NOVEMBER 2026

GREENING THE EU BUDGET:

Delivering for nature through the national and regional partnership plans

CEE Bankwatch Network

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The preparation of this report would not have been possible without the research, dedication and unwavering support of our colleagues working at national level. We would also like to thank all the experts who dedicated their time to providing us with the necessary data.

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Introduction

With its proposal for the EU's next long-term budget, the Multiannual Financial Framework (MFF),[1] the European Commission aims to restructure the budget by reducing the number of programmes and merging them into mega-funds. The proposal also gives national governments more say over how EU funds are spent and makes the disbursement of almost half of EU funding conditional on the preparation of national and regional partnership plans (NRPPs).[2] By June 2027, EU Member States must set out the reforms and investments through which they will implement EU policies at national level.

The proposal leaves the future of biodiversity funding uncertain. While budget negotiations are still ongoing, the Commission proposes to remove the only programme dedicated to nature – LIFE – and fold the current 10% biodiversity spending target into a broader environment and climate spending target. Without strong incentives, it is unlikely that EU funding will match the EU's environmental ambitions, notably those set by the Nature Directives[3,4] and the Nature Restoration Regulation.[5] Given limited resources and room for manoeuvre, national planning through the NRPPs will be instrumental in aligning the MFF with EU conservation and restoration objectives.

A similar performance-based format with a conditional disbursement of EU funding to national reforms and investment planning was already used in the post-Covid Recovery and Resilience Facility (RRF).[6] However, the RRF was a missed opportunity for biodiversity funding,[7] with less than 2% allocated to conservation and restoration-related activities.[8]

This report, prepared by CEE Bankwatch Network and EuroNatur, has three sections. The first draws lessons from the RRF based on our own review of RRF biodiversity spending across the EU, and identifies best practice examples for biodiversity funding.

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[1] European Commission, A dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034, 16 July 2025.

[2] European Commission, Proposal for a Regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, 16 July 2025.

[3] Council of the European Communities, Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, 22 July 1992.

[4] European Parliament, Council of the European Union, Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, 26 January 2010.

[5] European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 29 July 2024.

[6] European Parliament, Council of the European Union, Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, 18 February 2021.

[7] CEE Bankwatch Network, EuroNatur, Behind the "Green Recovery": How the EU recovery fund is failing to protect nature and what can still be saved, 2 June 2022.

[8] European Commission, Biodiversity mainstreaming, accessed 14 October 2026.

The second sets out recommendations for the NRRPs, showing how these lessons can be transposed so that the plans better align with EU and national conservation and restoration obligations.

The third presents national chapters from five Member States that rely heavily on EU public funding for their conservation and restoration activities: Croatia, Estonia, Hungary, Latvia and Poland. Each chapter proposes measures tailored to the country's context and conservation priorities, with at least 10 milestones and targets that can be easily transposed to the Commission's NRPP template (see Annex II).

The purpose of this report is to equip Member States with the necessary tools and transposable measures to ensure that the MFF effectively delivers biodiversity funding through national planning.

Lessons learned from the Recovery and Resilience Facility



Why analyse the Recovery and Resilience Facility?

The Recovery and Resilience Facility (RRF) provides a useful reference point for assessing the proposed architecture of the next EU budget, as it introduced performance-based financing, stronger conditionality and a more nationally centred approach to programming and implementing EU funds.

The RRF was designed as a temporary recovery instrument with different objectives and implementation arrangements from those of the future Multiannual Financial Framework (MFF). However, analysing the RRF can still provide practical lessons on the identification, tracking and delivery of biodiversity-related investments and their contribution to EU biodiversity mainstreaming objectives. It also provides an opportunity to assess the quality and diversity of the RRF's measures, milestones, targets and indicators.

While the RRF included an explicit climate spending target and tracking methodology, it lacked a dedicated biodiversity spending objective and a pre-established, systematic framework for tracking biodiversity expenditure.[9] Similarly, the proposed 2028–2034 MFF lacks a much-needed, dedicated biodiversity spending target, with biodiversity included within the overall environmental spending target of 35%. This makes the RRF experience particularly relevant for understanding the difficulties and potential pitfalls of identifying biodiversity expenditure within a broader performance-based funding architecture.

The trouble with biodiversity spending accounting

The 2021–2027 MFF established biodiversity mainstreaming targets of 7.5% of annual expenditure in 2024 and 10% in 2026 and 2027.[10] Progress towards these targets is measured using a methodology based on the

[9] European Parliament, Council of the European Union, Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, 63.

[10] European Commission, Biodiversity mainstreaming, accessed 14 October 2026.

OECD Rio markers, an updated biodiversity tracking methodology for each programme published in 2023.[11] However, the methodology is not sufficiently detailed and does not explain exactly how the biodiversity contribution is calculated for the RRF.[12]

Information obtained from the European Commission confirms that the official RRF biodiversity expenditure estimates (used, for example, in the Commission's Environmental Implementation Reviews) were calculated by applying 40% or 100% biodiversity contribution coefficients to measures included in selected intervention fields.[13] Measures programmed under intervention fields 049 (Protection, restoration and sustainable use of Natura 2000 sites) and 050 (Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure) were assigned a 100% coefficient. Measures related to climate adaptation, wastewater collection and treatment, the rehabilitation of industrial sites and contaminated land, and the protection, development and promotion of natural heritage and ecotourism outside Natura 2000 sites received a 40% coefficient.[14]

According to the Commission's latest estimates, the RRF's total contribution to biodiversity across all Member States is EUR 10.198 billion, out of a total of EUR 573 billion, or about 1.8%.[15,16] Our review of RRF sectoral data, cross-checked against the latest Council Implementing Decision annexes, suggests that this figure is consistent with the methodology described above. However, the figure is also highly questionable and likely overstated, for the following reasons:

- **Many measures tagged with 40% or even 100% have little or no demonstrable connection to, or benefit for, biodiversity**. Unlike the original OECD Rio marker approach, the Commission applies fixed coefficients based on intervention fields without allowing manual adjustments to reflect the specific objectives and expected biodiversity contributions of individual measures.[17] As a result, investments with little or no identifiable contribution to biodiversity are counted towards biodiversity expenditure, such as:

[11] European Commission, The performance framework for the EU budget under the 2021–2027 multiannual financial framework: Volume I – Communication, 8 June 2021.

[12] The European Commission's 2021–2027 biodiversity tracking methodology refers to Annex VI of the RRF Regulation but does not specify which coefficients apply to individual intervention fields. Nor does the explanatory note on the RRF Scoreboard. See European Commission, Biodiversity mainstreaming; European Commission, Methodology for climate tracking under the RRF, accessed 14 October 2026.

[13] European Commission, Written response to an information request from CEE Bankwatch Network, 9 September 2026.

[14] The Commission says the intervention fields and biodiversity coefficients were selected ad hoc, following the methodology used in other EU funds, such as the European Regional Development Fund and the Cohesion Fund. For the full table of intervention fields and coefficients it provided, see Annex I.

[15] European Commission, Recovery and Resilience Scoreboard, accessed 14 October 2026.

[16] European Commission, Biodiversity mainstreaming, accessed 14 October 2026.

[17] European Commission, The performance framework for the EU budget under the 2021–2027 multiannual financial framework: Volume I – Communication.

- Cyprus's 'Public warning system for supporting emergency operations through SMS' (EUR 4.5 million);
- France's 'Strengthening the resilience of electricity networks and energy transition in rural areas' (EUR 50 million); and
- Portugal's 'Research and innovation agenda for sustainable agriculture, food and agro-industry [Innovation Agenda for Agriculture 2030] – Digital projects' (EUR 36 million), which finances a 'single farmer portal, agricultural data infrastructure, organisational restructuring, fraud-control tools and cloud infrastructure' and is, surprisingly, programmed under intervention field 050, thus receiving a 100% biodiversity coefficient.

  The lack of a biodiversity objective or identifiable contribution to biodiversity is often apparent from the measure's description and can be further assessed using the Commission's or national recovery and resilience plan documentation. Such adjustments would therefore not add a significant administrative burden and would more accurately reflect biodiversity spending. According to our preliminary estimates, excluding measures that should not be counted towards biodiversity expenditure at all would reduce the Commission's estimated biodiversity spending by at least EUR 0.9 billion.[18]

- **The Commission's broad-brush methodology for calculating biodiversity expenditure does not ensure that the amounts attributed to biodiversity objectives correspond to the most urgent priorities.** Bankwatch and EuroNatur's forthcoming analysis shows that approximately 41% (EUR 4.24 billion) of reported biodiversity expenditure comes from investments assigned a 40% biodiversity coefficient, including measures primarily targeting climate adaptation, industrial site remediation and other environmental objectives.[19] While such investments often benefit biodiversity, they do not necessarily address the most urgent conservation needs, such as improving the conservation status of species and habitats, or broader biodiversity indicators like farmland bird populations and pollinator trends.

  This limitation was also highlighted in a 2022 study commissioned by the Commission, which found that expenditure tracking insufficiently reflects the priorities of the EU Biodiversity Strategy for 2030 and recommended using Natura 2000 Prioritised Action Frameworks (PAFs) as a reference to better assess contributions to biodiversity.[20]

[18] A more detailed analysis of RRF biodiversity expenditure in all EU Member States will be published in an upcoming report by CEE Bankwatch Network and EuroNatur. It uses the Commission's RRF sectoral database and the latest national and EU documentation on its RRF country pages. This report draws on preliminary findings from that analysis. See European Commission, RRF Sectoral database, updated 26 January 2026; European Commission, Recovery and Resilience Facility: Country pages, accessed 14 October 2026.

[19] Ibid.

[20] Martin Nesbit, Kym Whiteoak, Evelyn Underwood et al., Biodiversity Financing and Tracking: Final Report, Publications Office of the European Union, 73, 20 May 2022.

- **RRF milestones and targets measure outputs, not results.** As the European Court of Auditors has pointed out, the milestones and targets used to monitor RRF investments are predominantly output-oriented (hectares of land restored, kilometres of rivers rehabilitated, number of trees planted) or even input-oriented (completion of administrative procedures, allocation of funding).[21]

  While these indicators are a valid way to prove implementation and eligibility of costs, they do not capture actual progress towards EU biodiversity goals. To estimate impact and enhance future investments, considerations such as improvements in habitat quality, species population trends or the functioning of ecosystems should have been measured with result or performance indicators.

- **Contribution to biodiversity does not exclude harm within the same investment.** The current tracking methodology accounts only for the expected positive contribution of investments to biodiversity objectives but does not consider their potential negative impacts. Caution is therefore needed when assessing investments in forestry, flood risk management, infrastructure development and similar interventions.

  A clear example is Latvia's flood risk mitigation investment. Despite commitments in its 'do no significant harm' (DNSH) assessment to use nature-based solutions and improve water quality ultimately focused on renovating grey infrastructure.[22]

  It originally included works on several straightened rivers that had begun to recover their natural morphology and ecological functions, which the planned interventions risked disrupting. However, following rising costs, delays and objections from environmental non-governmental organisations (NGOs) and the Commission, these works were removed, leaving only the renovation of pumping stations, polders, dams and one drainage channel.[23]
  Even so, the measure kept its 40% biodiversity contribution coefficient, which was likely counted as biodiversity spending in the 2025 Environmental Implementation Review of Latvia[24] and gives a false impression of the country's RRF biodiversity spending.

[21] European Court of Auditors, Review 02/2025: Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF, 7, 6 May 2025.

[22] Ministry of Finance of Latvia, Atveseļošanas un noturības mehānisma plāns 2021.–2026. gadam, 1. pielikums: Principa "Nenodarīt būtisku kaitējumu" novērtējums (1.3.1.2.i.), 96–99, 18 May 2021.

[23] Daniel Thomson, Anelia Stefanova, Anna Roggenbuck et al., No recovery without citizens: Why public involvement is key to Europe's green transformation, CEE Bankwatch Network, 57, 20 June 2023.

[24] The Review does not mention this investment directly but estimates that the RRF contributed 1.5% of biodiversity investment in the 2021–2027 MFF period. The flood risk mitigation investment was the only one in Latvia's recovery and resilience plan with an intervention field relevant to biodiversity spending (035). See European Commission, 2025 Environmental Implementation Review Country Report – Latvia, 47, 7 July 2025.

Tight deadlines undermined ambition

The choice of high-readiness measures has been critical to successful implementation. Since the Commission did not allow deadline extensions after August 2026, several Member States had to scale back their ambition during implementation, at least partly due to tight schedules. Romania is a particularly concerning example, as it removed most of its biodiversity investments, worth more than EUR 330 million, which were intended to restore protected grasslands, improve river connectivity and rehabilitate aquatic habitats in the Danube Delta.[25] The government cited implementation delays, procurement difficulties and the risk of missing the August 2026 completion deadline as reasons for their removal.[26,27] Romania also weakened its biodiversity protection commitments under its 2026–2030 National Biodiversity Strategy, whose adoption was a key RRF reform milestone.[28]

Similarly, Bulgaria eventually removed almost all of its originally planned biodiversity investments, worth EUR 53 million, from its recovery and resilience plan.[29] The government first cut them in 2023, citing tight deadlines and delays in establishing the necessary Natura 2000 management structures, which depended on pending legislative amendments.[30] In 2025, it cut them further, citing 'unexpected legal challenges'.[31] This effectively dismantled Bulgaria's RRF biodiversity component, although some of the originally intended measures might still be funded from other sources.[32] This illustrates the difficulties of combining tight implementation deadlines with investments that depend on complex institutional and legislative reforms. Environmental NGOs, however, also point to a lack of political will.[33]

[25] Our estimate, based on: European Commission, RRF Sectoral database, updated 26 January 2026; Council of the European Union, Annex to the Council Implementing Decision amending the Implementing Decision of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Romania, 17 July 2026.

[26] AGERPRES, INTERVIEW/Minister of EU projects: No risk for Romania to lose EU funding in 2025, 9 September 2025.

[27] Government of Romania, Comunicat de presă – Guvern, AGERPRES, 16 October 2025.

[28] Federation of the Natura 2000 Romania Coalition, Strategia națională pentru conservarea biodiversității a fost adoptată, dar amendamentele au eliminat mecanisme esențiale de implementare – Comunicat de presă, 11 August 2026.

[29] Council of the European Union, Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Bulgaria (8091/22 ADD 1), Component E5, 103, 28 April 2022.

[30] European Commission, Proposal for a Council Implementing Decision amending Implementing Decision (EU) of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria, 2, 21 November 2023.

[31] European Commission, Proposal for a Council Implementing Decision amending the Implementing Decision of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria, 3, 2 July 2025.

[32] Ministry of Environment and Water of Bulgaria, УО на ПОС 2021-2027 г. обяви процедура „Интегриране на екосистемния подход и прилагане на природосъобразни решения при опазването на защитените зони от мрежата натура 2000“, 7 August 2025.

[33] Raya Lecheva, 'България се отказва от 20 млн. лева за биоразнообразие по Плана за възстановяване', 3eNews, 1 October 2023.

Good practices in Recovery and Resilience Facility biodiversity financing

The most straightforward RRF biodiversity investments have been those under intervention fields 049 and 050 linked to national conservation priorities and the EU Biodiversity Strategy for 2030. However, several cases show that investments targeting climate mitigation, wastewater collection and other goals can have tangible biodiversity benefits. Below, we highlight several positive examples of RRF biodiversity measures that were well designed and have either reached, or are close to reaching, full implementation.

- **Austria: Biodiversity Fund – EUR 50 million (100% biodiversity contribution)**

In 2021, Austria established its Biodiversity Fund with a EUR 50 million RRF contribution, supplemented by EUR 30 million in national funding.[34] The fund supports the restoration of degraded ecosystems, the protection of threatened species and habitats, ecological connectivity and biodiversity monitoring, and contributes to the implementation of Austria's Biodiversity Strategy 2030+. From 2026, the fund continues with up to EUR 5 million annually from the national budget,[35] which NGOs say is not enough to address urgent biodiversity needs.[36]

Funded activities have included restoring peatlands, wetlands and grasslands, improving habitat connectivity, soil unsealing, monitoring species such as insects, wild bees, amphibians, fish and fungi, among other activities. The investment's RRF targets required the implementation of at least 20 restoration or species and habitat protection projects and the preparation of a national biodiversity monitoring report by the end of 2025.

Implementation has gone well beyond this minimum. Austria reported a total of 252 projects implemented through the combined EU and nationally financed fund.[37] Projects that contributed to habitat connectivity or were located in biodiversity hotspots and Natura 2000 areas have been prioritised, and clear links have been established with national nature conservation and restoration strategies, and with the Nature Restoration Regulation.[38]

- **Belgium: River remeandering and wetland restoration – EUR 19 million (40% biodiversity contribution)**

As part of Wallonia's biodiversity and climate adaptation investment, EUR 19 million was allocated to river remeandering, wetland creation and floodwater retention areas. This sub-measure provides a positive

[34] European Commission, Biodiversity fund, accessed 14 October 2026.

[35] Austrian Federal Ministry of Agriculture, Forestry, Climate and Environmental Protection, Regions and Water Management, Biodiversitätsfonds, accessed 14 October 2026.

[36] WWF Austria, Regierungsprogramm: WWF fehlen große Würfe, 27 February 2025.

[37] Austrian Federal Ministry of Agriculture, Forestry, Climate and Environmental Protection, Regions and Water Management, Österreichischer Biodiversitätsfonds unterstützt weitere 38 Projekte für Erhalt und Wiederherstellung der Biodiversität, 11 December 2025.

[38] Austrian Biodiversity Fund, Biodiversitätsfonds, accessed 14 October 2026.

example of flood risk mitigation that directly contributes to biodiversity conservation and ecosystem restoration. Building on 3 pilot projects, 17 additional projects supported the restoration of natural river channels, the reopening of previously covered streams and the creation of floodwater expansion areas. Although some projects also involved conventional flood-control infrastructure, the programme serves as a model for integrating biodiversity restoration into climate adaptation investments.[39]

Overall, the measure contributes to the objectives of the Habitats Directive, the Water Resilience Strategy and the Water Framework Directive by restoring ecological connectivity between rivers and riparian habitats. Its emphasis on natural floodwater retention also aligns with recent EU research showing that such approaches can, under certain conditions, provide more effective and cost-efficient flood protection than conventional infrastructure.[40] One example is the restoration of the Eau Blanche, where 20 former meanders covering approximately 2 kilometres of river have been reconnected to restore aquatic and riparian habitats and improve natural water retention.[41]

Biodiversity synergies are possible, but not automatic

Several other RRF investments demonstrate the potential for synergies between biodiversity protection and other environmental objectives. For example, upstream wastewater infrastructure investments in Croatia[42] and Romania[43,44] likely benefit aquatic biodiversity by reducing pollution entering rivers, lakes and coastal waters. Similarly, Spain's investments in restoring former mining areas combine the remediation of contaminated sites with habitat restoration and ecological recovery.[45]

However, these additional biodiversity benefits should not be assumed automatically, particularly in light of the Commission's relatively weak DNSH concept paper for the next MFF.[46] Potential loopholes in how the

[39] Public Service of Wallonia, Création de zones d'immersion temporaire pour lutter contre les inondations, 27 May 2022.

[40] Francesco Dottori, Lorenzo Mentaschi, Alessandra Bianchi et al., Cost-effective adaptation strategies to rising river flood risk in Europe, Nature Climate Change, 196, 6 February 2023.

[41] Public Service of Wallonia, Reméandration de l'Eau Blanche : restaurer un cours d'eau pour renforcer la biodiversité et la résilience climatique, 30 March 2026.

[42] Croatian Waters, NPOO 2021.–2026. – Program razvoja javne vodoopskrbe i odvodnje, accessed 14 October 2026.

[43] Investment C1.I2, 'Collection of wastewater', in agglomerations of fewer than 2,000 population equivalent. See Council of the European Union, Annex to the Council Implementing Decision amending the Implementing Decision of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Romania, 5.

[44] Investment C1.I2 prioritises funding for agglomerations that significantly affect the status of water bodies or the conservation status of protected natural areas. See Ministry of Environment, Waters and Forests of Romania, Ghid specific privind regulile şi condiţiile aplicabile finanţării din fondurile europene aferente PNRR în cadrul apelului de proiecte PNRR/2022/C1/2 – Componenta C1: Managementul apei, Investiţia 2, 5, 8 December 2022.

[45] Investment C4.I3, 'Restoration of ecosystems and green infrastructure'. See Ministry for the Ecological Transition and the Demographic Challenge of Spain, Plan de Recuperación, Transformación y Resiliencia – C4.I3: Restauración de ecosistemas e infraestructura verde, accessed 14 October 2026.

[46] CEE Bankwatch Network, The Commission's 'do no significant harm' concept paper: Clearer approach welcome but major loopholes must be closed, 14 September 2026.

DNSH principle might be applied make it more difficult to prevent biodiversity damage from EU-funded investments, especially in sectors such as energy infrastructure development, forestry and flood risk mitigation, as well as other infrastructure investments, where significant environmental risks may arise depending on the design and location of the measure. Applying a 40% biodiversity contribution coefficient therefore requires a case-by-case assessment rather than automatic attribution.

Recommendations for the national and regional partnership plans



Our analysis of overall biodiversity spending under the Recovery and Resilience Facility (RRF) and climate- and biodiversity-related measures across selected programmes has identified several good practices, but also bottlenecks. We have used these examples to develop recommendations for decision makers at EU and national levels to ensure that the EU's environmental obligations are properly financed through the national and regional partnership plans (NRPPs).

EU-level recommendations

Without a specific biodiversity spending target, the NRPPs are unlikely to include sufficient funding for biodiversity, given competing national priorities. As implementing bodies are usually regional and local, their capacity to fund conservation and restoration projects will depend heavily on negotiations taking place at the national level. This could lead to uneven implementation of EU environmental legislation both between Member States and across regions.

Therefore, establishing a horizontal biodiversity spending target of at least 10% across the Multiannual Financial Framework (MFF), as part of the overarching environmental expenditure target, would be in the interest of Member States and regions. To achieve it, the NRPPs should include a biodiversity spending target of at least 15% and possibly 20%.[47,48] With the co-financing obligations set by the current NRPP proposal, EU funding would also mobilise additional national and private funding for biodiversity.

In addition to spending targets, effective biodiversity expenditure tracking is necessary for potential revisions and course corrections. However, the current system, based on the Rio markers, is not precise enough and can lead to biodiversity investment being overestimated. While it may be too complicated to introduce a specific methodology, the right balance needs to be found to distinguish climate-related activities with biodiversity co-benefits from investments that provide limited or unintended contributions

[47] WWF, WWF Briefing paper on Climate and Nature Funding under National Plans, 3, 25 September 2025.

[48] Bankwatch's unofficial estimates show that reaching 10% biodiversity spending across the MFF would require 20% of NRPP spending to go to biodiversity.

to biodiversity. We therefore suggest more case-by-case scrutiny of activities that do not have clear biodiversity objectives.

To make up for limited administrative capacity and technical environmental knowledge at the national level, the European Commission should issue explicit guidance on how to mainstream biodiversity across the NRPPs.

Biodiversity spending should follow conservation and restoration priorities established by the Global Biodiversity Framework, EU Biodiversity Strategy, Nature Restoration Regulation, Birds and Habitats Directives, and Water Framework Directive, prioritising habitat and species protection, ecosystem restoration, ecological connectivity and institutional capacity over investments with uncertain biodiversity benefits.

Given the importance of nature in maintaining healthy ecosystems – which prevent climate-related risks such as droughts and floods, act as carbon sinks, regulate temperatures, and favour increased yields through healthy soils – guidance should be provided on how to enhance synergies with other policies. Synergies with the National Restoration Plans (NRPs), National Energy and Climate Plans (NECPs) and Common Agricultural Policy (CAP) Strategic Plans are a priority, and the disbursement of EU funding should be conditional on the implementation of the NRPs.

National-level recommendations

While section 1.3 of Annex V to the proposed NRPP Regulation requires that Member States lay out how their NRPPs are consistent with the NRPs, Member States only have 1.000 characters to do so. As NRPPs are an opportunity to finance restoration planning and support restoration activities, we recommend that Member States be as specific as possible and include the following three details: financing needs by ecosystem type, available financing, and priority areas that require EU financing. Ideally, this section should also outline how the Member State intends to remain consistent with ongoing work and obligations, namely under the Nature Directives and with the maintenance of existing Natura 2000 sites.

Member States should ensure that the state of biodiversity is adequately measured. Persistent knowledge gaps in reporting under Article 17 of the Habitats Directive and Article 12 of the Birds Directive are obstacles to biodiversity improvement and appropriate financial estimates. In Member States where a large share of habitats remains in ‘unknown condition’, measures leading to the production of strong baselines to monitor improvements in habitats and species condition, connectivity, species frequency and ecological value are necessary.

Systematic biodiversity monitoring enables evidence-based adjustments to nature conservation measures, improving their effectiveness. The introduction of science-based result indicators is welcome, provided they account for ecological recovery timescales, the cumulative effects of interventions, and relevant scientific expertise. They also facilitate a shift towards result-based payments for ecosystems requiring

active management, which are based on ecological outcome indicators and site-level evaluations and thus make public spending more targeted and efficient. In addition to enhancing transparency, the publication of the assessments also eases research and supports the work of NGOs, on which planning authorities depend, as they provide technical support and know-how for conservation planning and implementation.

However, carrying out these assessments and identifying conservation and restoration priorities require technical and human capacity that planning authorities, which draw up the plans, typically lack. Authorities that implement the funding, in turn, often lack the administrative capacity to absorb EU funding and redirect it towards projects, or to support beneficiaries through the production of guidelines, databases or training. Investing in training, recruitment and building the capacity of both planning and implementing authorities, including at local level, can therefore improve biodiversity spending.

In addition to sufficient capacity, the inclusion of stakeholders such as non-governmental and civil society organisations, scientists, implementers, landowners, local communities and beneficiaries during the NRPP planning process is key to its successful implementation. The national chapters of this report show that consultation processes are often insufficient, which limits the possibility for experts to share their experience, advise governments on scientifically sound measures, or anticipate barriers to implementation.

Involving stakeholders also helps to maximise co-benefits. It can help identify workforce needs and create green jobs through vocational training in areas such as research, forestry, agroecological practices and restoration. It can also help identify long-term nature-based solutions that build resilience to risks, such as restoring wetlands, floodplains and rivers to prevent floods, instead of costly and inefficient grey infrastructure such as concrete drainage channels.

We therefore recommend open and transparent dialogue and cross-sectoral coordination to maximise policy synergies, avoid conflicts and integrate conservation and restoration activities into the NRPPs, linking them with the NRPs, NECPs and CAP strategic plans.

Inclusive and transparent dialogue also favours stakeholder buy-in, and particular attention should be paid to landowners in that regard. Investments should be made in raising awareness of the benefits of healthy ecosystems, soils and habitats for agricultural practices. Increased financial support for transitional practices is also a way to mitigate possible risks of lower production during the first years, thus increasing the chances of landowner support. Similarly, reforms that enhance the administrative capacity of local authorities and lead to the creation of dedicated help desks could support landowners in their transition.

Cross-sectoral dialogue and policy mainstreaming matter, and one measure can serve several priorities. But with budgets under growing pressure, it is just as important not to fund measures that conflict with each other or waste money. Harmful subsidies are one example. The NRPPs can support national subsidy reform and closer scrutiny to identify such subsidies, freeing up funding for the environmental transition.

While the CAP constitutes a valuable source of biodiversity funding, it also falls short in preventing harm[49] Redirecting harmful subsidies towards additional support for implementers is another way to reinforce stakeholder buy-in. One option is financial incentives: limiting area-based or direct payments whose biodiversity outcomes are difficult to track, and replacing them with income support for repurposing agricultural land or financial guarantees for transitional practices. Another is a system that pays land managers for providing ecosystem services.



[49] WWF, Member States use billions of EU subsidies to fund nature harming activities - new WWF study, 14 May 2024.

National chapters



Croatia

National state of play

The nature protection sector in Croatia, as in other countries in central and eastern Europe, is heavily dependent on EU funding.[50] National financing mostly comes from the state budget, while the budgets of regional and local self-government units contribute to a lesser extent. The public institutions that manage national parks and nature parks also contribute some funding from the income they generate, while the private sector's contribution is negligible.[51]

According to the European Commission's 2025 Environmental Implementation Review, Croatia faces an annual investment gap of EUR 592 million for biodiversity and ecosystems,[52] against total needs of EUR 900 million per year.[53] Beyond funding constraints, low staff capacity in the sector remains a major barrier to fully absorbing available resources.[54]

Publicly available information on the development of Croatia's national and regional partnership plan (NRPP) is scarce. All ministries, including the Ministry of Environmental Protection and Green Transition, were asked to state their financial needs, and the total requested is several times the amount Croatia is likely to receive. Tough negotiations between sectors lie ahead, and nature protection, given its political weakness, is likely to lose out. Communication with civil society organisations has so far focused on the drafting process rather than the NRPP's content, with no opportunity for them to influence it.

National conservation and funding priorities

Although Croatia ranks among the EU's leading Member States for biodiversity relative to its surface area and for the proportion of its territory within the Natura 2000 network, many of its species and habitats

[50] Figures on nature and biodiversity investment are scarce, but the Commission's 2025 Environmental Implementation Review finds that EU funding (including European Investment Bank funds) and national funding account for 46% and 54%, respectively, of total environmental investment. See European Commission, 2025 Environmental Implementation Review Country Report – Croatia, 42, 7 July 2025.

[51] Ministry of Economy and Sustainable Development of Croatia, Prioritised Action Framework (PAF) for Natura 2000 in the Republic of Croatia pursuant to Article 8 of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive) for the Multiannual Financial Framework period 2021 – 2027, 19, 6 May 2022.

[52] European Commission, 2025 Environmental Implementation Review Country Report – Croatia, 40, 7 July 2025.

[53] European Commission, 2025 Environmental Implementation Review Country Report – Croatia, 40-41, 7 July 2025.

[54] Ministry of Economy and Sustainable Development of Croatia, Prioritised Action Framework (PAF) for Natura 2000 in the Republic of Croatia pursuant to Article 8 of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive) for the Multiannual Financial Framework period 2021 – 2027, 23.

remain endangered, while there are still significant knowledge gaps about the conservation status of others.[55] The most threatened habitat types include dunes, bogs, mires and fens, grasslands, freshwater habitats and coastal habitats.[56]

Succession[57] and changes in natural species composition are the main threats to terrestrial habitats in Croatia.[58] Grasslands are hit hardest: in some regions, chronic depopulation and the abandonment of farming, grazing and other traditional land uses are allowing woody vegetation to take over. Succession also threatens peat bogs – relict habitats that cover very small areas of the country and depend on specific local conditions, including microclimate.

River regulation threatens some of the most endangered freshwater habitats, such as those on river gravel, sand and silt.[59] Certain forest habitats suffer from alterations in their structure and species composition, often caused by changes in the water regime, desiccation and disease, as well as from fragmentation.[60]

Besides tackling these drivers, Croatia needs to complete its Natura 2000 network by designating additional sites, especially at sea, and setting site-specific conservation objectives and measures. It also needs enough staff and funding to implement Natura 2000 management plans effectively. Finally, closing knowledge gaps would allow for a more accurate assessment of habitats and species, and better-targeted conservation, restoration and funding priorities.[61]

Lessons learned from past examples

Cohesion policy has so far been the most important source of EU funding for nature and biodiversity in Croatia.[62] During the 2014–2020 Multiannual Financial Framework (MFF), cohesion policy funds were mostly used for large strategic projects implemented by the Ministry of Environment and its expert bodies, focused

[55] For example, according to Croatia's report on the conservation status of habitats and species pursuant to the Article 17 of the Habitats Directive for the period 2013–2018, almost half of species assessments (46.67%) were reported as unknown, pointing to a large gap in monitoring. See European Commission, 2025 Environmental Implementation Review Country Report – Croatia, 15–16.

[56] Ibid., 15.

[57] Ecological succession is the process by which the structure of a biological community gradually changes over time. These communities replace (or 'succeed') one another until a 'climax community' is reached, or until a (new) disturbance occurs.

[58] Institute for Environmental and Nature Protection of Croatia, Izvješće o stanju prirode u Republici Hrvatskoj za razdoblje od 2013. do 2017. godine, 16, October 2019.

[59] Ibid., 18.

[60] Ibid., 18.

[61] In six of the seven habitat groups, the condition of most of the habitat area is reported as 'unknown', from 82.5% for river, lake, alluvial and riparian habitats to 100% for steppe, heath and scrub habitats. See European Environment Agency, National Summaries for Article 17 – Croatia, 7, 30 July 2026.

[62] Mainly through the Competitiveness and Cohesion Operational Programme, financed by the Cohesion Fund and the European Regional Development Fund.

on completing and implementing the Natura 2000 network,[63] and on invasive alien species.[64] These funds were also used to expand the capacity of wildlife rescue centres and for demining Natura 2000 sites.[65]

During the 2021–2027 programming period, apart from continued demining efforts,[66] cohesion policy funding, including part of the European Regional Development Fund, was allocated to several projects implemented by public institutions responsible for managing protected areas and focused on conservation, restoration and improved management of target species and habitats.[67] These funds played a pivotal role in setting up the modern nature protection system in Croatia and remain vital for its continued operation and for enabling the country to meet its international obligations in this area.[68]

Although Croatia's 2023–2027 Common Agricultural Policy strategic plan includes some interventions that fully align with the conservation priorities in its 2021–2027 Prioritised Action Framework (PAF),[69,70] the implementation of similar measures during the 2014–2020 MFF was undermined by low farmer interest.[71] This has usually been attributed to low compensation limited to income foregone and additional costs, a lack of awareness of these mechanisms, and complicated administrative procedures.[72] As a solution, the PAF proposes higher payments, more information and education activities, and a wider scope for non-

[63] For example, developing management plans for Natura 2000 sites and strengthening stakeholders' capacity to implement them, developing management plans for strictly protected species, establishing a system to monitor the conservation status of species and habitat types, and mapping marine habitats.

[64] A national monitoring system for invasive alien species and a system to manage and control them.

[65] For a list of projects funded under the 2014–2020 Competitiveness and Cohesion Operational Programme, see Ministry of Regional Development and EU Funds of Croatia, Operativni program konkurentnost i kohezija 2014.-2020., accessed 14 October 2026.

[66] The 'Croatian safe steps CROSS' and 'Croatian safe steps CROSS II' projects.

[67] These projects started only a few months ago, so they are not analysed in detail here. For a list of projects funded under the 2021–2027 Competitiveness and Cohesion Operational Programme, see Ministry of Regional Development and EU Funds of Croatia, Popisi projekata, accessed 14 October 2026.

[68] Especially for implementing Natura 2000 and the Nature Restoration Regulation.

[69] These interventions include: 31.07. Conservation of high nature value grasslands; 70.02. Preserving biodiversity and the environment on permanent grasslands and arable land, with three operations (protecting the corncrake, *Crex crex*; protecting butterflies on permanent grasslands; and establishing grass and flower strips); 70.07. Preservation of landscape features; 70.08. Preservation of extensive orchards and olive groves; 72.01. Support for restrictions in forest management (Natura 2000, NKS); and 73.01. Non-productive investments in agriculture for nature and the environment, covering 11 types of investment, such as building terraces and dry-stone walls, planting hedges, removing invasive alien species, purchasing electric fencing and Tornjak herding dogs in large-carnivore areas, building livestock shelters, restoring habitats on neglected farmland, renovating ponds, and planting poplar rows for the European roller (*Coracias garrulus*).

[70] Ministry of Economy and Sustainable Development of Croatia, Prioritised Action Framework (PAF) for Natura 2000 in the Republic of Croatia pursuant to Article 8 of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive) for the Multiannual Financial Framework period 2021 – 2027, 46–52.

[71] Ministry of Agriculture, Forestry and Fisheries of Croatia, Strateški plan Zajedničke poljoprivredne politike Republike Hrvatske 2023. - 2027. Verzija 4.1, 137, 15 October 2025.

[72] Ministry of Economy and Sustainable Development of Croatia, Prioritised Action Framework (PAF) for Natura 2000 in the Republic of Croatia pursuant to Article 8 of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive) for the Multiannual Financial Framework period 2021 – 2027, 46.

productive investments related to environmental protection.[73] Although some of these recommendations have been integrated into the current strategic plan, farmers' interest generally remains low,[74] with some exceptions.[75]

With only one measure partly dedicated to concrete nature restoration projects, the RRF was a missed opportunity for financing biodiversity conservation and restoration in Croatia.[76]

Within the analysed programmes, measures focusing directly on nature and biodiversity typically had clear targets and indicators, while those claiming indirect benefits were much vaguer. Further monitoring is needed to assess whether some measures, such as CAP interventions claiming environmental benefits, result in actual benefits to biodiversity.

Old side-branch of Mura River (photo: Branka Španiček).



Recommended measures

The recommended measures listed in the table below are based on national nature conservation and restoration priorities,[77] and on experience with similar measures in Croatia.

[73] Ibid., 13.

[74] According to the latest publicly available annual performance report, for 2024. See Ministry of Agriculture, Forestry and Fisheries of Croatia, Godišnje izvješće o uspješnosti za 2024., 7 September 2025. The first calls for some nature-relevant interventions, such as 73.01, have only just opened, so it is too early to assess farmer interest.

[75] One notable exception is intervention 31.07. Conservation of high nature value grasslands, implemented on roughly twice the area planned for 2024. Ministry of Economy and Sustainable Development of Croatia, Prioritised Action Framework (PAF) for Natura 2000 in the Republic of Croatia pursuant to Article 8 of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive) for the Multiannual Financial Framework period 2021 – 2027, 44, 62–64.

[76] A fifth of the budget for measure C1.3. R1-I3, 'Disaster risk reduction program in the water management sector', went to revitalising freshwater habitats. See Government of the Republic of Croatia, Nacionalni plan oporavka i otpornosti 2021. - 2026., 233–238, July 2021.

[77] Listed in documents such as Croatia's 2021–2027 Prioritised Action Framework, the Commission's 2025 Environmental Implementation Review and publicly available data on proposed areas and measures for Croatia's national restoration plan.

In assembling this list, we tried to cover different types of habitats and ecosystems. Thus, we included examples of measures that need to be implemented on relatively small areas to conserve or restore specific, highly sensitive habitat types, such as the proposed restoration and maintenance of bogs, mires and fens, as well as much larger-scale measures, such as restoring degraded grasslands and forests of narrow-leaved ash, establishing 'eco-moorings' to protect and restore *Posidonia* meadows, and conserving high nature value grasslands (HNVGs). We also included a nationally specific measure: restoring tufa cascades and barriers, a habitat type specific to karst rivers.

With the HNVG conservation measure, we propose continuing an existing eco-scheme from the current CAP strategic plan,[78] but on a broader geographic scale, reflecting high farmer interest so far,[79] and with higher payments to account for inflation and further incentivise farmers to participate. On the other hand, with the 'Removal or modification of river barriers' measure, we recommend a type of activity that has yet to take root in Croatia,[80] but is widely considered essential to restoring river connectivity and more natural hydromorphology, benefiting migratory freshwater organisms and other species and types of habitat dependent on free-flowing rivers.

Progress on milestones and targets associated with the proposed measures can be linked to the targets and obligations of the Nature Restoration Regulation, in particular the provisions under Articles 4, 5, 11 and 12.[81] These identify indicators for relevant ecosystems such as habitat condition, farmland bird trends, connectivity or standing deadwood.[82]

The choice of measures and the reliability of the figures presented below were heavily impacted by a lack of quantitative data. The raw data Croatia submitted under Article 17 of the Habitats Directive show significant gaps in knowledge about the status of Natura 2000 habitats and species, suggesting that the

[78] Intervention 31.07.

[79] See footnote 75.

[80] So far, only seven artificial river barriers have been removed in Croatia, all on the same small river, the Bijela River, in Plitvice Lakes National Park.

[81] Article 4(1) requires Member States to restore areas of Annex I habitat types that are not in good condition to good condition. Article 5 sets equivalent area-based targets for marine habitats (Annex II). Article 11(2) requires an increasing national trend in at least two of the following indicators: grassland butterfly index; stock of organic carbon in cropland mineral soils; share of agricultural land with high diversity landscape features. Article 12 requires an increasing national trend in at least six of seven forest biodiversity indicators listed in Annex VI. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 20–28.

[82] Progress on these indicators can be compared against the national baseline and habitat mapping under Article 14. Article 20 sets out the monitoring and reporting requirements, aligned with the reporting cycle under Article 17 of the Habitats Directive. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 29–36.

situation outside the network may be even worse.[83] Reliable unit costs for restoration activities were also extremely scarce, as restoration is only just starting in Croatia.[84] We therefore recommend that Croatia put more effort into collecting, systematising and publishing up-to-date data on the status of species and habitats, and on progress towards the PAF financing targets.

Table 1. Proposed biodiversity measures for Croatia's NRPP.[85]

Name of intervention	Objectives and summary description	Milestone (M) or target (T)	Indicator	Total budget in EUR (expected EU contribution)
HR1. Restoration of bogs, mires and fens (investment)	Restoration of degraded bogs, mires and fens by removing successional vegetation, rewetting, and reintroducing characteristic species	T1. Habitats restored	31.86 hectares of habitat under restoration measures	1 115 100 (947 835)
HR2. Restoration of degraded grasslands (investment)	Restoration of degraded grassland habitats by removing successional vegetation	M2.1. Area prioritisation	Map of priority areas produced	50 000 000 (42 500 000)
		M2.2. Project selection	Project contracts signed	
		T2. Habitats restored	250 km^2 of habitat under restoration measures	
HR3. Removal or modification of river barriers (investment)	Restoration of connectivity and natural hydromorphology of watercourses by removing or modifying obsolete dams or barriers and other artificial water structures	M3.1. Prioritisation of barriers	List of priority locations for barrier removal or modification compiled	3 300 000 (2 805 000)
		M3.2. Preparation of barriers for	Necessary permits for removal or	

[83] Spatial data on potential sites for certain measures are fragmented across dozens of spatial plans at various levels, protected area and Natura 2000 management plans, and other strategic and management documents, e.g. on agriculture and forestry. Given the limited capacity available for this research, meaningful national estimates were hard to produce. Area estimates for many measures therefore relied heavily on shapefiles published by the Ministry of Environmental Protection and Green Transition of Croatia as a first draft proposal for the national restoration plan. It was also difficult to identify areas where restoration is already underway and financing already secured, adding another level of complexity.

[84] For these figures, we relied on estimates from the PAF and CAP strategic plan, our previous research on the costs of national restoration plans, and extrapolations from a single restoration project (tufa cascades). See Branka Španiček, Tess Hartmann-Hergott, Valters Kinna et al., Unlocking nature financing: National cost estimates for effective nature restoration, EuroNatur, 9–11, 11 June 2026.

[85] Detailed proposals for each measure, including milestones, targets, indicators and costs, are set out in Annex II. See also CEE Bankwatch Network, Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs).

		removal or modification	modification of 33 barriers obtained	
		T3. Barriers removed or modified	33 barriers removed or modified	
HR4. Restoration of narrow-leaved ash (*Fraxinus angustifolia*) forests (investment)	Restoration of degraded forest stands of narrow-leaved ash damaged by a combination of climate change and a pathogenic fungus	T4. Habitats restored	112 km^2 of habitat under restoration measures	52 640 000 (44 744 000)
HR5. Establishment of environmentally less damaging anchorages ('eco-moorings') (investment)	Reducing the impacts of anchoring on *Posidonia* meadows by installing modern 'eco-mooring' buoys and prohibiting free anchoring in areas where these systems have been established	M5.1. Area prioritisation	Map of priority areas produced	3 088 000 (2 624 800)
		M5.2. Project selection	Project contracts signed	
		M5.3. Public procurement	Public procurement procedures finished	
		T5. Buoys installed	386 additional buoys installed (536 in total)	
HR6. Restoration of coastal wetlands (investment)	Restoration of sensitive coastal wetlands heavily impacted by construction and tourism	T6. Habitats restored	163 hectares of habitat under restoration measures	11 410 000 (9 698 500)
HR7. Conservation of high nature value grasslands (HNVGs) (regular action)	Conservation of agricultural land with a high proportion of semi-natural and natural vegetation important for the conservation of species and habitat types threatened at national and European levels	T7. HNVGs conserved	60,000 hectares per year of agricultural land under conservation measures	115 639 440 (80 947 608)
HR8. Restoration of tufa cascades (investment)	Restoration of tufa cascades by removing successional vegetation, obstructions or both that impede the free flow of water	T8. Habitats restored	146 hectares of habitat under restoration measures	12 653 382 (10 755 375)

Estonia



National state of play

Estonia is rich in nature, with forests, wetlands and semi-natural grasslands covering much of the country. However, nature conservation remains a peripheral issue at the ballot box and in budget decisions. As a result, biodiversity funding has been inadequate to reverse the many pressures on nature.

This imbalance is apparent in Estonia's progress on its Prioritised Action Framework (PAF), which remains partial due to a combination of insufficient funding and continuing harmful subsidies.[86] Progress has been minimal in several critical areas, including improving habitat status, implementing the green network and monitoring biodiversity.

The European Commission's 2025 Environmental Implementation Review for Estonia estimates the investment gap for biodiversity and ecosystems at around 1.63% of GDP.[87] While current funding is EUR 119 million per year (74% from the EU and 26% from national sources), the actual investment needs are nearly six times as high, at EUR 710 million.[88] The review recommends closing this EUR 591 million gap for biodiversity and ecosystems by using more national, European and private funding, including by increasing taxes and reducing environmentally harmful subsidies.

The national and regional partnership plan (NRPP) process has shown no sign that the investment gap will be appropriately addressed. The NRPP has a planned budget of EUR 5.4 billion for the first period (2028–2031) and EUR 680 million for the second period (2031–2033). Under the latest plan, EUR 577 million of the first-period budget would go to four proposals that at least partly support biodiversity: (1) EUR 106 million for 'climate resilience and living environment quality'; (2) EUR 391 million for agri-environmental measures; (3) EUR 50 million for Natura compensation; and (4) EUR 30 million for 'improving the state of the water and marine environment, soil and land use'.[89] However, the share genuinely benefiting biodiversity is likely to be much lower, assuming these proposals would likely include harmful subsidies and biodiversity-neutral activities.

As of September 2026, there is little information about the more specific contents of these proposals. Even so, the government intends to approve the NRPP as early as late autumn 2026.

[86] Ministry of the Environment of Estonia, Natura 2000 prioriteetsete tegevuste tegevuskava aastateks 2021–2027, 6, 2021.

[87] European Commission, 2025 Environmental Implementation Review Country Report – Estonia, 46–47, 7 July 2025.

[88] Ibid., 46.

[89] Ministry of Finance of Estonia, Euroopa Liidu 2028-2034 eelarveperioodi toetuste planeerimine ja rakendamine, 14, 15 September 2026.



Cattle on a pasture in Hiiumaa (photo: Kertu Laherand).

National conservation and funding priorities

Estonia's nature is in decline. The latest Habitats Directive report shows that the share of habitat types in favourable condition fell from 56.7% in 2013–2018 to 50% in 2019–2024, and the share in unfavourable-bad status rose from 6.7% to 8.3%. For species, the decline is just as clear: the share in unfavourable-bad status more than doubled, from 9.1% to 19.2%.[90]

The situation is even less encouraging outside Natura 2000 habitats. According to the Estonian Environment Agency, only 10.8% of forest, 21.2% of meadow, 1.8% of field and 53.2% of peatland ecosystems are in good ecological status. Meanwhile, 6,309 km^2 (25.1%) of forests, 1,869 km^2 (65.1%) of meadows, 7,682 km^2 (72.7%) of fields and 777.4 km^2 (29.6%) of peatlands have been assessed as being in bad status, constituting more than a third of Estonia's total land area.[91] Farmland and forest bird indices both show a moderate but consistent decline, caused mainly by intensive agriculture, forestry and land-use change.[92]

To reverse the trend, substantial investment in active habitat restoration and maintenance is needed. Logging volumes should fall and forestry should become more sustainable. Current measures are struggling to prevent large-scale clear-cutting. They include restrictions in protected areas, with compensation funded by the Common Agricultural Policy (CAP) and co-financed by the state budget, and subsidies for less intensive management elsewhere. In agriculture, current measures need to be scaled up significantly, especially as environmentally friendly subsidies are offset by several harmful ones.

[90] Estonian Environment Agency, Loodusdirektiivi artikkel 17 aruanne 2019-2024, 13 November 2025.

[91] Estonian Environment Agency, Maismaaökosüsteemide seisund, accessed 16 September 2026.

[92] Estonian Environment Agency, Põllu- ja metsalindude arvukusindeksid, 11 June 2026.

Although the upcoming national restoration plan (NRP) covers many crucial topics, its draft suggests it will have limited impact. The restoration areas are based on minimum requirements and, for forests and wetlands, go no further than earlier measures. Measures for preserving forest habitats remain unambitious: the NRP primarily focuses on state land, and even there it foresees neither a decline in logging volumes nor a transition to continuous cover forestry. This contradicts the deepening biodiversity loss, research indicating a need to cut logging volumes to reach sustainable levels, and the fact[93] that current intensive practices have turned Estonian forests into net carbon emitters, preventing Estonia from meeting its land use, land-use change and forestry (LULUCF) targets.[94]

For the first NRP period (to 2030), most of the funding is already secured by counting existing measures, and most of the rest (EUR 374 million) looks likely to be covered by the NRPP. According to the preliminary budget, the NRP would require EUR 125 million per year between 2028 and 2030 and EUR 183 million per year between 2031 and 2050, half of it for agriculture, mostly as subsidies.[95] Biodiversity financing could therefore rise somewhat, though nowhere near the EUR 710 million needed.

Lessons learned from past examples

Our review of the Recovery and Resilience Facility (RRF), Cohesion Fund, European Regional Development Fund (ERDF) and CAP since 2020 finds that Estonia has rarely treated biodiversity as a priority.

1. Through the RRF, Estonia effectively provided no funding for biodiversity. The only measures indirectly supporting it concerned climate mitigation and the acquisition of a multi-functional workboat with pollution-fighting capabilities.[96]

2. Estonia's use of the Cohesion Fund shows smart integration of biodiversity and climate adaptation objectives. Through the fund, EUR 4 million was allocated to restoring water bodies and EUR 18.55 million to restoring habitats and improving urban biodiversity.[97,98] The targets and indicators for two measures were clear and achievable, and contributed directly to habitat restoration and biodiversity objectives.

   Similarly, through the ERDF, support was provided for flood risk management, although nature-based measures made up only a minor part. The measures could include building or removing dams, but also restoring drained areas, alluvial habitats and rivers, including semi-natural communities,

[93] Stockholm Environment Institute, Metsanduse arengukava 2030 arengustsenaariumite mõju analüüs, 15–25, December 2019.

[94] Estonian Environment Agency, Eesti 2023. aasta riikliku kasvuhoonegaaside inventuuri LULUCFi sektori ülevaade, 20 January 2023.

[95] Ministry of Climate of Estonia, Looduse taastamise kava eelarve tööversioon 11.09 seisuga, 11 September 2026.

[96] Ministry of Finance of Estonia, TAASTE- ja VASTUPIDAVUSKAVA, 16 June 2023.

[97] Ministry of Environment of Estonia, Keskkonnaministri käskkirja „Toetuse andmise tingimuste kehtestamine ning 2022-2029 tegevuskava ja eelarve kinnitamine mitteheas seisundis veekogumite tervendamiseks" eelnõu seletuskiri, 2 February 2023.

[98] Government of Estonia, 2021–2027 meetmete nimekiri, 9 January 2025.

as well as reopening meanders. The target ('new structures against floods') and indicators (0.7 and 7 km of flood management structures by 2024 and 2029) were adequate but included no conditions to support biodiversity.[99]

3. CAP funding has been important for promoting biodiversity in agricultural and forest landscapes. In the current period, agri-environmental measures include support for environmentally friendly agricultural management (EUR 145.5 million), organic farming (EUR 93 million), retaining ecological focus areas (EUR 29.2 million), maintaining ecosystem services (EUR 9.7 million), maintaining valuable permanent grassland (EUR 7.1 million) and maintaining semi-natural grassland (EUR 42.1 million). [100]The measures vary in ecological ambition but support biodiversity, unlike several other CAP interventions. The semi-natural and valuable permanent grassland maintenance interventions provide crucial funds for preserving grassland biodiversity in protected areas and elsewhere, and contribute to regional development. The only forest measure supporting biodiversity is compensation paid to forest owners for logging restrictions in Natura 2000 sites.

Recommended measures

The following measures address the needs of Estonia's largest and most important ecosystems and habitat types.

Building on previous activities, the three measures for restoring (1) river, lake, alluvial and riparian habitats, (2) wetlands and (3) grasslands will directly improve the status on the restored sites, the scale of which ultimately determines the measures' impact. The areas proposed are comparable to earlier activities and should be seen as the bare minimum.

Restored semi-natural grasslands need ongoing maintenance, so the proposed restoration area aligns with growing maintenance needs. We suggest a higher unit rate than at present to close the gap between the subsidy and income foregone. A related intervention covers semi-natural and other valuable permanent grasslands outside protected areas. Any increase in area depends on, and must be preceded by, sufficient inventories (not quantified here).

For agricultural landscapes, we propose simple incentives for organic crop farming, maintaining ecosystem services and ecological focus areas. These have worked well so far but need to be scaled up considerably to have a wider impact. Funding could come from reallocating other agricultural subsidies that directly or indirectly harm biodiversity, such as basic and coupled income support or support for suckler and dairy cows.

[99] Ibid.

[100] Ministry of Regional Affairs and Agriculture of Estonia, Common Agricultural Policy Strategic Plan 2023-2027, 2 September 2026.

For forests, we propose more structural changes. The first measure introduces a subsidy for forest owners to transition to continuous cover forestry, a sustainable practice that can be as profitable as clear-cutting in the long term but needs support to become widespread.[101] The second is a prerequisite for a much-needed, significant reduction in logging volumes in state forests. Reducing the volume, for example, to 1 million cubic metres per year, is essential but politically difficult because of its effects on jobs and revenue. We therefore propose a comprehensive needs assessment as the basis for a roadmap towards lower logging volumes.

The measures' contribution to nature conservation goals should, at a minimum, be linked to the targets and obligations of the Nature Restoration Regulation, in particular the provisions under Articles 4, 11 and 12.[102] These identify monitoring indicators for relevant ecosystems such as habitat condition, farmland bird trends, connectivity or standing deadwood.[103]



A flower-rich meadow in Hiiumaa (photo: Kertu Laherand).

[101] Paavo Kaimre, Vivika Kängsepp, Risto Sirgmets, Economic assessment of transformation to continuous cover forest management in Estonia, Baltic Forestry, 179–187, 2024.

[102] Article 4(1) requires Member States to restore areas of Annex I habitat types that are not in good condition to good condition. Article 11(2) requires an increasing national trend in at least two of the following indicators: grassland butterfly index; stock of organic carbon in cropland mineral soils; share of agricultural land with high diversity landscape features. Article 12 requires an increasing national trend in at least six of seven forest biodiversity indicators listed in Annex VI. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 20–28.

[103] Progress on these indicators can be compared against the national baseline and habitat mapping under Article 14. Article 20 sets out the monitoring and reporting requirements, aligned with the reporting cycle under Article 17 of the Habitats Directive. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 29–36.

Table 2. Proposed biodiversity measures for Estonia's NRPP.[104]

Name of intervention	Objectives and summary description	Milestone (M) or target (T)	Indicator	Total budget in EUR (expected EU contribution)
EE1. Restoration of river, lake, alluvial and riparian habitats (investment)	Restoring 17.29 km^2 of river, lake, alluvial and riparian habitats	M1. Technical design, contracting and procurement for freshwater restoration	Technical designs completed, procurement carried out and contracts signed	30 696 764 (26 092 249)
		T1. Habitat restoration	17.29 km^2 restored and improving in status	
EE2. Restoration of wetlands (investment)	Restoring 128 km^2 of wetland habitats	M2. Technical design, contracting and procurement for wetland restoration	Technical designs completed, procurement carried out and contracts signed	5 679 656 (4 827 708)
		T2. Habitat restoration	128 km^2 restored and improving in status	
EE3. Restoration of semi-natural grasslands (investment)	Restoring 150 km^2 of semi-natural grassland habitats	M3. Contracting for semi-natural grassland restoration	Contracts signed	58 588 800 (49 800 480)
		T3. Habitat restoration	150 km^2 restored and improving in status	
EE4. Support for maintenance of semi-natural communities (regular action)	Extending the annual maintenance range of semi-natural grasslands to 600 km^2	M4. Contracts signed	Contracts signed	94 500 000 (66 150 000)
		T4. Habitat maintenance	600 km^2 in annual maintenance	
EE5. Support for the transition to continuous cover forestry (regular action)	New subsidy for adopting continuous cover forestry on 1,000 km^2 of forest	M5. Contracts signed	Contracts signed	24 250 000 (16 975 000)
		T5. Forest land managed with continuous cover forestry	1,000 km^2 of forests managed with continuous cover forestry	

[104] Detailed proposals for each measure, including milestones, targets, indicators and costs, are set out in Annex II. See also CEE Bankwatch Network, Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs).

EE6. Support for maintaining ecological focus areas (regular action)	Extending the subsidy for maintaining ecological focus areas to 4,000 km^2 of agricultural land per year	M6. Contracts signed	Contracts signed	70 000 000 (49 000 000)
		T6. Agricultural land managed as ecological focus areas	4,000 km^2 supported per year	
EE7. Support for maintaining ecosystem services on arable land (regular action)	Extending the subsidy for maintaining ecosystem services to 1,500 km^2 of agricultural land per year	M7. Contracts signed	Contracts signed	28 700 000 (20 090 000)
		T7. Agricultural land managed maintaining ecosystem services	1,500 km^2 supported per year	
EE8. Support for the maintenance of valuable permanent grasslands (regular action)	Extending the subsidy for maintaining semi-natural and other valuable permanent grasslands to 900 km^2 per year	M8. Contracts signed	Contracts signed	25 500 000 (17 850 000)
		T8. Valuable permanent grassland maintained	900 km^2 supported per year	
EE9. Support for organic plant farming (regular action)	Extending the subsidy for organic crop farming to 3,100 km^2 per year	M9. Contracts signed	Contracts signed	176 400 000 (123 480 000)
		T9. Cropland managed organically	3,100 km^2 supported per year	
EE10. Readiness framework for state forest management reform (investment)	Preparatory research for a future reduction in logging volumes in state forests	M10. Transition roadmap	Roadmap adopted	500 000 (425 000)
		T10. Needs assessment reports delivered	Needs assessments published for workforce, market and infrastructure	

Hungary



National state of play

The National Biodiversity Strategy,[105] adopted in 2023, provides the national framework for biodiversity conservation in Hungary: it establishes 19 objectives covering protected areas and habitat restoration, sustainable agriculture and forestry, pollinators, invasive alien species, water-dependent ecosystems and green infrastructure, among others.

The institutional profile of nature conservation changed dramatically in May 2026, when a dedicated ministry, the Ministry for the Living Environment,[106] brought renewed political focus to environmental issues.[107] Regular consultation channels have opened between the ministry and civil society organisations, giving them a structured platform to raise awareness of ecological priorities. However, this opportunity comes amid severe national macroeconomic strain and fiscal deficits, which heavily constrain state spending.[108]

Domestic budget allocations for biodiversity remain insufficient to meet baseline ecological needs or fund the investments set out in Hungary's 2021–2027 Prioritised Action Framework (PAF).[109] Hungary is therefore structurally dependent on EU funding instruments – principally cohesion policy funds, the Common Agricultural Policy (CAP) through its strategic plan, and targeted LIFE projects – for virtually all significant investment in habitat restoration, systematic monitoring and conservation infrastructure. For the current Multiannual Financial Framework (MFF), Hungary and the Commission agreed to cover only 15% of the needs identified in the PAF, about EUR 112.4 million.[110]

This dependence creates a critical vulnerability under the next MFF and its performance-based national and regional partnership plans (NRPPs). Without mandatory EU ring-fencing for biodiversity, severe economic pressures give decision makers strong incentives to prioritise economic competitiveness and industrial investments over environmental measures.

Hungary's record under the Recovery and Resilience Facility (RRF) – where biodiversity allocations were minimal and later removed – highlights the real risk of ecological spending being sidelined when budgets are tight.[111]

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[105] Ministry of Agriculture of Hungary, Nemzeti Biodiverzitás Stratégia, 2023.

[106] Prime Minister's Office, Magyar Közlöny [Official Gazette of Hungary], 2026(44), 9 May 2026.

[107] National Assembly of Hungary, 2026. évi XIII. törvény Magyarország minisztériumainak felsorolásáról, 14 May 2026.

[108] Portfolio, Felülvizsgálta a 2026-os költségvetést a kormány – Itt vannak a friss tervek!, 24 August 2026.

[109] Ministry of Agriculture of Hungary, Országos Natura 2000 Priorizált Intézkedési Terv a 2021–2027 közötti időszakra, 21 March 2021.

[110] CEE Bankwatch Network, Needs and priorities for biodiversity funding: A comparative analysis of Hungary and Poland, 9, 20 December 2024.

[111] CEE Bankwatch Network, Biodiversity loses out in Hungary's recovery and resilience plan, 8 December 2025.

Hungary is adopting a new Climate Act after the Constitutional Court found the 2020 Climate Act's 2030 emissions target unconstitutional and concluded that the Hungarian legislation had failed to regulate climate mitigation, adaptation and resilience in a sufficiently comprehensive manner.[112]

A proposal by NGOs for the new Climate Act,[113] drafted through a broad public consultation over the past year, gives a strong role to land use, ecosystem resilience and biologically active land cover, recognising that healthy forests, grasslands, wetlands and soils support biodiversity, carbon sequestration, water retention and adaptation to increasingly severe heat and drought.

National conservation and funding priorities

All 45 habitat types reported in Hungary belong to the Pannonian biogeographical region. While the country has unique natural values, its ecosystems are undergoing severe, persistent degradation. Habitats Directive assessments show that only 11% of habitats are in favourable conservation status,[114] and the latest 2019–2024 reporting under Article 12 of the Birds Directive confirms widespread pressures on avian populations, especially from agriculture.[115]

Almost the third (29%) of breeding bird taxa with a known long-term trend are declining.[116] The situation is particularly critical among farmland birds and ground-nesting waders. According to national Article 12 reporting, agriculture is by far the main pressure and threat, followed by species exploitation, climate change and commercial forestry.

The most urgent, critically underfunded restoration priorities are:

Aquatic ecosystems and floodplains: Restoring oxbows, side-channels and shallow wetlands to counteract drought, and ending artificial drainage.

Semi-natural grasslands and farmland mosaics: Halting the degradation of steppic, loess and alkaline grasslands, reducing intensive crop parcels, creating high-biodiversity uncultivated margins, and curbing chemical and pesticide pressure.

Ecologically resilient forests: Transitioning away from logging protected and Natura 2000 forests and shifting towards continuous cover forestry regimes with higher deadwood volumes. Logging in native old-growth forests should stop entirely. Game ungulate populations urgently need to be reduced drastically.

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[112] Constitutional Court of Hungary, 5/2025. (VI. 30.) AB határozat, 30 June 2025.

[113] National Society of Conservationists, 250 esernyőből formálták meg a „KLÍMATÖRVÉNYT!" feliratot a Városligetben, 14 July 2026.

[114] European Environment Agency, National Summaries for Article 17 – Hungary, 5, 30 July 2026.

[115] European Environment Agency, National Summaries for Article 12 – Hungary, 8, 30 July 2026.

[116] European Environment Agency, National Summaries for Article 12 – Hungary, 5.

These conservation priorities clash directly with short-term agricultural subsidies that promote cash crops and rely on intensive drainage. To prevent EU funds from exacerbating ecosystem decline, future NRPP allocations must be strictly conditional on structural governance reforms, such as legally mandating landscape-scale water retention over rapid drainage, phasing out commercial logging in protected forests and enforcing effective controls on the density of game ungulates to allow natural forest regeneration.

Integrating these nature restoration targets with Hungary's national energy and climate plan (NECP) offers vital synergies, securing essential carbon sinks and regional climate resilience through restored wetlands, grasslands and native forest cover.

Lessons learned from past examples

The Environment and Energy Efficiency Operational Programme Plus biodiversity portfolio

Targeted investments under cohesion policy and LIFE are the most important funding sources for biodiversity conservation. The Environment and Energy Efficiency Operational Programme Plus (KEHOP Plusz) supports a EUR 115 million portfolio of nature-conservation investments implemented by the national park directorates. The programme is expected to improve the condition of more than 100,000 hectares, with habitat restoration forming a major component.[117]

These interventions illustrate the advantages of defined conservation objectives and active management compared with broad area-based agricultural support. However, their scale remains limited relative to the extent of biodiversity decline across the wider agricultural landscape. Therefore, targeted conservation investments need to complement, not replace, biodiversity-friendly management across the countryside.

Complemented by targeted LIFE projects, these direct conservation investments deliver robust ecological results. However, their total budgetary scale remains critically insufficient to reverse widespread ecosystem decline.

Common Agricultural Policy

Our long-term monitoring of CAP implementation shows that high financial uptake or area coverage does not necessarily translate into measurable biodiversity outcomes. The European Court of Auditors found that CAP biodiversity expenditure was difficult to track reliably and that the impact of several direct-payment measures was limited or unknown.[118]

[117] National Development Centre of Hungary, KEHOP Plusz 3.2.1-24, accessed 9 September 2026.

[118] European Court of Auditors, Special Report 20/2024: Common Agricultural Policy Plans – Greener, but not matching the EU's ambitions for the climate and the environment, 35, 38, 30 September 2024.



Thanks to an EU-funded transboundary conservation programme, the European roller (Coracias garrulus) population in Hungary has bounced back; the species is now an ambassador for grassland ecosystems (photo: Antal Molnár).[119]

The voluntary Agro-Ecological Programme[120] had very high uptake,[121] showing that relatively simple voluntary incentives can reach broad coverage. However, the biodiversity impact is more difficult to establish because farmers can choose between practices with very different levels of environmental ambition.[122]

Replacing direct, area-based payments with a compensation scheme for biodiversity conservation and water retention on agricultural land would considerably improve both the funding system and the condition of habitats.

A new, promising measure is the development and maintenance of natural and wetland habitats as a non-productive investment. Hungary's current CAP scheme for wetland creation, habitat restoration and water retention has an allocated budget of EUR 35.2 million.[123]

[119] Birdlife Hungary, Roller Project, accessed 13 November 2026.

[120] An eco-scheme under Pillar I of the CAP.

[121] Government of Hungary, Az Agro-ökológiai Program első évének eredményei és tapasztalatai, 28 June 2024.

[122] Ministry of Agriculture and Food of Hungary, KAP ST 2025. évi Éves Teljesítményjelentés, 22, 25, May 2026.

[123] Ministry of Agriculture and Food of Hungary, KAP-RD21-RD22-2-25 - Természetközeli és vizes élőhelyek kialakítását elősegítő beruházások és azok fenntartása, accessed 9 September 2026.

These measures strengthen biodiversity conservation by combining direct ecosystem rehabilitation, nationwide data monitoring and financial incentives that encourage low-impact land management at scale. Common output and result indicators, such as 'Surface area of rehabilitated land supported', and cohesion policy milestones and targets, such as the 'cumulative total' of habitats improved by an investment, can be transferred to the NRPP. Nevertheless, current funding streams have remarkably few biodiversity indicators and targets, so more comprehensive and innovative ones are essential.

Recommended measures

The 10 recommendations proposed here build on Hungary's national biodiversity priorities and previous funding experience, focusing on interventions that add ecological value. EU-financed investments should focus on restoring and reconnecting high-value habitats, including beyond protected areas. This means strengthening ambitious agri-environment measures, permanent grassland management, landscape features and pollinator habitats through CAP schemes.

Natural water-retention projects should be treated as investments in both biodiversity and climate resilience. Restoring floodplains, wetlands and water-dependent ecosystems can support biodiversity while reducing drought and flood risks and improving local microclimate.

Finally, the NRPP should make biodiversity performance measurable. The National Biodiversity Strategy's interim assessment found that, of 336 measures, only 15 had been fully implemented and 46 largely achieved, while 122 had been partly implemented, 114 had only just started and 39 had not yet started.[124] In the long term, we therefore suggest complementing area and expenditure indicators with progress indicators, such as habitat condition, farmland bird trends, pollinator populations, connectivity, the extent of invasive species, and the conservation status of restored sites, as anticipated by the Nature Restoration Regulation.[125] The NRPP should use the Strategy's indicator framework not only to report expenditure, but also to identify where implementation is delivering measurable ecological change.

NRPP investments and agricultural interventions should finance the Climate Act's proposed objective of preventing the loss of biologically active land cover and progressively increasing its extent and ecological quality. The Climate Act proposal by NGOs also calls for the protection of existing forest cover and grasslands, and a prohibition on reducing wetland areas. It also recommends a national rehabilitation and reconstruction plan for land cover and the restoration of degraded ecosystems, linked to EU nature

[124] Ministry for the Living Environment of Hungary, A 2030-ig szóló Nemzeti Biodiverzitás Stratégia megvalósításának közbenső értékelése, 2025.

[125] Article 4(1) requires Member States to restore areas of Annex I habitat types that are not in good condition to good condition. Article 10 and the related Commission delegated act require Member States to improve pollinator diversity and reverse the decline of pollinator populations. Article 11(2) requires an increasing national trend in at least two of the following indicators: grassland butterfly index; stock of organic carbon in cropland mineral soils; share of agricultural land with high diversity landscape features. Progress on those indicators can be compared against the national baseline and habitat mapping under Article 14. Article 20 sets out the monitoring and reporting requirements, aligned with the reporting cycle under Article 17 of the Habitats Directive. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 20–36.

restoration obligations. The NRPP should translate these legal objectives into measurable investments, reforms, milestones and hectare-based targets, thereby creating a direct link between Hungary's climate framework, biodiversity policy and EU funding.

Table 3. Proposed biodiversity measures for Hungary's NRPP.[126]

Name of intervention	Objectives and summary description	Milestone (M) or target (T)	Indicator	Total budget in EUR (expected EU contribution)
HU1. Floodplain restoration with nature-based water retention solutions (reform and investment)	Active restoration of freshwater habitats and floodplains to retain water and support biodiversity. Improve the functions of floodplains. Improve the habitats of aquatic and water-dependent species, including birds, amphibians, reptiles, and aquatic macroinvertebrates. Improve the carbon sequestration capacity of habitats and create new carbon sinks. Implementation: national parks, General Directorate of Waer Management. Beneficiaries: national parks, farmers, water directorates. Habitats: freshwater habitats, alluvial habitats, floodplains; connectivity of rivers and wetlands; climate adaptation through flood and drought mitigation.	M1. River basin floodplain reconnection plan or project pipeline adopted	Ministerial or governmental approval of prioritised floodplain site list	N/A
		T1. Floodplain water retention and connectivity restored	Square kilometres restored	313 865 334 (266 785 534)
HU2. Free-flowing rivers and creeks (reform and investment)	Obsolete barriers identified, prioritised and removed to restore river connectivity. Implementation: national parks, General Directorate of Water Management. Beneficiaries: national parks, farmers. Species and habitats: migratory fish, riverine ecosystems, benthic habitats.	M2. Barrier removal pipeline populated	Publication of national barrier removal priority list	N/A
		T2. Longitudinal river connectivity restored	Barriers removed and kilometres reconnected	1 960 000 (1 666 000)

[126] Detailed proposals for each measure, including milestones, targets, indicators and costs, are set out in Annex II. See also CEE Bankwatch Network, Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs).

HU3. Grassland restoration (investment)	The measure targets priority grasslands for active habitat restoration and appropriate grazing. Specific objectives: improve the conservation status of Habitats Directive Annex I grassland habitats in unfavourable condition by restoring their hydrological regime and improving grassland composition and structure; improve the conservation status of protected species and other biodiversity indicators related to grassland habitats; improve the ecosystem services of grassland habitats, such as pollination, carbon storage, water retention and water quality. Beneficiaries: national parks, farmers, municipalities. Habitats and species: Pannonian steppes, loess grasslands, alkaline steppes, farmland birds, pollinators.	M3. Priority steppe habitat restoration framework finalised	Decree issuing site-specific ecological management protocols to national park directorates	N/A
		T3. Area of priority grasslands restored	Square kilometres restored	215 961 030 (183 566 876)
HU4. Farmland biodiversity corridors (CAP regular action)	Establish a minimum connected network of field margins, hedges and buffer strips. Integrate high-diversity landscape elements into the land parcel identification system (MePAR). Establish 7,000 km of linear landscape features, such as hedges, floral strips and natural field margins, connecting fragmented agricultural land across prioritised regions and landscapes. Beneficiaries: national parks, farmers. Habitats and species: agricultural ecosystems, insects, small mammals, farmland birds.	M4. National decree on regulating and mapping farmland landscape features adopted; green infrastructure corridor specification published	Measure integrated into the CAP strategic plan and land parcel identification system (MePAR)	N/A
		T4. Farmland corridors established	Kilometres of corridors	32 357 500 (6 471 500)
HU5. Pollinator landscapes (reform and investment)	Establish regional pollinator networks linking natural, semi-natural, protected and Natura 2000 grasslands, non-productive herbaceous strips, and urban green spaces.	M5. Regional pollinator networks designated	Adoption of spatial plans by regional and local authorities	N/A
		T5. Corridors and stepping	Hectares	16 125 000 (6 450 000–13

	Map 'pollination deserts' and, within them, designate target zones for strengthening pollinator populations. Establish the organisational bodies and communication infrastructure needed for this task, such as expert groups and a task force. Beneficiaries: national parks, farmers, municipalities. Species and habitats: wild pollinators, flowering plants, agricultural ecosystems.	stones for pollinators established		706 250, depending on development level of region)
HU6. Ecological forestry (reform and investment)	Phase out commercial felling and continuous felling in protected and Natura 2000 forests. Harmonise forestry plans with national park management plans. Selection forestry (Plenterwald), permanent forest management, or no logging is introduced in state-owned, natural, semi-natural, protected and Natura 2000 forests. Beneficiaries: national parks, private forest owners, forestry companies. Species and habitats: forest ecosystems, saproxylic beetles, forest birds.	M6. Commercial logging phased out	Government decree mandating permanent forest, Plenterwald or non-intervention status in target forests	N/A
		T6. Forest area under permanent forest management, Plenterwald or non-intervention status	Hectares	At least 39 000 000 per year (7 800 000 per year)
HU7. National biodiversity and ecosystem services monitoring and outcome dashboard (reform and investment)	Development of a core IT platform connecting environment-related databases with public dashboards, integrating satellite data for automated tracking of habitat health, drought and vegetation. Every major restoration investment receives a baseline and post-restoration ecological assessment, published on the platform. Training and quality-control protocols for all 10 national park directorates to support service reporting. Applies to all ecosystems nationwide.	M7. Outcome dashboard launched	Platform goes live and mandated for all grant recipients	15 167 999 (12 892 799)
		T7. Monitored restoration projects with verified ecological reporting	Number of funded projects or sites	N/A

HU8. Biodiversity financing facility (reform and investment)	Establish a national biodiversity financing facility. Certain EU funds, (such as the CAP), together with income from innovative private financing mechanisms and environmental fines paid by offenders, are channelled into this fund to establish a cross-cutting facility for investments and long-term habitat maintenance. Applies to all ecosystems nationwide.	M8. Finance facility established	Official launch of facility and execution of operational agreements	N/A
		T8. Finance facility operational	EUR 386 108 933	N/A
HU9. Restoration of degraded forest habitats (investment)	Halting the decline of forest habitats. Restoration of forest habitats, woody ecological corridors and stepping stones. Prioritise forest restoration and reforestation where fragmentation is greatest to restore ecological connectivity and habitat corridors. Improve water retention in mountain forests eliminating unnecessary forest roads and remodelling those that exacerbate soil erosion and water loss. Beneficiaries: national parks, private forest owners, forestry companies. Habitats: forest ecosystems, woodland flora and fauna.	M9. Delineation of undisturbed forest blocks	Nature conservation zoning system established nationwide and national park management plans officially enacted by the Minister for the Living Environment	N/A
		T9. Forest habitat restoration	Square kilometres	218 319 050 (185 571 193)
HU10. Restoration and expansion of biologically active land cover (reform)	Implement the new Climate Act's objective on biologically active land cover. The reform does not fund restoration works itself: these are financed through sector-specific funds, such as LIFE, the CAP, the European Regional Development Fund and the Cohesion Fund. Instead, it steers and coordinates them. The reform secures inter-ministerial governance, spatial planning, and ground enforcement. Applies to all ecosystems nationwide.	M10. National land-cover rehabilitation plan and policy task force	Government decision approving task force, spatial plan and quantified targets under the Climate Act	N/A
		T10. Degraded areas converted to permanent semi-natural cover in line with the new Climate Act	Square kilometres	N/A

Latvia



National state of play

Nature conservation is a politically contested issue in Latvia, particularly where it conflicts with forestry and agricultural interests that are pushing for deregulation. At the same time, Latvia's economy relies heavily on nature, with 32% of gross value added highly dependent on ecosystem services, compared with 22% across the EU.[127]

National funding for nature conservation remains limited. Only 0.4% of planned state expenditure in 2026 is allocated to environmental protection, which covers considerably more than biodiversity alone.[128] According to the European Commission's 2025 Environmental Implementation Review, around 91.2% of Latvia's annual biodiversity financing comes from EU funding,[129] although this includes estimated contributions from other funding areas, particularly the Common Agricultural Policy (CAP).

With current biodiversity financing estimated at around EUR 119 million per year, the annual financing gap is almost EUR 900 million, against the total needs of around EUR 1 billion, including broader sustainable ecosystem and soil management costs.[130] However, only around 53% of current financing is considered dedicated biodiversity funding under the tracking methodology.[131]

Progress on Latvia's Prioritised Action Framework (PAF) is difficult to evaluate because there is no consolidated implementation reporting. According to the Department of Nature Conservation at the Ministry of Smart Administration and Regional Development, considerable progress has been made in planning and knowledge development, while practical implementation remains insufficient. These needs should be reflected in the next funding period. There is also no reliable estimate of private biodiversity financing, with a national biodiversity credit scheme under discussion.[132]

Given Latvia's heavy dependence on EU funding, the structure of the next Multiannual Financial Framework (MFF) will be particularly important. The absence of dedicated biodiversity allocations could leave nature conservation competing with other investment priorities. The Ministry of Finance coordinates preparation

[127] European Commission, 2025 Country Report – Latvia, 68, 4 June 2025.

[128] Ministry of Finance of Latvia, 5.3. Izdevumu politikas virzienu un izdevumu atbilstoši funkcionālajām un ekonomiskajām kategorijām kopsavilkums, 160, 2 February 2026.

[129] European Commission, 2025 Environmental Implementation Review Country Report – Latvia, 47–48.

[130] Ibid., 48.

[131] Ibid., 47.

[132] Ministry of Smart Administration and Regional Development of Latvia, Bioloģiskās daudzveidības kredītu sistēmas izstrāde Latvijā: mehānismi, scenāriji un ieviešanas priekšnosacījumi, 2–3, December 2025.

of the national and regional partnership plan (NRPP). Sectoral proposals have already been collected, with further work planned with the Bank of Latvia and State Chancellery to assess their economic returns.[133,134]

The Ministry of Smart Administration and Regional Development submitted its priorities in May 2026, focused on restoration and institutional capacity. Stakeholder involvement, however, remains uneven. The Ministry's initial submission was circulated for information rather than consultation, although further engagement was promised. While the Ministry of Finance has called for early partner involvement, it remains unclear how stakeholder input will influence final investment priorities, particularly as national, restoration, agricultural and forestry planning documents are being developed in parallel.

National conservation and funding priorities

According to Latvia's 2019–2024 report under the Habitats Directive, around 89% of habitat types of EU importance are in unfavourable conservation status.[135] Grasslands, forests and wetlands are particularly affected, with most showing declining or stable trends. The main pressures remain intensive forestry and agriculture, peat extraction and drainage.

A major issue is insufficient protection of habitats of EU importance outside protected areas. According to the Ministry of Smart Administration and Regional Development, approximately 9,100 hectares of mapped forest habitats of EU importance were destroyed between 2020 and 2023, mainly through felling, including in areas managed by Latvia's State Forests.[136] Latvia also has the EU's second-lowest terrestrial Natura 2000 coverage, at only 11.56% (excluding solely nationally designated protected areas) compared with the EU average of 18.6%.[137] The country faces two infringement procedures concerning its incomplete Natura 2000 network and insufficient site-specific conservation objectives and measures.[138,139] There has been progress on the designation of new protected areas[140] and LIFE IP LatViaNature,[141,142] but completion remains politically contested.

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[133] Ministry of Finance of Latvia, FM un Latvijas Banka veidos datos balstītu pieeju nākamā ES fondu perioda investīciju prioritāšu noteikšanai, 17 August 2026.

[134] Ministry of Finance of Latvia, FM Memoranda padomes sēdē informēs par nākamā ES fondu perioda 2028.–2034. gadam plānošanas gaitu, 30 September 2026.

[135] European Environment Agency, National Summaries for Article 17 – Latvia, 5, 30 July 2026.

[136] Ministry of Smart Administration and Regional Development of Latvia, Informatīvais ziņojums "Par aizsargājamo biotopu izplatības un kvalitātes apzināšanas rezultātiem un tālāko rīcību aizsargājamo biotopu labvēlīgas aizsardzības stāvokļa nodrošināšanas un tautsaimniecības nozaru attīstības interešu sabalansēšanai", 8, 15 January 2025.

[137] Central Statistical Bureau of Latvia, Protected areas, Natura 2000, accessed 1 October 2026.

[138] European Commission, November infringements package: key decisions, 27 November 2019.

[139] European Commission, May infringements package: key decisions, 14 May 2020.

[140] Nature Conservation Agency of Latvia, Apstiprināti grozījumi noteikumos par dabas liegumiem – aizsardzība paplašināta vairāk nekā 4300 ha platībā, 31 July 2025.

[141] Nature Conservation Agency of Latvia, Biotopu aizsardzības mērķi, accessed 1 October 2026.

[142] Nature Conservation Agency of Latvia, Sugu aizsardzības mērķi, accessed 1 October 2026.

A recent government proposal for meeting the EU Biodiversity Strategy's 30% and 10% protection targets raises further concerns.[143] It proposes including areas such as water body buffer strips and public waters, even though they lack dedicated conservation objectives, measures or species and habitat inventories. Meanwhile, discussions on increased compensation for restrictions on economic activities continue to delay progress.



Forest habitat in the strict nature reserve zone of Gauja National Park (photo: Kristīne Ketrina Putniņa).

Funding priorities should therefore include completing the protected area network, habitat restoration and adequate compensation, including land purchase and exchange. Greater support is also needed for landowner involvement and biodiversity monitoring, particularly for insufficiently studied species groups such as invertebrates. Monitoring should be better linked to assessing the ecological effectiveness of funded measures, rather than mainly recording activities.

Latvia's draft national restoration plan (NRP) broadly addresses these needs, although measures and financing remain insufficiently detailed.[144] Its integration into the NRPP is therefore important to secure financing and continuity beyond current programmes. Although the draft NRP is at an advanced stage and

[143] Ministry of Smart Administration and Regional Development of Latvia, Informatīvais ziņojums "Par Latvijas priekšlikumiem Eiropas Savienības Biodaudzveidības stratēģijas 2030 mērķu sasniegšanai, nodrošinot līdz 30% Latvijas teritorijas bioloģiskās daudzveidības aizsardzībai, tostarp līdz 2030. gadam ietverot 10% stingri aizsargātās platības, un nosakot jaunas īpaši aizsargājamas dabas teritorijas, 23 September 2026.

[144] Ministry of Smart Administration and Regional Development of Latvia, Nacionālais dabas atjaunošanas plāns, 28 July 2026.

relies largely on already planned and funded measures in its first period, its approval has been postponed pending a socio-economic assessment.[145]

Cross-sectoral coordination is equally important. Peatland rewetting and renaturalisation, reduced drainage and more sustainable forestry practices could contribute to Latvia's land use, land-use change and forestry (LULUCF) targets and climate adaptation. However, current agricultural, forestry and climate-related investments also support potentially conflicting activities, including drainage reconstruction and afforestation of degraded peatlands.[146,147] Future EU funding should therefore have stronger environmental safeguards and require demonstrable ecological outcomes, while restoration priorities should be better integrated into CAP and national energy and climate plan (NECP) planning.

Lessons learned from past examples

Latvia's main EU biodiversity funding streams have been cohesion policy – particularly the European Regional Development Fund (ERDF) and Just Transition Fund – the CAP and LIFE.

Measure 2.2.3.3 under Latvia's EU cohesion policy programme supports conservation planning, habitat management and restoration.[148] Implementation has generally progressed,[149] although its third call, focusing on practical conservation and restoration activities, was extended until 2027.[150]

The Just Transition Fund supports peatland rehabilitation (6.1.1.1) and restoration of EU habitats and peatlands in protected areas (6.1.1.7).[151] The latter's EU allocation increased significantly in 2026, with a target of 5,800 hectares and implementation until 2030.[152] However, measure 6.1.1.1 also supports afforestation, paludiculture and berry plantations that do not necessarily deliver biodiversity benefits.[153] Environmental assessments and 'do no significant harm' (DNSH) safeguards apply, but supplementary guidelines are not binding.[154]

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[145] Ministry of Smart Administration and Regional Development of Latvia, Iebildums par Ministru kabineta 2026.gada 18.augusta sēdes protokola Nr.46 45.§ "Informatīvais ziņojums "Par Nacionālo dabas atjaunošanas plānu"" 2.punktu, 28 August 2026.

[146] Ministry of Agriculture of Latvia, Latvijas KLP stratēģiskais plāns 2023.–2027. gadam, 795, 827, 12 December 2025.

[147] Ministry of Climate and Energy of Latvia, Latvijas Nacionālais enerģētikas un klimata plāns 2021.–2030. gadam: aktualizēts, 44, 64–65, 9 July 2025.

[148] Cabinet of Ministers of Latvia, Par Eiropas Savienības kohēzijas politikas programmu 2021.–2027. gadam, 16 November 2021.

[149] Ministry of Finance of Latvia, Eiropas Savienības fondu 2021.–2027. gada plānošanas perioda ieviešanas statusa tabula, 30 September 2026.

[150] Central Finance and Contracting Agency of Latvia, 2.2.3.3. Pasākumi bioloģiskās daudzveidības veicināšanai un saglabāšanai, 3. kārta, 20 March 2025.

[151] Cabinet of Ministers, Par Taisnīgas pārkārtošanās teritoriālo plānu, 14 July 2022.

[152] Ministry of Smart Administration and Regional Development of Latvia, Eiropas Savienības nozīmes biotopu vai purvu ekosistēmu atjaunošana, 8 April 2026.

[153] Ministry of Smart Administration and Regional Development of Latvia, Atteikšanās no kūdras izmantošanas enerģētikā, 9 April 2026.

[154] Vidzeme Planning Region, Izstrādātas metodiskās vadlīnijas vēsturisko kūdras ieguves vietu revitalizācijas plānošanai, accessed 1 October 2026.

Latvia's CAP strategic plan includes management and restoration of EU grassland habitats (LA10.5 and LA4.6), alongside Natura 2000 forest payments (LA12).[155] Increasing LA10.5 payment rates improved uptake in 2025, although targets remain unmet.[156] LA4.6 recorded zero output in 2025, reflecting delayed implementation, while LA12 payments were also postponed until 2026. Other interventions, including drainage reconstruction (LA4.3) and production-oriented forestry measures (LA7.1 and LA8), may conflict with conservation objectives despite safeguards.

A broader weakness across CAP and cohesion funding is the limited use of indicators that show whether expenditure improves habitat condition or species populations. Investment targets should therefore include ecological outcome indicators where feasible, shifting towards results-based financing. Major assessment gaps remain, however, as existing monitoring is rarely suited to site-level evaluation. Future schemes could combine emerging restoration monitoring methods with piloted landowner self-documentation and targeted expert verification.

Latvia's recovery and resilience plan contained no dedicated biodiversity investments, yet a 40% coefficient was applied to its flood management investment (1.3.1.2.i), as described in the first section of this report.[157]

LIFE has contributed significantly to addressing knowledge gaps and developing new conservation approaches. LIFE for Species supported threatened species assessment and the update of Latvia's Red Data Book,[158] while LIFE IP LatViaNature developed Natura 2000, protected species and habitat conservation objectives and piloted voluntary landowner support schemes through the Living Forest and Blooming Meadows programmes.[159,160]

LIFE for Species introduced a payment calculation method based on stand productivity and species composition, reflecting differences in stand value, while LIFE IP LatViaNature introduced results-based payments, with additional support linked to demonstrated improvements in grassland biodiversity. Both programmes provide a valuable basis for developing future national support schemes.

Recommended measures

The six measures proposed below respond to Latvia's declining biodiversity and the need to better meet binding conservation obligations and international commitments. They combine horizontal conservation needs with targeted management and restoration interventions, while strengthening the scientific, institutional and financial basis for implementation.

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[155] Ministry of Agriculture of Latvia, Latvijas KLP stratēģiskais plāns 2023.–2027. gadam, 700, 733, 814, 12 December 2025.

[156] Ministry of Agriculture of Latvia, Gada snieguma ziņojums – KLP Stratēģiskais plāns, 7, 18, 16 June 2026.

[157] Email from the European Commission's Directorate-General for Economic and Financial Affairs, 10 September 2026.

[158] University of Latvia, About the 'LIFE FOR SPECIES' project, accessed 1 October 2026.

[159] Nature Conservation Agency of Latvia, Dzīvais mežs, accessed 1 October 2026.

[160] Nature Conservation Agency of Latvia, Ziedu pļavas, accessed 1 October 2026.

Achieving these objectives requires effective administration, stable financing and broader stakeholder participation. While state institutions and enterprises have substantial responsibility for nature policy and protected area management, municipalities and private landowners also need adequate financial incentives and opportunities to contribute. Several of the measures therefore build on existing initiatives, particularly LIFE IP LatViaNature, scaling up piloted approaches rather than creating entirely new mechanisms.

Greater emphasis should also be placed on measurable ecological outcomes linked, at a minimum, to the provisions of the Nature Restoration Regulation.[161] Existing funding programmes have mostly prioritised activity and area indicators without sufficiently assessing their contribution to habitat and species recovery. Strengthened monitoring, expert capacity and evaluation are therefore essential, alongside timely planning and funding calls. Given the long restoration timescale, investments should begin early.



Oyster mushrooms on deadwood in Fennoscandian deciduous swamp woods (9080), a Habitats Directive Annex I habitat (photo: Kristīne Ketrina Putniņa).*

The justification for investment also extends beyond immediate conservation objectives. Ecosystem functions contribute to pollination, soil health, water regulation and thus long-term economic sustainability and societal well-being. A study commissioned by the Nature Conservation Agency estimates

[161] Article 4(1) of the Nature Restoration Regulation requires Member States to restore areas of Annex I habitat types that are not in good condition to good condition. Article 12 requires an increasing national trend in at least six of seven forest biodiversity indicators listed in Annex VI. Progress on these indicators can be compared against the national baseline and habitat mapping under Article 14. Article 20 sets out the monitoring and reporting requirements, aligned with the reporting cycle under Article 17 of the Habitats Directive. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 20–36.

the total economic value of ecosystem services provided by Latvia's Habitats Directive Annex I habitats between EUR 9.2 and 12.3 billion.[162] Such benefits, including those not readily monetised, should inform NRPP decisions. Nature financing should therefore align with climate mitigation, adaptation and societal resilience objectives, while avoiding contradictory impacts.

Although the measures below concern horizontal priorities and forests, they do not represent Latvia's full biodiversity financing needs. Dedicated investment is also essential for other habitats, particularly grassland, wetland, freshwater and marine habitats. Priorities also include continued investment in ecosystem service assessments and valuation, research on understudied species groups, particularly invertebrates, and development and piloting of a science-based biodiversity credit scheme with robust baselines, measurable outcomes, independent verification and long-term conservation safeguards.

Table 4. Proposed biodiversity measures for Latvia's NRPP.[163]

Name of intervention	Objectives and summary description	Milestone (M) or target (T)	Indicator	Total budget in EUR (expected EU contribution)
LV1. Establishing Natura 2000 sites and other nationally designated protected areas, and developing and revising their management plans (investment)	Continue work on finalising the national network of Natura 2000 sites and nationally designated protected areas to resolve the Commission's infringement procedures (INFR(2019)2304 and INFR(2020)2209) and contribute to the EU Biodiversity Strategy for 2030's 30% and 10% protected area goals. Protected areas currently cover 18.39% of terrestrial ecosystems (4.62% strictly protected) and 12.27 of marine ecosystems (1.42% strictly protected).	M1.1. Plan(s) for meeting the EU Biodiversity Strategy for 2030's 30% and 10% protected area goals	Plan(s) for 30% and 10% protected area goals approved	22 360 000 (19 006 000)
		M1.2. Site management plan(s) for all Natura 2000 sites and other nationally designated protected areas	Site management plan(s) approved	
		M1.3. Individual regulations for all Natura 2000 sites and other nationally designated protected areas	Individual regulation(s) approved	

[162] Baltic Coasts Association, Sociāli-ekonomiskās ietekmes analīze par īpaši aizsargājamām dabas teritorijām un konstatētajiem ES nozīmes biotopiem Latvijā – III sadaļa: Ekosistēmu pakalpojumu monetārais novērtējums, 12, 6 June 2022.

[163] Detailed proposals for each measure, including milestones, targets, indicators and costs, are set out in Annex II. See also CEE Bankwatch Network, Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs).

		T1.1. National coverage of terrestrial Natura 2000 sites and other nationally designated protected areas	≥ 30% of Latvia's terrestrial area protected	
		T1.2. National coverage of strictly protected terrestrial Natura 2000 sites and other nationally designated protected areas	≥ 10% of Latvia's terrestrial area strictly protected	
		T1.3. National coverage of marine Natura 2000 sites and other nationally designated protected areas	≥ 30% of Latvia's marine area protected	
		T1.4. National coverage of strictly protected marine Natura 2000 sites and other nationally designated protected areas	≥ 10% of Latvia's marine area strictly protected	
LV2. Revision of biodiversity monitoring methods and implementation of monitoring (investment)	Continue work on improving biodiversity monitoring methods and their application to fulfill the requirements of the Habitats Directive and Nature Restoration Regulation and to implement the forthcoming national 2027–2032 biodiversity monitoring strategy	M2.1. Procurement of research to advance the biodiversity monitoring programme	Research project tender(s) published	9 800 000 (8 330 000)
		M2.2. Scientific report(s) on advancing the biodiversity monitoring programme	Research project final report(s) published	
		M2.3. New and revised biodiversity monitoring	Monitoring methodological	

		methodological guidelines	guidelines prepared	
		M2.4. Training course(s) on implementing the revised biodiversity monitoring programme	Training course final report(s) approved	
		M2.5. Implementation of the revised biodiversity monitoring programme	Monitoring activity final report(s) approved	
LV3. Development of a spatially and temporally explicit nature restoration plan (investment)	Support implementation of the 2027–2032 NRP and specification of restoration areas and measures for post-2030 NRPs	M3.1. Procurement of research on spatial prioritisation of restoration areas for the 2027–2032 and 2032–2042 periods, with an outlook to 2050	Research project tender(s) published	761 425 (647 211)
		M3.2. Scientific report(s) on spatial prioritisation of restoration areas for the 2027–2032 and 2032–2042 periods, with an outlook to 2050	Research project final report(s) published	
		M3.3. Spatially explicit restoration plan for the 2027–2032 and 2032–2042 periods, with an outlook to 2050	2032–2042 NRP approved	
LV4. Compensation for private landowners for conserving forest habitats in Natura	Improve the annual compensation mechanism for forestry restrictions in private forests situated in Natura 2000 areas and micro-reserves,	M4.1. Regulation(s) setting out compensation for restrictions in Natura 2000 sites and other	Regulation(s) for compensation approved	Up to 114 344 021 (up to 80 040 815)

2000 sites and micro-reserves (regular action)	applying a differentiated rate based on restriction level and stand characteristics (compensation covered 67% of the eligible area in 2022).	nationally designated protected areas		
		M4.2. Application round(s) for compensation for restrictions in Natura 2000 sites and other nationally designated protected areas	Application round(s) for compensation opened	
		T4. Privately owned forest areas receiving compensation for restrictions in Natura 2000 sites and other nationally designated protected areas	85% of private forests (by area) in protected areas receiving compensation for restrictions	
LV5. Restoration of Habitats Directive Annex I forest habitats in Natura 2000 sites and micro-reserves (investment)	Restore publicly owned Habitats Directive Annex I forest habitats in unfavourable conservation status, contributing to the Nature Restoration Regulation's Article 4 goals of restoring 30% of such habitats by 2030 and 60% by 2040	M5.1. Guidelines for habitat restoration planning and implementation	Project guidelines prepared	120 017 763 (102 015 099)
		M5.2. Regulation(s) for funding habitat restoration projects	Regulation(s) for funding approved	
		M5.3. Application round(s) for habitat restoration projects	Application round(s) for projects opened	
		T5. Habitat areas with implemented restoration measures	Restoration measures implemented in 42% of habitats (by area) in unfavourable conservation status	
LV6. Implementation of a voluntary nature conservation	Develop and implement a new voluntary programme for involving private forest owners in nature conservation, building on	M6.1. Regulation(s) for voluntary forest conservation programme	Regulation(s) for payments approved	19 621 500 (13 735 050)

programme for forest habitats and close-to-nature forestry (regular action)	the LIFE IP LatViaNature Living Forest pilot programme, applying differentiated payment rates based on commitment level and stand value	M6.2. Application round(s) for participation in the voluntary forest conservation programme	Application round(s) for payments opened	
		T6. Privately owned forest areas participating in the voluntary forest conservation programme	12,700 hectares of private forests receiving payments	



Poland



National state of play

Poland's government now attaches greater importance to nature conservation and restoration than before, although these still compete with other priorities. Poland's National Development Concept 2050, adopted in 2025, recognises a 'clean environment' as a fundamental development value, explicitly cites halting or reversing biodiversity loss, and promotes the sustainable use of ecosystems.[164]

In July 2026, the government adopted a draft act[165] establishing a permanent mechanism for additional nature conservation funding of about EUR 45 million (PLN 200 million) per year, for entities including national parks, the General and Regional Directorates for Environmental Protection, and landscape parks.[166]

This is far from enough: the European Commission's 2025 Environmental Implementation Review estimates that Poland requires at least EUR 5 billion per year for the effective protection and restoration of biodiversity and ecosystems. With current investment at approximately EUR 1.3 billion per year, this gap is nearly EUR 3.7 billion per year.[167] Only about 17% of current biodiversity funding comes from domestic sources.[168]

Poland is preparing its national and regional partnership plan (NRPP) for the 2028–2034 period under the coordination of the Ministry of Development Funds and Regional Policy. However, civil society organisations involved in the consultation process point to a persistent sectoral or 'silo-based' approach to public policy.[169] Environmental and nature restoration objectives are not sufficiently integrated into the main reform agenda, while the energy transition, competitiveness, cohesion and security receive substantially greater prominence.

This imbalance is particularly visible in the proposed financing. The current draft allocates EUR 6 billion to national and regional environmental measures. Civil society organisations argue that this should increase to at least EUR 10 billion and explicitly cover climate adaptation and implementation of the national

[164] Ministry of Development Funds and Regional Policy of Poland, Koncepcja Rozwoju Kraju 2050, 50, 25 July 2025.

[165] Council of Ministers of Poland, Projekt ustawy o zmianie ustawy o lasach oraz ustawy – Prawo ochrony środowiska, 2, 9, 23, 15 July 2026.

[166] Ministry for Climate and Environment of Poland, Rada Ministrów przyjęła projekt ustawy zwiększający finansowanie ochrony przyrody, 14 July 2026.

[167] The gap is equivalent to 74% of estimated needs and 0.6% of Poland's GDP. See European Commission, 2025 Environmental Implementation Review Country Report – Poland, 47–48, 7 July 2025.

[168] Ibid., 48.

[169] Polish Green Network, Comments on the draft outline of Poland's 2028–2034 national and regional partnership plan, [unpublished].

restoration plan (NRP). The draft NRPP also relies heavily on EU financing for major transformation investments.[170]

National conservation and funding priorities

Although 39.6% of Poland's land area is legally protected,[171] only 1.5% is covered by national parks and nature reserves, Poland's strictest forms of protection,[172] and the overall state of nature remains poor. According to the Commission, only around 20% of habitats are in good conservation status, while 78.3% are in poor or bad condition.[173] The European Environment Agency also reports poor status for most habitats and around half of the species covered by the Habitats Directive.[174]

The 2025 Polish Red List is particularly concerning: 57 of 81 habitat types are at risk of disappearing, including 12 critically endangered and 28 endangered types. Peatlands and coastal habitats are among the most threatened.[175] Key pressures include intensive agriculture, water abstraction and pollution, river modification and barriers, land-use change and fragmentation, urbanisation and climate change.

Funding remains a key concern, as there is no ring-fenced funding for nature restoration and no clear link with the NRP. Polish civil society organisations and scientists have identified priority nature restoration, and climate adaptation needs that the NRPP could support. These include nature-based climate adaptation, wetland restoration, river restoration and rewilding, increased landscape and soil water retention, implementation of the National Surface Water Renaturalisation Programme, and restoration and protection of soils, including changes in agricultural land management.[176]

Without targeted funding, nature restoration risks competing with priorities such as the energy transition, competitiveness and security. However, synergies are possible: wetland and river restoration and rewilding can serve as 'dual use' investments, supporting both biodiversity and national resilience and security.

Lessons learned from past examples

Among the major EU funding programmes and financial instruments, only the LIFE programme was exclusively dedicated to the conservation and restoration of ecosystems and biodiversity. Other important EU funding sources, such as the Recovery and Resilience Facility (RRF), cohesion policy funds and the

[170] Ibid.

[171] European Environment Agency, Share of country designated as protected areas, accessed 23 October 2026.

[172] European Commission, 2025 Country Report – Poland, 89, 4 June 2025.

[173] European Commission, Tendencje gospodarcze i najważniejsze wyzwania w zakresie polityk publicznych, 88, 4 June 2025.

[174] European Environment Agency, Europe's environment 2025: Poland country profile, 29 September 2025.

[175] Joanna Korzeniak, Joanna Perzanowska, Czerwona lista siedlisk przyrodniczych Polski – recenzja, Chrońmy Przyrodę Ojczystą, 34–37, 2025.

[176] National Nature Protection Council, Rekomendacje Państwowej Rady Ochrony Przyrody w sprawie odbudowy zasobów przyrodniczych w Polsce, 2–10, 17 June 2025.

Common Agricultural Policy (CAP), were supposedly designed to pursue alignment with conservation objectives and other policy priorities. In practice, however, these synergies have often proved difficult to sustain, resulting in competing objectives, policy gaps or even perverse incentives that undermine conservation outcomes.[177]

In particular, agri-environment-climate (AEC) measures and eco-schemes under the CAP cover approximately 600,000 hectares of permanent grassland in Poland each year, accounting for around 18% of all habitats of this type. These payments, which target water-dependent farmland habitats, total about EUR 180 million (PLN 780 million) per year.[178]

At the same time, these interventions seldom address hydrology directly, such as by ensuring an adequate water supply or slowing outflow. In 2023, the Ministry of Agriculture tried to address this by introducing a one-year, voluntary, results-based water retention eco-scheme.[179] The low payment rate did not encourage farmers to take active water retention measures,[180] so the scheme provided neither permanence nor any real improvement in the water status of target habitats.

Official milestones, targets and indicators also proved less meaningful where the measures themselves were poorly designed. For example, many CAP interventions in Poland are based on compensating farmers for the costs of conservation measures and income foregone. However, current payment rates are frequently set too low and cover only a fraction of the actual costs incurred. While such compensation may be appropriate for partly offsetting losses caused by catastrophic events, such as flooding, it generally does not incentivise voluntary conservation measures, such as groundwater retention. An alternative approach might be to apply payment rates reflecting the value of ecosystem services provided to society through the participation of farmers in AEC interventions and eco-schemes.

In some cases, notably CAP interventions, existing indicators need to be simplified. Where impacts are difficult to estimate accurately or remain highly uncertain, results-based interventions could rely on straightforward output indicators, such as the number of sluices constructed or the length of drainage ditches filled in, rather than estimated hectares affected or centimetres of water-table increase.

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[177] European Environment Agency, Solutions for restoring Europe's agricultural ecosystems, 2024.

[178] In 2023, agri-environment-climate payments covered about 600,000 hectares of water-dependent habitats, worth about PLN 780 million (about EUR 181 million at PLN 4.3 per EUR). About 626,000 hectares were declared in 2024. See Ministry of Agriculture and Rural Development of Poland, Odpowiedź na interpelację nr 9497 w sprawie gospodarki wodnej i ochrony siedlisk bagiennych w Biebrzańskim Parku Narodowym, 4, 20 May 2025.

[179] A payment of about EUR 58 per hectare is granted for permanent grassland that has been flooded or waterlogged – with the soil profile at least 80% saturated – for at least 12 consecutive days between 1 May and 30 September. In 2024, payments totalled about PLN 14.8 million for about 61,000 hectares. See Ibid., 2; Kujawsko-Pomorski Agricultural Advisory Centre of Poland, Ekoschematy, 26, 14 April 2023.

[180] The 'Water retention on permanent grasslands' eco-scheme was planned to cover 315,000 hectares. In 2025, farmers declared 435,567 hectares, but flooding or waterlogging was confirmed on only 125,935 hectares (29%), which qualified for payment. See Kujawsko-Pomorski Agricultural Advisory Centre of Poland, Ekoschematy, 26; Institute of Soil Science and Plant Cultivation of Poland, Zadanie 2.2: Prowadzenie monitoringu zalań i podtopień na potrzeby wybranych interwencji Planu Strategicznego na lata 2023-2027, w tym ekoschematu „Retencjonowanie wody na trwałych użytkach zielonych", 4, 17 December 2025.



Wetlands in Poland

Recommended measures

Our recommendations focus on CAP-related measures and complementary investments in agriculture and rural development. These play a key role in restoring and conserving Poland's open farmland ecosystems, including peatlands and wet grasslands, which need priority protection. We propose improving existing tools and suggest new ones to close the gaps described above and encourage better biodiversity stewardship. Some of the recommended measures also have a dual-use potential, delivering biodiversity restoration while strengthening climate resilience and broader national security.

Drawing on past experience with EU funding programmes, we identify high-priority measures aimed at restoring and maintaining the hydrological regimes of both semi-intact and degraded open habitats. For example, we propose basing incentives on payment for ecosystem services rather than compensation for temporary loss of profit. Simple results-based tools should also be available, such as payments for ditches filled or dams repaired, without requiring complex methods and verification procedures to measure the precise ecological effect.

We emphasise measures that combine recognition of the value of ecosystem services with nature-based solutions of simple design and minimal administrative burden, thereby encouraging their wider adoption by farmers. We specify both the target species and habitats covered by these measures, as well as the broader biodiversity and climate benefits they can provide – for example, through peatland restoration.

Progress on milestones and targets associated with the proposed measures should, at a minimum, be linked to the targets and obligations of the Nature Restoration Regulation, in particular the provisions under Articles 4 and 11.[181] These identify indicators for relevant ecosystems such as habitat condition, farmland bird trends, water table levels or organic carbon stored in mineral croplands.[182]

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[181] Article 4(1) requires Member States to restore areas of Annex I habitat types that are not in good condition to good condition. Article 11(2) requires an increasing national trend in at least two of the following indicators: grassland butterfly index; stock of organic carbon in cropland mineral soils; share of agricultural land with high diversity landscape features. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 20–27.

[182] Progress on these indicators can be compared against the national baseline and habitat mapping under Article 14. Article 20 sets out the monitoring and reporting requirements, aligned with the reporting cycle under Article 17 of the Habitats Directive. See European Parliament, Council of the European Union, Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, 29–36.

Table 5. Proposed biodiversity measures for Poland's NRPP.[183]

Name of intervention	Objectives and summary description	Milestone (M) or target (T)	Indicator	Total budget in EUR (expected EU contribution)
PL1. Utilisation of biomass from semi-natural habitats used for agriculture	Incentivising compost production, both for producers' own use and for sale, to replace peat as a fertiliser and growing medium in agriculture, horticulture, and hobby gardening	M1.1. Industrial capacity for processing surplus grassland biomass established	At least one commercial production line, with supply and distribution chains, delivering compost-based substitutes for peat-based organic fertilisers and other products	Not yet estimated; requires further analysis
	Research and development of construction and insulation materials made from marsh plants, as a natural alternative to commonly used high-carbon products	M1.2. Innovative solutions for processing surplus grassland biomass developed	Appropriate technical documentation developed	Not yet estimated; requires further analysis
PL2. Clarification and amendment of the requirements in options 1.9 and 2.9 of the AEC interventions for protecting aquatic warbler breeding habitats	Amendments to options 1.9 and 2.9 of AEC interventions I.8.1 and I.8.2 concerning protection of the aquatic warbler	M2.1. Instrument adjusted	Relevant regulations adjusted to better protect the aquatic warbler (AEC options 1.9 and 2.9)	No additional costs; covered by existing institutions
		M2.2. Species and habitats protected	Agricultural pressure on designated land reduced in line with set parameters	No cost increase assumed; minor changes possible in practice
PL3. AEC intervention to increase soil water retention	Greater crop production and agricultural resilience to drought at landscape scale (commitment of at least five years)	T3.1. Habitats and natural processes protected	600,000 hectares of farmland rewetted	2 788 884 000 (1 952 218 800)

[183] Detailed proposals for each measure, including milestones, targets, indicators and costs, are set out in Annex II. See also CEE Bankwatch Network, Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs).

in permanent grasslands, including permanent rewetting of degraded peatlands		T3.2. Habitats and natural processes protected	21,500 hectares of farmland on degraded organic soil permanently rewetted	253 336 650 (177 335 655)
PL4. Simple financial mechanism (complementing PL3) that supports water retention on privately owned drained peatlands by permanently blocking or filling in drainage ditches	Measures encouraging groundwater retention on privately owned land	T4. Habitats and natural processes protected	15,000 kilometres of drainage ditches filled in, or blocked with similar technical solutions, to reduce outflow	34 883 721 (24 418 605)
PL5. Revision of the 'Water retention on permanent grasslands' eco-scheme to broaden its implementation scope (output-based intervention)	Increasing the payment rate under the eco-scheme will encourage farmers to retain water actively, for example by adjusting ditches and water structures on their plots or agreeing locally to retain water on farmland. Lifting the current ban on combining the eco-scheme with other interventions on the same meadows and pastures, such as nature-based AEC interventions, will boost water retention across the landscape.	M5. Organisational and financial incentives created	Functional tools created to promote nature-based solutions for low-intensity agriculture on permanent grasslands	No additional costs; covered by existing institutions
		T5. Habitats and natural processes protected	Area of permanent grasslands and fresh meadows under temporary or permanent flooding or rewetting extended to 315,000 hectares	60 467 407 (42 327 185)
		M6. Organisational and financial	Functional tools created to promote nature-based solutions for low-intensity	No additional costs; covered by

PL6. Prioritising Natura 2000 sites	Higher payments for AEC interventions in Natura 2000 sites than for those outside them	incentives created	agriculture in the Natura 2000 network	existing institutions
		T6. Species and habitats protected	Area of permanent grasslands and fresh meadows in Natura 2000 sites under active habitat and species conservation extended to 238,856 hectares	983 178 000 (688 224 600)
PL7. Conversion of arable land to permanent grassland of low-intensity use	Measures compensating farmers for converting arable land in flood-risk areas into permanent grassland	T7. Habitats and natural processes protected	Oxidation of peat layers prevented by ending ploughing on 38,300 hectares of small river floodplains	141 053 451 (98 737 416)
PL8. Eco-scheme for creating lapwing fields	Improving the status of farmland bird populations in arable fields, particularly large-scale.	T8. Species protected	Creation of lapwing fields on 100,000 hectares of designated land	482 251 163 (337 575 814)
PL9. Eco-scheme for skylark plots	Creating unsown 'gaps' of approximately 20 m^2 in crops	T9. Species protected	Creation of skylark plots on 500,000 hectares of designated land	350 000 000 (245 000 000)
PL10. Supporting the beavers' ecosystem engineering and water retention	(1) Measures to document, map and preserve beaver dams, ponds and other elements of the species' ecosystem engineering that slow water outflow and maintain valuable beaver-induced wetland ecosystems	T10.1. Habitats and natural processes protected	Extension of beaver-induced wetland ecosystem areas to 30,000 hectares	2 975 000 (2 528 750)
	(2) Measures to mitigate human–beaver conflict and maintain long-term coexistence	T10.2. Habitats and natural processes protected	5,000 fewer beavers covered by permits for removal or extermination issued in response to formal requests from farmers to remove beaver families, destroy dams or kill animals	135 000 (114 750)

Annex I

Table 6. European Commission methodology for estimating biodiversity contributions under national recovery plans, received by Bankwatch on 9 September 2026 in response to an information request.

Intervention	Biodiversity contribution
049 - Protection, restoration and sustainable use of Natura 2000 sites.	100%
050 - Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	100%
035 - Adaptation to climate change measures and prevention and management of climate related risks: floods (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	40%
036 - Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	40%
037 - Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	40%
041 - Waste water collection and treatment	40%
041bis - Waste water collection and treatment compliant with energy efficiency criteria (11)	40%
046 - Rehabilitation of industrial sites and contaminated land	40%
046bis - Rehabilitation of industrial sites and contaminated land compliant with efficiency criteria (13)	40%
130 - Protection, development and promotion of natural heritage and ecotourism other than Natura 2000 sites	40%

Disclaimer: This list does not include intervention field 040 -Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse and leakage reduction), which appears not to have been included in the European Commission's official biodiversity spending estimates for the Recovery and Resilience Facility (RRF). According to the latest RRF

sectoral dataset, including this intervention field would have increased the estimated biodiversity contribution by approximately EUR 3.7 billion, compared with the official figure of EUR 10.198 billion. While this intervention field covers measures potentially beneficial to biodiversity, such measures were not assessed in this publication due to their apparent exclusion from the Commission's calculations. We were unable to verify this interpretation with the Commission officials responsible for calculating the RRF's biodiversity contribution. Therefore, some discrepancies between our assessment and the Commission's methodology cannot be ruled out.

Annex II

Proposed measures, milestones, targets and indicators for biodiversity in national and regional partnership plans (NRPPs)


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