



## **The European Network of Heads of Nature Conservation Agencies statement on smart planning and effective compensation**

### **Background**

Smart planning of buildings or infrastructure has to include the consideration of impacts on biodiversity, landscape and ecosystem services (ESS) from the outset. It is a comprehensive approach that aims to avoid or minimize impacts in the first instance, or, if that is not sufficiently possible, to compensate for them in an effective way. This provides major benefits by:

- reducing high costs to developers for any compensation or offsetting payments by avoiding unnecessary impairments,
- providing legal security to developers,
- avoiding high costs to society for the restoration of degraded habitats,
- maintaining functional biodiversity and profiting from ecosystem services,
- handing over attractive landscapes with high quality infrastructure and a rich biodiversity to future generations,
- supporting the EU 2020 goal of halting the loss of biodiversity, and
- looking at the entire landscape and thus complementing existing EU legislation (e.g. Natura 2000, Water Framework Directive).

The European Network of Heads of Nature Conservation Agencies (ENCA) believe that the EU No Net Loss initiative serves this purpose very well by:

- harmonizing existing strategies and initiatives,
- being applicable in a flexible way, and on a case by case basis,
- giving biodiversity and ecosystem services an actual, transparent value as natural capital, and
- creating new and innovative jobs in a biodiversity and ESS offsetting market.

The European Network of Heads of Nature Conservation Agencies strongly support the No Net Loss initiative, launched by the European Commission. The European Network of Heads of Nature Conservation Agencies believe that this initiative will comprehensively contribute to halting the loss of biodiversity in the European Union and make an indispensable contribution to achieve the targets of the EU Biodiversity Strategy to 2020.

## 1. Introduction

Despite some exceptional success stories, for example the recovery of certain keystone species such as the White-tailed Eagle or the Grey Wolf, biodiversity and ecosystem services in Europe are still in decline. If the overall target of the EU Biodiversity Strategy, ‘to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020<sup>1</sup>’, is to be met, further great efforts must be made. One of the major pressures on biodiversity is the constant ‘land-take’ for new settlement and infrastructure. This leads not only to a direct loss of habitats, species and ecosystem functions, but also fragments natural habitats and thus affects them in an indirect way. The European Network of Heads of Nature Conservation Agencies believe that the application of some clear principles can make a big difference to reducing the impact of infrastructure on biodiversity.

To achieve smart planning, the under-pinning precautionary principle<sup>2</sup> must be applied from an early stage and in all decisions affecting nature, landscape and ecosystem services. From the outset of any development, the priority should be the avoidance of any significant impairment to nature, landscape and ecosystem services (the avoidance principle). For unavoidable impacts, mitigation and compensatory measures should aim to prevent further degradation.

## 2. Avoidance and mitigation

Avoiding detrimental impacts has always to be the starting principle. The European Network of Heads of Nature Conservation Agencies strongly recommend giving highest priority to assessment at all planning levels, these include:

- whether a plan or project is absolutely necessary,
- areas with highest nature conservation priority or function should not be impacted by the project,
- possible alternatives for infrastructure rerouting,
- possibilities for reducing the size (and scope) of a plan or project, possible technical improvements, and
- options concerning the timing of building work.

The avoidance principle should be applied from the earliest possible stage. For impairments which cannot be avoided, further possibilities for mitigation have to be considered. Although mitigation measures do not completely avoid negative effects, they lead to a significant reduction of significant adverse effects.

Any precautions taken should be fully documented. Reasons must be stated as to why specific (reasonable) avoidance and mitigation measures are not subsequently applied. Avoidance options could mean completely withdrawing a project proposal, or including special adaptations to avoid, reduce and minimize the project’s impairment on biodiversity, landscape and ecosystem services. The European Network of Heads of Nature Conservation

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<sup>1</sup> EU Communication: Our life insurance, our natural capital: an EU biodiversity strategy to 2020 ([COM\(2011\) 244 final](#))

<sup>2</sup> Article 191 of the Treaty of the Functioning of the European Union (EU)

Agencies emphasize that avoidance should be the first priority of a mitigation hierarchy (1.avoidance, 2. mitigation, 3. compensation), which should be a mandatory part of the overall EU No Net Loss initiative.

### **3. Range (geographical and political)**

Ecosystems comprise habitats and species that are reliant on mutual interchange. This may include interchange across large distances and notably beyond the borders of protected areas (such as Natura 2000 sites). In turn, the quality of protected areas and their characteristic biodiversity depends upon the wider landscape.

Measures to avoid, mitigate and compensate for any impairment caused by infrastructure, or by any other kind of project, must, therefore, be applied throughout the geographical area affected by the project, including outside of protected areas. A balanced mix of instruments covering the entire geographical range, i.e. the wider landscape, is the only way to ensure, on a lasting basis, that there is no net loss to the condition of nature, landscape and ecosystem services.

The precautionary principle has to be fully applied to other policies as well, especially to those of the major land users like agriculture, forestry and developers if halting the loss of biodiversity is to be achieved. A good example would be to budget possible avoidance, mitigation and necessary compensation measures into the trans-European transport infrastructure (TEN-T).

### **4. Compensation**

The principle of compensation must be applied where species and habitats and the functions of natural systems and the landscape have been significantly impaired. Compensation should consider:

- functional characteristics (depending on significantly affected functions of nature and landscape),
- spatial characteristics (i.e. be located in a spatial context to the project), and
- temporal characteristics (i.e. be undertaken within an agreed time frame, which may be at the same time as the development, or in advance of the project, especially for habitats which require long periods to develop).

Adequate compensation should be mandatory and proportional to the impairment. The spatial and functional approaches ensure that compensatory measures target the site of any impairment, where they have their compensatory effect on the functions concerned.

Measures should be implemented throughout the wider landscape. Instruments such as compensation pools or advance compensation can be of significant advantage to enhance benefits for both biodiversity and developers. The latter can profit by reducing regional land use conflicts and by facilitating planning procedures. Additionally, the maintenance of any compensation measure has to be assured and its efficacy should be monitored over the long term.

Monetary compensation alone, according to the experience of the experts of the European Network of Heads of Nature Conservation Agencies, is not enough to restore impaired ecosystem functions and to assure the objective of no net loss. Monetary compensation should be a last resort and represent any small residual compensation required, after physical compensatory measures have been put into effect.

## **5. Conclusion**

The condition of biodiversity, landscape and ecosystem services across Europe gives cause for serious concern. To halt biodiversity loss on a lasting basis and to achieve the targets of the EU Biodiversity Strategy to 2020, the quality of habitats and landscapes must be maintained and improved across the entire landscape. The European Network of Heads of Nature Conservation Agencies believe the principles comprising the mitigation hierarchy – the avoidance, range and compensation principles – are essential to reach our EU biodiversity goals. These principles are already included in many European environmental directives (SEA, EIA, etc.) but – according to the “polluter pays-principle” – these have to be extended to all relevant policies.

The mitigation hierarchy should be consistently applied to all measures capable of causing significant impairments to nature and landscape and ecosystem services. In order to do that most effectively the conceptual basis (plans, maps, and corridors) should be available in advance on a supra-regional scale.

The European Network of Heads of Nature Conservation Agencies note that there are already some promising ongoing European initiatives, including:

- the No Net Loss initiative discussed at EU level, including the mitigation hierarchy,
- the Green Infrastructure Strategy adopted by the EU, and
- the target of restoring 15 per cent of degraded ecosystems (Target 2 of the EU Biodiversity Strategy to 2020).

An effective integration of the results of these initiatives as well as of biodiversity concerns in general, into all relevant European policies has to be assured. Continuous monitoring of effectiveness is essential to the successful implementation of the above-mentioned principles and requirements. In parallel, the preparation of a catalogue of examples of good practice in “no net loss” and compensation at European level would be helpful for a successful implementation.

## Summary

The European Network of Heads of Nature Conservation Agencies:

- strongly support the No Net Loss initiative,
- support the application of the precautionary principle from the earliest stage and in all decisions affecting nature, landscape and ecosystem services,
- believe the principles comprising the mitigation hierarchy – the avoidance, range and compensation principles – are essential to reach our EU biodiversity goals. These principles are already included in many European environmental directives but have to be extended to all relevant policies, eg into the trans-European transport infrastructure policy (TEN-T),
- support the preparation of a catalogue of examples of good practice in “no net loss” and compensation at European level, which would be helpful for successful implementation.

To achieve the EU Biodiversity Strategy to 2020 targets The European Network of Heads of Nature Conservation Agencies recommend:

- the promotion of smart planning of buildings or infrastructure that fully considers the impacts of the development on biodiversity, landscape and ecosystem services from the outset,
- the avoidance principle should be applied from the earliest possible stage and be the highest priority of a mitigation hierarchy,
- the mitigation hierarchy should be a mandatory part of the overall EU No Net Loss initiative,
- the principle of compensation to be applied where the functions of natural systems and the landscape have been significantly impaired. Compensation should be mandatory and be proportional to the impairment.