



## **Position Paper on the EU Budget Review**

*Adopted by the European BirdLife Partnership - 9 April 2008*

*This paper outlines BirdLife International's position on the EU Budget Review undertaken by the European Commission in 2008/2009. It forms the main input of BirdLife to the Commission's consultation on this issue. In addition, BirdLife submitted its responses to the Commission's consultation questionnaire, and its publication "New challenges, new CAP".*

*BirdLife also contributed to the Green 10's "Ten Green Principles for the EU Budget Review", the Green 10's paper "Sustainability – Vision for a new EU Budget" and to the Civil Society Contact Group's submission to the Commission's consultation.*

*All these documents are available through [Europe@birdlife.org](mailto:Europe@birdlife.org).*

### **General Principles - Public Money for Public Goods**

1. The EU Budget Review is a unique opportunity to develop and shape a long-term vision for EU Policy, in particular, to put truly sustainable development and the principle of "public money for public goods" at the heart of future reforms. This common cause brings together society groups and all stakeholders, demanding an ambitious European policy that will benefit every citizen - not just specific interest groups.
2. The new EU Budget must be based on the principles of transparency, accountability and partnership.
3. The EU budget is essential to achieving EU policy objectives. Instead of trading favours over budget allocations, Member States must think strategically and jointly about the challenges facing the EU. Foremost amongst these challenges, and essential for long-term European competitiveness, is the sustainable use of resources, and maintaining healthy and well-functioning ecosystems rich in biodiversity in Europe and globally.
4. In real terms, the EU Budget Review must lead to a significant increase in public funding to implement environmental policy. There are currently considerable shortfalls in funding for EU policy priorities (for example for protection and management of Natura 2000 sites and for European and external climate change mitigation and adaptation). It is crucial for the review to address these concerns. The EU Budget must be complementary to national spending (indicating the need for increased spending on the environment at a national level too) and although public funds are important, we also need to consider private finance as a means of achieving policy objectives.

5. The EU's new Sustainable Development Strategy (SDS - adopted by Heads of State and Government in June 2006) includes the elimination of environmentally harmful and unsustainable subsidies, with the Commission being asked to prepare a "roadmap" by 2008. If the EU takes its SDS seriously, the Budget Review must be used to implement this objective.
6. The Budget Review must also be used to discuss how the revenue side can help to achieve environmental objectives, e.g. through emissions trading schemes or ecological taxation.
7. It must be stressed that the budget is only one among the key instruments to achieve EU policy objectives. To ensure truly sustainable development in Europe strong environmental legislation is essential, integrated in all relevant sectors. At the same time market-based instruments, but also education and communication need to be used much more.

### **Justification -**

#### **The EU must provide funding for biodiversity conservation, because...**

8. ... biodiversity is a public good: for most public goods that increase our quality of life – such as healthcare, education or the arts - society tries to provide more of them or to protect them, both for ourselves and for future generations. The conservation of birds, their habitats and biodiversity as a whole is both a moral obligation and an essential element of achieving environmental health and maintaining ecosystem services on which all human economic development and well-being depends; 88% of Europeans see the loss of biodiversity as a serious problem<sup>1</sup>;
9. ...the accelerating loss of biodiversity could compromise the long term ability of ecosystems to regulate climate and to adapt to changes, it may accelerate or amplify climate warming and could lead to additional, unforeseen, and potentially irreversible shifts in the earth's dynamic systems<sup>2</sup>;
10. ... many activities of the EU and its Member States (trade, aid, consumption, economic development) have significant impacts on ecosystems in third, often poor developing countries in the wider world, as well as within the EU's own overseas territories. Europeans have a responsibility to address their "ecological footprint", providing compensation for damage done and to support environmental commitments made by partner countries and overseas territories.
11. ... a variety of costs are incurred in protecting ecosystems and biodiversity: e.g. research, specific conservation action (one-off and ongoing management and restoration activities, land purchase, species related measures), compensation payments or incentives to land-users, education and communication etc.; climate change with its additional pressures on ecosystems, species and habitats will further increase the costs of nature conservation;

<sup>1</sup> Reference: *Eurobarometer Opinion Poll 2007: Attitudes of European towards the issue of biodiversity* ([http://ec.europa.eu/public\\_opinion/flash/fl\\_219\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_219_en.pdf))

<sup>2</sup> Reference: *Biodiversity-climate interactions: adaptation, mitigation and human livelihoods, December 2007, The Royal Society, UK.*

12. ... a variety of market failures make it necessary to spend public money to cover these costs: there is a lack of market mechanisms to make beneficiaries pay for public goods, or to make polluters pay for all external damage done, and society is not well informed or sufficiently aware of the real value of ecosystem services and biodiversity, leading to over-exploitation or degradation. At the same time policy frameworks must be reformed to reduce market-failures to a minimum.
13. ... ecosystems, socio-economic mechanisms and environmental threats are all, to different degrees, international in nature, have transboundary impacts, and demand collective action: they are not issues which can be dealt with solely by or within the boundaries of individual EU Member States- which makes a strong case for them to be addressed in the EU budget;
14. ... the EU is based on solidarity among its Member States, that have varying budgetary possibilities and differing environmental problems to address; in addition, the protection of biodiversity and the environment is an issue for which citizens expect and trust EU action; the EU has also created a single market economy, aimed at providing an internal “level-playing field” for investors across all Member States - including equal conditions for environmental and land-use policy; all of this demands the need for both EU funds and in combination with national spending;
15. ... many important international decision-making processes and commitments are negotiated, developed and adopted at the EU level; the EU has pledged support to help developing countries meet international environmental commitments and national environmental priorities, and also owes support and solidarity to its overseas territories; this needs to be reflected in the EU budget.
16. *All these reasons make the case for an ambitious EU budget on the environment – these key challenges can not be met by national budgets and policies alone.*

<p><b>BirdLife International recommendations – For a new EU Budget supporting sustainable land-use, addressing ecosystem breakdown and biodiversity decline, with global responsibility</b></p>
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17. BirdLife promotes the following main elements to be realised within a reformed EU budget – in order to contribute to biodiversity conservation, to climate change mitigation and adaptation and to sustainable development in all Member States and globally:
18. The Common Agricultural Policy (CAP) needs to be transformed into a *sustainable land management and rural development policy*, and building on the current Rural Development Regulation, but clearly targeted at sustainability with support for land management delivering “public goods for public money” (ecosystem services including water and soil, biodiversity conservation and protection, preservation of high nature value landscapes, climate change adaptation and mitigation, protection and efficient use of water resources); beneficiaries of the budget related to this policy would be mainly private land users, e.g. farmers, land-owners, and managers of Natura 2000 sites.

This policy would ensure that public money is spent on those areas with the highest needs (e.g. where agriculture is not competitive in the market, and which are threatened by abandonment or increasing intensification) and it would ensure that taxpayers money is

generating real public benefits (i.e. environmental, social, cultural values). “Pillar 1” of the current CAP would cease to exist, but we envisage the majority of respective funds being required to ensure the effective functioning of this new policy area. This is particularly important given that world cereal prices are continuing to increase.

More details are provided in the BirdLife publication “New challenges, new CAP”.

19. A dedicated *EU environment fund* supporting the implementation of environmental policy, with the two interlinked priorities of climate change (mitigation/adaptation) and biodiversity conservation.

For biodiversity this fund would have to support the costs of activities that are not undertaken by land-managers (or cannot be targeted by the fund mentioned above for various reasons), like measures and projects for specific species and habitats (including marine), pilot and demonstration projects, research and monitoring, education and communication etc. Together with the ‘sustainable land management and rural development policy’, this fund would play a key role in financing the Natura 2000 network and implementation of the EU Nature Directives.

In the field of climate change, this fund could focus on support for climate change adaptation measures aiming at higher ecosystem resilience (e.g. using ecosystem approaches for flood defence measures, prevention of erosion etc.), but also energy efficiency measures, renewable energy studies and pilot projects, as well as conservation or restoration of natural carbon sinks such as forests, peatlands and wetlands.

The fund would complement spending from national budgets, and it could follow similar objectives as the current LIFE+ instrument, but it would need to be significantly larger than the current LIFE+ budget. Therefore, alternatives to a centralised, project-based approach might have to be considered (possibly a combination of Member State management/administration and Commission supervision, similar to the current EU Rural Development policy).

20. A *dedicated budget line for global environmental policy*, to reflect the EU’s responsibility for global biodiversity and ecosystems. Significant funds must be dedicated to the implementation of the Convention on Biological Diversity (CBD) and its work programmes, the UN Framework Convention on Climate Change (UNFCCC) and the UN Millennium Development Goals.
21. A *strong principle of integration*: In addition to the abovementioned funds, the protection of environment and biodiversity, as well as climate change mitigation and adaptation must be integrated into all EU policies, and their respective budgets, including both revenue and spending aspects. This concerns both internal (e.g. regional development, transport, energy), as well as external policies (e.g. trade, development and aid). The right balance between dedicated funding and the integration approach needs to be found, depending on the issue, but both are necessary to achieve the EU’s environmental policy objectives and thus also long-term sustainable development.

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