



Habitat connectivity: good for the environment and good for business


 POLICY INSIGHTS

Habitat connectivity helps sustain biodiversity in rural Europe and can also bring about economic benefits. This Policy Insight aims to help raise awareness about funding available through the Common Agricultural Policy (CAP) for landscape features, which facilitate better habitat connectivity and thereby environmental benefits which can also be economically advantageous.

A healthy environment and biodiversity can be **positive for jobs**, but employment and services can be adversely affected by **biodiversity loss**, which continues to represent a serious threat for all EU countries. Germany alone has suffered a **75% decline** over 27 years in the total population of flying insects in protected areas. This creates negative knock-on effects for flora and fauna, in addition to forestry, farming, and other businesses that depend directly or indirectly on a rich biodiverse landscape. **Habitat damage, loss, and fragmentation** are among significant sources of the problem.

Agricultural and forestry habitats have experienced biodiversity losses due to both the intensification and land abandonment. However, those habitats remain home to a large proportion of our wildlife species. The CAP recognises the importance of sustainable land use practices for habitats to support the goals of the **EU Biodiversity Strategy** and those of the **Birds** and **Habitats Directives**. The Proposal for a new **Nature Restoration law** includes policy aims to further restore degraded ecosystems.

The new CAP has aimed to enhance environmental ambition while allowing flexibility of the CAP Strategic Plans (CSPs) under the policy's **Green Architecture**, which provides for an integrated approach toward mandatory conditionality measures that direct payment recipients must abide by and voluntary eco-schemes and agri-environment and climate measures. Different actions taken up under these interventions help to ensure that wildlife habitats

can continue to thrive, and help improve the economic resilience of rural businesses.

Some of the specific CAP components being used to target biodiversity protection and habitat connectivity comprise: the requirement to protect a minimum share of landscape features under conditionality (**GAEC 8**); an updated **eligible hectare** definition allowing a certain proportion of landscape features and natural habitats to count within the agricultural area; and funding opportunities from rewarding farmers for their actions under **eco-schemes** and environment-climate commitments to compensatory payments for restrictions stemming from the EU Nature Directives and the Water Framework Directive and support for non-productive green investments.

A range of ecosystem services may be supported through maintaining, restoring, and creating new landscape features, such as the provision of food, fuel, and fibre, climate regulation and carbon sequestration, disease and pest control, soil formation and fertility, flood protection, nutrient and water cycling, among others.



Enhancing habitat connectivity through CSP support for landscape features and non-productive areas can also achieve also other environmental benefits. For instance, planting new vegetation (hedges, trees, etc.) may not only enhance habitats for **pollinators** and **birds** but also provide habitat 'stepping stones', creating or reinstating wildlife corridors to connect different habitats that have become fragmented. The subsequent increase of vegetation may increase **carbon stocks**, help reduce water run-off from fields, and improve farms' resilience to climate change by providing wind breaks and shelter for livestock.



While environmental outcomes from habitat connectivity may be relatively well known among policy makers, a better understanding by land managers can help optimise the implementation of the CSPs and result in positive environmental outcomes. Wider awareness of the business benefits for rural enterprises that can flow from improving habitat connectivity should help to increase the uptake of these activities and thereby the environmental advantages.

Business benefits

Economic benefits also result from improving habitat connectivity. The resilience of many rural businesses often relies on habitat functionality and biodiversity loss can lead to scarcity of resources, disruptions in value chains, and operational cost increases.

Long-term food security is dependent on a healthy, biodiverse environment. Agri-food businesses need genetic diversity, species and the habitats that support them to provide critical ecosystem services, as vital inputs for production. These include safeguarding soil, water, and air quality, while managing waste streams and protecting against potential hazards via different and connected habitat features.

Habitats are often not restricted to particular land parcels, and they can spread across whole landscapes which may be owned or managed by multiple individuals. Hence, **cooperation** between businesses which have an impact on them through varying management practices may be supported through a variety of CAP partnership arrangements, like landscape scale approaches funded under the CSPs' cooperation intervention or via environment and climate commitments.

Reliable, fully functional habitats are business assets in many ways. Investing in habitat functionality (by connecting a landscape of **green infrastructure** features) reduces risks and also offers farmers and foresters new business opportunities, e.g. access to markets desiring biodiversity-friendly products or services or tourism opportunities.

Keeping habitats well-connected protects green credentials and can boost company reputations, cultivating popular and productive relationships and engagement with consumers, clients, local communities, and decision-makers. Alternatively, businesses that become poorly perceived for biodiversity protection risk losing market share if consumers and political priorities favour environmentally-friendly production and use their purchasing power to reinforce their preferences.

Upscaling habitat connectivity

Farm advisors are a useful outreach channel for raising awareness and building capacity about the business and environmental case for habitat connectivity. Developing and sharing knowledge and innovations in this field will also continue to be beneficial through the **EU CAP Network** and the **National CAP Networks**.

