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The Nature Restoration Law – A hard-fought victory for biodiversity and society

On 17 June 2024, the Council of the EU adopted the Nature Restoration Law (NRL) following months of deadlock within the Council and two years of arduous negotiations with the EU Parliament. This adoption marks the final step of a lengthy process, with the law set to be published soon in the Official Journal of the EU and entering into force twenty days later. The law passed with a narrow majority, thanks to last-minute support from Austria and Slovakia. Their votes tipped the balance, bringing the majority to represent 66% of the EU's population, just 1% above the required minimum threshold.

THE NRL PROPOSAL

The European Commission unveiled the long-awaited NRL proposal on 22 June 2022, despite concerns about a potential

food security crisis and the impacts of Russia's invasion of Ukraine. Commissioners Sinkevicius and Timmermans defended it as a critical component of the Green Deal, emphasising its importance for the EU's long-term food security and the urgency of its timely implementation.

The proposal is a key measure of the EU Biodiversity Strategy for 2030 and a flagship initiative of the EU Green Deal, as well as the first piece of legislation for biodiversity conservation in the EU since the adoption of the Habitats Directive in 1992. The Strategy calls for the adoption of legally binding targets to replace the unsuccessful voluntary target of the previous Strategy, an ambition endorsed by the EU Council¹ and Parliament². Our <u>briefing</u>, published on the day of the proposal's release, offers an initial analysis of its main provisions and ambition.

Key messages

- The NRL was adopted after two years of strenuous negotiations, facing opposition and disinformation from conservative groups and policymakers.
- The NRL negotiations highlighted ongoing tensions related to environmental policies, particularly concerning agriculture.
- The NRL offers benefits and opportunities for landowners and managers who implement restoration measures, and for businesses interested in investing in restoration projects.
- Nature restoration is essential for climate mitigation and adaptation, sustaining jobs and generating economic benefits, and enhancing human health and well-being.
- Effective and timely implementation of the NRL is crucial for achieving the European Green Deal's climate targets and objectives of the EU Biodiversity for 2030 and Global Biodiversity Framework.

A DIFFICULT AND DRAMATIC ADOPTION PROCESS

Two years of difficult negotiations followed, overseen by four different Council presidencies. The proposal was warmly welcomed by environmental NGOs³ and the business sector⁴ but faced strong opposition from agricultural and forestry lobbies⁵. Conservative European lawmakers also pushed back, igniting a prolonged battle in the European Parliament⁶. Supporters of the law, spearheaded by Cesar Luena as rapporteur for the Socialists & Democrats (S&D) and by Green and S&D Members of Parliament (MEPs), clashed with opponents, primarily European People's Party (EPP) MEPs in the ENVI and AGRI committees⁶.

Opposition from Member States

Opposition to the NRL emerged from several Member States, as reflected in parliamentary decisions and motions. In Sweden, the Parliament expressed its position as early as September 2022, concluding through a subsidiarity review that the proposal's regulation of national forest matters was incompatible with the principle of subsidiarity and that the law's provisions on agriculture and forestry were disproportionate to its objectives. Consequently, the Swedish Parliament submitted a reasoned opinion to the European institutions⁸. Similarly, in the Netherlands, a motion was adopted in October 2022 to remove the deterioration requirements⁹ from the NRL, citing concerns about its potentially severe legal consequences for housing, infrastructure and the energy transition¹⁰. In Finland, a parliamentary committee issued a statement disapproving of the NRL, calling for significant revisions to the proposal, more consideration of national forest policy and a reduction of associated costs for Finland¹¹. These parliamentary motions fixed the Member States'

positions against the NRL, which were then reflected in the final approval process in the Environment Council.

Despite initial progress under the Czech Presidency, the proposal stalled in early 2023 due to persistent opposition from EPP MEPs, who rejected the proposal and its key measures. In May 2023, the PECH and AGRI committees voted to scrap the proposal¹², while conservative MEPs walked out of the negotiations in the ENVI committee, demanding significant concessions to water down the proposal. The EPP's efforts to reject the proposal entirely suffered a blow in the ENVI Committee vote in June 2023, when their bid to reject the legislative proposal outright failed to gather a majority by just one vote - the vote was tied with 44 in favour and 44 against. The vote continued on the compromise amendments proposed by César Luena and on individual amendments filed by other MEPs, before being ultimately rejected with, again, 44 in favour and 44 against¹³.

Political gridlock and ultimate adoption from the EU Parliament

However, the file was unexpectedly saved in a tight plenary vote, dealing a blow to conservative MEPs. In plenary, MEPs voted to align themselves with the Council's general approach and to reject the full rejection of the proposal by a slim majority. This step marked the beginning of trilogue negotiations under the Spanish presidency, during which the Council expressed support for the proposal but requested more flexibility for Member States. A deal was finally struck in November 2023¹⁴ and adopted in the Parliament plenary in February 2024, after additional flexibilities were added to the law in response to these requests. Some revisions include the lowering of the peatland rewetting targets in response to concerns from the Netherlands and Ireland, the prioritisation of restoration efforts in Natura 2000 sites until 2030, the altering of the urban greening targets and the inclusion of further derogations concerning renewable energy infrastructure and military areas. Moreover, an 'emergency brake' was included in the legislation, whereby restoration measures on agricultural land can be suspended under exceptional circumstances if they severely reduce the land needed for sufficient food production for EU consumption. Moreover, in a letter sent to Irish MEP Billy Kelleher, Environment Commissioner Sinkevicius reassured Member States that the law's implementation would be decided by each individual Member State, including the voluntary nature of peatland rewetting, and that the NRL does not interfere with the Common Agricultural Policy (CAP) payments' conditions.

Backtracking in the Council of the EU

Despite the complex process, final approval by the Council was supposed to be a formality, since an agreement had been reached and approved by Parliament and therefore seemed imminent, until Hungary surprisingly announced it would not support the adoption, in light of the recent farmers' protest¹⁵. Without Hungary's support, the law narrowly lacked the required majority, sparking concerns about setting a precedent for future environmental negotiations and undermining the European legislative process. This decision highlighted frustrations with EU Green Deal policies and heightened tensions leading up to the European elections in June. Following this setback, eleven Environment Ministers sent a letter to urge their counterparts to approve the NRL, raising concerns that the lack of a qualified majority threatens the EU democratic and policy-making process¹⁶.

After months of deadlock, Austria and Slovakia unexpectedly decided to support the law and the Environment Council finally

adopted the NRL in June. The decision by the Austrian Minister sparked a domestic crisis, with the Austrian Chancellor initiating legal action to have the vote annulled, claiming she lacked the authority to make such a decision¹⁷. However, the Council confirmed that her vote was binding, and the law would enter into force twenty days after the vote, as planned.

Implications for the wider EU legislative and democratic process

The NRL saga has shaken EU institutions and national governments, sometimes to their core. It has crystallised existing tensions over environmental policies, notably those related to agriculture, which far-right parties have capitalised upon. It has also demonstrated the polarisation of the political debate, underscoring the challenges of adopting future environmental legislation. The strong engagement and relentless campaigning of NGOs, business groups 18, cities¹⁹, and scientists²⁰ – exemplified by the Restore Nature coalition – demonstrate that civil society voices can be influential and that scientific evidence supporting legislation can weigh against misleading facts and false arguments, ultimately guiding policy decisions towards scientifically sound outcomes. A strong message came from a survey of 6,200 citizens in Poland, Finland, Sweden, Italy, the Netherlands and Hungary the countries opposing the legislation – with 75% agreeing that the NRL should be adopted²¹.

THE OUTCOME AND ITS BENEFITS FOR PEOPLE AND THE ENVIRONMENT

With the adoption of the NRL, the 27 Member States now have legislation requiring efforts to be made to restore nature, which

once implemented will bring numerous benefits for climate change mitigation and adaptation. Indeed, restoring natural habitats is essential to safeguard ecosystems' capacity to store and sequester carbon while reducing land-based emissions, and to enhance resilience to floods, droughts, extreme heat and erosion. As an example of how the law supports the achievement of existing commitments, Member States with substantial areas of farmed organic soils on drained peatlands would need to rewet all and more than the NRL target to meet their climate targets for land use under the LU-LUCF regulation²².

The NRL will also provide benefits and opportunities for landowners and managers who implement restoration measures, offering a framework to support their efforts and compensate them financially. For example, for farmers in regions with larger areas of high nature-value farmland with grassland habitats of European conservation concern, who are struggling to keep afloat economically, the NRL will oblige governments to better target support for both restoration investments and to keep this nature-friendly management going.

One of the main criticisms of the NRL, widely and falsely propagated by conservative MEPs and agricultural lobbies, is that it would threaten the EU's food security. However, nature is essential for providing agricultural services that underpin food security, such as soil productivity, water supply and quality and crop pollination, all of which are supported by scientific evidence²³. The law requires action to make progress on four indicators of the state of biodiversity on farmland – three of which are already part of the CAP strategic plans performance framework and for which CAP measures have already been planned.

Additionally, the law provides opportunities for businesses that may wish to invest in

restoring ecosystem services they depend on, to mitigate the risks of biodiversity loss to their activities. Nature restoration can create opportunities for businesses to develop services and products supporting restoration. Restoration also brings benefits for local businesses, mobilises local employees and promotes economic dynamism and employment in the region, all of which can benefit corporates who are investing.

Finally, the adoption of the NRL is crucial for achieving key objectives of the EU Green Deal and EU Biodiversity Strategy, as well as targets of the Global Biodiversity Framework adopted in December 2022. This adoption signals the EU's continued commitment to environmental protection despite internal disagreements, reaffirming its dedication to fulfilling international commitments.

WHAT HAPPENS NOW?

The NRL will enter into force in July 2024 and be published in the Official Journal of the EU. It will be directly applicable to all Member States, which will need to start preparing their National Restoration Plans and submit them within two years. This process is essential for the <u>successful implementation of the law</u> and the achievement of its targets.

Member States must now embark on a national restoration planning process with the participation of civil society and all sectors, also ensuring a truly cross-government process. A key task will be to build bridges to their agricultural and forestry groups who have been strongly divided by the process. Whilst there are farming groups who see the law as an essential support for more investment in restoring agricultural land, there is still strong opposition from the large agricultural and forestry groups and politicians aligned with these concerns.

participatory planning process will need to be able to reassure these groups, who are crucial to the delivery of ambitious restoration of farmland and forests, that the law will not impose additional burdens on landowners and land managers without sufficient support to compensate, and that it will provide regionally adapted solutions that they can identify with.

The question of financing remains a significant challenge, as Member States continue to express concerns about funding the measures. The NRL mandates the European Commission to prepare a report on available financial resources for its implementation and propose new measures to address the financing gap, which will coincide with the preparation of the next Multiannual Financial Framework for 2028-2034. Options range from creating a dedicated fund for nature protection and restoration to maintaining the current funding structure with stronger mainstreaming and earmarking of funds for restoration.

This briefing was written by Gabrielle Aubert and Evelyn Underwood

Notes

- 1. <u>Council of the EU press release 23 October</u> 2020.
- European Parliament resolution of 9 June 2021 on the EU Biodiversity Strategy for 2030: Bringing nature back into our lives (2020/2273(INI)).
- 3. <u>Joint-CSO-Statement-EU-Nature-Pack-age30.pdf (eeb.org)</u>
- 4. <u>CLG Europe & members rapid reaction to European Commission Nature Restoration Law proposal</u>.
- 5. COPA-COGECA Press Release Nature Restoration EU farming community calls for realistic ambitions and long-term supports instead of arbitrary deadlines.
- 6. The lead Committee in the Parliament for the file was the Committee on the Environment,

- Public Health and Food Safety (ENVI Committee). The Committees on Agriculture and Rural Development (AGRI Committee) and on Fisheries (PECH Committee) were asked to give an opinion on the file.
- 7. The European Conservatives and Reformists and Identity and Democracy MEPs in the ENVI and AGRI committees were also against. Renew was split.
- 8. <u>Sveriges Riksdag, Subsidiarity review of the Commission's proposal for a regulation on nature restoration, 21 September 2022.</u>
- 9. Under the NRL's non-deterioration requirements, Member States will have to make efforts to prevent significant deterioration of areas that have reached good condition after restoration and those that host the terrestrial and marine habitats listed in the regulation. The provisions were significantly amended during the negotiations by the Parliament and Council.
- 10. Tweede Kamer, Motion by Member Van der Plas to remove the deterioration ban in the Nature Restoration Regulation from the table, 19 October 2022.
- 11. <u>Metsateollisuus, Finland specifies its stand on</u> the Nature Restoration Law, 2 December 2022.
- 12. Politico brief 23 May 2023; Final vote by roll call in AGRI Committee asked for opinion, Regulation on nature Restauration, 2022/0195(COD), 23/05/2023; Results of roll-call votes in PECH Committee, Nature restoration, 2022/0195(COD).
- 13. Politico brief, 27 June 2023; Committee on Environment, Food Safety and Public Health Result of roll-call votes 15 June 2023 and 27 June 2023 Contents 1. Nature restoration.
- 14. EU Nature restoration law: MEPs strike deal to restore 20% of EU's land and sea | News | European Parliament (europa.eu); Nature restoration: Council and Parliament reach agreement on new rules to restore and preserve degraded habitats in the EU Consilium (europa.eu).
- 15. Politico brief, 21 March 2024.
- 16. <u>Environment-ministers-letter-supporting-NRL-adoption 13-may-2024.pdf (politico.eu).</u>
- 17. <u>Politico, Rogue Austrian minister burns</u> <u>bridges to save EU nature law, 17 June 2024</u>.

- 18. <u>CLG Europe & members rapid reaction to European Commission Nature Restoration Law</u> proposal.
- 19. https://eurocities.eu/wp-content/up-loads/2024/06/NRL-cities-and-regions-let-ter-to-Council-June-2024.pdf.
- 20. Pe'er et al (2023) Scientists support the EU's Green Deal and reject the unjustified argumentation against the Sustainable Use Regulation and the Nature Restoration Law.
- 21. <u>Citizens' perceptions on nature and biodiversity in the EU: survey results.</u>
- 22. Wetlands International (2023) Higher ambition for Peatlands in the EU Nature Restoration Law Proposal Briefing. Citing also Tanneberger et al 2021.
- 23. Liquete Garcia et al (2022) Scientific evidence showing the impacts of nature restoration actions on food productivity, EUR 31137 EN, Publications Office of the European Union, Luxembourg, ISBN 978-92-76-54409-8, doi:10.2760/3032, JRC129725.

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