

# BEHIND THE 'GREEN RECOVERY'

How the EU recovery fund is failing to protect nature and what can still be saved

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# Research & writing

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## Acknowledgements

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This publication has been financed by the MAVA Foundation.

Funded by the European Union. Views and opinions expressed are however those of the authors only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

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# Executive summary

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In February 2021, a unique financing tool entered into force as a response to the financial crisis caused by the COVID-19 pandemic: the Recovery and Resilience Facility (RRF).<sup>1</sup>

The RRF is, according to the European Commission, the main driver for Europe's 'green' recovery. Thirty-seven per cent of the recovery fund's total EUR 672.5 billion<sup>2</sup> must be allocated for the green transition, including biodiversity.<sup>3</sup>

Biodiversity is key for our very existence, but also for our economies. We depend on healthy ecosystems for our food, air, water and climate. The biodiversity crisis is therefore as important as the climate crisis – the two are interconnected and must be tackled together.

Yet the EU's strong ambition in its Biodiversity Strategy for 2030 has not been reflected in Member States' RRF spending. Dedicated spending for biodiversity conservation and restoration has been estimated at less than 1 per cent of the recovery fund.<sup>4</sup>

In May 2021, CEE Bankwatch Network and EuroNatur raised the alarm about this lack of biodiversity spending, together with partners from Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania, Slovakia and Slovenia.<sup>5</sup> Our report also found that national plans contained measures that would damage biodiversity and that the drafting process had been shrouded in secrecy in many countries.

A year later, most – though not all – recovery plans have now been approved. Although some progress on introducing biodiversity measures has been made and some harmful measures removed, many plans have remained the same. This report therefore aims to highlight controversial measures in recovery plans in nine central and eastern European countries, provide updates on the shortcomings in the recovery plan consultation process, and show why and how funding must be biodiversity-proofed.

Two of the cases – from Bulgaria and Latvia – highlight the potential conflict between climate action and biodiversity, underlining the need for sufficient environmental safeguards. The Latvian government is simplifying permitting procedures for wind farms on forest land, and snuck support for such projects into its recovery plan after the public consultation and 'do no significant harm' assessment had already been carried out. Although the streamlining of renewables permitting procedures is welcome, this must not lead to the rollback of crucially important environmental legislation.

Moreover, some RRF measures benefit neither climate nor biodiversity. The cases from Slovenia, Estonia, the Czech Republic and Romania explain how forestry projects that appear positive at first sight are unlikely to reach their goals and will instead most likely encourage even more intensive forest cutting. All of these measures look attractive at first glance, but as usual, the devil is in the details. Some of the measures can still be improved, particularly in the Czech Republic and Slovenia, whereas others need fundamental revision.

Water management projects are the other main type of harmful measures highlighted in this report. In Hungary, Croatia, Latvia and Poland, national authorities plan to use the recovery fund to build reservoirs, pumping stations, dams, dykes and channels, or to regulate rivers or renovate already regulated sections, often in highly sensitive areas, including Natura 2000 sites. These threaten to turn rivers and streams into dead channels and ponds devoid of life, and to degrade water quality. In some cases, it took civil society groups months to obtain

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1 Council of the European Union, [Council of the European Union approves Recovery and Resilience Facility](#), *2021Portugal.eu*, 12 February 2021.

2 In 2018 prices. For current information, see [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en)

3 European Parliament and the Council of the European Union, [Regulation establishing the Recovery and Resilience Facility](#), Article 18 §4e, *EUR-Lex*, 12 February 2021.

4 VividEconomics, [Fund Nature, Fund the Future: EU Recovery Plans miss the triple win opportunity for nature, climate and the economy](#), *VividEconomics*, June 2021.

5 CEE Bankwatch Network and EuroNatur, [Building Back Biodiversity: How EU Member States fail to spend the recovery fund for nature](#), *EuroNatur*, May 2021.

the locations of these projects and in other cases still no project list is available. Due to the projects' dispersed nature, it is not clear whether they will all be subject to environmental impact assessments (EIAs) and appropriate assessments under the Habitats Directive.

These issues are compounded by the fact that not all recovery plans have been subject to a strategic environmental assessment (SEA), which – according to the SEA Directive – has to be done for any plan or programme that is likely to have a significant impact on the environment. Where SEAs have taken place, the assessment has been of poor quality, lacking independence, or done at a late stage when it can no longer truly influence the plan, thus undermining the whole process.

Meanwhile, the plans have been subject to a new assessment, aimed at ensuring the compliance of each measure with the 'do no significant harm' principle. Although the goal is laudable, the assessment is so simplified as to be largely meaningless.

It is applied to measures which are often so vaguely described that their impacts cannot be assessed, as their locations and sizes are not given. It consists of yes/no questions and is often carried out by the same authority promoting the project, meaning the assessment lacks objectivity and integrity. In addition, no monitoring measures are prescribed.<sup>6</sup> Although not meant to replace EIAs or SEAs, the loopholes and lack of ambition of this safeguard mechanism provide a false sense of sustainability that allows harmful projects to go ahead.

Lack of transparency, consultation and access to information have persisted throughout the process of drafting and approving the recovery plans. The lack of clear information about projects impedes the ability of civil society organisations to monitor spending. Most input to governments expressing concerns about proposed measures was not considered, and nor were recommendations for alternative reforms and investments.

One example of this lack of transparency and public scrutiny is that monitoring committees, which are required under EU cohesion funds, have not been established for the RRF in the majority of Member States. If properly established and with a clear remit, they can serve as an effective tool to make sure funds are well spent, a channel for government accountability and transparency, and a place to exchange information and ideas.

In the few Member States where such committees have been established, environmental civil society organisations are generally not included. Therefore, key functions such as monitoring whether projects really comply with the 'do no significant harm' principle during implementation are not being carried out.

For each harmful case outlined below, alternative projects or project adjustments have been identified that could have – and in some cases still can – prevent harm to the environment. Our broader recommendations, however, relate to future EU funding streams. The Commission must:

- More actively encourage Member States to invest in nature conservation and restoration, with clear requirements for financial allocations.
- Further strengthen the 'do no significant harm' methodology and application in the selection and monitoring of the recovery spending. Projects that are too vaguely defined and lacking specific information, such as locations, should not be approved. Projects that are not in compliance with the 'do no significant harm' principle should be excluded from the payment request.
- Clarify requirements and procedures for strategic environmental assessments and do not approve plans where the process has not been completed.
- Require better monitoring and scrutiny mechanisms to be put in place during implementation, including monitoring committees and complaint mechanisms.
- Legally require transparency and public participation in developing plans from the earliest stages.
- Make a mid-term revision of the recovery plans.

# Introduction

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The European Union approved the Recovery and Resilience Facility (RRF),<sup>7</sup> a response to the financial crisis caused by the COVID-19 pandemic, in February 2021.<sup>8</sup>

This could have been an opportunity to increase spending for biodiversity. After the European Commission issued a series of ambitious targets<sup>9</sup> in the EU Biodiversity Strategy for 2030,<sup>10</sup> 2021 could have been a decisive year for unlocking indispensable funding in order to reach them.

Alongside the 20 per cent of the total RRF which is meant to be spent for the digitalisation of EU economies, 37 per cent of the total EUR 672.5 billion<sup>11</sup> needs to be allocated for the green transition, including biodiversity.<sup>12</sup>

The European Commission presents the historic Recovery and Resilience Facility as the main driver towards Europe's 'green' recovery. Maintaining the good health of nature and more specifically biodiversity is key to our very existence. We depend on healthy ecosystems for our food, the clean air we breathe and the water we drink, as well as a well-regulated climate that sustains us. Biodiversity loss also has a direct impact on our economies. Simply put, we cannot exist if we fail to protect and restore nature.

Therefore, a truly green recovery cannot be achieved without support for nature. The biodiversity crisis is equally important as the climate crisis – the two are interconnected and both must be tackled together.

Yet the recovery fund is unique not only because of its size but also because of the short time in which it was prepared. Already in August 2021, the European Commission was able to disburse pre-financing and first tranches to the Member States<sup>13</sup> whose national recovery and resilience plans it had formally approved. This heightened the risk of a lack of transparency and properly prepared projects and led to calls for close public scrutiny.

In May 2021, CEE Bankwatch Network and EuroNatur, together with national partners from Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania, Slovakia and Slovenia, released the report *Building back biodiversity: how EU Member States fail to spend the recovery fund for nature*.<sup>14</sup> This report outlined the poor status of biodiversity in all the countries and how the recovery fund can and should be used to address this.

It found that the role of nature in this purportedly 'green' recovery had been all but entirely neglected by Member States. Governments and the European Commission had paid almost no attention to the clear and urgent need to protect and restore nature, despite the fact that its health is rapidly deteriorating. Measures for conservation and/or the restoration of natural habitats, which are some of the main policies we can use to ensure a viable life on Earth, are missing throughout the plans presented by Member States.

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7 European Commission, [Recovery and Resilience Facility](#).

8 European Commission, [Commission welcomes European Parliament's approval of Recovery and Resilience Facility](#), *European Commission*, 10 February 2021

9 The ambitious targets of the Biodiversity Strategy 2030 consist of restoring 30 per cent of land in Europe as well as 30 per cent of sea in Europe. In addition, 25,000 kilometres of EU rivers should be restored and 3 billion trees replanted by 2030. In addition, the EU intends to unlock EUR 20 billion per year for biodiversity (public and private funding) until 2030.

10 European Commission, [Factsheet: EU 2030 Biodiversity Strategy](#), *European Commission*, last modified 20 May 2021.

11 In 2018 prices. For current information, see [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en)

12 EUR-Lex, [Regulation establishing the Recovery and Resilience Facility](#), Article 18 §4e.

13 European Commission, [NextGenerationEU: European Commission disburses €2.2 billion in pre-financing to Portugal](#), *European Commission*, 3 August 2021.

14 CEE Bankwatch Network and EuroNatur, [Building Back Biodiversity: How EU Member States fail to spend the recovery fund for nature](#).

Of the total EUR 672.5 billion RRF, dedicated spending for biodiversity has been estimated at less than 1 per cent.<sup>15</sup> Though this can in part be explained by the absence of any specific obligation to earmark funding for nature, it reflects more broadly governments' lack of a deeper understanding about nature's role and what is at stake if we fail to act.

The importance of EU funds in central and eastern Europe is key, since they make up around 41 per cent of all public investments.<sup>16</sup> Therefore, EU funds significantly determine where private investments go. Such a lack of funding allocated for biodiversity conservation and restoration in the recovery plans will also condition all public and private investments in the sector for the next decades.

In addition, civil society organisations monitoring the process had serious concerns about:

- The approval of national plans despite the inclusion of highly damaging measures for biodiversity
- The lack of public disclosure of plans and the content of measures;
- The lack of dialogue between national authorities and civil society; and
- The defective methodology used to prevent measures causing environmental harm.<sup>17</sup>

All of this means the adopted plans will most likely not contribute much to addressing biodiversity loss and are even likely to cause harm to ecosystems, particularly with regard to forests and water resources. In addition, for an estimated 90 per cent of measures, the exact content of the projects is still unknown, making it impossible to properly assess their impact.

The European Commission has since approved most of the recovery plans and governments have begun to implement their measures. Although some positive progress has been made since then with regard to the introduction of biodiversity measures and some harmful measures being removed, many plans have remained the same, with no reforms or investments planned for the protection and/or restoration of biodiversity, and more specifically the objectives of the EU Biodiversity Strategy.

## What is the purpose of this report and how should it be used?

One year on from our last study, this second report provides updates on the status of recovery plans in nine central and eastern European Member States, based on national campaigners' monitoring. Its objectives are as follows:

**To provide information on the status of controversial measures in recovery plans in central and eastern Europe.** One harmful measure per country is presented, with an analysis of the planning process, what could have been done differently, and what positive alternative projects could have been funded instead.

**To highlight shortcomings and concerns with the process through which the financed measures were approved.** These include, among others, a lack of transparency, disclosure of information and consultation, as well as the poor application of the 'do no significant harm' principle.

**To document how and why funding must be biodiversity-proofed.** Through positive examples identified by national partners, the report makes the case for how incorporating and mainstreaming biodiversity needs when designing measures can be a win-win for both climate and nature.



15 VividEconomics, [Fund Nature, Fund the Future: EU Recovery Plans miss the triple win opportunity for nature, climate and the economy](#), VividEconomics, June 2021.

16 CEE Bankwatch Network, [Financing the EU Green Deal Guidebook](#), CEE Bankwatch Network, 2020.

17 'Do no significant harm' principle

# Summary of key findings

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## **Biodiversity has been neglected throughout the first stages of implementation of recovery plans in central and eastern Europe.**

The Green Transition pillar, one of six pillars constituting the RRF and accounting for 37 per cent of the total spending, aims to contribute to the goals of the European Green Deal, including those for biodiversity.<sup>18</sup> Despite the mention of biodiversity as one of the priorities to be addressed through this pillar, most of the measures included in the 37 per cent are meant to cut CO<sub>2</sub> emissions and tackle climate issues. Less than one per cent is attributed to biodiversity conservation or restoration, despite the fact that the European Commission intends to allocate at least EUR 20 billion per year for this precise purpose.<sup>19</sup>

However, the methodology used by the Commission to determine this figure has been criticised for overinflating the amount that will actually be spent on climate. An analysis conducted by the Wuppertal Institute through its Green Recovery Tracker,<sup>20</sup> which used a different methodology than the Commission, gave substantially lower figures for green spending. For example, according to their methodology, the Czech Republic's recovery plan included just 25 per cent of spending for green transition, compared to the required 37 per cent.<sup>21</sup>

## **Measures to cut carbon emissions, such as through the deployment of renewable energy projects, are vital to reach climate and energy goals. However, the impact of such measures on ecosystems and biodiversity must be fully assessed, with this forming a key determining factor for approval.**

While renewable energy should indeed be encouraged as a way of reducing carbon emissions, this should not come at the expense of nature and biodiversity. Cutting down biodiversity-rich forests or taking over grasslands for the development of large-scale wind or solar projects is not only harmful for biodiversity (for more, see cases from Bulgaria and Latvia), but undermines carbon reductions if the ability of such forests to sequester is lost.

The European Commission concedes that in the best-case scenario, only three per cent of the Green Pillar will be dedicated to 'the protection and restoration of biodiversity and ecosystems',<sup>22</sup> or EUR 7 billion across 27 Member States, if all grants and loans are spent according to the current plans.<sup>23</sup> Yet Member States will also implement measures that are counted as part of the Green Pillar but that will most certainly cause significant harm to ecosystems, as evidenced by the subsequent cases in this report.

One example is the Mokrice hydropower plant on the river Sava in Slovenia. The plant might receive funding for its flood risk prevention component. This would count as part of the Green Pillar due to its low-CO<sub>2</sub> energy generation, but completely neglects the serious damage the measure would cause to the river's vital ecosystems and the river's importance for the wider Sava valley, including for drinking water and agriculture.

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18 European Parliament and the Council of Europe, [Regulation \(EU\) of the European Parliament and of the Council establishing the Recovery and Resilience Facility \(11\)](#), *EUR-Lex*, 12 February 2021.

19 This figure includes both public and private funding. European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, [EU Biodiversity Strategy for 2030. Bringing nature back into our lives](#), *EUR-Lex*, 20 May 2021.

20 Wuppertal Institute, E3G, [Green Recovery Tracker website](#).

21 Helena Mölter, Johanna Lehne, Timon Wehnert and Jacqueline Klingen, [Green recovery tracker: tracking the contribution of national covid-19 recovery efforts towards a climate neutral EU](#), *E3G and Wuppertal Institute*, 2022.

22 If the RRF's total EUR 672.5 billion is used, the Green Pillar would represent EUR 248.8 billion. As stated by the European Commission, 3 per cent of this Green Pillar would represent EUR 7.5 billion. This means that each Member State will spend an average of EUR 260 million on projects that benefit climate and the environment.

23 European Commission, [Report from the Commission to the European Parliament and the Council on the implementation of the Recovery and Resilience Facility](#), *European Commission*, 1 March 2022.



This situation will likely be exacerbated with the push to end Russian gas imports, given the gas crisis of winter 2021/2022 and the February 2022 Russian invasion of Ukraine.

The same issue applies to the Latvian government's streamlining of permitting procedures for wind farms in forested areas. It snuck support for such projects into its recovery plan after the public consultation and 'do no significant harm' assessment had already been carried out.

In principle, the streamlining of permitting procedures is welcome as a means to increase truly renewable energy sources, but this must not lead to the rollback of crucially important environmental legislation and safeguards that are needed to assess projects' possible impacts on nature and biodiversity.

## Many of the measures under the recovery fund benefit neither climate nor biodiversity.

The cases from Slovenia, Estonia, the Czech Republic and Romania show that forestry projects that appear positive are unlikely to reach their goals and are likely to encourage even more intensive forest cutting. All of these measures look attractive at first glance, with terms like 'resilience' and 'reforestation' sprinkled liberally across the recovery plans, but as usual, the devil is in the detail. Some of the measures can still be improved, particularly in the Czech Republic and Slovenia, whereas others need fundamental revision.

Water management projects are the other main group of harmful projects highlighted in this report. Time and again, whether in Hungary, Croatia, Latvia or Poland, national authorities plan to use the RRF to build reservoirs, pumping stations, dams, dykes or channels, and renovate regulated sections of rivers often in highly sensitive areas, including Natura 2000 sites. These threaten to turn rivers and streams into dead channels and ponds devoid of life, and to degrade water quality, contrary to the aims of the Water Framework Directive.

In some cases, it took civil society groups several months to obtain even the locations of these projects and in other cases still no project list is available. Due to the dispersed nature of the projects, it is not clear whether they will all be subject to environmental impact assessments and appropriate assessments under the Habitats Directive.

These issues are compounded by the fact that many plans were not subject to Strategic Environmental Assessments (SEAs), as required under the SEA Directive for plans which are likely to have significant environmental effects.<sup>24</sup> The need to carry out such assessments on the recovery plans depends on their likely impacts, and in some cases, such as Croatia, specific measures have already been subject to SEAs under separate sectoral plans or strategies. But where this is not the case, the measures described in our case studies show that damage can be expected in some countries.

Some of the Member States have carried out SEAs on their national recovery plans at a later stage when the assessment can no longer influence the adoption of the plan, after sign-off by the European Commission (i.e. Bulgaria). This undermines the whole point of the process. Moreover, in the very few cases where Member States did conduct SEAs, namely in Latvia, the process was done without the involvement of real experts. In Latvia, for example, the SEA was mainly written by one person from the Ministry of Finance, without consulting environmental and biodiversity experts.

## The methodology chosen by the European Commission to assess whether projects will cause harm failed to deliver.

On 12 February 2021, the European Commission released the technical guidance document on the application of the 'do no significant harm' principle under the Recovery and Resilience Facility Regulation so that 'the assessment of the [recovery plans] should ensure that each and every measure (i.e. each reform and each investment) within the plan complies with the "do no significant harm" principle'.

While in principle the authors of this report fully support the European Commission's drive to ensure EU funds are not used harmfully, we are concerned that the application of the principle under the RRF falls significantly short of its intended purpose. For more detailed comments on this, see Green 10 and EuroNatur's statement.<sup>26</sup>

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<sup>24</sup> Article 3, [Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment](#), *Eur-Lex*, 21 July 2001.

<sup>25</sup> European Commission, [Technical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation](#), *European Commission*, 12 February 2021.

<sup>26</sup> Green 10 and EuroNatur, [EU funds should never harm nature, climate or the environment - Statement of the Green 10 on the 'do no significant harm' principle](#).

This new principle, meant to push governments to adopt a preventive approach when drafting the recovery plans, has now been exported for use for other EU funds, disregarding the criticism and its obvious failure under the Recovery and Resilience Facility.<sup>27</sup> The issues pointed out during the planning stage of the national plans have only intensified with time. They can be summarised by the following points:

- The ‘do no significant harm’ assessment:
  - ◆ consists of yes/no questions which allows the assessor – the coordinating ministry – to reply without having to provide any proof.
  - ◆ is applied ex ante, before crucial details of measures such as location, size, timeline and side effects are planned and assessed. This leads to meaningless results and misleading assessments.
  - ◆ relies on criteria which rarely go beyond what is anyway required by existing EU environmental legislation.
- Those responsible for proposed reforms/investments were the ones who conducted the assessment, leading to a serious lack of objectivity and expertise in the assessments.
- Finally, once the assessment has been done and the plans adopted, no checking mechanism has been put in place in order to monitor implementation of the measures.

Although not meant to replace environmental impact assessments or strategic environmental assessments, the loopholes and the lack of ambition of this safeguarding mechanism mean it will not prevent measures financed by RRF – or further EU funds – from causing harm (see cases). To take a concrete example, under the Commission’s Guidance,<sup>28</sup> a flood risk reduction measure is counted as 100 per cent contributing to climate change adaptation, meaning it does not need to be subject to a ‘do no significant harm’ assessment. This type of measure has been proven to be among the most destructive for biodiversity, as explained in our case studies.

A year after the Commission’s indicative deadline for Member States to submit their recovery plans passed (30 April 2021), civil society and the public are in many cases still unable to access key information about measures that have been approved by the European Commission. This lack of transparency and disclosure prevents third party experts, including civil society organisations, from scrutinising the measures, acting to prevent harm and undertaking monitoring.

If not immediately addressed, the shortcomings of this new environmental safeguard tool will set a dangerous precedent for future policy fields. The European Commission will apply the ‘do no significant harm’ principle to the 2021 to 2027 cohesion funds, as well as to State aid. Due to the way in which this will be applied, similar measures that were positively assessed under the RRF will automatically be approved for cohesion funds.

## Civil society and experts have been neglected in the monitoring and implementation process.

Lack of transparency, consultation and access to information have persisted throughout the development and initial implementation of recovery plans, and have not improved since the initial planning stages, even after the first payments were disbursed. Information about the content of financed measures or end beneficiaries has not been disclosed in most cases, including descriptions and locations of projects (see case studies). This impedes the ability of civil society organisations to play a role in monitoring the spending of the funds.

On 10 June 2021, in its scrutiny resolution on the recovery plans,<sup>29</sup> the European Parliament expressed its concern about the fact that many Member States had involved regional and local authorities either not at all or inadequately in the drafting process of the national recovery plans, even though they are important actors in the implementation of the plans. It was also noted that further availability of information to the public would foster transparency and accountability, thus reinforcing public ownership of implementation.

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27 Green 10 and EuroNatur, [EU funds should never harm nature, climate or the environment - Statement of the Green 10 on the ‘do no significant harm’ principle](#).

28 European Commission, [Technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation](#).

29 European Parliament, [European Parliament resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans \(2021/2738\(RSP\)\)](#), European Parliament, 10 June 2021.

Transparency plays a key role in public spending for obvious reasons, such as accountability (and therefore trust in decision makers), integrity and inclusiveness, values for which the European Union officially stands. This is even more true when considering the urgency of planning and disbursing of this unique fund.

It seems quite evident now that the European Commission and the Council made compromises on the quality of the decision-making and consultation stages in order to step in fast while the pandemic was ongoing. These compromises will cause harm to nature and to the environment, and particularly with such a massive fund there can be no excuse for excluding the public from decision-making. The European Parliament itself, which is supposed to counterbalance the European executive, was refused access to the negotiations between the European Commission and national governments, even as an observer.

With some exceptions (namely Bulgaria), most input expressing concern about proposed measures was not considered, nor were recommendations for alternative reforms and investments that should have received financing.

One example of this lack of transparency and public scrutiny is that monitoring committees, which are required for programmes under EU cohesion funds, have not been established for the RRF in the majority of Member States that have received disbursements. If properly established and with a clear remit, they can serve as an effective tool to make sure the funds are spent properly and provide a channel for government accountability and transparency, as well as a place to exchange information and ideas that makes use of the expertise of a variety of stakeholders, including environmental groups.

In the few Member States (Croatia, the Czech Republic, Estonia and Hungary) where monitoring committees have been established for the recovery plans, environmental organisations are generally not included. As such, key functions such as monitoring whether the projects meet environmental conditions and indicators in line with the ‘do no significant harm’ principle have not taken place.

Alongside the harmful cases outlined in this report, alternative projects or project adjustments have been identified that could have – and in some cases still can – prevent harm to the environment. These cases could easily have replaced those that have been approved, and delivered the same benefits without harming nature. The point is that, for future funding streams, knowledge and expertise from third parties such as environmental organisations and other experts is an asset, not a burden. Civil society should not be seen as an obstacle but as a key actor in ensuring that funding is directed into the right areas, from planning to the selection and implementation stages.



# Conclusions and recommendations:

## what can still be saved?

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The EU purports to be a global leader in addressing biodiversity loss, yet this has not been reflected in the process of recovery fund spending and more specifically in the RRF Regulation. The lack of explicit requirements in this regulation to invest any amount in biodiversity-related measures was a huge missed opportunity, and is a key factor for explaining the almost non-existent allocations in this area from the plans.

The objectives of the EU Biodiversity Strategy for 2030 act as a vital framework for guiding where EU funds and investments should be directed, yet measures to realise these are again virtually absent in the plans. The RRF process has made it clear that these objectives, and more broadly the need to address biodiversity loss, have not been considered as important nor urgent.

Moreover, some measures in the RRF are likely to be damaging to biodiversity, despite the introduction of the new 'do no significant harm' assessment tool which was supposed to prevent this. In particular, we identified water management, forestry and renewable energy projects as potential threats to biodiversity. While some of these projects may be much-needed and can go ahead if the appropriate safeguards are put in place, others appear to be unacceptably harmful to biodiversity or ineffective in reaching their goals, and should not be implemented.

This issue was compounded by the lack of transparency and public participation in the preparation of the plans. The RRF Regulation includes only minimal, weak and vague provisions when referring to the need for Member States to engage and consult with civil society, in particular environmental organisations.

A clear example of this is that there are no provisions for monitoring committees, despite these being legally required for monitoring cohesion policy funds. As such, the process has lacked transparency and stakeholder involvement during the roll-out of the money. As it stands, projects also appear to simply be signed off during the plans' assessment, with no proper monitoring mechanisms in place to ensure that their realisation is in compliance with the 'do no significant harm' assessment. Some countries have set up monitoring committees, but many have not. Even where they have, environmental organisations are often not present, unlike in the monitoring committees for the cohesion funds. This raises concerns that opportunities to avoid further environmental harm may be missed.

Another issue is that most of the plans were not subject to an SEA. These assessments serve as an important basis for determining whether to approve proposed measures. Yet, their value is made obsolete if the assessment is only done formally, without the timely and proper involvement of qualified environmental and biodiversity experts, and if they are not completed and taken into consideration before the approval of recovery plans.



The RRF was designed as a one-off financing tool to facilitate Europe's economic recovery. Thus, recommendations on how to develop similar funding mechanisms in the future are unlikely to prove useful. Despite this, a series of key findings and lessons learned can be established from monitoring the use of the fund more broadly. These highlight several issues that are directly relevant for all EU funding streams, and should be urgently addressed to prevent the repetition of such problems. Our recommendations are therefore as follows:

- 1. The Commission must more actively encourage Member States to invest in nature conservation and restoration measures,** leveraging the potential of EU public funds in the region. For future EU funding streams, the EU must propose clear requirements for financial allocations in this field, based on the alignment of measures with achieving the objectives of the Biodiversity Strategy for 2030.
- 2. Further strengthen the 'do no significant harm' principle before applying it to additional funds and investments.** In particular, the 'precautionary approach' should be taken when screening measures, whereby reforms and investments that are too vaguely defined and lacking specific information, such as locations, should not be approved. Such projects should instead be assessed with regard to their cumulative impact, taking into consideration broader factors and implications, rather than relying simply on 'yes' or 'no' answers.
- 3. Clarify requirements and procedures for impact assessments.** Stricter and clearer regulatory requirements and guidelines must be given by the Commission to Member States for conducting SEAs.
- 4. Better monitoring and scrutiny mechanisms must be put in place throughout the course of implementation.** The Commission should ensure monitoring committees are in place, serving as a means for dialogue with the authorities responsible for overseeing the projects and raising concerns when necessary. The Commission should also introduce a complaints mechanism to allow civil society and citizens to raise concerns about projects that they believe to not be in line with the 'do no significant harm' principle and/or environmental legislation.
- 5. Transparency and public participation must be recognised as legal requirements.** Engaging civil society would allow a better alignment of policies with the most pressing needs and in the end better enforcement and tangible results.



# Renewable energy in Bulgaria:

## have the lessons of the past been learnt?

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■ A pelican killed by wind turbines at the Kaliakra site in Bulgaria | Mihail Iliev, Bulgarian Society for the Protection of Birds

### Green light finally given to plan one year after the deadline

The final draft of Bulgaria's recovery plan was presented to the public on 6 April 2022, and was approved by the European Commission on 7 April,<sup>30</sup> but the strategic environmental assessment (SEA) procedure had not been finalised by that date. Mitigation measures for some of the investments may still be defined. However, any additional delays might jeopardise proper implementation.

### The planned measure

Bulgaria's recovery and resilience plan includes a measure entitled *Support scheme for the deployment of a minimum of 1.4 GW of renewable energy with storage in Bulgaria*,<sup>31</sup> including an investment in renewable and storage facilities that will be financed by EUR 342 million from the Recovery and Resilience Facility (RRF) (33 per cent) and EUR 684 million from private funding (67 per cent).

30 European Commission, [NextGenerationEU: European Commission endorses Bulgaria's €6.3 billion recovery and resilience plan](#), European Commission, 7 April 2022.

31 European Commission, [Projects under the National Recovery and Resilience Plan](#), see project H2, 8 April 2022.

## Impacts

In light of climate change and the pressing need for energy independence, it is highly necessary to develop renewable energy sources. At the same time, it is crucial not to compromise biodiversity conservation objectives by developing renewable projects in a way that affects valuable natural habitats.

Building wind turbines on bird migration routes, or on sites important for them, can lead to avian deaths, or force them to avoid the area, and go to routes or sites with less suitable conditions to migrate, rest, feed or breed. Birdlife Bulgaria<sup>32</sup> has identified various bird species that have been killed by wind turbines in Bulgaria, including common buzzards, a great white pelican and a griffon vulture.

Building solar farms on grasslands (meadows and pastures) with high biodiversity value destroys these habitat types, which are precious in and of themselves but are also a habitat for several animal species. The solar panels reduce the amounts of sunlight that reaches the grass, thus destroying the conditions for the normal development of grasslands. Hydropower plants break up river connectivity, thus preventing fish from migrating in search of feeding grounds or spawning areas.

Thus, the question is not whether, but with which technologies, where and how to develop renewable projects.

The renewables measure in the recovery plan does not list which specific sources will be supported, but the types of renewable energy mentioned are photovoltaics, wind turbines, use of water and marine resources. In terms of safeguards for biodiversity, Natura 2000 sites and protected areas, the project description gives limited information:

- '[S]ites for renewable energy infrastructure and storage investments are specifically designated areas, which have planned zoning as a requirement for the project; therefore, they do not cause significant harm to the protection and restoration of biodiversity and ecosystems';
- 'With the assessment of all measures included in the ['do no significant harm'] guidance in the context of RRF, no significant harm to the environmental objectives should be caused by the funding mechanism, with each proposed site to be assessed individually during the procedures';
- '...[I]t fully complies with the ['do no significant harm'] requirements and is feasible under the RRF Regulation.'<sup>33</sup>

The fact that the SEA procedure for Bulgaria's recovery plan is underway, but not completed yet makes it unclear how to prevent conflict between the need to develop renewable projects and the need to secure the preservation of biodiversity.

This issue is crucial in view of Bulgaria's history of non-compliance with nature conservation in developing renewable energy:

- The construction of wind turbines in Special Protected Areas designated under the Birds Directive and the lack of proper assessment of the impacts on Natura 2000 sites resulted in proceedings before the European Court of Justice. The Court ruled<sup>34</sup> that by not assessing the impacts of the wind turbines on the habitat of birds, Bulgaria violated two EU nature directives.
- An infringement procedure is currently open against Bulgaria for not assessing the cumulative impacts<sup>35</sup> of its plans and projects.
- An investigation into building small hydropower plants in Natura 2000 sites blocking river connectivity and damaging the structure of habitats of fish species from Annex II of the Habitats Directive is also included in the above structural infringement procedure.<sup>36</sup>

The infringement procedures above indicate a systematic issue in implementing renewable energy projects in Natura 2000 sites in Bulgaria and the need for them to be addressed at an early stage.

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33 Novini, [Нови жертви от ветрогенератор край Каварна](#), *Novini*, 10 January 2013.

33 European Commission, [Projects under the National Recovery and Resilience Plan](#), see project H2, 15 October 2021.

34 InfoCuria, [Judgement of the Court on case C-141/14 \(European Court of Justice\)](#), *InfoCuria*, 14 January 2016.

35 European Commission, [December 2020 infringements package](#), *European Commission*, 3 December 2020.

36 European Commission, Information from a pre-closure letter to WWF Bulgaria on a complaint on small hydropower plants in Natura 2000 sites, Ref. Ares(2020)7399298, 7 December 2020.



■ A griffon vulture killed by wind turbines at the Kaliakra site in Bulgaria | *Chavdar Nikolov, Bulgarian Society for the Protection of Birds*

## The ‘do no significant harm’ assessment

The ‘do no significant harm’ assessment for each project in Bulgaria’s recovery plan was done by the respective ministry which was responsible for developing the project fiche, so there is no guarantee that those carrying out the assessment had sufficient environmental expertise. The ‘do no significant harm’ assessments are not public; therefore, we have only seen the general reference quoted above. This information is clearly insufficient and there is no evidence whatsoever on which to conclude that there will be no significant harm.

## What could have been done differently?

The development of renewable energy projects is very much needed and is a positive measure included in Bulgaria’s recovery plan. The issue here is not the measure itself, but the lack of safeguards in the recovery plan. From a very early stage, the government must clearly establish that renewable projects must avoid sensitive natural habitats.

This is highly important not only from the point of view of nature conservation, but also regarding legal certainty for developers. They should know early on where they can situate a renewable energy project.

Experience shows that if the issue of location is left to be decided on a case-by-case basis, a number of projects affecting Natura 2000 habitats are planned, then appealed against in court. Litigation procedures require a great deal of time and resources both for civil society organisations and for developers, and projects are then delayed. Therefore, unsuitable locations need to be clear from a very early stage, so that developers do not waste time and money.



A clear solution was found in the case of Bulgaria's National Renewable Energy Action Plan, whose SEA decision<sup>37</sup> stipulated that renewable energy projects such as wind turbines and solar farms had to be built outside the Natura 2000 network. Unfortunately, this plan expired in 2020 and the new National Energy and Climate Plan for the period from 2021 to 2030 does not yet have a completed SEA procedure.<sup>38</sup>

## Transparency and public participation

Bulgaria's recovery plan has an official webpage,<sup>39</sup> where all versions have been uploaded together with separate documents on the respective projects. A public consultation was also launched in October 2020 at a very early stage of the plan's development.<sup>40</sup> However, the fact that three parliamentary elections were carried out in Bulgaria in 2021 prevented the plan from being finalised on time, since none of the three caretaker governments wanted to take responsibility for some of the major reforms, such as commitments to close down coal mines.

Civil society has been active on the recovery plan from the beginning, and some of their ideas were taken on board when the first caretaker government came into power. Examples of suggestions from civil society organisations that were accepted include:

- starting an SEA procedure;
- increasing biodiversity funding with an additional project for forest and wetlands conservation measures, thus raising the biodiversity funding from 0.23 per cent to almost 1 per cent;<sup>41</sup>
- rejecting an overpriced irrigation project costing more than EUR 400 million, whose cumulative impact on wetlands had not been assessed, and which included no reform whatsoever of the poorly-managed state irrigation systems.

A number of suggestions were not taken on board, such as the setting up of a monitoring committee for the recovery plan,<sup>42</sup> and the inclusion of biodiversity safeguards for renewable energy sources.<sup>43</sup>



37 Ministry of Environment and Water of Bulgaria, [SEA decision on the National Action Plan for Renewable Energy Sources](#), 2012.

38 Ministry of Environment and Water of Bulgaria, [SEA Procedure for the Sustainable Energy Development of Bulgaria till 2030 with a horizon to 2050 and a draft Integrated National Plan on Energy and Climate till 2030](#), 5 February 2019.

39 [Council of Ministers of Bulgaria](#).

40 Council of Ministers of Bulgaria, [Public Consultation on the National Recovery and Resilience Plan](#), 29 November 2020.

41 Katerina Rakovska and Todor Todorov, ['Bulgarian recovery plan improves after six-month impasse'](#), *CEE Bankwatch Network*, 5 November 2021.

42 Green Restart Coalition, [A letter for NGO proposal for setting up National Recovery and Resilience Plan monitoring committee](#), *Balkani*, 12 January 2022.

43 BirdLife, [A position paper of the Bulgarian Society for the Protection of Birds](#), *Bulgarian Society for the Protection of Birds*, 5 August 2021.

# Croatia:

## disaster risk reduction programme or a disaster for biodiversity?



Common tern breeding on a gravel bank | Goran Šafarek

### The planned measure

Measure C.1.3 R1-I3 of Croatia's national recovery and resilience plan is entitled 'Disaster risk reduction programme',<sup>44</sup> and is due to receive around EUR 157 million.<sup>45</sup> It includes two sub-measures: (i) a flood risk reduction programme, for which 80 per cent of the total national recovery plan budget for this investment has been earmarked; and (ii) projects for the revitalisation of freshwater systems, which will receive the remaining 20 per cent of the budget.

The plan lists five revitalisation projects that are supposed to be financed through this measure,<sup>46</sup> together with their locations and goals. These are intended to result, among other things, in the revitalisation of 27 kilometres of watercourses,<sup>47</sup> which is commendable but insufficient given that for about 25 per cent of the total length of larger watercourses in Croatia (about 3,200 kilometres), the hydromorphological situation is not satisfactory.<sup>48</sup>

The sub-measure for flood risk reduction, on the other hand, is being handled through an 'open' call for proposals,<sup>49</sup> which means that no information about individual projects was available during the development of the recovery plan.

44 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 233-237, July 2021.

45 The total recovery plan budget for investment C.1.3 R1-I3 is HRK 1 188 272 071.

46 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 235-236, July 2021.

47 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 233.

48 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 74, 218.

49 The [call](#) was launched on 16 December 2021.

According to the instructions for applicants, the only eligible applicant for this call is Hrvatske vode, the state company responsible for water management,<sup>50</sup> which triggers questions about the relevance of a public tender. Moreover, the recovery plan states that through this measure, 77 kilometres<sup>51</sup> of protective water management infrastructure will be built – oddly specific, considering the tender had not yet been carried out. Overall, it is not clear why a tender was held instead of revealing the names and content of the projects to the public from the outset.

In addition, the only eligible projects are those that have already passed through all the relevant environmental permitting procedures and which have valid building permits.<sup>52</sup>

According to the answer to a request for information from the Ministry of Economy and Sustainable Development, as of 14 February 2022 (the date of sending the request), 11 flood protection projects<sup>53</sup> had already been selected for financing through this measure.

## Impacts

The types of activities that are eligible for funding suggest that this investment could be highly damaging for biodiversity, since the activities include watercourse regulation, riverbank stabilisation, reconstruction and building of new embankments, and construction of water structures (retention reservoirs, pumping stations, connecting channels, culverts, etc.).<sup>54</sup>

For example, turning a free-flowing, meandering river into a straight canal completely changes the dynamics and morphology of the river, causing the river to flow faster, disrupting natural cycles of erosion and sediment deposition, and also negatively impacting the aesthetic value of the river.

Using concrete and other materials to stabilise the riverbed destroys the plants and invertebrates that live there, as well as fish species dependent on them for food and shelter.

All of these watercourse regulation measures have negative impacts on species that prefer slower flowing rivers, regions of riverbed with differing depths and river vegetation, such as the vulnerable fish species *Telestes souffia*.<sup>55</sup> Furthermore, if the resulting canal is too deep and its sides are too steep, it can also act as a ‘death trap’ for land animals, such as tortoises.

Building embankments cuts the river off from its floodplain, changing ecological conditions in these areas, thereby destroying some of the most biodiverse European ecosystems, such as wetlands and alluvial forests. Finally, building dams and other obstacles creates barriers for migratory species, like the endangered Danube salmon (*Hucho hucho*).

In Croatia, flood protection measures have also often been used as justification for sediment extraction for construction purposes, a practice that endangers species dependent on sand/gravel banks and bars, such as the little tern (*Sternula albifrons*). Just recently, a group of four civil society organisations<sup>56</sup> won a court case against illegal sediment extraction from the river Drava, that was being justified, inter alia, as a flood protection measure.<sup>57</sup>

Based on information gathered through requests for information to the Ministry of Economy and Sustainable Development, at least eight out of the 11 projects that were selected were not required to first go through full environmental impact and appropriate assessments, based on the results of screening procedures, although at least four of them are inside Natura 2000 sites<sup>58</sup> and three more<sup>59</sup> are located within six kilometres of the nearest Natura sites.

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50 Ministry of Economy and Sustainable Development, [Upute za prijavitelje: Poziv na dostavu prijedloga projekta. Financiranje projekata smanjenja rizika od katastrofa u sektoru upravljanja vodama](#), 8, December 2021.

51 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 234.

52 Ministry of Economy and Sustainable Development, [Upute za prijavitelje](#), 9-10.

53 1. Transversal embankment from the Odra discharge canal to the Sava embankment near the village of Suša; 2. Construction of water structures of the embankment Sveti Đurađ - Viljevo; 3. Regulation of the Ričina watercourse in Zadar on the section from the bridge on Gaženička cesta to the upstream bridge on the state road D8; 4. Construction of hydro-technical facilities for flood defence of Topusko and Velika Vranovina settlements on the left and right banks of the river Glina; 5. Construction of the Vir Vrbovec retention; 6. Construction of the Teča na Savi pumping station near Račinovci; 7. Reconstruction of embankments along Trnava; 8. Remediation of the right Sava embankment in Uštica from kmn 0 + 350 to 1 + 250; 9. Construction of an embankment for flood protection of Karašica settlement; 10. Reconstruction of water structures Gaj; 11. Regulation of the Čadavica and Slanac streams

54 Ministry of Economy and Sustainable Development, [Upute za prijavitelje](#), 10-11.

55 See Croatian Institute for Biodiversity, Ihtiofauna ušća potoka Bregana, December 2015; and Milorad Mrakovčić, Andreja Brigić, Ivana Buj, Marko Čaleta, Perica Mustafić and Davor Zanella, [Red Book of Freshwater Fish of Croatia](#), Ministry of Culture, State Institute for Nature Protection, Republic of Croatia, 146-147, May 2006. This species is also listed in Annex II of the [EU Habitats Directive](#) (as *Leuciscus souffia*).

56 Association BIOM / BirdLife Croatia, Croatian Society for the Protection of Birds and Nature, WWF Adria, and Zelena akcija / Friends of the Earth Croatia

57 Zelena akcija / Friends of the Earth Croatia, [Visoki upravni sud presudio u korist okolišnih organizacija u slučaju iskapanja sedimenta na Dravi!](#), *Zelena akcija*, 29 December 2021.

58 Projects 1, 2, 6 and 8 from footnote 53

59 Projects 3, 4 and 10 from footnote 53



■ Little tern | Goran Šafarek

Although this section of the recovery plan abounds in soothing phrases, such as basing the flood protection measures on ‘nature-based solutions’ and the concept of ‘giving more space to rivers’, the aforementioned fact that only those projects that have already passed through all the procedures and have valid building permits are eligible to receive financing only further raises concerns, as this means that these are ‘old projects’ that would probably have been implemented regardless of the recovery plan financing.

As such, they represent a business-as-usual approach with no reason to believe that more attention will be paid to biodiversity protection than has thus far been the case with similar projects.

## The ‘do no significant harm’ assessment

Considering that no concrete flood protection projects were listed in the recovery plan itself, and they are only subsequently being selected through an open call, the usefulness of the ‘do no significant harm’ assessment which was carried out at the level of the entire measure<sup>60</sup> is questionable to say the least. Thus, the real ‘do no significant harm’ assessments will have to be done at the level of each individual project.

The instructions for applicants to the flood protection tender stipulate that in order to be eligible for funding, projects must meet the requirements of the ‘do no significant harm’ principle,<sup>61</sup> and that a ‘do no significant harm’ assessment form must be provided as part of the application.<sup>62</sup>

In terms of impacts on the six environmental objectives covered by the Taxonomy Regulation,<sup>63</sup> for the ‘do no significant harm’ assessments of flood protection projects it is most relevant to assess impacts on ‘sustainable use and protection of water and marine resources’, and ‘protection and restoration of biodiversity and ecosystems’.

On the first of these two objectives, it is highly problematic that, according to the RRF Regulation, flood protection measures are tracked as contributing 100 per cent to this objective,<sup>64</sup> meaning that they are considered compliant with the ‘do no significant harm’ criteria by default and can thus go through a simplified assessment for this objective.<sup>65</sup>

Given that, as described above, some of these measures have a clear potential to negatively impact the hydrological, hydromorphological and biological/ecological status of rivers, it is totally inappropriate to consider them in line with the ‘sustainable use and protection of water’ objective by default.

60 Government of the Republic of Croatia, [Nacionalni plan oporavka i otpornosti 2021. – 2026.](#), 237.

61 Ministry of Economy and Sustainable Development, [Upute za prijavitelje](#), 10.

62 Ministry of Economy and Sustainable Development, [Upute za prijavitelje](#), 14.

63 European Parliament and Council of the European Union, [Regulation \(EU\) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088 \(Text with EEA relevance\)](#), *OJ L 198, EUR-Lex*, 22 June 2020, 13-43.

64 European Parliament and 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](#), *OJ L 57, Eur-Lex*, 18 February 2021, 17-75, Annex VI, row 035.

65 European Commission, [Commission Notice, Technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation 2021/C 58/01](#), *OJ C 58, EUR-Lex*, 18 February 2021, 1-30, see section 2.2.

As for the impacts on biodiversity and ecosystems, it is true that all of the projects will have to – or have already had to – go through at least environmental impact assessment and appropriate assessment screening in order to be eligible for funding; however, the implementation of these procedures has not been unproblematic in Croatia. Environmental civil society organisations have been cautioning for years that in many cases these procedures are performed as a mere formality, in order to satisfy legal obligations, and to justify projects on which investment decisions have been already made long ago.<sup>66</sup> Thus, unfortunately, even if all procedures have been followed, there is no guarantee that no damage to biodiversity and ecosystems will be done.

Finally, the total lack of transparency on how the ‘do no significant harm’ assessments are carried out raises further questions about the quality of the assessments. The Ministry of Economy and Sustainable Development is in charge of the call for proposals and the selection process; however, it is unclear whether they are also consulting independent experts while conducting the assessments, and the supporting documents, as well as the assessments themselves, are currently not publicly available.

## What could have been done differently?

The recovery plan is a missed opportunity to truly modernise the way water is managed in Croatia, and to secure substantial funding for ecosystem restoration projects, which are still in their infancy. Despite nice-sounding phrases about minimising environmental impacts and using the latest concepts in river management, from what we have seen thus far it seems that most of this money will be spent to support business-as-usual.

Given the disproportionate amount of money allocated for flood protection compared to revitalisation of watercourses, explained above, the least that could have been done in this situation was to designate a higher percentage of the budget for this measure for revitalisation, as opposed to flood protection projects.

## Transparency and public participation

The Croatian government did set up an official webpage for the national recovery plan;<sup>67</sup> however, it is mostly used as a public relations platform (i.e. to advertise government’s successes in negotiations with the European Commission, receipt of individual instalments, signing agreements for the financed projects, etc.). Thus, it is not a very useful tool for monitoring the implementation of the plan.

One welcome recent improvement is that there is now a section of the website<sup>68</sup> dedicated to open calls for proposals for projects eligible to receive funding through the recovery plan, so it is now at least possible to easily track which calls have been opened.

However, despite news published in the media (and on the website itself) that funding for this or that project has already been approved, there is no further information on these concrete projects, neither on the national recovery and resilience plan website nor on the websites of responsible ministries. Given this situation, it has proven to be extremely difficult to monitor the environmental impacts of specific reforms/investments, let alone of the plan as a whole. The only way to get more detailed information on specific projects has thus far been through sending official requests for information to the relevant ministries, with no guarantee that all the requested information will be provided.

Stakeholder involvement was kept to a minimum during the drafting and negotiating of the plan,<sup>69</sup> and the situation is not much different now during the implementation phase. No monitoring committee, which would bring together different groups of stakeholders, has been set up in Croatia. The task of monitoring the implementation has been entrusted to responsible ministries (according to sector) and other relevant state agencies.<sup>70</sup> Regular reports are given during the parts of government sessions that are closed to the public.

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66 In 2017, there was an effort by environmental organisations to demonstrate that the EU Nature Directives are systematically applied in a wrong way in Croatia by trying to launch an infringement procedure. Many of the collected case studies involved water management. However, although the European Commission did acknowledge the stated violations in principle, they judged that there was no justification for initiating infringement proceedings before the Court of Justice of the EU.

67 Government of the Republic of Croatia, [Recovery plan](#), accessed 7 May 2022.

68 Government of the Republic of Croatia, [Recovery plan, open calls](#), accessed 7 May 2022.

69 According to Croatia’s recovery plan (p. 1,194), the government and various state bodies responsible for different components of the plan held numerous meetings with ‘different representatives of interested public’. However, these were mostly targeted meetings with very specific stakeholder groups hand-picked by the government/ministries. They were closed to the wider public, and, based on what little information we have about them, mostly took the form of a presentation of the plan to the stakeholders. What inputs/comments these stakeholders might have provided during these meetings were necessarily limited in nature due to the fact that they were only presented a summary of the plan. The same thing happened in the parliament, where discussions were also based on the summary document. There were no meetings with environmental NGOs and there was no opportunity to provide comments on possible environmental impacts of the Plan. No official consultation process was organised for the full text of the plan, and the more than 1,100-page document was finally made public only a few days before the government sent it to the Commission for final approval.

70 Government of the Republic of Croatia, [Odluka o sustavu upravljanja i praćenju provedbe u okviru Nacionalnog plana oporavka i otpornosti 2021. – 2026.](#), OG 78/2021, *Narodne Novine*, 9 July 2021, 3.

# Czech forestry: the devil is in the details

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■ Logging of spruce | *Hnutí Duha*

## The planned measure

Component 2.6 of the Czech Republic's recovery and resilience plan<sup>71</sup> has the promising title *Nature protection and adaptation to climate change*. Its goal is to 'contribute to the economic and environmental sustainability of the agricultural and forestry landscape in the context of climate change, in particular by retaining water in the landscape, increasing biodiversity and improving the condition of forest ecosystems.'

It is administered by the Ministry of Agriculture and has six measures, targeting different areas such as flood protection, small watercourses and water reservoirs, water retention in forested areas, etc. In the draft recovery plan, this component also contained a subsidy for irrigation systems; however, this measure was not included in the final version as it was – rightly – not approved by the Commission.

Sub-component 2.6.5. of the national recovery plan, entitled *Adaptation of forest systems to climate change*, aims to 'improve the resilience and at the same time the state of forest ecosystems restored after the bark beetle calamity in the sense of changing the species, age and spatial composition to forest stands resistant to climate change and thus a significant part of ensuring sustainable continuity of forest functions'.<sup>72</sup> The allocation for the measure is EUR 323 million (CZK 8.5 billion)<sup>73</sup> and the declared target is the reforestation of 12,000 hectares of areas by ameliorative and stabilising tree species until 2022 and of an additional 24,000 hectares by 2024.

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71 Národní plán obnovy, [Národní plán obnovy, documents](#), accessed 21 March 2022.

72 Ministry of Agriculture of the Czech Republic, [Dotace: 2.6.5 Budování lesů odolných klimatické změně](#), Ministry of Agriculture, accessed 21 March 2022.

73 The EUR prices were calculated according to the average exchange rate for 2020 from the [European Central Bank](#).

## Impacts – will it bring the desired results?

This sub-component is certainly a key investment for both biodiversity and climate adaptation. Czech forests have been heavily impacted by climate change related drought and heat. Since 2015, a bark beetle infestation has decimated the spruce monocultures. An estimated 46,000 hectares of dead conifers have been harvested since 2016, equal to a 38-square-kilometre area.<sup>74</sup>

The share of spruce in the wood composition of Czech forests is 48.8 per cent, whereas the natural share should be only 10 per cent. Its share in new plantings is still too high – with a share of 30.5 per cent, it is the most commonly used tree species. Hnutí Duha – Friends of Earth considers the use of up to 20 per cent spruce in new plantings to be ecologically safe, provided that it is used only in higher altitudes or as an admixture in a varied species mixture with other tree species.<sup>75</sup>

The subsidies are therefore in principle the right step, one that forest owners and environmental organisations have long called for. However, the criteria for support do not motivate the recipients to create forests encompassing a variety of species, ages and space-diversified stands. This means they are not in line with the declared objective of the measure in the RRF and do not ensure the forests are truly resilient to climate change.

The Ministry of Agriculture's call for applications for subsidies,<sup>76</sup> announced on 22 March 2022, contains a number of problematic conditions:

1. Artificial and natural rejuvenation: the rules include support for both artificial planting and sowing and natural rejuvenation, including preparatory trees. However, artificial planting is favoured by the design of the rules.
2. Variety of species: the owner will receive support when using artificial, one-time planting of one melioration and strengthening tree species. This means a species-varied forest renewal is not sufficiently supported.
3. Age homogeneity: after the damaged forests are cut, landowners can in theory either wait for natural rejuvenation to take place, or can plant new trees, or a mixture. Natural rejuvenation ensures a more age-diversified forest but takes longer. In order to speed up reforestation, the government has set a deadline of five years of natural generation and after that, no subsidies will be granted for tree-planting. In practice, this period is completely insufficient for age and spatial differentiation in the case of the target trees. In habitats where the owner is not sure whether they will have sufficient natural rejuvenation and thus fulfil the conditions for the subsidy within five years, they will prefer to use the subsidy for one-time artificial afforestation, resulting in prevailing age-homogenous forests.
4. Density of afforestation: the Ministry of Agriculture states in component 2.6 that 'by reducing the mandatory minimum number of seedlings per [hectare] for reforestation and the newly defined conditions for afforestation and securing regenerated stands, the share of artificial regeneration will be reduced and natural regeneration preferred'. This is supposed to be defined by a new decree, indicated in the component as a milestone (amendment to the earlier decree 139/2004 Coll.). However, the number of seedlings ordered by the new decree is only slightly lower than in the previous one, and in addition, is supposed to be distributed evenly over the area. The requirement to plant dense stands without gaps conflicts with the need for age and structural diversification of forests and the need to increase forest resilience.

## The 'do no significant harm' assessment

The measure itself could in principle comply with the 'do no significant harm' principle. However, the assessment was not done at a sufficient level of detail to understand the full impacts in practice. The problem lies in the details of how the measure is administered and what conditions the ministry sets for eligibility. In this case, the rules are not ambitious enough.

The 'do no significant harm' assessment was also carried out internally by the ministries for their respective components, and so it was impossible for experts and civic representatives to raise questions and objections to the process. Lack of clarity about the 'do no significant harm' criteria was one of the main objections of external stakeholders (such as the Towns and Cities Union, trade unions, etc.) during a hearing organised in the Czech Republic by the European Commission in March 2022.

<sup>74</sup> Fakta o klimatu, [Explainer – Umírání českých lesů](#), *Fakta o klimatu*, accessed 27 March 2022.

<sup>75</sup> Ministry of Agriculture of the Czech Republic, [Report on the State of Forests and Forestry in the Czech Republic in 2020](#), accessed 20 March 2022.

<sup>76</sup> Ministry of Agriculture, [Dotace: 2.6.5 Budování lesů odolných klimatické změně](#).

<sup>77</sup> Ministry of Agriculture of the Czech Republic, [Finanční příspěvky na hospodaření v lesích](#), accessed 26 March 2022.



■ Logging of spruce | *Hnutí Duha*

## What could have been done differently?

The optimal procedure for regenerating forests in clearings is to use preparatory (pioneer) trees (e.g. birch, rowan, alder, willow, aspen) as much as possible. Target tree species (especially shade-loving ones such as beech and fir) are then gradually planted in a mixed species composition in the shade of the preparatory tree species, over a time horizon of up to 50 to 60 years. This creates a species-rich, age-diverse, spatially differentiated and therefore more resistant stand.

On large clearings, a combination of artificial planting of target trees with the use of preparatory trees can be used to a limited extent, but artificial planting of target trees on clearings should not exceed 20 to 30 per cent, and light-loving (oak, pine) or light-bearing (maple, linden) trees should be used. The rest of the clearing should be restored with preparatory trees (described above).

It is always better to use natural rejuvenation of woody plants than artificial planting.

## Transparency and public participation

The Czech Republic's recovery plan is publicly available on the national recovery plan (Národní plán obnovy)<sup>78</sup> website. The page contains general information as well as a detailed version of the approved plan with milestones and targets, a list of opened calls, additional regulations and resolutions.

The Ministry of Commerce and Industry, the main administrator of RRF, also has a webpage with relevant documents.<sup>79</sup> There are also sections on webpages of ministries which detail the components and measures they administer.<sup>80</sup>

External stakeholders were included in the drafting of the plan after some hesitation. The civil society sector in particular had to push to be included in the debate. However, representatives of organisations, including the environmental sector (Hnutí Duha - Friends of Earth, Beleco) and others (Transparency International) were included in the end and have managed to achieve considerable changes in the plan. This is particularly true for components administered by the Ministry of Environment. There were also public debates organised by the Ministry of Industry and Commerce before the plan's adoption.<sup>81</sup>

78 Národní plán obnovy, [Národní plán obnovy](#), September 2021.

79 Ministry of Commerce of the Czech Republic, [Dokumenty NPO](#), Ministry of Commerce, accessed 21 March 2022.

80 Ministry of Agriculture of the Czech Republic, [Dotace, Národní plán obnovy](#), Ministry of Agriculture, accessed 20 March 2022.  
Ministry of Environment of the Czech Republic, [Národní plán obnovy](#), Ministry of Environment, accessed 20 March 2022.

81 Ministry of Industry and Commerce of the Czech Republic, [Národní plán obnovy \(NPO\) - veřejná diskuse](#), YouTube, 31 May 2021.



# Estonia:

## value enhancement of bioresources risks exacerbating damage to ecosystems



Biodiversity-rich forest habitat in Lahemaa National Park | *Katre Liiv*

### The planned measure

Estonia's national recovery and resilience plan includes many important measures which are vital for a successful green transition.<sup>82</sup> However, some measures may exacerbate existing biodiversity issues in Estonia.

Estonia is a very forested country, with around 50 per cent of the land area covered in forests.<sup>83</sup> Since 2015, logging volumes have rapidly increased, largely due to pressure from the forestry industry and the growing external market for forest biomass. This has resulted in the easing of logging restrictions, even in forest areas belonging to the Natura 2000 network. Environmental civil society organisations have repeatedly expressed their concerns, arguing that the logging rates and practices are unsustainable and detrimental to forest habitats. For example, one of the most highly endangered species in Estonia, the flying squirrel, is strongly affected by loss and fragmentation of forest habitats.

Investment 4 of Reform 1 in the Estonian recovery plan – *Development and uptake of resource efficient green technologies* – consists of two measures, promoting resource efficient green technologies for industries and value enhancement of bioresources. The measures aim to improve the current low levels of resource and energy efficiency. The amount allocated to this reform is EUR 37.8 million, of which EUR 23.8 million is dedicated to value enhancement of bioresources.

<sup>82</sup> Ministry of Finance of Estonia, [Taaste- ja vastupidavuskava](#), *Ministry of Finance*, 5 October 2021.

<sup>83</sup> Statistics Estonia, [Forests](#), *Statistics Estonia*, accessed 24 April 2022.

The conditions for receiving financing from this measure are still being drafted and thus it is unclear what kind of companies will be supported, but the description of the measure mentions agriculture, forestry, fisheries, aquaculture, food industry companies and research and development institutions as examples.

Civil society groups fear that a new pulp and paper factory could be counted as a biomass value enhancement project. The resource demand for such a project is potentially huge<sup>84</sup> – not only for biomass, but also water.

## Impacts – will it bring the desired results?

Although attempting to help resource-intensive industries innovate so that they use fewer resources may be a noble goal, the measure does not actually guarantee an end to our growing resource use and the corresponding environmental damage. One of the key dangers of this measure is that it may even further exacerbate the biodiversity loss resulting from excessive logging in Estonian forests.

Forest habitats, fragmented and ravaged due to clearcutting, are not sufficiently protected, even by existing legislation or by being part of Natura 2000 network. In July 2021, the European Commission started an infringement procedure regarding permits given in Estonia for logging in forests belonging to the Natura 2000 network without adequate environmental assessments.<sup>85</sup>

Despite warnings from environmental organisations to the ministry regarding the potential impact of increasing efficiency on the demand for resources, the measure lacks any safeguards to restrict overall resource use. While the efficiency of the resource may be improved per unit – meaning the company will get more money out of the same amount of the resource – this is not guaranteed to lead to decreased overall resource use. This phenomenon is called the Jevons paradox, which means: ‘gains of ecological efficiency turn into a higher total resource consumption’.<sup>86</sup> In the case of the forestry sector, this would have detrimental consequences on forest biodiversity if the already high demand further increases due to additional gains in efficiency in production.

The ministry has experience with a similar measure they designed for the EU 2014 to 2020 financing period. The measure was aimed at improving the resource efficiency of mining and industry processes.<sup>87,88</sup> Without safeguards, the government, and by extension the EU, could be sponsoring businesses to help create higher demand for bioresources by improving resource efficiency.

## The ‘do no significant harm’ assessment

The ‘do no significant harm’ assessment was carried out by experts from a spatial planning and environmental management consultancy that the ministries often hire to carry out environmental impact assessments (EIAs) and strategic environmental assessments (SEAs). The bioresources value enhancement measure should not have passed the ‘do no significant harm’ assessment due to the lack of safeguards to ensure the investment would not result in increasing pressure on biological resources and biodiversity.

The ‘do no significant harm’ assessment of the measure states: ‘sustainability is important in the value enhancement of bioresources, focusing on resources whose potential is unused or underused and whose value creation does not increase pressure on ecosystems (including by-products, waste, residues, low-value or low-quality biomass)’.<sup>89</sup> Such vague descriptions do not provide confidence that the measure will not increase pressure on ecosystems.

The ‘do no significant harm’ assessment makes the assumption that the measure surely contributes to a reduction in greenhouse gas emissions, since the material extracted from the same amount of resources is greater. The effect on overall resource demand is not taken into account, except where the assessment mentions the importance of focusing on the value enhancement of ‘by-products and biological residues’. However, focusing on by-products is just a suggestion and not a requirement, and may not be at all realistic for high-value products. The assessment identifies potential impacts from the measure on both pollution prevention and control as well as biodiversity and ecosystems.

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84 Arp Müller, [Looduskaitse: VKG tselluloositehase puhul on mureks suur puiduvajadus](#), ERR, 21 July 2021.

85 European Commission, [June infringements package: key decisions](#), European Commission, 9 June 2021.

86 European Union, [Sustainable agriculture, Forestry and Fisheries in the Bioeconomy: A challenge for Europe](#), European Commission, 2015.

87 Riigi Teataja, [Toetuse andmise tingimused meetme „Ettevõtete ressursitõhusus” tegevuse „Investeeringud parimasse võimalikku ressursitõhusasse tehnikasse; ressursijuhtimissüsteemide ja toetavate IT-rakenduste toetamine” jaoks avatud taotlemise korral](#), Riigi Teataja, 9 July 2016.

88 Varje Saar, [Ettevõtted on avastamas tõhusama ressursikasutuse kasutegurit](#), Postimees, August 9, 2018.

89 Ministry of Finance of Estonia, [Taaste- ja vastupidavuskava](#).



■ Biodiversity-rich forest habitat in Matsalu National Park | *Katre Liiv*

Concerns about the impact of the measure on biodiversity and ecosystems have been partly cast aside in the assessment due to the promised ‘emphasis on sustainably sourced biomass’. While at first it may appear contradictory to associate the term ‘sustainably’ with environmentally harmful measures, this is a red flag to anyone even remotely familiar with the ongoing forestry saga in Estonia.

The assessment deems the threat to ecosystems as ‘solved’ by using the meaningless label of ‘sustainably sourced biomass’, while the whole Estonian forestry sector is anything but sustainable and there are massive disagreements between the industry and the public over what ‘sustainable’ means. While it is commendable that the plan’s authors have noted the potential danger of intensifying biomass extraction from forests, the question of what logging volume is sustainable is one of the most divisive discussions in Estonia, along with the question about what constitutes ‘waste’ when it comes to forests.

These are made even more complicated by the government’s lack of distinction between monocultural plantations and healthy forests, which allows it to present a more positive picture of the area of ‘forest’ cover. Environmental and civil society organisations have long highlighted the unsustainable rate of clearcut logging to the government, which nevertheless keeps handing out logging permits.

The forestry industry thrives on the argument that there are mature forests ‘that need cutting now’ and by pretending that low-quality trees have no value besides being taken out of the forest to be made into wood pellets. It is as if those low-quality trees are not a home to almost 1,000 species, an integral and irreplaceable part of our forest ecosystems.<sup>90</sup>

## What could have been done differently?

Environmental organisations share the view of the European Commission<sup>91</sup> on at least one thing: Estonia should have included at least one biodiversity investment in its otherwise heavily digital-technological recovery plan.<sup>92</sup>

Environmental organisations have highlighted multiple avenues for investment, which were all deemed important enough by the Ministry of Environment to include in its Natura 2000 network prioritised actions framework (PAF).<sup>93</sup> However, sources of funding for many of these prioritised actions are not guaranteed. The Ministry of Finance decided not to finance any biodiversity measures from the Recovery and Resilience Facility, using the argument that biodiversity will be financed from the Cohesion policy funds.<sup>94</sup> This did not materialise: the plan for these funds includes just one biodiversity restoration measure.

90 Estonian Fund for Nature, *Surnud puit ja säilikpuud*, accessed 11 April 2022.

91 This was discussed at several meetings with the European Commission (meeting on 9 March 2022, with Estonian Green Movement) and Estonian Ministry of Environment (meeting on 15 April 2021, with Estonian Green Movement and Estonian Fund for Nature).

92 European Commission, *Analysis of the recovery and resilience plan of Estonia*, European Commission, 5 October 2021.

93 Ministry of Environment of Estonia, *Prioritised Action Framework (PAF) for Natura 2000 in Estonia*, accessed 20 March 2022.

94 This was communicated by the Ministry of Finance in an email from March 2021.

Following the critique by environmental civil society organisations regarding the failure to deliver sufficient funding for biodiversity from Cohesion policy funds despite the ministry's previous statements, the ministry responded in its feedback to the comments that biodiversity is being financed from CAP and LIFE funding. Although CAP and LIFE funding should be undoubtedly used for biodiversity protection, a holistic approach urgently requires investments in biodiversity from all funds available. This striking marginalisation of biodiversity funding even for actions that a ministry flags as 'prioritised' suggests that the government does not fully grasp the importance of biodiversity protection, which endangers the investment targets of the EU's Biodiversity Strategy for 2030.

The government could have financed inventories of Natura 2000 forest areas. This is a priority which would provide an overview of the real state of forests belonging to the Natura 2000 network. This knowledge would document the damage that has been done in the past decade resulting from the ministry continuously relaxing the rules for logging in protected areas,<sup>95</sup> and help create stronger forestry legislation that protects our forests and its inhabitants.

## Transparency and public participation

Estonia's recovery plan was published in May 2021. Stakeholders had two weeks to review the 400-page document and send their feedback. The feedback provided by the Estonian Green Movement and Estonian Fund for Nature covered both overarching issues about low transparency and the limited options for participation and more detailed feedback for some measures that were deemed potentially harmful.

The ministry did not respond to the concerns of environmental civil society organisations regarding specific measures, but assured them that the relevant ministries had received the comments and would consider them when refining the final draft. However, the revised and final version of the national recovery plan did not include the submitted comments and the organisations did not receive any justifications from the ministries for rejecting them.

Environmental organisations have repeatedly asked to be involved in the process of designing measures which they deem harmful, but as this is not a legal requirement of the RRF, the responsible departments can decide whether they want to include environmental stakeholders. For the case of the bioresources value enhancement measure, the responsible ministry has agreed to share a draft of the financing conditions for the measure when it is completed, but for multiple other measures this has not been the case.

For example, environmental organisations asked to be included in the working group which designs green technology development programmes, but the request was denied by the Environmental Investment Centre, which is in charge of the measure. According to the Environmental Investment Centre, the group consists solely of green technology experts. The aim of environmental stakeholders to participate in this working group was to ensure compliance of the measure with the 'do no significant harm' principle.

Multiple recovery plan measures are still being designed, which is why it is not possible to assess their impact in detail. The recovery plan website does not track the development of specific measures.<sup>96</sup> Besides the public consultation held after the first version of the plan was published, stakeholders from environmental organisations have not been involved in the process.



<sup>95</sup> Mart Kiis, Liis Kuresoo and Uku Lilleväli, [Kui hästi on hoitud kaitsealused suure loodusväärtusega metsad?](#), Estonian Fund for Nature and Estwatch, March 2021.

<sup>96</sup> Ministry of Finance of Estonia, [Recovery and Resilience Facility](#), accessed 24 April 2022.

# Hungary:

## Homokhátság – an end of pipe ‘solution’ to desertification



■ Desertification caused by poor water management | *Dongér-Kelőér Vize Egyesület*

### Hungary’s plan still not approved

Since its submission on 12 May 2021, Hungary’s national recovery plan has still not been approved by the European Commission. Several Commission officers have confirmed that the reason for the deadlock in the negotiations between the Commission and Hungary is that Hungary has failed to implement Council Recommendation No. 4 of the 2019 Convergence Programme and reinforce its anti-corruption framework.<sup>97</sup>

At the end of last year, the Hungarian government decided to implement some components and projects of the plan advanced from national financial resources and started to publish calls for proposals on the fund’s official website. These initial costs are expected to be reimbursed from the RRF.

At the beginning of 2022, it became clear that the amount allocated for Hungary within this financial framework will be reduced by 16 per cent (from the original EUR 7 billion) as economic growth in 2021 was better than previously expected.

<sup>97</sup> Council of the European Union, [Council Recommendations on the 2019 National Reform Programme of Hungary and delivering a Council opinion on the 2019 Convergence Programme of Hungary](#), *EUR-Lex*, 9 July 2019. Notably, recommendation No. 4.: ‘Reinforce the anti-corruption framework, including by improving prosecutorial efforts and access to public information, and strengthen judicial independence. Improve the quality and transparency of the decision-making process through effective social dialogue and engagement with other stakeholders and through regular, appropriate impact assessments. Continue simplifying the tax system, while strengthening it against a risk of aggressive tax planning. Improve competition and regulatory predictability in services sector.’

<sup>98</sup> Name of the project in the recovery plan: 3.2.1. *A Duna-Tisza-közi Homokhátság vízhiányos ökológiai állapotának javítása, helyreállítása – I. ütem*

## The planned measure

Hungary's recovery plan has nine distinct components (demography and public education, renewal of universities, developing villages, water management, sustainable green transportation, energy, circular economy, digital technologies and health). One project within the water management component intends to solve the desertification of a drought-ridden area.<sup>98</sup>

Homokhátság (meaning 'sandy uplands') is a region between the Danube and Tisza rivers that covers approximately 10,000 square kilometres. Before humans arrived, the area's original vegetation was forest-steppe (a temperate-climate habitat composed of grassland interspersed with woodland). Up until recently, it also had many wetlands. Due to recent anthropogenic influences combined with the effects of climate change, it has become a semidesert. Serious water scarcity is causing biodiversity and agricultural loss. Eight hundred thousand people live in this region and are affected by the exponentially deteriorating environment.



Map source: Wikipedia

■ Homokhátság is marked in dark green

The desertification is caused by ill-conceived water management infrastructure, land use, climate change, and illegal groundwater use. Climate change is causing, and will continue to cause, extreme weather events, decreased rainfall and drought. Fundamentally inadequate land use supported by administrative measures and market trends lock farmers into unsustainable agricultural practices. Plants with high water needs are cultivated (wheat, maize and tree plantations).

Some outdated rules left in place further exacerbate the problem, e.g. water management authorities are required to drain waterlogged land. Desperate farmers use illegal wells to irrigate parched crops. This cluster of problems results in an annual water shortage of 136 million cubic metres (m<sup>3</sup>), where natural habitats lack 38 million m<sup>3</sup> and agriculture lacks 98 million m<sup>3</sup> of water.

Sustainably tackling such a complex issue would require the harmonised work and excellent cooperation of various branches and departments of government administration together with a targeted operation to amend the relevant pieces of legislation at both national and EU levels with interventions focusing on land-use change and water retention.

However, instead of these detailed but relatively low-cost interventions, the recovery plan has a dedicated project to 'solve' the complex problem of the region by delivering water from the Danube. The recovery plan allocates EUR 159 million for the entire water management component (which includes other projects, not just Homokhátság) and dedicates 94.5 per cent to developing water delivery systems. The focus of decision makers is apparent not just in the way funds are allocated for different projects, but also in the principal goal of the component: to increase the capacity of water supply systems.

## Impacts – will it bring the desired results?

To answer this question, we need to look beyond the RRF.

During the public consultation process of the plan, conservation experts reiterated<sup>99</sup> that increasing water supply to the region should only come after radical land-use change and after water retention capacities have been maximised. Why? Because increasing water supplies to farmers sustains existing practices and hinders initiatives for change.

One of the most significant obstacles to water retention is that farmers are not motivated to dedicate land for water retention purposes. In the past, little or no effort has been made by decision makers to change land-use practices or increase the water-retention capacity of the land. The CAP Strategic Plan of Hungary is still being negotiated. When asked in person, influential stakeholders admit that they expect increased water needs in the future. Agriculture and nature conservation will likely compete for water resources.

For all these reasons, the planned measure appears to be the most expensive but least effective way of tackling the desertification problems – trying to relieve the symptoms without tackling the causes.

## The ‘do no significant harm’ assessment

The national plan was developed by the prime minister’s office. The project description includes a chapter about the ‘do no significant harm’ principle for the entire component. There is no indication that the prime minister’s office commissioned any independent assessment.

The plan contains unsubstantiated statements like: ‘water used for water replenishment purposes is available’ without providing sound background studies or calculations. The document does not consider the very likely scenario that Hungary’s main rivers will carry significantly less water in the future. Due to climate change, water availability in the southern and eastern part of the Danube river basin is likely to decrease and there is consensus that extreme hydrological events will increase in both number and intensity.<sup>100</sup> This project’s solution is insufficient, unsustainable and not the best practice available; therefore, it should at least have undergone a substantive ‘do no significant harm’ assessment instead of a simplified one.

## What could have been done differently?

Water retention is a high-priority public interest and should be treated as such. The legislative and administrative environment should be designed to promote water retention and land-use change. The cost of inaction, or failing to correctly address this, vastly outweighs the financial investments, time and resources that are actually needed.

A solution would require intervention in several areas:

- Water management bodies should have the right to consider public interest for water retention and refuse requests to drain waterlogged areas. At the same time, farmers should be compensated if they provide water retention services on their lands. This requires substantial CAP reforms: waterlogged fields should be available for area-based payments with conditions.
- There should be an overall structural change to move away from water-intensive, high biomass producing cultures to extensive practices, e.g. grasslands and grazing.
- Local municipalities should have pre-emptive purchase rights to land to allocate areas for water retention and other ecological purposes.
- Irrigation should be limited on Natura 2000 sites.

What should have been financed instead? Several small-scale projects exist that try to tackle water scarcity locally. Local farmers have joined forces and blocked drainage canals to keep water in the landscape.<sup>101</sup> Towns have reinvented old clay pits to manage storm water that double as small wetland habitats.<sup>102</sup> Farmers offer their low-lying lands for water retention and forego agricultural payments.<sup>103</sup> Ecosystem-based solutions stemming from grassroots initiatives are in action, but need resources to scale them up to a regional level.

## Transparency and public participation

The government established the main structure of the plan and its funding. Although some civil society organisations’ input has been taken on board, there was no consultation on what the primary focus of this exceptionally high-value financial framework would be. That is why only a fraction of the entire amount will be spent on biodiversity (less than 0.1 per cent) while the majority of the fund is to be spent on grey infrastructure.

The national government discloses minimal information about the plan and has not enabled civil society to provide input since the submission of the document to the Commission.<sup>104</sup> As the plan has not been approved, talks between the government and the Commission are ongoing but without results.

The official webpage<sup>105</sup> of the plan is regularly updated, and it is possible to comment on calls for proposals. (Calls have been published because some of the projects are being implemented from national resources.)

However, the government has also unexpectedly discontinued the long-standing practice of inviting a delegate from environmental and nature conservation organisations to the monitoring committee of the fund. Thus, there is no one comprehensively monitoring the nature conservation aspects of its implementation.

100 International Commission for the Protection of the Danube River, [ICPDR Climate Change Adaptation Strategy](#), *International Commission for the Protection of the Danube River*, 2018.

101 Toldi Csaba, [Hivatalos: félsivatag az ország tizedét kitevő Homokhátság – de így még meg lehetne menteni](#), *Valaszonline*, 11 February 2021.

102 [LIFE-MICCAC project](#), accessed 6 April 2022.

103 444.hu, [Nem akarnak ők lenni a klímaváltozás első hazai áldozatai](#), *YouTube*, 25 October 2020.

104 CEE Bankwatch Network and EuroNatur, [Building Back Biodiversity: How EU Member States fail to spend the recovery fund for nature](#).

105 PALVAZAT.gov.hu, [Social consultation of calls RRF 2021-2027](#), accessed 6 April 2022.

# Latvia:

## high risk flood prevention projects and un-assessed wind farms



■ Example of a similar flood prevention measure next to the border of a Natura 2000 site | *Ilze Priediece*

### The planned measure

Despite numerous objections from environmental civil society organisations<sup>106</sup> during the preparation phase of Latvia's national recovery plan,<sup>107</sup> 29 potentially harmful flood prevention projects, with a total budget of almost EUR 33 million, were included in the plan under Investment 1.3.1.2.i.<sup>108</sup> and unfortunately approved by the European Commission. They include the renovation of polder pumping stations, protective dams and regulated sections of rivers.

<sup>106</sup> Formal letters including concerns about the foreseen flood prevention measures were sent to the Ministry of Finance (the national authority responsible for the recovery plan) and the Ministry of Agriculture on behalf of four civil society organisations: Green Liberty, Latvian Fund for Nature, Latvian Ornithological Society and WWF Latvia (joint letter on draft National Recovery and Resilience Plan 2 February 2021) as well as on behalf of the Environmental Advisory Council consisting of 20 environmental organisations (letter on the 'do no significant harm' principle on 21 April 2021). Organisations also participated in the public hearing on the recovery plan, public hearing for the strategic environmental impact assessment of the plan, and in the working group discussion organised by the Ministry of Finances, which included discussions on the foreseen flood prevention investments.

<sup>107</sup> Ministry of Finance of the Republic of Latvia, [Last version of the national recovery plan and the 'do no significant harm' assessment](#), *Esfondi.lv*, 16 June 2021.

<sup>108</sup> Investment 1.3.1.2.i. Investments in flood risk reduction infrastructure, including renovation of polder pumping stations, renovation of protective dams, renovation of regulated sections of rivers



## Impacts

The EU Birds<sup>109</sup> and Habitats<sup>110</sup> Directives, as well as the Ramsar Convention,<sup>111</sup> impose an obligation on Member States to ensure the conservation of wetlands, including floodplain meadows and mire habitats, and to ensure their favourable conservation status. The European Union allocates funds for the restoration of wetland habitats such as freshwater habitats, floodplains, mires and bogs through various sources, including the LIFE programme and Cohesion Fund.

According to the new EU Biodiversity Strategy for 2030, at least 25,000 kilometres of river must be restored into free-flowing rivers by 2030 through the removal of primarily obsolete barriers and the restoration of floodplains and wetlands.

Therefore, any wetland drainage activities, including the planned flood prevention projects, are very much at odds with EU nature protection and biodiversity policy in terrestrial and aquatic ecosystems. Drainage of wetlands means significant changes in natural water levels that eventually lead to the degradation of natural habitats and loss of species. This negatively affects ecosystems' capability to accumulate water during floods and to retain CO<sub>2</sub> from the atmosphere.

The status of the Birds and Habitats Directives' implementation in Latvia is outlined in the latest Article 17 country report covering the period from 2013 to 2018.<sup>112</sup> Only 10 per cent of Latvia's habitats of EU importance are in good conservation status. This is even lower than the average EU level of 15 per cent. There is a risk that the implementation of the planned flood prevention projects will further aggravate this situation.

Wetlands and mire habitats play an important role in carbon sequestration and ensuring good water quality. Therefore, any flood prevention activities need to be carefully assessed in the context of climate change, biodiversity protection and water quality requirements according to the Water Framework Directive (2000/60/EC).

## The 'do no significant harm' assessment

The Ministry of Agriculture is responsible for the implementation of the foreseen 29 flood prevention projects and for their 'do no significant harm' assessment.

Despite several requests from the Latvian Environmental Advisory Council (consisting of 20 national environmental organisations),<sup>113</sup> the Ministry of Agriculture did not provide any details on these flood prevention projects during the recovery plan drafting phase or after it was approved by the Cabinet of Ministers and the European Commission.

The 'do no significant harm' assessment prepared by the Ministry of Finance in cooperation with the Ministry of Agriculture was done formally with only general claims that the flood prevention projects will not have significant impacts on the environment and biodiversity, and the requirements of the legislation will be followed. These statements were not backed by any proof, nor by any details about the foreseen projects. Therefore, it was impossible to assess their potential impact on the environment and biodiversity.

There was also no guarantee that an environmental impact assessment (EIA) would be conducted for all 29 projects, because the EIA procedure is obligatory only for those projects that are of a certain size and meet specific criteria set out in the EIA law.

Furthermore, the 'do no significant harm' assessment claimed that: 'the measure will reduce negative impacts on biodiversity'. However, this is not true, because any action that affects natural floods in the wetlands usually has a negative impact on biodiversity, as described above.

Upon repeated request from the Environmental Advisory Council, the details of all 29 projects were finally provided during an online meeting on 23 February 2022.

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109 European Parliament and Council of the European Union, [Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds](#), *EUR-Lex*, 30 November 2009.

110 European Parliament and Council of the European Union, [Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora](#), *EUR-Lex*, 21 May 1992.

111 United Nations Educational, Scientific and Cultural Organization, [Convention on Wetlands of International Importance, especially as Waterfowl Habitats](#), *Ramsar, United Nations Treaty Collection*, 2 February 1971.

112 European Environmental Agency, [State of nature in the EU: results from reporting under the nature directives 2013-2018](#), EEA Report No 10/2020, 2020.

113 Letter of 21 April 2021 to the Ministry of Finance on the deficiencies in the 'do no significant harm' assessment; letter of 30 April 2021 to the Ministry of Agriculture requesting detailed information about all 29 flood prevention projects and repeated letter of 24 September 2021 requesting the same information.

Environmental organisations have done a pre-assessment of all the planned flood prevention projects, some of which are planned within Natura 2000 areas. Based on this assessment, the Environmental Advisory Council sent a formal letter on 11 March 2022<sup>114</sup> identifying 13 problematic projects<sup>115</sup> out of the 29 planned, grouped into several categories:

1. Two projects should not be supported at all because there is a risk that they will negatively affect the hydrology of the Natura 2000 site 'Lubāna mitrājs' (Lubāns wetland). This could make it difficult to implement nature conservation actions in this Natura 2000 site, which should be aimed at improving the conservation status of habitats of EU importance, including the priority habitat types of alluvial (floodplain) forests, Northern Boreal alluvial (floodplain) meadows and rich pondweed lakes. The flood prevention projects contradict these nature conservation priorities.
2. Four projects need a detailed assessment of their impact on Natura 2000 sites, including a detailed assessment of the works foreseen.
3. Two projects should not be implemented without a full EIA procedure.
4. Two projects need concrete technical adjustments.
5. Three projects need a detailed social-economic assessment, as currently there are doubts about the necessity of and justification for these investments.

The results of the civil society organisations' pre-assessment show that the 'do no significant harm' assessment done during the recovery plan's preparation stage was not reliable. Clearly, there are flood prevention projects included in the plan that should not have been supported by the national authorities or by the European Commission. This is especially true for those projects planned in Natura 2000 areas.

In its response letter on 22 March 2022,<sup>116</sup> state company Zemkopības ministrijas nekustamie īpašumi (ZMNĪ), which is directly responsible for the implementation of the flood protection measures, did not specifically address any of the problematic projects identified above. It stated that the Environmental Advisory Council's arguments will be assessed according to the priorities set out for the National Melioration Policy for 2021-2027 and by inviting construction and environmental experts. ZMNĪ did confirm though that projects with negative impacts on Natura 2000 sites will not be implemented.

## What could have been done differently?

There is a clear priority set for protected areas of European importance (Natura 2000) in the Habitats and Birds Directives: biodiversity, nature protection and nature restoration. Moreover, the EU Biodiversity Strategy for 2030 includes a set of important nature restoration commitments aimed both within and outside of protected areas, including the restoration of wetlands. Therefore, not only are the foreseen flood prevention activities not needed in natural wetlands, but also activities achieving the exact opposite effect are actually necessary.

Wetland habitats, when kept healthy and functional, are the best natural flood prevention measures. They temporarily store and slowly release storm water as well as melting snow and ice water. Wetlands also reduce water flow. This allows sediments and associated pollutants to settle out. Healthy wetlands keep water levels more stable with less extreme fluctuations, thus reducing the negative impact of flooding on the ecosystem itself, neighbouring lands and biodiversity. The roots of wetland vegetation hold soil in place, stabilising the banks of rivers and streams, and preventing soil erosion.

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114 Environmental Advisory Council letter of 11 March 2022 to the state company Zemkopības ministrijas nekustamie īpašumi (ZMNĪ) on the potential environmental and financial risks of the projects included in the recovery plan.

115 The 13 problematic projects identified are the following (in Latvian):

- Lubāna ezera Austrumu dambis D-1
- Pededzes kanāla aizsargdambis
- Odiņu - Pavasara poldera aizsargdambis D-1
- Dziļāunes poldera aizsargdambis D-1
- Maltas un Rēzeknes pārrakuma aizsargdambis D-2
- Užavas kreisā krasta poldera aizsargdambis D-3
- Mīsas regulētā posma 28,3 km garumā
- Bārtas labā krasta aizsargdambis 5.16 km garumā
- Sūkņu stacija, VNŪ Vēžu polderis M-1, VNŪ Vēžu polderis M-2
- Meirānu kanāls
- Spāres poldera sūkņu stacija
- Upatu poldera sūkņu stacija
- Bļodnieku poldera aizsargdambis D-1 un Bļodnieku poldera aizsargdambis D-2

116 Zemkopības ministrijas nekustamie īpašumi (ZMNĪ) response letter of 22 March 2022 to the Environmental Advisory Council letter on the potential environmental and financial risks of the projects included in the recovery plan.



■ Example of restoring wetland habitat in Ķemeri National Park | *Rolands Ratfelders*

Raised bogs are among the most magnificent wetland habitats in Latvia and are a priority habitat of EU importance according to the Habitats Directive. The predominant plant species in these bogs are different *Sphagnum* moss species. These mosses are capable of retaining 20 to 25 times their own weight in water. There are several successful examples of restoring raised bogs and adjacent bog woodland habitats in Latvia, including such projects as LIFE Raised Bogs<sup>117</sup> and LIFE HYDROPLAN.<sup>118</sup>

River floodplains are another important type of wetland habitat. They are home to many protected plant and animal species of EU importance. The successful LIFE Dviete project,<sup>119</sup> for example, restored the natural flow of part of the Dviete River, thus improving both the overall functionality of this wetland ecosystem and the conservation status of the protected bird species corncrake (*Crex crex*).

Therefore, instead of the planned flood prevention measures, the recovery plan should have included wetlands restoration actions, following what is foreseen in the EU Biodiversity Strategy for 2030. Unfortunately, no similar activities are included in the plan.

According to the Habitats Directive's Article 17 report, 38 per cent of habitats of EU importance in Latvia are in bad conservation status. The country also has one of the smallest areas of Natura 2000 coverage in the EU, with only 12 per cent of the country designated as protected areas of EU importance.

Yet none of the commitments included in the EU Biodiversity Strategy for 2030 are reflected in the national recovery plan. Despite numerous recommendations from civil society organisations,<sup>120</sup> there was not even a single biodiversity-targeted action included in the plan.

117 LIFE project, [Restoration of Raised Bog Habitats in the Especially Protected Nature Areas of Latvia](#), LIFE08 NAT/LV/000449, *European Commission LIFE public database*, 31 August 2013.

118 LIFE+ project, [Restoring the hydrological regime of Ķemeri National Park](#), LIFE10 NAT/LV/000160, HYDROPLAN LIFE + project, 2019.

119 LIFE project, [Restoration of Corncrake habitats in Dviete floodplain Natura 2000 site](#), LIFE09 NAT/LV/000237, *LIFE+ project Dviete*, September 2015.

120 – Joint letter on draft national recovery plan of 9 March 2021 to the Ministry of Finances signed by four environmental organisations: Latvian Fund for Nature, Pasaules Dabas fonds (WWF partner in Latvia), Zaļā brīvība (Green Liberty), and Latvian Ornithological Society (BirdLife partner in Latvia);

– Joint letter on draft recovery plan of 23 March 2021 to the Ministry of Environmental Protection and Regional Development signed by four environmental organisations: Latvian Fund for Nature, Pasaules Dabas fonds (WWF partner in Latvia), Zaļā brīvība (Green Liberty), and Latvian Ornithological Society (BirdLife partner in Latvia);

– Environmental Advisory Council's letter of 21 April 2021 to the Ministry of Environmental Protection and Regional Development providing concrete suggestions on the biodiversity targeted investments to be included in the recovery plan.

Instead of potentially harmful flood prevention projects, at least some of the following biodiversity-targeted actions should have been added to the recovery plan:

- Capacity-building for nature conservation institutions;
- Development and management of the Natura 2000 network;
- Restoration, maintenance and improvement of the quality of habitats of European importance;
- Restoration of wetlands, watercourses and degraded areas by creating new nature territories;
- Combating invasive species;
- Promotion of sustainable management of private lands;
- Construction of nature tourism infrastructure and the development of infrastructure objects in Natura 2000 sites and beyond;
- Assessment of the possible development of a voluntary ‘payments for ecosystem services’ system in Latvia.

These were activities suggested by environmental organisations, compatible with the priorities listed both in the EU Biodiversity Strategy for 2030 and in the new Latvian Priority Action Framework (PAF) for 2021 to 2027.<sup>121</sup> None of them were included in the recovery plan. This has led to serious concern about the successful implementation of the ambitious objectives of the EU’s Biodiversity Strategy, which are supposed to be achieved by 2030.

## Transparency and public participation

The drafting process for Latvia’s recovery plan was not fully transparent and failed to involve all stakeholders in meaningful consultations. Civil society organisations participated in several meetings<sup>122</sup> during the recovery plan revision stage, where it was generally possible to present opinions. Yet there were no real working groups organised with the option to work on these organisations’ proposals in detail to come up with the best solutions.

There was a public consultation procedure in place. The draft recovery plan was publicly available during the public consultation process. Four environmental organisations submitted their assessments and suggestions for the plan on 9 March 2021. This was followed by a set of letters sent by the same organisations with concerns about the proposed projects and the deficiencies in the strategic environmental assessment (SEA) and the ‘do no significant harm’ assessment, as well as concrete proposals for investments in biodiversity, as described above.

The letters were sent to the Ministry of Finance (responsible for the preparation of the recovery plan), the Ministry of Environmental Protection and Regional Development and the Ministry of Agriculture. Yet, at the time of approval of the national recovery plan, no official written response to any of these letters had been received from the competent authorities.

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

The same applies to the ‘do no significant harm’ assessment. It was made available at the very last moment, less than a week before the approval of the national recovery plan in the Cabinet of Ministers on 26 April 2021. Addressing the above-described flood prevention measures, the Environmental Advisory Council in its letter of 21 April 2021 expressed its concerns about the poor quality of the ‘do no significant harm’ assessment. The assessment was not based on experts’ opinions or any scientific data. There was also no detailed information provided on the foreseen flood prevention projects.

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121 Nature Conservation Agency of Latvia, [Prioritised Action Framework](#), *Nature Conservation Agency of Latvia*, accessed 7 May 2022.

122 Public hearing for civil society on the strategic environmental impact assessment of the national recovery plan, as well as a working group discussion organised by the Ministry of Finance, that included discussions on the foreseen flood prevention investments.

As explained above, it was only after the national recovery plan was approved, and after two requests from the Environmental Advisory Council, that the state-owned enterprise ZMNĪ finally revealed the details of all 29 flood prevention projects during the meeting on 23 February 2022, thus allowing a first pre-assessment of their possible impacts.

Moreover, as explained below, a whole new element was added to the plan after the drafting stage and after the 'do no significant harm' assessment took place.

## Wind parks on state forest land

National recovery plan investment 1.2.1.5.i. originally aimed to modernise Latvia's energy infrastructure with a total budget of EUR 80 million, but the final version unexpectedly includes a new element that was not previously presented or discussed during the draft phase of the plan.

Namely, Chapter 211 under investment 1.2.1.5.i. now includes support for the promotion and building of wind parks on state forest land, without specifying particular locations.

Wind farms in forests may have a negative impact on biodiversity, including forest habitats of EU importance and protected bird and bat species. Moreover, the potential of intensive agricultural and other non-forest lands as well as offshore areas for building wind energy parks is not even close to being exhausted. Therefore, it is worrying that priority is now given to the development of such infrastructure in state forests instead of choosing intensive agricultural land, where the establishment of wind parks would have fewer potential impacts on the environment and biodiversity.

As the development of wind farms in state forests was not even included in the draft recovery plan, it was not available for public discussion, or for any pre-assessment. No 'do no significant harm' assessment was done for this investment at all. This is not acceptable for potentially large-scale investments that can significantly affect the environment and biodiversity, including habitats and species of EU importance.

Moreover, to speed up the development of wind farms, the Ministry of Environmental Protection and Regional Development presented an initiative to the Cabinet of Ministers on 22 March 2022,<sup>123</sup> suggesting the replacement of the standard EIA procedure for high-capacity wind parks (over 50 megawatts (MW)) with a simplified assessment procedure.

Although it is expected that these changes will not apply to cases within Natura 2000 areas, it is unacceptable to take such important decisions without proper discussions with stakeholders, including with environmental organisations, as such projects can still entail major impacts. This initiative was criticised by the Environmental Advisory Council in its letter of 17 March 2022 and later reflected widely in the mass media.<sup>124</sup>

The Cabinet of Ministers has now tasked the ministry with preparing a new law for the optimisation of procedures for the establishment of wind farms with a capacity of over 50 MW by 19 April 2022. The ministry must also elaborate on how it will ensure the proper integration of environmental requirements.



123 Ministry of Environmental Protection and Regional Development of the Republic of Latvia, [VES parku virs 50MW īstenošanas procedūru optimizēšana](#), State Chancellery, 22 March 2022.

124 Raivis Spalvēns, '[Valdība lemj būtiski pārstrināt vēja parku projektu īstenošanu](#)', *Delfi*, 22 March 2022. NRA.lv, '[Vides konsultatīvā padome kritizē VARAM ideju atvieglot vēja elektrostaciju novērtējuma procedūru](#)', NRA.lv, 28 March 2022.

# Poland:

## river death by a thousand cuts

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■ A successful Polish example - the Oder riverbed renaturalisation | WWF Polska

### Poland's plan still not approved

As of early May 2022, Poland's recovery plan had not been approved yet due to the struggle between the European Commission and Poland over the rule of law. Its approval is expected soon, but it is unknown precisely what reforms and investments will be included in the final approved plan.

### The planned measure

**Measure B3.3.1.** is a controversial extension of *Component B: Green energy and energy intensity reduction*, which was added to the recovery plan after the public consultations closed. It is part of package B.3 on climate adaptation, worth EUR 8.6 billion in total.

**Measure B3.3.1.** *Investments in enhancing sustainable water management potential in rural areas, including implementation of multifunctional hydro-technical investments* aims to finance the construction, reconstruction and expansion of water management facilities like reservoirs, dams, gates and weirs in rural and forest areas across Poland. The planned construction of 'multifunctional water reservoirs' and rebuilding of old facilities covers practically the entire country.

Measure B3.3.1. alone is estimated to be worth EUR 667 million. This is more than twice as much as the Polish government is planning to spend under its recovery plan to improve enterprises' energy efficiency and use of renewables.<sup>125</sup> Yet the measure could not be further from green climate adaptation.

The measure in Poland's national recovery plan states:

A big challenge is to increase small retention in rural areas, which would help counteract the negative effects of drought. Increasing water retention, among other things, in riverbeds and temporary damming of water with the use of e.g. weirs or gates will redirect this water to drainage ditches connected with these watercourses, which in turn will lead to an increase in the level of groundwater in the surrounding areas. Such actions will improve the water balance in the soil: they will ensure water availability in periods of rainfall shortages and ensure the runoff of water to rivers in periods of excess water.<sup>126</sup>

## Impacts

Around 77,000 barriers<sup>127</sup> are already blocking Polish rivers, so rivers that are already fragmented by a huge number of barriers will now be further blocked by new ones. Ecological connectivity is one of the most important factors for biodiversity in rivers, so already damaged aquatic environments will be put under additional pressure by the construction of new dams. Such actions contradict the EU Biodiversity Strategy for 2030, which urges Member State authorities to review their policies regarding water abstraction and impoundment permits to restore ecological flows: 'at least 25,000 km of rivers to be restored into free-flowing rivers by 2030 through the removal of primarily obsolete barriers and the restoration of floodplains and wetlands'.<sup>128</sup>

Due to the lack of detail in the recovery plan, we cannot identify precisely which rivers are in danger, but the scale of the measure suggests that all rivers in agricultural areas are at risk.

Judging by the wording of the measure, it can be assumed that reservoirs on rivers will make up a significant proportion of the B3.3.1. investments. Once such reservoirs were built under the pretext of flood protection, but now drought has become an additional excuse. This 'multifunctionality', according to proponents of such projects, provides protection against floods and droughts, and enables the production of green energy at the same time.

The real reasons for building reservoirs are that such works are lucrative for hydrotechnical and energy companies and that local governments can promote them as investments in recreation. Every village head or mayor would like to have an artificial lake in their area, as it increases the price of land and homes. An example of a reservoir built as a pseudo-flood-prevention investment of this type is the recreational lagoon on the Wiązownica River (Przytyk commune), built in 2015 for EUR 3.8 million (PLN 17 million), of which EUR 2.5 million (PLN 11 million) came from EU funds.<sup>129</sup> The investment destroyed the meandering, precious river and original ecosystem, and contributed to the deterioration of local biodiversity.

Linked to measure B3.3.1. is reform B3.3., *Support for sustainable management of water resources in agriculture and rural areas*. This consists of unspecified amendments to the Water Law, the Construction Code and the Mining and Geological Law aimed at simplifying permitting procedures for investments related to water retention. Based on previous experience, explained below, this will most likely relax or remove environmental safeguards, which are already insufficient for some water management projects.

Furthermore, the recovery plan states that 'Additional support will cover the revitalisation of former and existing water reservoirs and the accompanying cultural infrastructure in the form of water mills to develop a nationwide water retention system in rural areas.'

In reality, it is widely suspected that this means hydroelectric power plants. According to the Restore-Hydro project, in Poland, about 6,000 such locations have been mapped.<sup>130</sup> This would significantly increase river fragmentation, as examples from countries like Croatia show that mills converted into hydropower plants do not necessarily restrict themselves to the original amount of water used by the mill.<sup>131</sup>

125 According to the [newest public version](#) of the draft (May 2021) published by the Ministry of Development Funds and Regional Policy.

126 According to the [newest public version](#) of the draft (May 2021) published by the Ministry of Development Funds and Regional Policy.

127 Barbara Belletti et al., 2020, '[More than One Million Barriers Fragment Europe's Rivers](#)', *Nature* 588 (7838): 436-41.

128 European Commission, [Biodiversity strategy for 2030](#), *European Commission*, accessed 7 May 2022.

129 It is very hard to find information on which specific fund – potentially the Solidarity Fund (flood damage removal), Regional Operational Programme or Rural development. The investor was the Provincial Board of Melioration and Water Devices in Warsaw.

130 European Renewable Energies Federation, [RESTOR hydro database](#), *European Renewable Energies Federation*, accessed 7 May 2022.

131 CEE Bankwatch Network, [Dabrova Dolina hydropower plant, Croatia](#), accessed 25 February 2022.

Furthermore, it cannot be assumed that the environmental permitting process will prevent harm. Poland's planned Act for the Prevention of the Impacts of Drought would make it much easier to implement measure B3.3.1. and reform B3.3. They serve the same purpose: loosening environmental regulations. The anti-drought act simplifies investment procedures for specific projects related to water facilities, in particular the retention reservoirs in Niepołomice on the Vistula, in Ścinawa and Lubiąż on the Oder and in Pisz on the Pisa, to make it easier for state company Polish Waters to obtain permits for new dams and artificial reservoirs. According to the draft, the proposed law will have primacy over the act on nature protection, thus enabling the construction of hydrotechnical infrastructure even in protected areas, without proper environmental assessments.

According to a June 2021 letter from environmental organisations to the European Commission Directorate-General for Environment (DG ENV) and the Recovery and Resilience Task Force,<sup>132</sup> these proposed laws violate the non-regression principle, as they would lower existing levels of environmental protection.

Finally, human-induced landscape changes amplify the impact of climate change on water flows in rivers and streams and the seasonal effects of spring floods and summer droughts. Researchers at the University of Waterloo who analysed seasonal flow patterns in 2,720 North American watercourses found significant differences in the flow patterns of natural rivers and streams compared to 'managed' ones (those that had been partitioned, regulated, or had intensively urbanised catchments). Watercourses whose hydrology is influenced by humans are associated with a higher risk of floods and more severe consequences.<sup>133</sup>

It is very likely that multifunctional hydro-technical investments would lead to the mass deterioration of river ecosystems in Poland due to the fact that they require changing river valleys into reservoirs and disrupting the ecological continuity of rivers and their valleys. Such projects may pose serious threats to biodiversity, including for protected habitats and animal species important to the EU. They also reduce the self-cleaning capacity of rivers and may increase methane emissions from decomposing vegetation.

## The 'do no significant harm' assessment

The measures identified above should not pass the 'do no significant harm' assessment, yet it is not clear whether they have even been subject to it due to the lack of transparency in the process. This is a horizontal problem with Poland's recovery plan. The assessment is only provided at a general level (the authors assume 'do no significant harm' compliance a priori) and relates only selectively to individual investments. However, according to the European Commission's guidelines, a detailed analysis of each reform and investment must be provided to check its compliance with the 'do no significant harm' rules.

The proposed measures are detrimental to the objective of protection and restoration of biodiversity and ecosystems, and harmful to the conservation status of habitats and species, including those of EU interest. They run counter to the objectives of the EU Green Deal and EU Biodiversity Strategy, and are unlikely to be in line with the Water Framework Directive or the Birds and Habitats Directives.

Moreover, the problematic national context for nature conservation and restoration shows why the measure should not have been approved. The Natura 2000 network in Poland is incomplete, meaning many valuable natural areas not included in the network lack effective protection. The current practice in managing Natura 2000 sites also does not guarantee an adequate level of protection. Poland is failing to abide by its obligations under Articles 4(4) and 6(1) of the Habitats Directive and 4(1) and 4(2) of the Birds Directive, i.e. the obligation to designate conservation areas, define conservation objectives and implement management plans for sites and the obligation to ensure effective protection of endangered species listed in the directive.

No detailed conservation objectives have been defined and no management plans have been adopted for the vast majority of the designated Natura 2000 sites, even though the six-year deadline for doing so has passed. This makes effective protection of the Natura 2000 network in Poland impossible, as one cannot properly assess the impacts of plans and projects on natural habitats and species with reference to the conservation objectives of the given Natura 2000 site.

132 European Environmental Bureau, et al., Letter to Ms Florika Fink-Hooijer, Director-General of the Directorate-General for Environment and Ms Maria Teresa Fábregas, Director of the Recovery and Resilience Task Force, SG, 17 June 2021.

133 Nitin K. Singh and Nandita B. Basu, [The human factor in seasonal streamflows across natural and managed watersheds of North America](#), *Nature Sustainability*, 2022.



The Skarżysko section of the S7 road is a case in point: in the absence of a management plan for the Lasy Skarżyskie Natura 2000 site, it was impossible to properly assess the project's impact on the habitats of the marsh fritillary – a species of butterfly that the area was designated to protect. As a result, the project promoter destroyed one of the best-preserved populations of this endangered butterfly in Poland, without even compensating for the damage.<sup>134</sup>

Without adequate protection of Poland's habitats and species, implementation of the 'do no significant harm' principle is not enough. Urgent reinforcement of the Natura 2000 network's protection in Poland is needed, including the designation of areas currently missing from the network and the rapid development and adoption of missing management plans for Natura 2000 sites. Despite these deficiencies, the latest version of Poland's recovery plan does not include any provisions that will positively impact the protection or restoration of biodiversity.<sup>135</sup>

## What could have been done differently?

Re-naturalisation is possible even on large rivers. An example is the 45-kilometre stretch of the Meuse River, which forms the border between the Netherlands and Belgium. The re-naturalised section has become an important ecological corridor that reduces the risk of flooding and preserves biodiversity.<sup>136</sup>

A successful example in Poland is a seven-kilometre-long section of the Oder River between Domaszków and Tarchalice.<sup>137</sup> In 2014 and 2015, the right anti-flood embankment was moved away from the riverbed and over 600 hectares of natural floodplains were restored. Since then, the river has been able to rise and overflow freely, supplying coastal riparian forests, while people living downstream can still feel safe. This beautiful and inspiring example of a river release for the benefit of people and nature is unfortunately isolated.



■ Mlyniska stream regulation which endangered protected alpine bullhead species | *WWF Polska*

The Oder, Vistula and other rivers in Poland are still corseted by tens of kilometres of embankments, barriers intended to protect crops but which now only protect forests, meadows and fields. Recovering their floodplains would accommodate hundreds of millions of cubic metres of water, protecting Opole, Wrocław, Głogów, Nowa Sól, Słubice and many other towns from flooding.<sup>138</sup>

134 CEE Bankwatch Network, [The slicing of the S7 motorway](#), accessed 4 May 2022.

135 CEE Bankwatch Network and EuroNatur, [Building Back Biodiversity: How EU Member States fail to spend the recovery fund for nature](#).

136 Rewilding Europe, [River Meuse restoration shows the wide-ranging benefits of working with nature](#), 22 November 2021.

137 European Commission, [Cutting flood risk and restoring biodiversity in Domaszków-Tarchalice](#), 1 December 2015.

138 Save the Rivers Coalition, [Recommendations on green recovery for rivers and wildlife](#), *Save the Rivers Coalition*, February 2021.

Our proposal is to fully implement the National Water Body Re-naturalisation Programme<sup>139</sup> using public funds, as the primary means of counteracting the negative effects of climate change and restoring ecosystem services in catchment areas. An extensive programme of surface water re-naturalisation is necessary for the restoration of natural landscape retention and effective drought control, as well as for achieving the good ecological status of water bodies, and therefore the objectives of the Water Framework Directive.

## Transparency and public participation

Until February 2021, information from decision makers about the shape of Poland's recovery plan was virtually non-existent. After a press conference organised by Polish Green Network and other environmental organisations, and after many letters were sent and articles written, the government finally decided to schedule public hearings on it.

The hearings on the recovery plan were well prepared. Civil society organisations had a platform to present their amendments and remarks on the plan. After the positive experience with the public hearings, indeed, some flaws were removed from the plan. The most significant achievement was the deletion of harmful waste incineration plants from the plan. Unfortunately, large gas investments, limited support for sustainable renewable energy and a lack of spending on biodiversity remained.

Furthermore, after the public hearing, the plan's authors decided to smuggle the harmful B3.3.1. measure into it. Shortly after the plan was submitted to the European Commission, the Commission announced that there would be no recovery money for Poland if Warsaw does not resolve its independent judiciary issues.

At the beginning, the government seemed to be open to civil society proposals for a monitoring committee, which should be as democratic and effective as possible and not only a mere facade. During the public hearings, civil society emphasised the need for broad representation of civil society organisations in the committee, and the need to be able to veto harmful investments. However, what was finally set up could not be further from what civil society proposed.

Among other things, civil society organisations are not allowed to put forward their own elected candidates. Instead, they are to be appointed by an advisory body of the Minister of Finance, the Public Benefit Activity Council, and a licensed institution called the Council for Dialogue with the Young Generation. The latter is nothing more than the ruling party's youth organisation with no autonomy whatsoever. The minister himself will determine how many members will be elected by both councils. If representatives of civil society are not selected by the councils in time or according to the number or type requested by the minister, the minister selects representatives of their own choice. In either case, they will be handpicked in a way that is likely to exclude truly independent organisations.

Regarding monitoring more broadly, the draft law envisages the appointment of a European Funds Ombudsman by the managing authority (in the case of the recovery plan, the Minister of Development Funds and Regional Policy), which can even be a managing authority employee. This seriously undermines the integrity of this institution.



# Romania:

## afforestation doomed to fail unless deforestation and corruption tackled

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■ Clearcut logging in Maramureş Natural Park, Natura 2000 site | *Agent Green*

### The planned measure

Romania's national recovery plan was approved by the European Commission at the end of September 2021. The description of the measures as well as the 'do no significant harm' assessments for the components of the plan are available on the website of the responsible Ministry – the Ministry for Investments and European projects.<sup>140</sup>

**Component 2** of the plan, *Forests and biodiversity protection* includes an investment called *Afforestation and reforestation national campaign, including urban forests*, which has been allocated EUR 730 million. In the plan, it is presented as follows:<sup>141</sup>

The investment measure aims to create new forests and areas with forest vegetation in areas vulnerable to climate change: land identification and assessment, financing afforestation and plantation care works and increasing the area with forest vegetation, urban forests, other categories of forest protection curtains. The measure aims to restore forests affected by forest fires, adverse weather events, diseases and pests and illegal logging and also the reforestation of areas from the forest fund where regeneration has not been carried out by the owners and the administrator.

Particular attention will be paid to areas where forest habitats have been degraded by illegal or uncontrolled logging in Natura 2000 protected areas. As a result of this investment, a total of 56,700 [hectares] of new areas will be afforested or reforested and 315 [hectares] of urban forests will be created.

The implementing authority is the Ministry of Environment, Water and Forests in collaboration with the National Forest Guard. One of the main beneficiaries is the National Forest Management Authority – Romsilva.

## Impacts – will it achieve the desired results?

Deforestation caused by illegal logging is one of Romania's main environmental problems. During a November 2019 press conference, the Minister of Environment confirmed that approximately 38.6 million square metres (m<sup>3</sup>) of wood are exploited annually, of which 20.6 million m<sup>3</sup> are exploited illegally.<sup>142</sup>

In 2019, environmental organisations EuroNatur, Agent Green and ClientEarth revealed the catastrophic scale of illegal logging of old-growth and primary forests in Romania's protected areas in a complaint submitted to the European Commission.<sup>143</sup> For example, over 3,000 hectares of the Maramures Natural Park and Natura 2000 area had been clear-cut.<sup>144</sup>

In February 2020, the European Commission sent a Letter of Formal Notice urging Romania to stop illegal logging.<sup>145</sup> The Commission found that the Romanian authorities manage forests, including authorising logging, without evaluating beforehand the impacts on protected habitats as required under the Habitats and Strategic Environmental Assessment Directives. Furthermore, there are shortcomings in public access to environmental information on forest management plans. The Commission also found protected forest habitats have been lost within protected Natura 2000 sites in breach of the Habitats and Birds Directives.

To ensure the effectiveness of any measures and a coherent approach to forests in Romania, financing new forests while cutting existing protected forests cannot be given a green light. Any RRF measures must therefore first focus on stopping unsustainable forestry in Romania and increasing protection of Natura 2000 sites and other forests.

No official information is available about reforestation plans for these clear-cut parts of protected areas, even though reforestation is legally mandatory after clear-cut logging. Indeed, according to the legislation and in order to comply with the 'polluter pays' principle, the administrator of the forest is responsible for reforestation measures. Nevertheless, there are cases in which it is difficult to trace responsibility but the need for afforestation or reforestation remains. This should have been the second priority when it comes to RRF forestry measures. However, as shown below, such measures would require significant governance improvements in the forestry institutions.

The measure presented in Component 2 lacks precise information regarding the projects, which makes it very difficult to carry out a 'do no significant harm' assessment.

141 European Commission, [Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Romania](#), Ministry for Investments and European Projects, 27 September 2021.

142 Hotnews.ro, '[Ministrul Mediului prezintă cifre șocante: În România se taie, într-un an, 38,6 milioane de metri cubi de lemn, cu 20 de milioane peste cifrele oficiale. Diferența provine din tăieri ilegale](#)', Hotnews.ro, 22 November 2019.

143 Agent Green, ClientEarth and EuroNatur, [Commission urged to protect Europe's last natural forests from illegal logging](#), ClientEarth, 10 September 2019.

144 EuroNatur, ClientEarth and Agent Green, [Media Briefing: Effects of illegal logging on species and habitats in natural forests in the Romanian Natura 2000 sites Făgăraș, Maramures and Domogled](#), EuroNatur, 22 April 2020.

145 European Commission, [February Infringements Package: key decisions](#), European Commission, 12 February 2020.

Nevertheless, based on previous afforestation and reforestation projects (outside the RRF), several projects have the potential to cause significant harm to biodiversity, even if they have passed the official ‘do no significant harm’ assessment.<sup>146</sup> The assessment claims that the *Afforestation and reforestation national campaign, including urban forests* investment has no significant impact on the environment or biodiversity. But in reality, this depends on how and whether it is implemented.

So far – even after the plan was approved by the European Commission – no information has been disclosed about where the 56,700 hectares of afforestation and reforestation will be carried out.

It is therefore unlikely that this target will be achieved by 2026, as in the past eight years, only 46,520 hectares have been afforested in state-owned forests.<sup>147</sup> According to the National Institute for Statistics, in 2020 only four hectares of degraded land and three hectares of forest protection belts were afforested or reforested.<sup>148</sup> COVID-19 cannot be considered a convincing reason for why this figure is so low, as extremely intensive logging was undertaken in 2020 and 2021, showing that there were few barriers to carrying out forest works. In this context, it is hard to believe that the goal of this RRF measure will be achieved.

In addition, the parliament’s recent vote to change the boundaries of protected areas jeopardises Romania’s chance of meeting the objectives for Natura 2000 sites.<sup>149</sup> The borders of protected areas can now be changed where projects<sup>150</sup> are under construction or where they were approved before those areas were declared protected. In the context of the recent energy crisis, this decision could open the door for new legislative amendments that will endanger protected areas in order to facilitate damaging projects for energy production such as hydropower or additional logging.

Moreover, several investigations have proven that afforestation/reforestation projects led by Romsilva – the main beneficiary of the *Afforestation and reforestation* measure – were either not carried out at all, or were harmful to the environment.



■ Clearcut logging in Făgăraș Mountains, Natura 2000 site | *Agent Green*

146 Ministry for Investments and European Projects of Romania, [National Recovery and Resilience Plan](#).

147 The National Forest Administration - Romsilva, [The National Forest Administration - Romsilva Program 2021](#), accessed 4 May 2022.

148 National Institute of Statistics, [Forestry activity in 2020](#), *National Institute of Statistics*, 2021.

149 Senate of Romania, [Legislative proposal for the amendment and completion of the Law no.158/2018 amending and supplementing the Government Emergency Ordinance no. 57/2007 on the regime of protected natural areas, the conservation of protected natural habitats, of wild flora and fauna](#), *Senate of Romania*, 25 February 2022.

150 In this case, a hydropower project.

For example, in March 2020, the Ministry of Environment in partnership with the Presidential Institution started the ‘biggest afforestation campaign in the last 10 years’, entitled *A forest as big as a country (O padure cat o tara)*. The Ministry announced that ‘[m]ore than 1,100 forest National Forests Authority nurseries and hundreds of private forestry administration nurseries are prepared with over 50 million seedlings for the entire programme this year.’<sup>151</sup> A year later, in May 2021, an investigation by independent journalists exposed the failure of the campaign.<sup>152</sup>

The journalists searched state records and carried out site visits in several counties to see the results of the afforestation project. The foresters and forestry engineers interviewed stated that the planting had not been done. The Muntenia Forest District, for example, was listed as having 12,000 seedlings to be planted, but none of them were on the site. As a result of this investigation, the then prime minister, Mr Florin Cîtu, ordered an inquiry.<sup>153</sup>

In December 2020, an investigation by environmental organisation Agent Green in one of the most deforested areas in Romania proved that over 200,000 seedlings and 800 000 Romanian lei (over EUR 166 000) disappeared in 2019 and 2020 from the Ialomița Forestry Department (under Romsilva’s administration).<sup>154</sup> Only 5.8 per cent of Ialomița County’s surface area is still officially covered with trees. In fact, it is even less, because the clear-cut forest areas have not been replanted: the seedlings disappeared just like the money from the conservation forestry fund. An investigation into this case by the National Anticorruption Directorate is ongoing.<sup>155</sup> Due to the fact that the seedlings were not planted in time, the composition of the vegetation changed dramatically and reeds and bushes took the place of the forest that should have been planted. Unfortunately, this is a good example of how habitats and biodiversity can be affected by poor implementation of reforestation projects.

Another case demonstrating how failed reforestation projects can damage biodiversity and habitats is from the Scrovistea Forest Natura 2000 site near Bucharest.<sup>156</sup> In September 2020, an investigation by a national TV station showed that besides illegal logging in this area that is supposed to protect old-growth oak forests, 27 hectares that should have been planted with seedlings of oak and related species are now covered by bushes.<sup>157</sup>

The Supervisory Authority from the Ministry of Environment carried out an inquiry into the conduct of the Snagov Forestry District authority, the administrator of the forest under Romsilva. Among other issues, the report showed that the forest failed to regenerate because the reforestation was only carried out on 15 per cent of the surface area, instead of the 70 per cent stipulated by national legislation. The Supervisory Agency sent the report to the General Prosecutor’s office.<sup>158</sup>

## What could have been done differently?

RRF afforestation and reforestation measures make little sense in Romania unless coupled with measures to stop illegal and unsustainable deforestation, as well as measures to improve governance of the whole sector to improve enforcement and decrease corruption.

Nevertheless, if accompanied by such measures, RRF afforestation/reforestation measures should focus on restoration of protected areas in order to rebuild habitats and biodiversity. The RRF reforestation measure aims to reforest areas affected by fires, extreme weather, diseases and pests and illegal logging. All these areas should be part of the target of 56,700 hectares. As the measure is described, the restoration of illegally logged forests is not one of the main areas of focus of the restoration programme in the measure, even though deforestation is one of the main environmental issues in Romania.

One of the goals of the RRF measure is to create 315 hectares of urban forests and through this to reduce pollution in urban areas. This could be effective as long peri-urban natural forests are not logged.

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151 Ministry of Environment, Water and Forests of Romania, [A forest as big as a country \(O padure cat o tara\)](#), accessed 4 May 2022.

152 Alex Nedea, David Muntean, [‘A lie as big as a country. The truth behind “the greatest afforestation campaign”](#)’, *Recorder*, 11 May 2021.

153 Andrei Pricopie, [‘Prime Minister Cîtu’s reaction after the recorder’s reportage “A lie as big as a country”](#)’, *The Epoch Times*, 13 May 2021.

154 Agent Green, [Plantări fictive în cea mai despădurită zonă a țării](#), *Agent Green*, 14 December 2020.

155 Agent Green, [Plantări fictive în cea mai despădurită zonă a țării](#).

156 Natura 2000, [Site: Scroviștea](#), accessed 4 May 2022.

157 Știrile Pro TV, [‘Dezastru ecologic în pădurea Scroviștea. Cum sunt tăiați copacii din aria protejată’](#), *Știrile Pro TV*, 7 September 2020.

158 Știrile Pro TV, [Dezastru ecologic în pădurea Scroviștea. Cum sunt tăiați copacii din aria protejată](#).

Iasi and Bucharest are among the most polluted towns of Romania, and still their nearby forests are illegally logged even though these forests are located in Natura 2000 sites. Barnova Forest,<sup>159</sup> near Iasi, and Scrovistea Forest,<sup>160</sup> near Bucharest, have been illegally logged for many years. To create long-term positive effects and a coherent and EU-compatible policy regarding forests in Romania, financing new forests while cutting existing protected forests cannot be allowed. The measure should first aim to identify and protect existing urban and peri-urban forests, and only then should it include the financing and restoration of existing ones, especially protected areas and Natura 2000 sites degraded by logging.

## Transparency and public participation

The only public consultation held for the national recovery plan before its approval by the European Commission was in February 2021.<sup>161</sup>

According to official data, 32 consultation events were organised. Almost 4,000 individuals, representatives from civil society, and partners from the social and economic field were involved, as well as public institutions and authorities at the national and local levels. A total of 1,939 proposals for reform and investment were received, of which 1,709 were submitted through the online form.<sup>162</sup>

Several official drafts were published – a good opportunity to make public assessments of the proposed measures. This was done via the media, as there was no further public consultation.

Agent Green submitted four proposals during the public consultations:

- The implementation of permanent storage of 36 million tonnes of carbon in 150,000 hectares with primary and old-growth forests as a key biodiversity reservoir;
- The reforestation of 480,000 hectares by 2026;
- The development of alternative house heating solutions and energy production, especially by using solar panels and heat pumps, and
- Transition to a sustainable diet through educational programmes, a systematic change in land use and the increase (by 35 per cent) of plant-based food options in supermarkets and restaurants.

It is not clear which proposals from civil society were taken into account, as there is no official information on this topic. The Ministry of Investments and EU Funds published only an overview of the topics to be addressed, not the accepted projects in each field. Positively, proposals such as reforestation and the protection of primary and old-growth forests were included in the recovery plan, but will need to be accompanied by improved governance.

For several measures, the responsible ministries published documents for public consultation. However, not all these calls can be found on the website of Ministry of Investments and EU Funds, so anyone looking for information needs to search the website of each ministry responsible for the measures separately.



159 Natura 2000, [Site: Pădurea Bârnova - Repedea](#), accessed 4 May 2022.

160 Natura 2000, [Site: Scrovistea](#).

161 Ministry of Investments and European Projects of Romania, [Înscrieri deschise la dezbaterile publice pentru actualizarea Planului Național de Redresare și Reziliență](#), *Ministry of Investments and European Projects*, 3 February 2021.

162 Ministry of Investments and European Projects, [Consistența cu alte inițiative](#), *Ministry of Investments and European Projects*, accessed 4 May 2022.

# Slovenia:

## forest resilience or just more timber?

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Primary forest in Natura 2000 SPA Krakovski gozd | Alen Plaj

### The planned measure

In Slovenia, 58 per cent of the territory is covered by forests, making it one of the most forested countries in Europe. Consequently, more than two-thirds (70 per cent) of the country's Natura 2000 areas are made up of forest habitats, in which 43 animal species, five plant species and 11 habitat types are protected.

Most of Slovenia's Natura 2000 forest areas are subject to some sort of forest management – even if limited – and only four per cent of all areas are strictly protected from exploitation.

Forest reserves and ecocells,<sup>163</sup> which represent four per cent of the Natura 2000 network, have mainly been established in inaccessible and still unopened areas, i.e steep and rocky areas where any sort of activity such as forestry or felling is almost impossible.

**Reform C:** *Restoration and mitigation of climate change and climate-related disasters for resilient biodiversity-rich forests* in the Green Transition component of Slovenia's recovery plan<sup>164</sup> states that its goal is positive forest restoration and mitigation of climate change, as well as promoting resilient, biodiversity-rich forests in Slovenia.

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<sup>163</sup> An 'ecocell' is a part of the forest that is intentionally left for natural development, meaning it is not managed and is without any forest road infrastructure. Its aim is to improve biodiversity.

<sup>164</sup> Republic of Slovenia Government Office for Development and European Cohesion Policy, [Slovenia's Recovery and Resilience Plan](#), Republic of Slovenia Government Office for Development and European Cohesion Policy, June 2021.



Alongside this reform, there is only one biodiversity-labelled measure in the entire plan: the construction of a Centre for Seeds, Nursery and Forest Protection (Seeds Centre).

The national recovery plan states that it will support its reform goals and biodiversity conservation measures mainly through European structural and investment funds and the Common Agricultural Policy (CAP) funds for 2023 to 2027, which should lead to an improvement in the conservation status of species and habitats, through proper management of agricultural and forest land.<sup>165</sup>

The total value of funding from the RRF for the measure is EUR 5.1 million, which will mainly finance the construction of the new Seeds Centre. Additional CAP funding of EUR 2.71 million has also been allocated<sup>165</sup> for the operation of the centre.<sup>167</sup>

## Impacts – will it bring the desired results?

Despite the national recovery plan's claims that the reform measures will contribute to resilient, biodiversity-rich forests, our experience – outlined below – suggests that the political intention of most measures is to intensify forest exploitation.

To get a complete picture of Slovenia's forestry plans and the underlying intentions, the recovery plan has to be read in conjunction with the CAP programme. CAP subsidies are funding two additional measures closely related to the recovery plan's forestry reform: the construction of new forest road infrastructure (approximately EUR 5.4 million in CAP funding) as well as the modernisation of forest machinery (approximately EUR 27.3 million). Though the plan claims<sup>168,169</sup> that these are conservation measures, the CAP programme clearly states that the primary goal of its forestry management-oriented measures is '[i]ncreasing productivity, competitiveness and technological development in forestry'<sup>170</sup> – two purposes that are not compatible.

Although the recovery plan claims<sup>171</sup> that the Seeds Centre would contribute to resilient, biodiversity-rich forests, the CAP programme describes how the operation of the centre is the first link in the forest-timber chain and the basis for a more stable and long-term supply of raw materials for the timber industry.

The Seeds Centre aims to promote reforestation in areas that have been impacted by natural disasters and bark beetle. While the goal in itself is welcome, the emphasis on supplying the timber industry could lead to the use of non-native trees, such as the Douglas fir (*Pseudotsuga menziesii*). Such species are usually characterised by fast growth, high timber quality, easily-manageable regeneration, drought tolerance and ultimately higher revenues in the timber markets.

Usage of new, non-native tree species could affect the ecosystems by altering the tree species composition.<sup>172</sup> The effect of the Douglas fir on biodiversity is still not fully understood, but a review of previous studies and assessments conducted in European countries indicates negative effects on nutrients and soil,<sup>173</sup> as well as on animal and fungal communities.<sup>174</sup> Promotion of this non-native tree species is already taking place in Slovenia,<sup>175,176</sup> whereas neighbouring Austria regards it as potentially invasive.<sup>177</sup>

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165 Republic of Slovenia, Government office for development and European cohesion policy, [National recovery and resilience plan](#), 472.

166 Republic of Slovenia Ministry of Agriculture, Forestry and Food, [Slovenian CAP 2023-2027](#), Republic of Slovenia Ministry of Agriculture, Forestry and Food, December 2021, 447.

167 The first version of the CAP programme – already approved by the Slovenian government – was sent to the European Commission in December 2021. The Commission has not approved the programme yet, but has sent an observational letter with their remarks on the plan.

168 Republic of Slovenia Government Office for Development and European Cohesion Policy, [National recovery and resilience plan](#), 472.

169 Republic of Slovenia Government Office for Development and European Cohesion Policy, [National recovery and resilience plan, Annex 1](#), 73.

170 Republic of Slovenia Ministry of Agriculture, Forestry and Food, [Slovenian CAP 2023-2027](#), 429, 435 and 445.

171 Republic of Slovenia Government Office for Development and European Cohesion Policy, [National recovery and resilience plan](#), 94.

172 Thomas Wohlgemuth, Barbara Moser, Elisabeth Pötzelsberger, Andreas Rigling and Martin M. Gossner, 'Über die Invasivität der Douglasie und ihre Auswirkungen auf Boden und Biodiversität', *Schweizerische Zeitschrift für Forstwesen* 172, 2 (2021): 118–127.

173 Stefan Nehring, Ingo Kowarik, Wolfgang Rabitsch and Franz Essl, 'Naturschutzfachliche Invasivitätsbewertungen für in Deutschland wild lebende gebietsfremde Gefäßpflanzen', *BfN-Skripten* 352, 2013, 35–202.

174 Wohlgemuth, Moser, Pötzelsberger, Rigling and Gossner, 'Über die Invasivität der Douglasie und ihre Auswirkungen auf Boden und Biodiversität'.

175 Biotechnical Faculty – University of Ljubljana, Department of Forestry and Renewable Forest Resources, [Suitability study on the Douglas Fir and other non-native tree species in the restoration of forests through planting and sowing in Slovenia](#), University of Ljubljana, 2021.

176 Republic of Slovenia, Government office for development and European cohesion policy, [National recovery and resilience plan, Annex 1](#), 73.

177 Franz Essl and Wolfgang Rabitsch, [Neobiota in Österreich](#), Wien: Umweltbundesamt, 2002, 432.



■ Logging in SPA Krakovski gozd – Šentjernejsko polje | Katarina Denac

The two additional forest management measures from the CAP programme are likely to lead to increased exploitation of forest biomass,<sup>178</sup> which would add to the current deficit<sup>179</sup> of dead woody biomass (especially coarse)<sup>180</sup> in forest stands in Natura 2000 areas.

By subsidising new forest road infrastructure, in combination with technologically advanced machinery, these measures would promote felling in previously unopened stands that are too remote and unreachable by current technology.

Provided that these areas have been undisturbed by management and represent refuge areas for species dependent on old trees, this could further affect existing old-growth forests in Natura 2000 sites, worsen the conservation status of forest habitat types that are in unfavourable or bad condition, and impact populations of several bird species, such as the Capercaillie (*Tetrao urogallus*) or the Eurasian three-toed woodpecker (*Picoides tridactylus*), in Slovenia.<sup>181</sup>

## The ‘do no significant harm’ assessment

Given the interconnections between the national recovery plan and the CAP programme, it was unfortunate for the ‘do no significant harm’ assessment that the first draft of the Slovenia’s CAP Programme for 2023-2027 was published in July 2021, when the recovery plan had already been approved.

Nevertheless, the goals of Slovenia’s forestry reforms were already clear, as the proposed measures were part of the previous Rural Development Programme,<sup>182</sup> which openly promoted intensification of forest exploitation for a more productive range of trees that would achieve higher prices on the market and lead to the higher consumption of wood biomass.

178 P.J. Verkerk, R. Mavsar, M. Giergiczny, M. Lindner, D. Edwards, M.J. Schelhaas, ‘Assessing impacts of intensified biomass production and biodiversity protection on ecosystem services provided by European forests’, *Ecosystem Services* 9, 2014, 155-165.

179 This refers to the amount of woody biomass needed to sustain protected Natura 2000 species, which are dependent on it.

180 Slovenian Forest Service, [Forest management plan of the Kočevje area for period 2011-2020](#), Government of the Republic of Slovenia, 8 November 2012, 47. See Table 25.

181 Katarina Denac, et al., [Monitoring populacij izbranih ciljnih vrst ptic na območjih Natura 2000 v letu 2018 in sinteza monitoringa 2016-2018](#), DOPPS, October 2018.

182 Republic of Slovenia Ministry of Agriculture, Forestry and Food, [Slovenia’s Rural Development Programme \(RDP\) for the period 2014–2020](#), Republic of Slovenia Ministry of Agriculture, Forestry and Food, 24 August 2021, 135-137.

Based on official data available under reporting on Article 17 of the Habitats Directive in 2019,<sup>183</sup> around three-quarters of all forest habitat types in Natura 2000 are in an unfavourable or bad condition. Additionally, data provided under reporting on Article 12 of the Birds Directive in 2019<sup>184</sup> shows that short-term population trends for forest-dwelling birds which are dependent on old-growth forests, such as the Capercaillie (*Tetrao urogallus*) or the Red-breasted flycatcher (*Ficedula parva*),<sup>185</sup> are either in decline or unknown, and that the long-term trends have not been recorded. Therefore, it should have been clear that Slovenia's forestry policies have not prevented harm so far.

Given that previous Rural Development Programmes included measures which promoted further exploitation of forest habitats in Natura 2000 areas, the goals proposed under the recovery plan that promoted biodiversity conservation through CAP measures should have been seriously questioned and should never have passed the assessment under **Objective 6: Protection and restoration of biodiversity and ecosystems: it is not significantly detrimental to the good condition and resilience of ecosystems, or detrimental to the conservation status of habitats and species.**

The 'do no significant harm' assessment was carried out by the Ministry of Agriculture and the Ministry of Finance, as the ministries responsible for supporting the measures. The potential risks explained above were not assessed properly and the assessment was made public<sup>186</sup> only after it was finished, and without supporting documentation.

## What could have been done differently?

In order to achieve restoration and mitigation of climate change and climate-related disasters for resilient and biodiverse forests, several options could have and still can be considered:

### 1. Legislative reforms:

Slovenia's current legislation on nature protection does not cover old-growth forest as part of the protected areas network. Forest reserves are designated through forestry legislation and can be erased, if the forestry authorities (the Slovenia Forest Service, the Ministry of Agriculture, Forests and Food) deem so.

Existing old-growth forests should, in consultation with independent experts, including nature protection civil society organisations, be added to the protected areas network as a new type of area, a forest nature reserve. Foresters could be included in national schemes to give them the opportunity to fulfil conservation tasks, for example.

### 2. Investments:

The Seeds Centre is a welcome idea, as long as it focuses on exclusively autochthonous tree species.

The government could also propose additional funds for the existing Forest Fund from the national recovery plan's Green Transition pillar. These funds would be used to purchase private forest land that would later be designated as forest nature reserves and exclusively intended for nature protection and, where reasonable, conservation practices to improve forest ecosystems would be applied.

To minimise the impact on the economic gains from forestry, it could firstly target areas within Natura 2000, which are currently not managed (e.g. currently inaccessible terrain, not managed by private owners due to lower tree quality).

This would contribute to a larger forest carbon pool and better conservation status of habitat types, and would actively promote restoration and resilience of forest habitats and climate change mitigation.<sup>187</sup>

183 European Environment Agency, [Slovenian report on progress and implementation \(Article 17, Habitats Directive\)](#), Eionet Central Data Repository, 2019.

184 European Environment Agency, [Slovenian report on progress and implementation \(Article 12, Birds Directive\)](#), Eionet Central Data Repository, 2019.

185 Others include *Dendrocopos medius*, *Dendrocopos leucotos*, *Dendrocopos syriacus*, *Picoides tridactylus*, *Ficedula albicollis* and *Glaucidium passerinum*

186 Slovenian Government Service for Development and European Cohesion Policy, [National recovery and resilience plan, Annex 1](#), 73.

187 European Commission, [EU Biodiversity Strategy for 2030](#), 20 May 2021.



Primary forest in Natura 2000 SPA Krakovski gozd | Alen Plaj

## Transparency and public participation

The first draft of the national recovery plan was presented to the European Commission on 24 September 2020. Throughout late 2020, there were multiple meetings and consultations with officials until the draft was sent to the Commission's Directorate-General for Economic and Financial Affairs (DG ECFIN) for informal coordination on the content in October 2020.

The Government Office for Development and European Cohesion Policy held one online presentation with civil society organisations in November 2020, but the draft was not available to the public online before it was sent to the European Commission, so there were no opportunities for detailed comments at a stage when all options were still open.

The official first draft of the plan was sent to the European Commission in December 2020, but was not officially released to the public until February 2021. It was still labelled 'internal' at a December session held by the responsible government bodies and was hidden from the public for almost two months, when the journal *Mladina* published a leaked draft online.<sup>188</sup>

This was followed by a set of comments from civil society organisations,<sup>189</sup> which eventually prompted the government to publish the December draft on 26 February.

During the preparation of the final draft of the plan, only a few key stakeholders were invited to a conference on the final draft<sup>190</sup> held on 26 March 2021, and there was again no formal commenting period on the final plan before its adoption on 28 April 2021.

An official webpage was established through EU FUND<sup>191</sup> while the plan was in the drafting stage – but without the draft plan. When the plan was adopted, an office was established,<sup>192</sup> where official news from the plan should be posted. However, the office is not very active. There is no news on how the measures are being monitored and how implementation is going (e.g. the signing of operational agreements).

188 Borut Mekina, [Article on the leaked draft of RRP with the attached draft from December 2020](#), *Journal Mladina*, 11 February 2021.

189 Plan B, [Commentary on the recovery and resilience report](#), *Plan B*, 29 January 2021.

190 Office of the President of the Republic of Slovenia, [Konferenca o osnutku nacionalnega Načrta za okrevanje in odpornost po epidemiji covid-19 - Brdo pri, YouTube](#), 26 March 2021.

191 Slovenian [EU FUNDS webpage](#), accessed 7 May 2022.

192 [Recovery and Resilience Office Official Page](#), accessed 7 May 2022.

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