GoNaturePositive!

Funded by
the European Union

Deliverable 1.3

Mapping policy and co-operative initiative landscapes for systemic change towards a nature-positive economy

www.gonaturepositive.eu

Document identification

Project Information

Project Acronym	GoNaturePositive!
Contract Number	101135264
Start Date	Jan 2024
Duration	48 months
Project website	www.gonaturepositive.eu

Deliverable Information

Deliverable Title	Mapping policy and co-operative initiative landscapes for systemic change towards a nature-positive economy.
Lead Author(s)	Benjamin Kupilas, Natalia Burgos Cuevas, McKenna Davis, Evgeniya Elkina, Hugh McDonald (Ecologic Institute)
Work Package Number	1
Deliverable Number	D1.3
Deliverable Type	Report
Dissemination Level	Public

Revision History

Version	Date	Description of Change	Author
D1	17.03.2025	First draft for review	Benjamin Kupilas, Natalia Burgos Cuevas, McKenna Davis, Evgeniya Elkina, Hugh McDonald
D2	23.04.2025	Revised draft	Benjamin Kupilas, Natalia Burgos Cuevas, McKenna Davis, Evgeniya Elkina, Hugh McDonald
D3	29.04.2025	Final Version	Benjamin Kupilas, Natalia Burgos Cuevas, McKenna Davis, Evgeniya Elkina, Hugh McDonald

Suggested citation

Kupilas, B., Burgos, N., Davis, M., Elkina, E., McDonald, H. (2025). Mapping policy and co-operative initiative landscapes for systemic change towards a nature-positive economy (Deliverable 1.3). GoNaturePositive! Horizon Europe Grant Agreement No. 101135264, European Commission. https://doi.org/10.5281/zenodo.15309698
Available at: https://www.gonaturepositive.eu/resources

Acknowledgements

We would like to extend our gratitude to the numerous partners of the GoNaturePositive! consortium who provided contributions to the development of this report. In particular, we would like to thank all partners involved in the first step of our policy analysis and the review of the co-operative initiatives. We would also like to thank all project partners involved in the development of the nature-positive economy concept, which provided the foundation for our methodological approach and is highlighted in Chapter 1.1.

Finally, a big thanks to Siobhan McQuaid, Marianne Zandersen, Fleur van Ooststroom Brummel, and Paola Lepori for their helpful review and feedback to the draft deliverable and to Felicidad Collective for the design and layout of the deliverable and sectoral briefs.

List of acronyms

ACs	Advisory Councils
AKIS	Agricultural Knowledge and Innovation Systems
BBNJ	Biodiversity Beyond National Jurisdiction
BIC	Bio-Based Industries Consortium
CAP	Common Agricultural Policy
CBD	Convention on Biological Diversity
CBE JU	Circular Bio-based Europe Joint Undertaking
CDP	Carbon Disclosure Project
CEAP	Circular Economy Action Plan
CF	Cohesion Fund
CFP	Common Fisheries Policy
Climate KIC	Climate Knowledge and Innovation Community
COP	Conference of the Parties
CRCF	Carbon Removal and Carbon Farming Certification
CSDDD	EU Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DNH	Do No Harm
DNSH	Do No Signifikant Harm
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EBA	Ecosystem based Approach
EC	European Commisision
EEA	European Environemnt Agency

EFRAG	European Financial Reporting Advisory Group
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EIOPA	European Insurance and Occupational Pensions Authority
EMFAF	European Maritime, Fisheries and Aquaculture Fund
ERDF	European Regional Development Fund
ESPR	Ecodesign for Sustainable Products Regulation
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading Syste
EU	European Union
EUCL	European Climate Law
EUDR	EU Deforestation Regulation
EuSEF	European Social Entrepreneurship Funds Regulation
FfB Fundation	Finance for Biodiversity Fundation
FPIC	free, prior, and informed consent
FSC	Forest Stewardship Council
GAECs	Good Agricultural and Environmental Conditions
GBF	Global Biodiversity Framework
GES	Good Environmental Status
GFANZ	Glasgow Financial Alliance for Net Zer
GHG	Greenhouse Gas
GI	Green Infrastructure
GoNP!	GoNaturePositive!
GSTC	Global Sustainable Tourism Council

IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosytem Service
IPs	Integrated Projects
IUU	Illegal, unregulated and unreported fishing
JTF	Just Transition Fund
LULUCF	Land Use, Land Use Change and Forestry
MFF	Multiannual Financial Framework
MPA	Marine protected area
MSFD	Marine Strategy Framework Directive
MSP	Marine Spatial Planning
MSY	Maximum Sustainable Yield
NbS	Nature-based solutions
NEB	New European Bauhaus
NPE	Nature-Positive Economy
NPI	Nature Positive Initiative
NRP	National Restoration Plans
NRR	Nature Restoration Regulation
OP2B	One Planet Business for Biodiversity
PEFC	Programme for the Endorsement of Forest Certification
PRB	Principles for Responsible Banking
PRI	Principles for Responsible Investment
PSI	Principles for Sustainable Insurance
RED	Renewable Energy Directive
SAI	Sustainable Agriculture Initiative
SBTi	Science Based Targets Initiative

SBTN	Science Based Targets Network
SEA	Strategic Environmental Assessment
SMEs	Small and Medium Enterprises
SMRs	Statutory Management Requirements
SNaPs	Strategic Nature Projects
STECF	Scientific, Technical, and Economic Committee for Fisheries
T4T	Together for EU Tourism
TEN-G	Trans-European Network for Green Infrastructure
TNFD	Taskforce on Nature-related Financial Disclosures
UNCLOS	UN Convention on the Law of the Sea
UNEP FI	United Nations Environment – Finance Initiative
UN SDGs	United Nations Sustainable Development Goals
WBCSD	World Business Council for Sustainable Development
WorldGBC	World Green Building Council
WRI	World Resources Institute
WTTC	World Travel & Tourism Council
WWF	World Wildlife Fund

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Executive Summary

Nature underpins our economies, societies, and well-being and is a powerful and cost-effective tool in the fight against climate change. Yet it is deteriorating at an alarming rate, threatening over half of global gross domestic product, jeopardising our resilience to climate change, and increasing societal risks, such as food insecurity in Europe and beyond. Transitioning to a **nature-positive economy** represents a strategic and necessary response: one that goes beyond merely reducing harm and negative impacts, to increasing positive contributions to nature through the active restoration and regeneration of ecosystems, not least through nature-based solutions. Society and the economy stand to gain from this approach, with research showing significant potential for job creation and innovation arising from investment in nature-positive economic activities. Reaching these ambitions requires transformative change across society and collective action by businesses, governments, and citizens across all scales to align economic activity with equity and ecological health. Only by embedding nature into the core of policy and decision-making frameworks as well as into business practices can we decouple economic development from environmental degradation and create a sustainable economic pathway for future generations.

This report, developed within the EU-funded GoNaturePositive! research and innovation project, provides a baseline assessment to inform and support the transition to a nature-positive economy. It presents a structured mapping of key overarching and sectoral EU policy instruments, including a classification and an evaluation of their alignment with principles of the nature-positive economy, as well as a presentation of co-operative initiatives that can accelerate systemic transformation in business. The report and five accompanying dedicated sectoral briefs (included as an Annex) offer insights to guide policymakers, businesses, and stakeholders in embedding nature-positive strategies in the agriculture-food, blue economy, forestry, built environment, and tourism sectors. Additionally, it will shape forthcoming project activities, such as mapping nature-positive economy priorities, tackling policy roadblocks by utilising identified windows of opportunity, and supporting industry-specific actions across the project's pilot sites.

To understand **how public policy and actions by private and non-governmental actors can support or hinder the transition to a nature-positive economy,** we conducted a two-tiered assessment. **In the first tier, we evaluate EU and global policy frameworks**, focusing on five GoNaturePositive! priority sectors - agriculture, the blue economy, forestry, the built environment, and tourism - alongside three cross-sectoral areas (environment, climate, and economic development). Over 60 EU and global instruments were initially identified and screened, with 20 core instruments selected for in-depth analysis, based on their strategic relevance and potential to contribute to nature-positive outcomes. The design and content of each core instrument was evaluated against key dimensions of a nature-positive economy - including reducing harmful activities, creating additional nature, increasing knowledge, and supporting transformative change - culminating in a synthesis of findings to inform future policy development. In addition, noting rapidly evolving policy landscapes, the analysis also takes account of more recent, post-analysis policy developments such as the European Competitiveness Compass and Omnibus simplification package as well as the resumed session of the Convention on Biological Diversity that took place in February 2025.

In parallel, to understand the impact of private and non-governmental actors in driving a nature-positive economy, **the second tier of our assessment explores twenty co-operative initiatives.** These can

be understood as co-operative approaches between private actors, NGOs, and/or academic institutions, also including public institutions. Acting as case studies, these initiatives have been selected to capture a broad coverage of thematic topics, structures, and approaches, as well as for their reach (e.g., in terms of the number, size, and influence of signatories) and alignment with advancing the transition to a nature-positive economy.

A summary of key findings from both assessments is provided below:

EU and global policy landscape: Key findings

While a 'nature-positive economy' is still an emerging concept, many existing EU policy instruments already incorporate elements supporting nature-positive outcomes and actively promote related goals, such as reducing harm, creating additional nature, increasing knowledge, and supporting transformative change. There is a clear trend towards embedding sustainability within regulatory, economic, and governance frameworks. However, overall alignment with nature-positive economy principles remains uneven and some overarching limitations remain. Critically, the evaluated policy instruments often fail to establish legally binding obligations, relying instead on voluntary measures to realise their ambitions. In addition, insufficient and nature-harmful funding can further weaken policy impact, as financial support for nature-positive initiatives remains inadequate, while subsidies for environmentally harmful activities persist. Persistent trade-offs were also found to potentially undermine progress, with other priorities competing with nature-positive goals to be included in policy objectives or measures. Finally, private sector and financial accountability remain inconsistent, as corporate sustainability commitments often lack enforceable mechanisms, which can lead to gaps in transparency and meaningful action.
Yet our analysis reveals significant potential to strengthen and align policy frameworks in support of a nature-positive economy. A more robust and coherent set of policy instruments can play a pivotal role in accelerating transformative change while mitigating harmful impacts and overcoming systemic barriers. When well-designed, such instruments act as critical enablers—embedding binding commitments, disincentivising and fading out harmful practices, mobilising adequate funding, and guiding action toward clearly defined nature-positive objectives. Specifically, policy instruments can support the transition to a nature-positive economy in the following ways:

- **Reduce harmful activities:** Minimising nature loss and damage is foundational to the transition to a nature-positive economy. While the Do No Significant Harm principle is embedded in many EU policies, inconsistent application and enforcement undermine its potential effectiveness. The rising emphasis on competitiveness—evident in initiatives like the Competitiveness Compass—risks sidelining environmental safeguards. This may lead to unintended consequences where further declines in nature threaten the competitiveness of all industry sectors through increased costs related to the fundamental building blocks of society like clean food, air and water and decreased resilience to climate change. Clearer regulation, stronger enforcement, and consistent application of Do No Significant Harm are essential to move from symbolic commitments to real environmental benefits.
- **Create additional nature:** Restoring ecosystems and creating additional nature is needed to move beyond harm reduction and achieve ecosystem enhancement. However, ambition and implementation remain insufficient: Many instruments offer only indirect, voluntary, or underfunded incentives. While the EU Nature Restoration Regulation aims to address the failure of voluntary targets, structural gaps in key related policies

like the European Climate Law and the 'Land Use, Land Use Change and Forestry' (LULUCF) Regulation must be addressed to scale the restoration efforts needed for an effective transition to a nature-positive economy.

- **Knowledge creation:** EU policy instruments like the Corporate Sustainability Reporting Directive are enhancing transparency and environmental accountability, but recent simplification trends risk weakening these gains. To build the knowledge base for a nature-positive economy, robust disclosure requirements, better monitoring, and greater investment in research and innovation are needed – especially across small and medium sized enterprises.
- **Transformative change:** Some EU policy instruments support inclusive, integrated governance through stakeholder consultation or by integrating ecological, economic, and social dimensions. However, transformative governance potential remains underdeveloped, with limited measures to ensure the inclusion of marginalised groups and diverse knowledge systems. Embedding participatory processes, cross-sectoral collaboration, and equity considerations will be essential to deliver the systemic shifts required for a successful transition to a nature-positive economy, avoid harmful accusations of green-washing, and ensure a social license to operate.

Informed by the results of our assessment, the following recommendations outline priority actions to support the transition to a nature-positive economy:

- **Embed nature within the EU competitiveness agenda:** Recognise nature loss as economic and financial risks, integrate biodiversity into core economic strategies, and recognise resilience as a factor of competitiveness. Promote nature-based solutions and nature-based enterprises as drivers of innovation, resilience, sustainable growth and, ultimately, Europe's long-term competitiveness.
- **Mobilise business leadership and ensure implementation:** Nature-positive policies require strong implementation and business support. Simplification efforts such as those proposed in the Omnibus package must not dilute ambition – constructive private sector engagement and strong business voices advocating for long-term sustainability are key to successful joint pursuits of sustainability and competitiveness.
- **Redirect financial flows toward nature-positive outcomes:** Phase out harmful subsidies and redirect investment towards nature positive economic activities in the post-2027 Multiannual Financial Framework. Close the finance gap for nature restoration, stimulate innovation and job creation in the nature-positive economy, measure the economic impact of investment in nature including the reduction of risks associated with climate change disasters and biodiversity loss.
- **Seize windows of opportunity for systemic change:** Use upcoming policy cycles and budget negotiations to institutionalise nature-positive objectives across EU frameworks.
- **Strengthen ambition and enforcement to reduce harm to nature, safeguarding Europe's social and economic security:** Simplify regulations and co-create solutions which involve closing loopholes, ensuring a fair and level playing field for all organisations, tighten compliance, and enforce restoration and conservation targets underpinned by adequate investment. Strong environmental safeguards for all must be the norm, not the exception, and must be underpinned by clear transition timeframes.
- **Integrate nature more deeply into climate and land-use policies:** Mainstream nature-based solutions – particularly nature restoration – as critical climate mitigation and adaptation solutions across sectors. Ensure policies address potential trade-offs with short-term economic growth and reinforce synergies between climate

and biodiversity goals.

- **Promote inclusive and equitable governance:** Ensure policies recognise and incorporate social equity considerations, including marginalised groups and diverse knowledge systems, in decision-making processes.
- **Improve cross-sectoral policy coherence:** Align sectoral strategies with nature-positive objectives to avoid fragmentation and ensure economic, environmental and social goals are met together.
- **Redefine progress beyond Gross Domestic Product:** Incorporate ecological and social indicators into policy frameworks to reflect a more holistic and sustainable definition of well-being.

For more detailed recommendations, please see"Key Opportunities" in page P.99.

Co-operative initiatives: Key findings

Our assessment of the selection of co-operative initiatives revealed a broad spectrum of alignment with a nature-positive economy and reach. Initiatives such as the Nature Positive Initiative and the Science-based Targets Network are strongly aligned, promoting nature protection and restoration within frameworks that support sustainable economic growth. Others, like the World Travel & Tourism Council, align more loosely – contributing to NPE goals through targeted research and sector-specific actions, while also promoting broader activities such as travel. The reach of these initiatives varies significantly, from over 25,000 companies engaged in the UN Global Compact to smaller but promising efforts like the 150 companies signed up to the Science-based Targets Network.

However, structural limitations constrain their impact on the delivery of a transition to a nature-positive economy. Many rely on voluntary approaches and face internal tensions between environmental and economic objectives – undermining ambition, transparency, and trust.

Despite these challenges, co-operative initiatives hold real potential to advance the transition to a nature-positive economy by generating knowledge, shifting business practices, advocating for policy change, and mobilising collective action. Specifically, they can support the transition in the following ways:

- **Reduce harmful activities:** Many co-operative initiatives support the change of business practices to reduce harm to nature – including through target setting and progress monitoring – but voluntary approaches with weak assurance mechanisms limit their effectiveness in achieving broad "do no harm" outcomes.
- **Create additional nature:** Initiatives contribute to shifting financial flows towards nature positive investments, particularly through enhanced disclosure. However, voluntary participation and limited scale constrain their overall impact.
- **Knowledge creation:** Co-operative initiatives play a significant role in generating actionable knowledge. Their business- and stakeholder-specific expertise and role as convenors and communicators help translate nature-positive goals into practical, sector-specific and cross-cutting business guidance.
- **Transformative change:** Certain initiatives demonstrate inclusive governance, such as integrating indigenous voices. Yet, many remain tied to corporate interests, which can dilute ambition away from broader societal goals and limit their ability to drive transformative change at scale.

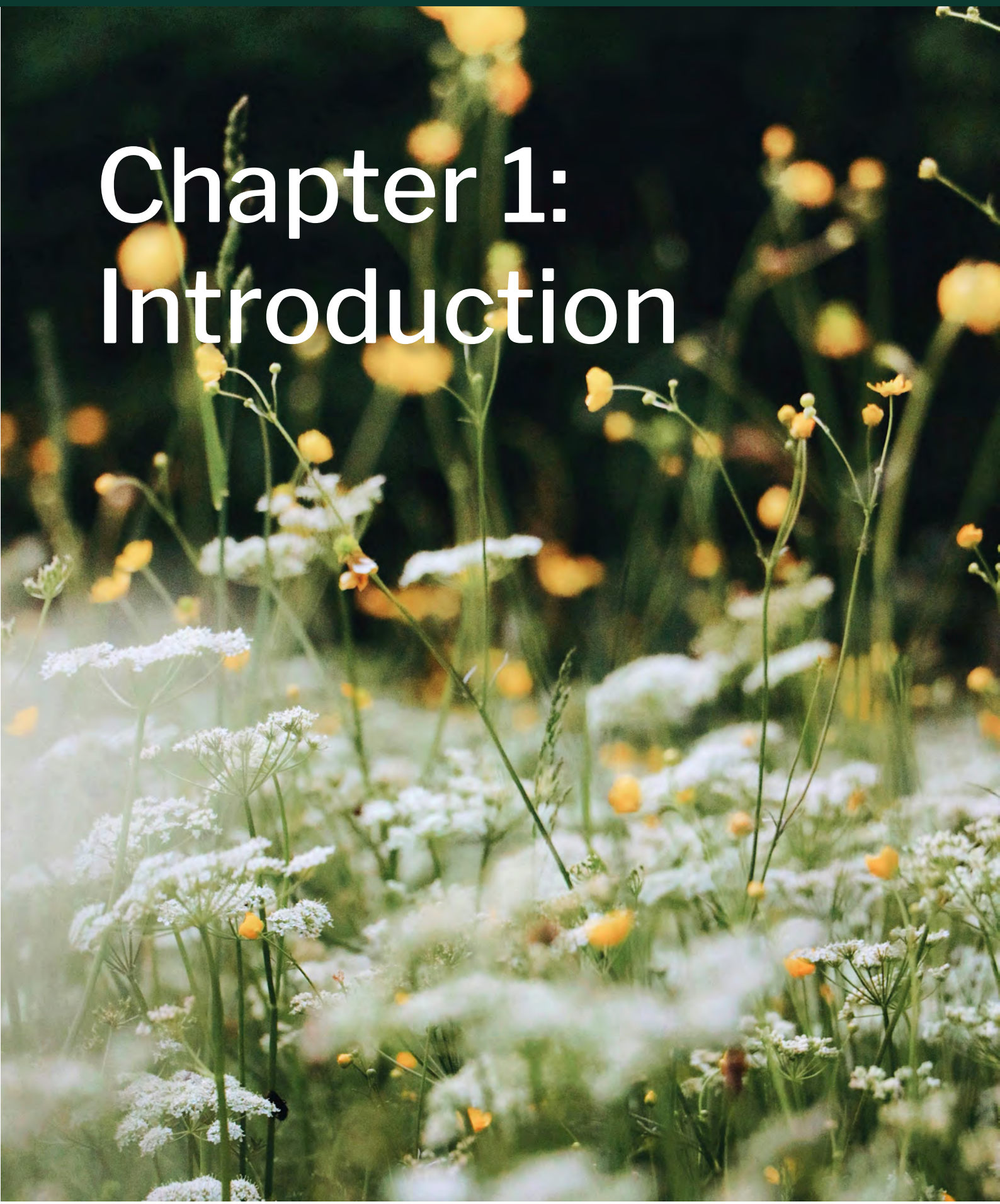
The following recommendations outline priority actions for co-operative initiatives to support the transition to a nature-positive economy:

- **Strengthen transparency and accountability:** Improve disclosure on both initiative-level and member-level actions and impacts – including nature-

negative impacts – to build trust and enable meaningful evaluation of overall utility. Establish stronger assurance and compliance mechanisms to enhance credibility and effectiveness.

- **Lead in knowledge creation:** Continue developing practical, sector-specific tools and guidance based on business expertise. This can drive implementation through sectoral buy-in and encourage the uptake of nature-positive practices.
- **Support a shift from voluntary to mandatory requirements for nature:** Advocate for mandatory nature-related requirements and align member advocacy with initiative objectives. This ensures consistency, broader reach, and fair competition among actors. Cooperative initiatives should continue to go beyond mandatory standards, testing and demonstrating best practice and fostering ambition.
- **Adopt inclusive, transformative governance:** Embed stakeholder-centered approaches, including voices of indigenous and marginalised communities. Test and demonstrate the value of inclusive governance and management to accelerate systemic change.
- **Complement – do not replace – ambitious policy:** Voluntary initiatives alone are not sufficient to drive the NPE transition. While co-operatives can provide useful best-practice examples, strong regulatory frameworks are needed to ensure consistency, ambition and enforceability across all sectors and a level playing field for all actors.

For more detailed recommendations, please see “Key recommendations” in page 104.



Chapter 1: Introduction

1.1 Context and understanding of a nature-positive economy

Nature is the foundation of our economies, societies, and well-being—yet we are depleting it at an alarming rate through land and sea use change, resource exploitation, human-induced climate change, and pollution [1]. With more than half of global GDP dependent on nature and its services [2], biodiversity loss and environmental degradation are not just an ecological crisis; they pose significant risks to businesses, supply chains, and financial markets worldwide. Addressing these challenges requires a fundamental transformation of economic, finance and governance structures to ensure long-term resilience and sustainability.

'Nature-positive'[1] is emerging as a crucial paradigm shift, aiming to halt and reverse nature loss globally by 2030 and achieve a full recovery of nature by 2050. It represents a move from merely minimising environmental harm to actively protecting, restoring, and using nature in a sustainable way to improve the health, abundance, diversity, and resilience of species, ecosystems, and natural processes[2]. Operationalising this concept involves (i) reducing negative impacts on nature and addressing drivers of nature degradation; (ii) increasing positive impacts, including through nature-based enterprises, nature-based solutions (NbS), and conservation measures; and (iii) fostering transformative change in our economy and society. Companies that integrate nature into their decision-making can enhance long-term resilience, unlock new markets, and reduce material financial risks tied to biodiversity loss [5].

A **nature-positive economy (NPE)** means that the net result of all economic activities combined leads to an absolute increase in nature towards its full recovery [6]. This will require businesses, governments, and citizens to act across multiple scales in every sector, while aligning with social-ecological well-being and equity. By embedding nature-positive strategies into policy design and core business operations—whether through supply chain transformation, regenerative business models, or investment in nature-based solutions[3] — progress can be made towards a thriving, sustainable economy.

Transitioning to a nature-positive economy requires a profound reconfiguration of policy frameworks, financial systems, governance structures, and business models. It necessitates a whole-of-society approach, involving governments, businesses, financial institutions, and civil society in a collaborative effort to embed nature into core economic and financial processes. By doing so, the NPE framework can foster a future where economic growth is decoupled from environmental harm, ensuring the restoration and sustainable management of ecosystems is essential for human and planetary well-being.

1.2 Scope and objectives of this report

This report has been developed within **GoNaturePositive!** (GoNP!) [8], a four-year project funded under the EU Horizon Europe Programme. The project aims to accelerate awareness and transformative action towards an NPE among policymakers, investors, businesses, and society at large. The presented work is part of a foundational workstream in the project, which has the objective of supporting the transition to an NPE by mapping policy and private-sector landscapes influencing this systemic shift.

1 Definitions and key terms are drawn from the GoNaturePositive Concept Note [3].

2 The Nature Positive Initiative (2023) provide a leading definition of Nature Positive: "Halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050". This is in line with the mission of the Kunming-Montreal Global Biodiversity Framework. See [4].

3 Nature-based solutions are "actions to protect, sustainably manage, and restore natural or modified [...] ecosystems, that address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience and biodiversity benefits". [7]

Specifically, this report:

- Classifies core and associated EU-policies regarding their relevance for an NPE,
- Drawing on the GoNP! Concept Note (2024), identifies both positive and negative overlap with the NPE concept for core policies (e.g. reducing harmful activities, creating additional nature, increasing knowledge, and supporting transformative change), and presents potential trade-offs; discusses recent global and EU policy developments, including shifts in sustainability and competitiveness, that shape the systemic change landscape;
- Identifies innovative co-operative initiatives that support nature-positive activities;
- Serves as a baseline assessment for subsequent work within the GoNP! project, particularly the development of policy pathways and governance innovations.

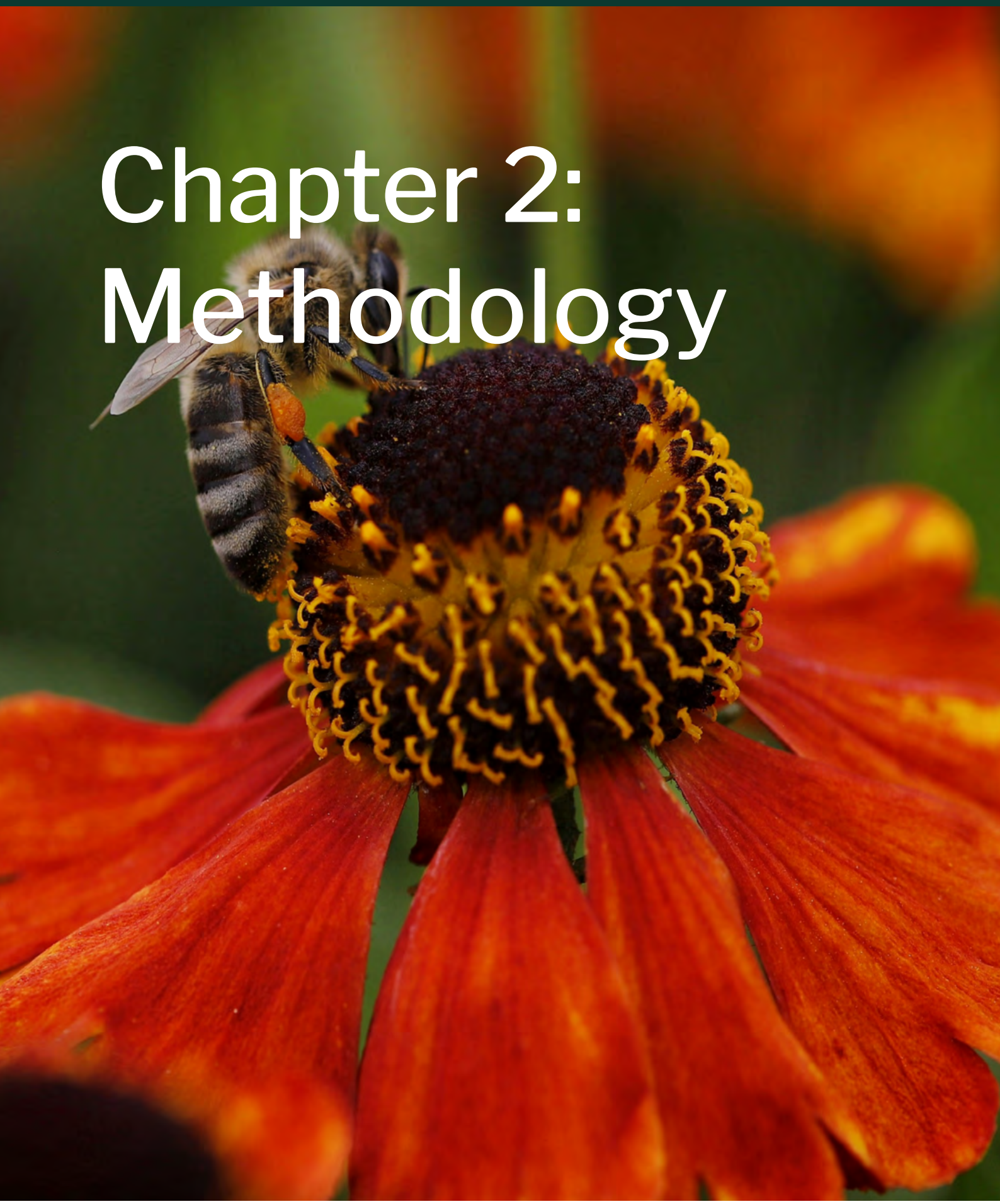
This report is accompanied by a series of sectoral briefs (Annex 1), which explore how five critical sectors—agriculture, the blue economy, forestry, built environment, and tourism—can take nature-positive actions to support the transition to an NPE. Each brief highlights the sector's current impact on nature and examines how the EU policy framework and international co-operative initiatives can either support or hinder the sector's NPE transition, providing a summarised version of the more detailed information provided here.

The findings presented in this report and the accompanying sectoral briefs serve as a foundation for subsequent research activities within the GoNaturePositive! project by providing a clear, evidence-based overview of the current systemic change context. The insights gained will support policy and decision-makers, businesses, landowners, and other private sector actors as well as local and regional public authorities and educational institutions, researchers, and students in learning more about and aligning their strategies with nature-positive principles to foster transformative change across multiple sectors. Additionally, it will shape forthcoming project activities, such as mapping nature-positive economy priorities, tackling policy roadblocks by utilising identified windows of opportunity, and supporting industry-specific actions across the project's pilot sites.

1.3 Overview of contents

The remainder of this report is structured as follows:

- **Chapter 2 presents the methodology** used to map and assess the current EU systemic change landscape, including criteria for policy classification and analysis and the identification and review of relevant private-sector initiatives.
- **Chapter 3 synthesises key findings** from the assessment of EU policy instruments, focusing on how cross-sectoral and sector-specific policies can be relevant to an NPE transition.
- **Chapter 4 examines the role of private-sector initiatives** in enabling or obstructing the NPE transition, identifying how different actors and initiatives are integrating nature-positive principles into their activities.
- **Chapter 5 concludes with a synthesis of key findings,** highlighting barriers and opportunities within the current and rapidly evolving policy landscape.



Chapter 2: Methodology

This chapter provides a short overview of the methodology used in developing this report, focusing on (1) mapping the European policy landscape and (2) identifying relevant co-operative initiatives (assessment templates with further elaboration are included in Annex 2-4). A combined sectoral and cross-sectoral approach is adopted in both steps to evaluate how EU policy instruments and private-sector initiatives can shape the transition to a nature-positive economy, following the five sectors targeted in GoNP! —agriculture, the blue economy, forestry, built environment, and tourism—alongside broader policy areas, such as environment, climate, and economic development. The chapter concludes with potential limitations and further considerations of the collected information.

2.1 Mapping the European policy landscape

The GoNP! policy assessment framework is inspired by existing conceptual frameworks for the assessment of policies on topics related to nature conservation. In particular, the approach builds on the policy assessment frameworks utilised in the EU-funded projects RESTORE4Cs, focusing on wetland restoration [9], and NATURVATION, focusing on the role of NbS in policy [10]. Building on these frameworks, 'policy' and 'policy instrument' are understood to encompass not only legally binding regulations and directives, but also strategic roadmaps and financial instruments.

Drawing on the GoNP! Concept Note [3] and the mitigation and conservation hierarchy [11], the general framework to assess policy alignment with NPE builds on four core criteria for operationalising the concept:

Reduce harmful activities: The first priority is to prevent harm before it occurs. Where avoidance is not possible, efforts must be made to reduce harm. This could include modifying operations to lessen environmental footprints. Such minimisation aligns for example with the "Do No Harm" (DNH) and "Do No Significant Harm" (DNSH) principles and supports in containing damage while transitioning towards regenerative solutions.

Create additional nature: This criterion goes beyond protecting existing nature and includes efforts to restore and regenerate ecosystems. This can be achieved, for example, through nature-based solutions (and related concepts such as green and blue infrastructure) and conservation measures that initiate the recovery of ecosystems, support biodiversity, and provide co-benefits for climate, water security, and human well-being.

Increase knowledge of nature impacts: Improving knowledge and transparency about nature impacts is crucial for informed action and accountability. This includes strengthening organisational disclosure of non-financial performance, as highlighted by Groot et al. (2024), ensuring companies report on their biodiversity dependencies, impacts, and contributions to nature-positive outcomes.
Policies that support robust monitoring and reporting systems enable continuous tracking of progress and gaps, while enhancing transparency along value chains helps to uncover hidden risks and opportunities for positive action. Building this knowledge base empowers businesses, governments, and civil society to make evidence-based decisions, align financial flows with nature-positive goals, and scale solutions effectively.

Support transformative change: To achieve a true nature-positive economy, transformative change across systems is indispensable. This involves addressing the root causes of nature loss — including technological, economic, institutional, and social factors — and reshaping the values and behaviours that drive unsustainable practices. Policies that encourage systemic change help shift entire sectors and societies towards models that respect ecological boundaries, build resilience, and deliver co-benefits for people and planet.
Given the complexity and context-specific nature of transformative change, the

assessment in this study applied a **practical analytical lens** designed to work across a diverse range of policy instruments. Drawing on key conceptual contributions (e.g. IPBES [12]) and grounded in applied experience from both research and policymaking, the approach focused on identifying whether policies genuinely support systemic change. This included examining:

- **The presence of broad stakeholder engagement**,
- **Inclusive and equitable governance structures**,
- **Recognition of diverse knowledge systems**, including indigenous and local knowledge,
- **And the use of adaptive, forward-looking policy tools** aimed at enabling long-term structural shifts.

Our assessment was conducted following a series of targeted steps, as follows:

- **Policy longlisting:** Experts (including sector-specific experts) identified a longlist of EU and global policy instruments to be considered for inclusion in the in-depth analysis. Selection was limited to policy instruments which are already in force or are evaluated as being likely to enter into force. A list of 60 EU and global policy instruments was identified.
- **Initial assessment and classification of policy instruments:** A high-level assessment of the 60 long-listed policy instruments in its latest amendment or iteration was conducted by GoNP! experts to identify sectoral and cross-sectoral core policies using a structured template (see Annex 2) as a basis for identifying core sectoral and cross-sectoral policy instruments. GoNP! experts involved in this assessment contributed based on their sectoral expertise. Criteria for the assessment included strategic influence (considering whether the policy establishes a vision, roadmap, or long-term direction) and potential impact (e.g. “does the policy instrument provide a significant level of funding for the sector?”; “does the policy instrument set specific requirements to manage the sector’s negative impacts on nature?“; and “does the policy instrument significantly support or oppose the attainment of NPE by promoting positive outcomes in the sector?”). Based on these criteria and expert judgment, a total of 20 core policy instruments were identified for an in-depth assessment and grouped according to their sectoral and cross-sectoral affiliation, while the remaining policy instruments were classified as ‘associated’.
- **Detailed assessment of core policy instruments:** To gain an in-depth understanding of each core policy instrument and its potential relevance for the NPE transition (i.e. how it can potentially support or hinder NPE transition), we assessed each core policy instruments using a template (see Annex 3). The template gathered descriptive information from the policy documents themselves and focused on three areas: descriptive (e.g. type of policy instrument, objective and relation to NPE);positive overlap with NPE (considering targets, measures, and funding set out to support four core elements of the NPE concept, i.e. reduce harmful activities, create additional nature, increase knowledge of nature impacts, and support transformative change); negative overlap with NPE (considering nature-harmful funding, potential trade-offs). Each assessment ends with an overall reflection based on the conducted analysis and a list of consulted references.
- **Synthesis and analysis:** Chapter 3 summarises the core policy instrument assessments to help understand how the reviewed policy instruments can support or hinder progress towards an NPE. Based on our assessment, we present conclusions of our analysis in chapter 5.

2.2 Identifying relevant co-operative initiatives

Alongside public policy, actions by private and non-governmental actors play a critical role in driving the transition to a nature-positive economy. To understand their impact, we evaluate nineteen "co-operative initiatives". To understand the potential of processes beyond policy, we define these co-operative initiatives broadly, considering cooperative approaches between private actors e.g. businesses, NGOs, academic institutions, which may also include public institutions. We also consider international cooperative approaches (e.g. UN-affiliated mechanisms), which are influential. While individual private actions will also be important, we do not consider individual actors but choose to focus on cooperative approaches with greater capacity for scaling private action to the necessary level to deliver the nature transition. Outside those affiliated with NGOs, we also do not consider bottom-up, citizen lead initiatives, due to our more focus on the role of private business in supporting or hindering the NPE transition.

Numerous co-operative initiatives support the NPE transition. Rather than providing an exhaustive review, we identify a selection of relevant, interesting case studies of co-operative initiatives to provide insights into the landscape of private-sector action to support NPE.

Our assessment of co-operative initiatives proceeded through the following steps:

- **Initiative longlisting:** Experts (including sector-specific experts) identified a longlist of 60 initiatives to consider.
- **Initiative shortlisting:** A core group of experts selected a shortlist of initiatives to assess. This was based on expert judgment of initiatives most likely to impact NPE transition, considering reach (e.g., in terms of the number, size, and influence of signatories) and strong potential impact on advancing the NPE transition. To ensure broad coverage of relevant issues, we selected ten initiatives related to the cross-cutting issues of environment, climate, and economy, and initiatives related to each of the following sectors: agri-food, built environment, blue economy, forestry and tourism. A total of twenty initiatives were shortlisted for assessment.
- **Template-based assessment:** To gain an understanding of each initiative, its potential significance for the NPE transition, and how it concretely supports NPE, we assessed each shortlisted initiative using a template (see Annex 4). The template gathered descriptive information from publicly available information, primarily from the initiatives' own websites and publications. Information gathered focused on three areas: descriptive aspects (e.g. founding, governance structure, overarching objectives); reach (e.g. number, type, and significance of signatories, including examples); impact on NPE (considering the objectives it sets, the actions it takes, the resulting outputs such as signatory actions, and the overall outcomes, e.g. accountability requirements).
- **Synthesis and analysis:** Chapter 4 presents summaries of the shortlisted initiatives, which offer a set of case studies for understanding how such initiatives can drive progress towards NPE. Based on our assessment, we present conclusions of our analysis in chapter 5.

2.3 Potential limitations and further considerations

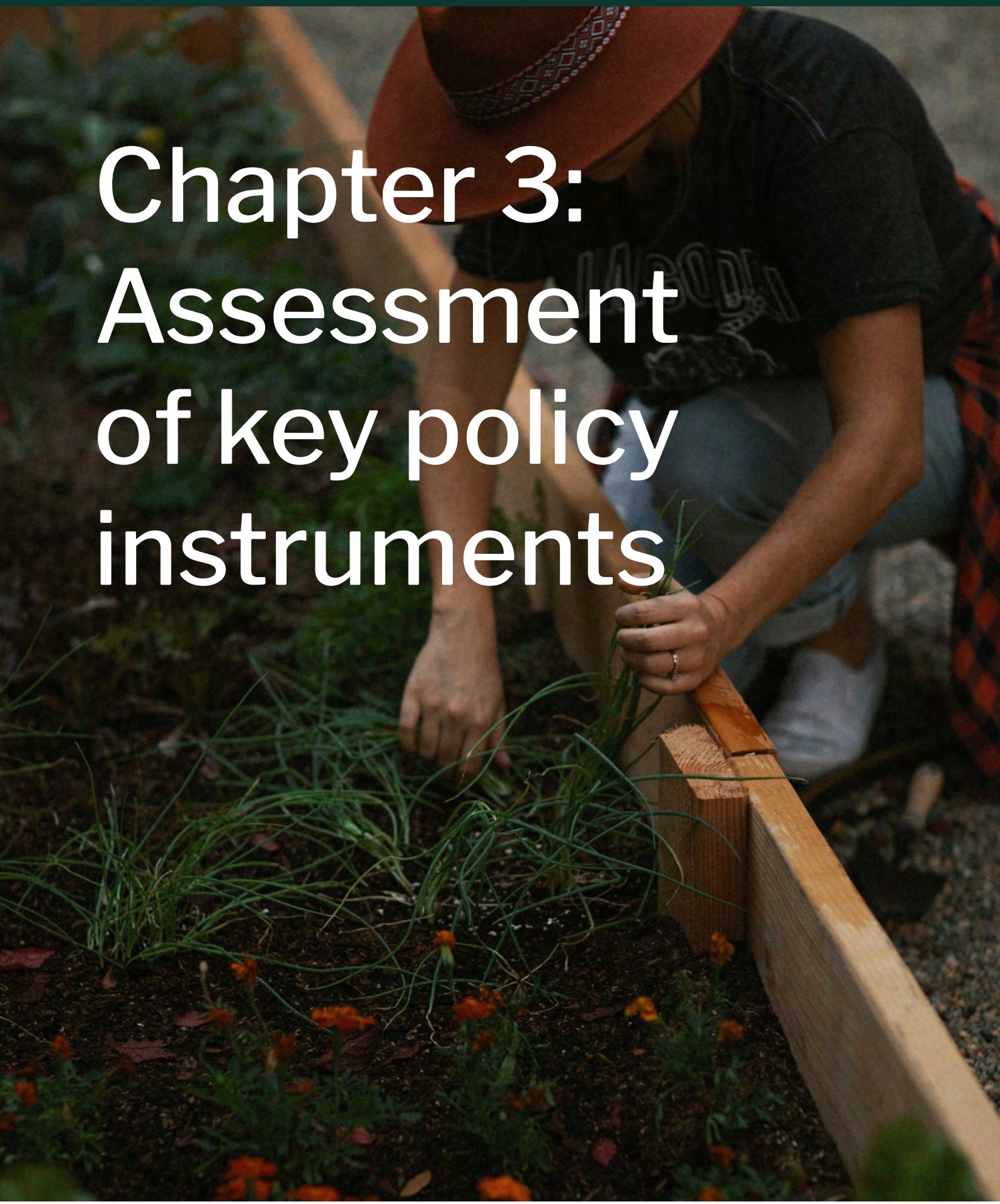
The authors would like to acknowledge limitations which are relevant to the interpretation of the results and to understanding the context within which the report was developed. Regarding the scope, the policy landscape mapping focused on five key sectors (agriculture, the blue economy, forestry, the built environment, and tourism) alongside three cross-

sectoral areas (environment, climate, and economic development). These sectors were chosen based on their prioritisation within the GNP! project, with each sector being targeted by the project's pilot cases. While this offers valuable insights and a first of its kind impression of the NPE policy landscape in Europe, the review should not be considered as comprehensive given that other sectors may also play a role in shaping the foreseen transition and be valuable to consider in extended future analyses. In addition, the review assessed the policy instruments themselves as opposed to their implementation or effectiveness in practice. The policy instrument analyses and reflections in the conclusions thus focus on potential for supporting or hindering certain aspects of transformation towards an NPE based on what is written in the instruments as objectives, targets, or visions – but cannot speak to concrete impacts in practice.

The co-operative initiative analysis also faces some limitations. Firstly, the analysis is not a comprehensive review but rather based on a selection of relevant, illustrative case studies. To the extent possible, we selected a wide range of initiatives assessed as having significant reach (e.g., in terms of the number, size, and influence of signatories) and strong potential impact on advancing the NPE transition. This, however, was challenging given limited data on comparable indicators of reach and impact. Secondly, a key limitation of our approach is that we were unable to systematically assess any trade-offs or barriers co-operative initiatives pose to the NPE transition. This limitation arises as a result of 1) Data availability: our assessment relies on public information on co-operative initiatives. While the initiatives and the private actors behind them have incentives to communicate their positive actions and impacts on the NPE transition, they do not have equivalent incentives to transparently report nature-negative actions and impacts. 2) Our focus on cooperative approaches may also be less likely to identify nature-negative impacts and actions, as coordinated approaches are often required to recognise and valorise nature-positive actions (e.g. through certification, target setting, communication), while nature-negative actions may require less coordination (e.g. are the result of private actions, rather than collaborative efforts). Finally, we have limited our selection to co-operative approaches with a focus on business, with limited coverage of more citizen-focused co-operative initiatives, which limits our ability to reach conclusions on the potential role of citizen-led co-operatives in supporting the NPE transition. Despite these limitations, our assessment provides useful insight into the current landscape of co-operative initiatives and how they can support the NPE transitions.

A further aspect to be considered when reading this report is the rapidly changing policy landscape. While the policy mapping and review was conducted in a given time period prescribed by the project's timeline (i.e. between May and October. 2024), a number of new initiatives and policy developments emerged throughout the report drafting process after the review was concluded (e.g. the Competitiveness Compass[4] and Omnibus packages of simplification measures). In addition, the resumed session of the Convention on Biological Diversity (CBD) took place in Rome between 25th-27th February 2025. Given the relevance of these developments to the NPE, we have reviewed these and other relevant emergent developments and reflected on potential implications for the (future) NPE landscape. However, we have not analysed these in the same depth as the originally identified set of policy instruments following the methodology applied for the originally identified policy instruments.

4 The Competitiveness Compass is a new roadmap introduced by the European Commission to steer the EU towards a more resilient, sustainable, and globally competitive economy. The compass sets out an approach to translate the three necessities outlined in the Draghi report [13] into reality. These necessities include (i) Closing the innovation gap, (ii) Decarbonising our economy, and (iii) Reducing dependencies.



Chapter 3: Assessment of key policy instruments

In this chapter, we present an overview of the assessed policy instruments. Table 1 lists all of the policy instruments which were initially screened as part of the longlist, and shows how they have been classified based on our initial assessment (i.e. core and associated). Results in this chapter focus on how the twenty core policy instruments (including cross-sectoral policy instruments —focused on nature, the economy, or climate—and sector-specific instruments) can potentially support or hinder the NPE transition. The overview of core policy instruments explains each instrument's overall objective in relation to a NPE, its NPE relevance (e.g. considering the targets, measures, and funding that the policy sets out to reduce harmful activities, create additional nature, increase knowledge of nature impacts, and support transformative change), and potential trade-offs as well as an overall reflection.

Table 1: Longlist of mapped policy instruments and their NPE classification mapped in this review.

Policy Instrument	Date	Type of policy	NPE Classification
Sectoral focus area: Cross-sectoral "Environment"			
Kunming-Montreal Global Biodiversity Framework	2022	International framework, non-legally binding	Core
EU Biodiversity Strategy 2030	2020	Communication, non-legally binding	Core
EU Nature Restoration Regulation	2024	Regulation, legally binding	Core
LIFE	2021	Regulation, legally binding	Core
European Green Deal	2019	Communication, non-legally binding	Associated
European Green Deal Investment Plan	2020	Communication, non-legally binding	Associated
EU Habitats Directive	1992 (amended in 2013)	Directive, legally binding	Associated
EU Birds Directive	2009 (amended in 2019)	Directive, legally binding	Associated
EU Pollinators Initiative	2018	Communication, non-legally binding	Associated

Policy Instrument	Date	Type of policy	NPE Classification
EU Zero Pollution Action Plan	2021	Communication, non-legally binding	Associated
8th Environment Action Programme to 2030	2022	Decision, legally binding	Associated
UN Decade for Ecosystem Restoration	2019	Resolution of the UN General Assembly, non-legally binding	Associated
Sectoral focus area: Cross-sectoral "Economic development"			
Multiannual Financial Framework	2021 (amended in 2024)	Regulation, legally binding	Core
InvestEU	2021 (amended in 2024)	Regulation, legally binding	Core
Circular Economy Action Plan	2020	Communication, non-legally binding	Core
EU Bioeconomy Strategy	2018	Communication, non-legally binding	Core
Corporate Sustainability Reporting Directive	2022	Directive, legally binding	Core
Strategic Environmental Assessment Directive	2001	Directive, legally binding	Associated
Environmental Impact Assessment Directive	2011 (amended in 2014)	Directive, legally binding	Associated
EU Taxonomy Regulation	2020	Regulation, legally binding	Associated
European Social Entrepreneurship Funds Regulation (EuSEF)	2013 (amended in 2024)	Regulation, legally binding	Associated

Policy Instrument	Date	Type of policy	NPE Classification
European Green Bond Standard Regulation	2023	Regulation, legally binding	Associated
EU Corporate Sustainability Due Diligence Directive (CSDDD)	2024	Directive, legally binding	Associated
OECD Due Diligence Guidance for Responsible Business Conduct	2018	Recommendation, non-legally binding	Associated
Sectoral focus area: Cross-sectoral "Climate"			
European Climate Law	2021	Regulation, legally binding	Core
EU Strategy on Adaptation to Climate Change	2021	Communication, non-legally binding	Core
Land Use Land-use Change and Forestry Regulation	2018 (revised n 2023)	Regulation, legally binding	Core
Paris Agreement	2015	International treaty, legally binding	Associated
Energy Efficiency Directive	2023	Directive, legally binding	Associated
EU Emissions Trading System Directive	2018 (amended in 2023)	Directive, legally binding	Associated
Governance of the Energy Union and Climate Action Regulation	2018 (amended in 2023)	Regulation, legally binding	Associated

Policy Instrument	Date	Type of policy	NPE Classification
Communication on Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society	2024	Communication, non-legally binding	Associated
Just Transition Fund	2021 (amended in 2024)	Regulation, legally binding	Associated
Green Claims Directive (Proposal)	2023	Directive, legally binding (proposal)	Associated
Energy Taxation Directive (Revision proposal)	Expected in 2025	Directive, legally binding (proposal)	Associated
Renewable Energy Directive III	2023	Directive, legally binding	Associated
Communication on Stepping up Europe's 2030 climate ambition	2020	Communication, non-legally binding	Associated
Sectoral focus area: "Agri-food"			
Common Agricultural Policy	2021 (amended in 2024)	Regulation, legally binding	Core
Action Plan for the Development of Organic Production	2021	Communication, non-legally binding	Core
Farm to Fork Strategy	2020	Communication, non-legally binding	Associated
Nitrates Directive	1991 (amended in 2008)	Directive, legally binding	Associated
Directive on Soil Monitoring and Resilience (Proposal)	2023	Directive, legally binding (proposal)	Associated

Policy Instrument	Date	Type of policy	NPE Classification
Carbon Removal and Carbon Farming Certification Regulation	2024	Regulation, legally binding	Associated
Sectoral focus area: "Blue economy"			
Marine Strategy Framework Directive	2008 (revised in 2017)	Directive, legally binding	Core
Common Fisheries Policy	2013 (revised in 2023)	Regulation, legally binding	Core
EU Blue Growth Strategy	2012	Communication, non-legally binding	Associated
Strategic Guidelines EU Aquaculture 2021-2030	2021	Communication, non-legally binding	Associated
European Maritime, Fisheries and Aquaculture Fund	2021	Regulation, legally binding	Associated
Integrated Coastal Zone Management: a Strategy for Europe	2000	Communication, non-legally binding	Associated
Implementation of the Integrated Coastal Zone Management	2022	Recommendation, legally non-binding	Associated
UN Agreement on Biodiversity Beyond National Jurisdiction under UN Convention on the Law of the Sea	2023	International treaty, legally binding	Associated
Sectoral focus area: "Forestry"			
EU Deforestation Regulation	2023 (amended in 2024)	Regulation, legally binding	Core

3.1 Cross-sectoral policy instruments

3.1.1 Core policy instruments

3.1.1.1 Kunming-Montreal Global Biodiversity Framework

Short description

The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted on 19 December 2022 at COP15 in Montréal, replacing the Convention on Biological Diversity's (CBD) Strategic Plan for Biodiversity 2011-2020 and its Aichi Targets. As the primary global strategy under the CBD, the GBF establishes a comprehensive roadmap to halt and reverse biodiversity loss by 2030 and ensure a world living in harmony with nature by 2050. It integrates biodiversity conservation into economic policies, making it a pivotal instrument for guiding environmental and economic strategies worldwide. The Conference of the Parties (COP) to the CBD is responsible for the Framework's implementation, planning, and monitoring. The GBF outlines four global goals for 2050 and 23 targets for 2030, emphasising ecosystem restoration, pollution reduction, and sustainable management of biodiversity. It calls for mobilising $200 billion annually by 2030 through contributions from governments, international organisations, and the private sector. The GBF also promotes corporate accountability, requiring businesses to assess and disclose their biodiversity impacts. As an international agreement, the GBF encourages policy coherence across governance levels and highlights the fair and equitable sharing of genetic resources. While ambitious, its success depends on adequate financial commitments and effective implementation by participating nations.

NPE relevance

Reduce harmful activities: The GBF calls for reducing pollution risks and the negative impact of pollution from all sources by 2030, ensuring biodiversity and ecosystem functions are not harmed. The Framework mandates reducing excess nutrients lost to the environment by at least half, lowering the overall risk from pesticides and highly hazardous chemicals by at least half, and working towards eliminating plastic pollution. The GBF also calls for eliminating, phasing out, or reforming incentives and subsidies harmful to biodiversity in a just, fair, effective and equitable manner, while increasing positive incentives for conservation and sustainable biodiversity use. A further ambition is to ensure that the use, harvesting, and trade of wild species are sustainable, safe, and legal, minimising impacts on non-target species and ecosystems, while respecting Indigenous customary sustainable use. The GBF establishes measures to eliminate, minimise, reduce, or mitigate the impacts of invasive alien species on biodiversity and ecosystem services. Additionally, the GBF mandates integrating biodiversity values into policies, regulations, and development planning at all levels of government, aligning fiscal and financial flows with biodiversity goals. Large and transnational financial institutions are required to regularly monitor, assess, and disclose their biodiversity-related risks, dependencies, and impacts to progressively reduce harm, increase positive impacts, and promote sustainable production patterns. Create additional nature: The GBF sets ambitious restoration targets, aiming for at least 30% of degraded terrestrial, inland water, and coastal and marine ecosystems to be effectively restored. Similarly, it mandates that at least 30% of these areas be effectively conserved and managed. The Framework promotes nature-based solutions and ecosystem-based approaches to restore, maintain, and enhance nature's contributions to people, including air and water regulation, soil health, pollination, and protection against natural hazards. Urban areas and densely populated regions are also targeted, with commitments to increase access to and quality of green and blue spaces. A long-term vision aims to ensure the integrity, connectivity, and resilience of ecosystems are maintained, enhanced, or restored,

substantially increasing the area of natural ecosystems by 2050.

Increase knowledge: The GBF aims to strengthen knowledge-based policymaking by ensuring the integration of biodiversity values into policies, regulations, and development processes, including national accounting and strategic environmental assessments. Large and transnational companies and financial institutions are required to monitor, assess, and disclose their risks, dependencies, and impacts on biodiversity along their operations, supply chains, and investment portfolios. The Framework enhances scientific research and monitoring while ensuring that the best available biodiversity data and knowledge are accessible to decision-makers, practitioners, and the public. Importantly, it emphasises respecting and protecting the traditional knowledge of Indigenous peoples and local communities, ensuring that access is granted only with free, prior, and informed consent. Transformative biodiversity education is also a priority, aiming to support the integration of biodiversity conservation into formal, non-formal, and informal learning programmes.

Support transformative change: The GBF aims to foster systemic change by calling for initiatives that respect the rights of Indigenous peoples and local communities over their lands, territories, resources, and traditional knowledge. It encourages sustainable biodiversity-based activities that provide social, economic, and environmental benefits, particularly for vulnerable communities. The Framework seeks to ensure full, equitable, inclusive, and gender-responsive participation in biodiversity decision-making and calls for measures to protect environmental human rights defenders. It advocates for gender equality in biodiversity governance, emphasising the need for women and girls to have equal rights, leadership opportunities, and access to natural resources. The GBF promotes behavioural change by encouraging access to information that enables sustainable consumption choices, supports the reduction of overconsumption and waste generation, and aims to halve global food waste. Additionally, the Framework calls for integrating diverse value systems into biodiversity policies, recognising different perspectives on nature—including Indigenous and local knowledge systems—and emphasising nature's multiple contributions to people and ecosystems.

Potential trade-offs

The GBF is not evaluated as posing direct barriers to the transition towards an NPE. However, gaps persist in addressing perverse incentives that are harmful to biodiversity, as there is no comprehensive strategy to eliminate these effectively. While the Framework acknowledges the need to phase out or reform harmful subsidies, there is a lack of a concerted effort to ensure these financial incentives are redirected towards biodiversity-positive actions. This weakens the potential impact of the framework in transitioning financial flows away from activities that degrade nature. The effectiveness of the GBF in supporting a nature-positive transition depends on ensuring that sufficient financial resources are mobilised and sustained. The recent adoption of a dedicated Strategy for Resource Mobilisation marks a positive step, as it identifies a broad range of instruments, mechanisms, and institutions to unlock funding for GBF implementation.[5] Yet, while it sets ambitious biodiversity targets, the limited legal power of the CBD and the challenges of operationalising this strategy at national levels remain key concerns. To fully realise its objectives, the Framework must leverage strong multiplier mechanisms and attract funding from both developed countries and private actors, particularly multilateral development banks and financial

5 At the resumed meeting of the parties to the COP16 Global Biodiversity Conference in Rome between 25th-27th Feb 2025, parties adopted a Strategy for Resource Mobilisation to unlock funding for GBF implementation and enhanced the monitoring framework, agreeing on methodologies for measuring progress towards the 23 targets and 4 goals. They also defined the process for reviewing implementation at COP17 as part of the global stocktake. The EU reaffirmed its commitment to supporting the GBF's implementation through to 2030 and beyond. [14]

institutions. The political momentum created at COP16 offers renewed opportunities, but tangible progress will depend on follow-through in national contexts.

Overall reflections

The GBF aligns with NPE principles by promoting biodiversity conservation, sustainable resource use, and financial mechanisms to support global biodiversity goals. Its comprehensive strategy seeks to integrate biodiversity into economic activities and policies, reinforcing the transition toward sustainability. The Framework highlights the importance of financial and technical support, with a particular focus on mobilising resources to achieve biodiversity targets. Notably, Parties at COP16 adopted clearer agreements on how indicators will be measured and used, enhancing the monitoring framework originally set at COP15. This provides national policymakers with a basis for tracking progress and enables aggregation of data at the global level to assess collective implementation. Corporate accountability is emphasised, requiring businesses and financial institutions to monitor, assess, and disclose their biodiversity-related risks and impacts. However, the GBF's effectiveness continues to depend on sufficient financial commitments and robust implementation mechanisms. The newly adopted Resource Mobilisation Strategy and enhanced monitoring framework represent progress.

While the GBF sets ambitious funding targets, there is a need for additional funding that is both targeted and available in the long term.

A strong multiplier potential is necessary to attract financial contributions from developed countries, private investors, and multilateral development banks. Preparations for the Global Stocktake at COP17, where progress on GBF implementation will be reviewed, add momentum but also underline the urgency of strengthening enforcement mechanisms and translating commitments into action at national and regional levels.

3.1.1.2 Biodiversity Strategy for 2030

Short description

The EU Biodiversity Strategy for 2030 sets a framework to halt biodiversity loss and restore ecosystems across Europe by 2030. Published on May 20, 2020 as part of the European Green Deal, it aligns with the UN Convention on Biological Diversity, the 2030 Agenda for Sustainable Development, and the Paris Agreement. The European Commission is responsible for its implementation, with endorsement from the EU Council and Parliament.

The Strategy commits to expanding protected areas to cover 30% of EU land and marine areas, with 10% under strict protection to ensure effective management and monitoring. Sector-specific targets are included for agriculture, forestry, soil management, renewable energy, aquatic ecosystems, and urban biodiversity. A nature-positive approach is implicitly promoted, recognising the economic and societal benefits of biodiversity conservation. The Strategy aims to mobilise €20 billion annually to support biodiversity restoration and the establishment of an international natural capital accounting initiative, as well as strengthen biodiversity governance through co-responsibility across sectors and ensuring the participation of indigenous peoples, local communities, businesses, and civil society. Additionally, the Strategy aims to foster nature-based solutions, regenerative agriculture, and green infrastructure, integrating biodiversity into economic and policy decisions to drive long-term environmental resilience.

NPE relevance

Reduce harmful activities: The EU Biodiversity Strategy for 2030 aims to ensure that all initiatives prevent significant environmental damage. Public consultations and impact assessments are emphasised to evaluate the ecological, social, and economic consequences associated with the Strategy's implementation. In marine

conservation, the Strategy seeks to limit harmful fishing gear and prevent deep-sea mining until its environmental risks are fully understood. To enhance urban biodiversity, the Strategy promotes measures such as reducing pesticide use, limiting excessive mowing of green spaces, and improving urban greenery. It also commits to halving nutrient losses from fertilisers while maintaining soil fertility and reinforcing the environmental risk assessments of pesticides. At the international level, the Strategy advocates for phasing out subsidies that harm biodiversity, ensuring that economic policies align with conservation efforts.

Create additional nature: The Strategy mandates the expansion of protected areas to 30% of EU land and seas - with 10% under strict protection - and aims to create and maintain effective ecological corridors to prevent species isolation. Targeted restoration efforts focus on carbon-rich habitats like peatlands, wetlands, and seagrass meadows, along with 25,000 km of free-flowing rivers. By 2030, the EU aims to plant three billion trees and transition 25% of agricultural land to organic farming, while dedicating 10% of farmland to biodiversity-friendly landscape features. The Strategy also calls for the implementation of Urban Nature Plans in cities with over 20,000 inhabitants.

Increase knowledge: The Strategy highlights the need for a new governance framework to address its aims, and suggests that the Commission will introduce a monitoring and review mechanism, including a clear set of agreed indicators.

Support transformative change: The Strategy has the potential to enable transformative change by strengthening governance, fostering economic shifts, and promoting social inclusion. It stipulates an assessment of the effectiveness of the cooperation-based biodiversity governance framework, evaluating the need for legally binding measures. The Strategy also calls for a whole-of-society approach, integrating biodiversity into all economic sectors and encouraging businesses to embed environmental responsibility into corporate strategies. The sustainable corporate governance initiative enforces mandatory environmental due diligence across value chains. The European Business for Biodiversity movement creates incentives for companies to adopt nature-based solutions, linking biodiversity protection with economic opportunities. The Strategy also seeks to reform national fiscal systems, aligning taxation with sustainability goals while safeguarding vulnerable communities. It additionally calls for a strong focus on human rights and gender equality to ensure that indigenous peoples and local communities play a central role in biodiversity governance. To support these efforts, the Strategy foresees €20 billion annually being channelled through various sources including EU funds, national budgets, and private investment [15]. The Strategy also promotes biodiversity-friendly investments and aims to advance green finance, sustainable public procurement, and nature-based economic strategies.

Potential trade-offs

While the **EU Biodiversity Strategy for 2030** is not expected to pose direct barriers to the transition towards a Nature-Positive Economy (NPE) and even establishes important conservation and restoration goals, its lack of sufficient ambition and binding commitments is identified as a potential gap in driving significant progress. The Strategy sets important conservation and restoration goals, but its measures are not seen as going far enough to fully support a nature-positive transition. For example, the Strategy does not sufficiently address the persistence of harmful subsidies that contribute to biodiversity loss. Additionally, while the Strategy promotes biodiversity integration across sectors, achieving full enforcement and alignment with economic policies remains a significant challenge. Ensuring that biodiversity considerations are not compromised by competing priorities will require stronger financial and regulatory mechanisms. A key step in this direction was the adoption of the

Nature Restoration Regulation (NRR, see subsequent chapter), which includes specific targets for a wide range of ecosystems. The Regulation is accompanied by guidelines for the development and adoption of National Restoration Plans, helping to translate these targets into concrete actions in all EU Member States.

Overall reflections

The EU Biodiversity Strategy for 2030 critically links biodiversity conservation with societal well-being. The integration of biodiversity into economic systems, governance frameworks, and international cooperation recognises that environmental sustainability is fundamental to long-term resilience. Clear and measurable targets, such as the expansion of protected areas, ecosystem restoration, and sector-specific commitments aim to address the key drivers of biodiversity loss. The Strategy also promotes cross-sector collaboration, involving stakeholders from industries, agriculture, and urban planning to support the transition toward an NPE. The Strategy is ambitious, however, the lack of bindingness can act as a barrier to fully achieve a nature-positive transition. While the Strategy underscores the need for transformative changes across economic sectors, embedding biodiversity into policymaking and business strategies, the extent to which policymakers and the private sector integrate biodiversity safeguards into their decision-making will ultimately determine the Strategy's effectiveness and contributes to a NPE. Under the Corporate Sustainability Reporting Directive (CSRD) (see Chapter 3.1.1.8), all large companies, non-EU companies with substantial activity in the EU and listed SMEs are required to assess and disclose how their operations impact and depend on biodiversity and ecosystems. This regulatory push not only reinforces the importance of integrating biodiversity considerations into corporate and policy frameworks but also provides a concrete mechanism to ensure these safeguards are embedded into strategic planning, risk management, and sustainability reporting. However, the recently adopted Competitiveness Compass with its Omnibus package proposes a set of simplifications that can limit previous achievements regarding environmental safeguards.

3.1.1.3 EU Nature Restoration Regulation

Short description

The EU Regulation 2024/1991 on Nature Restoration (NRR) was adopted on 24 June 2024 and entered into force on 18 August 2024 as a key element of the EU Biodiversity Strategy by setting binding targets to restore degraded ecosystems, habitats, and species across the EU's land and sea areas to ensure the long-term recovery of biodiversity, contribute to climate mitigation and adaptation goals, and meet international commitments. Implementation is phased over the coming decades, starting with drafting the first National Restoration Plans (NRPs) until autumn 2026 and milestone targets for 2030, 2040, and 2050. The regulation sets legally binding targets to restore at least 20% of the EU's land and sea areas by 2030 and all ecosystems requiring restoration by 2050. Priority is given to improving the condition of Natura 2000 network areas, with specific, time-bound commitments for Member States until 2030. NRPs are mandated, with monitoring and review mechanisms ensuring progress. The NRR fosters the integration of climate adaptation and mitigation measures, promotes NbS, and aligns with sustainable land-use policies.

NPE relevance

Reduce harmful activities: The Regulation requires Member States to phase out environmentally harmful subsidies through market-based instruments, green budgeting, and financing tools, ensuring a fair transition. Articles 4, 5, 8, 9, 10, 11, 12, and 13 set legally binding restoration targets and emphasise ecosystem connectivity and prevent deterioration once a good ecological condition is achieved. Articles 6 and 7 recognise renewable energy plants and national defence as being in the overriding

public interest, allowing exemptions from continuous improvement and non-deterioration requirements. However, in this case, renewable energy plants must still undergo a Strategic Environmental Assessment (SEA) under Directive 2001/42/EC and an Environmental Impact Assessment (EIA) under Directive 2011/92/EU to mitigate negative environmental effects.

Create additional nature: The Regulation mandates large-scale restoration efforts across multiple ecosystems. Article 4 sets targets for restoring terrestrial, coastal, and freshwater habitats, ensuring 30% of listed habitats reach good condition by 2030, 60% by 2040, and 90% by 2050. Article 5 mandates marine ecosystem restoration, targeting habitats such as seagrass beds and sediment bottoms, along with species recovery for dolphins, porpoises, sharks, and seabirds. Article 8 establishes a no net loss target for urban green spaces and tree cover by 2030, with a steady increase thereafter. Article 9 requires the removal of artificial barriers to surface water connectivity, restoring at least 25,000 km of free-flowing rivers. Article 10 mandates reversing pollinator decline by 2030 through improved monitoring and targeted conservation actions. Article 11 establishes agricultural ecosystem restoration targets, including peatland rewetting – 30% by 2030, 40% by 2040, and 50% by 2050. Article 12 requires the restoration of forest ecosystems, while Article 13 contributes to the EU's commitment to plant three billion additional trees by 2030. Importantly, while planning the measures to achieve these targets under the NRPs, Member States must seek synergies with other planning instruments under EU environmental policies. This approach can help coordinate and strengthen restoration efforts, offering the possibility to better prioritise ecosystems that provide the highest cumulative benefits, such as climate mitigation, disaster risk reduction, and biodiversity enhancement.

Increase knowledge: Articles 20 and 21 mandate systematic monitoring and reporting by Member States, starting upon the regulation's entry into force. By 30 June 2028 and every three years thereafter, Member States must electronically report to the Commission data on restoration areas, habitat deterioration and compensatory measures, removed barriers, and contributions to the Article 13 commitment. Reporting on the implementation of the NRPs occur every six years, with the first reports due by June 30, 2031. Progress tracking includes habitat area, condition, and restoration measures, aligning with reporting obligations under the Habitats Directive and Marine Strategy Framework Directive. Annual monitoring is required for key biodiversity indicators, including the grassland butterfly index, farmland and forest bird indices, and pollinator species trends. The European Environment Agency (EEA) compiles EU-wide progress reports every six years, supporting adaptive management strategies.

Support transformative change: The Regulation aims to foster economic and societal transformation by linking ecosystem restoration to job creation, sustainable growth, and climate resilience. Public participation is also to be strengthened by ensuring NRPs are open, transparent, and inclusive, requiring early and meaningful engagement of stakeholders, civil society, and sectoral actors. Preface 82 reinforces judicial protection and access to justice in environmental matters, aligning with EU law and the Aarhus Convention. The Regulation promotes strategic planning, knowledge exchange, and financial incentives to enhance the capacity of farmers, foresters, and fishers in implementing restoration measures.

Potential trade-offs

The NRR aligns with a NPE, but faces potential challenges in implementation. A significant barrier is the uncertainty around financing, as funding sources and mechanisms remain unclear and administrative capacities at the local level may be insufficient. The reliance on voluntary measures to achieve binding targets raises concerns about the effectiveness of the Regulation, particularly when it comes to

motivating private landowners to engage in restoration efforts. Without strong incentives or enforcement mechanisms, many private actors may prioritise short-term economic interests over long-term environmental goals. This is especially relevant in the context of competitiveness strategies, where restoration measures could be seen as limiting land-use options or reducing agricultural profitability rather than supporting resilience and long-term competitiveness. As a result, land-use conflicts may emerge between economic actors and restoration goals. This becomes particularly relevant following the adoption of the Competitiveness Compass in early 2025, which outlines new priority areas including innovation, decarbonisation, and security. The document does not specifically emphasise actions for nature restoration or biodiversity, making the implementation of the NRR and its restoration targets more challenging. One possible way to promote nature interests within the current competitiveness framework is through climate policy, by highlighting the benefits of nature restoration, especially of carbon-rich ecosystems, for climate mitigation and adaptation. For example, wetland restoration is known for its effectiveness in climate mitigation, both emission reduction and carbon sequestration, depending on the habitats type, while delivering multiple other co-benefits, including biodiversity enhancement.

The ambitious timeline for NRPs, with first NRP's due by September 2026, risks delays or less ambitious targets due to the short preparation period. Additionally, Article 27 introduces a trade-off by allowing the temporary suspension of agricultural restoration measures for up to 12 months, with the possibility of extension, in response to unforeseen crises affecting food production. While this flexibility was a key point in negotiations, it presents a potential risk to long-term restoration commitments. The Regulation does not directly hinder the transition to an NPE, but the lack of clear financial strategies, administrative constraints, and land-use conflicts could limit ambition and slow down progress.

Overall reflections

The NRR represents a significant step in shifting EU environmental policy from conservation to active restoration. By establishing legally binding targets, it provides a structured framework for ecosystem recovery across biodiversity, climate adaptation, agriculture, forestry, marine conservation, and urban development. It integrates restoration into sectoral and economic policies, aligning with the EU Green Deal and the EU Biodiversity Strategy, with milestone targets set for 2030, 2040, and 2050. The regulation establishes NRPs to guide Member States' efforts, requiring monitoring and review mechanisms to track progress and ensure compliance. Despite its ambition, the Regulation faces key challenges, particularly concerning financing and administrative capacities. The lack of clear funding mechanisms and potential land-use conflicts may hinder effective implementation. The tight deadline for draft NRP submissions by September 2026 raises concerns over feasibility and the risk of delayed or weakened commitments. Additionally, while the regulation sets legally binding restoration targets, achieving them depends on Member States' actions. Ensuring adequate financial support, governance capacity, and cross-sectoral coordination will be essential for success.

3.1.1.4 LIFE Fund

Short description

The LIFE Programme, established under Regulation (EU) 2021/783, is the EU's dedicated funding instrument for environment and climate action, supporting projects that protect, restore, and enhance ecosystems while promoting a sustainable, circular, and climate-resilient economy. Covering 2021 to 2027, it has a total budget of €5.4 billion, with €2.7 billion allocated to biodiversity-focused projects. LIFE funds projects that contribute to the implementation of the Birds and Habitats Directives, the Natura 2000 network, the Invasive Alien Species Regulation, and the

EU Biodiversity Strategy for 2030. The programme supports Strategic Nature Projects (SNaPs), which mainstream biodiversity and nature restoration objectives into national and regional policies, and Integrated Projects (IPs), which implement EU strategies on climate change adaptation and mitigation. These projects target restoration of degraded and carbon-rich ecosystems, disaster risk reduction through green and blue infrastructure, and biodiversity-friendly land management in agriculture.
LIFE also finances circular economy initiatives, energy efficiency projects, and climate adaptation measures addressing droughts, wildfires, and floods. It requires a mid-term evaluation within 42 months of implementation and a final assessment no later than four years after the programme ends. As a legally binding regulation, LIFE plays a crucial role in advancing the EU's environmental and climate objectives.

NPE relevance

Reduce harmful activities: The LIFE Programme actively contributes to the transition towards a clean, circular, energy-efficient, climate-neutral, and climate-resilient economy. It facilitates the shift to clean energy sources while simultaneously safeguarding and enhancing environmental quality, ensuring that supported projects do not cause significant harm to any environmental objective.

Create additional nature: Within LIFE, the Nature and Biodiversity sub-programme is dedicated to protecting and restoring Europe's natural ecosystems and halting biodiversity loss. LIFE funds best practices, pilot projects, and innovative conservation approaches focused on habitats, species, and ecological networks. It is the largest contributor to restoration projects in the EU, co-funding 76% of all restoration projects and providing 48% of total restoration funding. It supports the implementation of the EU Biodiversity Strategy for 2030 and the Nature Restoration Regulation, with a focus on Natura 2000 sites, green and blue infrastructure, and through nature-based solutions. Projects also aim to restore degraded ecosystems, reintroduce biodiversity features in agricultural landscapes, and develop urban green spaces.

Increase knowledge: LIFE co-funds knowledge-building initiatives, including capacity development, policy testing, and best practice dissemination. For example, It emphasises the importance of training and awareness-raising for clean energy transitions. It also supports knowledge development for policy formulation and mandates the promotion of project results to increase visibility and impact. LIFE also co-funds Technical Assistance Projects (TAPs), which enhance participation, support proposal development, and facilitate the replication of successful initiatives across sectors.

Support transformative change: LIFE fosters systemic change by integrating nature and climate objectives into broader policies and funding projects that catalyse sustainability shifts across sectors. It promotes a just transition towards a circular, renewable, and climate-neutral economy and highlights its role in economic development and social cohesion. It also calls for LIFE funded projects to support climate adaptation, emissions reduction, and energy transition strategies, reinforcing the EU's long-term sustainability goals.

Potential trade-offs

The LIFE Programme does not present direct barriers to the transition toward NPE and is strongly aligned with its objectives. However, its funding scale remains a limiting factor relative to the ambitious goals outlined in the European Green Deal, EU Biodiversity Strategy, and Nature Restoration Regulation. While the programme provides substantial financial support, additional funding from other EU sources will be required to achieve comprehensive biodiversity restoration. The programme is linked to the MFF, meaning its continuation beyond 2027 is uncertain, since the latest proposal on the future MFF prioritises innovations, decarbonisation

and defence rather than nature restoration and biodiversity needs. Ensuring sustained financial support in the post-2027 MFF is crucial for maintaining biodiversity initiatives and preventing disruptions in nature restoration efforts. LIFE enables cross-border collaboration and knowledge exchange, fostering projects that might not be realised without EU co-financing. However, its co-funding requirements can pose challenges for certain stakeholders, particularly those with limited financial capacity, affecting the feasibility of some projects. While the programme effectively incentivises nature restoration, its voluntary nature means that its impact largely depends on stakeholder participation and the capacity of local partners to apply for co-funding and lead implementation efforts.

Overall reflections

The LIFE Programme is a central EU funding instrument supporting environmental and climate action, playing a crucial role in advancing the NPE. It integrates biodiversity conservation, climate resilience, and sustainable development into sectoral policies through dedicated funding for nature restoration, circular economy initiatives, and climate adaptation projects. With a €5.4 billion budget for 2021-2027, including €2.7 billion for biodiversity, it provides essential financial support for implementing EU environmental strategies such as the Green Deal and Biodiversity Strategy for 2030. By funding SNaPs and IPs, LIFE ensures the effective implementation of biodiversity and climate policies across national and regional levels. It fosters knowledge exchange, innovation, and cross-sectoral collaboration, promoting best practices and enhancing stakeholder engagement. However, despite its strong alignment with NPE goals, the scale of funding remains a constraint relative to the ambitious restoration and conservation targets.

The programme's future impact depends on continued policy commitment and financial support beyond 2027, as its reliance on the MFF creates uncertainties due to the new EU priorities missing clear nature and biodiversity targets and focusing only on a few specific dimensions of the environmental protection such as circularity and decarbonisation. To maintain LIFE's effectiveness in halting biodiversity loss, restoring ecosystems, and supporting the EU's long-term sustainability objectives, it is essential to address key challenges. This can be achieved, for example, by placing greater emphasis on restoring carbon-rich ecosystems such as wetlands and forests. Doing so would align with the new priorities of the Competitiveness Compass on decarbonisation and climate mitigation, while also supporting reaching biodiversity and other nature-related targets, currently not reflected in the Competitiveness Compass. This could secure the place of the LIFE Programme or its successor in the future MFF.

3.1.1.5 Multiannual Financial Framework

Short description

The 2021-2027 Multiannual Financial Framework (MFF) (Council Regulation (EU, Euratom) 2020/2093) is the EU's long-term budget, defining financial priorities and spending limits for various programs and policies. It allocates a total of €1,074 billion (in 2018 prices) across seven key areas, including natural resources and environment, which receives €356.4 billion.

As part of the EU's commitment to biodiversity, the current MFF earmarks €112 billion for biodiversity-related financing. Additionally, the MFF sets a progressive biodiversity spending target: 7.5% of annual spending in 2024, increasing to 10% in 2026 and 2027. However, recent European Commission estimates indicate that these targets are at risk, with projected spending reaching only 7.8% in 2026 and 7.9% in 2027 [30] With the EU budget shifting toward a more flexible and policy-driven framework under the next MFF that is expected to consolidate numerous programmes into broader funds, priorities such as decarbonisation, security and defence, and innovation are taking centre stage [31]. While

these strategic shifts aim to enhance the EU's competitiveness and responsiveness to emerging challenges, they risk sidelining biodiversity, potentially blurring biodiversity targets and reducing its share of funding at a time when robust financial mechanisms are essential to support stakeholder commitment to a NPE transition.

Under the MFF, the Common Provisions Regulation (EU 2021/1060) governs eight EU funds managed in partnership with Member States, accounting for approximately one-third of the total EU budget. This includes the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the Just Transition Fund (JTF). The largest share of this budget is allocated to five common policy objectives, including those relevant for a transition towards an NPE:

- **(PO2)** A greener, low-carbon transitioning towards a net-zero carbon economy and resilient Europe by promoting a clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility; A more social and inclusive Europe implementing the European pillar of social rights;
- **(PO4)** A more social and inclusive Europe implementing the European pillar of social rights;
- **(PO5)** A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives.

In addition to shared management funds, the MFF includes several programmes that operate under central management by the EC or other EU bodies. Each fund is governed by its own regulations, objectives, and procedures. NPE-relevant funds include InvestEU and LIFE Programme (detailed in their respective sub-sections).

According to the MFF Regulation, the EC needs to make proposals for the next MFF (post 2027) by mid-2025. In early 2025, the vision of the future MFF was published, putting emphasis on a more flexible EU budget with a consolidated financial framework [31]. Specifically, it is proposed to create a Competitiveness Fund, which would substitute a few of the current funding institutions, including those having focused biodiversity and nature objectives. This proposal aligns with the EC's priorities for 2024-2029, focusing on increased competitiveness, defence and security, social fairness, democracy, agricultural resilience and climate adaptation, with no specific priority dedicated to nature restoration. Having no concrete nature-relevant targets, the proposed financial framework risks to dilute biodiversity interests and make the options for nature-positive funding even more limited.

NPE relevance

Reduce harmful activities: The DNSH principle is required to be considered when pursuing the Funds' objectives. The Regulation also requires that projects falling under the EIA Directive undergo an EIA or screening, while infrastructure investments with a lifespan of five years or more must comply with climate-proofing requirements. Under the ERDF, ESF+, and Cohesion Fund, some interventions focus on minimising negative environmental impacts, including waste management, the protection of Natura 2000 sites, and biodiversity conservation.

Create additional nature: The MFF sets a clear goal for annual biodiversity spending, ensuring a strong focus on nature conservation. To track and secure a defined share of biodiversity-positive outcomes, a biodiversity coefficient has been introduced, guiding resource allocation toward nature-positive actions [32]remains the EU's only funding instrument exclusively dedicated to nature conservation, biodiversity, and climate action, driving targeted initiatives to conserve ecosystems and enhance environmental resilience. Moreover, under the ERDF, ESF+, and Cohesion Fund, some interventions

directly focus on nature-positive actions, including the restoration and sustainable use of Natura 2000 sites, green and blue infrastructure, restoration of natural areas, especially those with high potential for carbon absorption and storage. Finally, nature restoration and biodiversity are both an eligible funding area under the InvestEU Fund.

Increase knowledge: The MFF's contribution to this aspect of an NPE is primarily facilitated through a reporting and monitoring framework. In particular, Member States must report on environment and climate support using a methodology that assigns weightings based on each intervention's contribution. A performance framework ensures monitoring, reporting, and evaluation, with a mid-term review and specific output and result indicators set for each objective. However, currently, there are no dedicated tools for monitoring, evaluation, or impact assessment specifically for environmental objectives, nor are there performance-based or results-based indicators to effectively measure environmental outcomes. Additionally, at least 15% of the Commission's technical assistance resources must enhance public communication, improve data collection, and raise awareness of the Funds' impact, continuing even after programme closure.

Support transformative change: The MFF's targets include fostering a more social and inclusive Europe aligned with the European Pillar of Social Rights and bringing Europe closer to its citizens through sustainable and integrated local development. To achieve these goals, gender equality and non-discrimination must be ensured throughout all stages of programme implementation, with accessibility for persons with disabilities explicitly required. Member States must establish partnerships that reflect their institutional framework, involving regional and local authorities, social partners, CSOs, and research institutions, following a multi-level governance and bottom-up approach. Additionally, community-led local development can be supported under the ERDF, ESF+, JTF, and EMFAF, with binding requirements for local development strategies and inclusive local action groups. Finally, where relevant, Member States must allocate a share of funding to enhance the administrative capacity of social partners and civil society organisations.

Potential trade-offs

The MFF's biodiversity target for 2026 and 2027 is estimated to be at risk, with projections indicating only 7.8% and 7.9% instead of the 10% goal [106, 107] Unlike climate funding, sectoral fund regulations lack binding biodiversity commitments, contributing to a biodiversity financing gap due to insufficient resources, capacity, and funding. Additionally, the MFF continues to fund nature-negative activities, such as intensive agriculture or infrastructure [108], while only activities explicitly tagged as contributing to climate objectives are required to follow the DNSH principle. As a result, 70% of MFF funding remains unrestricted by environmental safeguards, potentially slowing progress toward biodiversity and nature-positive goals.

Conflicting priorities, such as balancing renewable energy expansion with carbon sink conservation, create challenges and can potentially increase the risk of greenwashing due to inadequate reporting and monitoring, especially for small-scale projects. These conflicts will intensify if proposals for consolidated post-2027 funding are adopted, as biodiversity projects will have to compete with new pressing priorities such as economic recovery, security, and infrastructure, likely to reducing funding for nature conservation.

Additionally, with no clear biodiversity and nature targets and priorities proposed under the Competitiveness Compass and, in particular, the new MFF and with greater attention paid to the short-term competitiveness, the long-term competitiveness of the EU may be jeopardised as nature restoration and NbS generate both public and private benefits crucial for the resilience from a long-term perspective.

Overall reflections

The MFF Regulation aligns with key NPE principles, including responsible resource use, support for green and blue infrastructure, societal considerations (e.g., gender equality, local development, social inclusivity), and sustainability. It incorporates the DNSH principle and mandates climate proofing for certain projects to minimise environmental and biodiversity harm. Nature restoration and ecosystem-based activities are eligible for support under specific MFF funds.

However, a financing gap for biodiversity, driven by competing priorities, hinders the NPE transition. Only one fund, LIFE, is fully dedicated to nature and biodiversity, highlighting the MFF's insufficiency in addressing the biodiversity crises and restoration needs. Some regulation objectives conflict with nature restoration, leading to potential negative impacts. Multiple impact assessment instruments create complexity, while the absence of dedicated monitoring, evaluation, and performance-based indicators weakens green objectives.

The regulation does not comprehensively address environmental and climate challenges or require biodiversity targets in fund regulations. Despite its emphasis on societal dimension, the MFF's transformative potential toward NPE is limited by competing priorities and nature-negative subsidies. Post-2027 budget discussions on flexibility and simplification could further threaten biodiversity and conservation efforts, impeding the nature-positive transition and the EU's long-term resilience.

3.1.1.6 InvestEU

Short description

The InvestEU (Regulation (EU) 2021/523), adopted in 2021 for the period until 2027, is a market-based, demand-driven instrument that prioritises EU policy goals, including competitiveness, economic growth, sustainability, employment, digital and green transitions, social resilience and inclusiveness. It operates through four Policy Windows, with a sustainable infrastructure window requiring at least 60% of investments to support EU climate and environmental targets, including nature restoration and green infrastructure projects.

In total, the InvestEU Fund has a €26.2 billion budget guarantee with specific allocations including €9.9 billion for sustainable infrastructure, €6.6 billion for research, innovation and digitalisation, and €2.8 billion for social investment and skills. Investments are structured under EU and MS compartments, allowing Member States to allocate up to 2% of their shared management fund to national priorities.

While the fund can support nature-positive activities through promoting conservation and enhancement of natural capital for adaptation and biodiversity benefits, its focus on economic growth without strong ecological safeguards could pose risks to nature unless absolute decoupling from resource use is ensured.

The InvestEU Regulation establishes a governance structure comprising an Advisory Board, which provides market guidance, and a Steering Board, which oversees strategy and operations. The Investment Committee, an independent expert group, evaluates financing proposals based on criteria set by the regulation, using information submitted through a scoreboard. Additionally, the EC conducts policy checks to ensure that investment operations (excluding those by the EIB) align with EU laws and policies.

In 2025, the proposal on amending the InvestEU Fund [33] was made which will lead to change in priorities and funds allocations. The focus is likely to shift more towards support of innovative and technological solutions, which still includes circular and decarbonisation initiatives, but can lack the emphasis on nature restoration and biodiversity. Moreover, reducing the amount of data the companies have to report, as it is currently proposed, may negatively affect the transparency of their actions.

NPE relevance

Reduce harmful activities: InvestEU requires sustainability proofing for financing and investment operations to assess and minimise environmental, climate, and social impacts. This process includes compliance checks with EU and national laws, risk screening, and further assessment of potential sustainability risks.
In addition, the EC committed to develop a sustainability guidance aligned with EU environmental and social objectives, incorporating the DNSH principle [34]. This guidance aims to ensure climate resilience through risk assessments, integrate GHG costs and mitigation benefits, evaluate impacts on nature capital, and assess social factors like gender equality and social inclusion.

Create additional nature: InvestEU provides an opportunity for funding nature-positive initiatives by means of green and blue infrastructure projects enhancing and restoring ecosystems and their services, including through the enhancement of nature and biodiversity. Financial support for such projects is supposed to boost the deployment of these initiatives, bringing the Europe closer to the 2050 nature recovery target foreseen by the NPE concept.

Increase knowledge: InvestEU establishes a framework for sustainability proofing, requiring project promoters to disclose their projects' climate, environmental, and social impacts based on EC-developed sustainability guidance. It also sets reporting and evaluation obligations, mandating biannual reports from implementing partners and requiring the EC to submit a final evaluation by 2031 on the use of the EU guarantee. To enhance transparency and knowledge sharing, InvestEU introduces the InvestEU Portal, providing public access to project information, and the InvestEU Advisory Hub, which supports collaboration, peer-to-peer learning. Moreover, there is Green Assist - the Green Advisory Service for Sustainable Investments Support established under the InvestEU and funded from the LIFE programme, aiming at building up a pipeline for green investments projects that have a high impact. These platforms and services are ultimately supposed to lead to promotion of nature-positive investments through increased visibility of nature-positive projects and improved awareness about them.

Support transformative change: InvestEU aims to address the social dimension comprehensively, linking it to climate and environmental challenges and to EU long-term goals. In particular, the social policy window funds initiatives such as gender equality, skill development, social infrastructure, and inclusion of vulnerable groups. A just transition scheme is mandated across all policy windows to support investments addressing social, economic, and environmental challenges related to the EU's 2030 and 2050 climate goals. Additionally, the Regulation ensures local outreach through the InvestEU Advisory Hub and explicitly does not fund activities that violate human rights and freedoms.

Potential trade-offs

The InvestEU Regulation lacks earmarking and a sufficient regulatory or financial framework to adequately support nature restoration. While the sustainable infrastructure window includes nature-positive activities, it appears insufficient when it comes to driving restoration efforts at the scale and pace needed to achieve the 2050 goal embedded in the NPE concept. As a demand-driven instrument, InvestEU may see low uptake for nature restoration initiatives due to its lower bankability compared to projects focusing on energy and sustainable mobility. Additionally, sustainability proofing is unique to InvestEU, potentially complicating processes for beneficiaries and impacting the screening's efficiency and comprehensiveness. The intervention fields are overly broad and open to interpretation, leading to legal uncertainty for banks and insufficiently clear information on nature-positive initiatives, which could hinder informed investment decisions. Moreover, the InvestEU Fund can finance

nature-harming activities, including fossil gas investments in distribution and consumption and non-circular solutions such as waste incinerators, which risks undermining its sustainability objectives.

Overall reflections

The InvestEU Fund is expected to increase investments related to enhanced natural capital and circular economy, while considering the social dimension (e.g., gender equality, social inclusion, local knowledge) as well as the EU's long-term environmental and climate vision. However, earmarking or ring-fencing for nature restoration and NbS exists only indirectly through the Sustainable Infrastructure Window, one of the four policy priorities under InvestEU, which require at least 60% of investments to contribute to EU environmental and climate goals. Although nature restoration and biodiversity enhancement are eligible funding areas, investments are likely to favour more bankable projects, such as sustainable mobility initiatives. Consequently, uptake for nature-related projects is projected to remain low, as InvestEU is a demand-driven instrument. Furthermore, InvestEU still supports selected investments in activities that negatively impact the environment, which can, to some extent, counteract nature-positive actions.

As a result, while the InvestEU Programme supports the transition to the NPE, it is unlikely to be sufficient for achieving the NPE's full recovery targets or deploying nature restoration projects at the necessary scale within the required timeframe.

3.1.1.7 EU Circular Economy Action Plan

Short description

The EU Circular Economy Action Plan (COM (2020) 98 final), adopted in 2020, introduces 35 measures to enhance circularity and support climate neutrality by 2050. Key objectives include doubling the EU's circular material use rate within a decade, halving residual municipal waste by 2030, reducing resource consumption, making sustainable products the norm, especially in the high-impact sectors, and minimising waste. These objectives support the NPE transition through reducing the pressure on the environment and thus allowing nature to recover.

The CEAP is linked to various pieces of legislation, including the Ecodesign for Sustainable Products Regulation (ESPR), highlighted as a key action in its annex under the sustainable product policy initiative. It is also aligned with the Green Industrial Deal and the updated Bioeconomy Strategy, as well as lays the basis for the upcoming EU Circular Economy Act and other circular economy initiatives also addressed by the EU Competitiveness Compass.

A wide range of EU funds can be leveraged to support the transition to a circular economy, including the EU Cohesion Funds, the ERDF, and the LIFE Programme, as well as allocations within social, research, and innovation programmes. Further support is provided by the Circular Bio-based Europe Joint Undertaking (CBE JU) is a €2 billion partnership between the European Union and the Bio-based Industries Consortium (BIC) that funds projects advancing competitive circular bio-based industries in Europe.

NPE relevance

Reduce harmful activities: the CEAP introduces numerous legislative and policy proposals, such as ESPR, EU Strategy for Textiles, policy framework for bio-based plastics and biodegradable or compostable plastics, review of the rules on proper treatment of waste oils, which have potential to substantially minimise negative impact on the environment and thereby improve its state, if implemented in a timely and proper manner. In particular, the ESPR is supposed to help to reduce material use and all connected environmental impacts. Moreover, a Circular Economy Act proposal is thought to encourage EU industry to effectively substitute virgin materials and to reduce the landfilling and incineration of used raw materials.

Create additional nature: The CEAP recognises that the EU "needs to accelerate the transition towards a regenerative growth model that gives back to the planet more than it takes, advance towards keeping its resource consumption within planetary boundaries, and therefore strive to reduce its consumption footprint and double its circular material use rate in the coming decade". Reducing environmental pressures through responsible resource use improves ecosystem health and supports biodiversity, potentially leading to increased nature. The circular economy initiatives under the CEAP are seen to moderately align with biodiversity goals, with stronger connections to the broader biodiversity agenda rather than specific objectives like nature restoration [27].

Increase knowledge: The CEAP prioritises key product value chains and aims to empower consumers and public buyers by ensuring access to reliable product information. In line with the CEAP, the EC revised the monitoring framework to align with circularity, climate neutrality, and zero pollution goals, introducing a consumption footprint indicator to assess, if EU consumption fits within planetary boundaries. Many CEAP measures focus on providing information, including guidelines, labelling standards, and tools to combat greenwashing and premature obsolescence. The plan also integrates circular economy objectives into non-financial reporting, sustainable corporate governance, and environmental accounting. Additionally, it promotes digital solutions such as product passports, tagging, and watermarks to enhance transparency and traceability.

Support transformative change: The CEAP aims to better link the circular economy with such cross-sectoral issues as climate mitigation and adaptation. Additionally, social aspects are partially addressed focusing on job creation and skills development with potential benefits for the green transition and social inclusion. Also, the Action Plan acknowledges the importance of innovative approaches, such as collaborative economy. Considering the above, the CEAP could lead to numerous significant societal impacts, but rather indirectly, potentially resulting from the successful and ambitious implementation of proposed legislative and strategic instruments. Currently, the circular economy and policies implementing the CEAP are a prominent feature of the Competitiveness Compass which presents an opportunity for higher uptake of circular initiatives supporting the circular transition and creating new jobs.

Potential trade-offs

The impact of the CEAP is limited due to its non-binding nature, reliance on voluntary initiatives, informational tools, and private standards rather than strict regulations. While it may have indirect societal benefits, such as support for vulnerable groups, these aspects are not explicitly addressed in the text. Gender equality is not directly prioritised, with certain measures potentially leading to an imbalanced distribution of effects (e.g., higher demands for waste separation could negatively impact women, as they often take on this unpaid task).

The CEAP does not provide direct support for nature restoration, which is a key requirement for achieving an NPE's goal of a full nature recovery by 2050. Although the CEAP recognises the need to transition to a regenerative growth model, it lacks concrete steps to operationalise this goal. The actual impact of the CEAP as well as the extent of its nature-positive outcomes depend on the proper and timely implementation of legal and policy instruments proposed under the CEAP and further reinforced by the Competitiveness Compass and on specific measures to be defined and adopted under these initiatives [29].

Although circular economy is a prominent feature of the Competitiveness Compass, this vision document lacks a focus on environment and nature beyond climate, which may also negatively affect the environmental safeguards within future circular policies and further promote technocratic solutions within the circularity

agenda.

Additionally, the CEAP does not define the meaning of "sustainability" in its context and does not explicitly require and ensure that measures avoid biodiversity loss or additional land use in the EU or abroad, e.g. due to the use of biodegradable plastics. Another concern, although not explicitly mentioned in the policy text, is the possible shift of the circular economy toward increased utilisation of bio-based materials, which may lead to greater ecosystem pressures and land-use conflicts.

Overall reflections

The CEAP aligns with the NPE in its overarching goal of "accelerating the transition towards a regenerative growth model that gives back to the planet more than it takes." While this goal is not elaborated upon in detail, the adoption of proposed legislative and strategic instruments is expected to reduce (primary) raw material use, extend product lifespans, and improve material recovery and recycling, with fewer toxins in the cycle. This contributes to the NPE primarily by mitigating environmental impact. Additionally, the CEAP promotes knowledge-sharing, addressing information dissemination on product lifespans and environmental impacts in a relatively comprehensive manner.

However, the CEAP's impact is hindered by its non-binding nature, reliance on soft measures, and the need for more specific actions in the proposed instruments—assuming they are adopted in a timely manner and remain aligned with their original intent. Furthermore, the CEAP lacks an explicit focus on social aspects, particularly gender equality, although social impacts can be expected more indirectly. A potential concern is the future direction of the circular economy, which may increasingly depend on bio-based materials to replace abiotic ones, thereby intensifying land use and biodiversity pressures.
As a result, while the CEAP has significant transformative potential to support the transition to a circular and nature-positive economy, its effectiveness remains constrained by its non-binding nature and reliance on the ambition and timeliness of implementing its proposed legal and policy measures.

The Competitiveness Compass presents an opportunity for higher uptake of circular solutions, helping decarbonisation and economic security, but lack of focus on environmental sustainability within the Compass in general risks facilitating a more technocratic approach to a circular transition which is often subject to criticism in the CEAP as well [29].

3.1.1.8 EU Bioeconomy Strategy

Short description

The EU Bioeconomy Strategy (COM(2018) 673 final) is a non-binding policy instrument adopted in 2012 and updated in 2018. It aims to promote a sustainable bioeconomy across Europe, aligning economic growth with environmental and social considerations.

The Bioeconomy Strategy establishes five specific objectives, some of which focus on sustainable resource management and enhancing ecosystem services, directly linking to the NPE concept. A second update is planned for 2025 and will introduce four new pillars focusing on a transition towards a regenerative bioeconomy, a circular and resource-efficient bioeconomy, priorities for scaling up and a global competitiveness of the sector. Governance structures supporting the Strategy include the Knowledge Centre for Bioeconomy, the European Bioeconomy Policy Forum, and the BIOEAST Foresight Exercise, which facilitates collaboration among EU Member States.

Funding mechanisms such as Horizon Europe, the European Circular Bioeconomy Fund, ERDF, CAP, and EMFAF provide substantial financial backing, totalling billions of euros for bioeconomy research, innovation, development and deployment.

NPE relevance

Reduce harmful activities: The Strategy supports a transition to a more sustainable bioeconomy by reducing dependence on non-renewable sources (Objective 3), thereby decreasing negative impacts on the environment, and promoting climate mitigation through bioeconomic activities, such as carbon farming (Objective 4). It emphasises the importance of understanding ecological boundaries to minimise environmental pressures, protect biodiversity, and enhance ecosystem services, and increases knowledge of environmental and biodiversity impacts through cross-sectoral research and voluntary guidance for sustainable practices (Action 3.1, Action 3.3).

Create additional nature: Nature restoration and sustainable resource management are directly embedded in Objective 2. The Bioeconomy Strategy further promotes sustainable practices through several key actions, e.g., developing bio-based, recyclable, and marine-biodegradable alternatives to fossil-based materials to restore healthy European seas and oceans (Action 1.6), measuring and monitoring the status biodiversity and ecosystems to support the restoration of land-based and marine environments (Action 3.2), integrating biodiversity-rich ecosystems into primary production through agro-ecology and microbiome-based solutions (Action 3.4).

Increase knowledge: The Bioeconomy Strategy has the potential to expand knowledge about the bioeconomy's impacts on nature by introducing an action area aimed at "understanding the ecological boundaries of the bioeconomy". These actions address existing knowledge gaps, including socio-economic dimensions, resilience, and the status of biodiversity and ecosystems (Action 3.1). They also aim to enhance observation and reporting capabilities using 59 indicators that cover economic, environmental, and social aspects (Action 3.2) and to develop voluntary guidance for operating the bioeconomy within safe ecological limits (Action 3.3). All data generated from these actions is publicly accessible through the Knowledge Centre for Bioeconomy.

Support transformative change: The social considerations are partially addressed through the objectives and corresponding actions aimed at transforming food and farming systems to become more inclusive. In particular, the Strategy calls for stakeholder mobilisation for developing inclusive circular bio-based solutions (Action 1.1) and promotes education, trainings and skills across the sectors (Action 2.4). It also seeks to enhance the knowledge base on sustainable biomass and conduct forward-looking, cross-sectoral assessments, thereby supporting the transition to a sustainable and resilient bioeconomy.

Potential trade-offs

The Bioeconomy Strategy lacks concrete measures to directly address resource scarcity and restore degraded ecosystems. Its emphasis on fostering economic growth, industrial modernisation, and global competitiveness often overshadows ecological priorities, limiting its transformative potential for achieving a sustainable balance between economic and environmental objectives [18] One critical issue is the unclear consideration of nature impacts, particularly in the early stages of biomass production.

The Strategy does not encourage new regulations to prevent environmental degradation, relying instead on voluntary measures. Despite frequent references to biodiversity, the Strategy lacks strong regulatory mechanisms to ensure ecosystem protection, raising concerns about its ability to prevent harm at the production level [18]. Another key challenge is the increased pressure on land and seas due to growing demands for bio-based materials and bioenergy. As many EU countries are reaching the limits of their land capacity, promoting bioenergy without clear sustainability safeguards risks exacerbating land-use conflicts [19]. The Strategy also fails to adequately address societal dimensions such

as equitable stakeholder participation, gender equality and impact on local population [20], which are critical to a just and inclusive transition towards an NPE. While these aspects are considered through bioeconomy projects funded under the Horizon Europe Programme, this approach makes social coverage dependent on other policies, which may change over time or may not have previously included these priorities, while the Strategy itself remains silent on social issues.

Overall reflections

The Bioeconomy Strategy aligns with the NPE by establishing objectives aimed at sustainable resource management, ecosystem restoration, and circular economy integration. The Strategy proclaims the adherence to sustainability principles, which shows its potential for contributing to the NPE transition. Additionally, its promotion of circular bioeconomy principles strengthens its alignment with the goals of reducing environmental pressures and responsible resource use, further supporting the NPE. Funding mechanisms such as Horizon Europe or the European Circular Bioeconomy Fund provide substantial financial support for sustainable innovation, strengthening its potential for positive environmental impact. Despite its strengths, the Strategy lacks binding commitments and concrete regulatory measures to ensure its sustainability goals are met. It does not impose enforceable obligations for ecosystem protection or biodiversity restoration, relying instead on voluntary guidelines. Trade-offs include increased pressure on land and natural resources, insufficient attention to overconsumption risks, and a lack of strong societal inclusion mechanisms that would consider inclusivity, gender equality, and public participation, which are currently rather addressed by the Strategy implementation instruments, namely the Horizon Europe Programme. The emphasis on economic competitiveness and industrial growth often takes precedence over ecological considerations, limiting its transformative potential. The recently adopted Competitiveness Compass foresees the 2025-2026 update of the EU Bioeconomy Strategy with an aim to boost innovation in life sciences and biotechnology, improving competitiveness across sectors [21]. An accompanying European Biotech Act is supposed to provide a framework promoting innovation in various areas and leveraging the potential of biotechnologies. While doing so, it is crucial to learn lessons from the framing and implementation of the 2018 Bioeconomy Strategy while making use of its strong features. Potential trade-offs, including increased pressure on the environment due to higher demand and conflicts between different land uses, need to be effectively addressed.

As a result, the Strategy's full alignment with the NPE, including its future revisions, depends on stronger regulatory commitments, clearer sustainability safeguards, and a more explicit integration of environmental and social priorities.

3.1.1.9 Corporate Sustainability Reporting Directive

Short description

The Corporate Sustainability Reporting Directive (CSRD) (EU 2022/2464) adopted in 2022 aims to leverage the European Single Market to drive a sustainable and inclusive economic and financial system. Aligned with the European Green Deal and UN SDGs, it enhances EU non-financial reporting to increase knowledge of nature impacts, supporting the transition to an NPE. The Directive in its original version applies to approximately 50,000 companies in the EU, including large companies, listed SMEs, and qualifying non-EU companies with significant EU operations. The companies initially required to start reporting first, in 2025, include large public companies in the EU with shares traded in the EU market and more than 500 employees. Big EU companies along with large non-EU companies listed on an EU market have to begin reporting in 2026, while SMEs – in 2027 to 2029 at the latest.

The recently adopted Competitiveness

Compass with its Omnibus package proposes a set of changes to the CSRD. Firstly, it postpones the application of reporting obligations for companies that are due to report in 2026 and 2027. Secondly, the proposal excludes all companies with up to 1 000 employees and 50 million turnover from the scope of the policy while for the remaining companies the sustainability reporting standards will be revised and simplified, which means an exclusion of 80% of companies, including SMEs, from the CSRD scope. Thirdly, the proposal suggests adopting a voluntary reporting standard intended to limit the amount of information that companies outside the reporting scope must provide to those subject to reporting obligations. Finally, the proposal removes the encouragement for the EC to adopt sector-specific standards, meaning that nature-dependent enterprises will not have a set of requirements tailored to the specificities of their operations.

The CSRD is supported by broader EU governance mechanisms, involving key regulatory bodies such as European Financial Reporting Advisory Group (EFRAG), European Securities and Markets Authority, the European Banking Authority, and the European Insurance and Occupational Pensions Authority. Moreover, the Member State Expert Group on Sustainable Finance is the body to be consulted before adopting sustainability reporting standards. Also, external auditors play a role in implementing CSRD providing assurance on sustainability reporting.

The CSRD complements the Corporate Sustainability Due Diligence Directive (CSDDD) (EU 2024/1760) by focusing on transparency and reporting, while CSDDD emphasises due diligence and responsible business practices. Together, these directives create a comprehensive framework for corporate sustainability, enhancing both disclosure and accountability across EU companies and their global value chains.

The CSDDD is also set to undergo changes, with due diligence obligations being simplified and implementing of the policy postponed.

NPE relevance

Reduce harmful activities: The CSRD does not set direct targets, but aims to enhance transparency by requiring companies to disclose sustainability information, indirectly preventing nature-negative activities. While the due diligence process is referenced in Art 1 and Recital 31, it is only required for disclosure, not for implementation, as due diligence obligations fall under a CSDDD. Companies must report on actions taken to prevent or mitigate adverse impacts and their effectiveness. Additionally, sustainability reporting standards should consider EU environmental laws, including pollution prevention and life cycle assessment methods, to minimise environmental and biodiversity impacts.

Create additional nature: The CSRD does not set direct targets for nature restoration, but promotes transparency by requiring companies to disclose their environmental and social impacts. This transparency is intended to attract sustainable investment and encourage nature-positive activities. Restoration is also indirectly addressed through the due diligence process, which includes remediating actual and potential adverse impacts (Recital 31, Art 1). Specifically, companies are required to report on actions taken to restore the environment and affected communities, emphasising the significance of principal impacts based on their severity and ease of remediation.

Increase knowledge: The main purpose and goal of the Directive is the disclosure of relevant, comparable and reliable sustainability information. This includes reporting both on the actual and potential impact on the environment and people, as well as on the sustainability risks. This has the potential to lay the basis for promoting nature-positive undertakings. Moreover, standardised reporting requirements allow for a better comparability, potentially resulting in better investment decisions supporting nature-positive activities.

Support transformative change: Obliging businesses to report on their sustainability impacts, including impacts on people, stimulates companies to align their practices with the EU social goals, potentially increasing their contribution to the NPE transition. A strong focus on the social dimension alongside the environmental considerations underpins the transformative potential of the Directive. In particular, the CSRD requires companies, in the current version also including SMEs, to engage with stakeholders on environmental and social issues and report on aspects like gender equality, working conditions, and human rights. The Directive has a cross-sectoral scope, applying broadly while also foreseeing sector-specific reporting standards for industries reliant on natural resources. A long-term vision is emphasised, requiring companies to outline strategies for aligning their business models with climate neutrality by 2050.

Potential trade-offs

The complex requirements of the CSRD have raised concerns among some stakeholders, as they may initially lead to challenges in ensuring clear and high-quality sustainability reporting. Additionally, overly technical reporting could make it more difficult to effectively communicate sustainability performance, potentially impacting investment decisions [22].

Changes proposed in February 2025 [23] aim to simplify both the CSRD and CSDDD resulting in significantly reducing the number of companies affected and delaying implementation. If these proposals are adopted, the weakened reporting provisions will leave nature-negative activities and impacts unnoticed and uncompensated decreasing the overall impact of the policy as well as its transformative potential. It is especially relevant with regard to SMEs that are responsible for a significant share of environmental pollution and resource consumption globally and have a significant carbon footprint on aggregate [24, 25]. If these types of companies are not included, there is a significant risk that the EU's nature restoration goals – and the broader ambition for full nature recovery under the NPE concept – will not be achieved.

Overall reflections

The CSRD plays a crucial role in enhancing knowledge about the environmental impacts of business activities by originally requiring around 50 000 companies to report on their sustainability impacts and ensuring greater transparency and comprehensiveness in reporting. This initiative in its current edition could help redirect financial flows toward more nature-positive practices, thereby supporting their implementation and contributing to the NPE transition. This support is, however, only implicit, as the Directive's actual obligations are limited to requiring companies to submit sustainability reports.

These reports do not necessarily result in immediate nature restoration or in the reduction of negative impacts. Concerns about the new reporting obligations include the complexity of requirements, which may initially affect report quality or lead to overly technical language that hinders understanding and affect investment decision-making.

Overall, while the Directive's transformative potential can be regarded as relatively high in its current iteration due to its role in improving awareness of environmental impacts and its inclusion of societal dimensions (e.g., gender equality, support for vulnerable groups), its immediate effectiveness in addressing core NPE goals, such as minimising negative impacts and restoring nature, remains uncertain. The recent proposals on simplifying the CSRD and CSDDD further add uncertainty and, if adopted, significantly reduce the contribution to an NPE, decreasing the number of companies required to comply with the Directive to about 7000-10 000, based on different estimates [26] and opening the door to uncompensated nature-harmful activities in the EU and beyond.

3.1.1.10 European Climate Law

Short description

The European Climate Law (EUCL) (Regulation (EU) 2021/1119) establishes the legal framework for achieving climate neutrality in the EU. Adopted in 2021, it sets a binding target of net-zero GHG emissions by 2050 and an intermediate target of at least a 55% reduction by 2030 compared to 1990 levels. The regulation aims to guide the EU's transition to climate neutrality, establishing mechanisms for emission reductions, carbon sink enhancements, and monitoring, but it does not explicitly mandate biodiversity protection or nature restoration. In 2025, a legislative proposal for 2040 climate commitments is expected to be introduced into the regulation, further clarifying the path towards climate neutrality. The implementation of the EUCL is supported by the European Scientific Advisory Board on Climate Change, which provides independent scientific advice, and the EEA, which assesses EU progress on its energy and climate targets.

NPE relevance

Reduce harmful activities: The EUCL establishes legally binding targets on net GHG emission reduction by 2030 and climate neutrality by 2050 achieved through emissions reductions and enhancement of removals from sinks, including natural ones.[6] Although not explicitly stated in the law, emissions reductions can be achieved through actions that minimise the negative impact on carbon-rich ecosystems, such as sustainably managing forests and wetlands.

Create additional nature: The EUCL points out a clear role of natural sinks in achieving its 2030 and 2050 ambitions. By explicitly recognising the contribution of ecosystem restoration to maintaining and enhancing carbon sinks, the policy encourages nature-positive actions, although these provisions are non-binding. Promoting a more ambitious LULUCF Regulation further indirectly reinforces the need for nature-positive measures.

Increase knowledge: The EUCL aims to strengthen the knowledge base on climate-related actions by creating the European Scientific Advisory Board on Climate Change, which facilitates the exchange of information on emissions reduction and carbon removals, including from natural sinks. Additionally, binding reporting obligations under the Governance Regulation (EU 2018/1999) aim to ensure that progress is monitored and contributing to a knowledge-based transition towards climate neutrality.

Support transformative change: By incorporating social justice considerations, adopting a cross-sectoral approach, and introducing a long-term vision, the EUCL is seen to contribute to transformative change toward a climate-neutral and nature-positive future. The promotion of inclusive participation is foreseen through the engagement of citizens, businesses, academia, and social partners in shaping climate policies, with the option to utilise public consultations and multilevel climate and energy dialogues.
Additionally, the EUCL requires the EC to foster dialogue and disseminate science-based information on climate change, including its social and gender dimensions. Furthermore, Member States' adaptation policies must prioritise the most vulnerable populations and sectors.

Potential trade-offs

While the EUCL promotes emissions reductions and carbon sinks enhancement, it lacks a stronger focus on biodiversity restoration and ecosystem health. No binding targets are set for restoring carbon-rich ecosystems such as forests and wetlands,

6 According to Recital 20 of the EUCL, "sinks include natural and technological solutions, as reported in the EU's GHG inventories to the UNFCCC". Recital 22 further specifies that "carbon sinks play an essential role in the transition to climate neutrality in the EU, and in particular the agriculture, forestry and land use sectors make an important contribution in that context." The main carbon sinks reported to the UNFCCC include forests, wetlands, grasslands, croplands, harvested wood products. Other ecosystems such as freshwater and marine environments can also act as carbon sinks although currently not reported in the EU GHG inventories.

and the requirement to consider NbS applies only to national adaptation strategies, not mitigation efforts. Additionally, the EUCL does not address the need to phase out nature-harmful subsidies, limiting economic shifts necessary for a full NPE transition. The Regulation also does not directly foresee funding for biodiversity or ecosystem restoration, relying instead on other policies, which may dilute its effectiveness in driving integrated NPE outcomes. There is also a lack of clarity on the role of nature-based carbon removals after 2030, as the EUCL does not specify their contribution to the 2050 target. Expanding natural carbon sinks as part of the obligation to enhance removals from sinks could lead to biodiversity trade-offs, such as afforestation efforts that prioritise carbon storage over ecological integrity, if robust planning is not ensured. Moreover, the large-scale deployment of renewable energy sources may create land-use conflicts, potentially undermining restoration goals and leading to unintended environmental consequences.

Overall reflections

The EUCL introduces a climate neutrality goal requiring transformative changes across sectors and governance levels, which is critical for stimulating a transition towards a sustainable and nature-positive economy as well. The EUCL significantly supports emissions reductions and promotes more carbon sinks, which implies nature-positive actions, such as sustainable ecosystem management and restoration. The Law established a new advisory body on the EU level that promotes knowledge and best practice exchange, which is supposed to increase and spread knowledge on nature impacts from climate-neutrality measures. Finally, broad stakeholder engagement in a just and socially fair transition to a climate-neutral and climate-resilient society is promoted, through e.g., public consultations or the multilevel climate and energy dialogues. However, the limited direct emphasis on biodiversity and ecosystem restoration, the absence of clear funding mechanisms, and the lack of explicit ambition to phase out nature- and climate-harmful subsidies can hinder full alignment with NPE objectives. The EUCL sincerely lacks specifications on which type of removals (e.g., technical or natural) are foreseen or how the EU plans to support them with policy measures. Additionally, potential trade-offs from renewable energy deployment could lead to land-use conflicts and biodiversity-harmful impact, further slowing down the transition towards NPE.

3.1.1.11 EU Strategy on Adaptation to Climate Change

Short description

The EU Strategy on Adaptation to Climate Change (COM(2021) 82 final), adopted in 2021, aims to implement the provisions of the EUCL relating to adaptation and achieve a climate-resilient EU by 2050. As a non-binding instrument, the Strategy formulates broad targets that align with NPE at a general level. A focus on smarter, more systemic, and faster adaptation is accompanied by increased ambitions around international climate resilience efforts, overlapping with core NPE elements such as improving knowledge of nature's impacts and enhancing cross-sectoral transformative potential. The Strategy's implementation is supported by a number of bodies and mechanisms, including the EEA, assessing adaptation progress across Member States, the Technical Support Instrument, helping Member States with technical expertise, and the Risk Data Hub of the Disaster Risk management Knowledge Centre, designed to centralise climate risk data. The European Climate Pact and the Education for Climate Coalition aim to engage citizens, while the Climate Knowledge and Innovation Community (Climate KIC) promotes adaptation innovation. Regional and local authorities are supported through strengthened partnerships, such as the EU and Global Covenant of Mayors. The Strategy also emphasises improving insured loss data collection with the involvement of the European Insurance and Occupational Pensions Authority (EIOPA) and industry stakeholders.

NPE relevance

Reduce harmful activities: The DNSH principle is partially addressed through the EC's plans to promote climate proofing within Europe and abroad, which can have a positive impact on biodiversity and ecosystems by enhancing the climate resilience of ecosystems. The EC also aims to share best practices to prevent water pollution from industrial accidents caused by flooding and droughts. Furthermore, the Strategy anchors that no measures significantly harming the environment or hindering climate adaptation efforts are to be funded under the Recovery and Resilience Facility.

Create additional nature: Nature-positive activities are promoted by the Strategy through an overarching support for NbS for adaptation and, in particular, carbon farming initiatives such as the EU Carbon Removals and Carbon Farming Certification Regulation (EU 2024/3012). These initiatives - when implemented in certain environments - can result in both carbon removals and deliver adaptation co-benefits, such as coastal defence in the marine environment. Additionally, the EC is committed to continuing its support for Member States by offering assessments, guidance, capacity building, and funding to help them implement NbS for adaptation, including for land-based carbon removals.

Increase knowledge: The Strategy sets an objective to improve knowledge on adaptation and outlines several key actions to advance knowledge generation, exchange and transfer around climate adaptation. The Strategy aims to address knowledge gaps on climate impacts and resilience through programmes such as Horizon Europe, Digital Europe, and Copernicus. It also plans to update and expand Climate-ADAPT, making it a key resource for adaptation knowledge and monitoring. Additionally, the EC aims to enhance adaptation monitoring and evaluation by implementing a harmonised framework of standards and indicators, potentially supporting the NPE by improving the understanding of nature's impacts towards e.g. adaptation ambitions.

Support transformative change: The Strategy contributes to a transformative change targeting systemic adaptation across all levels and sectors and considering social aspects. Particularly, it focuses on fostering local, individual, and just resilience, recognising that unequal exposure to climate impacts exacerbates existing inequalities and affects the adaptation capacities of people of different genders and ages, persons with disabilities, displaced individuals, and marginalised groups. The Strategy also aims to integrate a humanitarian-development-peace nexus approach to reach the most vulnerable, marginalised, and conflict-prone communities. It further focuses on understanding climate change's effects on workers, health, and safety, and involving social partners. Worker reskilling and protection are supported through education and training programmes such as ESF+, Erasmus+, and the European Solidarity Corps.

Potential trade-offs

The current Strategy lacks binding targets and clear measures, which may hinder its effectiveness in driving the transition to a NPE. Insufficient incentives are included for the widespread deployment of NbS, compounded by a lack of specific, enforceable restoration provisions to meet the 2050 target of making the EU climate resilient. The Strategy also lacks concrete targets for biodiversity protection, with no clear alignment with the EU Biodiversity Strategy, which would be crucial for achieving a NPE. Moreover, the Strategy lacks actionable steps to support vulnerable groups in adaptation activities, instead only generally recognising the importance of these groups in adaptation efforts more broadly. While there is a focus on green employment and education, there are no proposals to enhance the role of women or support affected communities in climate adaptation. Additionally, the absence of a unified framework for assessing the success of adaptation interventions, especially those involving NbS, leaves their environmental

impact unclear, limiting the contribution to an NPE transition.

Overall reflections

The Strategy emphasises NbS and related financial aspects, identifying the restoration of wetlands, peatlands, and coastal and marine ecosystems as cost-effective approaches for adaptation. The valuable ecosystem services these solutions can provide are recognised, aiming to promote the carbon removals through support for carbon farming initiatives such as the recently adopted CRCF Regulation.

Moreover, the Strategy aims to increase and share knowledge on climate adaptation and support a just transition. However, the Strategy lacks binding commitments, specific targets, timelines, and a monitoring and evaluation framework to ensure effective implementation and its nature-positive provisions, in particular. In its current form, the Strategy primarily identifies the negative impacts of climate change and the potential benefits of NbS but does not facilitate their practical application. Weak alignment with the EU Biodiversity Strategy and the absence of biodiversity-positive targets undermine policy coherence and further reduce the Strategy's effectiveness in supporting the NPE transition. As a result, the promotion of nature-positive activities in the form of NbS is not evaluated as being supported by sufficient incentives for practical realisation, leading to limited contribution to the NPE transition in practice.

3.1.1.12 Land Use Land-use Change and Forestry Regulation

Short description

The Land Use, Land-use Change and Forestry (LULUCF) Regulation (EU 2018/841), adopted in 2018 and revised in 2023, outlines commitments for the land use, land-use change, and forestry sector to support the EU's climate goals, including reducing GHG emissions and increasing carbon removals. It sets a binding 2030 target for net GHG removals in the sector, aiming for 310 million tonnes of CO2eq while establishing specific emission reduction and removal targets for Member States as well. By establishing these targets, the Regulation indirectly encourages nature-positive activities such as natural carbon sinks enhancement and reduction of negative impacts on ecosystems. The European Scientific Advisory Board on Climate Change supports in the LULUCF Regulation implementation, providing advice on climate targets and measures. Additionally, the EEA also helps implement the Regulation by helping monitor and assess progress towards its targets, providing guidance, supporting reporting obligations.

NPE relevance

Reduce harmful activities: The introduction of a net removal target under the LULUCF Regulation encourages minimisation of negative impact on natural carbon sinks. Also, Member States are required to submit a compliance report detailing the balance of emissions and removals across land accounting categories. The report must assess policies and measures, considering trade-offs with other EU environmental objectives like the 8th Environment Action Programme and the EU Biodiversity Strategy for 2030. It should also demonstrate how the 'do no significant harm' principle was taken into account and highlights synergies between climate mitigation and biodiversity. The LULUCF Regulation also requires that impacts on nature be addressed in specific contexts.

Create additional nature: By making Member States report on emissions and removals from all land-use categories, the Regulation encourages Member States to enhance sink capacity and reduce emissions from managed ecosystems, e.g. forests and wetlands. This can be achieved through nature restoration, although this option is not promoted in the Regulation directly. Under certain conditions, Member States are required to include measures ensuring conservation or the increase in forest sinks in their long-term strategies submitted under the Governance

Regulation (EU 2018/1999).

Increase knowledge: The 2023 revision of the LULUCF Regulation requires more comprehensive, detailed, and accurate information on the state of monitored and reported ecosystems, with further advancements expected over time. By 2030, land-use units under protection, restoration, or identified as needing restoration, such as areas with high biodiversity value, protected areas, and natural and species-rich grasslands, will require the most advanced monitoring and reporting methods. This is expected to attract greater political attention to these ecosystems, thereby encouraging nature-positive actions that contribute to the NPE transition.

Support transformative change: The LULUCF Regulation incorporates social justice, stakeholder engagement, while considering long-term climate goals. It mandates to consider a just and socially fair transition while adopting policies to comply with the LULUCF commitments (Art 4). Stakeholder and civil society involvement is ensured through consultations on technical assessment of national forestry accounting plans (Art 8). The Regulation aligns with the Paris Agreement (Art 1), and its review process evaluates contributions to EU climate neutrality, emissions trends, and regulatory consistency (Art 17) thereby assessing its transformative potential.

Potential trade-offs

The LULUCF Regulation has a limited scope and omits some ecosystems, such as coastal wetlands, and lacks clear incentives for nature-positive climate mitigation. While the Regulation implicitly encourages the restoration of some ecosystems, it does not set emission reduction or carbon removal sub-targets for specific land-use categories, nor does it mandate the restoration of biodiversity-rich ecosystems or limit negative impacts. The focus on nature impacts is minimal, with nature-positive actions only addressed within the “flexibility mechanism.” Additionally, there is no long-term strategy beyond 2030, creating uncertainty about how the Regulation will contribute to the 2050 climate neutrality and NPE goals. Enhancing natural sinks may also conflict with land uses like food production or biomass [16], and without stronger nature-positive safeguards, there is a risk that targets could be met through harmful practices, such as monoculture plantation forestry.

Overall reflections

The amended LULUCF Regulation can significantly impact ecosystem restoration decisions by setting legally binding sectoral target for CO2 removals by 2030 for the EU and Member States. This framework incentivises Member States to increase natural carbon sinks, especially those with a large capacity to capture carbon in a natural (protected) or restored state [17]. While this could support the transition to an NPE, poor implementation risks failing to promote nature or even causing harm—for example, if expanding carbon sinks are achieved through low-biodiversity plantation forestry. Overall, the Regulation is evaluated as missing important opportunities for strong nature-positive action. It does not provide comprehensive coverage of all ecosystems, such as coastal wetlands, and lacks specific emission reduction or removal sub-targets for different land-use categories, granting Member States considerable flexibility in meeting their national targets. The Regulation does not provide guidance for balancing climate mitigation and nature-positive outcomes. Its post-2030 framework is also unclear, raising concerns about long-term contributions to climate neutrality and NPE goals.

3.2 Sectoral policies

3.2.1 Agri-food sector

Agriculture is a key sector in Europe’s economy and landscape, shaping both rural livelihoods and natural ecosystems. Agricultural land accounts for 38% of the EU’s total land area, a proportion that has remained

relatively stable since 2005 [35]. The agri-food sector employs 16 million people in the industrial ecosystem [36]. While agriculture's share of Europe's GDP has remained at 1.3% for over a decade [35], the sector receives significant public support with 24.6% of the EU budget allocated to agricultural subsidies, primarily through the Common Agriculture Policy (CAP) [37]. For the EU to transition toward an NPE, agriculture must undergo a transformation to reduce its environmental pressures while adopting more regenerative and sustainable practices that protect and restore nature.

The environmental cost: Agriculture's nature-negative impacts

Despite the sector's economic and social significance, agriculture remains a major driver of biodiversity loss in Europe, exerting the greatest pressure on European habitats (e.g. grasslands, freshwater habitats, heath and scrub, and bogs, mires and fens) [38]. Not all agricultural systems are equal, with some systems promoting nature, while others are reliant on chemical pesticides, mineral fertilizer and large-scale irrigation, whose excessive use damages ecosystems, biodiversity and soils [39]. Key environmental impacts include habitat degradation and biodiversity loss, with agriculture a leading cause of plant, reptile, and breeding bird decline, and pollution, accounting for 48% of all pollution pressures on natural habitats, including air, water and soil contamination [39]. Agriculture's impact shows up in key indicators: common farmland bird populations decreased by 32% between 1990 and 2016, and grassland butterflies by 39 % between 1990 and 2017 [39]. Without a sectoral shift, these impacts will continue to undermine the resilience of the ecosystems upon which agriculture itself depends, threatening long-term food security and rural economies alike.

A path forward: Agriculture's role in the nature-positive transition

Agriculture has the potential to drive nature-positive change. Sustainable farming models, including agro-ecology, as well as organic and regenerative practices align with nature-positive principles by working with natural processes rather than against them. Extensive agricultural approaches can support semi-natural habitats with a diverse fauna and flora [38]. Key nature-positive trends include: an expansion of organic farming, increasing from 6% in 2012 to 10% of total EU farmland in 2021 [35]; support from green subsidies, such as some CAP eco-schemes and agri-environment-climate measures that provide financial incentives for farmers to adopt practices that protect biodiversity and restore ecosystems; and dietary shifts and demand-side changes towards e.g. plant-based alternatives in meat and dairy consumption to reduce agricultural pressures on biodiversity and meet global biodiversity targets [40]. By scaling up nature-positive farming practices and aligning agricultural policy with ecological restoration, this sector can play a transformative role in building a more resilient and sustainable food system.

3.2.1.1 Core policies

3.2.1.1.1 Common Agricultural Policy

Short description

The Common Agricutlural Policy (CAP) is a legally binding framework that governs agricultural financing, management, and strategic planning within the EU. Regulation (EU) 2021/2116 and Regulation (EU) 2021/2115 establish the rules for the CAP's implementation from 2023 to 2027. The CAP sets out 10 specific objectives, five of which are identified as being the most relevant for the NPE transition.

In particular, the CAP aims to support viable farm income (Objective 1), improve competitiveness (Objective 2), enhance sustainability and the efficient management of natural resources (Objective 5), contribute to reversing biodiversity loss and preserving habitats (Objective 6), and promote climate mitigation and adaptation (Objective 4).

Objectives 4, 5, and 6 specifically support

nature conservation and the minimisation of negative environmental impacts, facilitating a transition toward an NPE. Furthermore, Objective 8 promotes gender equality and social inclusion, highlighting the CAP's strong transformative potential in alignment with an NPE. However, certain objectives, such as Objective 1, which supports farm income through production subsidies, and elements of Objective 2, which focuses on enhancing market orientation, along with aspects of Objective 4 related to sustainable energy promotion, may contradict the goals of an NPE by limiting the scale of nature restoration and protection efforts and by creating additional pressures on the environment.

The Regulation introduces the European and National CAP Networks to support Member States administrations in their successful implementation of the CAP, support peer-to-peer learning, and encourage knowledge exchange and collaboration among stakeholders. Furthermore, they strengthen monitoring and evaluation capacities and facilitate the dissemination of results from CAP Strategic Plans. Moreover, the EC engages with civil dialogue groups and agricultural committees to best shape agricultural laws and policies, including the CAP. Expert groups, such as the Agricultural Market Task Force addressing unfair trading practices, also contribute valuable insights to the EC's work.

The CAP operates through two primary funding mechanisms: the European Agricultural Guarantee Fund (EAGF), which provides direct payments to farmers, and the European Agricultural Fund for Rural Development (EAFRD), which supports rural development initiatives. The total budget for 2021-2027 is €387 billion. Payments are conditional on adherence to Good Agricultural and Environmental Conditions (GAECs) standards and Statutory Management Requirements (SMRs), ensuring environmental compliance.

A legislative proposal for CAP post-2027 is expected in 2025, along with performance reviews in 2025 and 2027.

NPE relevance

Reduce harmful activities: The CAP sets objectives that directly or indirectly support the reduction of negative environmental impacts. In particular, Objective 4 focuses on climate mitigation and adaptation, including the reduction of GHG emissions and the enhancement of carbon sequestration in the agricultural sector, which can be achieved, for example, through improved protection and management of wetlands. Objective 5 emphasises sustainable development and the efficient management of natural resources, including, among other measures, the reduction of pesticide use. Many of these objectives are directly linked to EU Nature Directives and other EU environmental legal instruments, strengthening policy coherence and contributing to the NPE. Furthermore, the CAP introduces GAECs that are binding for beneficiaries of CAP financial support. These include, among others, GAEC 4, which requires a minimum 3-meter buffer strip where the use of fertilisers and pesticides is banned, and GAEC 5, which addresses tillage management as a measure to reduce the risk of soil degradation and erosion. The binding nature of these measures for recipients of CAP financial support positively influences the transition toward nature-positive agricultural practices.

Create additional nature: The CAP establishes objectives, such as Objectives 4 and 5, that indirectly promote nature restoration, while Objective 6 more explicitly targets the creation of additional natural areas by focusing on reversing biodiversity loss and enhancing ecosystem services. The corresponding impact and result indicators used to track progress toward these objectives support a net gain in biodiversity and nature, including through the promotion of high-nature-value farming practices. Furthermore, the GAEC 8 requirement safeguards landscape features that support ecosystem services and strengthen natural networks on farmland. The CAP also introduces eco-schemes, which can support the restoration of habitats and species, including the maintenance and creation

of landscape features or non-productive areas, as well as soil restoration and the improvement of soil fertility. These objectives and measures provide a strong foundation for promoting nature restoration in alignment with the NPE.

Increase knowledge: The CAP mandates fostering and sharing knowledge, innovation, and digitalisation in agriculture and rural areas by improving access to research, knowledge exchange, and training. Furthermore, Member States are required to include farm advisory services in their CAP Strategic Plans, addressing economic, environmental, and social aspects while incorporating research and innovation insights. Additionally, Member States are required to establish national networks to promote innovation, peer-to-peer learning, stakeholder inclusion, and the dissemination of CAP Strategic Plan results. Overall, knowledge transfer and exchange as well as farm advisory services promoted under the CAP are important for helping farmers make the transition towards a green and sustainable practices. This increases awareness of the existing sustainable approaches, their benefits, allows sharing best practices and contributes to the NPE transition.

Support transformative change: The promotion of gender equality and social inclusion as part of Objective 8 is evaluated as being a positive development towards environmental justice in the context of NPE. The CAP further promotes job creation in rural areas by supporting rural businesses, young and new farmers, and smart-village strategies. Member States may allocate part of their EAFRD funds to transnational learning mobility programmes, particularly benefiting young farmers and women in rural areas. Additionally, the CAP supports stakeholder engagement, by establishing national and European CAP networks to ensure the participation of all relevant actors in CAP Strategic Plan implementation and, where applicable, their design. Member States must also organise partnerships that involve local and regional authorities, economic and social partners, as well as environmental and climate stakeholders to enhance policy coherence and participation.

Potential trade-offs

The CAP Regulation grants Member States significant flexibility in designing GAEC standards and selecting interventions in their CAP Strategic Plans, allowing exemptions that may undermine environmental goals. For instance, GAEC 2 requirements are weak, permitting agricultural activity on wetlands and peatlands without restricting drainage-based agriculture, and its implementation can be delayed until 2025 [41]. This flexibility can enable practices that are harmful for nature and biodiversity.
Additionally, the CAP's focus on minimising negative environmental impacts is stronger than its ambitions for restoration efforts, resulting in insufficient measures to achieve a net biodiversity gain by 2050. Furthermore, direct payments and interventions may reinforce environmentally harmful practices, as they insufficiently integrate nature-positive objectives. Area-based income support often incentivises industrial livestock expansion and conventional crop production, both of which degrade the environment.
The Regulation also lacks strong, binding measures to promote gender equality and women's participation in farming.
Finally, promoting sustainable energy and bioeconomy without strong environmental safeguards can increase land-use competition, intensify agricultural practices, degrade soil and water quality, and reduce landscape diversity, ultimately harming ecological resilience.

Overall reflections

The CAP embeds both positive and negative elements with the potential to significantly affect the transition towards a NPE. On the one hand, the CAP has elements supporting the transition toward an NPE through objectives promoting biodiversity, sustainable resource management, and climate change mitigation. In theory, binding measures such as wetland protection under GAEC 2, reduced chemical dependency, and eco-

schemes, that are tied to conditional funding, support sustainable practices. The CAP also emphasises knowledge sharing, innovation, and social inclusion, fostering systemic change in rural areas.

On the other hand, the CAP gives Member States significant flexibility in implementing the policy and assessments of the first CAP Strategic Plans and they often use this to weaken environmental protections, potentially allowing for harmful practices like peatland drainage. Additionally, economic growth goals tied to the bioeconomy risk exacerbating resource competition and ecological degradation. Binding measures are often lacking (e.g., for increasing women's participation in farming) or diluted by exemptions (e.g., for GAEC 2 implementation), limiting their impact.

As a result, although the CAP provides tools for potentially supporting an NPE, conflicting interests and an insufficient focus on restoration hinder its transformative potential. Stronger environmental and social safeguards and restoration commitments are seen as being essential for full alignment with NPE principles.

3.2.1.1.2 Action Plan for the Development of Organic Production

Short description

The Action Plan (COM(2021) 141 final), adopted in 2021 for implementation until 2027, sets out 23 actions aimed at achieving 25% of agricultural land under organic farming across the EU by 2030, along with a significant increase in organic aquaculture. These actions are structured around three key axes: stimulating demand and ensuring consumer trust, encouraging conversion and strengthening the entire value chain, and enhancing organic farming's contribution to environmental sustainability. Several objectives outlined in the Action Plan align with the NPE concept by promoting organic farming as a whole and supporting nature-positive actions, including reducing environmental impacts, ensuring sustainable resource use, and fostering knowledge exchange and transparency. The plan also contributes to broader policy objectives, including organic farming targets under the EU Biodiversity Strategy and Farm to Fork Strategy, as well as the European Green Deal's ambition to transition towards a more sustainable food system while protecting nature and biodiversity.

The CAP plays a central role in supporting the implementation of the Action Plan by providing financial assistance for organic farming through rural development commitments and eco-schemes. Beyond funding, the CAP also facilitates technical support, the exchange of best practices, and the promotion of innovation in organic farming. Farm advisory services, particularly through Agricultural Knowledge and Innovation Systems (AKIS), enhance knowledge-sharing and expertise. For organic aquaculture, financial support is provided under the 2021-2027 European Maritime, Fisheries and Aquaculture Fund (EMFAF). Additionally, under Axis 3, the EC committed to allocating at least 30% of the next calls under Intervention Area 3: "Agriculture, Forestry, and Rural Areas" of Cluster 6 of Horizon Europe to research and innovation actions related to the organic sector.

NPE relevance

Achieving Do No Harm: Organic farming inherently supports the minimisation of negative environmental impacts [42], and the promotion of these practices aims to further reduce harm on a larger scale. The Action Plan explicitly seeks to lower the environmental and climate footprint in line with the EU's long-term vision while sharing climate-positive practices. Moreover, the Action Plan acknowledges the negative impact that certain substances permitted under organic legislation can have on aquatic biodiversity and encourages research to phase them out, enhancing the sustainability of organic farming and its alignment with the NPE concept. Under Axis 2 of the Action Plan, the goal of encouraging conversion, investment, and the exchange

of best practices is intended to facilitate the transition from industrial agriculture to organic farming, potentially reducing the agricultural sector's environmental impact.

Creating additional nature: No explicit and quantitative commitments are made for biodiversity restoration; it is supported rather indirectly. In particular, under Axis 3.2, the Action Plan seeks to enhance genetic biodiversity and increase organic yields while maintaining ecological balance. It acknowledges the risk of nutrient loss due to increased nutrient supply, which is partially addressed under Axis 3.5. This axis promotes resource efficiency and aims to reduce nutrient release, benefiting the environment and habitats affected by agricultural nutrient pollution. Key measures include funding research (Axis 3.2, Action 19) to improve genetic resources, organic seeds, and plant varieties. Action 23 promotes sustainable water use, renewable energy, and reduced nutrient pollution, positioning organic farming as a model, supported by CAP Strategic Plans and aquaculture guidelines.

Increasing knowledge: The Action Plan emphasises knowledge exchange and the sharing of best practices in organic farming, underscoring its positive environmental impact. Specifically, under Axis 1, it aims to promote organic farming and the EU organic logo through communication campaigns, improved traceability, and increased consumer awareness. Measures include gathering and disseminating data on the benefits of organic farming, organising awareness events, and utilising digital tools like AI and blockchain to enhance supply chain transparency. Additionally, a pilot network of climate-positive organic holdings is established to share best practices in carbon sequestration, GHG reduction, and ecosystem resilience. These efforts, supported by existing funding mechanisms such as Horizon Europe, are monitored through biannual progress reports.

Supporting transformative change: The Action Plan proposes actions aimed at protecting the rights and interests of farmers, fostering fair trading practices. Many actions foresee the involvement of Member States and other stakeholders, e.g. civil society organisations, alongside the EC itself. Such stakeholder engagement supports the pluralism of perspectives, allowing for well-informed and inclusive implementation of measures. Notably, the EC supports measures promoting gender equality and youth employment in rural areas (Axis 2.4) which is in line with the social dimension of the NPE transition. Also, the Action Plan recognises the importance of organic food in canteens and vouchers for vulnerable groups (Axis 1.2), although no specific actions directly address this issue.

Potential trade-offs

The Action Plan does not present major conflicts with the NPE, but several limitations can be identified. While most actions focus on research and knowledge dissemination, no specific commitments to restoration efforts are established. Additionally, the potential biodiversity risks of completely removing weeds for preparing organic farming land should be taken into account, as weeds represent an important part of biodiversity of the agricultural landscape [43]. The potential role of organic canteens for vulnerable groups is acknowledged only in the descriptive section, without any concrete actions proposed to address their needs.

Additionally, the plan lacks clear governance mechanisms, aside from a few networking and information dissemination platforms. A long-term vision is not strongly embedded, with only two references to the EU 2050 ambitions, both included in descriptive sections.

Finally, the increase in organic farming areas appears insufficient to reach the established target of 25% of agricultural land being farmed organically, as only 10.5% was achieved by 2022 [44].

Overall reflections

The Action Plan for the development of

organic production aligns with the NPE concept by embedding sustainability into its core objectives. Organic farming inherently supports nature-positive transitions by minimising chemical use, promoting resource-efficient practices and supporting biodiversity. These align with NPE's goals of harmonising economic growth with environmental stewardship and social equity.

The Action Plan reinstates the target of 25% of agricultural land under organic farming at the EU level by 2030. Key actions to achieve this target include promoting organic farming per se, reducing environmental and climate footprints, supporting circular and sustainable management practices, and fostering knowledge exchange and transparency through platforms like the CAP network. However, limitations exist, such as a lack of explicit measures for biodiversity restoration and specific actions targeting vulnerable groups, which are mentioned in a descriptive form but not supported by any specific measures or lack of quantifiable targets. The Action Plan also fails to identify new funding sources and largely lists actions that are already promoted under existing policies. As a result, although organic farming itself remains one of the drivers of systemic change in the agriculture sector towards an NPE, the Action Plan itself does not provide enough incentives and support to cause a transformative change.

3.2.2 Blue economy

The blue economy is a key pillar of the EU's economic landscape, encompassing all industries and sectors connected to the ocean, seas, and coasts, thereby covering a vast marine territory [45]. Currently, at least seven blue economy sectors are well established: marine living and non-living resources (e.g., fishing, aquaculture, and mining), marine renewable energy, port activities (e.g., cargo handling and warehousing), shipbuilding and repair, maritime transport and coastal tourism [46] and contributed 1.3% to the EU-27 economy [46].

Environmental impacts: Challenges within the blue economy

Over the years, a growth of blue economy activities has resulted in significant environmental impacts. Habitat destruction from highly fuel-consuming seabed trawling, overexploitation of marine resources including Illegal, unregulated and unreported fishing (IUU), port expansion, and unsustainable coastal tourism has contributed to biodiversity loss [47, 48]. Many of Europe's marine habitats remain in an "unknown" or "unfavourable" conservation status [38]. Pollution, including plastic waste, chemical runoff, oil spills, marine transport waste, further endangers biodiversity and marine habitats [49]. At the same time, the EU's fishing fleet is a major CO_2 emitter, not least due to high fuel consumption. This problem has exacerbated since 2021 as a result of rising fuel prices and worsening fuel efficiency, with increased fuel costs taking a larger share of income from landings. The lack of alternative fuels and slow adoption of electrification or hybrid vessels further hinder progress. Furthermore, nutrient emissions from intensive aquaculture and on-land activities result in a loss of marine and coastal ecosystem services, impacting marine biodiversity [50]. To balance conservation and economic activities, marine spatial planning (MSP) has been introduced. However, biodiversity conservation is not yet systematically integrated, and Member States show significant discrepancies in implementation, leading to inconsistent marine protection [51]. A reported 86% of EU marine protected areas still provide only low protection or are incompatible with conservation [52]. Further expansion of the blue economy must adopt nature-positive principles, with biodiversity conservation at the core, to reverse nature-harmful trends, support marine recovery, and create sustainable business opportunities aligned with an NPE.

A path forward: Transitioning to a sustainable blue economy

A sustainable blue economy requires multiple

industries to adopt nature-positive practices, transforming economic activities in line with an NPE. Key strategies include blue carbon farming and marine ecosystem restoration for carbon sequestration and biodiversity benefits, organic/regenerative aquaculture, and circular bio-based solutions. In particular, marine ecosystem restoration has proven effective in areas facing continued human pressures, making it possible to plan restoration measures before all stressors have been reduced [53]. One governance mechanism supporting this transition is the Energy Transition Partnership for the fisheries and aquaculture sector, which promotes cleaner energy by reducing fossil fuel dependency. However, progress has been slow due to infrastructure gaps and financial barriers. Despite a 25% reduction in CO2 emissions from 2009 to 2021, further innovation is needed. Additional positive trends include a rapid growth of organic aquaculture production in several EU countries [54], the introduction of clean energy vessels, the transition to green ports, reflected in the Environmental Management Index's increase from 7.8 in 2020 to 8.08 in 2023 [55], as well as ongoing research and development to create less environmentally harmful technological solutions. Further sustainability improvements have also been identified in the management of fish stocks in the Mediterranean and the Black Sea [56].

3.2.2.1 Core policies

3.2.2.1.1 Marine Strategy Framework Directive

Short description

The Marine Strategy Framework Directive (MSFD) (2008/56/EC), adopted in 2008 and updated in 2017, is a key legal instrument within the EU blue economy. Its primary objective was to achieve or maintain Good Environmental Status (GES) in the marine environment by 2020 at the latest. This goal is pursued through the development and implementation of national marine strategies that aim to protect and preserve marine ecosystems, prevent their deterioration, and restore them where practicable. These strategies must apply an ecosystem-based approach (EBA) to managing human activities. The directive aligns with the NPE by supporting economic activities that operate within ecological boundaries, seeking to protect the marine environment and enhance nature, where possible.

Member States are required to cooperate in ensuring the coordinated development of marine strategies for each marine region or subregion, also using existing institutional frameworks such as the OSPAR Convention, Barcelona Convention, and Helsinki Convention. However, the absence of clear guidance and mechanisms for organising this coordination results in fragmented implementation, weakening enforcement and policy coherence across marine regions. A review of the MSFD was scheduled for 2023, but as of February 2025, no outcome has been presented. The EC has assessed the second programmes of measures submitted by Member States, identifying key gaps in addressing biodiversity loss, pollution, and climate change. The assessment highlights the need for stronger implementation, regional coherence, and improved effectiveness of measures [57]. The third implementation cycle began in 2024 and will continue until 2030.

NPE relevance

Reduce harmful activities: The principle is strongly reflected in the MSFD's objectives, which focus on achieving GES, protecting and preserving marine ecosystems, preventing their deterioration, and reducing harmful inputs into the marine environment to avoid significant impacts on biodiversity. Here, the Directive directly links protection and preservation measures to biodiversity benefits.

Create additional nature: The MSFD mandates marine ecosystem restoration where practicable, as part of national marine strategies. It explicitly acknowledges the link between restoration actions and biodiversity benefits, emphasising the need to restore

marine environments to sustain biodiversity. The Directive further mentions specific restoration measures that Member States should consider, including mitigation and remediation tools to guide human activities in restoring damaged marine ecosystems.

Increase knowledge: The MSFD contributes to improving knowledge on nature impacts through its reporting obligations, requiring Member States to provide physical, biological, and socioeconomic data on key marine topics such as seabed and water habitats, marine species, pollution, hazardous substances, nutrients, non-indigenous species, marine litter, underwater noise, and economic indicators. However, most of this data remains unavailable to the public, with only summaries of key marine strategy elements, such as assessments, targets, monitoring, and measures, being published for public consultation.

Support transformative change: The MSFD plays a role in supporting transformative change by legally establishing an ecosystem-based approach and integrating cross-sectoral sustainability considerations. It acknowledges the importance of equitably distributing ecosystem services across generations, thereby addressing environmental equity and justice. When developing national marine strategies, Member States must consider social impacts and engage stakeholders through communication, public awareness efforts, and participation as part of their foreseen measures. However, while social aspects are recognised, they remain general and lack specific measures to address issues such as indigenous rights, small-scale fisheries, or local coastal communities.

Potential trade-offs

Legal ambiguity poses a significant risk to achieving MSFD targets, thereby potentially slowing progress toward an effective NPE transition. Without binding restoration obligations or strict compliance measures, progress is foreseen to remain inconsistent. The Directive does not comprehensively address equity, inclusivity, and social justice, as it fails to consider indigenous rights, small-scale fishers, and coastal communities in marine governance. Furthermore, the lack of a long-term planning vision, such as clear strategies for 2030 and 2050, can undermine the transition toward an NPE in the marine environment.

Overall reflections

The MSFD primarily establishes procedural obligations rather than prescribing specific measures for marine management. Its focus remains on minimising the collective negative effects of economic activities, with significantly less emphasis on restoration.

The absence of binding restoration obligations or strict compliance measures limits its potential to drive an NPE transition effectively. One of the Directive's most significant transformative impacts is the legal establishment of the EBA for managing marine economic activities. However, the MSFD's approach to social aspects remains broad, acknowledging the interests of future generations and the need for stakeholder involvement while lacking concrete measures to address issues such as indigenous rights and the role of local coastal communities. Legal ambiguity and lack of clarity in defining GES, the relationship with other legislative instruments, and coordination with regional conventions remain key weaknesses. Transparency is also limited, as most of the data produced and reported is not publicly accessible, with only summaries of marine strategy elements being published. This restricts contributions to nature-related knowledge.

Although the MSFD made an important transformative step toward the NPE transition by legally introducing the ecosystem-based approach, it is seen as lacking the necessary incentives and clarity to fully facilitate this transition. The ongoing delays in reviewing and updating the directive create further uncertainty, weakening its effectiveness in achieving its intended objectives.

3.2.2.1.2 Common Fisheries Policy

Short description

The Common Fisheries Policy (CFP) (Regulation (EU) No 1380/2013) was adopted in 2013 and amended in 2023 with the aim of ensuring that fishing and aquaculture activities are environmentally sustainable in the long term. This legally binding instrument also seeks to manage these activities in a way that supports economic, social, and employment benefits while contributing to food security. The CFP applies an ecosystem-based approach to minimise the negative impacts of fishing on marine ecosystems and prevent environmental degradation caused by fisheries and aquaculture activities. By incorporating the ecosystem-based approach, the CFP aligns with the NPE concept, addressing key elements such as the reduction of pressures on marine biodiversity and the promotion of nature creation.

To bring decision-making closer to the fishing grounds, the CFP follows a regionalised approach to fisheries management. Advisory Councils (ACs), which are stakeholder-driven organisations, provide recommendations on fisheries management to the EC and Member States. These councils focus on specific regions or fishery categories and include the Baltic Sea AC, Aquaculture AC, Black Sea AC, Markets AC, Outermost Regions AC, Long Distance AC, Mediterranean AC, North Sea AC, North-Western Waters AC, Pelagic Stocks AC, and South-Western Waters AC. Additionally, the Scientific, Technical, and Economic Committee for Fisheries (STECF) offers expert scientific advice on marine biology, marine ecology, fisheries science, fishing gear technology, and fisheries economics.

The implementation of the CFP is currently funded by the 2021–2027 European Maritime, Fisheries and Aquaculture Fund (EMFAF), which provides €6.1 billion (at 2021 prices) for shared management as well as direct and indirect management. While the EMFAF excludes certain operations and establishes conditions to prevent harmful effects, the decentralised approach allows Member States to fund activities that may have negative impacts on biodiversity.

NPE relevance

Reduce harmful activities: The principle is reflected in the CFP through various binding and non-binding targets and measures aimed at reducing pressures on marine ecosystems and biodiversity while improving their overall state. The CFP requires the EU to adopt conservation and sustainability measures for marine biological resources, e.g., the establishment of conservation targets and related measures for impact minimisation, incentives for low-impact fishing methods, limitations on certain fishing gears and finishing activities in certain areas or periods. It also supports pilot projects exploring alternative fisheries management techniques. These measures are designed to reduce environmental harm, though they may not always be sufficient to prevent significant degradation in practice.

Create additional nature: The CFP has the potential to contribute to creating additional nature through its precautionary approach to fisheries management, which seeks to restore and maintain harvested species at levels that ensure maximum sustainable yield (MSY). Multiannual plans are the primary tool for restoration under the CFP, requiring quantifiable targets with clear timeframes and conservation measures to rebuild and maintain fish stocks above MSY levels. Furthermore, the CFP allows Member States to restrict or prohibit fishing in Marine Protected Areas (MPAs), but it does not mandate such actions. The effectiveness of MPAs in restoring marine ecosystems can be often undermined by the need for joint recommendations among Member States with shared waters, which can delay or weaken conservation measures.

Increase knowledge: The CFP aims to contribute to the collection and management of scientific data on fisheries. Member States are required to gather biological, environmental, technical, and socio-economic

data for fisheries management, making this information available to designated bodies. They must also submit reports to the EC on the execution of their national data collection programs, which are to be made publicly available. This information, together with the best scientific advice, enables adjustments in fishing capacities based on current trends and is supposed to reduce pressure on marine ecosystems. Additionally, the CFP prescribes that multiannual plans may include quantifiable indicators for periodic monitoring and assessment of progress. This makes performance tracking optional rather than mandatory.

Support transformative change: The CFP contributes to transformative change by incorporating elements of societal and economic sustainability. It encourages the implementation of good governance principles by involving stakeholders in all stages, from policy conception to the implementation of fisheries management measures. The policy acknowledges the importance of communities that rely on fisheries for their livelihoods, promoting job creation and economic development in coastal areas. A long-term vision is embedded in the CFP, aiming for environmentally sustainable fishing and aquaculture activities. This aligns with the NPE transition goal for 2050, although further timeline updates for other CFP objectives are needed to strengthen this alignment.

Potential trade-offs

The CFP does not explicitly consider climate change as an additional pressure, limiting proactive adaptation measures necessary for an NPE transition. Weak enforcement and limited transparency further undermine compliance with sustainability objectives, reducing the policy's effectiveness. Some CFP targets, such as the achievement of the maximum sustainable yield exploitation rate for all stocks, have not been updated beyond 2020, leaving uncertainty about long-term fisheries management. There is also no clear timeline for achieving fisheries management with no significant adverse impacts. While the CFP and EMFAF promote small-scale coastal fishing and sustainable aquaculture for economic and food security benefits, this may still increase pressure on marine biodiversity due to increased species extraction. Nitrogen pollution from aquaculture is another potential concern which is not addressed in the regulation [58].
Additionally, conflicts between the CFP and the MSFD may arise due to different governance structures, with the CFP managed at the EU level and the MSFD at the Member State level. This misalignment could weaken marine conservation efforts [109].
Overall, without stronger enforcement, clear restoration obligations, and an integrated climate strategy, the CFP's ability to support an effective NPE transition remains limited.

Overall reflections

The CFP primarily focuses on minimising the pressures of fishing activities, promoting selectivity, and reducing unwanted catches. The adoption of multiannual plans with conservation measures aims to restore and maintain fish stocks at MSY levels, while regulating fleet capacity to prevent overfishing. However, since systematic performance tracking is not mandatory, the effectiveness of these plans in achieving long-term sustainability remains uncertain. Despite applying an ecosystem-based approach, the CFP mainly emphasises mitigation rather than restoration, which could substantially limit its contribution to an NPE transition due to insufficient incentives or requirements for actively creating additional nature within the marine sector. Furthermore, some of the measures and funding allocations supported under the CFP and EMFAF could unintentionally increase pressures on marine biodiversity and ecosystems. The CFP also lacks a structured non-financial disclosure framework, such as impact reporting on marine biodiversity loss, which could strengthen its alignment with DNSH and NPE principles.

In the end, the CFP's transformative potential is limited due to the non-binding nature of several key provisions, particularly in relation

to social aspects. There is no explicit inclusion of other vulnerable groups, indigenous knowledge, or local community participation, and the policy does not integrate principles of diversity or equity. Weak governance structures, ineffective enforcement mechanisms, and the absence of a clear timeline for achieving nature-positive fisheries management further limit the CFP's support for the NPE transition.

3.2.3 Forestry

The forestry sector is essential to the EU's landscape, economy and biodiversity, impacting employment, environmental sustainability, and the bioeconomy. In 2022, forests covered 39% of the EU's land area, a 5% increase since 2000, driven by natural expansion and afforestation [59]. Forests in the EU vary widely due to geoclimatic factors like climate, soil, and altitude. Only 4% of EU forests remain untouched, while 8% are plantations and the rest are semi-natural and shaped by human activity. Ownership is split between private (60%) and public (40%) holdings [60, 61]. Forests play a key role in rural employment, supporting forestry, logging, and wood-based industries as well as non-wood sectors such as ecotourism and hunting. However, employment in forestry and logging has declined by 16% since 2000, with 476,300 workers recorded in 2022 [60]. The sector's economic contribution is also shrinking: In 2022, forestry and logging generated €27.9 billion in gross value added, representing 0.17% of the EU's GDP, down from 0.21% in 2000 (a 19% decline) [62]. The sector receives substantial public funding, with the Common Agricultural Policy providing €4.2 billion between 2021-2027 [63]. Additional support comes from Member State funding, including state aid and national forest funds in some cases.

Resilient EU forests: Balancing multifunctionality and sustainability in the face of climate challenges

Sustainable forest management aims to ensure that forest use maintains biodiversity, productivity, regeneration capacity, and vitality, i.e. preserving forests' ability to fulfill ecological, economic, and social functions while maintaining balance with other ecosystems [64]. Yet the state of European forests is increasingly concerning, with Member States reporting that only 14% of forests can be classified as having a 'good' conservation status [38]. Forestry management can also place pressures on other habitats and species. For example, the removal of old, dead, or dying trees negatively affects dependent insects, mammals, non-vascular plants, and breeding birds [38]. European forests are facing increasing risks from climate change such as forest fires, prolonged droughts, more frequent and severe storms, and the accelerated spread of pests and diseases. These undermine their ability to act as carbon sinks, safeguard biodiversity, and provide essential ecosystem services to communities. Resilient forests, capable of withstanding these impacts, are crucial for protecting, restoring, and increasing nature.

A path forward: Forestry's role in the nature-positive transition

Forestry has the potential to follow more nature-positive principles, with sustainable forest management models balancing environmental, economic, and social objectives. Examples include closer-to-nature forestry, promoting mixed-species forests and natural regeneration, and agroforestry which integrates trees within agricultural landscapes. Reducing clear-cutting, increasing forest climate resilience by fostering diverse, resilient tree species, and improving pest and fire management can also generate long-term biodiversity benefits. Complementary strategies to support such a transition can include, for example, payments for ecosystem services to compensate landowners, the promotion of sustainable wood products, carbon storage solutions, and non-timber forest products to ensure responsible sourcing. Additionally, multi-use forest management approaches that integrate timber production, recreation, and conservation can help to maintain

long-term forest health while addressing diverse stakeholder needs. These integrated approaches can enable the forestry sector to ensure that forests continue to provide essential economic and social functions, whilst conserving and restoring nature.

3.2.3.1 Core policies

3.2.3.1.1 Regulation on Deforestation-free Products (known as EU Deforestation Regulation)

Short description

The EU Deforestation Regulation (EUDR), formally Regulation (EU) 2023/1115, entered into force on 29 June 2023. Although it was initially set to apply starting 30 December 2024, its implementation has been postponed by 12 months to December 2025. The Regulation aims to reduce global deforestation and forest degradation, which are key drivers of climate change and biodiversity loss and restore forests and other ecosystems as the largest nature-based opportunity for climate mitigation. The EUDR is the first EU law to regulate forest degradation alongside deforestation, recognising that conversion of natural forests into monocultures or plantations also undermines biodiversity and carbon storage. Primary forests and naturally regenerating forests gain stronger legal protection. It sets a precedent for broader international forest governance and places significant responsibility on importers, producers, and traders to prove that their operations are forest-friendly. It aims to curb deforestation and forest degradation linked to the production and trade of key commodities. It applies to products placed on or exported from the EU market, including wood, rubber, meat products, pulp and paper (including printed books), coffee, cocoa, palm oil, and soy. The regulation mandates that these products must be deforestation-free, legally produced, and covered by a due diligence statement. Companies involved in forest-based supply chains must ensure that forest conversion into plantations is not part of their sourcing.

The European Commission oversees the harmonised implementation of the Regulation, coordinating with EU Member States and non-EU countries classified as high-risk for deforestation. National competent authorities will conduct compliance checks, including unannounced inspections, and enforce penalties for violations. Beyond Europe, the EUDR encourages international cooperation—through partnerships, free trade agreements, and international existing platforms—aiming to support producer countries in making the necessary adjustments to continue exporting to the EU. A dedicated information system will facilitate due diligence reporting and traceability. Its implementation is phased, with obligations for large operators starting in December 2025 and small and micro-enterprises in June 2026. The Regulation is open-ended, ensuring long-term environmental impact and strengthening global sustainability standards.

NPE relevance

Reduce harmful activities: The EUDR aims to ensure that products placed on the market do not contribute to deforestation or forest degradation. It introduces mandatory due diligence requirements, obliging companies to verify that commodities and derived products meet the deforestation-free criteria. This includes collecting geolocation data, conducting risk assessments, and implementing risk mitigation measures to minimise environmental harm. A risk-based benchmarking system categorises countries as low, standard, and high risk, determining monitoring intensity and compliance obligations. This approach strengthens cooperation with high-risk countries, encouraging better environmental governance and enforcement. The regulation upholds human rights through the principle of free, prior, and informed consent (FPIC) for indigenous communities, protecting both biodiversity and cultural heritage.

Create additional nature: The regulation aims to prevent the loss of 250,000 hectares of forest annually by reducing EU-driven

deforestation. The EU Observatory launched by the Commission is seen as being a key element to enhance information availability on deforestation, forest degradation, and global supply chains, identifying priority areas for conservation and restoration. The Regulation indirectly promotes ecosystem restoration by encouraging sustainable land-use practices that enhance carbon sequestration and protect critical habitats. While the regulation does not explicitly reference NbS, it aligns with their principles by emphasising forest conservation, restoration, and sustainable land management.

Increase knowledge: The EUDR aims to strengthen knowledge transfer and transparency by requiring companies to document due diligence efforts through a centralised information system. This system will include registration of operators and traders, geolocation data integration, compliance verification, and risk profiling for supply chain monitoring. The regulation enhances data-driven decision-making by improving accessibility to environmental impact assessments and compliance reports. It promotes collective learning by facilitating knowledge exchange between competent authorities, businesses, and civil society actors.

Support transformative change: By decoupling EU consumption from deforestation, the EUDR seeks to drive a fundamental shift in global commodity markets, embedding sustainability principles into international trade. The Regulation has the potential to foster systemic change by reinforcing supply chain accountability and promoting cross-sectoral cooperation, encouraging industries to adopt sustainable production, processing, and trade practices. It strengthens equity and inclusivity by recognising indigenous land rights and integrating traditional knowledge systems into forest governance. The EUDR also aims to enhance land tenure security and environmental governance in producer countries, supporting long-term sustainability and resilience. Through stakeholder engagement mechanisms, the Regulation ensures meaningful consultation with governments, civil society, and the private sector, fostering collaborative decision-making that incorporates diverse perspectives into implementation strategies.

Potential trade-offs

The EUDR presents trade-offs that could hinder aspects of the NPE transition. While aiming to eliminate deforestation-linked products from the EU market, there is a risk that deforestation is displaced rather than prevented, shifting environmental harm to other regions or ecosystems. The Regulation imposes strict due diligence and compliance costs, which may disproportionately burden smallholders, indigenous communities, and micro-enterprises in producer countries. This could create barriers to market access for actors with limited resources, potentially reinforcing inequalities in global trade. The risk-based benchmarking system categorises countries based on deforestation risk, but its implementation may create unintended trade distortions, disadvantaging producers in high-risk regions even if they follow sustainable practices. Restricting deforestation-linked commodities could also potentially drive demand toward less regulated markets, undermining the intended global impact. The Regulation's focus on forests may lead to a shift in environmental pressure toward other vulnerable ecosystems, such as peatlands, wetlands, and savannas, which also play crucial roles in biodiversity conservation and climate regulation.

Overall reflections

The EUDR plays a critical role in advancing the NPE by addressing deforestation and forest degradation linked to commodity production. By restricting deforestation-linked products from the EU market, it mitigates biodiversity loss and carbon emissions while promoting sustainable land use and agricultural practices that safeguard ecosystems. The Regulation enhances supply chain accountability through strict due diligence requirements, traceability mechanisms, and risk-based monitoring,

driving businesses toward more sustainable production models. The EUDR also integrates human rights considerations by recognising the role of indigenous peoples, smallholders, and local communities, reinforcing land tenure security, governance, and traditional land rights.

Despite its strong environmental ambitions, the EUDR presents challenges and trade-offs that may affect its implementation. Compliance costs and administrative burdens could still disproportionately impact small producers, indigenous communities, and local farmers, potentially restricting their access to international markets. The risk-based classification system may create trade distortions, disadvantaging producers in high-risk regions while failing to fully prevent deforestation displacement. Additionally, its primary focus on forests may lead to a shift in environmental pressure toward other vulnerable ecosystems, such as peatlands, wetlands, and savannas, which also play crucial roles in biodiversity conservation and climate regulation.
The EUDR has the potential to drive transformative change by decoupling EU consumption from deforestation and fostering innovation in nature-positive business practices. However, its effectiveness will depend on equitable enforcement, international cooperation, and mechanisms that prevent unintended socio-economic consequences, particularly for indigenous and local communities.

3.2.4 Built environment

The built environment, encompassing urban development and the construction industry, is a pillar of Europe's economy, shaping cities, infrastructure, and communities. The construction industry accounts for 9% of the EU's GDP and provides 18 million direct jobs [65]. However, the related environmental footprint is substantial, with construction consuming vast amounts of raw materials and energy, and urban expansion transforming landscapes. As cities grow and climate risks intensify, transitioning the built environment towards an NPE is essential to balance economic needs with ecological resilience and social well-being.

The environmental toll of urbanisation: Nature-negative impacts

Urbanisation and construction are major drivers of biodiversity loss, resource depletion, and pollution, fundamentally altering the natural environment. In cities, the densely built environment, limited permeable surfaces, and scarce vegetation exacerbate these impacts—leaving residents particularly vulnerable to urban heat islands during hot days and heatwaves, as well as to stormwater during intense rainfall or cloudburst events. One of the most significant pressures within this sector comes from land use change, with EU urban sprawl consuming approximately 1,000 km^2 of land annually, leading to habitat fragmentation and threatening biodiversity [38]. The construction sector is also a major consumer of raw materials, including sand, gravel, and limestone, with often limited adoption of circular economy principles [66]. This heavy reliance on resource extraction continues contributing to widespread environmental degradation, while construction activities can also lead to air, water, and soil pollution and further harm urban habitats and species. At the same time, buildings account for 40% of the EU's total energy consumption, with almost 75% currently classified as energy inefficient as ongoing energy renovation appears slow [67]. They also produce 35% of GHG emissions [65], contributing to global warming and its cascading effects on nature. The necessary sectoral shift in the EU is ongoing, with nature-based solutions and green infrastructure at the forefront, offering new, more sustainable business opportunities.

A path forward: The role of sustainable urban development in advancing the nature-positive transition

Sustainable urban development processes have the potential to drive nature-positive change, not least by integrating nature-based solutions, adopting sustainable and recycled

materials, and developing energy-efficient buildings to mitigate negative environmental impacts. Key nature-positive strategies include green roofs and walls, urban forests, wetlands, and permeable pavements, which help reduce heat island effects, improve air quality, enhance recreational spaces, and increase property values (though unintended tradeoffs regarding gentrification and exclusion should be considered), while also supporting urban biodiversity. Sustainable urban mobility can also be promoted through, for example, foot and bike pathways integrated with green and blue infrastructure.

Sustainable construction materials such as using recycled steel, wood, and low-carbon cement as well as adopting circular economy principles (e.g. recycling construction and demolition waste, reusing building materials, and designing for disassembly) can reduce the demand for new raw materials. Constructing energy-efficient buildings and retrofitting existing structures through passive design strategies, high-performance insulation, and renewable energy integration helps to lower energy consumption and greenhouse gas emissions [68]. In addition, reusing and refurbishing existing buildings is often far more sustainable than new construction—even with green materials. Using recycled materials, like reclaimed bricks, further reduces environmental impact. By further scaling up these sustainable practices in construction and urban development, the sector can create new jobs while continuing to play a transformative role in advancing a nature-positive economy.

3.2.4.1 Core policies

3.2.4.1.1 New European Bauhaus

Short description

The New European Bauhaus (NEB) is an initiative under the European Green Deal that integrates sustainability, inclusivity, and aesthetics to create high-quality living environments. Launched in 2021 and implemented by the European Commission, it promotes NbS uptake, circularity principles, and energy-efficient construction to harmonise urban and rural spaces with natural ecosystems. The NEB encourages concepts such as 15-minute cities to enhance accessibility and active mobility while prioritising disadvantaged communities, including shrinking cities and rural areas, to foster social cohesion and avoid spatial segregation. Through the NEB Lab, the initiative enables interdisciplinary collaboration among designers, policymakers, scientists, and local communities to co-create innovative solutions. It supports circular economy principles by promoting eco-friendly materials, material reuse, and waste reduction across key industries. The NEB Compass and Investment Guidelines assist decision-makers in applying sustainability principles and securing funding. Financial mechanisms, including €85 million allocated in 2021-2027 through EU programs such as Horizon Europe and the European Regional Development Fund, provide funding for projects aligned with NEB principles.

NPE relevance

Reduce harmful activities: The NEB promotes sustainable, inclusive, and regenerative designs that aim to minimise environmental degradation, social exclusion, and negative impacts on future generations. By emphasising circular design and nature-based solutions, it strives to ensure that urban and architectural projects contribute positively to both people and the planet while addressing climate change and social inequality. The initiative also includes plans for a NEB Seal of Excellence to certify alignment with its values and a self-assessment tool to evaluate projects' sustainability, inclusivity, and aesthetic quality.

Create additional nature: The NEB, in line with the EU Green Deal and biodiversity goals, aims to integrate nature-positive principles into urban development by prioritising eco-friendly design, nature-based solutions, and ecosystem restoration. It promotes urban parks, green infrastructure, and biodiversity-friendly spaces to enhance climate resilience and improve urban environments. The

NEB highlights the potential of urban green corridors for active mobility, while encouraging a rethinking of transport infrastructure to reduce environmental impact. By integrating NEB priorities into the LIFE Programme, it strives to advance circular economy efforts, zero pollution, and biodiversity conservation. Finally, the NEB also facilitates project proposals that promote urban greening, sustainable infrastructure, and ecosystem restoration.

Increase knowledge: The NEB aims to enhance the knowledge base for sustainable development through self-assessment tools, peer learning initiatives, and digital platforms. The Initiative provides local authorities with guidance on integrating sustainability principles into planning and governance. The NEB Platform and flagship events, such as the NEB Festival, create spaces for knowledge exchange, aiming to bring together policymakers, experts, and communities. Funding programs further strengthen technical skills in sustainable architecture, nature-based urban design, and climate-resilient infrastructure.

Support Transformative Change: The NEB strives to foster systemic change through interdisciplinary collaboration, integrating design, science, and policy to promote climate-neutral and inclusive urban spaces. To align with the European Pillar of Social Rights, the NEB advocates for affordable and sustainable housing while promoting equitable access to green spaces and public infrastructure. The Initiative encourages participatory planning processes, enabling marginalised communities to contribute to urban transformation. By engaging cities through the Urban Agenda and the Covenant of Mayors, the NEB has the potential to accelerate the transition toward climate-resilient, nature-positive development.

Potential trade-offs

While the NEB is not foreseen to directly hinder the transition toward a nature-positive economy, certain implementation challenges could result in unintended trade-offs. In sectors like construction, delays in adopting sustainable practices or resistance to circular economy principles may slow the transition. The affordability of sustainable materials and technologies poses another challenge, as cost constraints could lead to compromises between economic feasibility and environmental ambition. In cases where reusing and transforming existing buildings is not viable, new construction projects may risk land-use conflicts and increased resource consumption, potentially impacting biodiversity.

Additionally, the rapid deployment of affordable housing and infrastructure may sometimes prioritise immediate needs over long-term sustainability. While the NEB encourages digital innovation to improve sustainability, the production and energy demands of digital technologies, such as AI and robotics, may generate additional environmental impacts. Industrial shifts towards sustainable materials, such as low-carbon cement or steel, may also face resistance due to higher costs or supply chain limitations. Addressing these trade-offs requires careful policy alignment, stakeholder engagement, and financial incentives to balance sustainability goals with economic and social considerations. Without clear accountability and stronger implementation mechanisms, there is a risk that the NEB's principles remain aspirational and are adopted superficially, reinforcing business-as-usual practices instead of delivering the deep, systemic changes needed for NPE transition.

Overall reflections

The NEB fosters a systemic transition toward sustainability by integrating NbS, circular economy principles, and social inclusion into the built environment. It promotes biodiversity-friendly design, energy efficiency, and regenerative practices, ensuring a better balance between human activity and nature. Through its emphasis on community participation, cultural heritage, and equitable access to sustainable solutions, the initiative supports a just transition that avoids spatial segregation and enhances

quality of life. Its cross-sectoral approach connects architecture, design, science, and policymaking to drive innovation in urban and rural development.

The NEB has the potential to contribute to the NPE by promoting resource efficiency, eco-friendly materials, and the reuse of existing infrastructure over new construction. The Initiative can also advance circularity in key sectors, including construction and textiles, and support urban transformation through green infrastructure and active mobility concepts like 15-minute cities. Financial support is intended to be mobilised through EU funding programs such as Horizon Europe and the LIFE Programme, encouraging implementation of projects aligned with NEB principles. While the NEB presents strong opportunities for systemic change, challenges such as cost barriers, trade-offs in digital innovation, and the need for effective governance must be addressed to fully harness its potential in shaping a nature-positive and socially inclusive future.

3.2.4.1.2 Green Infrastructure Strategy

Short description

The EU Green Infrastructure Strategy, adopted in 2013 and reviewed in 2019, aims to preserve, restore, and enhance green infrastructure (GI) through integration into key policy areas, supporting EU-wide projects, improving financial access, and strengthening knowledge and innovation. The Strategy envisions a strategically planned network of natural and semi-natural areas across Europe to enhance biodiversity, ecosystem services, and environmental quality while improving connectivity and resilience.

The Strategy also promotes the integration of GI into climate adaptation, agriculture, forestry, and disaster risk management to ensure ecological connectivity and sustainable land use. The expansion of the Natura 2000 network and the creation of a Trans-European Network for Green Infrastructure (TEN-G) are further supported to strengthen habitat connectivity and reinforce ecological corridors. In urban environments, the Strategy encourages NbS such as green roofs, urban parks, and water retention measures to enhance climate adaptation, disaster resilience, and public health. This focus can be seen as complementary to the EU Biodiversity Strategy for 2030, which invites cities with over 20,000 inhabitants to develop Urban Greening Plans. The Strategy promotes public and private investments in GI through mechanisms like CAP, Horizon 2020 and the European Structural and Investment Funds to ensure connectivity between habitats of European Community interest.

NPE relevance

Reduce harmful activities: Although the Strategy does not explicitly reference the aim to reduce harmful activities, but it aligns with this objective by ensuring that land-use changes systematically integrate GI to minimise environmental harm. GI is promoted as a sustainable alternative to grey infrastructure, which often reduces natural capital and contributes to climate change. The Strategy supports cost-benefit analyses of ecosystem services to reinforce their economic and environmental importance and emphasises the restoration of ecosystems to enhance biodiversity and ecological resilience, aiming to ensure that interventions contribute positively rather than degrade environmental health.

Create Additional Nature: The strategy prioritises the conservation, restoration, and enhancement of natural ecosystems to address environmental challenges, supporting the Natura 2000 network and other green spaces, including urban parks and private gardens. Estimated annual benefits from Natura 2000 exceed €300 billion, with broader green infrastructure (GI) benefits surpassing this value. The strategy establishes a framework for ecosystem-based approaches, advancing nature-based solutions such as floodplain restoration, urban greening, and sustainable agriculture. By emphasising the need for funding support through instruments like the Common

Agricultural Policy (CAP) and the Cohesion Fund, it aims to foster action on Natura 2000 ecosystems and improve connectivity across Europe.

Increase knowledge: The Strategy seeks to strengthen the knowledge base on GI, enhancing data collection, mapping, and research through Horizon 2020.The study of biodiversity and ecosystem service relationships are promoted, encouraging applied research for innovative GI solutions. Additionally, the Strategy proposes the development of an EU-wide TEN-G to assess the feasibility and benefits of large-scale ecological connectivity projects. A dedicated IT platform is envisioned to facilitate knowledge exchange and best practices among stakeholders, supporting broader adoption of GI solutions. However, while the focus on research and innovation is promising, measuring its direct impact on NPE remains a challenge.

Support transformative change: The Strategy promotes cross-sectoral integration and systemic approaches, encouraging stakeholder engagement across governance levels. By embedding GI into urban planning, agriculture, and forestry, it strengthens ecological connectivity and climate adaptation measures. The Strategy highlights the need for coordinated guidelines to ensure consistency in GI implementation across EU Member States. However, while mainstreaming GI into policy is emphasised, the transformative potential remains uncertain as practical implementation challenges persist. The Strategy lacks explicit mechanisms addressing social equity, gender diversity, and inclusion, revealing a gap in ensuring broad societal benefits from GI initiatives.

Potential trade-offs

The EU Green Infrastructure Strategy is not seen to present any direct conflicts with the NPE transition, as no explicit negative overlaps were identified. While the Strategy promotes GI integration across various sectors, it does not include nature-harmful funding mechanisms or subsidies that could undermine its objectives. Potential trade-offs or conflicts, such as the prioritisation of grey infrastructure over NbS, are not explicitly addressed. However, the absence of clearly defined safeguards against land-use changes that could negatively impact biodiversity leaves room for unintended environmental consequences.

The Strategy acknowledges the importance of mainstreaming GI but does not provide specific mechanisms to prevent conflicts between economic development and ecosystem preservation. While it encourages cross-sectoral collaboration, it lacks a framework to resolve potential tensions between competing land uses, such as agricultural expansion, urbanisation, and infrastructure development in order to ensure that GI initiatives do not inadvertently contribute to habitat fragmentation or biodiversity loss. Despite these limitations, the Strategy is seen as being a crucial tool for advancing sustainability, though its long-term success depends on stronger enforcement mechanisms and alignment with evolving environmental policies.

Overall reflections

The EU GI Strategy played a key role in implementing the EU Biodiversity Strategy to 2020, with its 2019 review shaping the development of the EU Biodiversity Strategy to 2030. It provides a framework for integrating GI into key policy areas, promoting ecological connectivity, sustainable land use, and ecosystem-based approaches. Its four priority work streams—mainstreaming GI in policy, improving information and innovation, enhancing financial access, and supporting EU-wide projects—offer a structured approach to advancing Europe's GI efforts. Despite its strengths, the Strategy lacks specific financial commitments and concrete implementation mechanisms, making it difficult to assess its potential impact on NPE goals. While it encourages investment in GI through EU funding programs, the extent and effectiveness of these allocations remain unclear. The 2019 review highlighted the

need for greater coherence and strategic deployment, pointing to ongoing challenges in scaling up investments and ensuring cross-sectoral coordination. Overall, the Strategy has the potential to serve as a foundational policy instrument, guiding investments in NbS and mainstreaming environmental goals.

3.2.5 Tourism

Tourism is a key pillar of Europe's economy and cultural identity and has significant impacts on ecosystems, the climate and local livelihoods. The industry is highly diverse, encompassing interconnected value chains which contribute around 10% of the EU's GDP and employ around 8% of its workforce – nearly 23 million people [69]. With an estimated 80% of the value of travel and tourism goods and services dependent on nature [69], industry competitiveness relies on resilient nature, attractive landscapes and the ability to meet customer demands for increased sustainability [70]. At the same time, climate change is posing significant risks to many destinations and the sector's environmental footprint continues to degrade the same ecosystems that attract visitors. Yet tourism's cross-cutting nature offers opportunities for mitigation and resilience building. Eco-, nature- and regenerative tourism models are emerging as alternatives to conventional mass tourism, focusing on reducing environmental impacts, conserving natural and cultural heritage, and sustainably strengthening local economies for long-term viability.

Tourism's environmental toll: Balancing growth and conservation

Although healthy ecosystems are vital to the tourism industry, unsustainable practices remain a major driver of environmental degradation in Europe. Key impacts include biodiversity loss and habitat degradation, as uncontrolled infrastructure development for tourist accommodations and facilities as well as excessive foot traffic in natural areas contribute to soil erosion, vegetation loss, and wildlife disturbances. Mass tourism has also led to deforestation, coastal erosion, and freshwater depletion in popular destinations. Additionally, tourism significantly contributes to pollution and resource depletion through transportation emissions, waste generation, and excessive water use. Overcrowding further strains fragile ecosystems and puts pressure on biodiversity, depletes local resources, and diminishes residents' quality of life [71]. Many European destinations face exacerbating tensions between tourism growth and community well-being, not least through increasing living costs, inadequate infrastructure, and deepening socio-economic disparities [71].

A path forward: Transitioning to sustainable and regenerative tourism

As both a beneficiary of biodiversity and a sector vulnerable to its decline, tourism has a strong vested interest in preserving resilient nature and becoming resilient, sustainable, and regenerative. From an economic perspective, embracing nature-positive strategies that prioritise conservation, community well-being and ecological balance presents significant potential for tourism-driven value creation and supporting regional development through income and job opportunities. Eco- and regenerative tourism can also generate revenue for biodiversity protection while culturally and financially empowering indigenous and local communities. Investments in sustainable infrastructure, low-carbon transportation, and smart destination management are essential for mitigating the negative effects of mass tourism [71]. Scaling up these practices can enhance the sector's long-term viability but requires careful planning and management that could conflict with commercial tourism development pressures [72].

3.2.5.1 Core policies

3.2.5.1.1 European Agenda for Tourism 2030

Short description

The European Agenda for Tourism 2030,

published on 1 December 2022, establishes a non-binding framework that outlines voluntary concrete actions for Member States, public authorities, the European Commission, and other stakeholders to enhance tourism sustainability across five priority areas.

The Enabling Policy Framework and Governance aims to improve tourism data collection and statistics, promote competition and consumer protection, and integrate economic, environmental, cultural, and social sustainability into tourism strategies. The Green Transition focuses on reducing tourism's environmental footprint by improving resource efficiency in food, waste, water, and energy use. It promotes the adoption of green public procurement criteria and seeks to expand the number of EMAS-registered tourism organisations and EU Ecolabel-certified accommodations.

The Digital Transition supports SME digitalisation and data-driven tourism to enhance sector competitiveness. The Resilience and Inclusion pillar ensures fair and inclusive tourism access, fostering long-term sectoral stability. Lastly, the Skills and Support for Transition component prioritises green and digital workforce training to equip tourism professionals with the expertise needed for a sustainable transformation. To oversee implementation, the European Commission established the "Together for EU Tourism" (T4T) community and an informal expert group with three specialised subgroups.

Despite its ambitions, the Agenda relies on voluntary measures, lacking legally binding enforcement mechanisms.

NPE relevance

Reduce harmful activities: The Agenda integrates sustainability measures that minimise environmental damage and promote climate resilience. It encourages tourism businesses to adopt green practices by increasing demand for eco-friendly services from public actors and supporting schemes that assess and reduce environmental footprints. Measures focus on avoiding nature degradation and biosiversity loss and in reducing waste, improving water and energy efficiency, and minimising pollution. It promotes the use of EU Green Public Procurement criteria in tourism-related purchases by both operators and public authorities. Additionally, a revised EU framework for tourism statistics includes indicators to assess economic, environmental, and social impacts. SMEs are supported in adopting environmentally friendly schemes, such as EMAS, EU Ecolabel, and other EN ISO 14024 type I ecolabels.

Create additional nature: The Agenda does not explicitly mention measures to restore, protect, or enhance natural ecosystems through nature-based solutions or restoration initiatives.

Increase knowledge: The policy promotes non-financial performance reporting through EU EMAS, ensuring greater transparency on environmental and social impacts. It supports the development of circular and climate-friendly tourism models, including pilot projects in islands and remote regions. The Agenda enhances online access to sustainable tourism information, including certified accommodations and consumer rights. Additionally, it encourages the use of indicators and metrics to measure tourism's environmental performance and inform decision-making, acknowledging the complexity of the EU's tourism value chain.

Support transformative change: Developed through broad stakeholder engagement, the Agenda fosters inclusive governance. It commits to creating sustainable jobs, preserving cultural heritage, and supporting local economies. It expands tourism destination management to data-driven and collaborative decision-making while balancing sustainability needs with emerging demands. The policy aims to consolidate economic, social, cultural, and environmental tourism data and capitalise on Europeans' growing willingness to adopt sustainable and responsible travel behaviours.

Potential trade-offs

The European Agenda for Tourism 2030 does not directly hinder the transition towards an NPE, but its reliance on non-binding measures creates a gap in accountability. Without enforceable regulations, compliance remains voluntary, which may limit the agenda's effectiveness in mitigating environmental harm. The lack of mandatory public-private data sharing also weakens efforts to enhance the resilience and competitiveness of tourism destinations and SMEs.

While the Agenda encourages nature-based tourism, it does not adequately address the risks of mass tourism and over-tourism, which can strain local ecosystems and communities. Prioritising economic recovery over sustainability may lead to weakened environmental regulations and increased resource extraction. Tourism-dependent regions, particularly remote and island destinations, remain heavily reliant on fossil fuels, contributing to a high carbon footprint. Additionally, infrastructure expansion—including hotels, airports, and transport networks—without strict environmental safeguards could lead to long-term ecological damage. The policy promotes sustainability, but its voluntary framework leaves room for trade-offs between economic growth and environmental protection. Without binding commitments, the push for increased tourism activity may counteract efforts to reduce emissions, preserve biodiversity, and promote circular economy practices, ultimately challenging the transition towards an NPE.

Overall reflections

The European Agenda for Tourism 2030 supports the transition toward a NPE by promoting sustainability, resilience, and digital transformation in the tourism sector. It integrates circular economy principles, climate neutrality goals, and eco-friendly practices, encouraging the adoption of green procurement criteria and sustainability certifications. The policy fosters public-private collaboration, directs investment into green innovation, and enhances data-driven governance. It also emphasises skills development to equip the workforce for green and digital transitions while preserving local culture and biodiversity.

Despite these strengths, the Agenda remains non-legally binding, relying on voluntary commitments rather than enforceable regulations. This weakens accountability and risks uneven implementation across Member States. Additionally, while sustainability is a key focus, economic growth remains a priority, potentially leading to over-tourism, infrastructure expansion, and increased emissions. Tourism-dependent regions remain reliant on fossil fuels, and the policy does not sufficiently address the environmental risks of mass tourism. The lack of mandatory public-private data sharing further limits the ability to enhance sector resilience.

Chapter 4: Co-operatives initiatives

Beyond the policy landscape, cooperative actions by private and non-governmental actors play a critical role in driving the transition to an NPE. To understand the potential of these cooperative approaches beyond policy, our analysis considers cooperative approaches between private actors, e.g. businesses, NGOs, academic institutions, which may also include public institutions. We also consider international cooperative approaches (e.g. UN-affiliated mechanisms). Stand-alone private actions, however, are not considered. Given our primary interest in understanding the role of the private sector in driving the NPE transition, our selection largely focuses on private-led initiatives rather than citizen-focussed or citizen-led initiatives. Section 2.2 outlines the methodology for selecting and analysing the co-operative initiatives[7].

In section 4.1, we provide an overview of our key findings on how co-operative initiatives can support the NPE transition. We identified four categories of actions that co-operative initiatives—or their signatories or members—are taking to promote the NPE transition: knowledge creation, changing business operations, policy advocacy, or other (including transformative governance). We describe how co-operative initiatives can support the NPE transition in this way and provide examples.

In section 4.2, we present an overview of nineteen co-operative initiatives and how they support the NPE transition. Rather than an exhaustive review, we identify a selection of relevant, interesting case studies of co-operative initiatives to provide insight into the landscape of private and NGO-sector action to support NPE. These case studies illustrate how such initiatives can drive progress.

Our selection covers both cross-sector initiatives—focused on nature, the economy, or climate—and sector-specific initiatives. We introduce overarching objectives, evidence on the reach of initiatives, and identify the co-operative's actions implemented or outputs achieved by the co-operative aligned with the NPE transition.

As identified in the methodology sector, a limitation of our approach is that while we can assess how co-operative initiatives support the NPE transition, we are unable to systematically assess any trade-offs or barriers co-operative initiatives pose to the NPE transition.

4.1 Co-operative initiatives: Overview of impact

Co-operative initiatives can directly support the NPE transition in two ways: either through their own actions, or the actions that they cause signatories, members, or others to take (e.g. companies who are members of co-operative initiatives, or other companies who commit to implementing initiative certifications or target setting approaches). The impact of co-operative initiatives on the NPE transition depends on a number of criteria:

- **NPE alignment:** Do the private initiative's actions strongly align with and progress the NPE transition, e.g., does a private initiative's certification mechanism require do-no-significant-harm, creation of additional nature, and promote transformative change—and with sufficient ambition.

- **Reach:** How many actors does the private initiative influence, and how significant are they? Here, we should consider both current and potential future reach. Progressing the NPE transition depends on shifting the business operations of many companies, among other requirements, so the greater the number and size of actors whose actions are changed due to the private

7 As described in section 2.2, the selection of co-operative initiatives was made based upon expert judgement. The selection reflects our aim of having different „types"of initiatives, so we could understand a wide range of different ways co-operative initiatives could act to support NPE transition. We also selected based upon expert perceptions of initiative reach and impact. While we considered an initial list of 60 initiatives, many more could have been included in our evaluation. Accordingly, rather than consider these a representative selection, we have chosen to present them as a set of "case studies".

initiative, the better. The same applies for co-operative initiatives who progress the NPE transition through scientific research, advocacy, and changing public perceptions - the greater their reach, the more impact they can have.

We identified four categories of actions that co-operative initiatives—or their signatories or members—are taking to promote the NPE transition: knowledge creation, changing business operations, policy advocacy, or other.

Knowledge creation: Co-operative initiatives can carry out or coordinate research, develop tools and methods or guidance documents, carry out training or other capacity building, or otherwise develop or share knowledge to support the NPE transition. Examples include:

- IPBES, which produces scientific assessments on biodiversity for member policymakers;
- SBTi, which develop tools, frameworks, and sector-specific guidance for setting science-based targets, alongside offering training, technical support, and knowledge-sharing platforms;
- WorldGBC create guides and reports that aim to drive transformative action in the sector-specific context of the built environment.

Co-operative initiatives can also facilitate signatories or members to provide additional information that would not otherwise be available that also progresses the NPE transition. Examples include:

- TNFD, whose financial disclosure frameworks encourage businesses to monitor and report their impacts and dependencies on nature, providing information that should enable more sustainable financing and investing.
- SAI, whose members and a subset of their supplier farms carry out farm sustainability assessments, and share farm sustainability data, increasing knowledge and understanding through the value chain.

Changing business operations: Co-operative initiatives can generate impact by changing the way that businesses operate, increasing their alignment the NPE transition (e.g. reducing negative impacts on nature, restoring and creating nature, and enabling transformative change). These impacts arise primarily through the actions taken by initiative members, signatories, or others using their tools and methods, rather than actions taken by initiatives themselves.

Examples include:

- UNEP FI establishes voluntary principles or standards that should guide signatories business operations, such as the Principle for Responsible Banking. Compliance is voluntary but should see sustainable practices better integrated into the management and operation of signatory businesses.
- FSC and PEFC develop and manage certification standards for forestry, which are then implemented by forest managers worldwide. FSC standards are implemented on more than 150 million hectares, with PEFC standards on more than 280 million hectares—to the extent that these standards are aligned with NPE, this represents a significant tool for progressing the transition.
- SBTi facilitates target setting and monitors implementation of science-based climate targets for individual companies. By 2023, 8000 companies—representing 39% of global capital market valuation—had set targets, and 5300 of those having validated targets that will require business changes to reduce emissions.
- OP2B supports member companies to implement specific, nature-positive actions within their supply chains. Sector-specific co-operative initiatives in particular can coordinate and promote specific interventions, such as 58% of OP2B's member companies implementing regenerative agriculture within their supply chains, involving 300,000 farmers and investing €3.6 billion 2019-2024.

Policy advocacy: Co-operative initiatives can also positively impact the NPE transition through advocacy and broader system influence. This impact can come either through the initiative's own actions, which have additional weight given the signatories they represent, or through coordination of member or signatories policy advocacy actions.

Examples include:

- WorldGBC advocates for NPE-aligned policies in global, EU, and national policy discussions. This includes, for example, participating in EU policy workshops and publishing policy briefs related to EU policies such as the Energy Performance of Buildings Directive.
- NPI aim to play an agenda setting role, convening important actors, developing networks, and participating at international meetings and negotiations (e.g. CBD and Climate COP, among others) to promote the concept of nature positive.
- Most initiatives we assessed see communication with stakeholders and the general public as an important part of their work, aiming to inform and shift perspectives.

Other: Our assessment of co-operative initiatives also identified other ways they can act to support the NPE transition. This included by providing examples of governance and knowledge practices aligned with the transformative change aspect of the NPE transition, and the use of product labels to shift consumer behaviours, alongside policy and business operations:

- FSC offers an example of transformative governance. It has a permanent indigenous peoples committee, who communicate indigenous views to the FSC board. The FSC board itself features a novel multi-stakeholder governance system, with equal weight given to economic, environmental, and social (including indigenous and worker voices) representatives, and a 50% split between North and South voices.
- IPBES scientific studies integrate indigenous and local knowledge practices, alongside Western science.
- FSC and PEFC labels enable foresters to demonstrate responsible practices and empower consumers and businesses to make sustainable choices, helping to ensure that consumers are sufficiently informed to also progress the NPE transition.
- Numerous initiatives include broad social responsibility considerations in their work, for example, including gender considerations in certification standards or voluntary principles.

4.2 Cross-cutting co-operative initiatives

In the following section, we present an overview of nineteen co-operative initiatives that support the NPE transition. They act as a selection of relevant and insightful case studies rather than a comprehensive review, highlighting how private and NGO-led actions contribute to advancing nature, economy, and climate goals can contribute.

Our overview:

- explains the overall objective of the initiative,
- presents available quantitative and qualitative information on its reach,
- identifies relevance to the NPE transition by identifying specific actions and outputs supporting the transition with regards to knowledge creation, changing business operations, policy advocacy, or other actions (e.g. transformative governance).

In cases where specific actions are not identified under a heading (e.g. nothing is listed for policy advocacy), no significant example of the co-operative initiative implementing actions or supporting outputs under this category has been identified.

4.2.1 Nature-focused initiatives

4.2.1.1 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

Short Description

Established in 2012, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) [73] is an independent intergovernmental body dedicated to strengthening the science-policy interface for biodiversity and ecosystem services.

Objective: Its goal is to support the conservation and sustainable use of biodiversity, contributing to long-term human well-being and sustainable development.

Reach: As of 2024, IPBES comprises 147 member states, with additional participation from NGOs, civil society groups, academic institutions, and private sector representatives. In terms of governance, the 147 member states make up the IPBES Plenary. The secretariat, supported by UNEP, ensures the platform's efficient functioning.

NPE relevance

IPBES contributes significantly to the nature-positive economy (NPE) by providing scientific foundations and policy-relevant insights to inform sustainable practices. Key contributions include:

- **Knowledge creation:** IPBES conducts extensive assessments on biodiversity and ecosystem services, including thematic, methodological, regional, and global analyses, significantly increasing global knowledge of biodiversity and galvanising action. These assessments inform policymakers, businesses and the public, and are widely cited and regarded as a key global source of information about biodiversity. Key reports relevant to NPE include assessments on global biodiversity, transformative change, and business and biodiversity. A number of the IPBES reports are of particular relevant, including the forthcoming business and biodiversity assessment.
- **Policy advocacy:** While IPBES does not prescribe policy, it supports decision-making by synthesising and disseminating scientific insights. For example, its 2030 work programme emphasises the promotion and development of policy instruments, tools, and methodologies to support biodiversity conservation and ecosystem services.
- **Other:** IPBES studies integrate indigenous and local knowledge, alongside Western science. The 2025 Transformative Change Assessment provides useful guidance to support this element of the NPE transition, including importance of considering gender [74].

4.2.1.2 Science Based Targets Network

Short description

Founded in 2019, the Science Based Targets Network (SBTN) [75] focuses on developing science-based targets to help companies and cities manage their environmental impacts. SBTN's work covers biodiversity, land, freshwater, and oceans, complementing climate objectives set by the Science Based Targets initiative (SBTi).

Objective: The SBTN is currently focused on increasing corporate commitments to science-based targets for nature and is developing guidance for cities by 2025.

Reach: Although SBTN's current engagement includes about 150 companies, its alignment with the well-established SBTi focused on climate action (see in subsequent section) suggests potential for broader impact. Founding partners include the Carbon Disclosure Project (CDP), World Wildlife Fund (WWF), World Resources Institute (WRI), and the UN Global Compact.Its impact on-the-ground to date is limited due to its guidance and approach still under development (see changing business operations below).

NPE relevance

SBTN is closely aligned with the transition to a nature-positive economy by fostering strategies that mitigate environmental harm and enhance ecosystem resilience. Key contributions include:

- Knowledge creation: SBTN provides detailed methods, tools, and guidance to help organisations identify and address their environmental dependencies and impacts. Its structured five-step framework—Assess, Prioritise, Set targets, Act, and Track—guides companies through the process of developing and implementing nature-related targets. Current guidance is available for the first three steps, with the final two in development. This process helps organisations deepen their understanding of their environmental impact.
- **Changing business operations:** Signatories use SBTN's framework to set actionable targets, with initial guidance developed for target setting in freshwater, land, and ocean ecosystems. These targets are designed to align operations with ecological thresholds and planetary boundaries. To date, three companies have publicly committed to science-based targets for nature[8]. A public progress tracker reports on targets and monitors progress towards them [77].

4.2.1.3 Nature Positive Initiative

Short description

Established in 2023, the Nature Positive Initiative (NPI) [78] is a registered NGO dedicated to promoting coordination and alignment among organisations working to halt and reverse biodiversity loss by 2030. NPI was set up was to promote the concept of a global goal for nature and to advocate for the integration of this goal into the GBF, managed by a forum of CEOs from each of the 27 founding member organisations, supported by a secretariat.

Objectives: The primary objectives of the NPI are to: 1) preserve and promote the integrity of the definition of the Nature Positive goal, 2) broaden the consensus around the term "Nature Positive" and to promote its adoption and stimulate action, 3) align partners, governments and sectors to the existing and emerging guidance on Nature Positive, and 4) advocate jointly to government and other relevant actors to ensure the Nature Positive 2030 GBF mission is achieved.

Reach: The initiative engages governments, businesses, financial institutions, and civil society to collectively achieve nature-positive outcomes aligned with the Global Biodiversity Framework. NPI is governed by a coalition of 27 core organisations (such as WWF, African Natural Capital Alliance, TNFD, SBTN), with hundreds of Forum members, who commit to contributing to the NPI objectives in their own work.

NPE relevance

NPI is closely aligned with the NPE concept. Its contributions include:

- **Knowledge creation:** NPI has defined and upholds the technical definition of "Nature Positive" and is developing metrics to measure the state of nature. This has supported a consolidation of definitions and increase in its visibility. These metrics are designed for integration into existing standards such as SBTN, TNFD, and GRI, with the aim of facilitating action consistent with NPI definitions.
- **Changing business operations:** Although NPI does not directly set business standards, it aims to influence business operations by shaping the frameworks and standards that businesses use for setting targets and reporting on nature-positive actions (e.g., TNFD, SBTN).
- **Policy advocacy:** NPI participates in prominent policy forums, such as COP16 and Davos, advocating for nature-positive policies and facilitating dialogue and

8 GSK and Holcim have set limited targets related to freshwater quantity, while Kering have set numerous targets.

collaboration among leaders in science, policy, business, and non-governmental organisations.

4.2.2 Economy-focussed initiatives

4.2.2.1 Taskforce on Nature-related Financial Disclosures

Short description

The Taskforce on Nature-related Financial Disclosures (TNFD) [79] is an international, market-led initiative, established in 2020. It provides a disclosure framework enabling organisations to recognise and manage their dependencies, impacts, risks, and opportunities concerning nature, promoting informed decision-making. It is closely aligned with EU Corporate Sustainability Reporting Directive (CSRD), which creates a regulatory requirement for much of the voluntary nature disclosures established by the TNFD.

Objective: The TNFD aims to steer financial flows towards nature-positive outcomes.

Reach: As of October 2024, over 500 organisations globally, managing assets valued at $17.7 trillion, have adopted the TNFD framework. These adopters include prominent financial institutions, corporations, NGOs, and service providers.

NPE relevance

TNFD significantly contributes to advancing the NPE by fostering transparency and encouraging better governance of nature-related risks and impacts. The initiative's contributions include:

- **Knowledge creation:** TNFD establishes a framework for understanding and disclosing nature-related dependencies, risks, and impacts. It guides organisations to report on key areas like governance, strategy, risk and impact management, and relevant metrics and targets. Public disclosures commencing in 2025 are anticipated to enhance market transparency and accountability substantially.
- **Changing business operations:** While TNFD does not impose mandatory operational changes, it advocates for a standardised, voluntary disclosure process. This process is expected to influence investment decisions and business practices. It is aligned with mandatory frameworks like the European Sustainability Reporting Standards (and the CSRD).
- **Policy advocacy:** TNFD complements existing policy frameworks and has received endorsements from policy bodies, including the G7 and G20. There are ongoing dialogues about embedding TNFD-aligned disclosures into regulatory standards, such as in jurisdictions like the UK. At the EU level, many of the TNFD disclosure requirements are required by the CSRD.
- **Other:** The framework emphasises the inclusion of indigenous peoples, local communities, and other stakeholders in the identification and evaluation of nature-related issues. This focus supports broader governance and enhances the depth of corporate transparency efforts.

4.2.2.2 UN Global Compact

Short description

Established in 2000, the United Nations Global Compact [80] is one of the most widespread voluntary corporate sustainability initiatives worldwide. It is established under the umbrella of the UN.

Objective: It seeks to inspire businesses and organisations to align their operations and strategies with ten principles encompassing human rights, labour standards, environmental protection, and anti-corruption efforts.

Reach: By 2024, the initiative had garnered participation from over 25,000 businesses and 3,800 non-business entities across more than 160 nations. These participants

include global corporations such as Coca-Cola, Microsoft, and Unilever, representing a significant portion of global market capitalisation.

NPE relevance

The UN Global Compact plays a vital role in advancing a nature-positive economy by fostering sustainable practices and enhancing environmental accountability among its members. Its principles related to the environment include supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies. The environmental principles are quite limited in ambition, setting a relatively low bar in terms of supporting the NPE transition. It contributes to the NPE transition in the following ways:

- **Knowledge creation:** The UN Global Compact provides training, educational resources, and awareness campaigns aimed at helping companies integrate sustainable practices and expand their understanding of environmental responsibility. Dedicated initiatives like the Think Lab on Biodiversity and Nature help businesses evaluate biodiversity risks and align strategies with frameworks such as the GBF.
- **Changing business operations:** Participants are encouraged to incorporate the Global Compact's ten principles into their business frameworks, particularly focusing on embedding sustainability within operational processes, supply chains, and investment strategies. Companies use self-assessment tools to measure their performance against the ten principles, although third-party verification of these reports is optional. Further, given the limited ambition of the environmentally-focussed principkles limits impact.
- **Policy advocacy:** The Global Compact actively engages with policymakers and governments to support the alignment of business operations with broader sustainability objectives, advocating for policy environments that encourage sustainable growth.
- **Other:** The Global Compact stresses the importance of engaging with diverse stakeholders, including indigenous communities, to ensure inclusive and comprehensive sustainability efforts.

4.2.2.3 Finance for Biodiversity Foundation

Short description

Launched in 2020, the Finance for Biodiversity Foundation (FfB) [81] is a global initiative aimed at mobilising financial institutions to protect and restore biodiversity through their investment and financing activities. The foundation acts as the coordinating body for the Finance for Biodiversity Pledge, which commits financial institutions to protect and restore biodiversity by collaborating, engaging with companies, assessing impact, setting targets, collaborative efforts and knowledge sharing among its signatories.

Reach: As of 2023, 190 financial institutions from 29 countries, collectively managing over €23 trillion in assets, have signed the pledge, committing to integrate biodiversity considerations into their financial decision-making processes. Examples of signatories include AXA Investment Managers, BNP Paribas and HSBC Global Asset Management.

NPE relevance

The initiative supports the NPE transition by encouraging financial institutions to incorporate biodiversity considerations into their strategies and operations. Key contributions include:

- **Knowledge creation:** The FfB Foundation fosters knowledge sharing through webinars, workshops, and a publicly accessible knowledge hub. It also develops tools and frameworks to assist

financial institutions in integrating biodiversity considerations into their strategies.

- **Changing business operations:** Signatories commit to assessing biodiversity impacts, setting science-based targets, and integrating biodiversity considerations into investment and lending decisions. Signatories should publicly report on their progress, with updates promoted through the FfB's publications, though the FfB does not assess signatories' reporting.
- **Policy advocacy:** The Foundation's Public Policy Advocacy working group collaborates with policymakers to support regulations and initiatives that advance biodiversity goals.

4.2.2.4 UN Environment Programme Finance Initiative

Short description

Launched in 1992, the UN Environment Programme Finance Initiative (UNEP FI) [82] is a global partnership between the United Nations Environment Programme and the financial sector, aimed at promoting sustainable finance. UNEP FI engages investment firms, commercial banks, insurance companies, and asset managers to integrate sustainability into financial systems.

Reach: As of 2024, UNEP FI has over 500 signatories, collectively managing assets exceeding US$170 trillion.

NPE relevance

UNEP FI contributes to the transition to a NPE by promoting financial frameworks that promote sustainability and responsible investment practices.

Its contributions include:

- **Knowledge creation:** UNEP FI enhances awareness and knowledge within the financial sector through tools, reports, guidance documents, workshops, webinars, and collaborative platforms. It encourages knowledge exchange to foster best practices globally.
- **Changing business operations:** The initiative mobilises financial institutions to integrate sustainability into their operations, including implementation of the Principles for Responsible Banking (PRB), Principles for Sustainable Insurance (PSI), and Principles for Responsible Investment (PRI). Compliance is voluntary, with members encouraged to implement the relevant industry principles and submit annual sustainability report to be included in the company profiles on UNEP FI's members' web page, with no assurance required.
- **Policy advocacy:** UNEP FI works with policymakers to influence regulations that support sustainable finance, making recommendations on aligning financial practices with the Global Biodiversity Framework and the Paris Agreement.

4.2.3 Climate-focused initiatives

4.2.3.1 Science Based Targets Initiative

Short description

The Science Based Targets Initiative (SBTi) [83] is a global organisation that establishes standards, tools, and guidance to help companies and financial institutions set science-based climate emissions reduction targets. The targets should align with the latest climate science and support the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels.

Reach: The Science Based Targets Initiative (SBTi) has a broad reach, with approximately 8,000 companies and financial institutions setting climate goals since its launch in 2015, representing 39% of global market capitalisation in 2023 [84]. SBTi primarily engages private industry, spanning diverse sectors, including financial institutions. Examples of major signatories include industry leaders such as Microsoft and Google in technology, Nestlé and Coca-Cola in consumer goods, Schneider Electric

in energy management, and HSBC and BlackRock in finance.

NPE relevance

By addressing climate change, SBTi indirectly supports the nature-positive agenda by reducing one of the main drivers of ecosystem degradation. This includes sector-specific guidance for sectors with significant nature impacts, such as agriculture. SBTi concretely supports the NPE transition in the following ways:

- **Knowledge creation:** SBTi creates tools, frameworks, and sector-specific guidance documents for setting science-based targets for climate, which supports the NPE transition. It provides training, technical support, and knowledge-sharing platforms while also raising awareness through reports, webinars, and outreach campaigns.
- **Changing business operations:** SBTi directly impacts business operations by setting standards and rules for how companies should set their climate goals. By 2023, 5,300 companies had validated targets that will require changes to businesses and along their supply chains. Validation is conducted by SBTi's Technical Council to ensure credibility, after which companies must report GHG emissions and progress against targets through annual reports, sustainability reports, the company's website, and/or disclosures. SBTi monitors and publicly reports progress or failure to meet targets.

4.2.3.2 Glasgow Financial Alliance for Net Zero

Short description

The Glasgow Financial Alliance for Net Zero (GFANZ) [85] is a global network comprising eight independent net-zero financial alliances with members committed to the objectives of the Paris Agreement. Launched in 2021 following Climate COP26, GFANZ facilitates partnerships between financial institutions, technical experts, and climate action groups to drive systemic change towards net zero. Reach: GFANZ's membership spans over 700 firms in more than 50 countries, collectively representing over $130 trillion in assets under management. Example members include banks such as HSBC and Citi, asset managers such as BlackRock, and insurers such as Axa and Aviva. By mobilising vast financial resources towards sustainable sectors, GFANZ has the potential to drive considerable environmental benefits. However, its current focus is more strongly rooted in climate objectives, with biodiversity and nature considerations still in early stages.

NPE relevance

GFANZ indirectly supports the NPE transition by aligning financial portfolios with 1.5°C pathways and promoting investments in sustainable, low-carbon sectors. Specifically, the initiative contributes to the NPE transition in several ways:

- **Knowledge creation:** GFANZ develops resources such as sector-specific decarbonisation pathways and technical guidance for credible net-zero transition plans. More directly related to nature, GFANZ has worked with the Taskforce on Nature-related Financial Disclosures on guidance emphasising importance of addressing nature protection alongside climate change.
- **Changing business operations:** Members are required to make science-based commitments to support net zero transition (note: GFANZ sets less stringent requirements than the SBTi); they must publish their transition plans and implement actions in line with them (e.g. financing clean technology projects).
- **Policy advocacy:** GFANZ operates a working group that engages with governments and policymakers to advocate for public policies supporting the net-zero transition. For example, it provides recommendations to G20 governments on policies to restructure the global financial system.

4.3 Sector-specific co-operative initiatives

In addition to the cross-cutting initiatives described above, private and non-governmental actors also cooperate on sector-specific level on initiatives relevant to the NPE transition. We assessed ten sector-specific initiatives, focusing on key sectors for the transition: agri-food, built environment, forestry, tourism, and blue economy.

4.3.1 Agri-food sector

4.3.1.1 Sustainable Agriculture Initiative Platform

The Sustainable Agriculture Initiative (SAI) Platform [86] is a global industry initiative that brings together companies from across the agricultural value chain to promote sustainable agriculture practices. With a core commitment to biodiversity conservation and ecosystem health, the platform also focuses on climate resilience, water stewardship, and other sustainability outcomes. Founded in 2002 as a non-profit association, the SAI Platform now includes 190 member companies, spanning major industry players from across the agricultural supply chain like Coca-Cola, Arla, and Unilever. The SAI Platform supports the NPE transition through knowledge sharing and capacity building (conducting research, providing training, facilitating collaboration among industry members) as well as operational transformation (implementing tools like the Farm Sustainability Assessment, which has been applied to over 360,000 farms worldwide to integrate sustainability into supply chains). Corporate regenerative agriculture has been criticised as a form of greenwashing, co-opting farmer-led movements in a manner that undermines transparency and inclusive governance (Bless 2024).

4.3.1.2 One Planet Business for Biodiversity

One Planet Business for Biodiversity (OP2B) [87] is a global, cross-sectoral business coalition dedicated to biodiversity conservation, with a specific focus on regenerative agriculture. Hosted by the World Business Council for Sustainable Development, OP2B works with 26 member companies, including major food sector players like Nestle, McCain, and PepsiCo. With its focus on promoting regenerative agriculture, OP2B supports the NPE transition by developing science-based regenerative agriculture frameworks (providing companies with structured tools and metrics to promote sustainable practices in their supply chains) and scaling up regenerative farming (engaging 300,000 farmers in pilot projects to restore soil health, enhance biodiversity and reduce environmental impact). While Bless (2024) recognises the potential positive impact of OP2B's target setting and initial steps towards accountability, they also critique the power imbalances displayed in such corporate coordination, which results in agri-food corporates being able to set the agenda and rules in line with their own priorities, potentially at the expense of others.

4.3.1.3 IFOAM Organics Europe

IFOAM Organics Europe [88] is a member-based umbrella organisation for organics in the EU. IFOAM has more than 200 members from 32 countries in Europe, including farmers associations, retailers, certification bodies and other organics-affiliated organisations and companies. Through policy advocacy, network coordination, and knowledge creation, IFOAM promotes organic agricultural land management within the EU, and the availability of organic food for EU citizens. The organic movement is broadly aligned with the NPE-transition, given the organic principles of health, fairness, ecology, and care.

4.3.2 Built environment sector

4.3.2.1 World Green Building Council

The World Green Building Council (WorldGBC) [89] is an NGO founded in 2002 to serve as the hub of a global network of national and

regional green building councils working to reduce the built environment's impact on natural systems. The Council has 47,000 private members and corporate partners such as Google, Deloitte, and BASF. While primarily focused on reducing the climate impact of the built environment, the WorldGBC is broadly aligned with the NPE transition, advocating for circular economy approaches to the built environment and green buildings more generally. The WorldGBC primarily drives positive change through advocacy and knowledge creation and sharing. While effective in this manner, WorldGBC's lack of requirements on members or monitoring of member business operations mean it is difficult to assess the on-the-ground impact on the NPE transition of its work.

4.3.2.2 World Business Council for Sustainable Development

Founded in 1995, the World Business Council for Sustainable Development (WBCSD) [90] is a coalition of 230 multinational companies promoting sustainable development across the whole economy. They have a broad focus on sustainable development generally, which includes alongside many topic areas a focus on the built environment.

The Council primarily aims to generate change through knowledge creation in the space of sustainability and business, policy advocacy, and promoting voluntary business practices. In recent years, it has expanded its focus from climate and circular economy issues to also consider the nature-positive transition, including developing a Roadmap to Nature Positive: Foundations for the Built Environment [91] that aims to support real-estate developers and builders understand and manage their impact on nature (without proposing any mandatory requirements). The WBCSD engages in high-profile global forums like COP and G20 and supports sustainability disclosures, playing a significant role in shaping corporate narratives around sustainability. Beyond this agenda setting role, the WBCSD predominantly depends on the voluntary implementation of actions by corporate members, with no clear accountability mechanisms in place, meaning its on-the-ground contributions to the NPE transition are difficult to estimate.

4.3.3 Forestry sector

4.3.3.1 Forest Stewardship Council

Established in 1994, the Forest Stewardship Council (FSC) [92] is a global non-profit organisation that promotes sustainable forestry through the certification of forestry production and processing. With over 1,000 individual and organisational members—ranging from major companies like IKEA to NGOs such as WWF—the initiative sets forestry standards addressing deforestation, biodiversity preservation, and worker rights. FSC primarily facilitates the NPE transition by driving business transformation, with its forestry standard applied to over 150 million hectares of forest. Its supply chain certification ensures sustainable wood sourcing, while the FSC label empowers consumers to make informed choices, fostering greater demand for sustainably sourced products. The initiative also features an example of a relatively transformative and NPE-aligned multi-stakeholder governance model that ensures equal representation of economic, environmental, and social interests, including indigenous and worker voices. However, FSC has faced criticism from some former signatories for insufficient stringency in implementation, with Greenpeace withdrawing as a signatory in 2020.

4.3.3.2 Programme for the Endorsement of Forest Certification

The Programme for the Endorsement of Forest Certification (PEFC) [93] is a global alliance of national forest certification systems launched in 1999 to promote sustainable forest management through independent verification. PEFC certification covers 280 million hectares of forest, with over 20,000 companies possessing certificates ascertaining the sustainability of their supply chain. Unlike FSC, which sets an international standard, PEFC endorses

national standards, with a particular aim of enabling cost-effective certification for small-scale foresters. PEFC covers forestry operations as well as supply chain tracking, aiming to help foresters demonstrate responsible practices and enable consumers and businesses to make sustainable choices. PEFC's benchmark standard aligns with nature-positive objectives such as maintaining ecosystem health and conserving biodiversity. The degree to which this benchmark standard supports the NPE transition on the ground depends on the stringency and implementation of PEFC-approved national standards, which have been criticised by some NGOs, with assessment of impact hampered by a lack of data [94].

4.3.4 Tourism sector

4.3.4.1 World Travel & Tourism Council

Established in 1990, the World Travel & Tourism Council (WTTC) [95] is a non-profit organisation representing the private travel and tourism sector. It brings together over 200 major companies, collectively accounting for around 30% of the sector's total turnover.

While it promotes some sustainable tourism practices, its primary focus remains on the potentially conflicting objective of overall sectoral growth.

Examples of areas where WTTC's overlaps with NPE include the development of voluntary programmes, such as criteria/guidance for hotel sustainability; data gathering and research, including a report, toolbox, and vision focused on nature-positive travel and tourism; and policy advocacy, including a Net Zero Roadmap for the sector, support for sustainable aviation fuels, and reduced single-use plastics. Also, in line with NPE transition, the WTTC has consulted with broader stakeholders, for example as part of its Nature Positive Travel and Tourism report [96], and developed guidance related to Indigenous tourism. However, the guidance and standard setting are all voluntary, with no specific requirements for WTTC members to implement.

4.3.4.2 Global Sustainable Tourism Council

Established in 2007, the Global Sustainable Tourism Council (GSTC) [96] is a non-profit organisation that develops global standards for sustainable tourism. It acts as an umbrella organisation, bringing together private industry (e.g., cruise and hotel companies), government agencies, and NGOs, with a total of 74 members. In addition to knowledge sharing, capacity building, and some policy advocacy work, its primary instrument supporting the NPE transition is the GSTC Criteria, a set of standards that aim to shift business operations focusing on environmental sustainability, social responsibility, cultural heritage, and sustainable management. These standards were drafted to align with the UN SDGs and are broadly aligned with the NPE transition. The ability for GSTC to have on-the-ground impact depends on voluntary implementation of these standards by tourism actors.

4.3.5 Blue economy sector

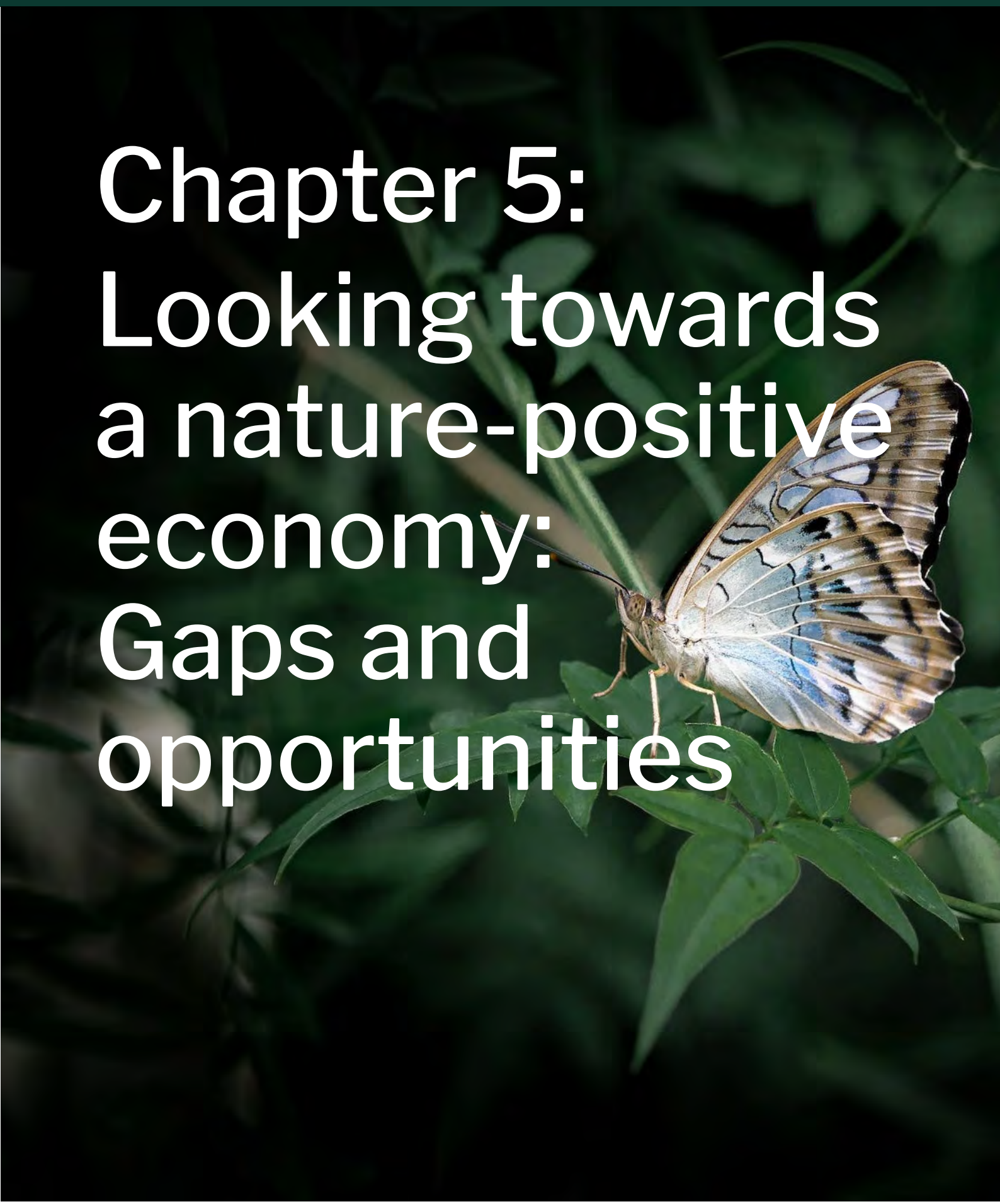
4.3.5.1 UN Sustainable Blue Economy Finance Initiative

Launched in 2018 and hosted by the UNEP Finance Initiative [97], this initiative promotes sustainable ocean-related economic activities by encouraging financial institutions to align investments with the Sustainable Blue Economy Finance Principles. With over 80 signatories representing USD 11 trillion in assets, including AXA, Aviva Investors, and the European Investment Bank, it provides guidance, frameworks, and sector-specific tools for responsible investment, lending, and underwriting in industries such as fisheries, shipping, and marine energy. The initiative is broadly aligned with the nature-positive economy transition, promoting nature-positive finance through instruments such as blue bonds and enhanced reporting and transparency. However, while annual reporting is expected for members, it is not mandatory, limiting enforcement. Despite its potential to shape blue finance practices, the initiative's

voluntary nature makes its actual impact on signatories and their business operations inconsistent and difficult to measure.

4.3.5.2 Green Marine Certification Framework

Established in 2007 in North America and expanded to Europe in 2020, the Green Marine Certification Framework [98] is a voluntary environmental certification programme aimed at improving the maritime industry's environmental performance. The initiative has over 490 members in North America and 29 in Europe, including major shipowners, ports, terminals, and shipyards. Broadly aligned with the NPE transition, the initiative addresses biodiversity protection, water and air quality, waste reduction, and underwater noise. Participants must conduct annual self-evaluations to track progress against indicators (e.g. biodiversity conservation) developed by multi-stakeholder working groups and demonstrate continuous improvement. External verification is required every two years. The framework raises awareness and promotes voluntary



Chapter 5: Looking towards a nature-positive economy: Gaps and opportunities

improvements, but its impact may be limited by its voluntary nature.
This chapter brings together the findings of the policy and co-operative initiative landscape assessments, drawing overarching conclusions and highlighting prevalent gaps and opportunities.

These cross-cutting conclusions are intended to be read alongside the accompanying series of five sectoral briefs (see Annex 1), which provide sector-specific perspectives.

5.1 Potential impacts of the EU policy landscape in facilitating or hindering a transition to a nature-positive economy

Transitioning to a nature-positive economy requires a robust and coherent policy framework that both supports and accelerates transformative change, while mitigating potential barriers and harmful impacts. Policy instruments can serve as critical tools in fostering this transition by integrating binding commitments and ensuring adequate funding to achieve key objectives. However, an unambitious policy framework (e.g. lacking a clear vision and quantifiable, time-bound, forward-thinking targets), weak enforcement mechanisms, a voluntary character, or insufficient or nature-harmful financial support can hinder progress towards an NPE transition. Building on this understanding, the subsequent text summarises key takeaways with a specific focus on the EU policy landscape analysis. Drawing on the GoNaturePositive! Concept Note [3] and the mitigation and conservation hierarchy [11], we categorise the impacts of EU policy instruments along four aspects deemed crucial to deliver the NPE transition:

- **Reduce harmful activities,**
- **Create additional nature,**
- **Increase knowledge, and**
- **Support transformative change.**

Following the methodological approach applied in this study, the following synthesis outlines key aspects that are considered good practices or principles for policy instruments to support an NPE transition. Overarching reflections from the policy analyses highlight how these aspects are currently being addressed or omitted and what implications this might have for an NPE transition.

Reduce harmful activities

Reducing the potential damaging impacts to nature from a given policy instrument is an essential component of the NPE transition. One way of doing this is by implementing the Do No Harm and Do No Significant Harm principles. Many EU policy instruments already incorporate the latter, with both explicit and implicit references. At least seven policy instruments analysed explicitly refer to the DNSH principle, with the EU Biodiversity Strategy to 2030, for example, directly calling for minimising environmental harm and phasing out harmful subsidies. Many other EU policy instruments assessed also uphold the DNSH principle by integrating environmental safeguards into their frameworks, such as impact assessments and sustainability proofing. Examples include InvestEU, which requires sustainability proofing for financing and investment operations to assess and minimise negative environmental, climate, and social impacts; the CSRD embeds disclosure of due diligence process, enhancing transparency and accountability in economic activities; a sector-specific example is the EUDR, which aims to ensure that products entering or leaving the EU market do not contribute to deforestation or forest degradation, i.e. DNSH also outside of the EU.

However, our assessment shows that considerations to reduce harmful activities often remain inconsistent. For instance, the CAP includes sustainability conditions but allows flexibility in subsidies that have potential to perpetuate nature-negative practices.

Similarly, other economic sectors lack

stringent enforcement of sustainability requirements, potentially undermining DNSH objectives: The Circular Economy Action Plan[9], despite aiming to reduce negative impacts on the environment, lacks clear enforceable provisions and the EU Adaptation Strategy, despite partially addressing the DNSH principle through climate proofing, lacks clear measurable binding commitments, which can weaken its practical enforcement. The Bioeconomy Strategy (currently under revision) foresees the development of a voluntary guidance for economic activities to operate within safe ecological limits and promotes reducing dependence on non-renewable sources, but it lacks binding regulatory mechanisms, e.g. to apply the above-mentioned guidance, and has limited focus on sustainability assessment and potential trade-offs, which limits its effectiveness in enforcing DNSH principles.

Addressing such potential implementation gaps is crucial. Key leverage points for action can include strengthening DNSH enforcement and redirecting financial flows from nature-negative to nature-positive activities. Strengthening regulatory clarity and enhancing binding commitments across sectors is also seen as being crucial for a cohesive and impactful DNSH application. Without improvements in these areas, the DNSH principle risks remaining largely symbolic rather than driving tangible environmental benefits, which would limit potential to reduce damage to nature as an essential component of the NPE transition. The European Commission's renewed emphasis on "competitiveness" presents potential risks to the application of the DNSH principles central to the NPE transition. While the Competitiveness Compass and Clean Industrial Deal continue to prioritise climate objectives, the limited focus on nature and broader environmental concerns raises the risk that these areas may be sidelined in exchange for short-term reductions in administrative costs or regulatory constraints. The NPE-transition demands a broad and integrated understanding of sustainability and well-being, which can be effectively served through clear regulations and processes that uphold "Do No Harm" requirements, with consistent and stringent implementation.

9 The Commission will adopt a Circular Economy Act in 2026 aiming to accelerate the circular transition and ensure that scarce materials are used and reused efficiently, reducing the EU's global dependencies and create high-quality jobs. The aim is to have 24% of materials circular by 2030 [99].

Create additional nature

A nature-positive economy goes beyond reducing harm to nature and actively restores and enhances ecosystems and the services they provide. Some of the assessed EU policy instruments are designed to support this objective. Best practices for directly meeting this objective include setting binding restoration targets, providing dedicated funding for additional nature, and incentivising nature-based solutions. The Nature Restoration Regulation sets robust and legally binding targets for nature restoration and creation, as well as robust governance and obligations for Member States that should upscale restoration efforts in the short- and longer term in order to meet 2030 and subsequent targets. The LIFE Programme prominently funds biodiversity and ecosystem restoration initiatives, directly contributing to additional nature creation. The New European Bauhaus policy promotes NbS by taking a systemic approach to integrating sustainability into urban development, supported by limited direct funding, labs and support for decision-makers.

Overall, however, the analysis revealed that the level of ambition and support from the reviewed EU policy instruments for creating additional nature is currently insufficient to drive the transition to a nature-positive economy. For example, some legally binding instruments, such as CAP, CFP, as well as non-binding instruments, like the EU Bioeconomy Strategy, offer indirect, insufficient or voluntary restoration incentives, limiting their positive impact on upscaling of restoration action. Other policies lack any meaningful nature creation targets or actions, despite their potential to deliver significant nature gains, such as the EUCL and LULUCF

Regulation, which lack specific binding restoration targets, reducing their potential for impactful outcomes. Generally, even in those policies that sufficiently prioritise nature creation (such as LIFE and Nature Restoration Regulation), financial provisions remain insufficient, and considerable implementation conflicts with other EU policy objectives are likely to pose challenges, such as land-use conflicts, particularly in agricultural and urban development, defence, and renewable energy.

For an effective transition to a nature-positive economy, clear funding mechanisms dedicated explicitly to restoration projects, binding restoration targets at sub-Member State level, and explicit policy provisions for addressing land-use conflicts (e.g. through land swaps) should be promoted. Leveraging increased private investments could also provide additional funding streams to complement public financing[10].

Strengthen knowledge of and accountability for nature-related impacts

Many EU policy instruments support the development of knowledge towards a nature-positive economy. A particular focus is on enhancing transparency, monitoring, and the disclosure of environmental impacts across sectors. This is being achieved through mandatory sustainability reporting, standardised biodiversity accounting frameworks, and robust environmental data and knowledge sharing mechanisms. The CSRD, in its current version, represents a good practice by mandating comprehensive non-financial disclosure, potentially improving investment decisions aligned with biodiversity goals. In accordance with the European Sustainability Reporting Standards (ESRS) E4, companies are required to assess their biodiversity impacts, dependencies, risks, and opportunities through a double materiality framework. This ensures that businesses disclose both the financial risks posed by biodiversity loss and their own contributions to environmental degradation, aligning with biodiversity targets such as the EU Biodiversity Strategy for 2030.

Numerous policies also provide funding for relevant research and communication activities, e.g. LIFE and Horizon Europe. Training and knowledge sharing is an aspect of many EU policies, for example, the CAP has dedicated funding streams for Agricultural Knowledge and Innovation Systems, which support farmer upskilling in a manner that can align with the NPE transition.

However, the recently adopted Competitiveness Compass with its Omnibus package proposes a set of changes to the CSRD. Changes proposed in February 2025 [23] aim to simplify both the CSRD and CSDDD resulting in significantly reducing the number of companies affected and delaying implementation. Assuming these proposals are adopted, the weakened reporting provisions will leave nature-negative activities and impacts unnoticed and uncompensated, decreasing the overall impact of the policy as well as its transformative potential. It is especially relevant with regard to SMEs that are responsible for a significant share of environmental pollution and resource consumption globally and have a significant carbon footprint in aggregate [24, 25]. Excluding this type of companies risks the achievement of the EU nature restoration goals as well as a full nature recovery goal established by the NPE concept.

There are considerable opportunities for increasing EU policy support for knowledge creation to promote a transition to a nature-positive economy. Ensuring transparency and accountability in economic activities requires improved monitoring, reporting, and organisational disclosure of environmental performance. Policy instruments could enhance value chain assessments to identify

10 Authors acknowledge the European Commission's exploratory work on biodiversity certification and nature credits. Pilot projects are intended to make a positive contribution to nature, not to offset or compensate for the destruction of biodiversity. The risks of commodifying biodiversity and offsetting practices need careful mitigation. Such voluntary market instruments should not replace public funding for biodiversity but rather complement and diversify funding sources [100].

and address environmental externalities across supply chains. Strengthening data collection, monitoring, and reporting mechanisms at local, national, and international levels is crucial for tracking progress toward nature-positive objectives. Additionally, EU policy should support research and innovation funding to advance knowledge on ecosystem services, biodiversity valuation, and sustainable business models. Strengthening alignment with international frameworks such as the TNFD could further embed biodiversity accountability across financial and corporate governance systems (see conclusions on co-operative initiatives in the next section).

Enable transformative change for a sustainable future

Achieving systemic transformation requires policy instruments that promote inclusive governance, social equity, and participatory decision-making. In practice, this means fostering inclusive stakeholder engagement and consultation processes that acknowledge and integrate diverse perspectives and knowledge systems, including those of Indigenous peoples and marginalised communities. Additionally, cross-sectoral collaboration is essential to embed environmental objectives within broader economic and social frameworks, driving systemic change across governance levels. Various EU policy instruments reviewed for this report offer initial steps toward this goal but often fall short of enabling the scale of change needed to support the transition to NPE.

Some progress in this direction is already evident. The EU Nature Restoration Regulation includes participatory governance mechanisms by mandating inclusive stakeholder consultation in the development of national restoration plans. Similarly, the New European Bauhaus initiative brings together ecological, social, and cultural dimensions to promote inclusive and sustainable spatial transformation. The EU Deforestation Regulation is another relevant example, explicitly aiming to create transformative change in global supply chains by decoupling EU consumption from deforestation. The Regulation promotes systemic restructuring of commodity production, processing, and trade, particularly in high-risk regions. Equity and justice considerations are embedded by recognising Indigenous land rights through the principle of Free, Prior, and Informed Consent (FPIC), integrating traditional knowledge systems, and aiming to strengthen land tenure and governance in producer countries. The EUDR also establishes multi-level stakeholder engagement, involving civil society, partner countries, and the private sector. These elements illustrate how environmental policy can support inclusive, long-term systemic change both within and beyond the EU.

Yet, gaps remain and EU policies could do more to encourage democratic governance instruments—such as participatory budgeting, citizens' assemblies, and deliberative forums—to help enhance legitimacy, trust, and inclusiveness in environmental policymaking. The EU Adaptation Strategy, while inclusive in principle, lacks clear mechanisms to engage marginalised groups. The CFP and MSFD acknowledge social equity but fall short of providing safeguards for vulnerable communities or recognising Indigenous rights. Biodiversity-related trade policies similarly often overlook socio-economic vulnerabilities and the importance of local knowledge systems. Furthermore, gender, diversity, and human rights considerations remain underrepresented in many areas of EU policy relevant to the NPE. While the CAP and NEB refer to gender equality and social inclusion, these references are rarely backed by dedicated mechanisms or sustained funding.

Enabling transformative change also hinges on the alignment of financial and investment frameworks with environmental and social goals. While primarily a funding instrument, the LIFE Programme plays a catalytic role through support for Strategic Nature Projects and Integrated Projects, which foster cross-sectoral collaboration and

innovation. The MFF supports nature-positive initiatives through biodiversity earmarking, environmental and social objectives, climate proofing requirements. The InvestEU programme also contributes by integrating sustainability proofing and just transition objectives into financing decisions. However, gaps in accessibility, coordination, and long-term resourcing still limit the potential of these instruments to drive systemic, large-scale transformation.

To strengthen the transformative potential of EU policy frameworks, several overarching shifts are needed. Inclusive governance and stakeholder engagement should be reinforced across all policy domains, particularly to ensure meaningful participation of vulnerable groups, Indigenous communities, and civil society actors. A long-term vision that integrates environmental objectives with social equity is essential to avoid short-term trade-offs and fragmented implementation. This also requires greater support for social innovation, participatory planning, and rights-based approaches.

Enhancing coherence across biodiversity, climate, and economic policies is crucial to enable integrated action and foster systems-level change.

Additionally, as implementation moves forward, EU programmes could more explicitly embed gender-responsive and diversity objectives—for instance, by encouraging gender-balanced stakeholder governance in national restoration plans, supporting women-led initiatives through targeted funding, and further applying gender-sensitive and diversity issues within sustainability reporting frameworks such as the CSRD and ESRS. Sectoral policies in, for example, agriculture, forestry, and the blue economy could also do more to improve access to finance, training, and leadership opportunities for women and underrepresented groups. Initiatives such as Women of the New European Bauhaus [101] provide valuable inspiration for inclusive and intersectional engagement with a gender focus. Building on and scaling such approaches can help ensure that the NPE transition is not only environmentally ambitious, but also socially just and equitable.

Overarching reflections

While the nature-positive economy is a relatively new concept, many of the reviewed policies already include some nature-positive elements. There is a clear trend towards embedding sustainability into regulatory, economic, and governance structures. However, our assessment presents a mixed picture in the potential of these policies to facilitate an NPE transition in practice, as many policies do not fully align with the full extent of NPE principles outlined in the previous section. While some policies already actively promote nature-positive outcomes (e.g. through achieving reduction of harmful activities, creating additional nature, increasing knowledge, and supporting transformative change), others lack binding commitments, financial clarity, or strong enforcement, which will limit their transformative potential in practice. This issue is also apparent even within single policy instruments, which may feature some objectives or measures that support the NPE transition, and others that hinder it. An obvious example is the Common Agriculture Policy, which features NPE-aligned objectives, funding streams, and instruments (e.g. the objective to contribute to halting and reversing biodiversity loss; instruments such as eco-schemes and agri-environmental measures), and others that push the sector in a different direction, such as area-based income support, which has been criticised as incentivising industrial livestock expansion and conventional crop production, both of which degrade the environment.

Many of the EU policies provide good examples of alignment with the nature-positive economy, which should offer inspiration for future EU policy development. Some of the assessed policies are closely aligned with NPE, such as the EU Nature Restoration Regulation, which promotes the protection and restoration of nature with legally binding targets within a framework allowing for economic growth and also

considers transformative change aspects such as inclusive stakeholder consultation when developing Member State National Restoration Plans. Newer policies tend to incorporate social, and equity concerns to ensure sustainability efforts do not exclude marginalised groups (e.g. New European Bauhaus prioritises affordable and inclusive urban spaces, preventing spatial segregation and ensuring disadvantaged communities benefit from sustainability projects). The current CSRD is also aligned with a NPE as it promotes comprehensive non-financial disclosure, potentially supporting investment decisions aligned with biodiversity goals. Others are less closely aligned but nevertheless likely to promote specific aspects of the NPE transition.

Enforcement gaps and reliance on voluntary measures rather than binding biodiversity requirements can weaken the potential positive impacts of other key policy instruments. The European Climate Law, for example, establishes ambitious emissions reduction goals but does not explicitly integrate biodiversity restoration into its framework, leaving room for trade-offs between climate action and ecosystem health. Similarly, the Circular Economy Action Plan and current Bioeconomy Strategy promote sustainable resource use but fail to address potential land-use pressures that could negatively impact biodiversity. The New European Bauhaus and Transition Pathway for Tourism encourage sustainability through eco-friendly design and circular economy principles, however, their reliance on voluntary approaches and prioritisation of economic growth over strict environmental commitments has potential to create implementation gaps. The absence of enforceable nature-positive requirements means these instruments risk being more aspirational than transformative, particularly in tourism, where infrastructure expansion and emissions continue to grow.

A major challenge remains the insufficient and sometimes misaligned financial support for nature-positive initiatives. Funding under the current MFF (2021-2027) does not sufficiently prioritise environmental objectives (including nature restoration and biodiversity financing) across all sectors, making it difficult to scale up NPE-aligned projects. There is also an enforcement gap: the general biodiversity spending target of 7.5% in 2024 and 10% in 2026 and 2027 in the MFF lacks binding targets, meaning it represents an ambition rather than on-the-ground progress [102]. One specific example is funding under InvestEU which supports green infrastructure under the Sustainable Infrastructure Window and hence, nature-positive activities, but lacks earmarking and a sufficient regulatory or financial framework to adequately support nature restoration. It therefore appears insufficient to drive restoration efforts at the scale and pace needed to achieve NPE 2050 goals. While LIFE provides dedicated funding for nature,

Box: Current limitations of policy instruments to support NPE transition

While many EU policies already include nature-positive elements, they often fail to establish legally binding obligations and rely on voluntary measures to realise these ambitions in practice. Insufficient and nature-harmful funding can further weaken their impact, as financial support for nature-positive initiatives remains inadequate while subsidies for environmentally harmful activities persist. Trade-offs can also undermine progress, with competing priorities not focusing on nature-positive actions in the policy visions and objectives. Finally, private sector and financial accountability remain inconsistent, as corporate sustainability commitments often lack enforceable mechanisms, leading to gaps in transparency and meaningful action.

its budget is outweighed by other policies that provide subsidies for activities that can degrade ecosystems—such as unsustainable land-use practices [103]. This misalignment of financial priorities underscores the need for stronger safeguards to ensure that public and private investments contribute to, rather than undermine, nature-positive objectives.

A lack of coherency between policies poses a significant challenge to the NPE transition. Competing priorities to environmental objectives will limit the transformative potential of existing regulations. A fragmented approach to nature-positive policy across sectors reflects the need for stronger integration and coordination mechanisms. Policies addressing agriculture, fisheries, forestry, finance, and urban development often continue to operate in silos, potentially leading to inefficiencies and unintended trade-offs. For example, while Common Fisheries Policy and the EMFAF exclude some activities and set some requirements to reduce nature impacts, its decentralised approach gives Member States flexibility to prioritise their economic interests in a manner that may conflict with environmental goals. Similarly, the European Climate Law drives carbon neutrality but lacks a structured and systemic approach to biodiversity conservation and natural carbon removals, which could result in land-use conflicts, e.g., with renewable energy expansion. The continued and expanded embedding of NbS into climate and land-use strategies will be essential to drive meaningful change.

The EU policy landscape provides a framework for private sector transparency, but there is scope for greater private sector accountability to drive the transition to a nature-positive economy. The CSRD strengthens accountability by mandating disclosures on environmental impacts by around 50,000 companies, yet concerns persist about reporting complexity and the actual enforcement of corporate sustainability commitments. Without stronger governance and regulatory oversight, private sector contributions to nature-positive outcomes potentially risk being superficial or inconsistent with broader policy goals. Recent simplification proposals could further weaken the Directive, potentially undermining efforts towards a nature-positive economy. Alongside increased transparency, private sector contributions can be strengthened through compliance mechanisms, which could be used to firstly ensure no significant harm to nature, and to drive increased private sector financial commitments to nature-positive investments.

The current EU competitiveness agenda, including the Competitiveness Compass and Clean Industrial Deal, pays almost no attention to nature. Biodiversity is mentioned only twice in the Compass, and not at all in the Clean Industrial Deal. Yet, just as the industrial strategy recognises that the long-term costs of climate inaction outweigh short-term sacrifices, there is no recognition that the same holds true for nature loss. This is a major omission. Nature underpins economic resilience by sustaining the ecosystems and resources that industries and societies depend on. Ignoring biodiversity risks undermining Europe's future competitiveness [104].

Integrating nature into the competitiveness agenda is essential for building economic resilience and securing long-term prosperity. Policies should explicitly recognise biodiversity and ecosystem health as foundations of competitiveness, supporting nature-based solutions (NbS) and nature-based enterprises that create jobs and strengthen Europe's green industrial leadership. Framing nature restoration as an economic opportunity—not a cost—highlights resilience as a strategic advantage in a volatile global landscape. Embedding nature in these economic strategies will future-proof European industries and strengthen their capacity to thrive in a changing world.

In summary, a transition to a nature-positive economy demands transformative change and EU policy has the opportunity to provide leadership. Key opportunities for strengthening the transition in the EU policy landscape include:

- Embed nature within the EU competitiveness agenda. Recognise nature loss as economic and financial risks, integrate biodiversity into core economic strategies, and recognise resilience as a factor of competitiveness. Understand nature positive as a source of long-term economic resilience and avoid short-term trade-offs that prioritise competitiveness at the expense of sustainability. Promote nature-based solutions and nature-based enterprises as drivers of innovation, resilience, sustainable growth and, ultimately, Europe's long-term competitiveness.
- Mobilise business leadership and ensure implementation. Nature-positive policies require strong implementation and business support. Simplification efforts such as those proposed in the Omnibus package must not dilute ambition – constructive private sector engagement and strong business voices advocating for long-term sustainability are key to successful joint pursuits of sustainability and competitiveness.
- Redirect financial flows toward nature-positive outcomes. Phase out harmful subsidies and redirect investment towards nature positive economic activities in the post-2027 Multiannual Financial Framework. Close the finance gap for biodiversity and nature restoration, stimulate innovation and job creation in the nature positive economy, measure the economic impact of investment in nature including the reduction of risks associated with climate change disasters and biodiversity loss.
- Seize windows of opportunity for systemic change. Use upcoming policy cycles and budget negotiations to institutionalise nature-positive objectives across EU frameworks (see Annex 5 for a gantt chart window of opportunities).
- Strengthen ambition and enforcement to reduce harm to nature, safeguarding Europe's social and economic security. Simplify regulations and co-create solutions which involve closing loopholes, ensuring a fair and level playing field for all organisations, tighten compliance, and enforce restoration and conservation targets underpinned by adequate investment. Strong environmental safeguards for all must be the norm, not the exception underpinned by clear transition timeframes.
- Integrate nature more deeply into climate and land-use policies. Mainstream nature-based solutions – particularly nature restoration – as critical climate mitigation and adaptation solutions across sectors. Ensure policies address potential trade-offs with short-term economic growth and reinforce synergies between climate and biodiversity goals.
- Promote inclusive and equitable governance. Ensure policies recognise and incorporate social equity considerations, including marginalised groups and diverse knowledge systems in decision-making processes.
- Improve cross-sectoral policy coherence. Align sectoral strategies with nature-positive objectives to avoid fragmentation and ensure economic, environmental and social goals are met together.
- Redefine progress beyond Gross Domestic Product. Incorporate ecological and social indicators into policy frameworks to reflect a more holistic and sustainable definition of well-being.

5.2 Potential impacts of co-operative initiatives in promoting or hindering the transition to a nature-positive economy

Co-operative initiatives can play an important role in transitioning to a nature-positive economy. Private actors, such as companies and NGOs, can work together through co-operative initiatives to promote nature-positive action in numerous ways, including knowledge creation, changing business operations, and policy advocacy. Private actors and cooperative initiatives can have greater flexibility, additional information and skills, or different objectives that mean they can meaningfully contribute to the NPE transition in different ways to policy.

Key takeaways from the analysis of 20 EU co-operative initiatives are presented below. Each of these initiatives acts as a case study, illustrating how co-operative initiatives can support the NPE-transition. Drawing on the GoNaturePositive! Concept Note (2024), we categorise the impacts of EU policy under four aspects crucial to deliver the NPE transition:

- **Reduce harmful activities,**
- **Create additional nature,**
- **Knowledge creation,**
- **Transformative change.**

As noted in section 2.3, our methodology relies on case study analysis and publicly available data. This limits our ability to systematically assess any trade-offs or barriers co-operative initiatives pose to the NPE transition. In this section, we introduce each of the four aspects and outline the impact of co-operative initiatives, implications for the transition, and recommendations.

Reduce harmful activities

Reducing damage to nature is essential for transitioning to a nature-positive economy, but co-operative initiatives only support such action in a limited fashion. We identified numerous examples of co-operative initiatives supporting changes in business operations in ways that are aligned with the NPE transition. This included significant investments in regenerative agriculture, reorientation of finance, certification of sustainable forestry, among many others. However, while there are examples of relatively ambitious and stringent frameworks and requirements, such as the Science-based Targets Initiative, generally, the incentive structure of voluntary co-operative initiatives means that they are unlikely to be able to demand sufficiently stringent, costly actions of their signatories or members. We identify three key issues:

- Voluntary nature of many co-operative initiatives and their tools, frameworks, commitments: Co-operative initiatives promote primarily voluntary actions, which may be insufficient to deliver the NPE transition, even among those who are signatories or members. For example, SAI indicates that 58% of their member companies have implemented regenerative agriculture practices, meaning 42% have not, despite the encouragement of the initiative.
- Insufficient enforcement: Related to their voluntary nature, many co-operative initiatives lack sufficient enforcement mechanisms to ensure that members and signatories are implementing in line with the initiatives' objectives. For example, while the Finance for Biodiversity Initiative encourages transparency and public reporting, it does not enforce compliance or assess the accuracy of reports. Similarly, PEFC-approved national standards have been criticised by some NGOs as lacking sufficient auditing and enforcement [94].
- Conflicting objectives: Many co-operative initiatives have multiple objectives, only some of which are aligned with NPE, and which may lead to actions that hinder the transition. For example, while the WTTC promotes some sustainable tourism

practices, its primary focus remains on the potentially conflicting objective of overall sectoral growth. The potential for this conflict to reduce ambition is illustrated in the WTTC's 2024 policy brief for the EU, which calls only for "pragmatic" approaches to sustainability, emphasising the costs for businesses.

Such limitations mean that it is unrealistic to look to co-operative initiatives to take a leading role in ensuring the do no harm aspects of the NPE transition. While private actors should be encouraged to implement their own actions to reduce harms, there is clearly an important ongoing role for policy to set mandatory minimum standards that align with societal objectives and standards for all (a "level playing field"), rather than set by private actors who may have different objectives.

Create additional nature

Co-operative initiativs can offer a space for funding and financing additional nature. However, their voluntary nature can limit ambition and impact. Co-operative initiatives offer a way for individuals and companies to coordinate and promote positive actions, such as nature creation. Co-operative initiatives such as the Finance for Biodiversity Foundation, UNEP Finance Initiative and others promote financial frameworks that favour sustainability and responsible investment practices, which can be a crucial tool for the NPE transition. Re-orienting financing away from nature harmful activities towards nature-positive activities can support the creation of additional nature, as well as reducing incentives for harmful economic activities.

However, co-operative initiatives have been criticised for insufficient ambition. Given their reliance on voluntary uptake, co-operative initiatives may set too low a bar for signatory or member actions, failing to encourage sufficient change to deliver the NPE transition. For example, the UN Global Compact sets quite general, high-level principles, which may not be sufficient to shift signatory business operations and to create additional nature. Agri-food co-operative initiatives, such as One Planet Business for Biodiversity and the Sustainable Agriculture Initiative, despite promoting corporate-led investment into regenerative agriculture, have been criticised as insufficient efforts that distract from or perpetuate large-scale agricultural production approaches [105].

Strengthen knowledge of and accountability for nature-related impacts

We found that co-operative initiatives can play a useful, leading role in strengthening knowledge of nature-related impacts. Our assessment of initiatives found that many carry out research, develop tools and guidance documents, and provide capacity building within and beyond their member networks to support the NPE transition. Through collaborative participation of private and NGO actors, sometimes with governments, co-operative initiatives can develop novel, informed approaches with sector-buy in, as shown by the WorldGBC's guides and reports, SBTN guidance, and numerous other evaluated initiatives. Co-operative initiatives can also facilitate the provision of additional, structured information from members and signatories that supports NPE transition and would otherwise be unlikely to be made public; financial disclosure frameworks, such as that proposed by the TNFD offer a leading example.

Enable transformative change for a sustainable future

The diversity of co-operative initiatives means that some can offer leading examples for transformative change, while others that are more closely aligned with existing (private) economic interests may be more conservative. Our assessment of co-operative initiatives identified a number of ways they can act to support the NPE transition, illustrated through examples of governance and knowledge practices aligned with the transformative change aspect of

the nature-positive economy transition, and the use of product labels to shift consumer behaviours, alongside policy and business operations. For example, FSC offers an example of transformative governance. It has a permanent indigenous peoples committee, who communicate indigenous views to the FSC board. The FSC board itself features a novel multi-stakeholder governance system, with equal weight given to economic, environmental, and social (including indigenous and worker voices) representatives, and a 50% split between North and South voices. IPBES scientific studies integrate Indigenous and local knowledge practices, alongside Western science.

Labels such as the FSC and PEFC initiatives support consumers to make sustainable choices, helping to ensure that consumers are sufficiently informed to also progress the NPE transition. We also found many initiatives who include broad social responsibility considerations in their work, for example, including gender considerations in certification standards or voluntary principles.

However, not all co-operative initiatives demonstrate or necessarily support transformative change, due to the challenges identified above (conflicting objectives, voluntary nature, and insufficient enforcement), as well as dependence and/or close alignment with beneficiaries of the current economic system.

Overarching reflections

Our assessment of co-operative initiatives revealed significant variation in both their alignment with a nature-positive economy and their overall reach. Some co-operative initiatives are very closely aligned, such as the Nature Positive Initiative, or the Science-based Targets Network, both of which promote the protection and restoration of nature within a framework allowing for economic growth.

Others are less closely aligned but nevertheless likely to promote aspects of the NPE transition, such as the World Travel & Tourism Council, which carries out research into nature-positive tourism, whilst also promoting travel more generally.

The reach of co-operative initiatives differed widely, ranging from examples such as the UN Global Compact, which has 25,000 business signatories since its founding in 2000, to promising but still small examples such as the Science-based Targets Network, founded in 2019 and with 150 current committed companies.

Co-operative initiatives can play a useful role in a number of aspects of the transition to a nature-positive economy, especially knowledge creation and creating additional nature. As illustrated by our analysis, co-operative initiatives are already playing a significant role in increasing knowledge, utilising their business-specific expertise, and their role as convenors and communicators to develop sector-specific and cross-cutting guidance that is implementable and impactful in businesses. In addition, co-operative initiatives play a driving role in monitoring and disclosing nature impacts and dependencies.

This transparency and disclosure role increases understanding and also supports enforcement of corporate sustainability and can support reorientation of large financial sums to support nature positive action. Co-operative initiatives can promote the leading edge in this respect. This can occur through promotion and communication of leading actors, as well as through policy advocacy work.

Our assessment did identify some potential conflicts between co-operative initiatives and the goal of the transition to a nature-positive economy, making co-operative initiatives less appropriate for driving the do no harm aspect of the transition. These include voluntary approaches, insufficient ambition, and conflicting objectives.

These weaknesses open the door for co-operative initiatives to be criticised as

greenwashing, market-led distractions to reduce the likelihood of mandatory approaches, and generally as insufficient to deliver the changes necessary for the NPE transition.

Such criticisms could be addressed to a certain extent by strengthening monitoring and enforcement but they originate in structural shortcomings related to the role played by corporate actors and funders in the co-operative initiative space and their interests.

Key recommendations:

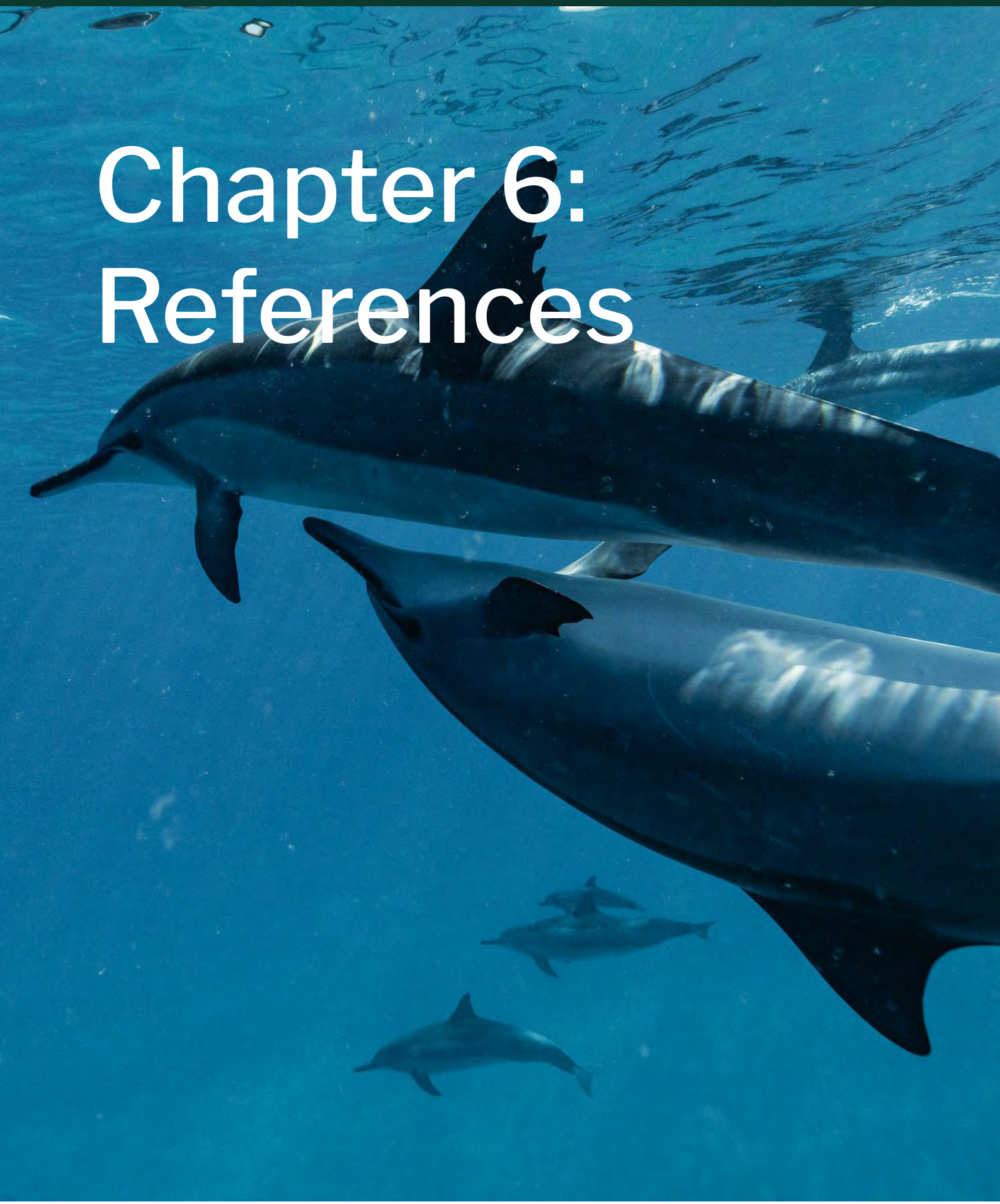
- Strengthen transparency and accountability: Co-operative initiatives should increase transparency and assurance mechanisms, to increase trust. Greater transparency on initiative actions and impacts—and the actions and impacts of their signatories—would support evaluation of their overall usefulness. This should include documentation of nature-negative impacts, as well as positive impacts. Too many co-operative initiatives have limited assurance or compliance requirements, diluting their integrity and likely impact.

- Lead in knowledge creation: Co-operative initiatives should continue to play a leading role in knowledge creation. Their on-the-ground expertise and practical focus can ensure that guidance, tools and frameworks are appropriate and useful, and increase likelihood of implementation through sectoral buy-in.

- Support a shift from voluntary to mandatory requirements for nature: Mandatory requirements can enable wider reach of NPE-aligned actions, and ensure a level playing field for all actors. A strong, private voice in favour of ambitious nature-positive policy is particularly important in light of the current shift in the focus of EU policy towards "competitiveness". Co-operative initiatives could demand that signatories and members align their private policy advocacy with co-operative policy objectives, to avoid situations where co-operative initiative calls for NPE-aligned policy are undermined by contradictory actions by members. Cooperative initiatives should continue to go beyond mandatory standards, testing and demonstrating best practice and fostering ambition.

- Adopt inclusive, transformative governance: Our assessment found numerous, positive examples of decision-making processes that center stakeholders, including indigenous and minority groups. Co-operative initiatives could make a significant contribution to the NPE-transition through testing and demonstrating the value of inclusive governance and management.

- Complement—do not replace—ambitious policy: Co-operative initiatives will not achieve the NPE-transition alone, meaning there is a strong need for policy. Structural challenges, such as their voluntary nature and competing objectives, mean co-operative initiatives will be insufficiently ambitious or stringent to achieve do no harm aspects of the NPE-transition. While co-operatives can provide useful best-practice examples, strong policy requirements that ensure a level-playing field for all actors will be needed to support the NPE-transition.



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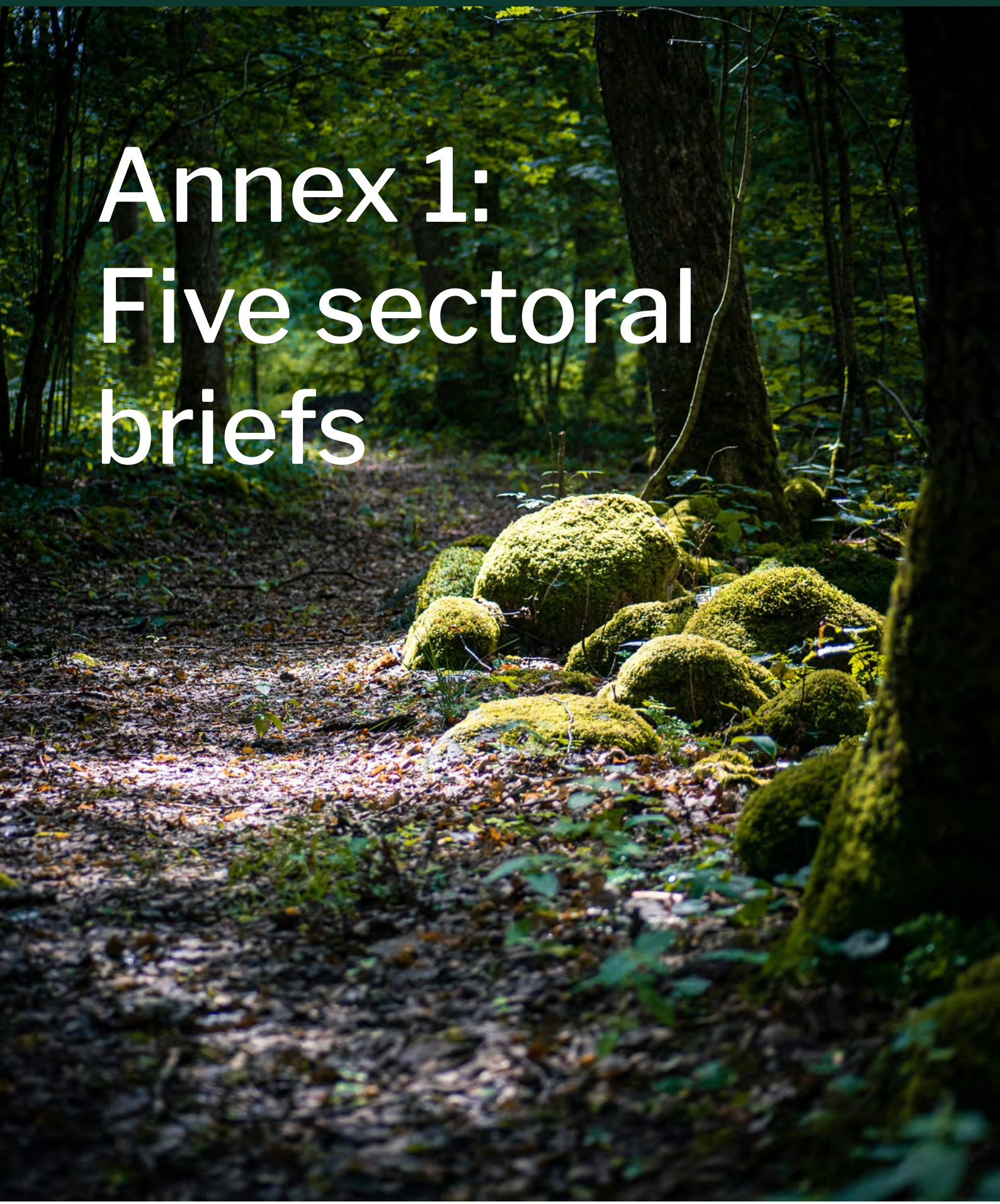


Annex 1: Five sectoral briefs

Sectoral brief Agri-food systems

Agriculture covers 38% of EU land but exerts the greatest pressure on European habitats, accounting for 48% of pollution pressures on ecosystems. This brief explores how transitioning to a Nature-Positive Economy requires transforming agriculture into a driver of ecological restoration.

Sectoral Brief Built Environment

The built environment plays a central role in Europe's economy, contributing 9% of EU GDP and providing 18 million direct jobs. This brief explore explores how transitioning to a Nature-Positive Economy requires transforming cities from drivers of environmental degradation to champions of ecological restoration.

Sectoral Brief Forestry

Forests cover 39% of the EU's land area, yet only 14% are reported as being in 'good' conservation status. This brief explores how transitioning to a Nature-Positive Economy requires transforming forest management from a focus purely on timber production to integrated approaches that restore and protect forest ecosystems.

Sectoral Brief Tourism

Tourism contributes around 10% of the EU's GDP and employs nearly 23 million people, yet the industry continues to degrade the very ecosystems it depends on. This brief explores how transitioning to a Nature-Positive Economy requires transforming tourism from a driver of environmental degradation into a force for ecosystem restoration.

Sectoral Brief Blue Economy

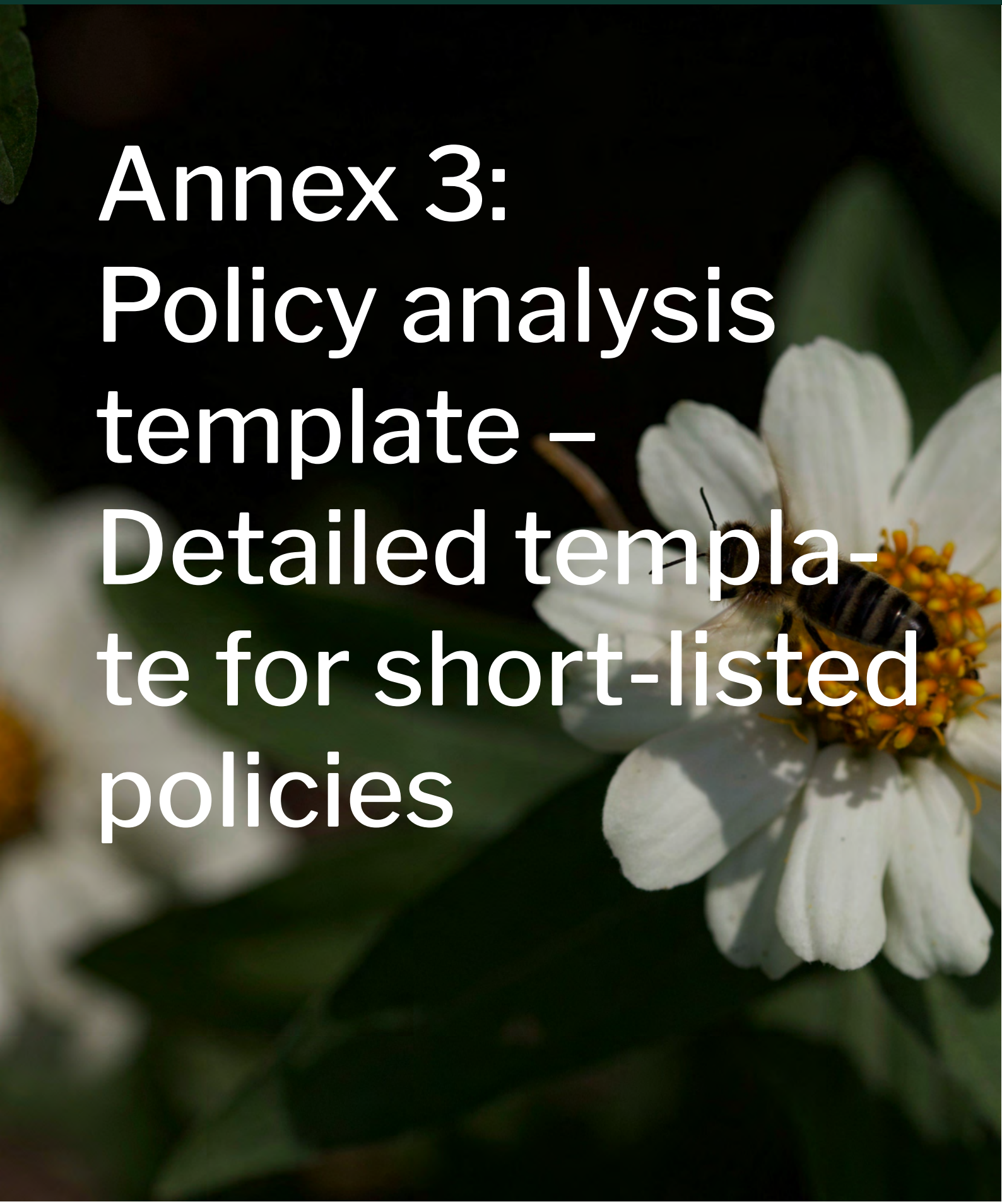
The blue economy directly employs 4.82 million people and contributes 2.4% to the EU-27 economy, yet 86% of EU marine protected areas still provide only low protection. This brief explores how transitioning to a Nature-Positive Economy requires transforming marine industries from drivers of biodiversity loss to forces for ocean restoration.

Annex 2: Policy analysis template - longlisted policies

Use the fields below to describe each policy/initiative. If you are unsure about any information, just leave it out and make a comment.
Please create a new table for each selected policy. Estimated time: ca. 1 hour per policy. Annex 4 provides an example.

Policy Summary	
Sector	(Overarching, Blue Economy, Forestry…)
Name of policy	
Link to policy (e.g. web address, permalink)	
Adoption/entry into force/ revisions When was the policy adopted and entered into force? Please include revisions, if applicable.	
Administrative body in charge Which authorities primarily deal with the implementation (incl. planning and monitoring) of this policy? Does the body work independently or jointly with other authorities?	
Short summary of policy scope/objective i.e. overall policy aim (not just how it relates to NPE).	
Identification of key positive overlap with NPE i.e. how does policy support NPE transition? Use bullets to describe	
Identification of key negative overlap with NPE (how does this policy hinder NPE transition, i.e. pose barriers?)	
General reflection for inclusion/exclusion to second stage (Should we include/exclude and why?)	

Policy Summary		
Policy prioritisation evaluation	Notes	Score
Is the policy a key document establishing a vision/ roadmap/ direction of travel for the economy/sector? 3: yes, the main document 1: yes, one of a number of key documents 0: no		
Impact: Does the policy provide significant level of funding for the sector? 3: yes, large amounts of funding 1: some funding 0: no funding		
Impact: Does the policy significantly support or oppose the attainment of NPE by promoting positive outcomes in the sector? 3: yes, significantly supports NPE 1: somewhat supports NPE 0: no		
Impact: Does the policy set specific requirements/rules that significantly manage the sector's negative impacts on nature? 3: yes, significant and binding 2: Some impact 1: Little on-the-ground impact 0: no		
Priority score		(total)



Annex 3: Policy analysis template – Detailed templa-te for short-listed policies

Name of policy instrument

Author:

Reviewer:

Overview Section		
Field	Main Content	Comments, reflections, assessment (+/-/0)
Sector		
Name of policy		
Link to policy (e.g. web address, permalink)		
Date of adoption/entry into force/revisions When was the policy adopted and entered into force? Please include revisions, if applicable.		
Timeframe and scale What timeframe does the policy cover? What time scale does the policy target? E.g. current, up to 2030, up to 2050, mix of short and long-term targets, etc		
Administrative body in charge Which authorities primarily deal with the implementation (incl. planning and monitoring) of this policy? Does the body work independently or jointly with other authorities?		
Policy development Identify if the policy will be adapted/adjusted/reviewed or when it is no longer in force (e.g. many EU strategies only are in effect for only some number of years).		
Type of policy e.g. Directive, Regulation, Decisions, Interinstitutional Agreements, Treaty – legally binding instruments. Recommendations, Opinions, Guidelines, Communications, Green papers, White papers, Reports, Working papers (Commission) – non-binding legal instruments.		
FOR FUNDING INSTRUMENTS ONLY: Amount of funds available, timeframe for distribution, conditionality, other relevant details		

Policy objective and relation to NPE		
Field	Main Content	Comments, reflections, assessment (+/-/0)
Overall aims, objectives and targets Including quantitative and quantitative goals; include page number(s); Articles		
Main aspects related to NPE E.g. objectives and how it relates to NPE (use concept note)		

Positive overlap with NPE

In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements

Identification of key positive overlap with NPE		
Field	**Main Content**	**Comments, reflections, assessment (+/-/0)**
Identification of key positive overlap with NPE i.e. how does policy support NPE transition? Use bullets to describe Keywords: • nature-positive (economy / transition / transformation) • nature-based (solution) / food systems • nature-based enterprise • circular/sustainable economy • bioeconomy • resource-efficient • nature-friendly • biodiversity net gain • (nature / biodiversity / ecosystem) restoration • sustainable (growth) • regenerative economy • doughnut economics • DNSH principle • net zero		

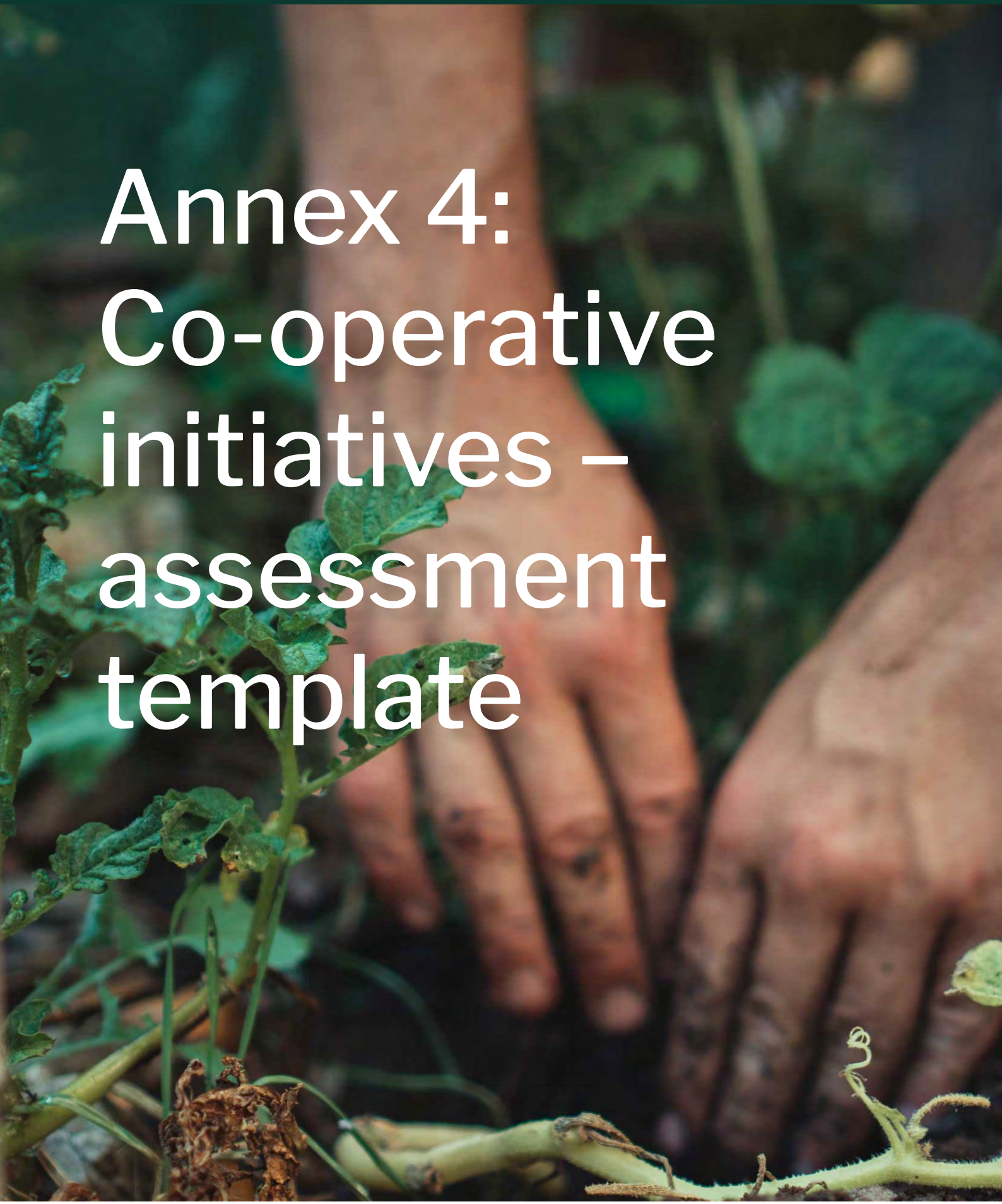
Positive overlap with NPE In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements		
Achieve Do No Significant Harm (DNHS)		
Field	**Main Content**	**Comments, reflections, assessment (+/-/0)**
(i) measures/instruments/ funding/ targets/…. aiming to achieve Do No Significant Harm (DNSH); 'do no significant harm' means not supporting or carrying out economic activities that do significant harm to any environmental objective, where relevant, within the meaning of Article 17 of Regulation (EU) 2020/852. Identify targets, measures/ instruments and funding aiming to decrease negative impacts of the sector/economic activities, support protection of nature and the environment. Does it establish framework/criteria under the principles of "DNSH"? Keywords: (1) Do No Significant Harm (DNSH), (2) Do No Harm (DNH), (3) SEA, (4) EIA, (5)(nature/habitat/biodiversity/ environment/ecosystem/ecosystem services) protection/preservation		

Positive overlap with NPE In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements		
Create Additional nature		
Field	Main Content	Comments, reflections, assessment (+/-/0)
(ii) measures/instruments/ funding/ targets/…. aiming to create additional nature (e.g., restoration, nature-based solutions); Keywords: • nature-based solution / NBS • green (and/or blue) infrastructure • ecosystem-based approach/ adaptation/mitigation • sustainable (ecosystem/water/ • forest/natural resource/etc) management • natural water retention measure(s) • ecological engineering • working with nature • nature-based infrastructure • (nature/habitat/biodiversity/ • environment/ecosystem/ • ecosystem services) restoration/ conservation/ • rehabilitation/remediation		

Positive overlap with NPE In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements		
Increase knowledge		
Field	Main Content	Comments, reflections, assessment (+/-/0)
(iii) measures/instruments/ funding/ targets/…. aiming to increase knowledge of nature impacts, e.g. organisational disclosure of non-financial performance (Groot et al 2024), value chain, monitoring, reporting.		

Positive overlap with NPE In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements		
Support transformative change		
Field	**Main Content**	**Comments, reflections, assessment (+/-/0)**
(iv) support transformative change e.g. supports NPE through: stakeholder engagement / consultation, supporting democratic objectives (especially through novel governance instruments)? Does the policy address outcomes for vulnerable groups, considering for instance gender/diversity (esp. indigenous perspectives, human rights)/ distributional impacts (if missing: negative overlap). Describe how it is achieved/addressed Keywords: • Systemic Change, • Cross-sectoral Scope, • Equity and Inclusivity • Social Justice, • Recognition of Diverse Values and Knowledge Systems, • Indigenous and Local Knowledge, • Fundamental Shifts in Values and Practices, • Broad Stakeholder Engagement, • Inclusive Participation, • Innovative Policy Tools and Adaptive Mechanisms, • Social and Well-being Metrics, • Long-term vision and ambition • Restructuring and path-shifting changes, • Persistent nature • Human rights		

Positive overlap with NPE In this section, identify and describe key measures, instruments, funding, targets that are aligned with transition to NPE. These are categorised under the following heading. One bullet per identified measure. Be concrete – describe the measures, identify alignment with NPE, and include quantitative info (e.g. € funding, targeted ha etc). Combine related measures… e.g. if the policy has many relevant targets combine these in one bullet. Identify binding or non-binding nature of elements		
Negative overlap with NPE		
Field	**Main Content**	**Comments, reflections, assessment (+/-/0)**
Identification of key negative overlap with NPE (how does this policy hinder NPE transition, i.e. pose barriers?)		
Nature-harmful funding/subsidies (for particular measures/activities on sectors) Potential trade-offs/conflicts (e.g. hydro-dams, mining for lithium to produce batteries/electric cars, land-use change, grey infrastructure development)		
Evaluation		
Overall reflections Short summary		
Nature of Instrument Level of support	To fill in a separate spreadsheet:	
Sources list sources in the order used in the text (also provide in-text numbers for sources, e.g., (1), (2)…)		



Annex 4: Co-operative initiatives – assessment template

Instructions: Use the fields below to describe each initiative. If you are unsure about any information, just leave it out and make a comment.

Initiative: Private (i.e. non-policy - can include private industry, NGOs, public-private coordination), collaborative (i.e. involving multiple actors) approaches. We do not consider individual actors or individual projects, but focus on voluntary approaches that aim to coordinate individual actors to act in particular ways or otherwise promote the NPE transition.

Please create a new page for each selected initiative.

Initiative Name	
Sector	(Overarching, Blue Economy, Forestry…) Multiple sectors possible Where there are specific sectoral actions, identify these here (e.g. UNEP FI has specific blue-economy finance work).
Link to initiative (e.g. web address)	
Timing Date launched, duration/timeline, and is the initiative "live" (i.e. ongoing, updated)	
Governance: describe governing body (e.g. administrative institution or informal network)	
Short summary of initiative scope/objective i.e. overall initiative aim (not just how it relates to NPE).	
Identification of key positive overlap with NPE i.e. how does initiative support NPE transition? Use bullets to describe. -Identify key rules/requirements/ measures/funding if appropriate. -Does the initiative state that it engages stakeholders and/or indigenous groups.	

Initiative Name		
Signatories Measure of scope/reach of initiative	Signatories/ members Describe companies, actors that are involved: what type(s) (NGO, private industry, other),	Type: NGO, private industry, supranational
	Signatories: number	
	Signatories: qualitative discussion of importance based on e.g. market cap, financial contributions (if available) (include this evidence in cell)	
	Signatories: examples of major actors	
Actions: what actions are taken by the private initiative, aligned with NPE? (related to each heading in cell)		Information/knowledge: Does the initiative aim to have impact by increasing information/knowledge/capacities.. If significantly yes, describe. Business operation: Does the initiative aim to impact business operation (e.g. by setting standards, rules)? If significantly yes, describe. Policy or broader system influence: Does the initiative aim to have impact on policy? If significantly yes, describe. Other: What other impact does the initiative have/ aim for, and how impactful is it? If significantly yes, describe

Initiative Name	
Outputs: What actions are implemented by the signatories to the initiative? (Also - if any evidence on outcomes, e.g. on nature, list these with references here)	Information/knowledge: What actions do signatories take related to increasing information/knowledge as a result of the initiative, and how impactful are these? If any significant actions, describe. Business operation: What actions do signatories take related to their own business operations (e.g. by setting standards, rules) as a result of the initiative, and how impactful are these? If any significant actions, describe. Policy: What actions do signatories take related to policy as a result of the initiative, and how impactful are these? If any significant actions, describe. Other: What other actions do signatories take as a result of the initiative and how impactful is it? If any significant actions, describe.
Accountability: How does the initiative assess whether commitments are fulfilled?	
Overall impact discussion: INTERNAL Notes How impactful is this initiative? Expert judgment, justified by description of impact sections above, and quantitative data in signatories section.	

Annex 5: Gantt chart window of opportunities

The Gantt chart presents potential windows of opportunity between 2025 and 2026 to inform the transition to a nature-positive economy within the EU policy landscape. The timeline is based on the Competitiveness Compass and highlights options for integration of nature-positive principles. The chart is intended to support forward-looking planning by identifying when targeted policy alignment or stakeholder engagement may have the highest potential impact. While the chart is not exhaustive, it focuses on key EU-level processes most relevant to the GoNaturePositive! objectives and the broader NPE transition. Readers are encouraged to view this timeline as a dynamic strategic framework that can be adapted as new developments emerge, particularly given the evolving political and economic landscape in Europe.

Name	Pillar	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
AI Factories Initiative	Pillar 1: Closing innovation gap								
Clean Industrial Deal and Affordable Energy Action Plan	Pillar 2: Decarbonisation and competitiveness								
Strategic dialogue on the future of the European automotive industry and Industrial Action Plan									
Vision for Agriculture and Food									
White Paper on the Future of European Defence Preparedness	Pillar 3: Reducing excessive dependencies and increasing security								
Preparedness Union Strategy									
Internal Security Strategy									
Omnibus Simplification and Definition of Small Mid-Caps	Enablers								
Savings and Investments Union									
Start-up and Scale-Up Strategy	Pillar 1: Closing innovation gap								
Life Sciences Strategy									
Space Act									
New State Aid Framework	Pillar 2: Decarbonisation and competitiveness								
Oceans Pact									

Name	Pillar	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Water Resilience Strategy	Pillar 3: Reducing excessive dependencies and increasing security								
Single Market Strategy	Enablers								
Joint purchasing platform for Critical Raw Minerals	Pillar 3: Reducing excessive dependencies and increasing security								
Apply AI, AI in Science, and Data Union Strategies	Pillar 1: Closing innovation gap								
Sustainable Transport Investment Plan	Pillar 2: Decarbonisation and competitiveness								
Digital Networks Act	Pillar1: Closing innovation gap								

Name	Pillar	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Electrification Action Plan and European Grids Package	Pillar 2: Decarbonisation and competitiveness								
European Biotech Act and Bioeconomy Strategy (2025-2026)	Pillar 1: Closing innovation gap								
European Research Area Act									
Advanced Materials Act									
Circular Economy Act	Pillar 2: Decarbonisation and competitiveness								
Revision of Public Procurement Directives	Pillar 3: Reducing excessive dependencies and increasing security								
European Climate Adaptation Plan									
Revision of the Standardisation Regulation	Enablers								

Name	Pillar	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Steal and Metals Action Plan	Pillar 2: Decarbonisation and competitiveness								
European Port Strategy and Industrial Maritime Strategy									
High Speed Rail Plan									
Carbon Border Adjustment Mechanism Review									
Amendment of the Climate Law									
Industrial Decarbonisation Accelerator Act									
Chemicals industry package									
Trans-Mediterranean Energy and Clean Tech Cooperation initiative	Pillar 3: Reducing excessive dependencies and increasing security								
European Business Wallet	Enablers								
MFF, incl. Competitiveness Fund and a Competitiveness Coordination Tool									
28th Regime Initiative	Pillar 1: Closing innovation gap								
EU Cloud and AI Development Act									
European Innovation Act									

GoNaturePositive!

Funded by
the European Union

Deliverable 1.3:
Mapping policy and co-operative initiatives landscapes for systemic change towards a nature-positive economy

For more resources, please visit
www.gonaturepositive.eu