

**IMPLEMENTING NATURA 2000 IN
THE CZECH REPUBLIC**

**THEMATIC REPORT TWO:
FINANCING NATURA 2000**

December 2004

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Introduction

Production of five thematic reports

Within the Phare project 'Implementation of Natura 2000 in the Czech Republic', a series of five reports has been produced covering five main themes, as follows:

- mistakes and problems in Natura 2000 management;
- national sources of Natura 2000 financing;
- conservation management approaches;
- capacity building; and
- transposition and implementation of site management provisions.

The aim of the thematic reports is to identify and make available, concrete, up to date and accessible information on how the 15 'old' EU Member States have approached Natura 2000, including both good and bad practice and lessons learned in the process. In order to do so, the five reports focus on practice in a number of selected sites as follows: the Causses du Quercy in France, the Rhön in Germany, Aldude in Navarra Spain and the New Forest in the UK. The site-based analysis is also placed within the broader context of regional/national experiences and approaches.

In order to produce the five thematic reports, a series of country-based reports was produced, each covering the five themes. These reports were produced by ACER (France), IDRiSi (Spain) and IEEP (Germany and UK) with additional support and advice from Ecosystems LTD. Apart from being used as the basis for the five thematic reports, these country studies were used as key reference documents for the participants in three Study Tours organised as part of the project during September and October 2004.

Focus of this report

This report identifies sources of national funding for Natura 2000 in the Member States. It discusses how the States access EU funds (eg Structural and Cohesion Funds, and rural development funds) and how they distribute funds internally. The limits of EU funds to support Natura 2000 site management are assessed, and the applicability of individual funds at specific sites reviewed. Detail is given on the application and distribution of funds, including information on budgets and conditions for use. This report builds on preparatory work undertaken by the European Commission's Working Group on Financing Natura 2000.

EU level financing of Natura 2000

Broad types of costs associated with Natura 2000

A wide range of potential measures and activities has been identified as being necessary for the designation and management of Natura 2000 sites, and funding may be required for these (see Table 1). These relate to the pre-designation phase, as well as the phase following identification and designation of sites. Activities that require funding can be one-off 'investment'-type actions, eg land acquisition or the restoration of damaged habitats or features, or they may involve actions over extended periods, eg continuing management of vegetation and other features, and site or species monitoring. Activities can be directly related to on-the-ground action, or may be site administration and educational or awareness-raising activities, to ensure sites and their special qualities are protected from a local and broader perspective. Actual needs will clearly vary from site to site.

Table 1: List of activities needed for establishment of the Natura 2000 network

Categorisation	Types of Activities
Finalisation of the Natura 2000 list of sites – Establishment of the Natura 2000 network	<ul style="list-style-type: none"> • Administration of selection process • Scientific studies/inventories for the identification of sites – surveys, inventories, mapping, condition assessment • Preparation of information and publicity material
Management planning, administration and maintenance of network related infrastructure	<ul style="list-style-type: none"> • Preparation of management plans, strategies and schemes • Establishment of management bodies • Consultation – public meetings, liaison with landowners • Review of management plans, strategies and schemes • Running costs of management bodies (maintenance of buildings and equipment) • Maintenance of facilities for public access to and use of the sites, interpretation works, observatories and kiosks etc • Statutory staff (conservation/project officers, wardens/rangers, workers)
Ongoing habitat management and monitoring	<ul style="list-style-type: none"> • Conservation management measures – eg maintenance of habitat or species in favourable conservation status, improvement of habitat or species' conservation status • Implementation of management schemes and agreements with owners and managers of land or water for following certain prescriptions (like allowing for hedgerows, creating riparian belts, applying special silvicultural treatments to old growth forests, prevention of clear-felling, etc) • Provision of services; compensation for rights foregone and loss of income; developing acceptability 'liaison' with neighbours • Monitoring and surveying • Risk management (fire prevention and control, flooding, etc) • Surveillance of sites • Provision of information and publicity material • Training and education • Facilities to encourage visitor use and appreciation of Natura 2000 sites
Investment costs	<ul style="list-style-type: none"> • Land purchase, including compensation for development rights • Infrastructure needed for the restoration of habitat or species • Infrastructure for public access, interpretation works, observatories and kiosks, etc

In addition to the costs of actively introducing and managing Natura 2000, establishing the Natura 2000 network has given rise to indirect costs for various groups. These have arisen where development rights and land use practices have been restricted, or changes to land use practices are required to bring them into line with conservation objectives. For example, Natura 2000 designations may result in restrictions on farming practices and have been identified as posing problems for the transport, construction, mining and forestry sectors. To manage these costs, Member States may purchase land or land use rights (eg mining and/or extraction rights), to pay compensation for lost income (foresters or farmers).

Estimating the costs of Natura 2000 – Article 8 Working Group

The issue of financing Natura 2000 is specifically addressed in Article 8 the habitats Directive and was the subject of a European Commission Working Group. The Group examined the various activities associated with effective Natura 2000 implementation and estimated the funding needs for these activities over a ten year period. The work of the Group related to the EU-15, but the cost estimates have since been adjusted to include the 10 new Member States.

The cost estimates were based on a literature review as well as estimates provided by the Member States based on a questionnaire. The questionnaire particularly focused on the costs associated with site management, ie post-site selection. However, the quality of the Member States responses was variable. In view of concerns about the reliability and comparability of the estimates, a new questionnaire was sent to both Member States and (then) Accession Countries in June 2003. Of the ten new Member States, eight submitted questionnaires. Analysis of this new information, including adjustments for the countries that did not reply, led to a cost estimate of €6.1 billion per year for implementation of Natura 2000 in the EU-25.

Cost benefit study of implementing Natura 2000 management actions at one site in Navarra	
<p>The government of Navarra wanted to test whether implementing management plans in Natura 2000 would have a net cost. It carried out a study on one site called Penacil, Montecillo y Monterrey which covers 2922 ha. It is the southern most gypsum area in Navarra and 50% is used for agriculture, mainly for cereals, generating 4% of the total agricultural of the municipality in which it is located (actual area covers 34% of the municipality's surface). This SCI is located in extremely marginal agricultural land.</p> <p>The management plan designed by the Navarra management authority introduced measures to restrict use and change land use. The cost of implementing the plan was then calculated taking into account a) the decrease in market value of production lost and b) the additional production costs associated with the new practices. It revealed the following.</p>	
Measure	Cost first year €*
• non harvest periphery area of 3m in 50% of all cereal surface in 80% of all farms	23,572
• implement permanent set-aside in areas with more than 10% brae	6219
• limit area in which gypsum extraction is permitted	1,490,000
• hay left unharvested in 80% of the fields	-
• 5% of the surface in 80% of the all parcels changed from cereals to legumes	15,679

• Organic farming practices in all farms	22,990
• Change in pesticide and seed use to AAA/AAB products in 80% of all fields	-
• Change in fallow land management system (no spring tillage)	99,767
• Limit livestock pasture in areas of high erosion	-
• Establish alternative extraction route from quarry to production plant	91,518
COST PER ANNUM	1.658.229
• OVER 6 YEARS	4,037,173

*NB subsidies have been EXCLUDED from the above calculations

This equates to an annual cost per ha of €230. Extrapolated as an average management cost for all Natura 2000 sites in Navarra, the global cost for the network (104,000ha) would be €25 million per year.

The study went on to consider four main benefit categories associated with Natura 2000.

Benefit	annual rent value
1) recreational use	0€
2) landscape	8354€
3) carbon sequestration	405€
4) existence value.	40325€
TOTAL	49084€
Over 6 years	249,139€

Subsidies for management within Natura 2000 are not taken into account.

The study concluded that the management plan for this site will result in a net cost to society but advocates caution in extrapolating results as the context in which the area is located has a big influence on costs. Here for instance costs would be significantly lower were there not the compensation to the Gypsum factory to bear in mind. Also the benefit associated with recreational use is particularly low at this site. Nevertheless it does provide one example of how a cost/benefit analysis was undertaken in Navarra.

Types of activities potentially benefiting from EU funding

Under current arrangements, EU co-financing is available for a range of activities, as follows.

Establishment costs: some degree of support has been given to this broad category of costs by way of specific Community instruments such as LIFE-Nature and the Structural Funds. For the EU-15, given that the process of selection of sites is now essentially finalised and many aspects of establishment are now complete, there is arguably no substantive need for any ongoing financing in this area. Support for the preparation of management plans will continue, but such costs can reasonably be classified as an element of ongoing management.

Administration and maintenance costs - as a general rule, existing Community funding instruments do not finance long-term administration or maintenance support for infrastructure supported by Community funds. It is quite clear that these costs will continue to be ineligible for Community co-financing. The only current exception to this relates to ongoing management costs, which fall under the scope of rural development provisions where annual payments can be made to farmers, forest and land owners and rural operators/contractors for specific identified management works

on their land, which have an environment related objective. These payments are made through agri-environment schemes and similar measures,

Investment and infrastructure development costs: this category of costs includes a range of capital investments that can be required on Natura 2000 sites, including funding land acquisition where management of particularly sensitive sites is best organised by bringing them directly into dedicated conservation management. Major restoration programmes or the establishment of risk prevention schemes can also be seen as capital investments. The provision of visitor facilities to resolve existing visitor impact issues, or to provide for new access represents significant capital costs, but they are frequently essential to promote wider economic benefits.

Compensation costs: this is the most controversial areas of costs. It relates to compensation for costs incurred as a result of restrictions on land use practices at Natura 2000 sites (eg restrictions on mining, housing or tourism development), and land value decreases or profits foregone as a result of designation and/or management requirements of Natura 2000 sites. EU compensation will generally only be justified for refusal of specific development proposals, where development consents existed prior to the designation process. Some cases are known to exist in Member States, eg where mineral extraction permits existed and are still valid for sites of high natural value that have subsequently have been identified as Natura 2000 sites. Compensation is currently already offered through the EU's agricultural budget, for farming in less favoured areas and for lost income resulting from the continuation of certain farming practices. However, payments are increasingly linked to the provision of positive management services in addition to compensation for lost profits.

Overview of EU funding instruments

As section 2 suggests, there are a number of EU funding sources already accessible for Natura 2000 purposes, in particular relating to the EU's agricultural fund, the Structural Funds and LIFE. The Member States have used existing opportunities in different ways. Some funds are not available to all Member States or regions. Member States have the flexibility to propose programmes that reflect their specific strategic approaches and development priorities. Financing Natura 2000 has therefore been an option, but not an obligation. In addition, each of the main funds and initiatives includes constraints on eligibility.

European Agricultural Guidance and Guarantee Fund (EAGGF)

Through the Rural Development Regulation 1257/99 (RDR), the EAGGF offers support for environmental friendly farming (Articles 22–24), for farming in areas under environmental restrictions (Article 16) and for forestry practices in rural areas all over the EU territory. These measures apply in Natura 2000 areas, and following the 2003 Common Agricultural Policy (CAP) reform, Article 16 applies *only* in Natura 2000 areas. All Member States provide some support for farmers within Natura 2000 sites, to a greater or lesser extent. Of the average €7 billion annual budget of the EAGGF, around €4.5 billion per year has been allocated to rural development measures.

Provisions of the Rural Development Regulation (1257/99)

The provisions of the Rural Development Regulation allow for support for the following activities, which can impact positively on Natura 2000 sites:

Article 9: Training for farmers and other rural operators in land conservation practices and environmental management.

Article 16: Compensation to farmers farming in areas faced with environmental restrictions. Following the 2003 CAP Reform, this article focuses exclusively on the provision of support to Natura 2000 sites (sites designated under the habitats and birds Directives).

Articles 22-24: Agri-environmental measures aiming to promote environment friendly farming methods and providing compensation to farmers for income foregone, along with incentives (for Natura 2000 some Member States have applied 10 per cent incentive for farming within Natura 2000 sites).

Articles 29, 30 and 32: Investments, payments to forest owners and other forestry activities, that allow for afforestation, for maintaining and improving the ecological stability of forests and for improving their ecological and social values and for risk prevention in forested areas, etc. From 2005, this can include State owned forests.

Article 33: Support for integrated rural development projects (measure for "protection of the environment" activities).

The rural development 'pillar' of the CAP has been used by all Member States, mostly for agri-environmental management payments to farmers, where this is relevant. Some Member States have also used rural development funds for forests, areas with environmental restrictions and to provide training to support Natura 2000 management actions at sites.

EU rural development funding for forests

Forests are a recognised reservoir of biodiversity in the EU, and there is some central funding available to manage them for conservation outcomes. An interpretation guide for Natura 2000 and forests is available at

http://europa.eu.int/comm/environment/nature/nature_conservation/useful_info/documents_publications/index_en.htm. A table from this publication that sets out possible EU funding for forest-related projects is set out below.

Encouraging sustainable forestry is part of EU rural development policy. Since the 2003 CAP Review, support for forestry on public land is available under the RDR^{1,2}, but only where the actions are for investment in forests aimed at significantly improving their ecological or social value or restoring forestry production potential damaged by natural disasters and fire and introducing appropriate prevention instruments.

The Structural and Cohesion Funds

The EU's Structural Funds include the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The present rules of the Structural Funds (period 2000-2006) clearly focus on investment and capital expenditure to promote socio-economic cohesion. Support is restricted in terms of area eligible and types of support available.

Although the Structural Funds Regulations do not place restrictions on potential beneficiaries, a significant proportion of the available funds go to one-off investment activities and infrastructure projects, while ongoing management costs such as staff payments are not eligible for support. The implementing rules of the Funds do not include any obligatory allocation of financial resources to Natura 2000 areas.

Two of the EU Structural Funds

European Regional Development Fund (ERDF) - offers the possibility for co-financing investments in the framework of environment programmes, measures and schemes for nature conservation as long as they contribute to overall economic development of the region. ERDF has been used by a large number of Member States, especially for funding site plans and other preparation and studies. In a smaller number of sites, ERDF has been used funding and facilitating infrastructure for the interpretation/public enjoyment of sites.

European Social Fund (ESF) - offers the possibility for co-financing of actions such as training, promotion of employment opportunities, etc.

The Structural Funds are also used to support smaller Community Initiatives. *LEADER+* allows for the implementation of integrated rural development programmes in selected areas. It has an annual budget of €2.020 million euro from the EAGGF. *LEADER+* seeks to encourage the implementation of integrated, high-quality, original strategies for sustainable development. Its objectives include enhancing '*the natural and cultural heritage*', so nature conservation projects are eligible. *LEADER+* has been used by Member States to support survey work, management planning, management actions and the promotion of Natura 2000 sites.

¹ (EC) No 1257/1999, Article 29(3)

² (EC) No 1783/2003

INTERREG III allows for trans-boundary co-operation between Member States, as well as between Member States and non-EU countries. It has been used for enhanced management of trans-boundary sites shared between Member States as well as sites shared with non-EU countries. *INTERREG III* has a budget of €4,875 million per annum from the ERDF for the period 2000-2006. It has proved to be an important source of funds for trans-boundary projects in Natura 2000 sites although the 2006 time limit is somewhat restrictive.

The *Cohesion Fund* has been available only to three EU-15 countries (Spain, Portugal and Greece) and aims to assist these countries to make progress with environmental and transport issues. The Fund provides support to projects rather than programmes. It was used to facilitate some restoration and management projects for Natura 2000 in Ireland (which was eligible for funds until 2003).

LIFE

The LIFE instrument has three components - LIFE-Environment, LIFE-Nature and LIFE-Third countries. Although the resources available for LIFE are rather limited compared to ERDF and EAGGF, the instrument has been used in all Member States to fund projects for a great number of stakeholders. LIFE-Nature provides pump-priming investment activities related to site set-up and can fund experiments in restoration and new management techniques. About 10 per cent of all Natura 2000 sites have been supported by LIFE funds.

The range of actions covered by LIFE-Nature includes the development of national inventories of habitats and species of Community interest, development of management plans or management guidelines for proposed or designated Natura 2000 sites and concrete actions for the management of those sites. The current LIFE fund runs until 2006. Typically LIFE III-Nature conservation projects include most or all of the following actions:

- involvement of different stakeholders concerned with the site(s) or species;
- restoration of degraded sites;
- preparation and execution of site management plans or species actions plans;
- safeguard of existing and restored sites (including purchase and long term leases);
- awareness raising amongst administrations, experts and the general public; and
- scientific monitoring of habitats and species.

The major part of a LIFE III-Nature project *must* comprise concrete actions, such as site restoration or improvement, as well as awareness-raising activities. Site designation is also a condition for LIFE funding. Theoretical research projects with no implementation element are not eligible.

Table 2: Overview of funding instruments of the EU which could potentially be used for Natura 2000 and forestry				
<i>Financing mechanism</i>	<i>Main objects of the funds</i>	<i>Responsible Directorate-General</i>	<i>Budget per year (in 2001)</i>	<i>Possibilities for the funding of sustainable forestry on Natura sites (examples)</i>
LIFE III (2000-04) LIFE Nature and partly LIFE Environment	Promote and support nature conservation, support the establishment of Natura 2000	DG Environment	€0.08 billion	<ul style="list-style-type: none"> • Pilot projects for Natura 2000 • Measures towards ecological forestry • Habitat restoration • Direct conservation measures • Land purchase • Development of management plans • Information campaigns • Stakeholder involvement • Inventory and monitoring of Natura 2000 sites
EAGGF (Guidance section)	Afforestation according to Article 31 of RD Regulation 1257/99	Agriculture DG		<ul style="list-style-type: none"> • Afforestation
Structural funds for Rural Development (Regulation 1257/99, eg Articles 30 and 32)	Improvement of the economic, social and ecological structures of rural areas, especially in the fields of agriculture and forestry	Agriculture DG	€4 495 billion	<ul style="list-style-type: none"> • Training of farmers and foresters • Agro-tourism • Measures towards ecological forestry • Fire-protection corridors • Innovative projects for rural development, eg regional tourism concepts
Community initiative Leader +	Development of rural areas through high quality and ambitious integrated strategies for local rural development	Agriculture DG	€2 020 billion (financed by the EAGGF Guidance Section)	<ul style="list-style-type: none"> • Strategic, innovative concepts for rural development, especially multi-stakeholder and intersectoral concepts • Visitor and information centres
Community initiative Interreg III	Support for transboundary, transnational and interregional cooperation in balancing rural development, especially in areas adjoining accession countries	Regional Policy DG	€4 875 billion (total 2000-2006)	<ul style="list-style-type: none"> • Transboundary projects, eg in the field of nature tourism • Transboundary management for protected areas
European Regional	Creation of jobs by fostering	Regional Policy DG	€30 billion	<ul style="list-style-type: none"> • Diversification of farm income

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Development Fund (ERDF)	competitive and sustainable development			<ul style="list-style-type: none"> • Training and further education of land and forest hosts • Innovative rural development initiatives • Exchange of experience between regions and countries
ESF (European Social Fund)	Creation of jobs through further education	Employment and Social Affairs DG	€60 billion (total 2000-2006)	<ul style="list-style-type: none"> • Training and further education for foresters and nature conservation staff
Cohesion Fund (minimum volume of projects: EUR 10 million)	Strengthening the economic and social cohesion within the Union through projects in the fields of environment and trans-European traffic networks	Regional Policy DG	€ 717 billion	<ul style="list-style-type: none"> • Natura 2000 databases • Reafforestation • Development of management plans • Habitat restoration • Strategic territorial and spatial planning

(Table 2: from *Natura 2000 and forests 'Challenges and opportunities' – Interpretation guide* Luxembourg: Office for Official Publications of the European Communities 2003), available at

http://europa.eu.int/comm/environment/nature/nature_conservation/useful_info/documents_publications/index_en.htm)

EU funding proposals 2007-2013

All of the EU's funding arrangements are currently under discussion, with new funds and funding rules to be agreed in 2005 for the 2007-2013 period. The Commission is suggesting that future Natura 2000 funding should come from the major EU funds rather than a separate dedicated fund. This approach is to ensure that Natura 2000 requirements are integrated into the main funding schemes, and that duplication and overlap between the different EU funding instruments and their administration is avoided. If the current proposal were adopted, funding would be as follows.

Most of the land management funding for Natura 2000 would come from the European Agricultural Fund for Rural Development (EAFRD). In particular, specific rural development payments would be created for Natura 2000 titles, notably to compensate for costs incurred and income foregone due to implementation of the birds and habitats Directives. The Commission's proposal is to allocate a total budget of €88.75 billion for the period 2007–2013, with a minimum of 25 per cent assigned to measures that are concerned with environmental land management. Each Member State would be required to set up funding programmes which could support, for example, organic farming.

The ERDF, ESF, and the Cohesion Fund would potentially be available for support of Natura 2000, particularly in areas that are economically disadvantaged. In organising the funds at national level, Member States would be invited to apply four core themes: innovation and the knowledge economy, environment and risk prevention, accessibility, and services of general economic interest. The largest amount of money (over 70 per cent) would benefit the least developed regions, mostly those with a per capita GDP of less than 75 per cent of the Community average. Some money is available for areas outside this category, eg for cross-border co-operation. Where co-funding applies, measures could for instance promote 'the development of infrastructure linked to biodiversity and Natura 2000 contributing to sustainable economic development and diversification of rural areas' (Art. 5(2) of ERDF).

The Commission has proposed that the current LIFE instrument should be followed by LIFE+, a new Community funding instrument for the environment³. The proposal is to end the current LIFE-Nature, LIFE-Environment and LIFE-Third Countries, in favour of a 'simplified' approach, allocating funds under 'Implementation and Governance' and 'Information and Communication'. In effect this means that LIFE Nature funding would cease to exist. Although some funds would probably be made available to Natura 2000 after 2006, NGOs have raised concerns that funding will be more ad hoc, and that this may not benefit nature.

³ COM(2004)621.

National approaches to funding Natura 2000

France

National funding

The French government has estimated the cost of national implementation of Natura 2000 at €372 million, with significant amounts directed to restoration projects for habitats and species (€15 million), establishment and running costs of management bodies (€41 million), and management actions and monitoring (including €180 for agriculture and €30 million for forests).

Funding for site management centres on the *documents d'objectifs* (DOCOBs), that also provide the basis for contracts signed by landowners and users. There are two types of contracts for Natura 2000:

- on non-agricultural lands, a 'Natura 2000 contract' managed by the Ministry of Environment (around 100 signed in 2004); and
- on agricultural land, a CAD (Sustainable Agriculture Contract) managed by the Ministry of Agriculture (around 230 signed in 2004).

On forestry lands, a Natura 2000 contract or a CAD can be used depending on the use of the forest.

Anyone signing a Natura 2000 contract may receive a grant from the National Fund for Natural Area Management (Fond de Gestion des Milieux Naturels), the EAGGF, from European co-funding schemes for projects selected for the LIFE-Nature programme, or from Natura 2000 credits budgeted under the French state-region planning contracts (CPER). Details of these funds are set out below.

The National Fund for Natural Area Management (*Fond de Gestion des Milieux Naturels*, FGMN) is a national fund that has been supporting the implementation of Natura 2000 in France since 1999. In the draft Budget for 2002, €25.25 million were allocated to Natura 2000 - a 42 per cent increase on the budget for 2000 and enabled the first payments to be made to beneficiaries who had signed Natura 2000 contracts. Funding will increase in future years with the gradual extension of the Natura 2000 network.

The FGMN has essentially been used for the development of DOCOB, additional studies and management or restoration actions. The beneficiaries are the different organisations that develop and implement the DOCOBs, including associations, towns, professional organisations, consulting offices, Natural Parks, Nature Reserves and the National Forest Office.

Contrats Territoriaux d'Exploitation (CTE, now called *Contrat d'Agriculture Durable*, CAD) is the French mechanism for financing agri-environmental measures necessary for farmers to manage Natura 2000 sites. Only farmers can sign a CAD, with the *Direction Departementale de l'Agriculture et de la Foret* (Agriculture Department, DDAF). When a farmer wants to sign a CAD, a complete diagnosis of his farm is carried out, as the basis for choosing the difference measures that will be

in the contract. A number of measures are compulsory (eg limitation of phytosanitary products) and some are optional (eg mechanical weeding). Each measure has specifications that the farmer must follow for five years (the duration of the contract) to get the payment. Subsidies are granted annually, per hectare under cultivation, with a total maximum of €7,000 per farm for a contract.

A weakness of the CAD process is the complex administrative process that needs to be followed in order to qualify. Often farmers do not sign CADs because of all the forms they have to fill in.

The LIFE-Nature actions funded in France have usually been related to the conservation of sites for the protection of natural habitats or specific flora or fauna that are threatened with extinction. Alternatively, they can be accompanying measures, eg the exchange of experiences and evaluations. The maximum co-funding is 50 per cent for conservation projects and 75 per cent for priority habitats or species. There have been 71 LIFE-Nature programmes carried out in France since 1992. Co-funding mainly comes from the Ministry of Environment, the Regions and Departments.

The EAGGF is the main source of EU co-funding for Natura 2000 contracts implemented as tools for rural development. The organisation that manages this European fund within the framework of the RDR is the CNASEA (National Center for the Development of Farms' Structures). For the period 2000-2006, the funding available for France is €3.32 billion. This fund is used both for Natura 2000 contracts and for CAD.

In 2003, the Ministry of Environment allocated a budget of €3.14 million for Natura 2000 contracts, with half coming from the Ministry and half from the EU. In 2004 the budget was increased to €4 million, again with half from the Ministry and half from the EU. The maximum amount for a contract in 2003 was €233,257 and the minimum amount was €357.

The beneficiaries were: private owners and societies, natural spaces conservatories, associations, and National Forest Offices. To be eligible for a Natura 2000 contract, the land must not be exploited and the measures planned for the land must meet eligibility criteria set out by the Ministry of Environment⁴. To secure funding, a dossier has to be prepared by the landowner setting out the implementation plan. This is submitted to the DDAF's Environment Service, for an administrative assessment and signature. The document then goes to the CDOA (Departmental Commission of Agricultural Orientation) for signature. The payment is done with the CNASEA.

Application of CTE

A CTE (now superseded by CADs) was specifically developed for the protection of the Little Bustard (*Tetrax tetrax*) in the département of Vienne in western central France. It was developed by BirdLife France (LPO) in association with the Vienne *Chambre d'Agriculture*. The area provides the principal habitat for the current population of the Little Bustard which has experienced a rapid population decline due to changes in arable farming practices such as the removal of landscape features and early removal of crop stubble. The agri-environment measures in the CTE included harvesting with a centrifugal method to allow ground-living birds to run to safety, conversion of arable land to pasture,

⁴ Appendix V of the Circular of May 3rd 2002.

reduction in pesticide use, planting crops providing favourable bustard habitat and the conservation, creation and management of landscape elements such as small woodlands and/or isolated trees.

Source: Europe's Rural Futures, <http://www.ieep.org.uk/PDFfiles/PUBLICATIONS/ERFRevised.pdf>

European Structural Funds may be called on to support the development of DOCOBs and associated measures for Natura 2000 sites.

There are also credits for Natura 2000 in the 'State-Region plans'. These finance the development and implementation of the DOCOB.

Funding at the site level

The site 'Vallées de la Rauze et du Vers et vallons tributaires' has benefited from the FGMN to support actions planned under the DOCOB: the restoration of a bottom valley grassland and the development of a pedagogical pond. The beneficiary is the town that handles the project and owns the site which will be restored. The Park has provided technical support and will also follow and monitor the work.

No CADs have been signed for the sites covered in this report.

Germany

Sources of national funding

The German government has estimated that national implementation of Natura 2000 costs around €100 per ha per year. Hessen has endorsed this figure. This effectively means that Hessen, with its proposed 20.9 per cent area coverage of Natura 2000, needs around €45 million per year to fully implement Natura 2000.

There are no figures available to estimate the existing resources for Natura 2000 at the national level. Administratively, Natura 2000 is normally dealt with under existing schemes and by existing staff. Where Natura 2000 sites are not covered by national designations, money often has to be diverted away from funds that are available to manage eg national nature reserves.

Funding for broader landscape management, including of Natura 2000 areas, is available from a number of key sources (part public, part from developers), as follows:

The Landscape management programme (HELP) is managed by Hessen's Ministry responsible for agriculture and rural development, constitutes Hessen's agri-environment fund, primarily directed at farmers. Much of it, with the exception of land purchase, is matched by EU funds under Regulation 1257/99, so that Hessen pays around half of such payments and the EU covers the rest. HELP may fund such measures as:

- extensification of land use by encouraging late mowing, the maintenance of grazing regimes, and/or a reduction in fertiliser and pesticide use;
- maintenance of orchards;
- set-aside;

- maintenance or restoration of threatened habitats;
- restoration of biotopes in agricultural landscapes; and
- the acquisition or leasing of land.

Payments to farmers can range from around €150 to €450 per hectare per year, or can reimburse actual expenditure. HELP's budget and funding aims will be revised in light of the EU's revision of 1257/99 and its financial envelope for the post-2006 budgetary period.

In 2001, approximately 40 per cent (around €2.3 million) of Hessen's HELP budget was spent on contractual land management in the administrative district of Kassel (which covers the Rhön). In particular the spending on land management helped to encourage a reduction in fertiliser use and an increase in late mowing.

In Natura 2000 sites, in accordance with Article 16 of Regulation 1257/99, farmers and other beneficiaries can receive up to 20 per cent more funding assistance than farmers not covered by Natura 2000. Hessen is one of relatively few regional authorities using the option of top-up payments to promote appropriate management within Natura 2000 sites. Experience indicates that Natura 2000 payments of this sort significantly increase acceptance of Natura 2000 amongst stakeholders. In the *Hohe Rhön*, in particular, Natura 2000 payments help boost the low income of farmers, which have trouble remaining competitive in light of otherwise poor agricultural conditions.

Compensatory payments (*Ausgleichsabgaben*) are paid by investors/developers where infrastructure projects with an overriding public interest are taken forward despite damage to a valuable natural site. Payments can only cover one-off investments and cannot be used to fund ongoing management measures. Funds are available to private individuals, businesses and local administrations. Measures that may be supported include:

- creation or restoration of water bodies and wetlands;
- creation or restoration of orchards;
- creation of hedges, tree avenues and other stepping stones;
- restoration and reforestation of quasi-natural habitats;
- traditional land management;
- improvements in landscape connectivity;
- restoration of dry and wet grasslands; and
- the greening of cities, eg by subsidising grass roofs etc.

Funds normally cover planning costs, purchase, implementation costs and/or maintenance costs.

The *Ökokonto* ('eco-account') scheme requires users/developers to invest in nature up-front. In doing so, a positive 'nature balance/credit' is generated, which can subsequently be 'spent', if necessary by carrying out an equivalent 'value' of infrastructural or other projects. In most other respects it is similar to compensatory payments under the *Ausgleichsabgaben* concept. Importantly, however, measures under the *Ökokonto* scheme, in general, require less land and resources than compensatory measures. *Ökokonto* funds can only support improvements in nature

value, they cannot be used to achieve or maintain common land management standards. Measures include:

- returning sealed surfaces to a more natural state;
- restoration of green and brown field sites (including arable land);
- reforestation;
- restoration of rivers;
- provision of wintering habitats for field mice; and
- provision of insect-compatible lighting.

The *Ökokonto* scheme is addressed at businesses and local administrations.

Site funding in the Rhön

The Rhön Biosphere Reserve has received LIFE funding. The Rhön LIFE project was aimed at securing or improving the conservation status of Natura 2000 sites through development of management plans and providing one-off investments for site restoration and long-term, recurring management. Partnership creation, through information and communication with stakeholders, was an important supporting measure within the Rhön LIFE project.

Phase 1 (1993-1997) and Phase 2 (1998-2001) of the LIFE project were co-financed by the Bavarian Ministry for Rural Development and Environment, the Hessen Ministry of Interior, Agriculture, Forestry and Nature Conservation, and the Thuringian Ministry for Agriculture, Nature Conservation and Environment. EU co-financing was 75 per cent for Phase I (total budget €2,000,000) and 60 per cent for Phase II (total budget €2,097,000). This high rate of co-funding was secured because many targeted habitats were priority habitats types. The special geographic situation of the Rhön also allowed this project to be taken forward on a trans-boundary level, including Bavaria and Thuringia.

In addition, the Rhön Region has received LEADER+ money from the EU, covering approximately 34 per cent of the total LEADER project costs; the rest of the co-funding has come from the *Land* (16 per cent), district (3 per cent), commune (8 per cent), private sector (33 per cent), and others (7 per cent). Between 2002 and 2006 planned LEADER+ spending for the Rhön is €2,900,000.⁵

While the Rhön experience with LEADER projects has been positive, other areas in Germany have experienced some difficulties in avoiding negative impacts on nature conservation during project implementation. In some cases, well-meant initiatives, such as the building of nature trails and cycle routes to promote green tourism, threatened to damage or fragment sensitive habitats and wildlife refuges.

Staff in the Rhön Biosphere Reserve, have also been part of projects that received co-funding through other EU funding schemes, including ERDF, and Structural Funds. An important initiative, which builds on support to farmers, is the marketing of local products, often associated with the use of conservation-oriented land management.

⁵ A detailed report of the size and use of budgets can be found on http://www.biosphaerenreservat-rhoen.de/projekte/leader_plus.html.

Support that can be granted includes start-up costs in setting up farm shops, cool stores, and marketing network.

UK

Sources of national funding

According to the European Commission, the UK has estimated that it would need around €50,400,000 per year for managing Natura 2000. This does not include the cost of managing marine sites.

The UK Government and its devolved administrations and agencies have annual budget allocations for the conservation of biodiversity. There is usually no separate Natura 2000 allocation, which makes it difficult to estimate the actual funds invested to implement the EU birds and habitats Directives.

In 2000/01 the Environment Agency in England spent approximately £2 million (€3 million) directly on implementation of the habitats Directive. In 2001/02 this figure was predicted to rise to around €6 million. The Environment Agency raises funds through a combination of charges and levies on permissions which it regulates, and grant-in-aid from Department for Environment, Food and Rural Affairs (Defra) and the National Assembly for Wales.

English Nature's total national budget for 2003/04 is €120 million, made up of €98 million grant-in-aid from Defra, €7.5 million from the Treasury's Capital Modernisation Fund and €15.57 million in other receipts. Around 40 per cent (€48 million) of the expenditure is on the maintenance of national nature reserves, management agreements, conservation support and other conservation expenditure. Around 35 per cent (€42 million) is spent on staff cost.

English Nature, Defra and the Forestry Commission run a number of national support schemes that contribute to the implementation of Natura 2000. These are normally available to land users and occupiers, primarily farmers. Depending on the scheme, there are various conditions attached to their application. Most, but not all, of the funds rely on co-funding from the EU. Relevant schemes are set out in the table below.

Name of scheme	Details
<i>Environmental Stewardship Scheme</i> ⁶	New agri-environment scheme to be launched in 2005 to replace the existing agri-environment schemes (Environmentally Sensitive Areas, Countryside Stewardship and Organic Farming Scheme.) Intended to encourage farmers to deliver good environmental management across their whole land holding.
<i>Environmentally Sensitive Areas Scheme</i> ⁷ (to be replaced by <i>Environmental Stewardship Scheme</i> in 2005)	Offered incentives to encourage farmers to adopt agricultural practices to safeguard and enhance parts of the country of particularly high landscape, wildlife or historic value. 147,500 hectares of land were brought into management agreements

⁶ More information at http://www.defra.gov.uk/erdp/schemes/es/pdfs/esbriefing_1.pdf (Briefing 1 to 3)

⁷ More information at <http://www.defra.gov.uk/corporate/regulat/forms/erdp/generic/esa.pdf>

<i>Countryside Stewardship Scheme</i> ⁸ (to be replaced by Environmental Stewardship Scheme in 2005)	Made payments to farmers and other land managers to enhance and conserve English landscapes, their wildlife and history and to help people to enjoy them. Farmers were paid grants to follow more traditional farming methods that enhance the landscape, encourage wildlife and protect historical features. The scheme operates outside Environmentally Sensitive Areas.
<i>Capital Modernisation Fund</i>	Funds large capital projects such as lake restorations
Schemes administered by English Nature	
<i>Sheep and Wildlife Enhancement Scheme</i> ⁹	Funds farm restructuring, development of farm plans and provides incentives to maintain stocks. In 2003/04 £2.5 million (€3.75 million) were used to set up sustainable grazing on 20,000 hectares of protected land (including sites of national importance), and secured grazing on a further 18,000 hectares.
<i>Wildlife Enhancement Scheme</i>	Can support the development of management agreements for Sites of Special Scientific Interest with varied annual and capital payments.
<i>Reserve Enhancement Scheme</i>	Grants contribute to the day-to-day management of Sites of Special Scientific Interest owned or leased by voluntary conservation organisations and managed as nature reserves.
<i>Section 35 National Nature Reserves Capital Grant Scheme</i>	Grants are awarded to Approved Bodies that manage National Nature Reserves, but are not eligible for the Reserves Enhancement Scheme.
<i>Biodiversity Grant Scheme</i>	Assists groups in implementing actions to meet the targets of the Government's UK Biodiversity Action Plan.
<i>Local Grants/Local Biodiversity Grants</i>	Grants given by English Nature Area Teams.
<i>Traditional Breeds Incentive</i>	Management agreements for Sites of Special Scientific Interest being grazed by traditional breeds of animal that secure not only positive management for the Sites but also help conserve the breeds.
<i>English Nature's Face Lift Programme for geological SSSIs</i>	Funds measures such as scrub control, tree clearance and site management interpretation manuals for geological Sites of Special Scientific Interest.
<i>Land Purchase Grants</i> ¹⁰	Supports land acquisition for the purpose of management, mainly directed at NGOs.
<i>Aggregates Levy Sustainability Fund</i> ¹¹	Raises money through a tax on every tonne of rock taken from quarries, awards grants to benefit wildlife, geology, and communities affected by aggregate extraction.
Schemes administered by the Forestry Commission	
<i>English Woodland Grant Scheme</i>	Provides grants to create new woodlands and to encourage the good management and regeneration of existing woodlands.

In addition to the schemes described above, funds are also available from non-governmental schemes such as the Heritage Lottery Fund. In Scotland, different funding schemes are in effect – see www.snh.org.uk for more details.

The major limitation on current UK funding arrangements is the finite resources available and resulting competition between numerous applicants. Application procedures tend to be skill, time and resource intensive, and can put a strain on small organisations.

⁸ More information at <http://www.defra.gov.uk/erdp/pdfs/cssnews/060CSSIntro.pdf>

⁹ More information at <http://www.english-nature.org.uk/pubs/publication/PDF/swesinfo1.pdf> (Briefing 1 to 5)

¹⁰ More information at <http://www.english-nature.org.uk/about/lpg.htm>

¹¹ More information at <http://www.english-nature.org.uk/about/alsf5.htm>

In addition, the sheer number of different funds can be confusing, and applicants may find it difficult to access appropriate funds for this reason. Local English Nature teams can and do support applicants with their choice and application, and comprehensive information is available online and in the form of leaflets¹².

Funding in the New Forest

In the New Forest candidate Special Area of Conservations (cSAC), a range of the above funding schemes is used. Most important are the Sheep and Wildlife Environment Scheme and a specially tailored agri-environment scheme in support of the commoning system operated under the Countryside Stewardship Scheme. The ability to grant money for wider landscape conservation has proven particularly successful.

The site has had the benefit of two successive LIFE Projects. These provided over €5.6 million in EU contribution for management planning and for urgent restoration actions from 1997 on.

The first five-year project (1997 – 2001) brought together 10 authorities, NGOs and stakeholder groups in the form of the New Forest LIFE II Partnership. The main aims were to produce a multi-ownership management plan to cover the entire cSAC, to increase the land owned and managed for nature conservation purposes and to restore 4000 hectares of habitat to favourable conservation status.

The New Forest cSAC-wide management plan produced under this project was the first coordinated plan for the whole forest. The plan sets out management prescriptions for the different habitat types within the New Forest cSAC and is endorsed by the partners and the main landowners. A ‘Condition Assessment Monitoring’ technique has also been developed to support and inform the management process in the long term.

Practical conservation work was a dominant element of the project. Overall it resulted in the improvement in habitat quality over 4,350 hectares of the New Forest cSAC. Intensive work programmes made possible by LIFE funding, allowed project partners to trial and develop many innovative, environmentally sound and cost-effective techniques for habitat restoration. Information on new techniques was disseminated through demonstrations and technical publications.

Half of the £5.2 million (€7.8 million) LIFE II project cost was provided by the EU LIFE-Nature fund and the remainder by the following English agencies: English Nature, Forestry Commission, Hampshire County Council, Hampshire Wildlife Trust, National Trust, New Forest Committee, Ninth Centenary Trust, Royal Society for the Protection of Birds, the Verderers of the New Forest, and Wiltshire Wildlife Trust.

The project expenditure is given in the following table:

Table 5: Expenditure in the New Forest LIFE II project

Action	Expenditure	Percentage of total
<i>Preparatory actions</i>	£588,846	11 per cent

¹² See: <http://www.defra.gov.uk/erdp/schemes/default.htm>, <http://www.english-nature.org.uk/about/grant.htm> and <http://www.forestry.gov.uk/planting>.

<i>Purchase/lease &/or rights</i>	<i>£766,040</i>	<i>15 per cent</i>
<i>Non-recurring habitat management</i>	<i>£1,887,843</i>	<i>36 per cent</i>
<i>Recurring habitat management</i>	<i>£1,161,542</i>	<i>22 per cent</i>
<i>Public awareness & dissemination</i>	<i>£195,765</i>	<i>4 per cent</i>
<i>Overall project operation & monitoring</i>	<i>£612,075</i>	<i>11 per cent</i>
<i>Other types of measures (expenses)</i>	<i>£11,500</i>	<i><1 per cent</i>
Total budget	£5,223,612	

Building on the success of the first project, a second LIFE project, ‘*Sustainable Wetland Restoration in the New Forest*’ with a total budget of £2.9 million (€4.3 million), is currently underway aimed to develop a better understanding of the hydrological networks that support New Forest habitats. The goal is to achieve long-term restoration of wetland habitats, by targeting three of the six main water basins in the cSAC. A Water Basin Management Forum has been set up to develop and consult on the development of a ten year implementation plans for each of these water basins. This will pay particular attention to cross compliance with the Water Framework Directive. The project will also restore over 600 hectares of valuable wetland habitats within the New Forest cSAC.

Structural Funds expenditure in the UK is mainly targeted at Objective 1 areas, which are quite limited, and do not include the New Forest. There is some money available from INTERREG for cross-border/transnational initiatives, and Hampshire has participated in some such projects. Most EU funding available in the UK his from the Rural Development Regulation, and the smaller LIFE instrument.

In addition, the New Forest has benefited from Leader+ money.

Spain

National funding

Overall, the situation in Spain indicates that the lead Ministries responsible for implementation of the RDR consider that FEOGA (Federation of European Agricultural Organisations) is an agricultural fund which should not be used for nature conservation, or even for non-agrarian rural development. The allocation of a small proportion of the RDR budget to the environment was only as a result of considerable pressure from the Director General for Nature Conservation at the time the programmes were being prepared.

Rather than seeing opportunities in the RDR for supporting Natura 2000, the environmental concern of the Ministry of Agriculture is to minimise the impacts of RDR measures on Natura 2000. It is felt that the costs of establishing and conserving Natura 2000 should be born by a separate funding instrument.

Although environmental authorities generally would like more say in the use of rural development funds, there is also a tendency amongst them to prefer to have their own separate funds for environmental actions, separate from rural development. This situation reflects a fundamental lack of integration between agricultural and environmental authorities at the State level and in many regional governments.

In 2002 the Spanish Ministry of Environment budgeted approximately 15 million euros per year for the conservation of biodiversity in Spain, via the Department for Biodiversity Conservation. Other budgets can also be used, eg from other units within the Environment Ministry and other agencies such as Organismo Autónomo Parques Nacionales in the case of National Parks.

A percentage of the EU FEOGA Guidance funds managed by the Agriculture Ministry (*Ministerio de Agricultura, Pesca y Alimentación*) are used for nature conservation actions in most regions, under Article 33 of the RDR. Although it is not possible to give an overall budget available for financing Natura 2000 a significant part of the Ministry of Environment's budget is spent on activities directly affecting Natura 2000 habitats and species.

The State Ministry of Environment (and before its creation the Ministry of Agriculture via the National Institute for the Conservation of Nature *ICONA*) obtained Community LIFE and FEOGA funds to help fund Natura 2000.

Other funding sources for Natura 2000 have included:

- CAP Pillar I livestock payments to help maintain extensive systems;
- RDR: Agri-environment, Less Favoured Areas (payments are slightly larger, although still rather insignificant, in districts within the area of influence of protected areas – Article 20 RDR), forestry grants and Article 33 measures;
- Regional Government budget (the current regional budget for Natura 2000 is €10.5 million per year, which is 1.4 per cent of total government funds. The authorities estimate that they need between €11.5 and €18 million to effectively In contrast, €29 million is spent on CAP subsidies.);
- 6th EU Framework Research Programme;
- ERDF and ESF funds are partly used for activities such as sewage treatment which can benefit the conservation status of Natura 2000 sites. These funds are not used directly for nature conservation measures;
- various INTERREG bids are at various stages eg management of cross border areas, management of wildlife recuperation centres and river management.

Funding issues and problems

Issues and problems regarding the financing of Natura 2000 in Navarra are set out in a document that was sent to the EC's Article 8 Working Group in 2003. [Informe: Comentarios al informe final sobre financiación de Natura 2000 del grupo de trabajo sobre el artículo 8 de la Directiva]. Some of the problems highlighted in this document are set out below, along with the recommendations to address these problems.

Issues

The proposal (by the Article 8 Working Group) to largely fund Natura 2000 through the RDR ignores current administrative structures in Spain. In Navarra (and most/all other Spanish regions) RDR funds available for conservation are not managed by conservation departments but by agriculture departments which have their own objectives and for whom the environment is, if not an obstacle, then at least a secondary objective. In these cases environmental departments may be consulted but do not participate as a major decision maker. In Navarra, Natura 2000 is implemented by the Environment Department and the RDR largely by the Agricultural Department (although some agri-environment schemes are run by the Environment Department).

Conservation measures, unlike Pillar 1 agricultural subsidies, require co-financing (50 per cent in the case of agri-environment measures in Navarra). Substituting Pillar I payments for Pillar II therefore represents a cost to the region. The greater the area of Natura 2000 sites the greater the cost to the region.

Currently, EU funds are largely assigned on the basis of economic and social criteria, rather than environmental ones.

There are a number of options for improving funding for Natura 2000, including the following.

- Increased transfer of funds from the first to second pillar of CAP. Any funds resulting from the transfer of funds to Rural Development through dynamic modulation should be used for conservation in the area where the funds were liberated.
- Remove the requirement for State co-financing of conservation measures.
- Positively discriminate towards funding of conservation measures in Natura 2000 sites (give these sites priority over other areas and include an incentive for measures in these areas).
- Create national funding envelopes with resources recovered from monitoring and control programmes.
- Relaunch 'tripartite contracts' in order to carry out experimental management projects in Natura 2000 sites which are not eligible for LIFE funding.
- Simplify the management of grants by changing the system to comprise only one application for subsidies, conservation measures etc, in which payments for environmental goods should be included.
- Take account of the contribution of each Member State to Natura 2000 when assigning funds. Spain supports ~ 26.4 per cent of the area of the Natura network, but this is not reflected in funds available for management.
- Create a fund specifically for Natura 2000 to finance long-term management programmes (cf short term LIFE projects) for which it is currently difficult to find funds. This fund should be managed by Environment Departments for whom conservation is the main priority.
- Establish mechanisms which ensure that agricultural businesses which receive public funds are sustainable. The establishment of environmental contracts (as applied in France and proposed in Navarra) would allow public funds to be administered with a strategic long term perspective.

Although the issues and recommendations discussed above are in reference to the Spanish situation, the same issues apply in many other EU Member States, and have been raised recently in the discussions on the future of the LIFE funding instrument.

Site-specific funding

Types of activities supported in Navarra are described in the Navarra Rural Development Plan.¹³ Examples are set out below:

- support for traditional extensive farming in Natura 2000 sites from 2005;
- promotion of 'integrated' production;
- promotion of 'ecological' production;
- promotion and support for breeds in danger of extinction;
- promotion of 'ecological' livestock farming;
- environmental alternatives to dry cereal monocultures;
- agricultural production methods compatible with conservation of the environment in extensive dry arable systems (targeted at Natura 2000 steppe sites).

Table 6: Budget allocated to agri-environmental measures in Navarra (2000-2006)

¹³ www.navarra.es

MEDIDAS	EJ-2000	EJ-2001	EJ-2002	EJ-2003	EJ-2004	EJ-2005	EJ-2006	PERIODO
Producción integrada	0,00	475.391,20	793.054,88	809.538,48	1.118.669,78	1.425.089,58	1.698.571,18	6.320.315,10
Agricultura ecológica	0,00	391.260,60	456.391,44	439.600,29	435.288,78	427.463,94	571.373,34	2.721.378,39
Razas peligro extinción	0,00	60.667,20	67.507,20	445.000,00	490.000,00	550.000,00	610.000,00	2.223.174,40
Ganadería ecológica	0,00	0,00	0,00	228.747,38	285.934,23	343.121,08	400.307,92	1.258.110,62
Alternativ. agroambientales	0,00	0,00	0,00	221.895,40	277.369,25	332.843,10	388.316,95	1.220.424,69
Expl. extensivas secano	0,00	0,00	0,00	0,00	2.232.500,00	2.324.150,00	2.367.625,00	6.924.275,00
Total ejercicio	0,00	927.319,00	1.316.953,52	2.144.781,55	4.839.762,04	5.402.667,70	6.036.194,39	20.667.678,20

- forestry grants including objectives to improve the ecological condition of the woodlands, manage grazing within woodlands and reduce soil erosion; and
- hundred per cent grants are available for conservation activities that comply with the conservation measures for habitats and species established for pSCIs (otherwise grants vary from 20 per cent to 90 per cent).

Table 7: Budget for forestry measures in Navarra (2000-2006)

D. INDICADORES FISICOS DE REALIZACION PREVISTOS								
	2000	2001	2002	2003	2004	2005	2006	2000-2006
2.- AYUDAS DESTINADAS A LA GESTION SOSTENIBLE DEL MONTE								
REPOBLACIÓN FORESTAL. Hectáreas	435,0	420,0	300,0	300,0	300,0	300,0	300,0	2.355,0
LABORES SELVÍCOLAS. Hectáreas	1.620,0	1.560,0	1.119,7	1.119,7	1.119,7	1.119,7	1.119,7	8.780,0
INFRAESTRUCTURAS FORESTALES. Km	180,0	173,0	124,1	124,1	124,1	124,1	124,1	973,0
3.- RESTAURACION DE MASAS FORESTALES. Hectáreas								
4.-ORDENACIÓN DE MONTES. Hectáreas	18.500,0	17.800,0	12.791,6	12.791,6	12.791,6	12.791,6	12.791,6	100.300,0
5.- PREVENCIÓN DE INCENDIOS FORESTALES								
SELVICULTURA PREVENTIVA. Hectáreas	120,0	114,0	82,0	82,0	82,0	82,0	82,0	644,0
INFRAESTRUCTURAS DE PREVENCIÓN. Km	29,0	28,0	20,0	20,0	20,0	20,0	20,0	157,0
6.- RESTAURACIÓN HIDROLÓGICO FORESTAL. Hectáreas								
	230,0	220,0	159,4	159,4	159,4	159,4	159,4	1.250,0

* Los indicadores de la acción 1. Ayudas destinadas a mejorar y racionalizar la recolección, transformación y comercialización de los productos forestales, figuran expuestos en la medida 2.1. (página 203).

Financial support can also be provided for environmental interpretation centres and other infrastructure as well as habitat management and maintenance.

Many measures are targeted at landowners within Natura 2000 sites. Agri-environment measures managed by the Environmental Department are specifically targeted to areas supporting priority species eg Great Bustards in the steppe areas. Landowners receiving agri-environment or Less Favoured Area payments must comply with a Code of Good Agricultural Practice.

In 2000 only two of the five districts implemented agri-environment and conservation measures. Although not all the RDR measures needed to manage Aldude were put into place, over 184 million pesetas were invested in the region. A breakdown of this expenditure is given in the table below.

Table 8: Breakdown of RDR expenditure in Alduide (2000)

RDR Measures	No of beneficiaries	Spend in 2000 (pesetas)	per cent of RDR budget
4.2 LFA	844	33 689 502	18.25
4.3 Agri-environment measures	2	460 714	0.24
4.4 Reforestation of agricultural land	18	3 600 204	1.95
5.1 Forestry measures	41	100 024 960	54.20
5.2 Conservation measures	-	226 901	0.12

Commercial forestry: 5,064 ha of forest (mainly beech) of which 3,919 hectares are commercially managed producing an annual income of €16,898. The total annual cost of forestry management is €71,242 of which €17,743 is obtained from grants and the remainder from Local Authorities

Public forests: An average of €28,415/yr is grant aided to districts within the pSCI to protect and improve the forestry cover in public forests.

Livestock farming: 1,609 ha of grazing land are managed by Local Authorities and 2,500 ha in the Quinto Real are grazed by farmers from Valle de Baigorri under the 1856 legislation. Rental income for the Local Authorities is €7,800/yr from the farmers and €4,018/yr from the French government. The annual cost is €36,572, of which €6,751 is paid by the Local Authorities and the remainder by the Government of Navarra.

An average of €158,269/yr is grant aided to districts within the pSCI to manage pastures. This occasionally leads to negative impacts such as changing botanical composition. Approximately 80 per cent of the grants needed to maintain extensive livestock farming come from Pillar I of CAP.

Conclusions – Lessons for the Czech Republic

Each of the Member States examined in this project has a range of funding sources for its Natura 2000 sites. The main source of co-funding in all the Member States was the EAGGF, followed by the LIFE instrument. None of the Member States studied were eligible for funds from the Cohesion Fund, but several had participated in INTERREG and LEADER+ projects.

All of the four Member States had programmes underway for co-funding of European projects, usually set up according to an ‘agri-environment’ type model. These schemes varied in their budgets and efficacy. Often their impact on nature conservation depended on whether the relevant government departments concerned with agriculture were willing to extend the application of funds to uses that were not strictly to do with farming outputs.

With reform of the EU’s funding programme currently underway, it is difficult to predict what funds will be available for implementation of Natura 2000 in the Czech Republic from the end of 2006 and into the future, especially if the LIFE instrument is discontinued in relation to specific nature funding. Managing Natura 2000 will probably create a significant financial obligation in many of the Member States, and it will be a challenge for the EU-25 to find the means of support that will be needed.