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The development of agri-environment policy in Estonia

Along with many other accession countries, an Estonian working group began developing proposals for an agri-environment programme (AEP) in 1997, with financial support from the Dutch PIN-MATRA Fund, and technical support from Avalon, IEEP and Veen Ecology. Comprehensive proposals for the administrative implementation of agri-environment schemes in Estonia were then completed by an international team in December 1999 under a PHARE Cross Border Co-operation project.

It was clear from the outset that Estonia wanted to pursue a programme that would support local conditions, but several agri-environment programmes in Member States provided a useful model on which to base the Estonian scheme. The overall objective of the Estonian agri-environment pilot proposals was to promote the uptake of environmentally-friendly agricultural practices which protect and enhance traditional landscapes, biodiversity and the wider environment. The pilot scheme also aimed to support a sustainable rural economy, providing a basis for a range of alternative economic activities in rural areas, such as the production of organic food, direct marketing (e.g. on-farm sales) and rural tourism. In the wider context, the proposals also intended to support a positive image for farmers amongst other members of Estonian society.

Two measures of the proposed agri-environment programme have been running nationally since 2000. These include organic farming and breeding native cattle. In addition in 2001 a support scheme for the management of semi-natural habitats was launched. This scheme will be managed by the Ministry of Environment. All these

measures are financed through national government funds.

The capacity of the Ministry of Agriculture for implementing an agri-environment programme and ultimately (upon joining the EU) fulfilling its obligations under the Rural Development Regulation has increased during the last 12 months. Most notable is the creation of an Environment Bureau in the Department of Agriculture.

In 2001 a pilot project was set up initially in two pilot areas. One of them is an intensive agricultural region in Jõgeva County - Palamuse Community. The second pilot scheme is located in an extensive agricultural region on the island of Saaremaa – Kihelkonna and Lümamanda Communities. The pilot areas cover in total 22,000 ha and 44,500 ha respectively. Their area of agricultural land is 11,327 ha and 10,286 ha respectively. The practical implementation of the scheme started in March 2001 with information seminars for farmers in both pilot areas. National legislation has recently been passed to provide a basis for the pilot agri-environment proposals.

The pilot schemes are designed to test the practical implementation of proposals for a national agri-environment programme, including a realistic assessment of the time and resources required, assess the quality of farmers' and advisors' training, and identify potential problems with control and monitoring procedures. It is planned that the pilot scheme will help evaluate the effectiveness of proposed measures, including levels of uptake, acceptability of payment levels, and the resulting environmental and socio-economic impacts. The pilot scheme is

also considered useful for demonstrating and promoting the concept of an agri-environment programme amongst Estonian farmers, policy-makers and the general public. The pilot scheme was facilitated through state funds initially, but from 2003 Estonia's SAPARD programme will provide co-funding.

Applicants to the scheme are obliged to undertake 'Good Farming Practice' on their whole farm, including the preparation (in conjunction with approved advisers) of a whole farm agri-environment plan and a nutrient management plan. Farmers may also undertake any combination of Supplementary Measures (for example organic farming, planting hedges, creating ponds and wetlands, restoration of stone walls, keeping Estonian native horse), or participate in the Abandoned Land Scheme, in return for additional payments.

A setback for planners has been the delayed registration of holdings in the cadastre due to land reform. This caused complications with drawing up appropriate contracts. Furthermore, due

to current legislation, contracts with farmers cannot be made for more than one year at present, but this should be overcome by next year.

The success of the pilot programme in awareness-raising is demonstrated by the fact that applications from farmers have significantly exceeded the expected figures. This shows the great interest among farmers in Estonia in this new type of agricultural policy instrument. The pilot programmes are expected to succeed therefore in refining and enhancing existing proposals for the national programme. This will facilitate the nation-wide implementation of the national programme.

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Agri-environment baselines and codes of good agricultural practice

Environmental baselines in agriculture are gaining increasing importance as minimum standards for CAP support payments, entry conditions for participation in agri-environment schemes, or as part of quality assurance schemes. Taking a conceptual approach one can distinguish three main levels of environmental performance in agriculture that are communicated using different environmental standards:

- The first refers to compliance with national and EU environmental legislation, for example national landscape and nature protection laws or the Nitrates Directive. This can be thought of as a 'red line', the obligatory minimum, which can be legally enforced.
- The second, Good Agricultural Practice, refers to the minimum standards that farmers should respect - the 'blue zone'. This includes respect for environmental law, following advice from extension services and taking into account scientific and technical progress. A single, uniform code of Good Agricultural Practice for the whole of Europe would not be appropriate given the major variations between localities, regions and individual countries. As a consequence, the 'blue zone' will combine a variety of 'blue lines' defined for different European regions.
- The third level refers to the production of environmental goods and services above this baseline within a 'green zone'. Different 'green lines' can be defined within this zone. Environmental entry conditions for agri-environment schemes are now based on what is

called 'good farming practice', as required by Regulation 1257/1999. Farmers who ensure environmental management above this green line are eligible for agri-environment and Less Favoured Area payments in the EU.

The development of environmental standards should in the first instance take into consideration the environmental targets they are meant to achieve, with regard to water quality, soil erosion, biodiversity conservation etc. However, it is helpful for both agriculture and environmental authorities to work with farmers, NGOs and other stakeholders to ensure the practicality and effectiveness of the standards proposed. Whereas certain obligations are essential, they should be realistic, readily understood by farmers and avoid unnecessary bureaucracy. It should be noted that minimum environmental standards in agri-environment schemes are not automatically equivalent to Codes of Good Agricultural Practice which have been defined in many countries. In fact, the relationship between both is rather complex as set out below.

Good Farming Practice as the environmental baseline in agri-environment schemes

Regulation 1257/1999 and its implementing regulation 1750/1999 together require that farmers entering into agri-environment commitments respect Good Farming Practice across the whole of their farm. Thus, Good Farming Practice acts as a baseline for which no payments are made. The EU Member States have to define Good Farming Practice on the basis of verifiable standards that can be clearly defined and controlled at farm level. Agri-environment payments are

intended to compensate or provide an incentive for farmers to undertake measures that go beyond Good Farming Practice. Article 28 of Regulation 1750/1999 defines Good Farming Practice as follows:

"Usual good farming practice is the standard of farming which a reasonable farmer would follow in the region concerned.

Member States shall set out verifiable standards in their rural development plans. In any case, these standards shall entail compliance with general mandatory environmental requirements."

Annex IV in the England Rural Development Plan (RDP) sets out the approach taken by one Member State. The proposed approach to Good Farming Practice in the RDP is based on two elements: First, compliance with existing environmental legislation; second, a list of 'verifiable standards' which will be included as conditions for all new agri-environment agreements or LFA compensatory allowance payments. In addition, all farmers joining agri-environment schemes will be given copies of the Codes of Good Agricultural Practice (CoGAPs) for Air, Soil and Water and encouraged to comply with the recommendations in them. However, most of the practices recommended in CoGAPs cannot be enforced and do not relate to biodiversity or landscape protection.

Two phrases are important for assessing the role of CoGAPs within RDR baseline requirements. First of all, the CoGAPs are additional to other requirements, and secondly, farmers will be encouraged to comply with them. Thus, existing environmental legislation and newly defined verifiable standards are the key environmental baseline within agri-environment

schemes. The approach taken in Northern Ireland provides a good example for verifiable standards. The common feature of the standards set out below is that they can be controlled in the field, and that they relate to actions that are clearly defined *per se*, or for which cut-off points can be determined (e.g. livestock density limits):

- avoidance of overgrazing,
- no supplementary feeding,
- no removal or destruction of hedges or stone walls,
- prior approval for disposal of sheep dip,
- ban of trimming of hedgerows, and
- allowing hedge-laying and coppicing only between 31st August and 1st March.

The development of agri-environmental standards in central and eastern Europe

At a seminar on agri-environment schemes in Bratislava in December 2000, options for the development of agri-environment baselines in the candidate countries were discussed during a dedicated workshop. The recommendations from the discussion at the seminar can be summarised under certain themes:

i) Relevance of existing legislation in CEE countries

Several representatives of CEECs stated that there is quite a dense regulatory framework for agriculture in many applicant countries. This extends to water resources, river and coastal ecosystems, biodiversity protection and other areas. Although enforcement is still poor in many instances this led to the conclusion that environmental legislation already sets quite high environmental baseline standards in most applicant countries.

ii) *Relationship between Codes of Good Agricultural Practice and agri-environment schemes*

To avoid confusion between the role of CoGAPs and the definition of Good Farming Practice necessary under Regulation 1257/1999 it was recommended not to use existing CoGAPS, or those under preparation in the framework of the Nitrates Directive implementation, as an environmental baseline for agri-environment schemes. It was considered better to draw up new verifiable standards of Good Farming Practice even in the framework of pilot agri-environment schemes.

iii) *Environmental baselines in agri-environment schemes*

Planned pilot agri-environment schemes should be used as a test ground for standards of Good Farming Practice wherever possible. The standards applied in pilot areas should be those that are likely to become future national standards. Planners should be aware that environmental standards in pilot schemes may set a precedent for future agri-environment baselines when agri-environment measures are extended after accession. In this context, it is necessary to bear in mind that any standards proposed should potentially be applicable across the country and do not demand huge administrative or monitoring resources when applied nationally. Two examples for possible verifiable standards were given: green cover of arable land over winter, and average rates of fertiliser application on the farm where farm book keeping is sufficiently reliable.

iv) *Defining agri-environment baselines in the framework of pilot agri-environment schemes in CEE*

Agri-environment baselines in current pilot schemes should correspond to the standards set by Regulation 1257/1999. In this framework, EU delegates reminded the participants that Good

Farming Practice is described in Regulation 1750/1999 (Art. 28) as '*the standard of farming which a reasonable farmer would follow in the region concerned*'. 'Reasonable' can be interpreted as the farmer following relevant existing legislation (i.e on water pollution), and not deliberately damaging or destroying environmental assets (i.e hedgerows, stonewalls etc).

v) *A step-by-step approach*

Many EU countries base their definition of Good Farming Practice on existing environmental legislation and regulations. In this context, and in the light of dense existing environmental regulation, the participants of the workshop agreed that the best approach for defining verifiable standards of Good Farming Practice in CEE would be the following:

- a) compile an inventory of existing environmental legislation;
- b) describe verifiable standards arising from existing legislation where appropriate;
- c) identify procedures for controlling individual verifiable standards;
- d) consult with other government bodies (and relevant stakeholder groups) on proposed verifiable standards as needed;
- e) present the outcome of the exercise to the European Commission showing how newly defined verifiable standards relate to existing legislation, or, where necessary, in what way they go beyond current regulation.

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The Commission adopts EC Biodiversity Action Plans

In 1998, the European Community launched the EC Biodiversity Strategy as a first step in fulfilling its obligations under the UN Convention on Biological Diversity (CBD). The second step, foreseen in the strategy, was the development and implementation of four sectoral Biodiversity Action Plans (BAPs). The four BAPs, plus a cross-cutting introductory 'chapeau', were adopted by the Commission on 28th March 2001. These define concrete actions and measures designed to meet objectives defined in the Biodiversity Strategy, and specify measurable targets. They are aimed at reversing the current trends of reduction and loss of natural resources, wildlife, ecosystems, varieties of crops, domestic animals and fish populations in Europe. The sectoral plans seek to integrate the protection of biodiversity and environmental resources into the EU's agriculture, fisheries, and international development policies. The chapeau and the action plan on the conservation of natural resources establish overarching environmental principles, discuss public information, environmental monitoring and research issues, cover EU and international wildlife legislation, and propose measures for the preservation of soil and water resources in the EU.

Both the EC Biodiversity Strategy and the Biodiversity Action Plans focus on the integration of biodiversity concerns into different sectoral policies. They therefore support the policy integration process initiated in the Cardiff European Council, as well as helping to implement the CBD.

The development of the BAPs has been led by the Commission services responsible for the policy areas concerned. Sectoral officials worked in close co-ordination with DG Environment which oversaw the process. Work on the BAPs also involved, to varying degrees, experts in Member States, the EEA, NGOs and other stakeholders.

The BAP focusing on agriculture includes an analysis of the positive and negative interrelations between agriculture and biodiversity which results in seven priorities for future action:

- i) ensuring a more 'reasonable or rational' degree of intensification in agricultural practices, compared to current intensive practices;
- ii) maintaining economically viable and socially acceptable agricultural activity, especially in biodiversity-rich areas where agricultural viability has diminished due to external factors;
- iii) maximising the potential of agri-environment measures for conservation and sustainable use of biodiversity;
- iv) ensuring the existence of an ecological 'infrastructure' at European level;
- v) supporting actions related to the use of genetic resources in agriculture, and to the maintenance of local and traditional varieties and breeds;
- vi) encouraging the marketing of races and varieties that are naturally adapted to local and regional conditions; and
- vii) preventing the abundance and spreading of non-native species.

Based on the experience gained from agri-environment measures, a set of principles is identified in support of future action, including tailoring intervention methods or tools to specific local conditions and using a decentralised approach. A number of instruments are subsequently identified in support of biodiversity. Agri-environment measures under the Rural Development Regulation are regarded as playing a central and 'essential role' in fulfilling the Strategy objectives, as are, to a lesser extent, Less Favoured Areas measures and environmental components of Common Market Organisations. The BAP also proposes the development of Good Farming Practices and compliance with environmental standards regarding biodiversity protection. A priority task identified for monitoring and evaluation is the development of operational agri-environment indicators to allow improved understanding of the complex relationships between agriculture and the environment.

The BAP also highlights the need to assure that the enlargement programmes such as SAPARD complement biodiversity conservation. It is

acknowledged that adoption of the *aquis communautaire* will encourage a 'reasonable intensification' of agricultural land. However, the interest shown by CEECs to develop the rich natural potential of their rural areas to support and accompany diversification strategies is also noted. Monitoring of ecological stability of accession countries during the pre-accession period is identified as a high priority. The BAP describes how this will be achieved through exploring ways to foster the exchange of information and visits between agricultural biodiversity experts, policy makers, extension officers and practitioners to promote best practice for wildlife protection in CEE. The BAP also highlights the possibilities for assisting CEECs to implement nature conservation legislation through funding, information tools, planning tools and sharing experience with rural development plans in Member States.

The document can be downloaded from the EC Clearing House Mechanism website: <http://biodiversity-chm.eea.eu.int/>.

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