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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Regulation on nature restoration: Agricultural and forestry aspects
- *Information from the Presidency*

Delegations will find in the Annex a background document on developments in the discussions within the Council and European Parliament on the proposal for a nature restoration regulation, in particular the provisions related to or affecting agriculture and forestry.

The Presidency will provide this information under “Any other business” at the meeting of the “Agriculture and Fisheries” Council on 20 March 2023.

Information by the Presidency concerning developments in the discussions within the Council and European Parliament on the Commission proposal for a nature restoration regulation, in particular the provisions related to or affecting agriculture and forestry

The Environment Council, which is in the lead for this file, held a political discussion on this proposal last December. During the CZ and SE Presidencies, the competent Council WP i.e. the Working Party on the Environment (WPE) has so far held 15 meetings achieving considerable progress. The proposal was also presented and discussed by the SCA in October 2022 and March 2023 and the AGRIFISH Council in November 2022. The Presidency aims to reach a General Approach in the Environment Council by 20 June 2023.

With respect to the issues that are important for the AGRIFISH Council, there is an emerging consensus on the overarching aim and the EU-wide targets to be pursued by this Regulation as stated in Article 1. The consensus is close to the Commission's original proposal, but with the inclusion of a reference to land degradation neutrality.

During the discussion in WPE of Article 9 which targets the restoration of agricultural ecosystems including peatlands, Member States expressed varying views on the indicators proposed but the Swedish Presidency perceives majority support for keeping all the indicators but including more flexibility in the indicator for high biodiversity landscape features. A majority of Member States have raised the need to prolong the monitoring and reporting intervals and the Presidency has put forward amendments in this regard. The target to restore drained peatlands under agricultural use raised considerable concerns among Member States, in particular those with large areas of peat soils. WPE is discussing how this target could be amended to maintain the level of ambition while taking into account different national circumstances. The Presidency has proposed giving Member States more flexibility to put in place restoration measures to rewet organic soils under other land uses, but further discussion is needed in WPE on this target.

Article 9 is complementary to Article 4 which sets out objectives and obligations to restore and re-establish Natura 2000 habitats, including agricultural habitats listed in the habitats directive. One major issue discussed concerning Article 4 is the obligation to ensure non-deterioration. Most Member States indicated that they recognize the need to take steps to avoid the deterioration of habitats but, on the other hand, several of them stressed the need to amend the proposal in order to limit the cost, the administrative burden and the consequences for land use rights.

There have not been any major concerns regarding Article 8 on the restoration of pollinator populations. Still, also here, Member States wanted to increase the monitoring and assessment intervals. There were also questions asking for clarifications on monitoring methods that are still not in place.

Regarding Article 10 on forest ecosystems several Member States see the need for larger flexibility to choose suitable indicators from a common set, while others have welcomed the proposal by the Commission of a common set of indicators for restoration of forest ecosystems at EU level as appropriate and relevant, to ensure comparability between Member States. The Presidency has put forward a proposal to keep a shorter list of common indicators and a list of optional indicators from where Member States need to choose a set number of indicators. A majority of Member States want to prolong the interval of monitoring.

Another major issue in regard to Article 10 is the setting of satisfactory levels for all the forest related indicators, that shall be set by the Member States by 2030, based on the latest scientific evidence and, if available a guiding framework adopted by the Commission. Here the Presidency has noted the need for finding a balance between Member States that have expressed the need for a level playing field as regards the satisfactory levels, and those stressing the importance of setting these levels nationally to safeguard subsidiarity.

Member States have also raised considerable concerns regarding the deadline of two years for submitting to the Commission a Draft National Restoration Plan, and the frequency of monitoring and reporting. The Presidency is currently exploring a compromise proposal that focuses on the introduction of a stepwise approach regarding the development of the implementation process and a decrease in frequency of monitoring and reporting. It seems that this was welcomed by most Member States.

Discussions in the EP on the adoption of its report on the proposal are in progress. The ENVI Committee considered its rapporteur's draft report at its meeting on 12 January 2023. It plans to adopt its legislative report on 8 June 2023 with voting in plenary in July.

The Special Committee on Agriculture was informed of these developments during its meeting on 13 March 2023. Nearly all delegations noted the importance of this Regulation's provisions for the European agricultural sector, especially of those of Articles 4 and 9, with some of them pointing to the need for a balanced approach between food production and environmental protection.

Most of the delegations also drew attention to the significant costs involved in implementation, especially without improving the consistency between the monitoring indicators of the CAP and those required under this regulation. They highlighted further the need for flexibility in the application of the provisions, notably those related to peatland, in order to take into account the particularities of Member States. Furthermore, a significant number of delegations pointed to the need for additional financing in case the need for improving the consistency with CAP rules and for further flexibility were not taken into account.

The Council Working Party for Forestry was also informed on these developments.

The Council is invited to take note of this information.