

Brussels in Brief is a regular feature of the IUCN Newsletter produced by the **Institute for European Environmental Policy (IEEP)** in Brussels. It provides a platform to explain the substance of environmental policy, as well as to highlight some of the up-coming EU agenda items relevant to Europe and beyond.

Each edition of **Brussels in Brief** considers topics that relate to the overall thematic focus of the current Newsletter issue.

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IEEP brings a non-partisan analytical perspective to policy questions and engages with stakeholders to raise awareness and advance policies.

Brussels in Brief

Finding the Funds for Natura 2000

Previous editions of **Brussels in Brief** have already outlined in some detail the legal and political commitments relating to Natura 2000. The development of Natura 2000 is without doubt one of the most ambitious tasks in terms of nature conservation in the EU, and presents an essential step towards the target of halting biodiversity loss by 2010.

The Natura 2000 network now covers around 17% of the territories of the old Member States – an area about the size of Germany. Implementation in the new Member States is underway, and when completed will make a sizeable contribution to the total area under protection. While considerable up-front investment has already been made, the management and monitoring of Natura 2000 will require significant and continuous investment.

This **Brussels in Brief** outlines in broad terms the Commission's current thinking on co-financing Natura 2000 through EU funds. More importantly, it provides a reasonably comprehensive assessment of the situation for EU funding post 2006, as outlined in the current proposals for the funds for agriculture and fisheries, and Structural and Cohesion Funds. The emphasis is on costs and funds for implementing Natura 2000. It should not be forgotten, however, that significant benefits are also accrued from designating Natura 2000 areas. These are socio-economic as well as environmental, but are not considered further in this edition.

• What are the needs?

In 2002, a Commission Working Group – the Markland Group – estimated the cost of managing Natura 2000 in the EU 15 to be somewhere between €3.4 and 5.7 billion per year, for the next ten years. These figures were revised by the Commission, first to take account of the new Member States and then to reflect new national estimates. The result is a broad cost estimate of €6.1 billion per year.

The responsibility for implementing and delivering appropriate management of Natura 2000 sites lies with the Member States. However, Article 8 of the Directive provides for EU co-financing of measures essential for the maintenance or re-establishment at a favourable conservation status of priority habitat types and species.

Funding is required for a broad range of measures, including land acquisition, site rehabilitation, compensatory/incentive payments for (land) managers, administrative costs, legal fees etc.

Markland Report

http://europa.eu.int/comm/environment/nature/nature_conservation/natura_2000_network/financing_natura_2000/art8_working_group/pdf/final_report_en.pdf

• What is the Commission's vision for Natura 2000 co-funding?

In July, the Commission published a Communication on financing Natura 2000 (COM(2004)431), outlining its thinking on EU co-funding. It should be noted that this is simply a statement of policy. As such, it bears no legal implication, and should not be mistaken for an EU policy position or a proposal for legislation.

Based on the Markland study, the Commission is opting primarily for the first of three proposed options for meeting the Natura 2000 costs through co-funding, i.e. for using existing EU funds. In doing so, the Commission has decided not to suggest a dedicated fund for Natura 2000, an option preferred by many NGOs. To date, no resources for Natura 2000 have been earmarked or ringfenced within any of the proposed EU funds.

The Commission argues that this approach will ensure that Natura 2000 requirements are integrated into the main funding schemes, and that duplication and overlap between the different EU funding instruments and their administration will be avoided. Moreover, Member States would be allowed to set their own priorities, with the exception of a small proportion of certain funds, which has to be allocated to measures relating to broad environmental objectives. These may or may not include measures in support of Natura 2000.

Commission Communication on the Financing of Natura 2000

http://europa.eu.int/comm/environment/nature/nature_conservation/natura_2000_network/financing_natura_2000/pdf/n2k_workingdoc_en.pdf

• Building on existing funds beyond 2006

In the absence of a dedicated Natura 2000 fund, future co-financing of Natura 2000 would be reliant on the use of agriculture and rural development funds, fisheries funds and structural and cohesion funds. The future of these funds is outlined in the remaining set of Communications,

published at the same time as the Natura 2000 Communication:

- the financial perspectives;¹
- the European Agricultural Fund for Rural Development;²
- the European Fisheries Fund;³ and
- the Structural and Cohesion Funds proposals.⁴

Contrary to the Communication on Financing Natura 2000, these papers constitute legislative proposals. This means they will undergo the scrutiny of the Council and Parliament, and thus indirectly of the Member States, before being adopted. Changes will almost certainly be made during the negotiations.

First and foremost, the **financial perspectives** sets the overall ceiling for all Community spending for the period 2007–2013, to be agreed by the European Parliament and the Council. As in the past, the Commission has suggested fixing the ceiling at 1.24% of Gross National Income (GNI). However, some Member States would prefer to keep the ceiling lower, limiting the overall budget to around current levels.

If these Member States get their way, it can be expected that less money will be available for 'non-essential' expenditure, which is likely to include (some) Natura 2000 co-funding.

That said, the priorities for spending money, other than financing the Community Institutions (especially the Commission), will be set by the Member States within the framework of each of the funding instruments, namely:

The European Agricultural Fund for Rural Development (EAFRD)

This principally supports agricultural and broader rural development in line with sustainable development targets. If the current proposals are accepted, most of the land management funding for Natura 2000 is expected to come from this funding source.

In particular, this would, for the first time, create specific rural development payments under the Natura 2000 title, notably to 'compensate for costs incurred and income foregone resulting from disadvantages in the areas concerned resulting from the implementation of [the birds] Directive and [the habitats] Directive' (Art. 36).

The Commission's proposal allocated a total budget of €88.75 billion for the period 2007–2013, with a minimum of 25% assigned to measures that are concerned with environmental land management. Each Member State

¹ The first and main Communication was adopted in February 2004 (COM(2004)101), and was subsequently followed by a second, more detailed Communication (COM(2004)487).

² COM(2004)490

³ COM(2004)497

⁴ COM(2004)492, COM(2004)493, COM(2004)494, COM(2004)495, and COM(2004)496

would be required to set up funding programmes which could support, for example, organic farming.

European Agricultural Fund for Rural Development (EAFRD)
http://europa.eu.int/eur-lex/en/com/pdf/2004/com2004_0490en01.pdf

The European Fisheries Fund (EFF)

This principally supports the fisheries sector, as well as coastal communities, and, for the first time, broader marine conservation and management measures.

Technical and (fishing) gear-related assistance represents a core element of achieving an overall reduction in fishing effort and gear impact. While there are also a number of funding measures, which may help fund eg the development of management plans for marine Natura 2000 sites, there is no specific mention of the network. Most of the relevant measures which qualify for co-funding appear to be one-off or start-up payments.

That said, one innovation of the new proposal is the introduction of so-called aqua-environment measures. These, like agri-environment measures, could be used to support the extensive use, and thus maintenance, of fish ponds, with potential benefits for wetland birds and other species reliant on small water bodies. Unlike agri-environment measures, they are not compulsory.

In general, coastal and marine Natura 2000 sites are expected to qualify for some funding under the EFF. How much of the total €4,963 million (2007–2013) will be available depends on the Member States, however. As with the rural development funds, Member States would set up national schemes. These can be thematic/activity based, such as vessel decommissioning schemes, or regional, such as for economically weak coastal areas.

European Fisheries Fund
http://europa.eu.int/comm/fisheries/doc_et_publ/factsheet/s/legal_texts/docscm/en/com_04_497_en.pdf

The European Regional Development Fund (ERDF), European Social Fund (ESF), and the Cohesion Fund

As the name suggests, this instrument essentially combines three funds. The **ERDF** can be expected to predominantly fund job creation measures and social cohesion, the **ESF** mainly training and skill exchange measures, and the **Cohesion Fund**, environment and transport projects.

In organising the funds at national level, Member States are invited to apply four core themes: innovation and the knowledge economy, environment and risk prevention, accessibility, and services of general economic interest.

The largest amount of money (over 70%) will benefit less developed regions, mostly those with a per capita GDP of less than 75% of the Community average (ie the New Member States), although some money is available for

areas outside this category, most notably for cross-border co-operation. Even so, potential support for Natura 2000 under this funding instrument is effectively limited to areas that are economically disfavoured.

Where co-funding applies, measures can for instance promote 'the development of infrastructure linked to biodiversity and Natura 2000 contributing to sustainable economic development and diversification of rural areas' (Art. 5(2) of ERDF).

The European Regional Development Fund (ERDF), European Social Fund (ESF), and the Cohesion Fund
http://europa.eu.int/eur-lex/en/com/pdf/2004/com2004_0492en01.pdf

• So how much money is there?

The proposed funds combined provide close to €430 billion for 2007–2013, or around €61 billion per year. This is about half the Community's budget, if the budget is agreed as currently proposed.

It is not at this point possible to tell how much of this money will co-finance Natura 2000. What is clear, however, is that this money will have to be matched by national funds to make up real expenditure which could be as much as twice the above amount, or more.

• Making funds work for nature?

Table 1 presents an overview of potential Natura 2000 co-funding opportunities. It should be noted that some informed judgement was required in assessing the relevance of funding categories for Natura 2000. In practice, the availability and constraints of individual funding opportunities are dependent on the priorities and means of implementation in the Member States. National governments will allocate funds to certain regional or thematic funding schemes, with only a limited obligation to facilitate Natura 2000 management. The aim of the table is to separate the wheat from the chaff, producing a more focused list of measures that may be used by site managers to encourage specifically the better implementation of Natura 2000.

Compared to the EFF, the EAFRD and the Structural and Cohesion Funds proposals contain more explicit mention of Natura 2000. But even where no specific reference is made, a number of new measures have been created, which are potentially suited for the co-funding of Natura 2000. In the EFF, these include e.g. assistance for computerised systems, which could be used for the management and monitoring of sites, support for technological innovation and for environment enhancement and rehabilitation measures. Moreover, the introduction of agri-environment type measures for forests and for aquaculture provides an important step forward.

The Structural and Cohesion Funds proposals on the whole are least clear as to their potential role in assisting the

Table 1: Summary description of the proposals for European co-funding and their relevance to Natura 2000.

A tick indicates measures considered to be relevant to the active and ongoing management of Natura 2000 sites more broadly.

Fund : The European Agricultural Fund for Rural Development (EAFRD) COM(2004)490

Main priorities	Priority description	Natura 2000 relevant funding categories		Minimum funding
Increasing competitiveness of farming and forestry	Relates to restructuring particularly with respect to human and physical capital and to certain quality aspects	Some support may be available for semi-subsistence farmers who present a business plan		15% or €13 billion
Enhancing land management (including Natura 2000)	Relates to the enhancement of the environment and countryside; agri-environment is a compulsory component, as is the respect of EU and national mandatory agriculture and forestry requirements	In addition to payments to farmers in handicapped areas (eg mountains) and agri-environment payments, Natura 2000 payments may be granted annually and per hectare to compensate for costs incurred and income foregone resulting from disadvantages related to the implementation of the Birds and Habitats Directives (Art. 36); moreover on-farm investments may be supported which enhance the public amenity value of Natura 2000; similar support schemes are available in relation to the use of forests eg in the form of forest-environment payments and Natura 2000 premiums.	✓	25% or €22 billion
Enhancing quality of life	Relates mainly to the diversification of employment, the improvement of services to the rural population and the protection of natural heritage etc; measures should preferably be implemented through a bottom up leader approach	Some support may be available to assist diversification into non-agricultural activities, the encouragement of tourism activities, the protection, upgrading and management of the natural heritage contributing to sustainable economic development eg by supporting the development of Natura 2000 management plans		15% or €13 billion
LEADER	Relates to supporting the implementation of local development strategies of local action groups etc	Mostly as immediately above		7% or €6 billion
Total amount (2007–2013)				€88.75 billion

implementation of Natura 2000. In the past, Structural Funds money has often been seen to interfere with nature conservation, in particular where major road infrastructure programmes have conflicted with Natura 2000 designations.

While the current proposals have been made considerably simpler and less prescriptive, the overall use of language has not changed significantly. That said, reference to sustainable development targets has been strengthened, and arguable some greening has taken place. The question is whether this is sufficient to co-fund the long-term management of Natura 2000.

One of the risks of co-financing Natura 2000 through sectoral funds, is that such funds are likely to be administered by the Agriculture and Fisheries Ministries, or corresponding ministerial departments. Unless Member States depart from this (common) operational allocation, this arguably puts nature conservation spending in direct competition with support for the sector. A dedicated Natura 2000 fund, on the contrary, would be expected to contribute to national nature conservation budgets, sending a clearer message in favour of Natura 2000.

Moreover, with the Member States having more freedom to tailor their own implementation priorities, there is a risk that some will attach little importance to Natura 2000. Although national implementing strategies and the actual operational funding programmes will be adopted in negotiation with the Commission (see below), as yet there is no explicit obligation to assign a certain proportion of the funds to Natura 2000.

• What does that mean in practice?

In practice, individual co-funding needs will be competing against other applications at national level. Once identified, a funding need would have to be taken to the right authority, with a request for co-funding under the relevant national scheme. The application would then be assessed individually, or as part of a tendering process, and funding would be released, provided objectives overlap with national priorities and the application is otherwise sound. Any one operation can only be co-funded under one priority axis/funding programme, and by one Community financial instrument at any one time.

Table 1 continued

Fund : The European Fisheries Fund (EFF) (COM(2004)497)

Main priorities	Priority description	Natura 2000 relevant funding categories		Minimum funding
Adjusting fleet capacity	The overall objective is to support the CFP so as to ensure exploitation of living aquatic resources in a way which creates the necessary conditions for sustainability in economic, environmental and social terms; to promote a sustainable balance between resources and the capacity of the Community fleet; to strengthen the competitiveness of the operating structures and the development of economically viable enterprises in the fisheries sector; to foster the protection of the environment and natural resources; to encourage sustainable development and the improvement of the quality of life in marine, lake and coastal areas affected by fishing and aquaculture activities; and to promote equality between women and men in the development of the fisheries sector and coastal fishing areas.	in addition to part-funding for the permanent and temporary (max. one year) cessation of fishing activities, job diversification and early retirement, support may be available for certain measures aimed at the reduction of impact of fishing on habitats and the sea bottom and on non-commercial species (Art. 27), for promoting the use of more selective gear conditional on a number of criteria (Art. 27), for premium payments for fishermen and vessel owners in small-scale coastal fisheries to support eg improved management and control of access conditions to certain fishing areas, to promote voluntary steps to reduce fishing effort for the conservation of resources, and to use technological innovation towards more selective fishing techniques etc. (Art. 27a)		n/a
Aquaculture		Aside from support to improve the environmental performance of existing installations, most significant is the proposed creation of so-called 'aqua-environmental measures' to help compensate practitioners for the use of extensive or organic aquaculture practices (that go beyond normal good aquaculture practice) considered to maintain, protect or enhance certain environments (mostly freshwater), natural resources, genetic diversity and management of landscapes and traditional features of aquaculture zones (Art. 31).	✓	n/a
Promoting collective interest		Probably the most relevant priority; support would be available for measures intended to enhance the protection and development of aquatic fauna (Art. 37), as long as they relate to the installation of static or mobile installations, eg to protect and develop spawning grounds; funding is further available for pilot projects testing innovative technology or supporting tests on the implementation of management plans, including the establishment of no-fishing zones (Art. 40); also important may be support for investment of computerised management of fishing activities (Art. 38), the promotion of products obtained using environmentally sound methods etc (Art. 39), the permanent reassigning of fishing vessels to non profit-making activities outside professional fishing etc		n/a
Sustainable development of coastal zones		Support may be available to promote the quality of the marine, lake and coastal environment, green tourism, networking and dissemination of best practice etc. (Art. 43), and coastal action groups (Art. 44) to assist sustainable development		n/a
Technical assistance		Support may be available improving data processing, use and dissemination, and the establishment of trans-national and Community networks of actors with a view to encourage dissemination and exchange of good practice etc		n/a
Total amount for EU 27 (2007–2013) €4,963 million				

Table 1 continued

Fund: The European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF) (COM(2004)492)

Main priorities	Priority description	Natura 2000 relevant funding categories	Minimum funding
Convergence	Relates to the reduction in disparities in the less developed Member States and regions, which in accordance with the Treaty are the top priority for Community cohesion policy.	Detailed measures are only to be defined in a subsequent strategy paper. That said broadly speaking, the ERDF can be expected to predominantly fund job creation measures, the ESF mainly training measures, and the CF mainly environment and transport projects.	Total 78,54% or €264 billion
Regional competitiveness and employment European territorial cooperation	Relates to support for innovation and the knowledge economy, environment and risk prevention, accessibility and services of general economic interest.	Early indications are that spending under the convergence objective would support improved compliance with the environment acquis (the Birds and Habitats Directives), spending under the regional competitiveness objective would invest in infrastructures linked to Natura 2000, in integrated water management and in urban, rural and coastal development. European territorial cooperation initiatives would likely support exchange of best practice and other interregional and project related initiatives.	Total of 17.22% or €57.9 billion
European territorial cooperation	Builds on current INTERREG initiatives, to further the harmonisation and balanced integration of the territory of the Union by supporting co-operation between different components on issues of Community importance at cross-border, transnational and interregional level.		Total of 3.94% or €13.2 billion
Total amount (2007–2013) €336.1 billion			

• Taking this into the field...

Two illustrative case studies may help to demonstrate the practical implementation of some of the co-funding options:

Case 1

Imagine a Natura 2000 site in the flood plains of a large river. Meadows are inundated twice a year and extensively used for hay production and grazing during the drier seasons of the year. The site also features extensive mature woodland on the slopes of the river gorge, and some riverine forest. The site features a visitor centre, and is a preferred spot for wetland bird watching. Many visitors come from across the border, which is only a short distance from the site. The surrounding countryside is agriculturally used, in places intensively.

Let us say that the site manager has identified a problem with breeding birds, which, under the current management scheme, are interrupted during their nesting period, with some nests destroyed either by early mowing or through trampling by grazing cattle. While visitors are a welcome sight, they too exert excessive pressures in some areas and at certain times of the year.

The forests are mostly in good semi-natural condition. However, one private landowner continues intensive timber production to the detriment of certain species of Community importance. Another key pressure is extensive

nutrient run-off from private agricultural land outside the site boundary.

In order to support at least some of these management concerns (post 2006), the site manager may try to draw on the EAFRD and, to a lesser extent, the Structural and Cohesion Funds.

A regime of late mowing and controlled grazing may be established with local farmers, using the national agri-environment framework. This will be reasonably straightforward, with much of the current provisions still applying. Farmers would be able to claim aid to cover additional costs and income foregone up to a rate of €450 per hectare annually, for activities that go beyond relevant mandatory standards. They have to commit to continuing activities for at least five years.

In addition, special Natura 2000 payments may be freed to compensate certain restrictions on land use resulting from site protection. This would be an innovation and could involve initial payments of up to €500 per hectare of UAA.⁵ Subsequent payments would be up to €200 per hectare of UAA. However, a decision would have to be made on which funds to use where and when, as it is not possible to draw on more than one Community financial instruments or funding under different axis for the same operation at any one time.

⁵ Utilised Agricultural Area

Outside the site, an extensification of agricultural activity that has significant impacts on the site would be assisted through similar grant schemes, most notably within the agri-environment framework. Depending on the crop used, farmers can be assisted to go beyond relevant mandatory standards through grants of up to €900 per hectare. Where there is a problem with the application and operation of fertilisers that requires improvements beyond mandatory standards, support schemes for the modernisation of farms may be used to improve overall performance of the farm. In particular, where improvements are to be secured in accordance with standards that have newly been introduced in national legislation.

In certain circumstance a tendering process may need to be obeyed under the agri-environment schemes. This is a new option and may lead to uncertainties and delays, pending final selection, which in turn could hamper effective management planning.

To address visitor pressures, the site manager has planned to invest in guidance material, including leaflets and special signs. Moreover, a nature trail should be build through part of the forest to help keep people away from certain areas within the woodland. Putting this infrastructure in place is costly, but is likely to be eligible for part-funding under the EAFRD. The site manager together with local land owners has been advised to apply for assistance under a national scheme, which helps fund measures that improve the public amenity of private land, in particular if designated under Natura 2000 (Art. 38 and 46).

In addition, two farmers will be employed as local guides. This helps diversify their income away from agricultural activities, and part of their training and salary probably could be co-financed through funds available under the EAFRD.⁶

To improve the effectiveness of visitor guidance measures, some of the educational material has to be produced in the language of the neighbouring country, also an EU Member State. The site manager thus plans to draft project ideas with his colleagues across the boarder, with the aim to apply for INTERREG money under the new Structural Funds. The funding scheme is now called 'European territorial cooperation', but would be well suited for their initiative. The application process, however, can be difficult and time consuming. There is also the issue of finding private match funding.

Most parts of the forest are managed to satisfaction, with the exception of the land of one private forest owner. The challenge is to convince the owner to commit to forest-environment measures. As an incentive, payments of up to €200 per hectare may be available. The proportion of EU support in this is variable, with a maximum rate of 80 per cent in poorer regions and 55 per cent in all other regions (if current proposals are accepted).

Case 2

Imagine a coastal Natura 2000 site that includes a large estuary and stretches far out to sea. The majority of the local population is dependent on fishing, with a small number of families practicing semi-subsistence farming. The whole region is considered poor and marginal, with a per capita GDP of less than 75% of the Community average.

Coastal salt marshes are being grazed extensively. The main fishing activity is mussel dredging. There are also a number of fish farms in the estuary and river, and shellfish collecting is taking place, both for consumption and bait. One medium-sized port serves the area.

The local conservation officer intends to draft a management plan for the entire area. Some pressures and management solutions have already been identified, but the help of local stakeholders is needed to complete the process, and to win their support. One of the main challenges is to produce adequate maps, which provide enough habitat detail, in particular in sub-marine areas, and which are effective as a planning and communication instrument.

The management of coastal meadow and marshland habitats is mainly dependent on the maintenance of current levels of use, meaning that the abandonment of traditional grazing regimes, as well as an intensification of agricultural use, would be detrimental to local biodiversity. However, the socio-economic fabric of the local community is fragile, and relies on structural support.

Although fishing is the strongest sector in the region, income is often marginal. Except for two enterprises, local fishing is small-scale, and has suffered from a decline in stocks. Support for nature conservation amongst the locals is not strong.

The development of a management plan is thus considered to be an important opportunity to discuss conservation needs with local stakeholders, and to look at the sustainability of the whole area.

To support the process, the local conservation officer intends to produce detailed GIS maps. For this, technical assistance may be available through a national programme under the EFF. In particular, grants may support the installation, operation and interconnection of computerised systems, allowing electronic data management, combining eg catch statistics with local and conservation expertise.

Moreover, a pilot project is to be undertaken to assess the best available measures for the long-term management of reefs and sandbanks in the estuary. Again the site manager has applied for co-funding under EFF, this time through a national programme that assists projects that explore zonal management options, including the use of no-take zones.

However, before a decision on co-funding the project can be made, certain pressing management concerns have to be addressed. Primarily, this concerns the over-harvesting

⁶ Specific provisions are unclear

of mussel beds in the estuary. Immediate measures are needed to reduce effort and to decrease the impact of gear. In this context, local fishermen are provided with a financial incentive to reduce fishing effort voluntarily and to change gear. Up to 85% of the payments may be EU contributions. Moreover, some fishermen are offered an early retirement option.

As for measures on adjacent land, the main concern in terms of habitat protection is the cessation of a traditional grazing regime on the salt marshes. To maintain grazing and the use of a local breed of sheep, grants of up to €200 per unit may be given to farmers. A national scheme supports this measure with some co-financing from the EU.

Many of the socio-economic problems of the region as a whole can also be covered by the EFF new support for coastal areas, which for instance allows support for the setting up of alternative business opportunities away from fisheries.

It is less clear, however, how the long-term and continuous management of the site may be financed. Some site enhancement measures may be co-funded by the EFF, in particular where they involve the use of static or mobile installations. On the whole, however, little support seems to be available for continuous management measures.

Most monitoring and surveillance costs will likely have to be covered by national/local nature conservation budget, as will the day-to-day cost of administration. It is also not clear whether and how much of the costs of stakeholder participation may be recovered through the funds.

• Where does LIFE+ fit in?

Some of the above measures may also in future be funded by LIFE+, the new Community funding instrument for the environment. The Commission has recently published a proposal for a new Regulation to cover the programming period 2007–2013 (COM(2004)621). In this, the Commission suggests discontinuing the current tiered system of LIFE-Nature, LIFE-Environment and LIFE-Third Countries, in favour of a 'simplified' approach, which allocates funds under two main headings:

- LIFE+ Implementation and Governance; and
- LIFE+ Information and Communication.

It is expected that this change, together with the proposed focus on sectoral EU co-funding for Natura 2000, will meet some opposition from the Member States, and non-governmental stakeholders.

Until 2006, LIFE Nature is the EU dedicated instrument to support Natura 2000.

• What do others think?

Prior to developing the Communication on financing Natura 2000 the European Commission consulted key

stakeholders on their preferences. The majority of the Member States favoured the proposed option of integrating the financing of Natura 2000 into existing EU funds. Other stakeholders, on the contrary, preferred a dedicated Natura 2000 fund.

Commission Consultation report

http://europa.eu.int/comm/environment/nature/nature_conservation/natura_2000_network/financing_natura_2000/pdf/consultation.pdf

• Where do we go from here?

The financial perspectives, setting the ceiling for overall EU expenditure, as well as the proposals for the EAFRD, the EFF and the Structural and Cohesion Funds first have to be agreed by the Council and European Parliament. Both could call for changes to be made, before adoption. Once agreed, the Regulations will be binding on the Member States.

Before Member States can distribute the funds, the following step will have to be taken for each fund. Each step provides an opportunity to strengthen the measures in favour of Natura 2000. The steps are:

EU strategic guidelines – will be adopted by the Council for each of the funds, covering the entire programming period 2007–2013. These guidelines will set the Community's priorities at a strategic level, with a view to implementing each of the priority headings laid down in the respective Regulation. They will provide a framework for national implementation, and could require that Member States pay particular attention to Natura 2000 funding needs.

National strategic plans or frameworks – are to be prepared by the Member States and negotiated with the Commission before operational programmes are put into place. This is normally to happen within three months of adopting the EU level guidance.

Operational programmes – would be developed by the Member States and adopted by the Commission, highlighting only the most important operations, or in the case of the EFF specific implementing provisions as outlined in the Regulation.

In the case of the EAFRD, the funds should be implemented through the rural development programmes. The decision adopting a rural development programme should fix the maximum contribution from the fund for each priority axis.

The timeframe for drawing up these guidelines and programmes is unclear, although it is thought that the Regulations and the EU guidance could be ready by mid-2005.

Throughout the process, there should be close consultation with relevant partners, including 'bodie[s] representing civil society, non-governmental (especially environmental) organisations and bodies responsible for promoting equality between men and women' (Art. 6, EAFRD).