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NOTE

| From: | General Secretariat of the Council |
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| To: | Delegations |
| Subject: | AOB for the meeting of the Council (Environment) on 21 October 2025 |
| | Reflecting the environmental agenda in the Multiannual Financial Framework 2028-2034 |
| | - Information from Bulgaria, Czechia, Hungary, Italy, Lithuania, Luxembourg and Spain |

In the summer of 2025, proposals under the Multiannual Financial Framework 2028-2034 (hereinafter 'MFF') were published, launching intensive discussions. The MFF proposal introduces fundamental changes to the budget structure, with particularly notable implications for environmental policy. The European Council is scheduled to have a first initial discussion on the MFF in December this year and the Presidency aims to provide the first draft of the so-called negobox ahead of this meeting. We therefore consider it necessary to raise this issue at the Environment Council ahead of the December European Council meeting. It is essential to ensure awareness of these aspects with a view to their timely discussion.

Given the obligations imposed on Member States under the environmental agenda, for example in the areas of biodiversity conservation and nature restoration, it is necessary to further consider how these areas are recognised and supported in the MFF proposal. This is particularly important in light of the recently adopted ambitious commitments, such as the Nature Restoration Regulation (hereinafter 'NRR'). The NRR aims to restore biologically diverse and resilient ecosystems, improve the condition of landscapes and the urban environment, contribute to climate change mitigation and adaptation, combat soil degradation, and at the same time enhance food security.

It should be borne in mind that, in the long term, measures to protect biodiversity and restore nature are among the most cost-effective investments available. Payments from the EU Solidarity Fund for natural disasters have steadily increased over the past decade. In 2021-2023, weather and climaterelated costs were exceptionally high, accounting for 22% of total losses recorded over the past 40 years—largely driven by ecosystem degradation. According to the European Commission's impact assessment on the NRR, every euro invested in nature restoration can generate long-term economic benefits of $\in 8$ to $\in 38$.

In its draft report on financing nature restoration¹, the Commission estimated that implementing the NRR will require between €11.8 and €13.1 billion per year until 2030. Many Member States, however, consider this estimate conservative as it covers only active restoration and does not account for additional related costs. According to the draft report, current funding from the existing MFF and Member States' budgets amounts to approximately €9.4 billion per year, resulting in an annual gap of €2.4 to 3.7 billion and this only until 2027. At the same time, it is crucial to maintain and safeguard the existing natural values within the Natura 2000 network, which are not reflected in the above calculation.

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Draft Report from the Commission to the European Parliament and the Council on financing the implementation of Regulation (EU) 2024/1991 on nature restoration.

The current MFF proposal **risks limiting EU funding for environmental objectives**. This is particularly concerning as many Member States already **face difficulties in securing the resources needed to meet their existing commitments under EU environmental legislation**. Joint funding, particularly for biodiversity conservation, has been essential, and it is therefore crucial to ensure adequate **funding within the MFF to achieve biodiversity and nature restoration targets**. **Clear conditions should be set** for integrating these priorities into future budget instruments, including systematic mainstreaming of biodiversity across all EU funding programmes through clearly defined horizontal objectives and the removal of structural barriers that hinder the effective use and mobilisation of resources for nature conservation and restoration.

The proposed discontinuation of the standalone LIFE programme - the only programme focused exclusively on the environment - is a major concern. LIFE has long been seen as effective, and its termination creates uncertainty over future funding for biodiversity and nature restoration. While the European Competitiveness Fund (ECF), with reference to 'LIFE activities', focuses on a clean transition, industrial decarbonisation and climate awareness, it is not clear whether the ECF would also cover other policy areas under LIFE's broader remit, such as biodiversity protection, climate adaptation, nature restoration, and civil society engagement. The National and Regional Partnership Plans are supposed to contribute to the objective of preserving and restoring nature and enhancing biodiversity, however, funding is not guaranteed. We would therefore welcome a discussion on which programmes under the MFF will continue to support biodiversity protection, climate adaptation and nature restoration and how adequate resources will be secured. In addition, clear and robust indicators for monitoring outputs, results and impacts should be established to track progress and ensure accountability for biodiversity funding.

We strongly emphasise the need for adequate, targeted funding for biodiversity and nature restoration.

Czechia, together with Bulgaria, Hungary, Italy, Lithuania, Luxembourg and Spain, would therefore appreciate information from the current and future Presidencies, at an appropriate time, on the planned role of the environment formation of the Council in discussing the MFF proposals and invites the Commission and other Member States to engage in those discussions.

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