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Nature Restoration Regulation: Local Implementation Is Not Possible Without a Fundamental Revision

Position of the Local Authorities of Bavaria and Baden-Württemberg

Our local authorities – municipalities, cities, counties, and districts - are, day in and day out, the first point of contact for their citizens. They are the foundation of the democratic state as well as the bearers of local self-government and are therefore also a barometer of the functioning of the state and its procedures. For this reason, local authorities need framework conditions that enable them to effectively exercise their constitutionally guaranteed right to local self-government.

The associations of local authorities of Bavaria and Baden-Württemberg[1] are firmly committed to environmental and climate protection and support the goal of protecting biodiversity and strengthening ecosystems in the long term. Protecting natural resources is a core task of sustainable policy and is already being pursued by municipalities in many ways. However, Regulation (EU) 2024/1991 on nature restoration (the Nature Restoration Regulation, NRR) has significant structural, legal and practical shortcomings in its current form. Without a fundamental revision, the Regulation threatens not only to create major enforcement problems in local practice, but also to severely undermine key European policy objectives, particularly in housing construction and the transformation of the economy. The Commission's proposals so far, under the Environmental Omnibus, are largely limited to procedural simplifications, support measures and the reduction of individual reporting obligations. This does not do justice to the Regulation's structural problems. By September 2026, member states will submit the first drafts of their national restoration plans. The European level is called upon to create realistic financial and organisational conditions for the successful implementation of these action plans. This includes a targeted, practicable implementation of the NRR. What is needed for this is a fundamental revision of the Regulation in the spirit of a "local omnibus," with comprehensive involvement of the local level as the central level of implementation. As things currently stand, the Regulation is not implementable for many municipalities and should therefore be temporarily suspended until it is amended. Our demands at a glance:

[1] Bayerischer Gemeindetag, Bayerischer Städtetag, Bayerischer Landkreistag, Bayerischer Bezirketag; Gemeindetag Baden-Württemberg, Städtetag Baden-Württemberg, Landkreistag Baden-Württemberg

1. Ensure reliable and adequate financing

Implementing the NRR will incur significant costs. For the implementation of Article 8 alone, the draft national restoration plan already estimates an annual funding gap of €2.15 billion for Germany over the period from August 2024 to June 2032. Moreover, a dedicated European financing instrument is still lacking. The Commission's financing report, already announced for 19 August 2025, has still not been published and must be presented without delay. Although member states are already drawing up their national restoration plans and formulating initial – and likely, in future, more far-reaching – requirements for later implementation, the funding options named so far remain vague and will, as things stand, fall well short of what is needed. One thing is certain: without viable financing, the Regulation's objectives risk failing in light of the severe financial crisis facing local budgets. We therefore call, alongside a fundamental substantive revision, for reliable and adequate coverage of the annual financial requirement by the European Union under the next Multiannual Financial Framework for 2028 to 2034.

2. Significantly reduce the administrative burden

The monitoring, mapping and reporting obligations set out in the Regulation will create additional workload at every level of administration. In particular, the full mapping and assessment of all habitat types and habitats will tie up personnel and financial resources that are so far neither funded nor organisationally secured.

We therefore call for the Regulation to be adjusted, for a focus on existing, practicable and proportionate monitoring instruments, and for the avoidance of additional administrative structures. Against this background, we suggest that the European level should refrain from overly detailed, granular requirements, so as not to place further strain on already heavily burdened state structures.

3. Recognise and safeguard housing supply needs (Article 8)

Article 8 in particular is in significant conflict with the housing, structural and economic policy objectives of the EU and Germany. It is becoming clear that a large number of local authorities in Bavaria, Baden-Württemberg and across Germany will be directly affected by the NRR's requirements. According to data from the Federal Agency for Nature Conservation (BfN), around 3,000 cities and municipalities nationwide fall under Article 8. Of these, 586 are located in Baden-Württemberg, representing around 53.2% of the state's 1,101 cities and municipalities in total. In Bavaria, currently just over 560 of 2,056 cities and municipalities are affected. Around 75% of these local authorities have a tight housing market. The planned net-zero target for urban green spaces by 2030, together with the obligation to improve on that level from 2031 onward, will significantly hamper both inner development and the designation of new building land. This risks a further shortage of building land, rising construction costs, and constraints on local planning authorities. There is even a risk of increased use of previously undeveloped land outside urban ecosystems. It is therefore urgently necessary that this situation be given appropriate weight in the upcoming review of the national restoration plans. Beyond this, we call for a fundamental revision of the Regulation that explicitly recognises the need for a holistic approach to achieving housing supply policy objectives. The affected cities and municipalities must not be held responsible for an inadequately designed Article 8. The goal must be a solution that explicitly takes into account the current situation on the housing markets as well as the necessary scope for action within the framework of local planning authority.

4. Qualitative rather than quantitative assessment: recognise existing national rules and local tools

Local land-use planning has for decades been guided by the principles of sustainable urban development and thereby makes a significant contribution to nature and climate protection. With the existing impact-mitigation and compensation rules under the Federal Building Code and the Federal Nature Conservation Act, as well as established eco-account models, effective, practice-tested tools already exist. The strongly area-based accounting approach of Article 8 conflicts with the successful strategy of developing high-quality, and therefore sustainable, urban nature despite steadily rising development pressure. Article 8 has created an incoherent parallel structure that fails to do justice to the challenges of nature conservation and climate change in areas under high development pressure. The development of particular green-space qualities – in particular, qualitative improvements to existing green spaces – must also be capable of recognition. The Federal Building Code, for example, allows qualitative improvements to be taken into account favourably when compensating for the loss of green space in area terms, in the spirit of the impact-mitigation and compensation rule applicable in land-use planning (Section 1a(3) of the Federal Building Code). We call for this approach to be applied analogously in defining a satisfactory level for urban ecosystems, and, where needed, also as part of a fundamental revision of Article 8. This would also enable the recognition of vertical green spaces, which are not captured by the planned area mapping via Copernicus.

5. Ensure realistic area boundaries and local control

The delineation of urban ecosystem areas currently intended relies on the DEGURBA classification – a purely statistical method based on 1 km² grid cells and population density. This leads in some cases to factually questionable and hard-to-explain boundaries. Rural municipalities are in some cases classified as smaller towns and thus fall under Article 8's requirements, while directly neighbouring municipalities with a similar structure do not. The rigid grid logic cuts arbitrarily through settlement areas and also captures contiguous rural areas. Functional settlement areas are in some cases inadequately reflected. As a result, for example, 586 municipalities – 53.2% of all 1,101 towns and municipalities in Baden-Württemberg – fall under the NRR. We therefore call for the area boundaries to be adjusted so that they actually capture only densely built-up settlement areas, and not rural areas without an elevated need for action.

In addition, the requirement under Article 8 to offset green-space losses only within urban ecosystems makes it more difficult to pursue consistent inner development of settlement areas. In numerous affected local authorities, suitable inner-city sites for de-sealing and upgrading measures are only available to a limited extent. At the same time, towns and municipalities under significant settlement and inner-development pressure have all the more need for corresponding green-space development adjacent to the ecosystem area in order to provide relief. The NRR does allow for an inter-local offsetting mechanism at national level. However, this national-level approach does not necessarily contribute to improving green infrastructure where relief is most needed. In implementing Article 8, ways must therefore be found to allow green-space losses associated with infill development to be offset locally, adjacent to designated urban ecosystem areas. Should this not prove possible, Article 8 must be revised accordingly in this respect as well.

6. Create practicable rules for forest ecosystems

The provisions on forest ecosystems in Articles 12 and 13 also require a fundamental revision. Forest ecosystems grow over decades and are, over that time, subject to significant external influences such as climate change, extreme weather events or pest infestation. The NRR's system of short-term, in some respects static, targets does not do justice to these specific conditions. The non-deterioration principle means that necessary preventive measures to adapt to climate change – such as changes to tree species – are made significantly more difficult, as they can conflict with the non-deterioration requirement. A general exemption from the non-deterioration principle for active climate change adaptation measures should therefore be included in Article 4. We also reject any compliance assessment of individual forestry or hunting activities that might be required to satisfy the non-deterioration principle.

Regardless of this, Germany already has high, internationally recognised standards of sustainable forestry. The existence of such statutorily anchored sustainability principles at member-state level should be sufficient to imply compliance with the NRR. This could be rounded out by a spot-check evaluation of the forest management plans that already have to be drawn up, which record the current state through forest inventories and, building on that, set sustainable target conditions for the long-term stabilisation and further development of forests. Additional requirements placing regulatory obligations on local forest owners to implement such measures are therefore not necessary.

7. Make the rules on water bodies and peatlands more flexible, and adjust deadlines to be realistic

The obligations established in the NRR for EU member states to restore degraded ecosystems relating to water bodies (Annex I under Article 4, and Article 9) and to rewet peatlands (Article 11(4)) have not been designed with enough flexibility to consistently address the dynamics of climate change over a longer period. Achieving the Regulation's objectives by the first deadline in 2030 is not realistic. Particularly with regard to a first deadline, local authorities need significantly more time (until around 2045), as well as guaranteed adequate financing for measures and administrative workload, in order to establish the necessary procedures. The NRR must be adjusted accordingly to create the flexibility needed for realistic yet ambitious goal achievement. It is also essential for success that the NRR clearly stipulates in future that existing systems under other EU regulations – for example the Water Framework Directive or the Habitats Directive – are to be used, in order to avoid dual structures.

For further information, please contact the European offices of the local authorities of Bavaria and Baden-Württemberg.