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BUILDING BACK BIODIVERSITY

How EU Member States fail to spend the recovery fund for nature

CEE Bankwatch Network

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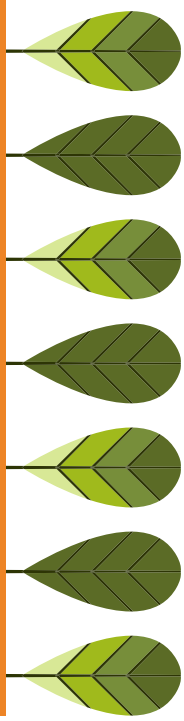
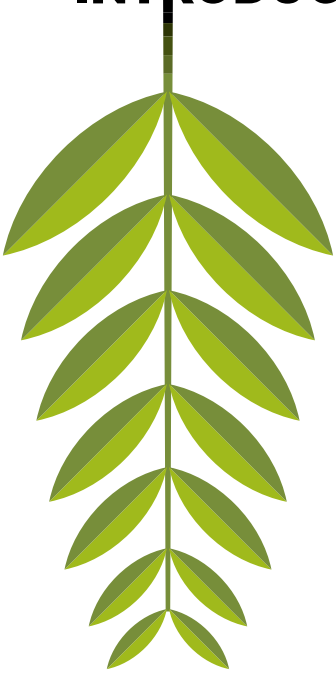


INTRODUCTION



Biodiversity loss and the destruction of nature are two of the biggest issues we face today. The global population of wild species has fallen by 60 per cent over the last 40 years, and one million species are at risk of extinction within decades. Despite the unprecedented amount of money available, however, investments in nature are not increasing. In May 2020, EU and global leaders pledged to reverse this in line with the release of the ambitious and urgently needed new Biodiversity Strategy for 2030. However, a year on, the goals and objectives of this strategy risk being completely derailed due to the lack of funding. **The EU's unprecedented COVID-19 recovery fund can and should be used as the vehicle to deliver nature and biodiversity objectives, ensuring a series of social and economic benefits at the same time.**

The following report brings together assessments conducted by national campaigners from ten central and eastern European (CEE) countries who are actively involved in the recovery plan process (Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania, Slovakia and Slovenia).

The report outlines the poor status of biodiversity in all countries and how the recovery fund can and should be used to address this, in line with commitments made in the EU's Biodiversity Strategy for 2030. Our findings show that there are a variety of key shortcomings in the recovery plans, and demonstrate how the recovery funds can easily address this while delivering a series of social and economic benefits at the same time.

Unfortunately, the enormous investment opportunities available to immediately improve biodiversity have been completely ignored, in favour of investments that will, in some cases, even exacerbate the situation. The report concludes that, just one year on from its release, **the key objectives of the Biodiversity Strategy for 2030 are in jeopardy, and without significant changes in EU spending, the next decade will not turn the tide on the devastating loss of biodiversity we are currently experiencing.**

Canva

BACKGROUND

A unique funding tool for an unprecedented crisis

On 19 February 2021, the EUR 672.5 billion Recovery and Resilience Facility (RRF) was officially adopted[1]. This spurred the efforts of all 27 Member States, who had already begun to plan for such a facility, to draft national recovery and resilience plans in order to access this funding.

To access the EUR 312.5 billion in grants and EUR 360 billion in loans that make up the facility, Member States began a process of intense negotiations with the European Commission on their draft recovery and resilience plans in October 2020. These negotiations continued until after the indicative deadline for submission on 30 April 2021 had passed. This unprecedented short deadline for negotiations on such an important financial instrument unfortunately left room for shortcomings and superficialities in the planning process.

A key theme of the EU's flagship recovery package is its transformative potential for delivering Europe's green and digital transition. Member States are obliged to spend at least 20 per cent of expenditures to foster the digital transition and **37 per cent for climate investments and reforms** (EUR 248 billion), in line with macroeconomic recommendations outlined by the European Semester.

For the first time, the Commission has also introduced a new environmental safeguarding mechanism to ensure that investments have no harmful impact and are in line with the EU's Green Deal objectives[2]. Each proposed measure therefore needs to fulfil the 'do no significant harm' criteria[3]. While in theory this appears to be a strong mechanism for aligning finance with climate and environmental objectives, our report finds that in many cases, 'do no significant harm' assessments have not been carried out as intended, watering down the only safeguard in place.

[1] European Commission, 'Commission welcomes European Parliament's approval of Recovery and Resilience Facility', 10 February 2021.
[2] European Commission, 'A European Green Deal - Actions being taken by the EU', accessed 13 May 2021.
[3] European Commission, Commission NoticeTechnical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation, 12 February 2021.

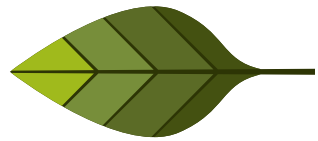
In conjunction with the requirement that at least 37 per cent of all recovery expenditures be dedicated to climate related measures, the European Commission guidelines also require that the Member States explain how each component of the plan contributes to the green transition, including to biodiversity[4]. However, the lack of indicators for the investments' and reforms' contribution to biodiversity in particular has led to the neglect of investments in nature and biodiversity.

This is in contradiction with the European Commission's previous statement that 'restoring nature will be a central element of the EU's recovery plan from the COVID-19 pandemic, providing immediate business and investment opportunities for restoring the EU's economy'[5]. In January 2021, the European Parliament's Environment Committee also called for biodiversity-proofing to be mainstreamed across all EU spending and programmes on the basis of the EU taxonomy for sustainable activities, as well as for a legally binding biodiversity governance framework. **The 37 per cent climate earmarking in Member States' recovery plans should also include investments in biodiversity, but because there is no binding obligation for Member States to do this, almost no allocations have been made.**

This is hugely problematic, as **the cost of inaction on addressing biodiversity loss and nature degradation vastly outweighs the investments needed for its restoration.** Investments in biodiversity and nature conservation have consistently been proven to address climate change, with restoration activities being some of the most effective climate mitigation and adaptation measures. The current narrative portrayed in the recovery plans is that the absolute focus for implementing climate change mitigation and adaptation measures lies in the energy sector measures, which are viewed by many countries as the most profitable or well-known solutions. However, according to the Commission[6], investments in climate adaptation – which constitute biodiversity investments – would generate up to 500,000 jobs by 2050[7]. Furthermore, every EUR 1 billion invested in the management of Natura 2000[8] sites already generates 30,000 jobs both directly and indirectly[9]. The overall ratio of the benefits of protecting nature globally compared to the cost of inaction is estimated to be at least 100 to 1[10]. Biodiversity investments will also be key for reducing the spread of diseases, preventing further pandemics and improving overall human health[11]. The economic cost of the current pandemic has been unprecedented, and measures to prevent this from repeating should be a priority.

CEE countries are among the biggest recipients of the RRF and the EU budget overall. Around 41 per cent of all public investments come from EU funds, and this means they significantly shape how money is spent in this region. Therefore, the lack of funds allocated for biodiversity conservation in the recovery plans will also condition all public and private investments in the sector for the next decade. CEE Member States have retained relatively large areas of species-rich farmland and biodiversity rich protected areas.

However, despite increased investment in nature conservation in recent years, farmland biodiversity trends appear to be worsening and there is increasing pressure on protected areas through deforestation and new investments in greenfield projects. The supposedly strong safeguards provided by EU environmental law are not working due to poor implementation and the lack of resources to support its improvement. Nature is unfortunately being seen by many governments as an obstacle and not an opportunity.



[4] European Commission, Staff working document. Guidance to Member States on Recovery and Resilience Plans, 22 January 2021.
[5] European Commission, 'European Biodiversity strategy for 2030'.
[6] European Commission, COM/2020/380 final - EU Biodiversity Strategy for 2030 - Bringing nature back into our lives, EUR-Lex, 20 May 2020.
[7] Institute for European Environmental Policy, Natura 2000 and Jobs, April 2017.
[8] Ibid.
[9] Ibid.
[10] Hepburn et al., Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?, Smith School Working Paper 20-02, 4 May 2020.
[11] Van Langevelde, F., Rivera Mendoza, H.R. et al. 'The link between biodiversity loss and the increasing spread of zoonotic diseases', Document for the ENVI committee, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, 2020.

KEY FINDINGS

Biodiversity Strategy for 2030 in jeopardy just one year on

Our assessments reveal that there are almost no proposed measures related to biodiversity or nature conservation in ten of the recovery and resilience plans. The data shows[12] that for every 1 euro spent, only less than three cents will go to benefit nature. This is in direct conflict with the Commission's message that nature should be a central part of Member States' COVID-19 recovery. During the development of the draft plans, financial allocations actually decreased in some cases, and support for harmful measures was instead added. This is despite a multitude of different measures identified in each of the countries analysed that would have a significant positive impact on the environment, climate, health and the economy. The Natura 2000 network has been estimated to support 104,000 direct jobs in protected areas management and conservation activities, and thus the expansion of these sites should be a key priority for a swift economic recovery.

The ambitious Biodiversity Strategy for 2030, adopted by the Commission and awaiting a vote by the European Parliament, might have failed before the vote takes place. The Strategy highlights the need for increased funding for nature conservation and improvements in resolving outstanding infringement procedures. It set a goal of spending at least EUR 20 billion per year for biodiversity in the European Union until 2030. However, based on the recovery plans, the first years of this decade seems to be everything but encouraging that progress will be made on these goals.

Currently, according to the recovery plans in CEE:

- no new measures have been proposed to increase protected land and sea areas (the objective is to reach 30 per cent for both land and sea area from the current 18 and 10 per cent respectively)[13];
- no restoration measures for rivers will be financed (the objective is to restore 25,000 kilometres of rivers); and
- fewer than 0.3 per cent of spending from the ten CEE recovery plans assessed in this report will be invested in biodiversity over five years (the European Commission wants to unlock at least EUR 20 billion per year for biodiversity until 2030).

Moreover, many CEE countries lack a national framework for tackling biodiversity loss, and as such the EU Biodiversity Strategy has even greater importance. While a Prioritised Action Framework (PAF) for biodiversity exists in some countries, they may completely ignore the objectives outlined there, as evidenced by Estonia's assessment. Other countries like Bulgaria and Poland are the subject of ongoing infringement procedures related to the management and protection of Natura 2000 sites, which shows the eminent need for more resources in support of EU law enforcement.

[12] Vivid Economics & Finance for Biodiversity Initiative, 'Greenness of Stimulus Index. An assessment of COVID-19 stimulus by G20 countries and other major economies in relation to climate action and biodiversity goals', February 2021.
[13] European Environment Agency, State of nature in the EU — Results from reporting under the nature directives 2013-2018, 2020.

Table 1. Biodiversity spending in the recovery plans of eight CEE countries

	Total investments contributing to biodiversity (EUR, million)	Investments contributing to biodiversity as % of total recovery plan	Total recovery plan allocation (EUR, million)
Bulgaria	16	0.27%	6 000
Croatia	32.65	0.52%	6 300
Estonia	0	0.00%	900
Hungary	18.4	0.26%	7 000
Latvia	0	0.00%	1 820
Poland	0	0.00%	57 000
Slovakia	159	2.58%	6 155
Slovenia	0	0.00%	1 600
Total	226.05	0.26%	86 775

Data was not available for the Czech Republic or Romania.

Maladministration over the application of the environmental safeguards

There have been a series of issues during both the development and application of the 'do no significant harm' principle, the only environmental safeguard currently in place for the Recovery and Resilience Facility. From the outset, the late release (12 February 2021) of the Commission's guidance document for Member States on how to assess their measures on the 'do no significant harm' principle raises the question of the feasibility and seriousness of this assessment. By February, Member States had already been discussing draft plans with the Commission for several months, and only three months remained until the final deadline for submission.

Second, looking at the use of this principle in the Member States, many cases point to poorly and inadequately conducted assessments of the 'do no significant harm' criteria that do not contain an accurate or thorough evaluation of the proposed measures' direct or indirect impacts on biodiversity and EU environmental legislation. In almost every case, independent environmental experts were not involved and the task was instead framed as an administrative procedure. The outsourcing of this assessment has been conducted in only one out of the 10 Member States included in this report. For most proposed measures, third party assessments are often at odds with those officially submitted. This completely undermines the entire process and severely impedes the purpose of vigorously applying the 'do no significant harm' principle.

Moreover, several examples reveal this is being used to supersede, rather than complement, existing environmental legislation such as Environmental Impact Assessments (EIAs) or Strategic Environmental Assessments (SEAs), usually a prerequisite for all EU funding streams. For example, the Bulgarian government issued a decision stating that their recovery plan will not be subject to an Appropriate Assessment (AA), which is in conflict with the EU Habitats Directive.

The risk is that a positive 'do no significant harm' assessment, confirmed by the European Commission, may become a derogation from national and EU law at a later stage. This could open the door for the development of harmful projects, specifically projects that impact the environment which might proceed without the necessary environmental impact assessments. Although speeding up recovery investments might be a priority, the concept of 'building back better' also means investing in quality projects and not making compromises on the quality of the assessments for those projects.

Greenwashing

Brief assessments of the measures may give the impression that they positively contribute towards climate action. However, this obscures these measures' true impact on nature. Due to industry lobbying, many measures appear in line with EU climate objectives, yet in reality can have potentially devastating effects on biodiversity. Irrigation and forestry management techniques have in particular proven to be a common problematic theme based on our assessments. Irrigation may in theory appear necessary as a form of water management, but the development and renovation of irrigation infrastructure such as dams, pipelines, reservoirs and draining can lead to potentially irreversible negative impacts upon landscapes and biodiversity, harming rivers, wetlands and water-dependent ecosystems. Habitats are submerged under water or damaged by construction activities, and flood risks can increase.

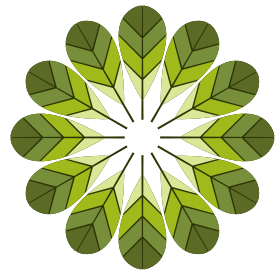
Planting trees is not necessarily a good measure, and the frame of such measures has been blurred in the plans. Most measures in the plans do not differentiate between productive forests and unproductive ones. In most situations, the intention behind measures for planting trees is for the economic use of forests and not for their protection or for afforestation to reconstitute natural habitats. The lack of detail and information in the plans raises questions about the true nature of such proposals.

The same is also the case for forestry management measures that require the clearing of trees, included under the false pretence that this is a much needed climate adaptation measure. In reality, this is an activity pushed by the forestry industry lobby. Forests absorb one-third of annual carbon emissions and mitigate against climate change. Thus, they should be protected from destruction, sustainably managed, but also restored where they have been lost.

Neglecting input from key environmental experts

Civil society and stakeholders should be involved and consulted during all stages of the drafting process, as stated in the European Commission's guidelines. Our assessments, however, show practical and extremely feasible suggestions made by environmental non-governmental organisations at various stages of the planning process have not been included, in favour of potentially harmful measures. We counted more than 40 proposals of experts and civil society on investments and reforms specifically on biodiversity restoration that were not considered by the governments[14].

When proper public participation and consultation takes place, it has been demonstrated that the quality and level of ambition of the plans significantly improves[15]. The lack of public involvement and scrutiny in the development of many Member States' proposals therefore seriously impacts the level of environmental and climate ambition and undermines the credibility and legitimacy of the whole process.



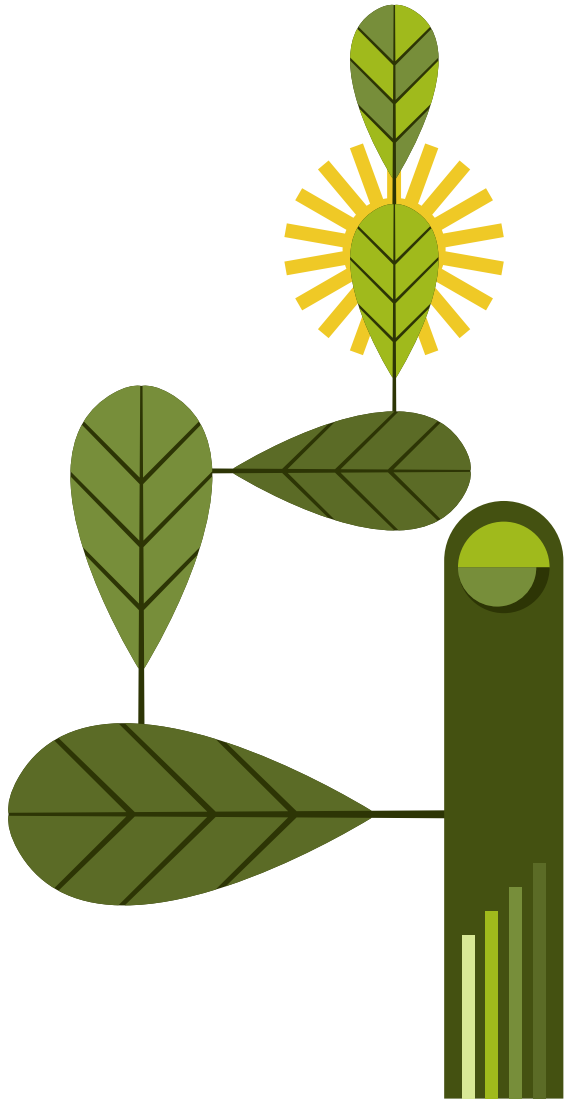
[14] A list of the positive proposals made during the consultation process can be found at CEE Bankwatch Network, A new budget for a new Europe, accessed 13 May 2021.
[15] CEE Bankwatch Network, 'Uneven progress towards green recovery as EU members submit spending plans to access EUR 672 billion fund', 28 April 2021.

The missed opportunity of the century for resolving infringement proceedings

As a region, CEE is a biodiversity hotspot, yet so far there is a patchy network of protected areas where Member States have failed to properly implement EU directives for biodiversity conservation. Even when EU directives have strong provisions, their implementation is incomplete. According to some of the findings of the Habitats and Birds Directives' Fitness Checks, the lack of implementation is notably due to underfunding.

Infringement of EU law is therefore a chronic problem within CEE countries, highlighted by the alarming number of ongoing infringement procedures at the national level (the Habitats and Birds Directives, Water Framework Directive and Environmental Liability Directive / Nature and Habitats Directives). The Natura 2000 network is a concrete example of this implementation failure. Most of the sites are not adequately managed or properly protected, mainly due to a chronic lack of stable funding. In most examples, infringement procedures are so protracted that by the time cases get resolved, significant (often irreversible) damage has already been done to species, habitats and ecosystems.

The regulation establishing the Recovery and Resilience Facility does not mention any conditionality for the attribution of the funds based on the resolution of open infringement procedures. While this could have been integrated into the milestones and targets for Member States to reach in order to unlock funds, these procedures have not been part of the negotiation process. As confirmed by European Commission officials, civil servants responsible for dealing with their country's infringement proceedings have rarely sat at the table of negotiation.



OUTLOOK AND LESSONS LEARNED

How can we improve Europe's recovery towards a nature-positive future?

» **The RRF can be an effective tool for enforcing EU environmental law**

The unique design of the RRF, in particular the reform angle, means there is significant potential to use the funding stream as leverage to finally address long-standing issues, in particular infringements. Infringement procedures are usually so drawn out that by the time cases get resolved, significant (often irreversible) damage has already been done to species, habitats and ecosystems. The RRF offers an opportunity for tackling this by making the implementation of EU directives a key component of the milestones and targets that the Commission will set for each Member State in order to receive funds. In addition, since there has been little progress on most ongoing infringement procedures, making such progress a condition for recovery funds' disbursements would strengthen the influence of EU environmental law.

» **Making 'do no signifcant harm' a truly effective safeguard**

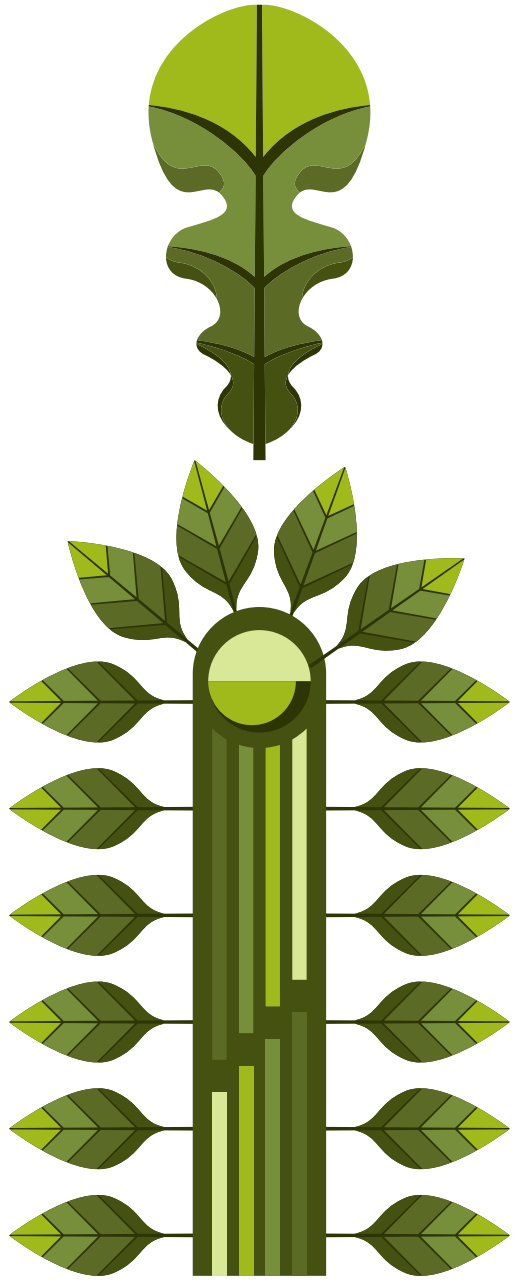
In its current form, the application of the 'do no significant harm' principle has failed to prevent environmentally harmful measures from being included in the recovery plans. It is absolutely crucial that the European Commission disburses funds only if all the necessary impact assessments required by EU law have been conducted. Additionally, as stated, this report includes cases where third party 'do no significant harm' assessments strongly deviate from the official 'do no significant harm' assessments provided by Member States. Transparency and public consultation on the 'do no significant harm' assessment is necessary for thorough implementation of the principle and is in our view required by the Aarhus Convention. This seems even more important given the Commission's tight agenda for reviewing the plans and assessments, as they must review 27 plans in approximately 40 working days in order to meet their deadline for approval. As 'do no significant harm' is to be used in other EU funds and programmes, the limitations identified in the RRF process should be taken into account and reviewed before the principle is applied to future EU funds.

» **Learning by doing**

The European Union is a significant economic and political player, and purports to be a leader in addressing biodiversity and nature loss. Yet the tight schedule and the emergency situation faced by the European Union have been used to justify the lack of public involvement and of transparency, as well as a series of rushed plans that have major flaws. The RRF process has set very questionable foundations for the future regarding bypassing checks and balances, in terms of transparency, the application of EU legislation, and designing transformative investments and reforms in line with the Green Deal objectives. The decisions made today will set a precedent in years to come. Transparent and participatory monitoring of the implementation of RRF should be put in place in the upcoming months to enable learning by doing and to accelerate efforts to 'build back better'.

» **Nature and climate: complementary, not competing**

The tremendous ecological transition that is needed for the whole economy requires funding and political initiative for transformative solutions that address the climate and biodiversity crisis we are facing. The Paris Agreement and the EU climate commitments have influenced Member States' efforts to mitigate climate change. However, climate and nature are connected, and protections for biodiversity strongly contribute to climate change mitigation. Overall, recovery plans generally strive to meet the 37 per cent requirements on climate but almost entirely exclude nature. Yet climate change could be tackled through nature restoration and biodiversity conservation – nature can deliver a third of the climate solution by 2030.[16] When facing the challenges of the energy and transport transition, for example, this should not lead to any trade-off between climate and nature. The recovery and resilience plans show very obviously that many measures are intended to reduce greenhouse gas emissions but do significant harm to biodiversity. A full contribution to climate objectives cannot be a justification to harm nature. The development of a transparent, comprehensive and performance based methodology for tracking climate and biodiversity spending, including a reference to the contribution to the European Green Deal and the 'do no significant harm' principle, would be an important step forward.



[16] Bronson W. Griscom, Justin Adams, Peter W. Ellis, Richard A. Houghton, et al., Natural climate solutions, Proceedings of the National Academy of Sciences, 114(44), 11645 LP – 11650, 2017.

Katerina Rakovska

BULGARIA

1. Level of environmental ambition

The Bulgarian national recovery and resilience plan is about BGN 12 billion, or about EUR 6 billion. It is structured along four pillars: 'Innovative Bulgaria', which covers education and skills, research and innovation, and smart industry; 'Green Bulgaria', which covers low-carbon economy, biodiversity and sustainable agriculture; 'Connected Bulgaria', which covers digital connectivity, transport connectivity and local development; and 'Just Bulgaria', which covers the business environment, social inclusion and health.

The recovery plan has been adjusted several times, with the first draft released in October 2020, version 1.1 in February 2021 and version 1.2 on 16 April 2021.[17] A review of the changes[18] made in the second and third versions of the Bulgarian plan showed that almost nothing from the proposals made by stakeholders from the environmental sector in November 2020 was adopted. What is more, the requested increase in biodiversity allocations was not only disregarded, but biodiversity spending **was also reduced from BGN 38 million in the first version to BGN 32 million, or about EUR 16 million, in the following versions. This amounts to 0.69 per cent of the budget allocations for the Green Bulgaria pillar and 0.27 per cent of the whole plan.** Only BGN 1 million from the recovery plan is dedicated to practical work like the habitat restoration of 150 hectares of forest.

The recovery funds represented a unique opportunity for Bulgaria to prioritise biodiversity conservation and shape a more resilient future. Only by allocating more funding to biodiversity can Bulgaria meet the EU's environmental ambitions and make the most out of the Green Deal. This can only be achieved by removing harmful measures and cooperating with the civil society.

[17] Council of Ministers of the Republic of Bulgaria, План за възстановяване и устойчивост - НА РЕПУБЛИКА БЪЛГАРИЯ, April 2021.
[18] This assessment was based on the 16 April 2021 version of Bulgaria's recovery plan.

2. Current state of biodiversity in the country

With high biodiversity in Bulgaria, about one-third of the country is included in the Natura 2000 network. However, in terms of governance of Natura 2000 sites, Bulgaria is far behind other countries, with only 84 Sites of Community Importance (SCIs) out of 234 designated as Special Areas of Conservation (SACs). The designation orders have no adequate conservation priorities.

Although biodiversity legislation in Bulgaria is well defined, its implementation has often been inadequate and affected by lobbying in the interest of businesses close to the government. This, in combination with the administration's low capacity, has brought poor results. Failing to organise monitoring of the conservation status of Natura 2000 species and habitats, the Bulgarian government prepared its status report for the European Commission for the period from 2013 to 2018 using obsolete data. The National Biodiversity Strategy expired 11 years ago, and one-third of the allocated biodiversity funds from the Operational Programme Environment 2014-2020 were transferred for other uses.

Unfortunately, the financial period from 2014 to 2020 produced bad examples of conservation projects and perverse subsidies such as the refurbishment of roads in national parks disguised as 'habitats restoration' and the subsidising of heavy grazing of cattle in national parks, which pollute glacial lakes and trample alpine grasslands.

The European Commission opened two horizontal infringement procedures in the area of Natura 2000 in Bulgaria:[19] INFR(2018)2352 NATURE and INFR(2008)4461 on Natura 2000.

INFR(2018)2352 NATURE was launched due to the lack of Designation of Special Areas of Conservation in Bulgaria and the failure to set up site-specific conservation measures under article 6.1 of Directive 92/43/EEC. This is long overdue, as the deadline for these activities expired in 2014. The good news is that these measures have been included in the recovery plan, especially as they were not included in the draft Prioritised Action Framework (PAF) for Natura 2000 sites for the period from 2021 to 2027.

However, there are no measures in the recovery plan covering the other horizontal infringement procedure – INFR(2008)4461 on Natura 2000 – for the lack of quality Appropriate Assessments and Environmental Impact Assessments on projects in Natura 2000 sites.[20] Measures to address this procedure are not included in the PAF either.

Bulgaria has a draft PAF document, which contains governance measures for Natura 2000, as well as planned conservation measures for Natura 2000 sites. The recovery plan was a chance to complement biodiversity activities not covered by the PAF.

3. Potential impact on biodiversity

The sustainable agriculture component of the recovery plan envisages almost 20 per cent of the Green Bulgaria pillar's budget for the refurbishment of state-owned irrigation systems. With a budget of over EUR 400 million, this is among the most expensive measures in the plan. This is problematic for several reasons: the measure is not in line with the Strategy for governance and development of hydro melioration and protection from the harmful effects of water (2018-2030); the beneficiary (a state-owned company) has low credibility; the refurbishment of pumping facilities might lead to negative impacts on wetlands and other habitats; and the activity requires no Appropriate Assessment of Natura 2000 sites.

The 'do no significant harm' principle assessment of the irrigation measure contains misleading information, as it states that the measure is not subject to an Environmental Impact Assessment (in contradiction with the Bulgarian Environmental Protection Act) and that the environmental authorities have concluded that the habitats in the surrounding areas will not be affected by the project. However, this has been supported only by statements with no evidence. In reality, numerous wetlands might be affected.

No Strategic Environmental Assessment or Appropriate Assessment has been carried out for the Bulgarian recovery plan.

What is more, the competent authority has issued a decision that the plan is not subject to an Appropriate Assessment.[21] The decision also states that the plan will not be subject to Strategic Environmental Assessment either, in violation of Directive 2001/42/EC. If these assessments could be applied objectively by independent experts, they could guarantee that harmful activities for biodiversity are modified or rejected.

[19] European Commission, 'Infringement decisions - Bulgaria'.
[20] European Commission, 'December infringements package: key decisions', 3 December 2020.

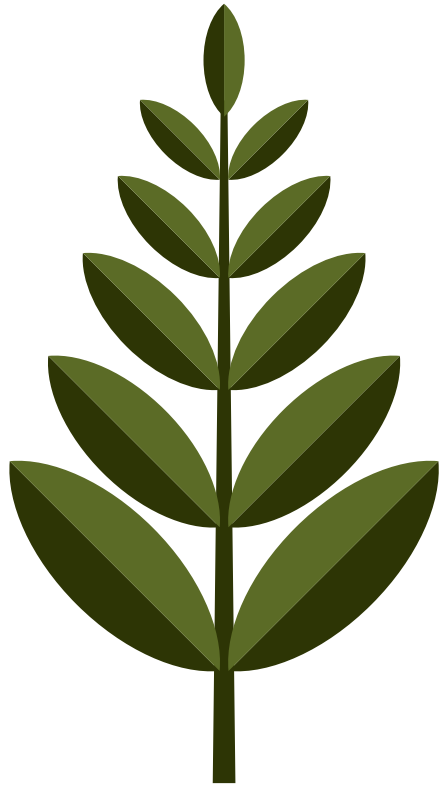
The biodiversity component of the Green Bulgaria pillar is developed into a measure called 'Integration of ecosystem approach and application of nature-based solutions in the protection of Natura 2000 protected sites'. The measure envisages two main lines of activities: one, development of site-specific conservation objectives and measures, and two, mapping and valorisation of ecosystems, ecosystem services and green infrastructure within the Natura 2000 network and a very small activity for ecosystem restoration (150 hectares).

4. Positive measures and alternative solutions

Many positive measures and interventions proposed during the public consultation process were not included in the Priorities Action Framework for Natura 2000. These proposals target objectives of the Biodiversity Strategy for 2030 that could have been covered in the recovery plan: increasing the share of strictly protected areas; improving connectivity between Natura 2000 sites and river connectivity (removing unnecessary barriers, construction of fish passes); restoration of agricultural protection belts, riverine forests and wetlands; capacity building of the relevant management authorities and volunteers and the development of citizen science platforms; feasibility studies for biodiversity restoration projects, afforestation, reforestation and improved management of forests to adapt to climate change; and preparation of seedlings of autochthonous trees for future afforestation and reforestation.

5. Transparency and public consultation

The government organised a public consultation on the first version of the plan in October 2020 before details about the measures were available. The proposal files were made publicly available in February, with a detailed version in April. As mentioned above, environmental assessment procedures have not been carried out and access to information on environmental matters was missing or partial. **Therefore, public participation in terms of concern for environmental issues is completely missing at this stage and in our view the requirements of the Aarhus Convention were not implemented.**



[21] Letter from Miroslav Kalugerov, Director of the National Service for the Protection of Nature, the Bulgarian Ministry of Environment and Water, to Mr Tomislav Donchev, 26 April 2021.

Zelena akcija / Friends of the Earth Croatia

CROATIA

1. Level of environmental ambition

Although the Croatian recovery plan[22] certainly contains some positive measures and investments from the environmental point of view, the plan lacks innovation and ambition. This is primarily due to it being more an amalgamation of pre-existing projects and ideas sent to the government by various sectors and their respective ministries than a forward looking and coherent plan based on a clear vision for fundamental transformation in the direction of environmental and social sustainability. The primary goal of the recovery plan in all areas is to contribute to economic recovery and to increase economic activity. What 'green transition' elements there are in the plan are always in the service of this primary goal.

The RRF represents a historic opportunity for Croatia to carry out major transformations with the goal of shaping a fairer, greener and more resilient future. If Croatia wants to meet the EU's environmental ambitions and make the most out of the Green Deal, all actors should work cooperatively, with commitment and ambition.

2. Current state of biodiversity in the country

In terms of biodiversity, Croatia is among the leading countries in Europe. About 40,000 wild species have been recorded to date, and almost 3 per cent of them are endemic. Croatia has 410 protected areas in nine national categories of protected areas, covering 14.49 per cent of land area and 1.94 per cent of sea area. The country has also declared one of the most extensive Natura 2000 networks in the EU (36.67 per cent of the land and 16.26 per cent of the coastal sea are covered by the network) without having a national status of protected area for the majority of these network sites.

[22] This assessment was based on the 29 April 2021 version of Croatia's recovery plan.

The loss of biodiversity in Croatia is mainly caused by the loss and fragmentation of habitats as a result of human activities (such as agricultural activity and infrastructure development) and natural succession processes (especially in abandoned agricultural land). Other causes include the exploitation of biological resources, pollution, urbanisation, the introduction and spread of invasive alien species, and climate change.

Regarding the status of EU environmental law implementation, the quality and timely implementation of the procedures for assessing the acceptability of plans and projects for the environment (Strategic Environmental Assessment (SEA) / Environmental Impact Assessment (EIA) / Appropriate Assessment (AA)) face a number of problems. Primarily, these include the often questionable quality of the associated studies, but also the insufficient monitoring capacity of state bodies and public institutions. According to the European Commission's database, in the short period since Croatia became a Member State of the EU, **there have been 71 infringement procedures dealing with environmental issues (164 including related sectors, such as energy, transport and climate action). Eight of the procedures**[23] **dealt specifically with nature protection.**

Croatia has a Strategy and action plan for nature protection[24] for the period from 2017 to 2025. **Also, it is in the process of producing its first Priorities Action Framework (for the period from 2021 to 2027), with the latest publicly available draft**[25] **from January 2020.** Both documents contain a list of goals and priority actions in relation to biodiversity conservation.

3. Potential impact on biodiversity

Although the Croatian recovery plan contains reforms and investments that will undoubtedly have a positive impact on the environment (primarily in the area of decarbonisation of the energy and transport sectors), direct investments in nature/biodiversity conservation and ecosystem restoration are virtually absent. **Only around 0.5 per cent of the entire budget is explicitly allocated for biodiversity.** It is difficult to estimate the extent and nature of the impacts that investments in other sectors will have on biodiversity. **This is because the plan often lacks details on specific measures and instead states that there will be open calls for projects within a given investment,** or refers to projects outlined in various other national plans, strategies and other similar documents. These measures are also characterised by very different levels of preparedness, with some of them existing only as ideas, while others have already gone through all the necessary SEA/EIA/AA procedures and have already secured all the necessary building permits.

Similarly, the quality of the 'do no significant harm' assessments varies widely from measure to measure, with some already having gone through all the necessary environmental impact assessments, while in the case of others it is simply stated that they will not significantly harm the environment, without providing any details or justification.

Due to the aforementioned lack of details, it is hard to give a concrete list of harmful projects proposed in the plan's measures; however, there are projects that have the clear potential to do damage to biodiversity if the highest environmental standards are not observed:

» **Capacity expansion for bio-energy**

One compelling example is a measure that will expand the electrical grid (including the building of new transmission lines); convert 12,500 hectares of previously unused/abandoned land into land for the production of energy crops that will be used in the planned bio-refinery in the city of Sisak; consolidate agricultural land with the aim of intensifying agricultural production (the plan foresees this to be undertaken only in pilot projects with a relatively small surface area, but with an eye to replicate these in the future); and build new tourist infrastructure in natural areas that were, up until now, relatively inaccessible to tourists.

» **Flood protection**

Special attention should be paid to the parts of the plan dealing with flood protection, as in Croatia this is often a synonym for the channelling of rivers and building barriers and other hydro-technical structures. This part of the plan states that measures proposed for financing through the recovery plan have already gone through all necessary procedures and have obtained all necessary permits; however, given the often questionable quality of EIA/AA procedures in Croatia, this statement in itself is no guarantee that these measures will not damage freshwater ecosystems and biodiversity in general.

[23] European Commission, 'Infringement decisions - Croatia, Environment'.
[24] Narodne Novine, Strategija i akcijski plan zaštite prirode Republike Hrvatske za razdoblje od 2017. do 2025. godine, 21 July 2017.
[25] Ministry of Environment of Croatia, Prioritetni Akcijski Okvir (Pao)Za Mrežu Natura 2000 U Republici Hrvatskoj, 2020.

4. Positive measures and alternative solutions

The draft recovery plan indicates that nature and biodiversity protection/restoration is not very high on the Croatian government's list of priorities. **Only one proposed investment deals directly with nature conservation, and even here only 20 percent of this investment is dedicated to ecosystem restoration (the other 80 per cent is dedicated to flood protection measures). For these restoration measures, approximately EUR 32 650 000 have been allocated, which represents around 0.5 per cent of the total recovery plan budget.** The only other mention of the words 'nature', 'biodiversity' or 'Natura 2000' in the plan is to state that a given measure will not have a negative impact on them, often without any supporting arguments for the claim.

The recovery plan contains information about five concrete measures that will restore habitats and have a positive impact on biodiversity: 1. revitalisation of 27 kilometres of abandoned backwaters of the Danube and Drava Rivers, including removal of obstacles, establishment of connection to the rivers, and formation of secondary wetland habitats in the flood zones; 2. revitalisation of Mirna River, which should contribute to the improvement of the hydrological status of a relict forest present only in the Mirna River valley; 3. protection and revitalisation of Lake Vrana near Biograd na Moru (Ramsar site, nature park and Natura 2000 site), where as a result of climate change and anthropogenic impacts there were significant changes in the hydrological regime; 4. clearing of Lake Trakošćan (an artificial lake that is part of a protected park-forest), where there was a significant deterioration of the ecological condition of the lake due to long-term sediment accumulation; and 5. elimination of invasive species from the Neretva River delta (Ramsar site, special ornithological/ichthyological reserve, Natura 2000 site).

Apart from these direct investments in nature protection/restoration, there are a couple of other investments that, if implemented properly, could potentially have positive impacts on biodiversity. These include measures to reduce losses in the public water supply (from 50 per cent to below 25 per cent), ensure appropriate wastewater treatment for 66 per cent of the population (currently at 44 per cent), reduce the amount of waste that goes to landfills through development of infrastructure for recycling, close and remediate the 26 closed landfills and sites contaminated with hazardous waste, modernise and renew the inland waterway fleet in the context of environmental protection, equip ports and docks with waste disposal infrastructure, set up a system for continuous monitoring of agricultural soil (including monitoring of pollution and other environmentally relevant parameters) and upgrade the infrastructure for food donation (reduction of food waste).

5. Transparency and public consultation

The entire process of drafting the plan severely lacked transparency and civil society was not adequately included. Civil society's proposals[26], as well as those of the general public, were completely ignored. The government did hold some consultations with representatives of labour unions and business associations, but during these talks they were only shown the summary of the plan. The same is true for the members of the Croatian parliament, who were also presented with only the summary, and although there was a discussion on the plan organised in the Parliament, there was no voting and no decisions were made. The opposition parties joined the civil society organisations in their critique of how the government handled the entire process, as well as their calls for the government to disclose the full content of the plan and to organise a proper public discussion. Finally, the government published the entire text of the recovery plan on 29 April 2021, only a day before it sent the plan to the European Commission.

[26] Door, Greenpeace Croatia, Zelena Akcija, and Zelena Energetska Zadruga, 'Zajedno za hrvatski zeleni oporavak i razvoj!', accessed 13 May 2021.

Canva

CZECH REPUBLIC

1. Level of environmental ambition

The final version of the Czech national recovery and resilience plan was not submitted by the deadline of 30 April. The first draft of the plan was available in summer 2020, and the details were included in January and March 2021. T**he current version of the Czech plan**[27] **(as of 10 May) shows serious shortcomings, as it does not meet the legally binding requirement of 37 per cent of expenditures for environmental objectives.** In order to address this and other issues, important changes to the final version are expected in order for it to be officially submitted. According to an analysis conducted for the Green Recovery Tracker and prepared by the Association for International Affairs (AMO), **only 22 per cent of the total budget for the Czech recovery plan contributes to environmental objectives.** Many of the 'green' measures in the most recent draft are highly questionable in this regard, and so is the methodology used to design them. Even more obvious are investments in fossil gas and the heating industry, some support for entrepreneurs affected by the pandemic, or the increase in the share capital of the Czech-Moravian Guarantee and Development Bank. The transformative potential of the plan thus remains largely untapped.

These shortcomings are concerning, as there is a unique opportunity for the Czech Republic (which will receive approximately EUR 7 billion from the RRF) to carry out major transformations with the goal of shaping a fairer, greener and more resilient future. To comply with the EU's environmental targets and make the most out of the Green Deal, all actors should have cooperated to reach a shared ambition. The RRF is a missed opportunity in that regard.

[27] This assessment was based on the 9 April 2021 version of Czech Republic's recovery plan.

2. Current state of biodiversity in the country

The decrease of biodiversity among bird and insect species mainly in open agricultural landscapes is well documented and continues to plummet significantly, mainly due to the renewed intensification of production after the 2000s. Although the country's strategic documents are of high quality (i.e. the Strategy on adaptation to climate change in the Czech Republic), their implementation has severe deficits.

Increased investments in biodiversity are becoming urgent given the fact that the conservation status of species and habitats in Czech Republic has been deteriorating in recent years, with some areas being in a critical state. The Nature Care Programme (Program péče o přírodu), the Programme for the Restoration of Natural Landscape Functions (Programu obnovy přírodních funkcí krajiny) and the National Programme for the Support of Biodiversity (Národní program na podporu biodiversity) are three well-working national programs which assure the protection of endangered sites, species, and landscapes. Financial allocations for these programs are not included in the recovery plan, but their absorption capacity is significantly higher than the current allocation provided under other existing financial mechanisms. The chronic lack of funding for such initiatives shows that the Czech Republic does not provide the means to match its goals.

3. Potential impact on biodiversity

The Czech recovery plan comprises both some obviously harmful measures and others that lack sufficient detail which would allow for their assessment. The following list includes some of these:

» **Flood risk reduction**

Starting with water management, the justification provided by the Ministry of Agriculture that presents hard anti-flood measures as a key element of flood protection is not convincing. The Czech government's Strategic Plan recognises barriers as significantly less environmentally suitable and also less effective for flood mitigation than more natural measures, such as the increase of wetlands. The whole area of adaptation-focused measures described within the National Action Plan is ignored in the recovery plan and replaced by measures with a lower counter-flood impact and higher environmental burden.

» **Agricultural irrigation**

The positive effect of the development of the irrigation systems on the quantity of crops does not imply positive effects for carbon storage, as the Czech Ministry of Agriculture states. The whole lifecycle related to crop production and its utilisation has to be taken into account, as the 'do no significant harm' principle states. The production of crops is also related to carbon-intensive industries (fertilisers, pesticides, management, operations, transport), and their processing leads to significant sources of greenhouse gases (discharge of the carbon absorbed during the growing period of the crops, transport, etc.).

The reference to the 'do no significant harm' principle is only vague in the Czech plan and it is doubtful that it is used properly. The 'do no significant harm' assessments consists entirely of a single Excel spreadsheet, with checked boxes or fields indicating that the assessment is 'not relevant' for most of the measures proposed, or empty boxes, even though this is not correct. Our third-party assessment shows that many of these measures could not pass the 'do no significant harm' assessment.

4. Positive measures and alternative solutions

The Czech recovery plan does not recognise Natura 2000 as an issue of intervention. To increase the protection of fish and amphibian populations, support for measures prepared and offered by the Ministry of the Environment are urgently needed. These proposals (of up to CZK 7.5 billion) are not included in the current version of the Czech plan; the proposed intervention instead focuses on reforestation efforts (CZK 8.5 billion) which may potentially harm the interests of Natura 2000 protection.

The component related to forest ecosystems is ambiguous. Fast reforestation does not have a medium-term or long-term effect on increased stored carbon compared to reforestation with the significant use of the natural processes (as stated by European Forestry Institute, 2018). Compared to natural or semi-natural forest regrowth, forest planting leads to unnecessary emissions due to manufacturing (pots, chemicals, and infrastructure), transport, operations and management. The use of reforestation with the intention of growing productive forests is nothing but harmful.

Canva

Despite serious shortcomings and concerns in terms of biodiversity conservation and restoration, the Czech plan still includes proposals that might have positive impacts. These include measures proposed by the Ministry of Environment that focus on lowering the carbon footprint of households by reducing the impact of their energy consumption (Green Light for Savings Programme). Nevertheless, the lack of detail about these measures raises questions but does not allow for proper assessment of the measures.

5. Transparency and public consultation

The comments of the public and non-governmental organisations were not taken into account during the preparation of the document. The Ministry of Agriculture and other responsible bodies did not prepare any open arena where the proposals could be submitted and discussed in detail. A series of round-tables with the presence of the Ministry of Commerce did not serve this goal, as it did not include the possibility for adopting or changing the presented drafts of the text. The government only informed participants about the process of the creation[28] of the recovery plan, but did not create a real opportunity for participation. For example, proposals made by Hnutí DUHA[29] addressing the adaptation component in chapter 2.6 of the recovery plan were discussed with the Ministry of Agriculture in December 2020, but not kept in the recovery plan.

[28] Government of the Czech Republic, 'Příprava Národního plánu obnovy ČR', 18 February 2021.
[29] Hnuti DUHA, Na co by vláda neměla zapomenout v investičním balíčku, 22 September 2020.

Eva Elijas (Pexels)

ESTONIA

1. Level of environmental ambition

The estimated budget for Estonia's recovery and resilience plan ranges from EUR 900 to 980 million. The only available public draft[30] is a brief two-page overview[31] of financial allocations. The plan includes multiple positive climate action investments which are aligned with the EU Green Deal and are a necessary part of a long-term green transition. **However, the Estonian recovery plan does not include any investments in biodiversity, despite severe shortcomings in Estonia's conservation work and recommendations from the European Commission to the government during the consultations to include biodiversity in the recovery plan. In addition, because a detailed draft plan has not been released to the pub**lic, the limited details available about the plan are insufficient to guarantee that certain measures will not harm biodiversity and that the plan in its entirety aligns with the European Green Deal climate and environmental objectives. The plan focuses mainly on the recovery and green transition of the business sector, and more than a quarter of the funding is allocated towards building a hospital.

The Estonian draft recovery plan is moderately ambitious in certain areas. It will invest in both the green and digital transitions, in line with the RRF regulation, but with an explicit focus on green technologies. However, the important role of nature and biodiversity is completely forgotten in the green transition, and therefore without investments in biodiversity, Estonia will fall substantially short of achieving the ambitious targets of the EU Biodiversity Strategy for 2030.

Recognising the value of rich biodiversity in the country, Estonia outlined ambitious investments in biodiversity in its Prioritised Action Framework. The recovery funds could be the starting point for providing the needed funding for those crucial investments, ensuring that the country is set to meet the EU's environmental objectives and rebuild with stronger biodiversity.

[30] This assessment was based on the 10 May 2021 version of Estonia's recovery plan.
[31] 'Programming Recovery and Resilience Facility in Estonia', May 2021.

2. Current state of biodiversity in the country

According to the Habitats Directive report, 43 per cent of habitats in Estonia are either in a bad or inadequate state. Nature in Estonia is very diverse, which is why 17 per cent of land is protected under the Habitats Directive. **This biodiversity is mostly reflected in the country's forests: Estonia is the fourth most forested country in the EU, with 51.4 per cent of the country covered in forests.** However, due to the abundance of forests in Estonia, the biodiverse areas are first and foremost treated as a replaceable natural resource for the forestry sector, disregarding the irreplaceable role of forests as ecosystems. Forest ecosystems also serve as a carbon sink, although in Estonia, intensive deforestation by the forestry sector is rapidly reducing the size of this sink. It is even projected that Estonia's land use, land use change and forestry sector will be a net emitter of CO_2 by 2030[32], primarily due to high logging intensity and forest loss. The natural invaluable worth of forests as habitats is not reflected in logging regulations, protective reforms and investments.

The status of most forest habitat types of the Habitats Directive in Estonia is either inadequate or bad, which means that the government has not been able to ensure and restore the favourable status of the forest habitats. In addition, about 49 per cent of the forest area within the Natura 2000 network[33] in Estonia is not covered by the forest habitat inventory of the Habitats' Directive. Therefore, a significant part of the forests which likely have a high conservation value may be unprotected from intense logging.

The status of biodiversity conservation has deteriorated over the past five years, mostly due to the weakening of logging regulations in protected areas and the general increased demand for forest biomass. The weakening of logging regulations could be related to the fact that the EU Renewable Energy Directive included forest biomass as a sustainable source of renewable energy and thus provided a lot of subsidies for this unsustainable industry. This fueled the biomass (wood pellet) sector and increased intense logging. Due to significant anomalies in the data, the scale of logging is currently under dispute[34] – the real volume may be much higher than what has been reported by the government. Furthermore, this resulted in increased volumes of clearcutting in protected areas[34], including Natura 2000 and other areas of high conservation value. Thus, the current legislation is ineffective in protecting conservation areas and could contribute to degrading the most biodiverse places in Estonia.

Estonia has one active EU infringement proceeding, concerning the non-conformity of Estonian legislation with the Environmental Impact Assessment (EIA) directive amendment (INFR(2019)2109). This infringement on EU legislation could potentially be harmful to biodiversity, if EIAs are not carried out in accordance with the EIA directive. Since the infringement process is confidential, there is no available information about whether this infringement has been addressed by the Estonian government.

Estonia has a Prioritised Action Framework (PAF) for Natura 2000[36], which outlines many necessary investments in biodiversity in the Natura 2000 network areas. However, these rely on EU funds, and as none of these investments are included in the recovery plan, their funding is not guaranteed. If there is not enough funding available from other EU funds, the actions cannot be carried out. The PAF also stresses the need for habitat inventories, which is a crucial biodiversity investment that should be included in the Estonian recovery plan.

3. Potential impact on biodiversity

The recovery plan does not include any measures for biodiversity. The 'do no significant harm' assessment has not been released yet, so it is not possible to assess its quality. The quality of the 'do no significant harm' assessment is extremely important, because it determines whether any measures included in the plan significantly harm biodiversity. This also brings into question whether the Aarhus Convention, which serves to allow better public access and scrutiny of environmental information, has been violated.

Due to the vague and limited available information, it is not clear whether specific measures will negatively impact biodiversity or not. The following is a list of proposals from the available draft which could be potentially harmful to biodiversity:

[32] Republic of Estonia, Ministry of Environment, Report pursuant to Article 39 of Regulation (EU) 2018/1999, Estonia, 2021.
[33] Email communication from Meelis Leivits to Mart Kiis 'Natura 2000 alad ja loodusdirektiivi metsaelupaigad', 17 December 2020.
[34] Priit Pärnapuu, 'METSASTATISTIKA NÄITAB AIATEIBAID?! Pikalt avalikkuse eest varjatud andmetes haigutavad 100 000 hektari suurused anomaaliad', Ohtuleht, 6 April 2021.
[35] Estonian Fund for Nature, EstWatch, KUI HÄSTI ON HOITUD KAITSEALUSED SUURE LOODUSVÄÄRTUSEGA METSAD?, 2021.
[36] Republic of Estonia, Ministry of Environment, PRIORITISED ACTION FRAMEWORK (PAF) FOR NATURA 2000 in ESTONIA

» **Construction of a multimodal terminal in Ülemiste for Rail Baltic (EUR 31.05 million)**

The construction of Rail Baltic will be significantly harmful for biodiversity, as according to the current plan, a new railway will be built through areas of high conservation value. Some of these forests and wetlands that will become degraded are a part of the Natura 2000 network. Therefore, the measure is not compliant with the 'do no significant harm' principle. This measure should only be allowed if Rail Baltic will be built on existing railway infrastructure to minimise the impact on biodiversity and protected areas.

» **Uptake of resource efficient green technologies, valorisation of bioresources in agriculture, forestry, fisheries, aquaculture and the food industry (EUR 37.8 million)**

Depending on the specific details of the measure, the valorisation of forestry bioresources could potentially increase pressure from the forestry industry on Estonian forest areas. This would increase the already high logging intensity in both protected and unprotected areas. More intense clearcutting of forests would further degrade biodiversity in Estonia.

» **Enhancing the resilience of health systems in the north of Estonia (EUR 280 million)**

This measure represents almost a third of the whole fund, and it is allocated to building Tallinn Hospital. After the Commission criticised the disproportionately large share of the plan allocated to the hospital, funding for this measure was reduced by EUR 100 million. Despite the reduction, this amount still reserves a disproportionately large share of the plan and thus the funding should be reduced further. Although building a hospital may improve the resilience of health systems, the need for this hospital has not been thoroughly explained. Funding removed from this measure could be used for biodiversity measures.

4. Positive measures and alternative solutions

Although Estonia has not included any investments in biodiversity in the Estonian recovery plan, there are many biodiversity issues in the country which require urgent attention and support.

The following is a list of potential biodiversity investments, most of which are included in the PAF, and therefore are recognised by the Ministry of Environment as necessary areas of investment:

- Terrestrial habitat inventories of the Natura 2000 areas.
- Habitat inventories outside Natura 2000 network areas with the aim to expand the network. There are many areas with the same valuable habitat indicators as Natura 2000 areas. Expansion of the Natura 2000 network is also one of the aims of the EU Biodiversity Strategy for 2030.
- Natura 2000 site-related maintenance and restoration measures for species and habitats in forests and woodlands. The status of most forest habitat types of the Habitats Directive in Estonia is either inadequate or bad.
- Restoration of semi-natural grasslands of Natura 2000 areas. The status of high conservation value, semi-natural grasslands is assessed as unfavourable-inadequate.

Funds and investments are needed most urgently for terrestrial habitat inventories. The lack of capacity for carrying out inventories has left valuable habitats without protection, due to which some habitats have been destroyed by clearcutting. These areas of investment should be prioritised, as the forestry sector has changed rapidly over the last five years, which requires an equally rapid reaction to minimise long-term damage to biodiversity. Furthermore, these investments should be accompanied by a biodiversity protection reform, which would ensure that the content of protective legislation is aligned with biodiversity targets and that protected areas could not be harmed.

5. Transparency and public consultation

The recovery and resilience plan has not been released to the public, so there is no way to determine whether the plan is in fact compliant with national legislation. The public consultations took place, but stakeholders did not have access to a detailed plan, resulting in an inefficient consultation process. Because the consultations were based on superficial and vague details, stakeholders have not had a real opportunity to participate in the decision-making process leading up to the creation of the recovery plan.

Antal Molnár

HUNGARY

1. Level of environmental ambition

The Hungarian recovery plan has an allocation of EUR 7 billion in grants, without any loans. The government published a short preliminary plan on 2 December 2020 followed by a more detailed version on 16 April 2021.[37] The plan has nine distinct components (demography and public education, renewal of universities, developing villages, water management, sustainable green transportation, energy, circular economy, digital technologies and health).

The Hungarian recovery plan is somewhat forward-looking regarding climate ambition but lacks meaningful proposals for biodiversity, which the country desperately needs. Biodiversity targets and milestones are entirely missing and biodiversity loss is not addressed in a meaningful way.

Half of the planned components have no relation to green objectives and instead relate to areas including health, digital technologies, rural development and public education, which mainly focus on structural and infrastructure improvements. Although there are some proposals for climate related investments in the form of building improvements for energy efficiency, the descriptions of the individual measures do not include any reference to using cost-effective, nature-based solutions or solutions that directly protect biodiversity, which is a serious caveat.

There are some habitat restoration measures and the mention of ecological water needs in the water management component of the plan, but these are too small and insignificant to deliver any substantive improvements.

At the same time, the plan's proposals for harmful developments would eventually undermine and reset the small progress achieved by the biodiversity-positive elements.

[37] This assessment was based on the latest available version of Hungary's recovery plan published on 16 April 2021.

The magnitude of funding made available to Hungary vastly exceeds the resources typically allocated for environmental and biodiversity purposes from national funding. Hungary could take this opportunity to stop biodiversity loss and invest in nature, thus meeting the ambitious goals of EU Biodiversity Strategy for 2030. Unfortunately, there is no intention to use recovery funds for such purposes. To put it into perspective, funding for the most problematic component of the plan from the perspective of biodiversity, the water management project (EUR 456 million), is more than seven times higher than the entire biodiversity spending of the government per year (approximately EUR 60.8 million[38]).

2. Current state of biodiversity in the country

Hungary is characterised by general tendencies that drive biodiversity loss: habitat loss, over-exploitation, invasive species, pollution and climate change. Moreover, the lack of political will and citizen engagement further exacerbate these harmful trends, meaning that there is no impetus for resolving these issues. While the country adopted the necessary legislation on nature protection and the 13 active environment-related infringement cases are not specifically about biodiversity, the implementation of conservation policy fails on many levels.

Many Natura 2000 sites still lack management plans and data that can support decision-making. The conservation status of many types of habitats, including natural wetlands, is poor. Government administration of nature conservation is fragmented and authorities are understaffed, unqualified and lack authority to prevent destruction. Furthermore, forestry, agriculture, hunting and water management bodies can impede the improvement of biodiversity provisions or introduce greenwashed alternatives as a result of industry lobbying.

3. Potential impact on biodiversity

Generally, the plan's components mention applying the 'do no significant harm' principle, but in many cases, this is a vague reference without any substantive justification or demonstration. The in-depth analysis of developments with potential environmental risks is incomplete and one-sided: only the positive potential environmental impacts of the proposed developments are highlighted and not the potential risks.

There is also no reference made to considering other existing and better alternatives.

A key problematic measure with a potentially harmful impact on biodiversity is the investments planned in the water management component. This measure will develop facilities necessary for the implementation of water replenishment and irrigated agricultural land use. The plan argues that this is necessary for enabling agricultural activities on certain lands not necessarily suitable for farming. Thus, the development of this infrastructure may lead to the long-term establishment of harmful agricultural practices and hinder future land-use change.

Wetlands restoration measures embedded within the water management component focus on nature conservation. The size of these measures is negligible for the overall plan, and they do not tackle structural problems at all. There are also certain developments aimed at facilitating inland water transport by altering riverbeds to accommodate bigger vessels (dredging). These plans carry a significant risk for biodiversity.

In addition, **other infrastructure development measures such as the development of transport and solar power equipment or greenfield measures should be avoided to protect the green infrastructure network.** These developments are often located on agricultural land, further increasing agricultural biodiversity loss.

4. Positive measures and alternative solutions

Based on the assessment of the Hungarian recovery plan against the EU Biodiversity Strategy for 2030, the National Biodiversity Strategy (2015-2020) and the Prioritised Action Framework (PAF) for Natura 2000, several potential development gaps and necessary modifications for biodiversity protection can be identified.

Water management projects should be based on many small-scale developments that create opportunities for extensive sustainable small or medium-sized farms specialising in agricultural products high in added value. There are many successful examples of the agricultural use of flood basins in Hungary, such as orchards, fishponds, grazing, etc.

[38] European Commission, 'Environmental Implementation Review', 2019.

Antal Molnár

These models sustain several ecosystem services while creating considerably more jobs than intensive farms. Water retention infrastructure designed in a way that it is seamlessly incorporated into the natural environment (e.g. swales, landscape appropriate reservoirs) is an important part of such programmes. Irrigation should be prohibited on Natura 2000 sites.

As large-scale real estate investments are envisioned in the plan (new buildings, the renovation of old buildings, development of roads and infrastructure), it will be necessary to incorporate biodiversity conservation targets and milestones into these measures. Agricultural land should not be used for new buildings or extensive infrastructure, like solar power panels. Power lines must be installed with bird protection devices (wildlife-friendly power poles). The renovation and insulation of buildings should plan for biodiversity conservation and nature-based solutions.

A major shortcoming of the plan is that it allocates a meagre amount for awareness-raising and capacity building. Shaping people's views and teaching them how to work with, not against, nature is paramount if we want the envisioned green infrastructure (new buildings, urban green spaces, waste management and irrigation infrastructure) and digital solutions (e.g. precision agriculture) to be used for what they were intended: the green recovery.

5. Transparency and public consultation

The planning process of the recovery plan has not met the first two requirements of the Aarhus Convention: (i) access to information, and (ii) public participation in decision-making. Plans were published too close to the submission deadline, making it difficult to conduct a full assessment. Communication from the government has focused on giving one-sided information about decisions already taken. Contrary to EU recommendations, the plan itself does not envisage civic participation in the project planning phase and the monitoring of the implementation.

Ģirts Strazdiņš

LATVIA

1. Level of environmental ambition

The Latvian national recovery and resilience plan[39] has a total budget of EUR 1.82 billion. The climate section of the plan contains a variety of good measures that serve the country's direction towards climate neutrality. However, **the plan does not include a single measure for biodiversity,** and thus it will prove difficult for the country to implement the ambitious EU Biodiversity Strategy for 2030.

With no national biodiversity strategy and most of its habitats in a poor state, the RRF represents a great opportunity for Latvia to finance biodiversity measures that will help it build a fairer and more sustainable society and meet the goals of the European Green Deal and EU Biodiversity Strategy for 2030

2. Current state of biodiversity in the country

Currently, only 10 per cent of the habitats of European importance in Latvia have a good conservation status. This is even lower than the average EU level of 15 per cent. The country also has one of the smallest areas of Natura 2000 coverage in the EU, with only 12 per cent of the country designated as protected areas of EU importance[40].

Biodiversity in Latvia is under threat from a variety of different sources, namely: excessive cutting of old forest stands and the use of unsustainable forest cutting methods like clear-cuts; irrigation activities; and unregulated flows of visitors to the fragile coastal habitats.

The status of the Birds and Habitats Directive implementation in Latvia is outlined in the latest Article 17 country report covering the period from 2013 to 2018.[41] **The report shows that 38 per cent of habitats of EU importance in Latvia have a bad conservation status.**

[39] This assessment was based on the 27 April 2021 version of Latvia's recovery plan.
[40] Biodiversity Information System for Europe, Latvia, accessed 13 May 2021.
[41] European Environmental Agency, State of nature in the EU, Results from reporting under the nature directives 2013-2018, EEA Report No 10/2020, 2020.

The situation has improved compared to the 50 per cent of habitats that were in bad conservation status in the previous reporting period. However, similarly to other northern EU countries (Finland, Sweden, Estonia and Lithuania), the conservation status of several forest habitats and grassland habitats is considered poor and insufficient, with grassland habitats having deteriorated the most.

According to the Habitats Directive's Article 17 report, specific habitat management actions are needed in most cases to improve the conservation status of habitats of EU importance. Among other activities, these include the restoration and management of grassland habitats and preventing their afforestation and intensive use for agriculture, as well as restoration of bogs, mires and bog woodlands that includes the restoration of natural hydrological regimes.

Two active infringement cases were opened by the European Commission against Latvia in the field of nature. One is for the incomplete Natura 2000 network in Latvia (INFR(2019)2304) and another is for poor application of Articles 4(4) and 6 of Directive 92/43/EEC – designation of Special Areas of Conservation (SAC) and the setting of conservation objectives and measures in Latvia (INFR(2020)2209).

Thus far, the National Conservation and Management Programme for Natura 2000 Sites in Latvia[42] is the only document that has included a detailed description of the necessary management and conservation measures for each Natura 2000 site in the country. Yet this programme addressed only the existing Natura 2000 sites. As there is no national biodiversity strategy, the new EU Biodiversity Strategy for 2030 is now the guiding framework for future activities. The new Environmental Policy Concept for the period 2021-2027[43] has currently been delayed, but its goals are expected to include the conservation and restoration of natural ecosystems and biodiversity. At the same time, the new Latvian Priority Action Framework (PAF) for 2021-2027 was completed in April 2021. It includes priority actions with concrete budgets for new Natura 2000 designation and management; communication; monitoring, maintenance and restoration of all the priority habitat types; and also additional 'green infrastructure' measures and species-specific measures beyond Natura 2000.[44]

The PAF describes only estimated – not guaranteed – funding for priority actions. Therefore, by not including any biodiversity measures in the recovery plan and thus failing to secure guaranteed funding for the priorities set out in the PAF, Latvia has missed an important opportunity.

3. Potential impact on biodiversity

The European Green Deal and the European Biodiversity Strategy for 2030 both indicate that it is crucial for the EU to halt biodiversity loss by protecting and restoring biodiversity. Unfortunately, the Latvian recovery plan does not include any measures targeted at biodiversity. **On the contrary, one measure proposed by the Ministry of Agriculture,** 'Investments in flood risk reduction infrastructure, including renovation of polder pumping stations, restoration of protective dams, restoration of regulated sections of rivers', has raised concerns among many environmental non-governmental organisations, as it **can negatively impact wetlands and biodiversity.**

The 'do no significant harm' assessment for the proposed irrigation measures is short and vague. It does not provide fact-based justifications, and its statements are incomplete and questionable. For instance, it mentions that environmental impact assessments (EIAs) have been conducted for these measures, but elsewhere it states that EIAs will be executed in the future. Most importantly, no details on the foreseen 29 irrigation projects are provided in the plan. Therefore, it is impossible to assess their potential impact on the environment and biodiversity. There is also no guarantee that an EIA will be conducted for all 29 projects, because the EIA procedure is obligatory only for those projects that are large enough and meet specific criteria set out in the EIA law. Furthermore, the 'do no significant harm' assessment includes the statement that: 'the measure will reduce the negative impact on biodiversity'. However, this is not true, because all irrigation activities usually have a negative impact on biodiversity.

As only 10 per cent of Latvia's habitats of EU importance are in good conservation status, there is a risk that the implementation of these irrigation projects (the details of which are unknown) will make the conservation status of the habitats even worse.

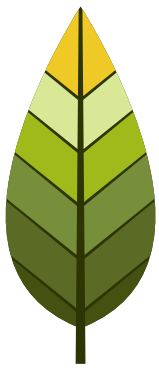
[42] Nature Conservation Agency, National Conservation and Management Programme for Natura 2000 Sites in Latvia (2018–2030), 2017.
[43] Dabas aizsardzibas pārvalde, 'PAF'.
[44] The foreseen sources of funding for its implementation are the following: European Agricultural Fund for Rural Development (EAFRD); European Regional Development Fund (ERDF) / Cohesion Fund (CF); European Maritime and Fisheries Fund (EMFF); LIFE Programme (2014-2020); other EU funds, including Interreg; other (mainly national) funding for Natura 2000, green infrastructure and species protection from 2014 to 2020.

4. Positive measures and alternative solutions

The biodiversity conservation component could be covered if the following activities were added to the recovery plan:

1. **Capacity-building for nature conservation institutions**
2. **Development and management of the Natura 2000 network**
3. **Restoration, maintenance and improvement of the quality of habitats and habitats of protected species of European importance**
4. **Creation and restoration of wetlands, watercourses, and degraded areas by creating new nature territories**
5. **Combating invasive species with support measures**
6. **Promotion of sustainable management of private land**
7. **Construction of nature tourism infrastructure and development of infrastructure objects in Natura 2000 sites and beyond them**
8. **Development of the voluntary 'Payments for Ecosystem Services' system in Latvia**

These activities, suggested by environmental organisations, are compatible with the priorities listed in the new Latvian PAFfor 2021 to 2027. Therefore, any of the concrete priority actions with budgets included in the Latvian Priority Action Framework (PAF) for 2021 to 2027 should have been included in the recovery plan.



5. Transparency and public consultation

The drafting process for the Latvian plan has not been fully transparent and has failed to involve all stakeholders in meaningful consultations. Non-governmental organisations participated in several meetings during the recovery plan revision stage where it was generally possible to present opinions. Yet there were no real working groups organised with the option to work on these organisations' proposals in detail to come up with the best solutions.

A formal Strategic Environmental Assessment (SEA) was conducted for the entire plan. However, the SEA was vague and prepared in a hurry, without conducting any consultations with environmental experts. Hence, the assessment's conclusion that the plan will not have any negative impact on the environment and biodiversity is not reliable.

There was a public consultation procedure in place. Four environmental organisations submitted their assessments and suggestions for the plan on 9 March. This was followed by a set of letters sent by the same organisations and by the Environmental Advisory Council of Latvia during the revision of the recovery plan. The letters addressed the potential harmful measures for biodiversity, the lack of a biodiversity component in the plan, and deficiencies in the SEA and 'do no significant harm' assessment. The organisations also came up with concrete proposals for biodiversity-targeted priority actions to be included in the recovery plan. However, all of these suggestions were ignored. The letters were sent to the Ministry of Finance (responsible for the preparation of the recovery plan), the Ministry of Environmental Protection and Regional Development, and the Ministry of Agriculture. Yet, as of the time of writing, no official written response to any of these letters has been received from the competent authorities.

Bankwatch

POLAND

1. Level of environmental ambition

Poland will receive a total of EUR 57 billion in funding from the RRF. Although this is the fourth largest RRF package in the European Union, **the Polish recovery plan[45] presents major flaws in climate adaptation and nature protection measures and does not include any investments for biodiversity.**

The Polish recovery plan features a relatively low level of ambition in its green targets, and thus is not fully in line with the objectives of the European Green Deal and the standards of European environmental protection. These inadequate provisions and measures clash with the high amount of money coming from the EU: the country will miss the opportunity to use this unprecedented funding to successfully tackle the biodiversity crisis.

2. Current state of biodiversity in the country

Poland's biodiversity is among the richest in Europe. Yet for a long time, the government has made no effort towards nature protection, as evidenced by the number of infringement proceedings launched by the European Commission against the country. The last nature-related infringement procedure was launched in December 2020, and it concerned Poland's failure to safeguard woodland habitats and species. This came just after a series of other infringement proceedings about water, air quality, increased logging in Białowieża Forest and other environmental issues. The Polish government has been called many times to properly respect European laws and directives such as the Habitats Directive, the Birds Directive and the Water Directive. Poland should urgently bring its national protection laws into full compliance with EU rules.

[45] This assessment was based on the 30 April 2021 version of Poland's recovery plan.

The regulations currently in force in the country have been watered down by lawmakers for years and fail to guarantee the adequate protection of the environment in implementing infrastructural investments. An appeal against an environmental decision or a building permit in a project that adversely affects protected areas or species does not result in work on the ground being suspended, as due to a law introduced in 2008, the right of access to information and right to justice on environmental matters were substantially restricted. Neither society nor ecological and nature conservation organisations have any legal options to stop the destruction of nature in such cases. This goes against the fundamental principles of EU law and in recent years led to the irrecoverable destruction of protected areas, ecological corridors and habitats of protected species – and continues to do so.

Regarding forestry, the Forest Law currently does not allow concerned communities and non-governmental organisations to obtain a judicial review of forest management plans. It also exempts forest management from obligations concerning the strict protection of species under EU rules. The situation is similar for water management. The Water Law Act entered into force in 2018 and prevents effective protection and the achievement of the Water Framework Directive's objectives. The result is that the status of water ecosystems is negatively affected, and public funds are not well spent.

Since the regulations mentioned above have failed to guarantee the adequate protection of waters and biodiversity or compliance with the European legal rules, the reform package under Poland's recovery plan should include an urgent amendment to the national legislation on environmental protection. National regulations on wastewater treatment also need to be amended, but the most recent version of the Polish plan actually shows some progress in this area.

3. Potential impact on biodiversity

The Polish recovery plan does not include provisions that will positively impact the protection or restoration of biodiversity. **On the contrary, the plan foresees potentially harmful measures for nature, as in the case of water investments.** One example is the dangerous Special Act on Anti-Drought investment that was released in August 2020. What concerns the conservationists even more is the recent extension of component B, 'Green energy and energy intensity reduction', which was added to the plan just after the public consultations were closed. In the most recently published draft (made available just before the 30 April deadline), the Polish plan allocates over EUR 667 million[46] to investments in 'increasing the potential of sustainable water management in rural areas'. The investment comes with provisions such as 'revitalisation of the existing retention reservoirs' (where 'revitalisation' is not further defined), and the 'retention of small rivers in agricultural areas' (i.e. the possibility of damming on small rivers). These measures would not help protect small rivers or restore the good ecological status of waters but would simply threaten small rivers' fencing on a massive scale. The reform aims to change the Water Law, the Construction Code and the Mining and Geological Law and will significantly simplify obtaining the permits for investments related to water retention.

Investments in the repair or construction of reservoirs on watercourses will cause a significant threat to biodiversity. In previous decades, thousands of kilometres of Polish rivers and streams were destroyed in this way[47] and through EU funds. Previous harm was done under the pretext of 'improving water conditions in rural areas'; the same non-specific, yet very misleading wording is also used in the recovery plan.

Even the quality of the 'do no significant harm' assessment in the Polish plan is poor. The draft does not include a detailed 'do no significant harm' assessment for each measure. All components are signed off as compliant without any justification, meaning that the Polish plan lacks a clear explanation of how such measures comply with the 'do no significant harm' principle as required by the European Commission. Indeed, the Technical guidance[48] published by the Commission in February clearly states that the 'do no significant harm' assessment should be carried out for each reform and investment in the recovery plan, but this is not the case in the Polish plan.

[46] Polish Government (gov.pl), 'Czym jest Krajowy Plan Odbudowy ?', 21 July 2020.
[47] WWF, Summary and interpretation of the preliminary findings of the report : Inventory and assessment of the environmental effects of "maintenance" works interfering with the hydro-morphology of rivers (in Poland), 15 November 2013.
[48] European Commission, Commission Notice Technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation, (2021/C 58/01), 18 February 2021.

4. Positive measures and alternative solutions

The Polish recovery plan does not include positive proposals for biodiversity, as no investments or reforms are proposed. However, **the country would benefit from using the recovery fund in certain areas, especially forest and river valley protection.** In order to enhance and restore the nature of these landscapes, non-governmental organisations in Poland have come up with several potential solutions[49] to address biodiversity loss and to enhance and restore nature in Poland. For instance, they suggest amending the Polish Forest Law, the Water Law and the Law on Environmental Protection, as well as improving the current state of non-compliance with EU environmental acquis in the country, all of which would go a long way towards strengthening biodiversity and environmental protection. Despite civil society's efforts, these comments have not been taken into consideration by the Polish government and the plan does not properly address these issues.

5. Transparency and public consultation

In Poland, the initial phase of the drafting of the recovery plan was marked by a lack of transparency and public partnership: non-governmental organisations were not involved in the process, civil society did not have information about the content of the plan and consultations were not organised by the government. In February, a group of environmental non-governmental organisations wrote a letter[50] to the prime minister urging him to open up the preparation of the plan and include civil society organisations. Pressure from both the national and the European level eventually led the decision makers to invite non-governmental organisations to join the process, and civil society participated in public hearings. During these hearings, it was also decided that representatives from local governments, entrepreneurs, and civil society organisations could take part in the monitoring committee during the implementation phase of the recovery plan. It is still unknown how many civil society representatives will be on the committee or how they will be elected.

Fotolia

[49] WWF, BirdLife, GreenPeace, Polska Zielona Siec, et al., Protection of water resources and Biodiversity in the National Recovery Plan - Proposed programmes and reform directions, February 2021.
[50] WWF, '„Plan Marshalla" na miarę XXI wieku', 27 April 2021.

Andrei Tanase (Pexels)

ROMANIA

1. Level of environmental ambition

The last version of the Romanian recovery plan was approved by the government on 7 April and did not include major changes to the previous one, published in March.[51] **A total of EUR 15.3 billion will finance the plan's 'Green transition' pillar** – one out of three pillars, alongside 'Public services and urban development' and 'Economic competitiveness, digitalisation and resilience', which features measures addressing the transition in transportation and the energy sector as well as measures for biodiversity protection and conservation. Overall, the plan presents a few positive measures, but also some negative ones. On the one hand, the draft promises measures to fill Romania's gap in reaching the EU's biodiversity targets. On the other hand, however, the recovery plan still gives too little relevance to this issue and even promotes climate investments that would cause harm to nature.

The total EUR 30.4 billion that Romania will receive under the RRF could make it possible for the country to move towards a proper transition in line with the objectives of the European Green Deal and the EU Biodiversity Strategy for 2030, but Romania still needs to include all relevant stakeholders and make significant steps forward on nature protection.

2. Current state of biodiversity in the country

There is a total of 1,550 protected areas in Romania, 606 Natura 2000 sites[52] and 944 sites designated under national law. **Natura 2000 sites in the country make up 77 per cent of the total protected area, with only 2.84 per cent of this network being protected by national laws.** The National Strategy and Action Plan for Biodiversity Conservation 2014-2020 was adopted in 2014 and focuses on stopping the decline of biological diversity, integrating biodiversity conservation policies in all sectoral policies, and promoting knowledge and technologies that support biodiversity.

[51] This assessment was based on the 7 April 2021 version of Romania's recovery plan.
[52] Including 171 Special Protection Areas (Birds Directive) and 87 Sites of Community Importance (Habitats Directive).

In this document, the government specified that a large number of biogeographical regions and a wide variety of natural habitats and wild species of community interest were in a favourable state of conservation. However, Romania's Biodiversity Conservation Indicator in 2008 (introduced by the Convention on Biological Diversity Secretariat) was lower than that of any other Member State, at about 4.2. The Strategy also set targets for the efficient and sustainable management of natural protected areas and forests. However, the authorities failed to implement both objectives correctly. Although Romania has the largest area of survival of primary and old growth forests in the European Union, due to administrative issues only a very small part of this area is strictly protected.

One of Romania's main nature management issues is illegal logging in forests, which is constantly being reported by national and international non-governmental organisations. In 2019, the Romanian government announced its intention to co-finance with the European Regional Development Fund a 36-month project called 'Completing the level of knowledge of biodiversity by implementing the monitoring system of the conservation status of species and habitats of community interest in Romania and reporting based on Article 17 of the Habitats Directive 92/43/EEC'. Nevertheless, in October 2020 the European Commission issued an infringement procedure with reference to the country's failure to correctly implement the Directive on the conservation of natural habitats of wild fauna and flora[53].

Related to this, the infringement procedure launched by the Commission also referred to illegal logging in forests, one of the main issues in the country's management of nature which is indeed reported by national and international non-governmental organisations. In 2021, an improved application was developed to monitor the status of logging, but this has come with many transparency problems. The issue of logging was also addressed by UNESCO in the Report of the Joint World Heritage Centre/IUCN Reactive Monitoring mission to the Albanian and Romanian components of a transnational world heritage property[54].

In the report, UNESCO clearly states that clear cuts are being carried out in the name of progressive, hygiene or conservation activities by ROMSILVA, the National Forest Administration.

3. Potential impact on biodiversity

Romania spends less money than is needed to preserve its environment, thus causing damage in several areas such as water, waste and forestry. All of these suffer from chronic underfunding and political problems. Following the same line, the Romanian recovery plan contains very few investments in biodiversity, some of which also reflect the poor management of forestry and water.

Although the 'do no significant harm' principle is mentioned in relation to measures that might have an important impact on biodiversity, the recovery plan includes measures that are developed in protected areas and therefore need environmental impact assessment (among these is the measure 'Renewal and electrification of the railway through reform measures and investments especially for selected sections. Example Arad – Timisoara – Caransebes (South West Romania)'). Experience thus far has shown that these kinds of projects implemented by different ministers (energy, transportation, agriculture, environment) have a negative impact on biodiversity, protected species and habitats. This is true even when the Environmental Impact Assessment concludes that the projects have no negative impact. **The application and the use of the 'do no significant harm' principle, therefore, raises more questions than it answers.**

» Water management

Romania's recovery plan clearly mentions the necessity of modernising complex dams and increasing their storage capacity, which is unacceptable for biodiversity. The plan calls these water system measures 'integrated projects' to emphasise both their green and gray measures, but these represent harmful investments which would lead to the destruction of nature.

» Forest management

Regarding forest management, the recovery plan promotes the construction of new forest roads as well as the modernisation of the existing ones, but both these proposals have the potential to damage protected areas. The lack of detail in the plan allows decision makers to leave out a full list of the uses of such roads. This becomes even more relevant when considering the aforementioned infringement procedures launched by the Commission on forestry issues.

[53] Council of the European Communities, Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, 21 May 1992.
[54] UNESCO, Report On The Joint World Heritage Centre/Iucn Reactive Monitoring Mission To The Albanian And Romanian Components Of The Transnational World Heritage Property "Ancient And Primeval Beech Forests Of The Carpathians And Other Regions Of Europe, November 2019.

Due to the lack of information and details regarding the measures included in the recovery plan, it is difficult to comprehensively assess this measure's compliance with the 'do no significant harm' principle.

Although biodiversity spending in the Romanian recovery plan is way behind the needed amount, the plan sets some promising targets, including the creation of a national network of urban natural areas, the reconstruction and restoration of grassland habitats in protected natural areas, and the definition of areas of strict protection for the implementation of the Biodiversity Strategy for 2030. **The plan also includes particularly positive measures for improving the current status of forestry in the country.**

The reorganisation of ROMSILVA (the National Forest Administration) is indeed envisaged to decouple the management of forests and their protection, thus allowing for a digital means of surveillance and control of illegal logging activities and for improving afforestation on suitable land (public and private nurseries for seedlings). Regarding the issue of afforestation, the Romanian recovery plan sets high targets by including provisions which aim to address the discrepancy between the current degree of coverage of forests in Romania (29 per cent) and the optimal percentage of afforestation (40 per cent). For the first time, the government has put the forest item on its agenda with the objective to achieve the optimal afforestation area by 2040 through new, innovative seedling methods of native species that decrease land use and increase the speed of seedling production. In addition, the government also plans to improve forest management by reorganising the authority responsible for logging and for forests' conservation, as non-governmental organisations requested when they provided input to the plan.

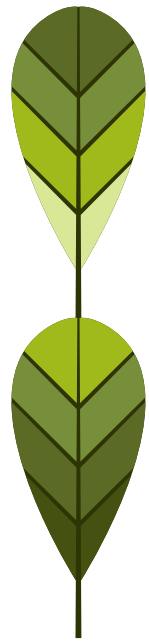
4. Positive measures and alternative solutions

Romania is lagging behind in terms of measures to adapt to climate change, and the correlation of economic development with environmental protection is another major challenge. **The country still needs to set more ambitious targets for maintaining biodiversity and restoring affected areas from an ecological point of view, and it needs to avoid harmful measures like illegal deforestation.** In general, management plans in Romania must be conceived according to conservation principles and International Union for Conservation of Nature (IUCN) standards.

5. Transparency and public consultation

The initial draft of the recovery plan was released in November 2020 and was discussed behind closed doors, without any involvement from civil society. However, the process opened up after Romania's December elections and the appointment of the new government chaired by Florin Cîțu. Working groups were organised, and civil society organisations were able to provide input to each of the main pillars of the plan. Although public consultations were not organised in a structured way, this involvement still allowed local non-governmental organisations to provide relevant input which was eventually taken into consideration. Including ways to address Romania's open infringement procedures in the plan seems to have not been discussed at the negotiation table. This would have been a possibility to define Romania's targets and milestones.

Nevertheless, transparency remains a big issue in the preparation of the Romanian plan, especially the lack of clarity regarding the selection of measures included in the recovery plan. In April, the prime minister declared that the European Commission had rejected some of the plan's measures, and that they will instead be financed through other funds.



Atanas Milanov (Pexels)

SLOVAKIA

1. Level of environmental ambition

In line with the 37 per cent earmarking for climate action, Slovakia's national recovery and resilience plan[53] allocates nearly EUR 3 billion for green, climate-friendly investments. Moreover, recognising the importance of biodiversity, the Slovak plan includes some positive measures for biodiversity. **However, with a small allocated budget of EUR 159 million for regional climate change adaptation, the plan still falls massively short of its potential to finance measures that have the substantial potential to support biodiversity.** With a small budget and plans to negotiate the purchase of private lands in national parks, the implementation of the plan's positive measures will be unpredictable and challenging.

The RRF provides a unique opportunity for Slovakia to support its protected areas and invest in biodiversity measures. To meet the objectives of the European Green Deal and EU Biodiversity Strategy for 2030, Slovakia needs to be more ambitious and allocate more funding for nature.

2. Current state of biodiversity in the country

Compared to other Member States, Slovakia has a high number of protected areas. However, the protection and maintenance of these areas is in many cases insufficient. Furthermore, the government had approved only a fraction of the protected area management programs by 2018: two of eight national parks, 18 of 41 protected bird areas and 100 of 642 areas of European importance.

As for the state of habitats and species of European importance, during the period from 2013 to 2018, only 38 per cent of habitats and only 23 per cent of species were evaluated with a favourable conservation status. Comparing the data with the 2007 reporting period, there has been a slight improvement in the number of favourable evaluations. Yet at the same time, the amount of species evaluated as having an inadequate or bad state has increased.

[55] This assessment was based on the 26 April 2021 version of Slovakia's recovery plan.

Biodiversity in Slovakia has also been affected by excessive logging. Logging intensity has been continuously higher in Slovakia than in its neighbouring Visegrad countries, and this trend has been growing over the last 10 years[56]. This is largely caused by sanitary logging due to calamities as a result of various factors (wind, drought or pests) and, to a lesser extent, illegal logging. The main causes of the unfavourable health status of Slovak forests include climate change and the associated erratic weather (especially wind), as well as human activities. More than a third of trees in Slovakia show a high degree of defoliation, having at least a quarter of their leaves damaged.

There are several cases opened by the European Commission against Slovakia in the field of nature. The case INFR(2018)4076 was launched for failure to assess the impact of sanitary logging on Natura 2000 sites and failure to take measures for the protection of a bird species.[57] The other cases are focused on the designation of Special Areas of Conservation and the incomplete Natura 2000 network in Slovakia.[58]

3. Potential impact on biodiversity

The only component of the plan that directly addresses biodiversity and its protection is 'Climate change adaptation', which falls within the competence of the Ministry of Environment.

This component includes two reforms:

1. Reform of Landscape planning: a new Act on Landscape Planning that should be adopted by the end of 2022 and will be an important tool for land use decisions and building proceedings.
2. Reform of nature conservation and water retention management.

Both reforms will be proposed in line with the strategic objectives of the Strategy of Environmental Policy of Slovak Republic until 2030 and the EU Biodiversity Strategy for 2030.

The investment budget of EUR 159 million within this component is dedicated to regional climate change adaptation with a focus on water retention measures, nature conservation and biodiversity development. The investment will be directed into:

» **Restoration of watercourses and wetlands together with land purchase in flood areas for the purpose of implementing measures: restoration of meanders, revitalisation of oxbows and floodplains outside of urban areas, restoration of floodplain forests, wetlands and other water elements, etc. In particular, 94 kilometres of watercourses should be restored by 2026.**

» **Afforestation of forest land with native tree species in the areas affected by calamities.**

» **Settlement with private landowners: land consolidation of a total area of 29,509 hectares in protected areas, mainly in national parks. Purchased or otherwise settled lands will be transferred to the administration of the State Nature Conservancy of the Slovak Republic. Subsequently, the highest level of protection (non-intervention) will be declared in these areas in order to achieve conservation objectives, in particular for priority species and habitats of European and national importance. For selected areas, regional development plans will be prepared with the objective to reduce extensive logging and to support soft tourism.**

4. Positive measures and alternative solutions

Although all suggested reforms and measures are much needed and long awaited, the suggested budget of EUR 159 million dedicated to biodiversity measures is less plausible. When introducing the recovery plan in March 2021, the Ministry of Environment claimed that the protection of biodiversity is key to nature conservation. In addition, the EU Biodiversity Strategy for 2030 states that 'EUR 20 billion per year should be invested in biodiversity and nature-based solutions'. From this point of view, EUR 159 million – which constitutes less than 2.5 per cent of the total recovery plan budget for Slovakia – does not seem like enough to deliver any substantial results. Moreover, a larger part of the budget will be spent solely on private land consolidation, whereas land management measures have been left out of the plan.

[56] OECD, Making the Slovak Republic a more resource efficient economy - Country study, OECD Environment Policy Paper No. 7, December 2017.
[57] European Commission, 'Nature: Commission decides to refer SLOVAKIA to the Court of Justice of the EU over failure to assess the impact of sanitary logging on Natura 2000 sites and failure to take measures for the protection of a bird species', Press release, Brussels, 2 July 2020.
[58] European Commission, 'Infringement procedures - Slovakia'

Other measures that could have been incorporated into the plan (and which are part of the Programme Declaration of the government) are:

» **Mandatory Forest Stewardship Council certification in state forests and its voluntary introduction encouraged in private forests**

» **Promoting the use of schemes for forest ecosystem services**

» **Involvement of circular economy principles and low-carbon bioeconomics, in forestry and elsewhere**

» **Strengthening institutions to combat illegal environmental activities, increasing transparency in forest management data disclosure, and introducing a timber monitoring application as a measure to prevent the exploitation of sanitary logging and to control planned logging**

5. Transparency and public consultation

The draft of the recovery plan was shared with the public and scientific community, but consultation on the draft was formal and did not provide many opportunities to influence the content. **In general, the process was not transparent in line with the partnership principle.** Many of the issues in the plan could have been addressed during the planning if the government had set out a transparent process for public engagement in line with the Commission's partnership principle.

Rok Romih (Pexels)

SLOVENIA

1. Level of environmental ambition

The first draft of the Slovenian national recovery and resilience plan was discussed in October 2020 before its first version was made public on 23 December 2020 after the first round of discussions with the European Commission. Between December 2020 and April 2021, no public version was made available and the conference on the second draft was held in secret by the permanent advisory committee on climate policy. The final draft was submitted on 30 April and made publicly available in May 2021.[59]

When comparing the need for conservation and restoration of nature in Slovenia with the current spending and effort, Slovenia's plan is not ambitious. The final version submitted to the European Commission does not include a single component that would involve any investment or measure that implements the objectives of the Habitats Directive or any other measure which would directly or indirectly contribute to biodiversity's health. **A compelling indication is the amount of times the word 'biodiversity' is mentioned: only five times in the 500-page plan.** Nevertheless, it is important to mention that multiple harmful measures were taken out of the final version of the plan due to pressure from civil society and the European Commission: road infrastructure projects, a waste incineration facility and support for the airline provider.

The recovery funds provide a historic opportunity for Slovenia to carry out major changes with the goal of shaping a fairer, greener and more resilient future. In order to meet the EU's environmental ambitions and make the best out of the Green Deal, all actors should work cooperatively, with commitment and ambition. This starts with the removal of measures that could cause significant harm to biodiversity.

[59] This assessment was based on the 30 April 2021 version of Slovenia's recovery plan.

2. Current state of biodiversity in the country

The analysis of the implementation of measures from the existing Natura 2000 management programme shows that for the most part, nature and Natura 2000 conservation goals have not been achieved. According to the Synthesis Report under the Habitats Directive 2019, only 38 per cent of habitat types (43 per cent in 2013) and 25 per cent of species (29 per cent in 2013) are in a favourable state. A greater decline in species, their distribution and population size, and habitat types was observed in recent years, with a reported deteriorating trend for more than half of habitat assessments and no species assessment with improving trends.

Negative trends that impact biodiversity in Slovenia are unsustainable management and activities particularly in the lowland areas, where the expansion of settled areas, the construction of industrial zones and roads and the intensification of agricultural land have all increased in recent years. Data on the loss of biodiversity in the agricultural landscape show that nature conservation in Slovenia is poorly and inappropriately included in the implementation of the EU Common Agricultural Policy (CAP). **Slovenia has no national biodiversity strategy or action plan. Biodiversity conservation is based on national policy and the Prioritised Action Framework (PAF) (for the period from 2021 to 2027).**

3. Potential impact on biodiversity

The 'do no significant harm' principle is mentioned in almost every component of the plan in compliance with the regulation establishing the RRF. The final version of the plan states that the recovery plan will in no case financially support any harmful investments, and more precisely, 'particularly investments detrimental to climate change mitigation objectives and investments detrimental to the transition to a circular economy'[60], in order to comply with the 'do no significant harm' principle.

For some investments, the plan offers a short explanation of how and in what way the 'do no significant harm' principle will be taken into account. However, multiple measures in the recovery plan can be perceived as harmful to biodiversity but nevertheless remain in the final version.

Additionally, the lack of detail and clarity is confusing: when stating investments in hydropower without naming or describing a specific project, a 'do no significant harm' assessment on such a vague measure raises questions about the methodology.

Based on the experience and multitude of bad practices currently being implemented on Slovenian rivers, the proposed measures concerning water management will very likely lead to extensive further degradation of Slovenian waters. Here are two examples from a longer list of harmful measures:

» **Controversial hydropower plant**

The first component of the plan ('Renewable energy sources and efficient use of energy in the economy') includes the building of a large hydropower plant (>10 MW), which will have a devastating effect on freshwater habitats as well as adjacent wetlands and other habitat types which are dependent on the groundwater level and a regular flood regime. These areas are habitats of endangered species.

» **Flood protection measures**

Component three, 'Clean and safe environment', predicts flood protection investments, which most likely include measures such as the removal of riparian vegetation, channelisation, the construction of transversal barriers, constructing dykes on the river banks, and laying concrete on riverbeds. These measures have been shown to increase the flow and speed of rivers, and consequently erosion, leading to a higher flood risk as well as increased maintenance requirements, continuous biodiversity degradation, etc. In terms of biodiversity, this would directly deteriorate the state of water and riparian habitats and indirectly affect adjacent wetlands, not to mention contradict the EU Water Framework Directive's targets. In the long-term, this may lead to species extinction (fish and other aquatic organisms) . Although further details are not available in the plan, this type of measure could be harmful and would require the further disclosure of Slovenia's intentions for flood protection.

Unfortunately, the harmful investments listed above are not being counterbalanced by sufficient green measures. The Slovenian plan proposes two measures that could be positive for biodiversity. The first one is called 'Restoration and mitigation of climate change

[60] Republic of Slovenia, Government office for development and European cohesion policy, Načrt za okrevanje in odpornost, 272, accessed 13 May 2021.
[61] Gnezda A. (ed) Project and investment proposals for the Slovenian Partnership agreement and national Recovery and resilience plan, 2021.

and climate-related disaster resilient biodiversity rich forests'. This component follows the EU Biodiversity Strategy for 2030, but there are no specific actions that would directly contribute to forest protection. The measure consists more of forest management than protection. Based on our experience in various Member States, reforming forest management often turns into the economic management of forests in order to make forests more productive. This proposed reform, due to the lack of detail provided in the plan, cannot be qualified as positive, but as potentially positive.

4. Positive measures and alternative solutions

A range of other European policies and initiatives call for disaster risk reduction, mostly by following concepts like integrated water resources management, adaptive and ecosystem-based water management, catchment management and especially nature-based solutions as measures to contribute to environmental, social and economic benefits simultaneously. There are some indications that these concepts will be integrated in the planned water management activities in Slovenia's recovery plan (e.g. the plan mentions sustainable regulation of riverbeds), but there is a far greater number of proposals which include harmful management practices for water habitats and adjacent areas, such as the arrangement of accompanying water management facilities in the form of new dry reservoirs, flow regulations, and high-water embankments and walls.

Investments in biodiversity are becoming urgent given the fact that the conservation status of species and habitats in Slovenia has been deteriorating in recent years, with some areas in a critical state. In addition, climate change is increasing the need for flood control measures. In the current situation, a lack of involvement of biodiversity and ecology experts and monitoring of the execution of the proposed measures is evident. Many of the mitigation measures and renaturation measures are evidently insufficient, or lack the potential to lessen the negative effect on biodiversity [62].

5. Transparency and public consultation

In regard to the development process of the recovery plan, too little public information was provided to the public to trigger their comments and reactions. There was a total lack of public consultation and the absence of environmental expertise, which non-governmental organisations could have provided. Indeed, many of these organisations proactively communicated with the government about environmentally harmful measures, but decision makers gave little to no response regarding the content of this communication. This applies also to the lack of feedback on proposals provided by non-governmental organisations.

[62] Alen Ploj, Brežice Hydroelectric Power Plant – promises and reality. A review of the implementation of the promised replacement habitats and mitigating measures, December 2018.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