted in bold.

1. Strengthening research, technological development and innovation including a) research and innovation infrastructure (R&I), b) business R&I investment and c) technological and applied (pilot) research
2. Enhancing access to and use and quality of ICT including a) broadband deployment and high-speed networks, b) ICT products and services and c) ICT applications for e-government, e-learning, e-inclusion and e-health
3. Enhancing the competitiveness of SMEs including a) promoting entrepreneurship and b) developing new business models for SMEs
4. **Supporting the shift towards a low-carbon economy in all sectors including** a) renewable energy sources, b) energy efficiency and renewable energy use in SMEs, c) energy efficiency and renewable energy use in public infrastructures and in the housing sector, d) smart distribution systems at low voltage levels and **e) low-carbon strategies for urban areas**
5. **Promoting climate change adaptation, risk prevention and management, including a) supporting dedicated investment for adaptation to climate**

- change and b) promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
6. **Protecting the environment and promoting resource efficiency including a-b) investment in the waste and water sector to meet the requirements of the environmental *acquis*, c) cultural heritage, d) protecting biodiversity, soil protection and promoting ecosystem services including Natura 2000 and green infrastructures and e) improving urban environment**
  7. Promoting sustainable transport and removing bottlenecks in key network infrastructures including a-b) investing in the Trans-European Transport Network (TEN-T), c) support to environment-friendly and low-carbon transport systems and d) investing in railway system
  8. Promoting employment and supporting labour mobility including a) business incubators, self-employment, local development initiatives and infrastructure for public employment services
  9. Promoting social inclusion and combating poverty including a) health and social infrastructure, b) physical and economic regeneration of urban and rural communities and c) support to social enterprises
  10. Investing in education, skills and lifelong learning by developing education and training infrastructure
  11. **Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF**

#### **4.4.2 ERDF programming and funding**

ERDF projects are implemented in the Member States through Operational Programmes (OPs) developed within CPR (section 4.1 above). OPs will consist of priority axes, each axis corresponding to a CPR thematic objective and comprising one or more investment priorities related to the given objective.

When an integrated approach between different OPs is required to deliver the set policy goals dedicated approach for Integrated Territorial Investment (ITI) can be used. Such investment needs shall be identified in the relevant OPs, e.g. setting out the indicative financial allocation under different objectives (priority axis) of OPs. In practise, ITI will allow Member States to bundle funding from several priority axes of one or more operational programmes for the purposes of more cross-sectoral intervention. This means, for example, that Member States adopting the ITI approach can clearly choose to target funding towards integrated, multi-benefit projects such as ecosystem-based approach for climate change mitigation and/or adaptation (thematic objectives 5 and 6).

The support available for EU Cohesion Policy (i.e. ERDF, ESF and Cohesion Fund) at Member State or regional level depends on the level of economic development (per capita GDP). For the period 2014-2020 three categories of regions have been identified: less developed regions (GDP per capita less than 75 % of the average GDP of the EU-27), transition regions (GDP per capita between 75 % and 90 % of the

average) and more developed regions (whose GDP per capita is above 90 % of the average).

#### **4.4.3 Opportunities for Natura 2000 under ERDF in 2014-2020**

ERDF will provide several opportunities to fund Natura 2000 during the 2014-2020 funding period. Dedicated support is possible for the protection of biodiversity and ecosystem services, including Natura 2000. In addition, support is also made available to a range of activities supporting broader sustainable regional development, with possible indirect links to Natura 2000 management. Such indirect measures include, for example, supporting investment in the mitigation of and adaptation to climate change (e.g. nature-based solutions for carbon storage and sequestration, mitigating risks of climate change), protecting, promoting and developing cultural heritage (e.g. Natura 2000 sites) and integrating Natura 2000 related socio-economic opportunities into broader plans to regenerate deprived urban and rural communities.

A summary of the ERDF articles relevant in the context of Natura 2000 is provided in Table 4.5 below. A detailed analysis of how these articles could be used in the context of the different 25 Natura 2000 management measures is provided in Chapter 5 and Annex 3.

#### **4.4.4 European Territorial Cooperation (ETC) under ERDF**

In the context of ERDF dedicated support is also envisaged to support cooperation between different EU regions. Provisions for this European Territorial Cooperation (ETC) are outlined in a separate Regulation (COM/2011/611). In 2013-2020 territorial cooperation under ERDF is foreseen to be taken place at three different levels including cross-border, transnational and interregional cooperation. Cooperation will be focused on delivering the overall EU thematic objectives (Table 4.1) with specific focus on a) cross-border labour markets, gender equality and social inclusion, joint education and training schemes, and legal and administrative cooperation and cooperation between citizens and institutions and b) development and implementation of macro-regional and sea-basin strategies.

In practise, the support for ETC shall be carried out in the context of dedicated cooperation programmes established between regions. These cooperation programmes consist of different priority axes with an individual axis corresponding to one EU thematic objective (Table 4.1) with one or more identified investment priorities.

Cooperation in the context of ETC is foreseen to be relevant for financing a range of cross-border and transnational initiatives on Natura 2000, in particular in the more developed regions within the EU that receive less ERDF funding in total than the less developed regions (see section 4.4.2 above). Given the set objectives, ETC could

support capacity building and information sharing between authorities responsible for cross-borders sites (e.g. finance joint promotion and development of Natura 2000 related job opportunities) or help the integration of Natura 2000 related opportunities and socio-economic benefits into macro-regional strategies for sustainable development.

**Table 4.5: List of key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Note: Articles most directly relevant for Natura 2000 are highlighted.

Article (ERDF Regulation)	Short description
Article 5.1 (a)	Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.
Article 5.1 (b)	Promoting business R&I investment, product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation.
Article 5.1 (c)	Supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies.
Article 5.2 (c)	Strengthening ICT applications for e-government, e-learning, e-inclusion and e-health
Article 5.3 (a)	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms
Article 5.4 (a)	Promoting the production and distribution of renewable energy sources
Article 5.4 (c)	Supporting energy efficiency and renewable energy use in public infrastructures and in the housing sector
Article 5.4 (e)	Promoting low-carbon strategies for urban areas
Article 5.5 (a)	Supporting dedicated investment for adaptation to climate change
Article 5.5 (b)	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Article 5.6 (a)	Addressing the significant needs for investment in the waste sector to meet the requirements of the environmental acquis
Article 5.6 (b)	Addressing the significant needs for investment in the water sector to meet the requirements of the environmental acquis
Article 5.6 (c)	Protecting, promoting and developing cultural heritage
Article 5.6 (d)	Protecting biodiversity, soil protection and promoting ecosystem services including Natura 2000 and green infrastructures
Article 5.6 (e)	Action to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution
Article 5.7 (c)	Developing environment-friendly and low-carbon transport systems and promoting sustainable urban mobility
Article 5.8 (a)	Development of business incubators and investment support for self-employment and business creation
Article 5.8 (b)	Development of local development initiatives and aid for structures providing neighbourhood services to create new jobs, where such actions are outside the scope of ESF
Article 5.9 (a)	Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, and transition from institutional to community-based services
Article 5.9 (b)	Support for physical and economic regeneration of deprived urban and rural communities
Article 5.9 (c)	Support to social enterprises
Article 5.10	Investing in education, skills and lifelong learning by developing education and training infrastructure
Article 5.11	Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.



	Specific horizontal provisions on the treatment of particular territorial features
Articles 7 , 8 and 9	<p><b>Urban areas:</b> The ERDF shall support, within operational programmes, sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas (Art 7)</p> <ul style="list-style-type: none"> <li>• Development of an urban development platform to promote capacity-building and networking between cities and exchange of experience on urban policy at Union level in areas related to the investment priorities of the ERDF and to sustainable urban development (Art 8)</li> <li>• At the initiative of the Commission, the ERDF may support innovative actions in the field of sustainable urban development, subject to a ceiling of 0,2% of the total annual ERDF allocation. They shall include studies and pilot projects to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level (Art 9)</li> </ul>
Article 10	<p><b>Areas with natural or demographic handicaps:</b> Operational programmes co-financed by the ERDF covering areas with severe and permanent natural or demographic handicaps referred to in Article 111(4) of Regulation (EU) No [...] /2012 [CPR] shall pay particular attention to addressing the specific difficulties of those areas.</p>
Article 11.1 (a)	<p><b>Outermost regions:</b> The specific additional allocation for the outermost regions shall be used to offset the additional costs, linked to the handicaps referred in Article 349 of the Treaty, incurred in the outermost regions in supporting the thematic objectives set out in Article 9 of Regulation (EU), with a particular focus on the thematic objectives set out in points 1, 2 and 3 of Article 9 of Regulation (EU) No [...] /2012 [CPR].</p>
<b>Article (ETC Regulation)</b>	<b>Specific horizontal provisions on European Territorial Cooperation (ETC) under ERDF (based on dedicated ETC Regulation (COM/2011/611))</b>
Article 6 (a)	ERDF shall support the sharing of human resources, facilities and infrastructures across borders under the different ERDF investment priorities (ERDF Art 5), as well as the following investment priorities within the thematic objectives: <u>cross-border cooperation</u> for i) integrating cross-border labour markets, ii) gender equality and social inclusion, iii) joint education and training schemes and iv) legal and administrative cooperation and cooperation between citizens and institutions
Article 6 (b)	ERDF shall support the sharing of human resources, facilities and infrastructures across borders under the different ERDF investment priorities (ERDF Art 5), as well as the following investment priorities within the thematic objectives: <u>transnational cooperation</u> for development and implementation of macro-regional and sea-basin strategies

## 4.5 European Social Fund

Draft Council Regulation (COM/2011/607) of 14 March 2012 (Corrigendum) on the European Social Fund

### 4.5.1 Objectives

The mission of ESF, as set out in Article 2 of the Regulation, is to promote high levels of employment and job quality, support the geographical and occupational mobility of workers, facilitate their adaptation to change, encourage a high level of education and training, promote gender equality, equal opportunities and non-discrimination, enhance social inclusion and combat poverty, thereby contributing to the priorities of the European Union as regards strengthening economic, social and territorial cohesion.

The priorities of the ESF, in line with the overall EU thematic objectives (Table 4.1), are set out in Article 3 of the Regulation and outlined below.

**Note:** The priorities most relevant in the context of Natura 2000 are highlighted in bold.

1. Promoting employment and supporting labour mobility through a) access to employment, b) integration of young people, **c) self-employment, entrepreneurship and business creation**, d) equality, e) adaptation of workers, enterprises and entrepreneurs to change, f) active and healthy ageing and g) modernisation and strengthening of labour market institutions
2. Investing in education, skills and life-long learning through access to and improvement of education and lifelong learning
3. Promoting social inclusion and combating poverty through a) active inclusion, b) integration of marginalised communities, c) combating discrimination, d) enhancing access to services, e) promoting the social economy and social enterprises and f) community-led local development strategies
4. **Enhancing institutional capacity and efficient public administration, for example through a) investment in institutional capacity and in the efficiency of public administrations and public services** and b) capacity building for stakeholders delivering employment, education and social policies

Through the investment priorities above, ESF shall also contribute to the other EU thematic objectives (Table 4.1).

#### **4.5.2 ESF programming and funding**

ESF projects are implemented in the Member States through national and regional Operation Programmes (OPs) developed within CPR framework (section 4.1 above).

#### **4.5.3 Opportunities for Natura 2000 under ESF in 2014-2020**

ESF could provide several opportunities to fund Natura 2000 during the 2014-2020 funding period. Most of the opportunities are not, however, Natura 2000 specific but rather support the broader social and economic cohesion, with possible indirect links to Natura 2000 management. Such indirect opportunities include, for example, enhancing the competitiveness of small and medium-sized enterprises dealing with Natura 2000 and enhancing Natura 2000 related institutional capacity and efficient public administration.

A summary of the ESF Articles relevant in the context of Natura 2000 is provided in Table 4.5 below. A detailed analysis of how these Articles could be used in the context of the different 25 Natura 2000 management measures is provided in Chapter 5 and Annex 3.

**Table 4.6: List of key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Note: Articles most directly relevant for Natura 2000 are highlighted.

Article (ESF Regulation)	Short description
	<b>Investment priorities</b>
Article 3.1 (a)	Promoting employment and supporting labour mobility, including access to employment including local employment initiatives and support for labour mobility; self-employment, entrepreneurship and business creation; adaptation of workers, enterprises and entrepreneurs to change
Article 3.1 (b)	Investing in education, skills and life-long learning through, for example, enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
Article 3.1 (c)	Promoting social inclusion and combating poverty through, for example active inclusion, integration of marginalised communities, promoting the social economy and social enterprises, and community-led local development strategies
Article 3.1 (d)	Enhancing institutional capacity and efficient public administration through, i) investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance; and ii) capacity building for stakeholders delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level.
	<b>Thematic objectives linked to the investment priorities above</b>
Article 3.2 (a)	Supporting the shift towards a low-carbon, climate-resilient, <u>resource-efficient and environmentally sustainable</u> economy, through reform of <u>education and training</u> systems, adaptation of skills and qualifications, up-skilling of the labour force, and the <u>creation of new jobs</u> in sectors related to the environment and energy
Article 3.2 (b)	Enhancing the <u>accessibility, use and quality of information and communication technologies</u> , through the development of digital literacy, investment in e-inclusion, e-skills and related entrepreneurial skills
Article 3.2 (c)	Strengthening <u>research, technological development and innovation</u> , through the development of post-graduate studies, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises
Article 3.2 (d)	Enhancing the competitiveness of <u>small and medium-sized enterprises</u> , through promoting the adaptability of enterprises and workers and increased investment in human capital.

## 4.6 Cohesion Fund

Draft Council Regulation (COM/2011/612) of 14 March 2012 (Corrigendum) on the Cohesion Fund

### 4.6.1 Objectives

The scope of Cohesion Fund support is set out in Article 2 of the Regulation as follows:

- investments in the environment, including areas related to sustainable development and energy which present environmental benefits;
- trans-European networks in the area of transport infrastructure (in compliance with Decision No 661/2010/EU)

The investment priorities of Cohesion Fund, in line with the overall EU thematic objectives (Table 4.1), are set out in Article 5 of the Regulation and outlined below.

Note: The priorities most relevant in the context of Natura 2000 are highlighted in bold.

1. Supporting the shift towards a low-carbon economy in all sectors through a) promotion of renewable energy sources, b-c) energy efficiency and renewable energy use in SMEs and public infrastructures, d) smart distribution systems at low voltage levels and e) low-carbon strategies for urban areas
2. **Promoting climate change adaptation, risk prevention and management through a) dedicated investment for adaptation to climate change and b) investment to address specific risks, ensuring disaster resilience and developing disaster management systems**
3. **Protecting the environment and promoting resource efficiency through a-b) investment in the waste and water sectors to meet the requirements of the Union's environmental *acquis*, c) protecting and restoring biodiversity, including through green infrastructures and d) improving the urban environment, including regeneration of brownfield sites and reduction of air pollution**
4. Promoting sustainable transport and removing bottlenecks in key network infrastructures through a) investing in the Trans-European Transport Network (TEN-T), b) support to environment-friendly and low-carbon transport systems and c) investing in railway system
5. Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the Cohesion Fund

#### **4.6.2 Cohesion Fund programming and funding**

CF projects are implemented in the Member States through national Operation Programmes (OPs) developed within CPR framework (section 4.1 above). OPs shall consist of priority axes, each axis corresponding to a CPR thematic objective and comprising one or more investment priorities related to the given objective. Given the similarities with ERDF programming and structure, joint OPs are commonly developed for ERDF and CFs.

Member States eligible for support from the Cohesion Fund are those whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period 2007 to 2009, is less than 90% of the average GNI per capita of the EU-27 for the same reference period. The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 shall receive support from the Cohesion Fund on a transitional and specific basis.

### 4.6.3 Opportunities for Natura 2000 under CF in 2014-2020

Cohesion Fund will provide a number of opportunities to fund Natura 2000 during the 2014-2020 funding period. Dedicated support is provided to the protection of biodiversity and ecosystem services (e.g. in the context of green infrastructure). Support is also made available to a range of activities supporting investment in broader sustainable regional development, with possible links to Natura 2000 management. Such indirect measures include, for example, supporting investment in the adaptation to climate change (e.g. nature-based solutions and integrating Natura 2000 related socio-economic opportunities into broader plans to regenerate deprived urban and rural communities).

A summary of the Cohesion Fund Articles relevant in the context of Natura 2000 is provided in Table 4.7 below. A detailed analysis of how these Articles could be used in the context of the different 25 Natura 2000 management measures is provided in Chapter 5 and Annex 3.

**Table 4.7: List of key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Note: Articles most directly relevant for Natura 2000 are highlighted.

Article (CF Regulation)	Short description
Article 2 (a)	The Cohesion Fund shall, while ensuring an appropriate balance and according to the investment and infrastructure needs specific to each Member State, support: investments in the environment, including areas related to sustainable development and energy which present environmental benefits
Article 3 (a) (i)	Promoting the production and distribution of renewable energy sources
Article 3 (a) (iii)	Supporting energy efficiency and renewable energy use in public infrastructures
Article 3 (a) (v)	Promoting low-carbon strategies for urban areas
Article 3 (b) (i)	Supporting dedicated investment for adaptation to climate change
Article 3 (b) (ii)	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Article 3 (c) (i)	Addressing the significant needs for investment in the waste sector to meet the requirements of the Union's environmental acquis
Article 3 (c) (ii)	Addressing the significant needs for investment in the water sector to meet the requirements of the Union's environmental acquis
Article 3 (c) (iii)	Protecting and restoring biodiversity, including through green infrastructures
Article 3 (c) (iv)	Improving the urban environment, including regeneration of brownfield sites and reduction of air pollution
Article 3 (d) (ii)	Developing environment-friendly and low-carbon transport systems including promoting sustainable urban mobility
Article 3 (e)	Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the Cohesion Fund

## **4.7 Programme for Environment and Climate Action (LIFE)**

Draft Council Regulation (COM/2011/874) of 12 December 2011 on the establishment of a Programme for the Environment and Climate Action (LIFE)

### **4.7.1 Objectives**

The LIFE Programme shall in particular have the following general objectives outlined under Article 3 of the Regulation:

- to contribute to the shift towards a resource-efficient, low-carbon and climate resilient economy, to the protection and improvement of the quality of the environment and to halting and reversing biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems;
- to improve the development, implementation and enforcement of Union environmental and climate policy and legislation, and to act as a catalyst for and promote integration and mainstreaming of environmental and climate objectives into other Union policies and public and private sector practice, including by increasing their capacity;
- to support better environmental and climate governance at all levels, including better involvement of civil society, NGOs and local actors;
- to support the implementation of the EU Environment Action Programme.

Through the objectives above, the LIFE Programme shall contribute to sustainable development and the achievement of the objectives and targets of the Europe 2020 Strategy and of relevant EU environment and climate strategies and plans.

Note: LIFE Programme also allows certain non-EU countries (e.g. European Neighbourhood Policy – ENPI countries) to participate in the programme and it also allows for activities outside the EU (in exceptional cases and under specific conditions) (Articles 5 and 6 of the Regulation).

### **4.7.2 LIFE programming and funding**

During the 2014-2020 funding period the LIFE Programme will be divided into two sub-programmes comprising the sub-programme for Environment and the sub-programme for Climate Action. The former will be further divided into three priority areas: Environment and Resource Efficiency, Nature and Biodiversity and Environmental Governance and Information. The priority areas for the latter include: Climate Change Mitigation, Climate Change Adaptation and Climate Governance and Information.

Action grants to finance projects responding to annual calls (See section 4.1 above) will continue to be the main tool for distributing financing under LIFE. Operating grants for non-profit-making entities which are primarily active in the area of environment or climate action are also possible. It should also be noted that the LIFE

Programme allows the use of innovative financial instruments to complement the grant funding (See Chapter 7 below).

The LIFE Programme should be implemented in coordination with other EU funds, with an aim to establish synergies and avoid overlaps between different funds. At EU level, this coordination between the LIFE Programme and other funding programmes is established within CPR.

Around 75% of the total LIFE funding is allocated to the sub-programme for Environment, of which at least 55% of the resources dedicated to projects financed by way of action grants shall be allocated to support the conservation of nature and biodiversity. The remaining 25% of the funds is allocated to the sub-programme for Climate Action. Furthermore, at least 15% of the budgetary resources dedicated to projects is recommended (however not obligatory) to be allocated to transnational projects.

#### **Box 4.3: LIFE Integrated Projects (IPs)**

In 2014-2020 the LIFE Programme includes a new type of projects named Integrated Projects (IP). IPs will operate on a large territorial scale (in particular regional, multiregional, national or transnational) and will be oriented towards the implementation of environmental and climate action plans or strategies required by environmental or climate legislation, pursuant to other Union acts or developed by the Member States authorities. In practise, IPs will be implemented with a view to ensure geographical balance at the EU level.

IPs for the sub-programme for Environment will primarily focus on the implementation of plans and programmes related to nature (including Natura 2000 management), water, waste and air quality. These IPs should also allow achieving results in other policy areas, such as the Marine Strategy Framework Directive. For the sub-programme for Climate Action, IPs should focus on the implementation of mitigation and adaptation strategies and action plans.

IPs will aim at mobilising other funding sources by exploiting synergies and ensuring consistency between funding from different sources (EU, national and/or private). They should provide examples of good practice for efficient and well-coordinated implementation of EU environmental and climate policy in Member States and regions.

#### **4.7.3 Key articles in the Regulation in relation to Natura 2000**

The key articles in the LIFE Regulation in relation to Natura 2000 are Article 11 which sets out the specific objectives for the priority area Nature and Biodiversity and Articles 18, 19, 20 and 22, which set out the types of activities and eligibility criteria for projects to be funded under the Regulation.

According to Article 18 of the Regulation, financing via action grants is available for the following types of projects: pilot projects, demonstration projects, best practice projects, integrated projects, technical assistance projects, preparatory projects, information, awareness and dissemination projects, capacity building projects, and



any other projects needed for the purpose of achieving the LIFE Programme's objectives.

According to Article 19 projects financed under LIFE Programme shall satisfy the following criteria:

- being of Union interest by making a significant contribution to the achievement of 1) one of the general objectives of the LIFE Programme as well as 2) the specific objectives for the relevant priority area, thematic priorities set out in the regulation, or specific objectives for the priority areas;
- ensuring a cost-effective approach and being technically and financially coherent;
- being sound in the proposed implementation.

According to Article 22 actions eligible for funding under LIFE as a whole<sup>16</sup> may include:

- information and communication, including awareness raising campaigns; financial resources allocated to communication activities pursuant to this Regulation shall also cover corporate communication of the political priorities of the Union, as well as on the implementation and transposition status of all major EU environmental and climate legislation;
- studies, surveys, modelling and scenario building;
- preparation, implementation, monitoring, checking and evaluation of projects, policies, programmes and legislation;
- workshops, conferences and meetings;
- networking and best-practice platforms; and
- any other activities needed for the purpose of achieving the LIFE Programme objectives.

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<sup>16</sup> The list includes actions eligible for LIFE funding both within and beyond action grants, including actions taken by the European Commission to support the implementation of LIFE (evaluation of projects, policies, programmes and legislation etc.)

## **4.8 Horizon 2020 - The Framework Programme for Research and Innovation**

Draft Council Regulation (COM/2011/809) of 20 November 2011 establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)

### **4.8.1 Objectives**

Horizon 2020 sets out the Community framework, priorities and activities in the area of research, innovation and technological development for the period 2014 - 2020. The objectives of the programme are particularly aimed at supporting the delivery of the Europe 2020 strategy. Horizon 2020 shall contribute to building an economy based on knowledge and innovation across the whole Union by leveraging sufficient additional research, development and innovation funding.

Horizon 2020 will support transnational research in a range of priority areas. One of the priority areas responds directly to the policy priorities and societal challenges identified in the Europe 2020 strategy and it includes the following areas of support:

- health, demographic change and well-being;
- food security, sustainable agriculture, marine and maritime research, and the bioeconomy;
- secure, clean and efficient energy;
- smart, green and integrated transport;
- climate action, resource efficiency and raw materials;
- inclusive, innovative and secure societies.

### **4.8.2 Horizon 2020 programming and funding**

At the EU level, funding under Horizon 2020 will be based on a single programme that sets out specific objectives and rules for implementation, supported by specific theme-related Work Programmes (see section 4.1). The concrete project opportunities are defined by theme specific calls from the Commission and the respective proposal by European R&I institutes and researchers. Calls will be published in the Official Journal of the European Union with more information available through the Europa and Cordis websites.

Given the scope of Horizon 2020, all opportunities related to financing management activities on Natura 2000 sites need to take place in the research context. However, this allows for a wide range of Natura 2000 measures to be funded, mainly related to the development and testing of new management approaches and/or evaluation of the past Natura 2000 management regime.

**Table 4.8: Key articles in the Regulation that can support activities in relation to Natura 2000, including key management measures foreseen to be eligible for funding under each article**

Article(Horizon2020 Regulation)	Short description
Article 5.2 / Part III / Theme 5	Societal challenges priority area: climate action, resource efficiency and raw materials including a) fighting and adapting to climate change, b) sustainably managing natural resources and ecosystems, c) ensuring the sustainable supply of non-energy and non-agricultural raw materials, d) enabling the transition towards a green economy through eco-innovation and developing comprehensive and sustained global environmental observation and information systems
Article 5.2 / Part III / Theme 2	Food security, sustainable agriculture, marine and maritime research, and the bioeconomy
Article 5.2 / Part III / Theme 4	Smart, green and integrated transport

## 5 OPPORTUNITIES FOR INVESTING IN NATURA 2000 UNDER THE EU FUNDS 2014-2020

The purpose of Chapter 5 is to provide a quick overview of opportunities for Natura 2000 financing under different EU funds in 2014-2020.

The tables below summarise the identified opportunities for financing different Natura 2000 management activities under different EU funds. The relevant articles, as identified in Chapter 4, are “mapped” against the different management measures (1-25 measures, see Chapter 3) to highlight the possibilities for financing Natura 2000 under each individual fund. As in Chapter 4, articles foreseen as the most directly relevant for Natura 2000 are highlighted.

More detailed measure-specific analysis of the opportunities is provided in Annex 3, including dedicated examples of activities foreseen to be eligible for financing and related socio-economic benefits.

**Note:** within the scope, objectives and restrictions outlined in section 4.7, LIFE+ is foreseen to be relevant for all 25 management measures.

**Table 5.1: EAFRD - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Article	Natura 2000 management categories and measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Article 15			x															x		x					
Article 16			x																	x					
Article 17				x								x	x												
Article 18 (1d)				x						x		x	x	x			x				x	x		x	
Article 19												x	x					x							
Article 20 (1b)																									x
Article 21 (1a)			x		x			x								x									
Article 21 (1d)										x										x					
Article 21 (1e)																				x	x	x			x
Article 21 (1f)		x										x		x									x		
Article 21 (1g)												x	x												x
Article 22 (1a) and Article 23												x	x												
Article 22 (1b) and Article 24												x	x												
Article 22 (1c) and Article 25												x	x					x							
Article 22 (1d) and Article 26												x	x	x											
Article 28				x								x	x												
Article 29												x	x	x	x	x		x							
Article 30												x	x		x										
Article 31												x	x		x	x		x							
Article 32												x	x		x										
Article 35												x	x	x	x	x									
Article 36		x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x		x	x			x	
Article 37 and Article 38																		x							
<b>Strategic / crosscutting approaches under EAFRD</b>																									
Articles 42-45		x	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x		x	x			x	x
Article 51 and Articles 52, 53 and 55																	x			x	x				

**Table 5.2: EMFF - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Article	Natura 2000 management categories and types of measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Measures financed under shared management</b> (i.e. MS-led initiatives, co-funded by the EU budget)																									
Article 30														x											
Article 30.1 (a)		x																							
Article 30.1 (b)		x															x								
Article 31 (a)																					x				
Article 32.1 (a)			x																		x	x			
Article 32.1 (b)										x												x			
Article 35 (b)							x																		
Article 36.1 (a – c)												x	x		x										
Article 37.1												x	x		x										
Article 38.1 (a)												x	x	x											
Article 38.1 (b)												x	x	x											
Article 38.1 (c)							x					x	x	x				x							
Article 38.1 (d)							x					x	x	x	x		x	x	x						
Article 38.1 (e)							x					x	x	x	x		x	x	x						
Article 38.1 (f)							x					x	x	x	x			x							
Article 42.3			x																			x			
Article 42.5												x	x	x	x									x	
Article 47.1 (c)			x											x							x	x			
Article 49.1 (a)																					x				
Article 50.1 (b)																								x	
Article 52 (a and b)												x	x	x	x									x	
Article 52 (c)													x											x	
Article 52 (e)												x	x	x										x	
Article 53 (a – b)												x	x	x		x									
Article 54.1 (a)												x	x	x	x	x									
Article 54.1 (b)													x	x											
Article 54.1 (c)												x	x	x		x									
Article 65.1 (e)							x																		
Article 78.2(a)																			x						

Article	Natura 2000 management categories and types of measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Article 78.2(b)																			x						
Article 78.2(d)		x															x								
Article 78.2(e)																			x						
Article 78.2(g)				x																					
Article 78.2(h)																					x				
Article 78.2(j)																						x			
Article 79.2 (a – d)		x															x								
Measures financed under direct management (i.e. Commission-led initiatives, fully covered by the EU budget)																									
Article 82.1 (a)(b) (f)		x															x								
Article 82.1 (c)			x				x													x					
Article 82.1 (d) (e)							x																		
Article 82.2 (b)	x							x										x							
Article 85.2 (a)		x		x																					
Article 85.2 (a)		x															x								
Article 86.2(a)																	x		x						
Article 90							x																		
Article 91						x																			



**Table 5.3: ERDF - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Note: cross-border and transnational cooperation on sharing of human resources, facilities and infrastructures is possible in the context of all identified opportunities, as based on European Territorial Cooperation (COM/2011/611), see Chapter 4 above.

Article	Natura 2000 management categories and types of activities eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Article 5.1 (a)		x		x						x				x			x							x	
Article 5.1 (b)		x		x			x							x						x	x				
Article 5.1 (c)				x								x	x	x			x	X			x				
Article 5.2 (c)				x			x	x		x				x			x	x		x	x	x			
Article 5.3 (a)			x	x			x	x		x		x	x	x						x	x	x			x
Article 5.4 (a)				x			x	x				x		x				x			x				
Article 5.4 (c)				x						x															x
Article 5.4 (e)				x	x		x	x				x		x			x	x		x	x		x		
Article 5.5 (a)				x			x	x				x	x				x	x		x	x			x	
Article 5.5 (b)				x			x	x				x	x	x			x	x		x	x	x		x	
Article 5.6 (a)				x			x					x	x					x		x	x			x	
Article 5.6 (b)				x			x					x	x	x			x	x		x	x			x	
Article 5.6 (c)			x	x	x		x	x		x		x	x	x				x		x	x	x		x	x
Article 5.6 (d)		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x
Article 5.6 (e)		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x
Article 5.7 (c)				x						x		x	x	x								x			x
Article 5.8 (a)				x								x		x						x	x	x			
Article 5.8 (b)				x								x		x						x	x	x			
Article 5.9 (a)			x	x				x		x		x		x			x	x		x	x	x			x
Article 5.9 (b)			x	x	x	x	x	x		x		x	x	x				x		x	x	x			x
Article 5.9 (c)			x	x	x	x	x	x		x		x	x	x				x		x	x	x			x
Article 5.10			x	x		x				x		x	x								x	x			x
Article 5.11				x		x	x	x						x			x	x		x	x			x	
<b>Specific horizontal provisions on the treatment of particular territorial features</b>																									
Article 7 in conjunction with Articles 8 & 9		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x
Article 10		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x
Article 11.1 (a)		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x

**Table 5.4: ESF - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Article	Natura 2000 management categories and types of measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Investment priorities																									
Article 3.1 (a)			x	x			x	x						x						x					
Article 3.1 (b)		x	x	x				x						x	x		x	x		x	x				
Article 3.1 (c)			x	x			x	x		x		x	x	x			x	x		x	x				
Article 3.1 (d)			x	x	x	x	x	x				x	x	x			x	x		x	x				

**Table 5.5: Cohesion fund - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Article	Natura 2000 management categories and types of measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Article 2 (a)																									
Article 3 (a) (i)				x								x													
Article 3 (a) (iii)				x						x															x
Article 3 (a) (v)				x								x									x			x	
Article 3 (b) (i)				x			x	x				x	x	x			x	x		x	x	x		x	
Article 3 (b) (ii)				x								x					x	x			x			x	
Article 3 (c ) (i)				x								x									x			x	
Article 3 (c ) (ii)				x								x	x	x							x			x	
Article 3 (c ) (iii)		x	x	x	x	x	x	x		x		x	x	x			x	x		x	x	x	x	x	x
Article 3 (c ) (iv)				x								x	x								x			x	
Article 3 (d) (ii)				x						x		x		x											
Article 3 (e )				x																	x				

**Table 5.6: Horizon 2020 - identified opportunities for financing different Natura 2000 management measures (1-25 measures, see Chapter 3) with articles most directly relevant for Natura 2000 highlighted.** Note: Detailed measure-specific analysis is provided in Annex 3.

Article	Natura 2000 management categories and types of measures eligible for funding																								
	Establishment				Management planning							Ongoing habitat management and monitoring										Investment			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	23	25
Article 5.2 / Part III / Theme 5		x		x			x	x				x	x	x	x		x	x		x	x			x	
Article 5.2 / Part III / Theme 2		x		x			x	x				x	x	x	x		x	x		x	x			x	
Article 5.2 / Part III / Theme 4		x		x			x	x				x	x	x	x		x	x		x	x			x	

## 6 GUIDANCE FOR ENSURING INTEGRATION IN PRACTISE

As Chapter 5 and Annex 3 shows, the EU framework for co-funding in 2014-2020 provides a range of opportunities for financing Natura 2000. However, these opportunities will only materialise if taken up by different stakeholders at the national, regional and local level.

A number of issues to be taken into consideration when ensuring the integration of Natura 2000 in practise, including some suggested solutions to address them, are outlined below. These issues have been identified based on the experiences gained during the 2007-2013 period.

**Ensuring uptake of Natura 2000 at national and regional OPs:** The EU co-financing framework aims to support sectoral dialogue and integration, offering opportunities and flexibility to finance Natura 2000 from different EU funds. However, in most cases it is up to the Member States to ensure that the available opportunities are taken up – as the legislative basis for the funds (Chapter 4) does not oblige this. The information available from 2007-2013 suggests that national uptake of funds has been lower than hoped for (European Commission 2011; Kettunen et al 2011). It has also been recognised that better integration of biodiversity often requires close cooperation between different authorities and greater coordination between different funds (e.g. EAFRD and ERDF). In addition, there is a need to improve the participation of stakeholders in the development of OPs, to strengthen their ability to implement biodiversity conservation through EU funding.

**Making Natura 2000 a priority for funding:** For the majority of EU funding instruments the allocation of funds between different national and regional priorities is primarily decided by Member States. Member State sectoral administrations often focus on securing the primary socio-economic objectives of the fund (e.g. income support, support to economic activities, transport infrastructure etc.). Consequently, there will be competing priorities for funding and, despite the possible environmental and biodiversity rhetoric in different OPs, Natura 2000 often comes as a secondary priority for funding.

### *How to enhance uptake and make Natura 2000 a priority:*

- Aim to ensure that environmental and biodiversity priorities are – as concretely as possible - included in different OPs
- Aim to ensure that clear and usable biodiversity indicators are included in the set of programme indicators used to assess the success of OPs. These indicators are frequently used as a basis for the approval of projects, and a project that clearly contributes to the achievement of an indicator may have a higher chance of success
- Use Priority Action Frameworks (PAFs) as a tool to coordinate funding at national level and to ensure that all Natura 2000 management requirements are catered for

- Use increasing evidence on socio-economic benefits of biodiversity and ecosystem services (including protected areas) to leverage support and/or enhance arguments for conservation (as shown in Chapters 2, 7 and 8)
- Highlight synergies to reduce competition, i.e. show how several Natura 2000 management activities can support achieving other sectoral policy goals such as climate change mitigation and adaptation, resource efficiency, green infrastructure etc. (as show in Table 4.1 and Annexes 2 and 3)
- Make dedicated efforts to improve cooperation between different authorities and coordination between different funds and also improve the participation of stakeholders in the development of OPs

**Capacity and knowledge – project innovation:** The utility of EU funds to actors responsible for managing Natura 2000 will be influenced both by the opportunities available in the national context (above) and the capacity of actors to develop concrete project ideas that both appeal to regional and local decision-makers and fit the overall requirements of different funds. In the context of funds such as EAFRD, EMFF and ERDF, there is a need to link different management activities with the economic and societal context and show broader benefits achieved. In the context of LIFE funding, there is a need to show elements of innovation and value added at the EU level. Consequently, obtaining EU funding often requires considerable cross-sectoral knowledge and horizontal insights.

**Partnerships:** Further to the above, EU funding often requires the establishment of partnerships with a range of stakeholders, several of which previously unknown to the Natura 2000 managers. For example, utilising opportunities related to the development of biobusiness requires links to SMEs and/or research institutes whereas establishing links between Natura 2000 water management and/or risk mitigation builds on cooperation with water purification plants, risk management authorities etc. Furthermore, funds like ERDF and Cohesion Fund tend to fund large scale projects, requiring wide partnerships at regional level. Consequently, building partnership is integral to the successful uptake of EU funds.

**Capacity, knowledge and resources – programme / project development and management:** Finally, access to funding is also related to stakeholders' capacity and resources to deal with OP development and administration (national and regional authorities) and/or relatively demanding project application and management procedures (beneficiaries). For example, non-experts in European Programmes, including a range of potential beneficiaries within biodiversity sector, still find it difficult to access the available European funds. Such lack of capacity and resources has been commonly identified as a factor hindering the uptake of EU funds in practise. Therefore, with both direct administrative support, as well as awareness raising there seems to be space to increase the number of beneficiaries and total uptake of funds for Natura 2000.

Finally, for some funding lines, especially those administered centrally by the European Commission, the resources needed to obtain funds might discourage and

even excludes certain beneficiaries. For example, developing a full proposal for LIFE+ and FP7 takes a significant amount of time, making applications beyond the capacity of certain stakeholders. Building partnerships (as above) with organisations with more administrative capacity can help to lessen the administrative burden.

*How to improve capacity and partnerships:*

- Continue to provide structured support to stakeholders interested in accessing EU funds, including focused support to building partnerships at local and regional level (investment in capacity building and networking events, investment in staff to provide information services and “help desk” functions etc.)
- Provide focused capacity building related to the socio-economic benefits of biodiversity and ecosystem services (including protected areas) and synergies between biodiversity conservation and other sectoral goals (as shown in Chapters 2, 7 and 8)
- At the level of regional funding agencies, provide dedicated administrative support to beneficiaries to help them to place their projects in a broader socio-economic context

**Resources for co-funding:** All EU funds currently available for Natura 2000 require national authorities, or the beneficiary, such as the farmer or NGO, to contribute part of the cost. This so co-funding requirement can be a constraint to the level of demand for the EU funding stream. Consequently, where there are inherent limitations on the availability of national funding for Natura 2000, these are only removed to a partial degree through EU co-funded measures.

*How to improve co-funding:*

- Systematically endorse, explore and/or provide information on opportunities for co-funding, e.g. via innovative funding outlined in Chapter 7 below
- Provide dedicated capacity building to support Natura 2000 sites / stakeholders to access funding from a range of funding sources and to explore more innovative funding opportunities, including increasing private sector involvement for co-financing
- Use evidence on socio-economic benefits of biodiversity and ecosystem services (including protected areas) and synergies between biodiversity and other policy objectives to attract co-funding from different sources

## 7 GUIDANCE FOR COMPLEMENTING EU FUNDS WITH INNOVATIVE FINANCING

To date the majority of funding for the Natura 2000 network has come from the public sector through EU funds (as outlined above) and by complementing these funds from the national budgets. This can be justified on the basis of the public benefits that Natura 2000 sites deliver for society as a whole (Chapter 2 and 5), and for current and future generations.

Most co-funding for Natura 2000 sites from Member States budgets comes from public (national or regional) nature conservation budgets. However, the ability of sites to deliver a range of public benefits should encourage Member States to consider the potential to use a wider range of public funding sources to enhance their management e.g. economic development, public health, climate, education budgets as well as those for water management, flood control and coastal protection.

Where Natura 2000 sites provide benefits to private individuals or companies, this offers potential for private sector funding, through new funding mechanisms and market creation. Opportunities for private sector funding may occur through a range of mechanisms such as the development of product markets, corporate sponsorship, biodiversity offsets, visitor payback schemes and payments for ecosystem services.

These new opportunities may arise from motivations that are largely philanthropic (e.g. donations) or profit driven (e.g. product markets, payments for ecosystem services), or a combination of the two (e.g. corporate funding or voluntary offsets designed to enhance corporate reputation). They may also be driven by regulatory developments, such as mandatory biodiversity offsetting requirements. Environmental NGOs also have an important role to play in the funding of many Natura 2000 sites, particularly those that they own and manage themselves.

Table 8.1 presents a typology of the different approaches and instruments that can be used to co-fund actions for Natura 2000 sites from non-EU sources. These instruments range from more traditional funding methods such as direct public expenditures from Member States budgets and grants, to more innovative approaches such as biodiversity offsets and participation in carbon markets.

In general, this aims of this Chapter is to demonstrate that a range of innovative financing approaches can be applied to the Natura 2000 network, which potentially include new sources of funds and new types of market instruments, as well as more innovative applications of existing funding mechanisms. The multiple benefits of the Natura 2000 network, and the actions to implement it, provide the key to identifying and exploiting these opportunities.



Table 7.1: Overview of the different non-EU co-funding mechanisms for Natura 2000 and the scope for innovative approaches

Type of Instrument	Applications	Scope for Innovation	Key criteria/ success factors	Opportunities for co-use of EU and private funds.	Possible future scope for use	Examples
<b>Direct public funding from Member State MS) budgets</b>	Direct funding of Natura 2000 sites by MS (national, regional and local authorities) and NGOs. Applicable to both capital and management funding.	Possible scope to apply other public budgets to Natura 2000 projects – e.g. climate, public health, education, economic development. Possibilities for innovative delivery to enhance returns from limited budgets (e.g. contracting to NGOs).	Ability to demonstrate multiple benefits of Natura 2000 and hence benefits of investment.	Scope for partnership approaches, using public funding to lever private investment.	<b>High</b> - core public funding will remain important, but will be limited by budget limitations. Innovative approaches and better evidencing of the benefits may be needed to maintain funding.	Widely used for government and NGO owned Natura 2000 sites.
<b>Grants</b>	Government, lottery funding for good causes, charitable foundations may contribute to Natura 2000.	Widely used (e.g. LIFE, economic development projects, forestry grants, grants for good causes). Possibility to make new or greater use of some grant giving mechanisms (e.g. lottery funds).	Most applicable for capital funding.	Opportunities for matching public with private funding.	<b>High</b> – will remain significant and possible scope to extend range of grant funds applied.	LIFE and structural funds provide significant grant funding for Natura 2000 sites. Heritage Lottery Fund in UK has provided substantial capital funding for habitat restoration and public access, including Natura 2000 sites.
<b>Trust funds and endowments</b>	Different types of funds may be applicable: endowment funds (interest but not capital is spent); sinking fund (income and part of the capital is spent, sinking fund to zero over time); revolving funds (continually receive revenues and make expenditures). May be funded by private sector, lottery funds etc.	Scope for wider use – could fund long term management.	Offer a long term solution but high capital requirement. May be used with biodiversity offsets to provide funding for future management.	Opportunities for private and/or partnership funding.	<b>Moderate</b> – high capital requirement limits attractiveness.	WWF has used to invest in Amazon region, New South Wales BioBanking Scheme uses trust fund in biodiversity offsets.

Type of Instrument	Applications	Scope for Innovation	Key criteria/ success factors	Opportunities for co-use of EU and private funds.	Possible future scope for use	Examples
<b>Management agreements (including PES schemes)</b>	Incentives to private land managers – usually publicly funded (e.g. agri-environment schemes) but schemes involving private buyers are increasingly being introduced.	Scope for new schemes outside agriculture, and innovation in instrument design (e.g. linked to Natura 2000 outcomes and site management requirements, tendering schemes). Opportunities for wider use of PES schemes to include greater private involvement (e.g. water companies, insurance companies).	Widespread application where private land management generates external benefits.	Scope for increasing private finance through PES schemes where benefits to companies can be demonstrated.	<b>High</b> – "public PES" schemes will remain important and scope to extend to wider range of sites and broaden funding base.	Management agreements widespread through agri-environment; some innovative examples in forestry – e.g. Finnish Metso programme – public PES scheme with competitive tendering by providers; private PES schemes – e.g. Vittel in France and United Utilities in UK.
<b>Tax incentives</b>	Making private funding for Natura 2000 projects by firms and individuals tax deductible. Could apply to existing or new taxes.	Limited use at present so wide scope for innovative applications.	Needs to demonstrate benefits compared to government raising and spending taxes – e.g. by lowering transaction costs, political benefits. Requires government regulation /monitoring .	Increases private involvement in Natura 2000 and may strengthen partnerships and reduce transactions costs.	<b>High</b> , given scale of taxation, but highly dependent on being able to demonstrate benefits compared to raising and spending tax.	UK Landfill and Aggregates Taxes have used credits for environmental (including nature) projects.
<b>Loan finance and bonds</b>	Possible loan funding from public loans (e.g. European Investment Bank) or private sources. Environmental bonds are tradable financial securities that promise to pay back the holder at pre-defined interest rate, and could potentially be used to fund Natura 2000 projects.	Rarely used in nature conservation – wider application would be innovative.	Depends on ability to repay loan and interest, i.e. capital investment generates revenue returns over time. Likely to be most applicable to private sector managers of Natura 2000 sites.	Scope for combining public and private finance where financial returns can be demonstrated; public loans may play a catalytic role.	<b>Low</b> - Few Natura 2000 investments generate market returns. Those that do may attract private loan finance though public funded loans could play a role at the margin.	European Investment Bank has committed over €30 million to investment fund which will seek returns from forestry and sustainable forest management, with focus on EU-27 and neighbouring countries. Similar fund could be used for Natura 2000 sites that provide financial returns. Public funded loan finance has been piloted for SMEs in Natura 2000 sites in Poland.

Type of Instrument	Applications	Scope for Innovation	Key criteria/ success factors	Opportunities for co-use of EU and private funds.	Possible future scope for use	Examples
<b>Private equity</b>	Potential to fund commercial activities in and around Natura 2000 sites (e.g. forestry, product processing and marketing).	Private equity is widely used for business investment but focusing on Natura 2000 based businesses would be innovative.	Depends on profitable business opportunities consistent with sustainable management of sites.	Primarily private sector, could be catalysed by public facilitation and funding (e.g. EIB).	<b>Low</b> - opportunities to attract additional finance for Natura 2000 management likely to be limited.	Dasos Timberland Fund raised €85m in 2009 for sustainable forest management in EU, including input from EIB.
<b>Marketed products</b>	Many Natura 2000 sites generate revenues from sales of products (e.g. food and timber), especially where farming or forestry is the predominant land use.	Scope to enhance returns through labelling and marketing initiatives, encouraging sympathetic management.	Production methods need to be compatible with management requirements. Labelling schemes need to be based on appropriate and certifiable standards to contribute to sympathetic management – transaction costs may be significant.	Potential to enhance private revenues and to contribute to site management.	<b>Moderate</b> – some scope to add value to existing products and extend range of products marketed.	French regional parks Marque label, Parcs Naturels Régionaux links products to protected landscapes. Tourism eco-labels have been used in various Natura 2000 areas.
<b>User fees, tourist levies and payback schemes</b>	Capturing some of the benefits visitors gain from Natura 2000 sites through entry fees, car parking charges, visitor donations, retail sales and payback schemes based on compulsory or voluntary levies.	Conventional market based systems are widely established so scope for innovation limited. Possibility to develop new approaches – e.g. levies collected through tourism operators in Natura 2000 areas.	May work where the site offers a special experience with limited competition from alternatives, and where it is possible to limit entry or provide on-site services. Car parking charges offer added opportunities for many sites. Voluntary tourism levies require co-operation from tourism sector.	Provides funding from private users, though this is usually small contribution to site running costs.	<b>Moderate</b> - Likely to remain widespread but limited scope for innovative growth.	Minority of sites in EU have entry fees, but car park charges are widespread and many visitor centres raise revenue from retail sales. Tourism levies have been widely used in different parts of EU, with varying success.

Type of Instrument	Applications	Scope for Innovation	Key criteria/ success factors	Opportunities for co-use of EU and private funds.	Possible future scope for use	Examples
<b>Biodiversity offsets and compensatory measures</b>	Schemes to enhance habitats or species to compensate for losses of biodiversity elsewhere. May be mandatory (as part of a no net loss policy) or voluntary (encouraging companies to achieve no net loss).	Natura 2000 sites are highly protected and any habitat loss should be subject to compensatory measures, under existing laws. However, offsetting biodiversity loss outside Natura 2000 could generate funding for Natura 2000 restoration projects.	Wider application of offsets to Natura 2000 depends on demonstrating additional benefits for habitat restoration to offset losses elsewhere.	Provides private funding for biodiversity projects.	<b>Moderate</b> - significant opportunity for biodiversity funding, in line with EU target for no net loss of biodiversity by 2020, but opportunities for new funding are greatest outside Natura 2000.	Biodiversity offsets have been widely used in US and Australia and are increasingly used in the EU, especially Germany, France, Sweden, Netherlands and UK.
<b>Carbon trading /offsets</b>	Natura 2000 sites store carbon so offer potential opportunity to participate in carbon markets, e.g. selling carbon credits/offsetting emissions.	Opportunity to trade carbon credits could significantly enhance returns from creation and restoration of habitats such as forest and peatlands.	Need to demonstrate additionality and avoid imbalances in carbon markets. Case is weaker than for habitats at risk in developing countries.	Offer potential to stimulate private funding for habitat conservation.	<b>Moderate</b> - Potentially significant but currently limited to voluntary trading. Substantial challenges need to be overcome, especially demonstrating additionality, for schemes to meet regulatory requirements (e.g. EU ETS).	Being pursued in developing countries through REDD. Woodland carbon credits can be traded within EU on a voluntary basis (e.g. as voluntary offsets).
<b>Licensing of extraction/harvesting/ grazing rights</b>	Natura 2000 sites provide marketable outputs including (farmed and wild) food, timber, fibre, and genetic resources; rights to these can yield revenue through licensing rights, tenancy agreements etc.	Widespread and not particularly innovative, though opportunity for new initiatives linked to product marketing schemes.	Works where the provisioning service is sufficiently valuable to yield income, and where this is consistent with sustainable management of the site, and where resources are not already privately managed by landowner.	Private returns from marketable resources support management regime and help to fund other management actions.	<b>Low</b> - Already widespread, but some scope for growth through new approaches.	Certain forms of agreement (e.g. farm tenancies) are widespread.

Type of Instrument	Applications	Scope for Innovation	Key criteria/ success factors	Opportunities for co-use of EU and private funds.	Possible future scope for use	Examples
<b>Licensing of development rights</b>	Natura 2000 sites may offer potential for small scale sustainable development – e.g. renewable energy, tourism accommodation etc.; rights could be licensed or land sold.	May offer some new opportunities.	Only applicable for certain types of small scale development in certain areas where development does not compromise conservation objectives.	Offers opportunity to bring new private funding to Natura 2000.	<b>Low</b> - likely to be limited in scale but may generate funds for some sites.	No specific initiatives identified.
<b>Business funding/ sponsorship</b>	Opportunity to secure funding/ sponsorship for Natura 2000 as part of corporate social responsibility agenda.	Already happens (e.g. business partnerships with NGOs) but may be some scope for expansion.	Business likely to be attracted by image/ reputational benefits.	New private funding could supplement existing funding provision.	<b>Moderate</b> - Significant potential for growth from relatively low base.	RSPB (2010) gives various examples including HSBC support for WWF work for fresh water habitats in UK.
<b>Regional accounts</b>	Bank financing of regional conservation projects through regional fund based on percentage of total interest at regional level.	Possible innovative funding mechanism.	Depends on bank being convinced to give up share of profits. May be attractive to mutual lenders.	Private funding.	<b>Low</b> - uptake likely to be limited.	The Dutch land foundation Taking Green Forest and Rabobank have jointly launched "Rabo Green Forest" to raise funding for sustainable development initiatives in National Landscape Het Groene Woud (The Green Forest).

## 7.1 Assessing the opportunities for innovative finance

The key to assessing the scope to use more innovative funding mechanisms for Natura 2000 is to understand the range of benefits and services the network provides, to identify potential buyers for these services (among the private, public or voluntary sectors) and to assess the potential to develop payment mechanisms that match potential buyers of these services (beneficiaries) with potential sellers (Natura 2000 managers).

These ecosystem services give rise to both:

- **Public benefits:** the contribution that the network makes to enhancing air quality, landscape, climate and our cultural heritage, which benefit the public as a whole, and display public good characteristics of non-excludability and non-rivalry;
- **Private benefits:** some services provided by the network benefit private firms and individuals. Examples include recreation, purification of water (for example where this benefits a water company or specific users) and flood management (where this benefits specific interests rather than wider communities).

Classification of services and benefits in this way helps us to understand different financing options for the network that can be used to both improve and complement the use of current EU co-financing framework (see Annex 2). The importance of Natura 2000 in the production of a range of public goods provides strong support to the case for continued public sector funding (including EU funding, as described and analysed in Chapter 5 and Annex 3) of the network. Indeed, many of the network's benefits would be under-valued in the market place and therefore be under-provided in the absence of public funding.

However, it is also clear that Natura 2000 sites offer a variety of benefits to private firms and individuals. These private benefits have the potential to be captured by other, market based transactions. Some of these are well established, such as user fees, farm tenancy agreements and marketing of food, timber and other products of ecosystems. There are also opportunities for new, more innovative, market-based financial instruments such as targeted PES schemes, carbon credits, product labelling and marketing initiatives, and the sale of licences for rights to natural resources. Exploring the use of such instruments has the potential to increase the scope of funding sources for the network.

It can also be noted that the public benefits of the network may contribute to a variety of different aspects of public policy, thereby creating opportunities not just for public funding through the nature conservation budget but also through other financial instruments and budgets, including, for example, Member States funding relating to economic development and cohesion, rural development, fisheries management, food security, education and health. Traditionally the value of ecosystem services to a broader range of sectors and public welfare has been poorly

recognised. Therefore, the level of support to these services from the existing sector specific public funds remains limited and could be broadened.

A series of questions can help to identify and appraise options for innovative financing approaches (Box 7.1).

#### **Box 7.1: Questions to inform innovative financing**

**What benefits and services does the Natura 2000 site deliver?** Identifying the range of benefits and services is the first step to identifying who might benefit and the potential sources of funding. Where the main benefits are for nature conservation, scope for innovative funding may be limited, but where there are wider benefits this opens more opportunities to harness new sources of funding.

**Who are the beneficiaries of these services, and what is the balance between public and private benefits?** If the benefits are spread across society as a whole, this suggests a need for public funding, either from nature conservation or other public budgets. However, if there are significant private beneficiaries, this offers greater scope for new funding instruments and market based transactions.

**Are the benefits clearly defined and measurable?** Being able to define and measure the benefits that the site provides will be important in making the case for, and designing, suitable funding instruments. For example, it will be necessary to understand and quantify the effect of the site on jobs and growth, carbon storage, flood risk, public health or water quality in order to make the case for public sector funding or to convince potential buyers of services to enter a PES scheme. The lack of robust and site specific evidence may often be a key barrier to developing new funding sources for Natura 2000.

**How do the benefits compare with those of alternative actions?** In order to make the case for funding, it will be important to understand how the benefits compare with those of other approaches (e.g. traditional approaches to flood defence, water quality management or public health improvement). A key advantage of investing in green infrastructure is that it is often capable of delivering multiple benefits compared to more traditional approaches. For this reason it will help to understand the combination of benefits and the potential to combine funding from different sources.

**What are the additional net benefits of investing in Natura 2000?** The presence of benefits is unlikely to be sufficient to make a convincing case for funding – it will also be necessary to demonstrate that financing Natura 2000 actions is capable of delivering additional benefits. For example, a potential buyer of ecosystem services is only likely to enter a PES scheme if this secures benefits that would otherwise be at risk or not be provided – for example if the scheme involves a change in management practice or protects a site that would otherwise be at risk. The buyer might be unlikely to pay for the services provided by an already protected site. There may be a good case for a water utility to enter a PES agreement with the manager of an unprotected grassland or woodland site to secure the water purification services that the site provides, and to avoid conversion to intensive arable farming. The opportunity to interest the water utility in a PES agreement may be reduced, however, if the site is a Natura 2000 site and the services it provides are seen as protected. There is therefore a potential free rider problem that limits the opportunities for innovative funding. Forested Natura 2000 sites may have limited opportunity to benefit from carbon trading since they already receive a high degree of protection, unlike many forests in developing countries for which added incentives are needed to secure their future.

**What actions are needed to realise the opportunities identified?** Experience confirms that markets on their own rarely deliver sufficient resources for conservation management, and that public intervention is usually needed. This may include provision of funding (through direct government expenditures, publicly funded incentive schemes or provision of government grants), or measures to create, promote and/or regulate markets (for example by facilitating PES schemes, creating and regulating carbon markets, requiring biodiversity offsets or introducing labelling and marketing

schemes). Government intervention may also be needed to provide or facilitate the ‘third party’ functions necessary for functioning private instruments, such as certification, evaluation and monitoring. These elements can pose significant transaction costs, and as such may undermine the viability of PES schemes. These functions are generally necessary for private investment instruments as they ensure some degree of credibility with investors.

## **7.2 Potential for innovative financing to contribute to different Natura 2000 management measures**

Table 7.2 examines the potential role of innovative funding in contributing to each of the 25 Natura 2000 management measures.

Some overall conclusions can be drawn about the application of different types of funding mechanism to the Natura 2000 network. In general, direct public sector funding for Natura 2000 activities remains the most versatile financial instrument, applicable to all of the activities required. There is little alternative to this funding for some key activities, especially administrative measures. Business sponsorship is potentially flexible and applicable to a wide range of Natura 2000 activities. However it poses a number of challenges that might need to be carefully considered. Also, a wide variety of financial instruments, including innovative instruments, can potentially be applied to core species and habitat management actions. Finally, capital funding for land purchase and infrastructure for conservation and public access can in principle be provided by a variety of sources, potentially loan finance, tax incentives and biodiversity offsets as well as grants and direct funding measures.

Innovative approaches can potentially be applied to a wide range of Natura 2000 actions, but work better for some actions than others. Table 7.2 distinguishes between types of actions that offer low, moderate or high potential for the use of innovative financing approaches. Actions with high potential for innovative financing include those relating to visitor access and infrastructure, which offer opportunities for visitor payback schemes, entry charges and donations, as well as potentially the application of tourism, education and economic development budgets. Conservation management of habitats also offers potential to use a wide range of new funding sources, such as PES schemes, biodiversity offsets, carbon markets, corporate sponsorship, new sources of grant funding, trust funds and endowments, tax incentives, loans and marketed products.

Many of the actions offer relatively low levels of opportunity to apply innovative funding. These include a range of administrative and managerial actions, scientific studies, monitoring and surveying, information actions, consultations and meetings and staffing. This suggests that the scope for innovative instruments to address specific funding gaps for particular actions may be limited, and that innovative approaches are likely to work best for those types of actions for which funding opportunities already exist. Even so, innovative approaches still have a potentially important role in closing the gap in the overall level of funding provided.



### 7.3 Opportunities for innovative financing instruments to work with main EU funds

New, innovative sources for financing have the potential to reduce the size of the current funding gap for the Natura 2000 network. However, the relatively limited use of innovative approaches to date, and the continued reliance of traditional sources from the EU budget and nature conservation budgets within Member States, is evidence that applying innovative approaches is challenging and is likely to take time. Rather than being seen as alternatives to the application of the EU funding innovative funding approaches offer opportunities to work in combination with these funds in financing Natura 2000 actions. As highlighted in the examples under Annex 3, EU funding instruments can be used to catalyse and pilot new approaches, with a view to developing more innovative financing mechanisms over time and reducing the reliance on traditional funding sources over time.

Potential opportunities for EU funds and innovative approaches to work together include:

- Use of new sources of finance, such as business sponsorship, to co-finance EU funded projects;
- Use of EU funds to pilot the development of new instruments, such as offsets or PES schemes;
- Use of EU funds to finance the development and marketing of produce from Natura 2000, thus helping to develop new markets.

Table 7.3 gives some examples of how the main EU funds can be used in combination with innovative financing approaches, to support the implementation of the network.

Finally, there are also certain challenges for the development of new financing approaches, which arise from the rules governing EU funding instruments, and the way that these instruments operate. For example, EU funding may sometimes replace or 'crowd out' more innovative approaches, and may be seen as an easier approach than developing new instruments. Furthermore, EU funding rules may restrict the scope for developing new approaches. For example, agri-environment payments must be based on income foregone (to comply with WTO rules). This may limit the scope to develop new payments for ecosystem services which add to existing schemes but may contravene payment rules.

Table 7.2: Scope for innovative financing for Natura 2000 related management measures

Natura 2000 management measure			Potential for innovative financing	Possible innovative financing approaches
Establishment of Natura 2000 Sites	1	ADMINISTRATION OF SITE SELECTION PROCESS	Low	This is a core action for the establishment of the Natura 2000 and the potential for wider benefits is limited. It is therefore likely to rely on core funding from public sector budgets.
	2	SCIENTIFIC STUDIES/INVENTORIES FOR SITE IDENTIFICATION	Low	This is a core action for the establishment of Natura 2000 and the potential for wider benefits is limited. It is therefore likely to rely on core funding from public sector budgets.
	3	PREPARATION OF INITIAL INFORMATION AND PUBLICITY MATERIAL	Low	This is a core action for the establishment of Natura 2000 and the potential for wider benefits is limited. It is therefore likely to rely mainly on core funding from public sector budgets. There may be some scope for attracting new funding for publicity materials – for example through corporate sponsorship.
	4	PILOT PROJECTS	Moderate	Pilot projects have the potential to combine core management objectives of Natura 2000 with the delivery of wider benefits, including potentially the piloting of PES schemes and new funding approaches, as well as projects that contribute to climate change mitigation and adaptation. This opens opportunities for utilising a range of EU funds and MS budgets, and potentially attracting private sector funding.
Management planning	5	PREPARATION OF MANAGEMENT PLANS, STRATEGIES AND SCHEMES	Moderate	Management plans are a core action for Natura 2000 and are likely to rely mainly on core funding from public sector budgets. Corporate sponsorship could provide some funding. Where management strategies seek to provide wider benefits (e.g. climate, water regulation, recreation) there may be scope to attract funding from wider budgets and potentially from the private sector (e.g. water utilities).
	6	ESTABLISHMENT OF MANAGEMENT BODIES	Low	This is a core action for the management of Natura 2000 and is likely to rely mainly on core funding from public sector budgets. There may be some scope for attracting new funding – for example through corporate sponsorship or from departments or organisations with wider management interests (e.g. tourism, water management) where there is a strong interest in managing Natura 2000 for these purposes.
	7	CONSULTATION AND NETWORKING – PUBLIC MEETINGS, NETWORKING, LIASON WITH LANDOWNERS	Low	This is a core action for the management of Natura 2000 and is likely to rely mainly on core funding from public sector budgets (e.g. the EU funds). There may be some scope for attracting new funding from some of the interest groups involved – e.g. farmers, landowners, water sector.
	8	REVIEW OF MANAGEMENT PLANS, STRATEGIES AND SCHEMES	Moderate	Management plans are a core action for Natura 2000 and are likely to rely mainly on core funding from public sector budgets. Corporate sponsorship could provide some funding. Where management strategies seek to provide wider benefits (e.g. climate, water regulation, recreation) there may be scope to attract funding from wider budgets and potentially from the private sector (e.g. water utilities).
	9	RUNNING COSTS OF MANAGEMENT BODIES	Low	This is a core action for the management of Natura 2000 and is likely to rely mainly on core funding from public sector budgets. There may be some scope for attracting new funding – for example through corporate sponsorship or from departments or organisations with wider management interests (e.g. tourism, water management) where there is a strong interest in managing Natura 2000 for these purposes.
	10	MAINTENANCE OF FACILITIES FOR PUBLIC – ACCESS TO AND USE OF SITES	High	Entry fees, voluntary donations and other user levies such as car park charges have a clear role to play. Visitor payback schemes could be used more to finance public access infrastructure. Tourism and education benefits offer potential for wider use of EU funds (e.g. ERDF) and other public sector budgets (economic development, tourism, public health).
	11	ONGOING STAFF COSTS	Low	This is a core action for the management of Natura 2000 and is likely to rely mainly on core funding from public sector budgets. There may be some scope for attracting new funding – for example through corporate sponsorship or from departments or organisations with an interest in funding staff with wider management interests (e.g. tourism, water management) where there is a strong interest in managing Natura 2000 for these purposes.
	12	CONSERVATION MANAGEMENT – HABITATS	High	Habitat management offers wide range of opportunities to use new funding sources, such as climate mitigation and adaptation programmes, PES schemes, biodiversity offsets, carbon markets, corporate sponsorship, new sources of grant funding, trust funds and endowments, tax incentives, loans and marketed products.

Natura 2000 management measure			Potential for innovative financing	Possible innovative financing approaches
	13	CONSERVATION MANAGEMENT – SPECIES	Moderate	Opportunities to use new funding sources include biodiversity offsets, corporate sponsorship, new sources of grant funding, trust funds and endowments, tax incentives, loans and marketed products.
	14	CONSERVATION MANAGEMENT – INVASIVE ALIEN SPECIES (IAS)	Moderate	Opportunities to attract funding from sectors and interests affected by IAS – e.g. water, agriculture, forestry, public health.
	15	IMPLEMENTATION OF MANAGEMENT SCHEMES AND AGREEMENTS	Moderate	Potential to attract additional buyers of ecosystem services through PES schemes, including water companies, insurers, developers and other private sector interests.
	16	PROVISION OF SERVICES, COMPENSATION FOR RIGHTS FOREGONE AND LOSS OF INCOME	Moderate	Potential to attract additional buyers of ecosystem services through PES schemes, including water companies, insurers, developers and other private sector interests.
	17	MONITORING AND SURVEYING	Low	Much monitoring activity will focus on nature conservation interests of the site, and will require core funding. Some potential for corporate sponsorship. Wider monitoring of ecosystem services (e.g. water flows and quality, visitor numbers) offers potential to attract funding from other budgets.
	18	RISK MANAGEMENT	Moderate	Risk management measures offer opportunities for funding from other budgets (e.g. flood and coastal protection, prevention of forest fires). Green infrastructure can offer opportunities of cost effective management of environmental risks.
	19	(ONGOING) SURVEILLANCE OF SITES	Low	Much surveillance activity will focus on nature conservation interests of the site, and will require core funding. Some potential for corporate sponsorship. Surveillance activities that affect wider benefits and services – such as visitor management and water protection – may offer potential to attract funding from other budgets.
	20	PROVISION OF INFORMATION AND PUBLICITY MATERIAL	Moderate	There are opportunities from wider budgets where information and publicity offers wider benefits for tourism, education and skills development. There is also potential for corporate sponsorship of publicity materials.
	21	TRAINING AND EDUCATION	Moderate	Natura 2000 offers scope for creation of skilled and knowledge based jobs. There is wider scope to use training and education programmes in Natura 2000 sites – including ESF and Member States training and education budgets.
	22	FACILITIES TO ENCOURAGE VISITOR USE AND APPRECIATION OF NATURA SITES	High	Entry fees, voluntary donations and other user levies such as car park charges have a clear role to play in the funding of visitor facilities. Visitor payback schemes could be used more to finance public access infrastructure. Tourism and education benefits offer potential for wider use of EU funds (e.g. ERDF) and other public sector budgets (economic development, tourism, public health).
Investment costs	23	LAND PURCHASE, INCLUDING COMPENSATION FOR DEVELOPMENT RIGHTS	Moderate	A range of means could be used to fund land purchase and compensation measures, including biodiversity offsets, public appeals, new sources of grant funding, loans and environmental bonds, corporate sponsorship and purchase of land by NGOs.
	24	INFRASTRUCTURE NEEDED FOR THE RESTORATION OF HABITAT OR SPECIES	Moderate	A range of means could be used to fund restoration infrastructure, including biodiversity offsets, new sources of grant funding, loans and environmental bonds and corporate sponsorship.
	25	INFRASTRUCTURE FOR PUBLIC ACCESS	High	Entry fees, voluntary donations and other user levies such as car park charges have a clear role to play in the funding of visitor facilities. Visitor payback schemes could be used more to finance public access infrastructure. Tourism and education benefits offer potential for wider use of EU funds (e.g. ERDF) and other public sector budgets (economic development, tourism, public health).

**Table 7.3: Some ideas of use of EU funds in combination with innovative financing approaches**

EU fund	Examples
EAFRD	<ul style="list-style-type: none"> <li>• Support for processing and marketing of produce from Natura 2000 sites.</li> <li>• Support for agri-environment and woodland management schemes as publicly funded PES schemes, with possibility to add additional payment mechanisms linked to specific services.</li> <li>• Opportunities for new and innovative sources of co-financing for EAFRD programmes, including private sector (e.g. business co-financing of PES schemes).</li> <li>• Use of Leader to trial new public private partnerships and innovative approaches for funding Natura 2000 sites or developing new schemes or market mechanisms.</li> </ul>
LIFE	<ul style="list-style-type: none"> <li>• Piloting of new schemes, such as PES and biodiversity offsets.</li> <li>• Providing seed funding to co-ordinate and catalyse the development of wider funding packages for Natura 2000, which include innovative approaches.</li> <li>• Funding for land-based climate actions through LIFE Climate Action sub-programme.</li> <li>• Opportunities for new and innovative sources of co-financing for LIFE, including private sector (e.g. business sponsorship, PES related investments e.g. in restoration of watersheds).</li> </ul>
EMFF	<ul style="list-style-type: none"> <li>• Support for processing, marketing and certification of sustainable fish and other marine produce – i.e. development of market-based mechanisms that enhance management of marine Natura 2000 sites.</li> <li>• Support for marine PES schemes (e.g. rewarding positive management of fish spawning and nursery areas).</li> <li>• Opportunities for new and innovative sources of co-financing for EMFF, including private sector (e.g. involvement of food chain companies in marine management initiatives).</li> </ul>
ERDF and ESF	<ul style="list-style-type: none"> <li>• Support for processing and marketing of produce from Natura 2000 sites.</li> <li>• Support for visitor infrastructure projects that combine capital investment with establishment of market instruments (e.g. user charges and visitor payback schemes).</li> <li>• Opportunities for new sources of co-financing, including private sector, potentially involving a wide range of sectors benefiting from ecosystem services (e.g. food, tourism and water).</li> </ul>

## 8 REFERENCES, KEY PUBLICATIONS, KEY WEBSITES

### Contact information for regional and national authorities

EU fund	Source for contact information
EAFRD	<a href="http://enrd.ec.europa.eu/general-info/whos-who/implementing-authorities/managing-authorities/en/managing-authorities_en.cfm">http://enrd.ec.europa.eu/general-info/whos-who/implementing-authorities/managing-authorities/en/managing-authorities_en.cfm</a>
EMFF	<a href="http://ec.europa.eu/fisheries/cfp/eff/apply_for_funding/index_en.htm">http://ec.europa.eu/fisheries/cfp/eff/apply_for_funding/index_en.htm</a>
ERDF, EFS and Cohesion Fund	<a href="http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm">http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm</a>
LIFE Programme	<a href="http://ec.europa.eu/environment/life/contact/nationalcontact/">http://ec.europa.eu/environment/life/contact/nationalcontact/</a>
Horizon 2020	<a href="http://ec.europa.eu/research/horizon2020/index_en.cfm?pg=ncp">http://ec.europa.eu/research/horizon2020/index_en.cfm?pg=ncp</a>

### Financing Natura 2000

The Commission Staff Working Paper on financing Natura 2000:

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/financing\\_natura2000.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/financing_natura2000.pdf)

Format for Prioritized Action Frameworks (PAFs) agreed between the Commission and the Member States:

<http://ec.europa.eu/environment/nature/natura2000/financing/docs/PAF.pdf>

Opportunities for financing Natura 2000 based on experience with use of current EU funds:

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/examples\\_Natura2000\\_projects\\_financing.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/examples_Natura2000_projects_financing.pdf)

Investing in Natura 2000: for nature and people – brochure:

<http://ec.europa.eu/environment/nature/info/pubs/docs/brochures/investing%20in%20Natura2000%20brochure.pdf>

Successful and innovative approaches to financing Natura 2000 needs:

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/innovative\\_use\\_eu\\_funds.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/innovative_use_eu_funds.pdf)

Handbook on financing biodiversity in the context of the European Fund for Regional Development (ERDF) - Practical guidance based on the lessons learned from SURF Nature project (ERDF Interreg IVC): [http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/FINAL\\_SURF\\_Handbook\\_V4\\_Sept\\_2012.pdf](http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/FINAL_SURF_Handbook_V4_Sept_2012.pdf)

## Natura 2000 socio-economic benefits

The Economic benefits of the Natura 2000 Network:

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/ENV-12-018\\_LR\\_Final1.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/ENV-12-018_LR_Final1.pdf)

Assessing Socio-economic Benefits of Natura 2000 – a Toolkit for Practitioners (September 2009 Edition):

[http://ec.europa.eu/environment/nature/natura2000/financing/docs/benefits\\_toolkit.pdf](http://ec.europa.eu/environment/nature/natura2000/financing/docs/benefits_toolkit.pdf)

Kettunen, M. and ten Brink, P. (eds) (2013) Social and economic benefits of protected areas – an assessment guide, EarthScan/Routledge, London,

<http://www.routledge.com/books/details/9780415632843/>

European Commission (2013) Guidance on Integrating Climate Change and Biodiversity into Environmental Impact Assessment,

<http://ec.europa.eu/environment/eia/pdf/EIA%20Guidance.pdf>

European Commission (2013) Guidance on Integrating Climate Change and Biodiversity into Strategic Environmental Assessment,

<http://ec.europa.eu/environment/eia/pdf/SEA%20Guidance.pdf>

IEEP and Milieu (2013) Guide to Multi-Benefit Cohesion Policy Investments in Nature and Green Infrastructure - Report for the European Commission,

[http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/guide\\_multi\\_benefit\\_nature.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/guide_multi_benefit_nature.pdf)

Green Infrastructure - Sustainable Investments for the Benefit of Both People and Nature by SURF Nature project (ERDF Interreg IVC): [http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/Green\\_Infrastructure.pdf](http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/Green_Infrastructure.pdf)

Sustainable Tourism & Nature Conservation- An Investment in our Future by SURF Nature project (ERDF Interreg IVC): [http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/Sustainable\\_Tourism\\_Thematic\\_Booklet.pdf](http://www.surf-nature.eu/fileadmin/SURFNATURE/Publications/Sustainable_Tourism_Thematic_Booklet.pdf)

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[http://ec.europa.eu/agriculture/analysis/external/public\\_goods/index\\_en.htm](http://ec.europa.eu/agriculture/analysis/external/public_goods/index_en.htm)

Climate change and Natura 2000 (2013):

<http://ec.europa.eu/environment/nature/climatechange/pdf/Guidance%20document.pdf>

Guidance document on hunting under Council Directive 79/409/EEC on the conservation of wild birds (2008)

[http://ec.europa.eu/environment/nature/conservation/wildbirds/hunting/docs/hunting\\_guide\\_en.pdf](http://ec.europa.eu/environment/nature/conservation/wildbirds/hunting/docs/hunting_guide_en.pdf)

Sustainable tourism and Natura 2000 (2000):

[http://ec.europa.eu/environment/nature/info/pubs/docs/nat2000/sust\\_tourism.pdf](http://ec.europa.eu/environment/nature/info/pubs/docs/nat2000/sust_tourism.pdf)

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**ANNEX 1 CASE STUDIES ON FINANCING NATURA 2000**

<b>The Burren Farming for Conservation Programme: Funding biodiversity measures in priority grassland habitats</b>	
<b>Fund used:</b> LIFE+: (€2,230,487 over five years) Article 68(1)(a)(i) of EU Regulation 73/2009, Pillar 1 of the CAP (€4 million over four years)	<b>Member State:</b> Ireland
<b>Ecosystem/habitat/species supported by the scheme:</b> Priority grasslands dependent on grazing, including priority habitats: turloughs (3180), semi-natural dry grassland and scrubland on calcareous substrates ( <i>Festuco-Brometalia</i> ) (6210), calcareous fens with <i>Cladium mariscus</i> and species of the <i>Caricion davallianae</i> (7210), petrifying springs with tufa formation ( <i>Cratoneurion</i> ) (7220) and limestone pavements (8240). The Burren hosts three SACs with a combined area of 30,462 ha.	
<b>Introduction to the project and management needs:</b> The Burren, an area of limestone karst located on the Atlantic coast, is one of Ireland's most important regions for its flora, fauna and habitats thanks to its distinct geology as well as thousands of years of agriculture practiced in the region. Grazing on these areas during winter, made possible by the region's resistance to waterlogging, removes plant material that builds up over the summer months, preventing scrub encroachment and producing ideal conditions for annual crops of flowers, including rare species of gentians and orchids  In recent years, the need for farmers to take on additional work to supplement farm incomes has meant less time to access remote areas resulting in less grazing in these patches. A change to silage feeding on winterages or indoor housing and feeding has reduced foraging and contributes to abandonment of winter-grazed grasslands and, in some cases, to point source pollution of water resources. The agri-environment scheme applied to the area failed to maintain conservation status, due to inflexible requirements such as the prohibition of any summer grazing on winterages, which limited farmers' ability to respond to exceptional circumstances such as disease or extreme weather conditions.	
<b>Description of how the funds were used to finance the work:</b> The scheme was initiated with €2.2million of funding under LIFE+ to trial innovative approaches to dealing with biodiversity conservation issues in the area. A key aspect of the scheme was the opportunity for farmers to opt into the measures at their own discretion. After the successful implementation of the project, the national government was sufficiently encouraged so as to announce a new scheme in 2009, funded under Pillar 1 of the CAP by the Department of Agriculture with a budget of €1 million per year over four years (2010-2013) using unspent funds under Article 68, which allows Member States to pay for specific types of farming which are important for the environment.  The payment is based on field-level assessments of habitat condition and environmental services delivered, including the production of species-rich grasslands, protection of designated land and the condition of water sources. Despite lower maximum payments per hectare than those offered under the agri-environment scheme (€120/ha top rate, with average payments c.75/ha and farmers themselves co-financing projects at €24/ha, compared to €242/ha provided under AES), this arrangement appears to be viewed more favourably by farmers.	
<b>Activities financed:</b> Under LIFE+, the activities funded include: installation of water pumps and tanks, restoration of internal stone walls to facilitate animal husbandry, scrub clearance, and development of a concentrate feed system to meet the nutritional requirements of cows over the winter periods. While participants are provided with advice on how to maximise the environmental benefit from their land, farmers are expected to use their own initiative to create the optimal crop of species-rich grasslands.	

**Beneficiaries and ecosystem services expected:**

*Primary beneficiaries:* farmers.

*Secondary beneficiaries:* local population in the area.

*Key benefits:* support to rural livelihoods, employment, Cultural and natural heritage & landscape values, water security, recreation and tourism, ecosystem resilience.

The targeted grazing and feeding system has greatly enhanced the sustainability of the farm operations benefitting farmers. Targeted conservation work (scrub clearance etc.) has had the added positive social impact by creating much needed employment in the area and increased knowledge transfer and skills retention. In terms of ecosystem services, it can be expected to improve local water quality and increase cultural and tourism values through improved landscape amenity quality.

**Key outcomes and results:**

The new BFCP incentive scheme appears to have resulted in a greater proportion of high 'habitat condition scores', by the end of its second year. By March 2013, 160 farmers were included under the programme, impacting an area of 14,500 ha including approximately 13,000 ha under SAC designation.

**Factors of success:**

The scheme used two funding streams: LIFE+ to innovate and trial a scheme that was appropriate to the local circumstances, followed by annual funding under Article 68, which expanded the scheme to a large proportion of the farmers in the target area. This model proved successful as the initial LIFE+ project was able to demonstrate that it both boosted farm incomes and created environmental benefits, therefore convincing the Department of Agriculture to fund the scheme.

The way that the funds were used within the project is also a vital factor of success: in particular, the decision to make all the actions farmer-led meant that farmers felt comfortable about participating as they could opt in to the measures appropriate to them. Finding ways to make the system enhance the financial sustainability of the farm operations was a key element in achieving conservation benefits and efficient agricultural production.

**References and further information:**

- BFCP (2012) Burren Farming for Conservation Programme year 2 summary.
- BurrenLIFE (2010) Sustainable grazing of Burren winterages.  
<http://www.burrenlife.com/best-practice-guides.php>
- Burrenbeo Trust Monthly e-Newsletter April 2013 (No.76).

**Contact:** Brendan Dunford; [brendan@burrenlife.com](mailto:brendan@burrenlife.com).

Management of traditional rural landscapes in Finland	
Cooperation between multiple stakeholders in the Rekijokilaakso River Valley	
<b>Fund used:</b> EAFRD, LIFE, ERDF Interreg IIa, National funds and Private funds (NGO's, local associations, environmental labelling, tourism revenues).	<b>Member State:</b> Finland
<b>Ecosystem/habitat/species supported by the scheme:</b> Rivers, grasslands and forests, including habitat types such as 6270 Fennoscandian lowland species-rich dry to mesic grasslands, 6510 Lowland hay meadows ( <i>Alopecurus pratensis</i> and <i>Sanguisorba officinalis</i> ), 6520 Mountain hay meadows and 9070 Fennoscandian wooded pastures and species of grasslands and forests such as Flying squirrel <i>Pteromys volans</i> (1910), Clouded apollo <i>Parnassius mnemosyne</i> , Pygmy owl <i>Glaucidium passerinum</i> (A217), Grey-headed woodpecker <i>Picus canus</i> (A234), and Red-backed shrike <i>Lanius collurio</i> (A338).	

**Introduction to the project and management needs:**

The Rekijokilaakso river valley is a 1209 hectare complex of grasslands and wooded pastures located in the south of Finland. Located on steep hillsides, the river valley has remained under traditional agricultural management as it is not suitable for intensive agriculture. The traditional agricultural management consisted of extensive mowing and grazing, mainly with cattle. As a consequence of this management several habitat types and species of Community interest are present on the site.

The traditional agricultural management has almost entirely disappeared from the area, as it was no longer profitable, and many of the grasslands have been abandoned. The lack of appropriate management is now threatening the species and habitats that are dependent on the extensive mowing and grazing regime. The current project therefore aimed at reintroducing a traditional agricultural management regime to the area.

**Description of activities finances and funds used:**

The project is funded by a variety of sources. The reintroduced management in the grasslands was funded by agri-environmental schemes financed by the EAFRD, the Finnish authorities, and by NGO's and local associations. The activities mainly consists of reintroducing seasonal mowing and rotational grazing of cattle. The reintroduced management in the woodlands was funded by the Finnish authorities. The reintroduction of the Clouded apollo is funded by LIFE. The capacity building in the area was funded by the E Interreg IIa, NGO's and local associations. NGO's and local associations also financed the construction of nature paths, and the development of management guidance. Private funds were accessed to increase the income of farmers through labelling of regional products.

**Beneficiaries and socio-economic benefits expected:**

*Primary beneficiaries:* farmers, foresters, NGO's and local associations

*Secondary beneficiaries:* tourism enterprises

*Key benefits:* landscape quality; support to rural livelihoods; recreation and tourism; cultural and heritage;

**Key outcomes and results:**

- The area under extensive mowing and grazing has increased.
- A population of the Clouded apollo has successfully established in the area following its reintroduction.
- 48 hectare of forest is now covered by management agreements.

**Factors of success:**

The key factor of success in reintroducing the traditional agricultural management in the Rekijokilaakso river valley was a close cooperation between the different stakeholders, which resulted in access to a variety of public and private funds, thereby maximizing the conservation benefits. The active participation of the farmers in the area was essential for to achieve, as this resulted in well-designed successful conservation measures and innovative use of private funds through the labelling of regional products.

The cooperation also successfully resolved the conflicts that existed between the different stakeholders in the area and has fostered a positive attitude of land-owners, farmers and foresters towards Natura 2000 and created the basis for a successful long-term management of the site.

**References and further information:**

- Ikonen, I (2002) *An assessment of the favourable conservation status of the Rekijoki river valley habitats*. Southwest Finland regional environment centre, Finnish Environment 594,

Helsinki, FI.

- Ikonen, I (2011) Rekijokilaakso River Valley  
[http://www.natura.org/natura2000management/fi\\_rekijokilaakso\\_river\\_valley.html](http://www.natura.org/natura2000management/fi_rekijokilaakso_river_valley.html)
- Metsähallitus (2012) Species-rich LIFE. Ecological management of Natura 2000 areas in Finland.  
<http://www.metsa.fi/sivustot/metsa/en/Projects/LifeNatureProjects/SpeciesRichLIFE/Sivut/default.aspx>

**Contact:** Iiro Ikonen, Centre for Economic Development, Transport and the Environment in the Southwest Finland ([iiro.ikonen@ely-keskus.fi](mailto:iiro.ikonen@ely-keskus.fi))

**Sustainable Management of Catchments Programme (SCaMP)  
A water company led project in Northern England**

<b>Fund used:</b> Private funds (company) €12 million, National government funds and EAFRD on-going	<b>Member State:</b> United Kingdom
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**Ecosystem/habitat/species supported by the scheme:**

Grasslands, heathlands, bogs and forests, the habitat types 4010 Northern Atlantic wet heaths with *Erica tetralix*, 4030 European dry heaths, 7130 Blanket bogs, 7140 Transition mires and quaking bogs and 91A0 Old sessile oak woods with *Ilex* and *Blechnum* in the British Isles and the upland heathland species Hen Harrier *Circus cyaneus* (A082), Merlin *Falco columbarius* (A098), Golden plover *Pluvialis apricaria* (A142) and Short-eared owl *Asio flammeus* (A222).

**Introduction to the project and management needs:**

The water company United Utilities Group PLC owns 20 000 hectare of upland grasslands and heathlands in Lancashire and Derbyshire in the United Kingdom, of which 13 500 hectare falls within the Bowlands fell SPA and the South Pennine moors SAC and SPA. In these grasslands and heathlands several habitat types and species of Community interest are present. The grasslands and heathlands are leased to tenant farmers, who use the land mainly for sheep grazing.

Between 1950 and 1970 the upland bogs have been drained for agricultural purposes, resulting in a rapid deterioration of these habitats. In addition, the southern part of the area has been affected by historic air pollution, high grazing pressure and wildfires. The resulting poor vegetation quality and associated soil and peat erosion have led to a low water quality, in particular terms of colour, of the water coming from the uplands. In addition, the soil erosion resulted in the sedimentation of basins. The high stocking rate also causes microbial contamination of the water. These developments have led to high costs to United Utilities and to a low quality of the habitat types present in the uplands.

**Description of how the funds were used to finance the work:**

The project was funded by United Utilities, who invested €12 million in the project, and the High Level Scheme (HLS) an agri-environmental scheme which is co-financed by Natural England and EAFRD. Through the HLS farmers in some areas can receive payments for environmental management of their land for a period of 10 years or more. As part of the project United Utilities facilitated the entry of tenant farmers into the HLS.

**Activities financed**

United Utilities and the HLS financed re-wetting blanket bog through grip and gully blocking, re-vegetation of eroded bare peat to restore blanket bog vegetation, woodland creation and enhancement, reducing grazing pressure and new farm infrastructure. United Utilities financed the upfront capital investments that were needed for farmers to enter the HLS and financed some measures for tenant farmers not eligible for HLS.

**Beneficiaries and socio-economic benefits expected:**

*Primary beneficiaries:* tenant farmers

*Secondary beneficiaries:* United Utilities

*Key benefits:* improved water quality; support to rural livelihoods; carbon sequestration

**Key outcomes and results:**

- The water quality has improved in terms of colour and sediment load.
- The vegetation cover in the degraded Blanket bogs has increased, resulting in a decrease in erosion and an increase in carbon sequestration.
- The Dry heaths show the first signs of recovery following a reduction in stocking rates.
- The structure of the woodlands has improved and the cover of non-native species in the woodlands has decreased.
- 38 tenant farmers have entered the HLS and have improved their income.

**Factors of success:**

The key factor of success of the SCaMP programme is the strong engagement of United Utilities with the tenant farmers, which greatly facilitated the development and implementation of the programme. The SCaMP programme benefited considerably from the synergies between private funds and the EAFRD, in which the private funds were used to facilitate the entry of farmers in an agri-environmental scheme. The cooperation between United Utilities and Natural England was also highly beneficial in this respect, linking up a local stakeholder network and expertise on local biodiversity with access to finance.

**References and further information:**

- Anderson, P and Ross, S (2011) United Utilities Sustainable Catchment Management Programme. Volume 1. Executive Report.  
[http://corporate.unitedutilities.com/documents/Vol\\_1\\_Executive\\_Report.pdf](http://corporate.unitedutilities.com/documents/Vol_1_Executive_Report.pdf)
- McGrath, M and Smith, M (2006) Sustainable Catchment Management Programme (SCaMP): Managing Farmland in Natura 2000 - Case studies 116 from hilltop to tap, in BHS 9th National Hydrology Symposium, Durham.

**Contact:** TBC

**Planning and implementing Green Infrastructure on a regional level in Romania  
Ecological restoration of Comana wetlands in Giurgiu County**

**Funds used:**

ERDF SOP ENV €0.86 million (3.8 million lei) (November 2009 – April 2011)  
National government funds €0.47 million (2 million lei) (including VAT €0.25 million)  
Local government funds €27,579 from Giurgiu County Council

**Member State:**

RO

**Ecosystem/habitat/species supported by the scheme:**

Natura 2000 SCI Comana on 26,481 ha, RAMSAR site on 24,963 ha. Rivers, wetlands and forests, including wetland habitat types of Community interest 3130 Oligotrophic to mesotrophic standing waters with vegetation of the *Littorelletea uniflorae* and/or *Isoeto-Nanojuncetea*, 3160 Natural dystrophic lakes and ponds, 3260 Water courses of plain to montane levels with the *Ranunculus fluitantis* and *Callitriche-Batrachion* vegetation, 91E0 Alluvial forests with *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*) and 92A0 *Salix alba* and *Populus alba* galleries. Species of Community interest include European Pond Terrapin *Emys orbicularis* (1120), Kessler's Gudgeon *Gobio kessleri* (2511), White Pelican *Pelecanus onocrotalus* (A019), Squacco Heron *Ardeola ralloides* (A024) and Whiskered Tern *Chlidonias hybrida* (A196).

**Introduction to the project and management needs:**

The Comana wetland Natural Park, established in 2004, is a 25 000 hectare wetland complex located in the south of Romania. The landscape in Comana is highly diverse, consisting of wetlands, lakes, oak forests, agricultural land and rural villages. The wetlands are an important staging site for migratory birds. A large number of habitat types and species of Community interest are present on the site. Past drainage projects to reclaim land for agriculture lowered the groundwater level and surface water level in the area. The low water levels have led to disastrous results, as farming has become less productive due to the low water levels, and around 75% of the wetlands in Comana have been lost. The project aimed to restore the wetland by restoring the initial high water levels in the Comana wetlands, to implement monitoring and management systems, and to promote awareness among visitors/ tourists and local communities about the environmental protection and promoting of good practices on biodiversity conservation.

**Description of how the funds were used to finance the work:**

The project was funded by two sources: the EFRD Sectoral Operational Programme for the Environment (SOP ENV) in Romania (65%), and match funding from the state budget (35%). County Council Giurgiu has contributed separately. The SOP ENV funding comes under Priority Axis 4: "Implementation of Adequate Management Systems for Nature Protection", under the measures for "Ecological restoration of habitats and the reinforcement of species populations"; and "Setting up monitoring systems for Natura 2000 sites and protected areas". The project was planned since 2000, but local funds were not sufficient to implement it. It was included as a priority when the County Strategy for 2007 - 2012 was elaborated. The Cohesion Policy therefore provided a very good opportunity for the implementation of the project. A key factor was the availability of pre-financing of 30% for the total project budget that provided the necessary funds to start the project. There was a high availability of funds, and the involvement of specialists from the Managing Authority and Intermediate Body was beneficial to access funds and to implement the project successfully. The disadvantages were due to the process of public procurement for contracts regarding the supply / works / services, which consisted in appeals and had as a consequence procedures which led to delays in the project implementation. Addendums were necessary in order to extend the implementation period. This resulted from the inflexibility to redistribute savings and so required using beneficiaries own funds.

**Activities financed:**

The project financed the construction of a dam with a sluice on the Neajlov River, downstream of Comana Lake, to increase and maintain the water level, allowing large parts of the floodplain area to be reflooded, with a fish scale next to the dam to enable fish to pass. It also financed a visitor centre, visitor management infrastructure, and an awareness raising campaign with dedicated information caravans, a round table and thematic seminars. A long-term monitoring programme has been set up, including the installation of monitoring equipment and infrastructure.

**Beneficiaries and socio-economic benefits expected:**

*Primary beneficiaries:* Comana National Park

*Secondary beneficiaries:* Giurgiu County Council, municipality, fishermen, farmers, tourists and ecological researchers

*Key ecosystem services benefits:* sustainable tourism; nature experience (information & guidance); water retention and quality

*Key socio-economic benefits:* tourism; education and awareness raising; employment; establishment of research centre with local scientific institutions

**Key outcomes and results:**

The project has raised the water level in the wetland, increasing the water surface, creating better conditions for the maintenance and development of flora and fauna. It is estimated that at least 30% of the original wetland now provides improved habitat for bird species and the number of birds has increased by at least 5%. The project is an important model for the region as it is implementing the first monitoring system of environmental parameters and bird species in the region. The promotion of the concepts of protection and conservation of natural heritage will generate long-term favourable effects for biodiversity conservation in the area. It is recognised that raising the interest and awareness of visitors and local community on issues of nature protection needs to continue to be a high priority.

**Factors of success in relation to funding:**

The funding was sufficient for project implementation and the financial framework conditions support the financing of the nature conservation activities. Without the EU funding, the project would not have been possible. Comana Wetland restoration was initially funded through a LIFE Nature project (2002-2004). While the LIFE project did not yet achieve the planned restoration it was key to the successful planning of the restoration work (including identification of measures in view of increasing the wetland area, drafting a series of management recommendations and proposal to declare the site as a natural park) and laid the ground for the declaration of the area as a National Park in 2004.

The Comana wetlands project also benefited from the strong awareness raising campaigns since 2000, which have created the necessary local support for restoration (regional and local authorities, business and the local population). The Giurgiu County Council has a good collaboration with the Local Environmental Protection Agency and land users on the Comana wetland restoration area, and they are supported by the Administration of the Comana Natural Park. Business investment is coming to the area and economic benefits are expected from establishing the area as an outstanding territory for ecological research in cooperation with scientific institutions in nearby Bucharest and other cities.

**References and further information:**

- Dan, R (undated) Case study – Project example from Romania – Planning and Implementing Green infrastructure on a regional level.  
[http://www.surf-nature.eu/uploads/media/SURF\\_Romania\\_example\\_28032011\\_01.pdf](http://www.surf-nature.eu/uploads/media/SURF_Romania_example_28032011_01.pdf)
- SURF Nature (2011) Ecological restoration of Comana wetland. Good practice example of ERDF funding. [http://surfnature.ctfc.cat/det\\_project.php?id=36](http://surfnature.ctfc.cat/det_project.php?id=36)
- EUNIS database of Natura 2000 sites  
<http://natura2000.eea.europa.eu/Natura2000/SDFPublic.aspx?site=ROSCI0043>
- Ramsar sites <http://www.ramsar.ro/index.php?act=page&idMain=2&idPag=4>
- LIFE02 NAT/RO/008571  
[http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n\\_proj\\_id=1980](http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=1980)

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<b>A unique partnership to preserve a threatened ecosystem in Hungary</b> <b>Conservation of alluvial habitats of Community interest on Szabadság Island</b>	
<b>Fund used:</b> (January 2009 – December 2013) Total budget: EUR 1,795,529; Eligible budget: EUR 1,434,529 LIFE – 75% of eligible budget Out of total budget: <ul style="list-style-type: none"> <li>• National government funds; Local government funds – 14%</li> <li>• State owned company 4.5%</li> <li>• NGO (private people) 7.5%</li> <li>• Corporate companies 15%</li> <li>• LIFE 59%</li> </ul>	<b>Member State:</b> Hungary
<b>Ecosystem/habitat/species supported by the scheme:</b> Natura 2000 Béda-Karapancsa SPA (8722 ha) and SCI (10,798 ha), Béda-Karapancsa RAMSAR site (1149 ha) (part of the 49,479 ha Duna-Drava National Park). Rivers and forests, including habitat types of Community interest 91E0 Alluvial forests with <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i> ( <i>Alno-Padion</i> , <i>Alnion incanae</i> , <i>Salicion albae</i> ) and 91F0 Riparian mixed forests of <i>Quercus robur</i> , <i>Ulmus laevis</i> and <i>Ulmus minor</i> , <i>Fraxinus excelsior</i> or <i>Fraxinus angustifolia</i> , along the great rivers ( <i>Ulmion minoris</i> ). Species of Community interest include Beaver <i>Castor fiber</i> (1337), Danube crested newt <i>Triturus dobrogicus</i> (1993), Ziege <i>Pelecus cultratus</i> (2522), Sterlet <i>Acipenser ruthenus</i> , Little bittern <i>Ixobrychus minutus</i> A022, Black stork <i>Ciconia nigra</i> (A030), Little crane <i>Porzana parva</i> (A120) and Moustached warbler <i>Acrocephalus melanopogon</i> (A293).	
<b>Introduction to the project and management needs:</b> Szabadság Island is a 47 hectare island in the Danube in the south of Hungary, part of the Danube-Drava National Park and Béda-Karapancsa SPA. The island hosts some prime examples of alluvial forest habitat in Hungary. It is an important staging site for migratory birds and hosts a large number of habitat types and species of Community interest, including many fish species endemic to the Danube.  The construction of a rock-fill dam in the sidearm flowing next to island in 1982 has converted the free flowing sidearm to a stagnant water body, which has since then gradually become shallower. If no action is taken the sidearm will eventually disappear. In addition, a considerable area of alluvial forest on the area has been replaced by plantations of non-native and invasive tree species. The project therefore aims at increasing the area of alluvial forest by restoring the free flowing sidearm and removing non-native tree plantations.	
<b>Description of how the funds were used to finance the work:</b> The project was funded by a combination of sources. Initial funding came from the Hungarian national government and LIFE, with 15% of funds being provided by private companies and a small proportion through NGO activities, including fundraising. Co-financing was provided by the Municipality of Mohács, Coca-Cola Hungary and Cargill. Own source is provided by Partners: Danube-Drava National Park Directorate, Lower Danube Valley Environmental and Water Affairs Directorate and Transdanubian Regional Waterworks Public Company (DRV Zrt.). The coordinating beneficiary was WWF Hungary, and associated beneficiaries were the Danube-Drava National Park Directorate, and Lower Danube Valley Environmental and Water Affairs Directorate (ADUKÖVIZIG).	
An initial struggle to acquire matched funding provided difficulty in the application for EU funds,	



suggesting a limitation for smaller projects or for those without a strong national priority. A possible increase in the LIFE funding proportion would have been beneficial to the Szabadság Island project, through allowing an increase of time focused on project work, rather than fundraising and mustering private co-financing. Additionally, the high costs of the waterpipe relocation, considered non-eligible by LIFE, also increased the need for matching funds.

Of the overall budget 50% funded the field activities, including the dredging and the relocation of the water pipe, 15% was financed the forestry and conservation management; 10% financed communication activities including; the remainder financed staffing, travel, expertise and other associated project costs.

#### **Activities financed**

Eligible activities were financed 75% by LIFE and 25% from own source funding from state organisations and WWF, as the NGO are responsible for the activities, and included the coordination of the project, all communication activities, and the dredging of the river sidearm.

The LIFE programme and Danube-Drava National Park Directorate financed the purchase of the island, and financed the conservation management including forestry activities, clearance of non-native tree species, and the monitoring programme. LIFE and Lower Danube Valley Environmental and Water Affairs Directorate (ADUKÖVIZIG) financed the technical design of the dredging and the opening the rock-fill dam, along with its implementation, and supervised the field activities affecting the river side-arm as water manager of the relevant Danube section. WWF Hungary, from corporate co-financing, and Transdanubian Regional Waterworks Public Company (DRV Zrt.) financed the non-eligible relocation of drinking water infrastructure, with LIFE and DRV Zrt. financing the costs of the planning of the waterpipe relocation, as this was eligible for LIFE funding. WWF Hungary and DRV financed the non-eligible part, the implementation of the waterpipe relocation, which was 20% covered by DRV and 80% by WWF from corporate funding.

#### **Beneficiaries and socio-economic benefits expected:**

*Coordinating beneficiary:* WWF Hungary,

*Associated beneficiaries:* Duna-Drava National Park Directorate, Lower Danube Valley Environmental and Water Affairs Directorate (ADUKÖVIZIG), Transdanubian Regional Waterworks Public Company.

*Cofinanciers:* Coca-Cola Hungary, Municipality of Mohács, private Hungarian people donating WWF.

*Key benefits:* ecological restoration; side-arm longitudinal permeability (WFD); water quality; recreation & tourism; wildlife; heritage and landscape; protected species.

#### **Key outcomes and results:**

- preparatory actions (technical design and permissions) were complete in April 2011
- 160 000 m<sup>3</sup> of sediment has been dredged from the river sidearm and the waterpipes have been relocated to March 2013
- The dam in the river sidearm will be opened in 2013 providing water flow in the side-arm
- All non-native tree plantations have been removed from the island and the plantations have been replanted with a mixture of native species of alluvial forests in February 2010 and 2011.

#### **Factors of success in relation to funding:**

LIFE funded the majority of this project, which may have struggled to have found funding through other Natura 2000 funding mechanisms, excluding EU sources, such as those which are yet to be planned. A positive attribute of LIFE is its flexibility to alter plans which are subject to change due to unforeseen circumstances, including legal and administrative.

The key factor of success for conserving alluvial forests on the Szabadság Island was the synergy

between LIFE and governmental and private funds related to water. The project created a win-win situation by efficiently linking nature conservation with improving water quality in the Danube river and was thus able to access funds from regional and local governments and from the private sector, as well as expertise from these bodies.

#### References and further information:

- WWF Hungary (2012) Szabadságsziget / Liberty Island.  
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- European Commission (2007) DANUBEISLANDFOREST - Conservation of alluvial habitats of community interest on the Szabadság Island and side channel in Béda-Karapancsa pSCI (HUDD10004 and HUDD20045).  
[http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n\\_proj\\_id=3359](http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=3359)

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#### Mapping and planning for sustainable fisheries in a Marine Protected Area FishMap Môn in North Wales

##### Fund used:

European Fisheries Fund (75% funding) - £187,500 (September 2011 - September 2013)

Welsh Government (25% funding) - £62,500

If the application for an extension of funds submitted to the Welsh Government in June 2013 is successful the Project budget will be £395,455. To be confirmed by mid-September 2013.

##### Member State:

UK

##### Ecosystem/habitat/species supported by the scheme:

The marine area encompasses approximately 265 km<sup>2</sup> around the Isle of Anglesey (out to 12 nautical miles), of which approximately 3% is in Special Areas of Conservation (SAC) and 3% is in Special Protection Areas (SPAs). The SAC areas are mainly composed of the Menai Strait and Conwy Bay SAC (2.8% of the project area) with a small part of the Llyn Peninsula and the Sarnau SAC (0.2%); the majority of the SPA area is within Liverpool Bay SPA (2.9%). Habitats of Community interest include mud flats & sand flats (1110 & 1140), rocky reefs (eg horse mussel reefs) (1170), sea inlets (1160) tidal rivers & estuaries (1130). Species of Community interest include Bottlenose dolphin *Tursiops truncatus* (1349), Otter *Lutra lutra* (1355), Grey seal *Halichoerus grypus* (1364), and winter populations of Red-throated Diver *Gavia stellata* (A001) and Common Scoter *Melanitta nigra* (A065).

**Introduction to the project and management needs:**

FishMap Môn is a collaborative pilot project between Natural Resources Wales, recreational fishers and commercial fishers in North Wales, and aims to develop a fisheries management guidance tool for the Anglesey marine area, which will contribute to delivering an ecosystem based approach to realising the Welsh Sustainable Fisheries Strategy. The FishMap Môn project focuses mainly on the waters around the Isle of Anglesey (out to 12 nautical miles). The main commercial fisheries in the project area are for shellfish including lobster, crab, prawns, whelks, periwinkles and mussels. Recreational fishing is also important with a variety of species caught such as mackerel, sea bass, pollock and dogfish.. The project is trialling ways to collect fishing activity data from local fishers and combine it with information on seabed habitat type and sensitivity using GIS tools, in order to improve and inform the sustainability of fishing and marine nature conservation.

**Description of how the funds were used to finance the work:**

Both EEF and Government funds were unrestricted, with no specific actions being attributed to individual funding sources. Funds were spent on: staffing costs, including salaries and costs of project board/steering group - £273,500; office and field equipment - £14,000; publicity and training - £2,326; stakeholder engagement, including translation and presentations - £5,730; recruitment and management interface - £34,800; attendance at conferences - £5,888; GIS licensing and analysis costs - £46,794.

**Activities financed:**

The FishMap Môn Guidance Tool is one the key outputs of the Project. The project is engaging with fishermen's groups and other relevant organisations through meetings and workshops to involve stakeholders in developing guidance on environmentally sustainable fisheries management in the test area. It has carried out a series of interviews in order to collect information about fishing activity and intensity, and has mapped individual fishing grounds together with fishing gear used. This data has been matched with existing habitat and sensitivity data to develop options to inform sustainable fisheries management - showing which areas are vulnerable to fishing activities and others which are more robust.

As part of the engagement with fisheries stakeholders, a web based mapping application, with an easy to use interface, has been developed to enable access to people with little or no background in digital mapping. Stakeholders will start with a map of the benthic habitats in an area of interest and will be able to digitise locations of fishing activities and define the intensity of their activity. This will then bring up the sensitivity of each habitat to that particular type of fishing. It is currently being tested by stakeholders from NRW, Welsh Government and the Fishing Industry.

European Fisheries Fund funding aims to support the growth of sustainable fishing industries. One of the early challenges of the Project was to bring on board partners from local fishing organisations. Countryside Council for Wales (CCW) achieved the support of the fishing industry through ensuring that the Project would deliver cross-cutting benefits to all involved, for example nature conservation and sustainable fisheries in Wales. The project board has identified a need to better communicate the benefits of the project to the local fishing industry, and noted that without developing a healthy partnership environment, it will not be successful moving forward.

**Beneficiaries and ecosystem services expected:**

*Primary beneficiaries:* Natural resource management in Wales (Welsh Government and Natural Resources Wales), North Wales Fishermen's Cooperative Ltd, Bangor Mussel Producers Ltd, Welsh Federation of Sea Anglers, and Welsh Fishermen's Association. The project is engaging with commercial fishermen, charter boat operators and non-commercial fishermen (anglers, bait collectors, mussel gatherers etc).

*Secondary beneficiaries:* Welsh marine tourism operators, Welsh seafood market value chain (shops, restaurants, etc).

*Expected ecosystem services benefits:* Sustainable management of natural resources in the marine environment (e.g. healthy benthic habitats supporting healthy fish stocks).

*Expected socio-economic benefits:* recreational fishing and marine tourism (recreation value and

economic value). A sustainable marine fisheries sector that strikes a balance between preventing damaging activities while maximising the economic value of those activities that can be undertaken sustainably.

#### **Key outcomes and results:**

Specific outcomes of the project so far include mapping a range of commercial and recreational fishing activity in the Project area, through a series of one to one interviews with commercial fishermen, charter boat operators and recreational sea anglers - maps illustrating habitat sensitivity with fishing activity and intensity data have been created following surveys of approximately 50 commercial fishers and 600 recreational fishers. The FishMap Môn Guidance Tool, an easy to use web based mapping application allowing stakeholders to view fishing activity data or hypothetical fishing scenarios in combination with seabed habitats and their sensitivity, has been developed. Furthermore, outcomes include an evaluation of how learning from FishMap Môn could be applied to managing the marine environment in Wales and a literature review to explore global case studies where an Ecosystem Approach has been applied to managing the marine environment. The review will identify lessons learnt and how they relate to Wales. Another key outcome is the lessons learnt in stakeholder engagement and collaborative working with the fishing industry in Wales.

It is anticipated that all the Project aims will be achieved, despite the project being delayed as a result of several factors, including challenges in collaborative working, the MCZ consultation and staff changes. The Welsh Government is currently carrying out a consultation on the designation of Marine Conservation Zones around the coasts of Wales, which contributed to the project delay. Although this pilot project was not designed to contribute directly to the consultation, the methods and approaches piloted by the Project may, if supported by the Industry and Welsh Government, inform future Marine Protected Area designation / site selection.

#### **Factors of success in relation to funding:**

For this project limited funding opportunities were available at the time. Applications for EFF funding need to demonstrate how the Project will contribute towards a sustainable fishing industry, as well as demonstrating benefits to the fishing industry itself. The FishMap Môn project had no problems with the financing of the project. The EFF fund is flexible allowing projects to apply for further financing, or an extension, with manageable administrative requirements. In June 2012, the Project successfully applied for additional funding and time extensions, through a Project Variation Form, and has recently submitted an application to extend the Project until December 2013. In addition, the EFF funding source is administered by the Welsh Government's Scheme Management Unit, which provides the FishMap Môn project with a dedicated Project Manager for support, building good relationships between the Project and the Welsh Government Scheme Management Unit Staff.

#### **References and further information:**

- CCW (2012) FishMap Môn webpage. Countryside Council for Wales.  
<http://www.ccg.gov.uk/landscape--wildlife/managing-land-and-sea/fishmap-mon.aspx>
- Draft minutes of the FishMap Môn project board meeting 10 October 2012.  
<http://www.ccg.gov.uk/landscape--wildlife/managing-land-and-sea/fishmap-mon/structure-of-project.aspx>
- Natura 2000 Standard Data Form for Liverpool Bay SPA UK9020294  
<http://jncc.defra.gov.uk/pdf/SPA/UK9020294.pdf>
- Further information on the success of this project and the lessons learnt will be available in the FishMap Môn Report (to be available in Autumn 2013).

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Accessing funds for Natura 2000 farming German Land Care Associations	
<b>Funds used:</b> CAP Pillar 1 direct payments EAFRD funding - various including agri-environment, and funding under Article 57 measure 323 “Conservation and upgrading of the rural heritage” Structural funds, LIFE+ German Federal States German national government (Ministry of Food, Agriculture & Consumer Protection) Local authority funding Foundations	<b>Member State:</b> Germany
<b>Ecosystem/habitat/species supported by the scheme:</b> The German Natura 2000 network hosts 18 Habitats Directive Annex I habitat types that are dependent on agricultural practices for their management and restoration, including 3960 ha of xeric sand calcareous grasslands (6120), 45700 ha of semi-natural dry grasslands and scrubland facies on calcareous substrates ( <i>Festuco-Brometalia</i> ) (6210), 11267 ha of <i>Molinia</i> meadows (6410), 153300 ha of lowland hay meadows (6510), and 20 850 ha of mountain hay meadows (6520). Plant species of Community interest dependent on extensive agriculture include Whiskered Brome ( <i>Bromus grossus</i> ) and Hornwort ( <i>Notothylas orbicularis</i> ) dependent on extensive arable cropping, Marsh Angelica ( <i>Angelica palustris</i> ) and Marsh Gladiolus ( <i>Gladiolus palustris</i> ) in wet meadows, Bohemian Gentian ( <i>Gentianella bohemica</i> ) in dry and alpine meadows, Bavarian Feathergrass ( <i>Stipa bavarica</i> ) in grazed rocky habitats. Butterfly species of Community interest include Marsh Fritillary ( <i>Euphydryas aurinia</i> ), Scarce Large Blue ( <i>Phengaris teleius</i> ), Dusky Large Blue ( <i>Phengaris nausithous</i> ), Violet Copper ( <i>Lycaena helle</i> ) and Large Copper ( <i>Lycaena dispar</i> ) in wet meadows and fens. Bird species in the Birds Directive such as the Lesser Spotted Eagle ( <i>Aquila pomarina</i> ) and Eurasian Crane ( <i>Grus grus</i> ) on grassland and fallow fields, Little Owl ( <i>Athene noctua</i> ) in traditionally managed orchards, and Black Grouse ( <i>Tetrao tetrix</i> ) on alpine heath, are dependent on farming activities.	
<b>Introduction to the project and management needs:</b> Many of the German Natura 2000 habitats and species that are dependent on agricultural practices for their management and restoration are in unfavourable status because of lack of management. Most of these habitat areas are dependent on mowing and/or extensive grazing, sometimes with a shepherd. The 155 Landcare Associations in Germany work at district level to link nature conservation groups with farmers, local authorities and communities to promote conservation management and farming, including on Natura 2000 habitats.	
<b>Description of how the funds were used to finance the work:</b> LCAs access and spend around 20 million €/year of funding for practical projects on the ground. LCAs ensure that farmers can access a combination of three funding streams for the Common Agricultural Policy: direct payments funded under Pillar 1, agri-environment schemes funded under Pillar 2 (EAFRD), and land management programmes to preserve natural heritage funded under Article 57 (measure 323) also under Pillar 2. They also facilitate access to funding from the structural funds and LIFE. The local Landcare coordinators offer a service to local communities, landowners, farmers, shepherds, and nature conservation organisations. They develop projects for specific landscape types including scientific measures, financial calculations, and implementation of suitable agri-environment schemes. They apply for available funds on the state-level and supervise the implementation of activities, as well as monitor the project outcome and longer-term ecological success.	

**Activities financed:**

LCAs are working together with 20 000 farmers, half of Germany's local authorities, and hundreds of NGOs and community groups. Practical conservation activities are mainly carried out by farmers, including hedge management, mowing, grazing, and fencing. Larger natural habitats are often managed by private contractors. The LCA acts as a kind of broker, finding farmers who can manage sites as additional pastures or by setting up farmers with animals to graze the site. For example, in the German Federal State of Bavaria, the 55 LCAs are cooperating with 3,500 farmers in 75% of all Natura 2000 areas.

**Beneficiaries and socio-economic benefits expected:**

Primary beneficiaries: farmers, shepherds, contractors

Secondary beneficiaries: local communities, tourists, consumers of high quality agricultural products

Key ecosystem services benefits: habitat conservation, landscape value, nature tourism, quality food production (and pollination services), water quality

**Key outcomes and results:**

Examples of successfully funded programmes include:

- Black Forest, Baden-Württemberg – The local LCA organises pasture management to keep the grasslands open in the four Natura 2000 sites and surrounding landscape, supports regional marketing through a local marketing organisation (eg locally certified apple juice), and offers training and educational activities to raise awareness for the specific values of the Black Forest landscape. The LCA works together with municipal authorities, conservation groups, farmers, tourism stakeholders, schools, and other stakeholders to find cooperative solutions for nature conservation and regional development.
- Altmühltal, South German Jura (Bavaria) – the valley and its side valleys, one of the most significant corridors of semi-natural grassland in the area, are farmed by more than 50 sheep farmers with around 25,000 sheep. The LCAs coordinate the co-funding from four district authorities and 20 municipalities, and the involvement of many interest groups (including hunters, foresters, nature conservation groups, cultural heritage groups, and social organisations) in various projects for land management, education and public events, tourism and regional promotion, and regional marketing of the labelled sheep and lamb products. The LCA's consulting service for agri-environment payments and land management payments through EAFRD Article 57 is particularly important for the sheep farmers, landowners and municipalities.
- Galgenberge, Central Brandenburg – a 21 ha site of sandy xeric grassland has been restored through clearance of 90% of the scrub area, and is managed using miniature zebu cattle to provide all-year grazing. The site management is financed through a 20-year agreement with the municipal authority (Stadtgüter Zossen) in compensation for the erection of four wind turbines in the Natura 2000 area. The local LCA has deposited the funding with a foundation and withdraws annual amounts to fund the management.

**Factors of success in relation to funding:**

The basis for successful projects is the close cooperation with farmers, local communities, conservation groups and government authorities. The LCAs are grouped in the umbrella organisation German Association for Landcare, which brings forward the positions of their members and partners into national and European agricultural policy, calling for reforms and contributing to policy development that provides better support for farming and conservation of semi-natural habitats. The German nature conservation law and national biodiversity strategy now recognise the LCAs as

implementing partners for cooperative nature conservation, and the LCAs are developing national quality criteria for this work.

A high priority for the LCAs is to integrate more Natura 2000 farmland areas into the Pillar 1 payment system, as well as making Pillar 1 and Pillar 2 requirements more compatible, by modifying the rules determining eligibility for direct payments (DVL, 2012; DVL & NABU, 2009). Currently, many high nature value areas of grassland and heath are excluded from direct payments because of the presence of scrub or trees and the difficulties associated with mapping these elements. Areas under nature conservation management have been ineligible for Pillar 1 payments because they are not considered to be under (productive) agricultural management (although this may change as a result of a ruling by the European Court of Justice – see Case C-61/09).

Another priority is to obtain more dedicated funding from the structural funds, which currently spend very little on Natura 2000 in Germany (WWF Deutschland, 2007).

#### References and further information:

- German Association for Landcare (DVL) <http://www.lpv.de/> and <http://www.lpv.de/themen/landcare-english-page.html>
- DVL information website on EU funding <http://www.eu-natur.de/>
- Case study Landscape conservation in the Black Forest [http://satoyama-initiative.org/en/case\\_studies-2/area\\_europe-2/landscape-conservation-in-the-black-forest-germany/](http://satoyama-initiative.org/en/case_studies-2/area_europe-2/landscape-conservation-in-the-black-forest-germany/)
- DVL (2012) Policy Papier Extensiv beweiden - Zukunftsfähiger Naturschutz auf Weide-Grünland in der EU, Bund und Ländern. Deutscher Verband fuer Landschaftspflege DVL.
- DVL & NABU (2009) Integration naturschutzfachlich wertvoller Flächen in die Agrarförderung. Fallstudien zu den Auswirkungen der Agrarreform. DVL-Schriftenreihe Heft 16. Deutscher Verband für Landschaftspflege (DVL) e.V. & Naturschutzverbund Deutschland (NABU-Bundesverband).
- DVL (2008) Wege zur Finanzierung von Natura 2000. Gute Beispiele, wie Europa die biologische Vielfalt voranbringt. DVL-Schriftenreihe "Landschaft als Lebensraum". Heft 15. Deutscher Verband fuer Landschaftspflege DVL.
- WWF Deutschland (2007) Umweltmaßnahmen in EU Förderprogrammen ausgewählter Bundesländer. WWF Deutschland. [http://www.eu-natur.de/attach/301/WWF\\_Analyse\\_EFRE\\_Programme.pdf](http://www.eu-natur.de/attach/301/WWF_Analyse_EFRE_Programme.pdf)

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## ANNEX 2 OVERVIEW OF ECOSYSTEM SERVICES AND IMPLICATIONS FOR NATURA 2000 FINANCING

Service	Possible effect of Natura 2000	Public good aspects	Private good aspects	Opportunities for Natura 2000 financing	Key requirements and / or limitations
<b>Provisioning services</b>					
Food, fibre, fuel	Likely negative net effects as Natura 2000 management reduces agricultural and forest yields; possible increases in quality of produce and wild food.	Some public good aspects – e.g. wild food for public harvesting, nursery functions.	Private rights to food and fibre output.	Direct sale of produce; opportunities to enhance markets through product labelling and marketing initiatives ('Natura 2000 eco-label'); sale of licences for rights to food and timber, renewables development, where appropriate; income from farm tenancy agreements; fisheries budgets to support sustainable management, nursery role.	Balance needs to be found between production and conservation interests – Natura 2000 management may have opportunity costs and depress revenue generating opportunities. But many sites have potential to generate some revenues in this way and Natura 2000 can provide additional marketing opportunities. Natura 2000 may offer benefits for fisheries but balancing different interests and short term/long term priorities is a barrier.
Genetic resources	Natura 2000 sites conserve genetic resources with potential to provide services to society (e.g. medicines, new crops etc.).	Societal benefits of conserving genetic resources for future uses – e.g. control of diseases, food security etc.	Profits to food and drug companies.	Sale of licences for rights to genetic material.	Limited private sector demand, especially in EU, as few examples of commercial exploitation; societal benefits add another argument for public funding.
Fresh water	Provision of fresh water - in cases where water abstracted directly from Natura 2000.	Fresh water for amenity and recreation.	Abstraction of water by water companies, farmers.	Water pricing and sale of abstraction licences.	Ensuring water abstraction is fully priced offers potential for conservation benefits and revenue generation, contributes to WFD.
<b>Regulating services:</b>					
Air quality	Improvements of air quality by natural ecosystems, especially in urban fringe locations.	Air quality is a public good with benefits for public health.	Not applicable.	Public funding justified – contribution to environmental objectives (PES).	Added case for public funding, opportunities to highlight health benefits; limited scope for market creation.
Climate	Reduced impacts on global climate through carbon sequestration/storage.	Global climate is a public good.	Ability to offset private carbon emissions.	Public funding justified – climate objectives (PES); possible role for funding from industry through carbon credits/trading/ offsets.	Carbon trading offers significant funding potential; substantial benefits of Natura 2000 network for carbon storage can be demonstrated; questions about additionality of benefits of Natura 2000 sites (e.g. compared to threatened developing country forests).
Water regulation	Localised effects in reducing flooding through water storage/reduced run-off.	Protection of public property and infrastructure.	Protection of private property.	PES schemes to reward flood protection. Likely to be mostly public funded but possibility of private involvement where clear case can be made and beneficiaries identified. Opportunities for novel payment mechanisms – e.g. including insurance companies.	Ecosystems have potentially greater role to play in flood risk management – requires new thinking and site-specific evidence.



Water purification and waste treatment	Woodlands, wetlands and other habitats can enhance water quality and purify wastewater.	Protection of aquatic environment, recreational resources, open access fisheries.	Reduced costs for water companies.	PES schemes; case for public funding; possibility of private agreements with water companies.	Natura 2000 sites may play valuable role, but additional funding depends on devising workable schemes and overcoming free rider problems.
Pest regulation	Possible positive effects in harbouring predators or negative effects in harbouring pests.	Possible regulation of pest and disease outbreaks at national/regional/sub-regional scale.	Possible changes in yields/ pest control costs for neighbouring farmers/foresters.	PES schemes.	Hard to find conclusive evidence regarding role of Natura 2000 sites in providing the service. Therefore, unlikely to be significant opportunity in the future.
Pollination	Possible increase in insect pollination	Healthier populations of pollinators at national/regional level	Possible benefits to neighbouring farmers	PES schemes.	Hard to find conclusive evidence regarding role of Natura 2000 sites in providing the service. Therefore, unlikely to be significant opportunity in the future, except perhaps in localised cases where benefits of site are understood (e.g. fruit farm benefits from neighbouring flower rich grassland).
Natural hazard regulation	Effects of ecosystems on coastal protection, risk of avalanches etc.	Protection of public property and infrastructure.	Protection of private property and infrastructure.	Habitat creation projects (e.g. coastal realignment), PES schemes to reward protection against natural hazards. Likely to be mostly public funded but possibility of private involvement where clear case can be made and beneficiaries identified.	Clear evidence of benefits (e.g. creation of intertidal habitats) adds to funding case. Opportunities for private funding likely to be limited.
<b>Cultural services:</b>					
Recreation and ecotourism	Enhanced opportunities for countryside recreation through biodiversity and landscape effects.	Public benefits from landscape; wider socio-economic benefits through tourism; public good aspects as consumption is often non-excludable and non-rival.	Individuals benefit from entry to sites.	Entry fees (and related measures such as car parking charges). Visitor payback schemes may provide direct funding for Natura 2000 management. Structural funds/economic development budgets where there are tourism benefits to wider economy not captured by site operator. Public benefits (including public health benefits) justify expenditures from wider public budgets.	Entry fees/user charges are not innovative and scope for growth likely to be limited. Visitor payback schemes could be used more widely and offer scope for enhanced funding. Opportunities to make greater use of other public budgets (economic development, public health) where additional benefits of Natura 2000 can be evidenced.
Educational values	Opportunities for education, learning and training.	Increased education and learning.	Benefits to schools and individuals.	Entry fees; educational budgets to fund educational infrastructure; public funding to capture wider public benefits	Natura 2000 can play a clear educational role but funding opportunities likely to be limited and specialised. Education is an added argument for general public funding.
Aesthetic and spiritual values	Conservation of species and habitats for benefit of current and future generations.	Appreciation, inspiration, non-use values.	Individuals benefit and have a positive willingness to pay.	Membership of conservation organisations; public funded PES schemes to capture wider societal benefits.	Limited scope for new funding measures but added argument for public sector / NGO funding.

**ANNEX 3      DETAILED “MEASURE BY MEASURE” ANALYSIS ON USING DIFFERENT  
EU FUNDS FOR FINANCING NATURA 2000 MANAGEMENT**

See separate document