

Nature Restoration Law – Sowing the seeds for the EU’s economic resilience and competitiveness

Hybrid event

Wednesday 24 May

This event was co-hosted by MEP Pascal Canfin (RENEW), Chair of the European Parliament’s Environment, Public Health and Food Safety Committee (ENVI) and MEP César Luena (S&D), Rapporteur of the EU Nature Restoration Law.

Businesses are aware of their role in supporting the transition towards a resilient net-zero economy and an equitable, nature-positive future. Additionally, an increasing number of companies are aware that nature restoration will play a key role in increasing the EU’s resilience and contribute to the economy by bringing socio-economic benefits such as sustainable jobs, recreation opportunities, and broader health benefits.

Against this backdrop, CLG Europe brought together EU decision-makers, leading businesses and NGOs in this event, organised under the Green Growth Partnership, to discuss the role of EU Nature Restoration Law in addressing today’s dual climate and nature crisis, as well as providing a range of economic opportunities including high quality jobs and growth of new sectors.

Welcome and Opening Remarks

Ursula Woodburn, Director, CLG Europe and CISL Europe

The European Green Deal has set out how to make Europe the first climate-neutral continent by 2050. It showed the clear direction of travel to businesses in terms of setting their own climate and energy transition ambitions to accelerate the transition and keep the 1.5 objective alive. Currently EU decision makers are discussing one of the key pillars of the European Green Deal that could become the framework legislation which allows the EU to implement its international obligations under Kunming – Montreal Biodiversity Framework. In this event, organised under the Green Growth Partnership, businesses, EU decision makers and NGOs came together to discuss the EU Nature Restoration Law and show business support for this legislation.

The EU Nature Restoration Law will contribute to implementing several of the Global Biodiversity Framework’s targets, including Target 2 on the restoration of degraded ecosystems, Target 7 on addressing pollution, including from pesticides and Target 10 on sustainable land use. A failure to adopt an ambitious Nature Restoration Law would impede the EU implementation on the global agreement and send a detrimental signal to countries globally.

It is necessary to implement the EU’s international commitments under the Global Biodiversity Framework, as well as for the resilience of the European economy, food security and to give a clear policy direction to businesses and farmers about how the EU aims to align its climate, nature and energy objectives to implement the Green Deal. Unfortunately, yesterday the AGRI Committee voted to reject the legislation, but business remains hopeful that the majority of members of the European Parliament will be open to discuss this key legislation.

MEP Pascal Canfin, Chair of the Environment Committee, European Parliament, Renew

MEP Canfin expressed his hope for a positive conclusion on the Nature Restoration Law debate. On the mobility, energy and industrial part of Green Deal, policymakers have managed to find political consensus and wide agreement with the business community to roll out standards, such as the [regulation](#) setting stricter CO2 emission performance standards for new cars and vans. This stability in political consensus is necessary, to provide confidence in investments. Businesses need to speak loudly to share their thinking on the fact that protecting nature and the ecosystem is good for yield, good for resilience and good for the value chain.

This legislation should not be seen as it is targeting only farmers. Currently, there is a feeling that farmers are being asked to undertake requirements that cannot be translated into their business contracts as the businesses they work with do not have to comply with the same standards. That is why MEP Canfin is advocating for an equivalent to the Emissions Trading System ([ETS](#)) for the food sector, in order to create a carbon/biodiversity price paid by the companies investing in restoration. Then the business case is there, including for farmers.

In conclusion, MEP Canfin urged that stakeholders and decisionmakers work together to design how the Green Deal could create more convergence regarding climate, energy transition, biodiversity, and nature. The Kunming- [Montreal Agreement](#) which states that 30% of degraded land is restored by 2030 has been set, so it is important to apply this new ambition now to the Nature Restoration Law, and hopefully then find more consensus on the file.

MEP César Luena, Rapporteur for the Nature Restoration Law, S&D Group

MEP Luena highlighted the significance of this key moment, as the Nature Restoration Law debate presents the first instance in over seventy years of EU integration in which the EU negotiates nature in its entirety. As the conversation is clouded with [rising challenges](#), MEP Luena emphasised how the regulation is necessary and provides benefits to all. Nature restoration will make soil more fertile, help pollinators grow again, and make ecosystems and the economy more resilient to climate change.

There are many positive outcomes from a binding Nature Restoration Law, and if Europe fails to act now, its risks exposing the population to the worst effects of climate change. Restoring nature is not an option. It is needed for society's wellbeing and for functioning economies. Many companies, business sectors and citizen organisations have provided support for nature restoration as it helps sustain jobs, provides water security and protects human livelihoods. There is no business, no future, no life without nature. MEP Luena concluded with his optimism in securing an agreement in the ENVI committee in June and in the European Parliament plenary in July.

Stefania Avanzini, Director, One Planet Business for Biodiversity, WBCSD

Ms Avanzini presented the One Planet Business for Biodiversity Platform which is representing a wide [coalition](#) of business sectors who understand their dependencies on nature. The biodiversity and climate crisis shows that 'business as usual' does not work. One of WBCSD's members, [McCain](#) has said that 5 to 10 years ago, 1 out of 5 years was a poor year, but unfortunately due to unpredictability and severity of recent extreme weather events, now 1 in 5 years is a good year. From the past four years, they are witnessing a decreased yield from 6-10%. After undertaking soil sampling in 160 of their farms in France, three-quarters of soil sample results show signs of soil degradation. It is clear that soils are in poor condition, effecting both farmer and business resilience. These companies are

taking a strong commitment to invest in a [new agricultural model](#) that work with nature, as this is the resilience of their business.

Ms Avanzini recommended three important steps businesses are taking to progress their nature restoration objectives. They are halting deforestation, regenerating soil health and scaling up regenerative agriculture, and restoring nature and degraded land. Examples include McCain which has committed to implementing regenerative farming practices on [100%](#) of its potato acreage by 2030. [PepsiCo](#) has also committed to invest 7 million acres in restorative practices. Even in expensive wine lands, companies such as [Hennessy](#) have committed to planting over 50,000 hectares of forests in the Cognac region of France, understanding the economic benefit and importance of climate resilience to extreme weather events.

It is necessary to support farmers in the transition as short-term risks weigh on the shoulders of farmers. There is a real need to de-risk the transition for farmers with new funding and public-private partnerships. Studies showcase a long-term positive economic case, estimating a [120%](#) increase in profitability for farmers employing regenerative agriculture in the long run compared to those using conventional practices.

Panel Discussion:

'Addressing today's climate, nature and energy polycrises to build a resilient European economy'

Karolina D'Cunha, Deputy Head of Unit, Natural Capital and Ecosystem Health, DG Environment, European Commission

Ms D'Cunha provided some background on the Nature Restoration Law, which she described a ground-breaking proposal to restore nature and serves as a key deliverable of the European Green Deal. She presented the Commission's proposal published in June 2022 and highlighted its importance for the EU economy: Restoring nature is not only important for the sake of nature itself, but it is essential for survival and for the functioning of the economy. Theoretically, nature provides this for free but soon humanity will begin to pay the price for its services as the state of nature deteriorates further.

The Commission is [proposing](#) an overarching objective of 20% of land and sea to be restored by 2030, and all other ecosystems in need of restoration by 2050. Member States are required to adopt nature restoration plans setting out where restoration will take place with planned restoration methods and means of financing, outlined benefits, and coordination plans with [accelerated areas for renewables](#). Without agreement on the nature restoration law, the EU and its Member States will not meet the global target already agreed at COP15 in [Montreal](#).

Investment in nature makes sense. The [World Economic Forum](#) shows that more than half of global GDP is dependent on nature. To close nature is to close the economy. European Commission [impact assessments](#) also forecast the benefits of acting to restore nature far outweigh the costs. Focusing on carbon benefits alone, the EU would gain €1,500 billion with the cost of €154 billion, amounting in a ratio of benefit to cost of 8:1.

Tim Christophersen, VP Climate Action, Salesforce

[Salesforce](#) is a leading provider of cloud software applications, and have been on a sustainability journey for more than a decade, recently releasing their [Nature Positive Strategy](#). Now, they are

discussing with customers across Europe and the United States how they can emulate the same nature strategy and providing investment in nature positive projects.

He presented why Salesforce is engaging on nature: If the economy is shifted from one that degrades ecosystems to one that restores them, it can expect to generate [395 million new jobs](#) and \$10 trillion in new value globally by 2030. The sector is also directly affected by impacts on nature as data centres rely on freshwater systems for their cooling. Salesforce would also like to support the more than half of their 150.000 corporate customers globally whose supply chains face upstream or downstream risks related to nature.

The company has supported nature restoration globally, with the Ecosystem and Climate Justice Fund, Salesforce will invest [\\$100 million](#) over 10 years toward key climate initiatives. Salesforce supports the World Economic Forum's [trillion trees initiative](#), mobilising the conservation and restoration of 100 million trees over the next decade. Salesforce has also joined the [Taskforce for Nature-related Financial Disclosures](#) (TNFD) Forum.

Elisabeth Hoffmann, Head of EU Affairs, VELUX

Ms Hoffman was able to provide the construction sector perspective to the discussion. Currently, the construction sector is producing [one-third](#) of overall waste. It will only further increase with the need to complete renovations and improve energy efficiency. In this sense, the key question is how to reduce CO2 emissions and deliver on the [renovation wave](#) and protect nature in tandem. Nature Restoration regulations are needed now to send a clear signal that business as usual does not apply.

For [VELUX](#), the focus has been mostly on the impact of climate on the supply chain but they are now better understanding the impact on nature. VELUX is committed to becoming a [100% carbon neutral](#) company (scope 1 and 2) by 2030 and aims to reduce its carbon emissions derived from its value chain by 50% (scope 3). Hence where the challenge lies, as the company relies on the progress of other companies across the value chain. This is why they are establishing partnerships to reduce their emissions, restore ecosystems and improve their access to secondary and recycled aluminium and steel.

While doing these actions, businesses need a clear strategic framework to enable action. Forest projects in the name of climate mitigation have been harmful in the past due to their narrowed focus on carbon credits and disregarding biodiversity. While implementing the Green Deal, it is important for companies to give them clear guidance in which they can operate.

Bart Vandewaetere, VP Corporate Communications & Government Relations, Nestlé Europe

[Nestlé](#) is 100% dependent on nature for raw materials and if nature is under pressure then so is the company. Mr Vandewaetere pointed towards coffee as an example of why there is an urgency. By 2050, only [half](#) of the land that they cultivate coffee will be suitable.

Nature based solutions only work if farmers are on-board. That is why [regenerative agriculture](#) is so important as it introduces a middle ground. It brings two wins; farming remains successful and nature restoration is possible. Regenerative farming uses less pesticides and less fossil fuel inputs, bringing improvements both in productivity and profitability. The Nature Restoration Law can accelerate the uptake of regenerative farming. Mr Vandewaetere recommended that accompanying measures be introduced by the EU to support the transition for farmers comparable to the [\\$20 billion](#) allocated to regenerative farming in the US Inflation Reduction Act.

Paul Wilczek, Head of Energy Policy, Climate & Sustainability, Eurelectric

Mr Wilczek emphasised how the climate and biodiversity crisis needs to be tackled in a complimentary way as they are interlinked. For example, increasing offshore wind capacity helps meet clean energy objectives but can also provide [artificial reefs](#) for maritime species and protect biodiversity. Therefore, implementation is key as a coordinated approach is needed between national energy and climate plans, the renewable acceleration areas in the [Renewable Energy Directive](#) and the restoration areas in the Nature Restoration Law. Climate change, energy transition and nature restoration have to be addressed together.

Ariel Brunner, Head of Policy, Birdlife Europe and Central Asia

Mr Brunner urged policymakers to not allow the division around this file to win as the living world is dying around us. Recent studies show that half a billion birds have been lost. In regions such as in France and [Italy](#), up to 30% of crops are lost due to the worsening impacts of climate change. Food security is on the line. Floods, storms and fires will occur more frequently. Recent floods in Germany and Belgium were deriving from the [drained peatlands](#) for intensive agriculture. In terms of the survival of Europeans as a society and individually in this century, the twin challenge of climate and biodiversity must be addressed.

Bart Corijn, Programme Manager, The Shift

Nature has historically been a difficult topic to rally network members around, however, it is now becoming a material issue for businesses leading to its rapid escalation in importance. Nature is needed for the security of assets and the resilience of supply chains. There is also an increasing pressure from stakeholders as seen in a recent [survey](#) of 300 institutional investors where more than half indicated that by 2030 biodiversity will be one of the top topics in their investment policy. Companies realise that the climate and biodiversity crisis cannot be solved independently. More than [50%](#) of greenhouse gas emissions are absorbed by nature. The EU nature restoration law reinforces and complements the work that businesses are doing.

Concluding Remarks**Gonzalo Saenz De Miera, President of the Spanish Green Growth Group**

The Spanish Green Growth Group has among its founding goals to adopt ambitious business approaches towards the green transition, supporting EU nature and climate transition with the Paris Agreement and the Montreal Agreement. Mr Saenz De Miera concluded by sharing how businesses require clarity and long-term policy signals for investments in the transition, that nature restoration is not a net cost but a unique opportunity that provides an economic return through improved economic resilience, and a local-based perspective is required for effective implementation of the nature restoration law and the wide-range of projects that need to be delivered. There is no sustainable economy without a sustainable environment.

Ursula Woodburn, Director, CLG Europe and CISL Europe

Ms Woodburn concluded by highlighting how this event served as an opportunity to hear from businesses across sectors, who rely on nature for their operations, a clear call to members of the European Parliament to continue negotiating the legislation and work towards improving it.

She reminded that the proposal for the EU Nature Restoration Law provides an important opportunity to fill a core gap on nature in the European Green Deal and align the EU's nature ambitions with its climate and energy transition objectives. It would also provide a clear, forward-looking legal framework and leading to win-win outcomes that will enable reaching the EU's international climate and biodiversity commitments. Finally, she called on the European Parliament to negotiate on this legislation to improve it and to lead the EU on its path towards a strong European Green Deal legacy.