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REGULATORY SCRUTINY BOARD OPINION

Protecting biodiversity: nature restoration targets

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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB

Opinion

Title: Impact assessment / Protecting biodiversity: nature restoration targets

Overall 2nd opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The EU's Biodiversity Strategy for 2030 aims to reverse biodiversity loss in the EU. The objective is that all ecosystems are restored by 2050. The 2020 evaluation of the Biodiversity Strategy found that the voluntary target for restoration of 15% did not achieve the intended outcome. This initiative explores the use of legally binding targets.

(B) Summary of findings

The Board notes the additional explanations included in the revised report responding to the Board's previous opinion.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

(1) The report is not sufficiently clear on the justification, functioning and performance of some options.

(2) The report is not sufficiently specific on some costs and benefits estimates and underlying assumptions.

(C) What to improve

(1) The report should better explain how the overarching legally binding EU target option would be implemented in practice, in particular how effective monitoring, reporting and enforcement would be ensured.

(2) The report should explain why it uses the contribution to climate change as a selection criterion for including ecosystems in this initiative. It seems that the EU has already sufficient actions to reach its climate change goals, independently of an additional contribution from this initiative. In particular, the report should better justify why it excludes sparsely vegetated land (which could have high biodiversity potential) into the list of covered ecosystems, while it includes urban ecosystems (which would seem to have

This opinion concerns a draft impact assessment which may differ from the final version.

limited biodiversity potential).

(3) The report should be clearer when it comes to the reference condition that ecosystems would need to be restored to. It is unclear who would decide on the conversion of various habitats and ecosystems and how this decision would be made. It should explain how trade-offs between (green) policy objectives (e.g. climate adaptation flood prevention measures vs restoration) will be managed.

(4) The report should better justify why it considers the option that combines legally binding ecosystem-specific targets with an overarching objective to be clearly more effective than the specific target option only, given that the quantitative comparison scores differ only marginally and that the 2030 Biodiversity Strategy has already set an overarching aspirational objective. It should also better justify why the combination option performs significantly better in terms of proportionality.

(5) The report should be more specific on some costs and benefits estimates and underlying assumptions. On benefits, it should be explicit about precisely what is meant by 'ecosystem services' and the timescales for benefits occurring in the medium and long term. In view of significant differences between the benefit-to-cost ratios with and without the ecosystem service benefits, the report should be clear on the risk that these benefits will not materialise. On costs, the report should clarify the magnitude of the cost increase when referring to delayed action on restoration leading to a requirement for costlier measures. It should be more explicit to what extent it takes into account costs to surrounding ecosystems (e.g. effects of re-wetting peatland on neighbouring agricultural land).

(6) While the report assumes a 'realistic' level of implementation for the measures included in the baseline, it is not clear whether the same implementation assumption has been made when estimating the costs and benefits of the options. The report has added some useful information on the cost implications at Member State level in the annex. It should briefly explain in the main text how large the difference in effort between Member States would be.

(7) The report should not only report on stakeholder views but also show how the input received has been taken into account.

The Board notes the estimated costs and benefits of the preferred option in this initiative, as summarised in the attached quantification tables.

(D) Conclusion

The DG must revise the report in accordance with the Board's findings before launching the interservice consultation.

If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.

Full title	2030 Biodiversity Strategy – Proposal for setting legally binding EU nature restoration targets
Reference number	PLAN/2020/8491
Submitted to RSB on	4 October 2021

Date of RSB meeting	Written procedure

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

Overview of benefits of the preferred option – until 2070

Overview of benefits for the preferred option – until 2070 (Present Value)					
	Scenario A (15-40-100% targets for 2030-2040-2050)		Scenario B (30-60-100% targets for 2030-2040-2050)		
Restoration of ecosystem type	**Carbon benefits in EUR million**	**Benefits from all ecosystem services (including carbon) in EUR million**	**Carbon benefits in EUR million**	**Benefits from all ecosystem services (including carbon) in EUR million**	**Beneficiaries and further comments**
Peatlands	10 629	38 702	13 042	47 488	- Entire population and economy through carbon benefits; - Companies and consumers, and the tourism sector.
Marshlands	(na)	6 388	(na)	7 838	
Coastal wetlands	1 091	181 614	1 339	222 842	- EU inhabitants, especially 55.7 million people who are estimated to live in coastal zones by 2060; - Fishers and farmers as well as related value chains.
Forests	3 832	203 564	4 701	249 775	- The economy, including tourism/ recreation sectors, and conservation organisations, especially in rural economies.

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Overview of benefits for the preferred option – until 2070 (Present Value)					
	Scenario A (15-40-100% targets for 2030-2040-2050)		**Scenario B (30-60-100% targets for 2030-2040-2050)**		
Agro-ecosystems	17 073	229 589	18 624	250 451	- Farmers and the agricultural sector benefit from improved soils quality, reduced soil erosion and soil compaction, greater abundance of pollinators, etc.
Steppe, heath and scrub	3 971	24 191	4 722	28 768	- Tourism sector, farmers. - Society and the economy, through the delivery of enhanced ecosystem services
Rivers, lakes and alluvial habitats	(na)	862 349	(na)	1 053 042	- Local populations through increased safety and house prices due to decreased flood risk potential - Water suppliers and consumers through overall reduced water pollution and increased availability - Recreational users of freshwater ecosystems through greater access to previously restricted areas (due to barrier removal) and enhanced aesthetic values - Society at large through enhanced ecosystem services.
Sub-total	***36 596***	***1 546 397***	***42 428***	***1 860 204***	This excludes benefits for non-Annex I habitats as well as marine, urban, soils and pollinators.
Marine	(na)	(na)	(na)	(na)	No monetary estimates available. However, EU citizens and economic sectors (e.g. fishing/ aquaculture/ tourism/ energy) benefit in terms of climate change mitigation as well as improved biodiversity, water quality and land and seascapes.

Overview of benefits for the preferred option – until 2070 (Present Value)					
	Scenario A (15-40-100% targets for 2030-2040-2050)		**Scenario B (30-60-100% targets for 2030-2040-2050)**		
Urban	(na)	(na)	(na)	(na)	No monetary estimates available. However, urban dwellers would experience benefits in terms of flood prevention, biodiversity, human health, property values, air and water pollution as well as climate (e.g. heat control)
Soils	(na)	(na)	(na)	(na)	No monetary estimates available. However, citizens and farmers would experience benefits in terms of climate change mitigation, biodiversity, flood risk mitigation, water quality control, sustainable use of rewetted land, erosion control, increased crop yields and productivity, soil organic carbon, and soil fertility
Pollinators	(na)	(na)	(na)	(na)	No monetary estimates available. However, EU citizens, farmers and related supply chains as well as beekeepers would experience benefits in terms of crop and plant pollination, natural biological control, decomposition of organic matter, tourism, and culture and aesthetics.

Overview of costs of the preferred option – until 2070 (Present Value)

Overview of costs for the preferred option – until 2070					
Action	**One-off costs in EUR million**	**Annual costs in EUR million**	**Total in EUR million for scenario A**	**Total in EUR million for scenario B**	**Comments**
Costs for restoration and maintenance per ecosystem type for both Member States and businesses					
Peatlands			4 779	5 125	These restoration and maintenance costs include re-creation costs and foregone income losses for businesses for Annex I habitats. The sub-total excludes non-Annex I habitats as well as marine, urban, soils and pollinators.
Marshlands			3 643	3 721	
Coastal wetlands			5 141	5 852	
Forests			50 082	53 850	
Agro-ecosystems			26 559	27 732	
Steppe, heath and scrub			3 051	3 111	
Rivers, lakes and alluvial habitats			35 232	40 211	
Sub-total			***128 487***	***139 602***	
Marine, urban, soils, pollinators			(na)	(na)	Quantitative cost estimates are not available
Costs for enabling measures for Member States					
Surveys of ecosystems	1 099				
Development of national restoration plans	12.8				
Development of methodologies and indicators (5 ecosystems)	6.6				

Overview of costs for the preferred option – until 2070					
Action	**One-off costs in EUR million**	**Annual costs in EUR million**	**Total in EUR million for scenario A**	**Total in EUR million for scenario B**	**Comments**
Administration of restoration measures		438.3			
Monitoring of restored ecosystems		20.6			
Reporting progress against restoration targets		0.1			
Sub-total	***1 118.4***	***459***			
Costs from 2022 to 2050	***1 118.4***	***12 854***	***13 972.4***	***13 972.4***	
Total costs: restoration, maintenance and enabling measures					
Total			***142 459.4***	***153 574.4***	This excludes restoration and maintenance costs for non-Annex I habitats, and marine, urban, soils and pollinators, as well as opportunity costs of potential land use changes (e.g. turning grassland into an industrial site).

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Opinion

Title: Impact assessment / Protecting biodiversity: nature restoration targets

Overall opinion: NEGATIVE

(A) Policy context

The EU's Biodiversity Strategy for 2030 aims to reverse biodiversity loss in the EU. The objective is that all ecosystems are restored by 2050. The 2020 evaluation of the Biodiversity Strategy found that the voluntary target for restoration of 15% did not achieve the intended outcome. This initiative explores the use of legally binding targets.

(B) Summary of findings

The Board notes the additional information provided in advance of the meeting and commitments to make changes to the report.

However, the Board gives a negative opinion, because the report contains the following significant shortcomings:

(1) The report does not sufficiently explain and describe the specific problem that the initiative aims to tackle, considering existing environmental protection legislation and the other initiatives and efforts of the EU regarding biodiversity. It is not sufficiently clear which key drivers of biodiversity loss and ecosystem degradation this initiative needs to tackle.

(2) The options are not sufficiently clear and raise concerns in terms of feasibility and effectiveness. It is not clear how the option of a binding overarching goal for ecosystem restoration would ensure the availability of the necessary data and methodology as well as the respect of the subsidiarity principle, given that some ecosystems are not covered by EU legislation. It is not sufficiently clear on what evidence the proposed specific targets by ecosystem are based. The report does not demonstrate why the combination option would perform best.

(3) The report does not provide sufficient information on how the options will solve the identified implementation challenges and ensure continued Member States' commitment.

(4) The report does not systematically present the different views of stakeholders throughout the report.

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(C) What to improve

(1) Given that there is already a broad set of measures (both existing and recently or soon to be adopted) that tackle the biodiversity challenge and its drivers, the report should be more explicit on the specific gap of the problem that would remain that binding targets could help solve. It should explain why a better implementation of existing legislation, as concluded by the preceding fitness check, would not be sufficient. The baseline should be more explicit about the degree of passive restoration that should already happen due to the effects of existing legislation on the drivers of biodiversity loss and ecosystem degradation.

(2) Building on a sharper problem definition, the report should be clearer about the objectives. It needs to explain the difference between the overarching aspirational goal of restoring 'all ecosystems' and what this particular initiative is meant to achieve via binding targets. There is a reference to 'at least a broad range of ecosystems', however the report does not express this objective in sufficiently specific, measurable and time-bound terms. The objectives should clarify the reference situation to which ecosystems should be restored. If defining the reference situation requires judgement on a case-by-case basis, the report should clarify how it would define and enforce binding quantitative restoration targets.

(3) The report should better present the functioning of the options and assess more thoroughly their feasibility and effectiveness. As regards the option of having a binding overarching goal for ecosystem restoration it should explain how the availability of the necessary data and methodology to establish and monitor an overarching goal (presumably at EU and Member State level) would be ensured and how in practice the final (quantitative) goal would be determined. Given that some ecosystems (e.g. urban, soil) are not covered by EU legislation, the report should assess more thoroughly the respect of the subsidiarity principle and the proportionality of legally binding measures. It should clarify whether Member States can reasonably be expected to be able to operationalise the targets for those ecosystems and habitats where there is not already an evidence base and a clear methodology and whether such option would provide the necessary legal certainty.

(4) Regarding the specific targets for ecosystems option, the report should clearly identify the evidence base and methodology supporting the proposed detailed targets by ecosystem. The views of different stakeholder groups on individual targets should be clearly presented. Concerning the combination option, the report is not clear how the two options would interact in practice and why it should overall perform best, given the shortcomings identified above with the binding overarching goal option.

(5) The report should elaborate on how an EU wide enforcement of the targets and the achievement of the objectives will be done considering that Member States will determine the specific actions to take through national restoration plans. It also should explain how the proposed options will ensure Member States' ownership of the targets. It is not clear how different the efforts to be made by Member States will be, given that they have different ecosystems and habitats on their respective territories.

(6) The report should be more explicit about how the costs and benefits were calculated, what assumptions were made and what they are based on for all ecosystem types assessed. It should also better explain how the opportunity costs were estimated including what assumptions were made and how they are justified. It should also be clear what "ecosystem services" are included in the benefit estimates for each ecosystem type assessed.

(7) The report should be clearer about the cumulative effects of the initiative on the different actors (fishers, farmers, etc.) and any resulting distributional impacts. It should

also assess the costs for different Member States and regions. It should reinforce the assessment of the administrative costs, including quantification whenever feasible. (8) The views of different stakeholder groups should be presented more systematically throughout the report. *Some more technical comments have been sent directly to the author DG.*

(D) Conclusion **The DG must revise the report in accordance with the Board's findings and resubmit it for a final RSB opinion.**	
Full title	2030 Biodiversity Strategy – Proposal for setting legally binding EU nature restoration targets
Reference number	PLAN/2020/8491
Submitted to RSB on	16 June 2021
Date of RSB meeting	14 July 2021

Electronically signed on 28/10/2021 14:41 (UTC+02) in accordance with article 11 of Commission Decision C(2020) 4482