



*European Network for
Rural Development*

**Thematic Working Group 1: Targeting territorial
specificities and needs in Rural Development Programmes
Case study on Natura 2000 and environmentally valuable farmland**

EN RD Contact Point

17 February 2011



Connecting Rural Europe

Natura 2000 and environmentally valuable farmland

Basing on the Community legislation from 1992, Natura 2000 areas have been established in order to protect the most valuable habitats and species in Europe. Farmland is also a major repository of biodiversity, particularly traditional or extensive farmed landscapes. Such areas or pockets are called "environmental valuable farmland". Accordingly each Member State is obliged to define such areas, which may receive support within the particular RDP measures. As a task within the Thematic Working Group 1 "Targeting rural territorial specificities and needs" the following sample of three countries was chosen to provide a variety of emphases within this broad issue: Portugal (Mainland) offers 'Integrated Territorial Intervention', Czech Republic a tight focus on Natura 2000 areas, and Wales a broader look at agri-environment schemes.

Definition of rural areas

Different approaches to defining rural areas have been observed in the countries examined. The OECD definition has been either not applied at all or modified, according to the particular specific of the Member States. In case of Portugal (Mainland), for the general purposes of the RDP, the OECD density criterion has been applied, but at the level of municipalities (LAU 1), rather than at NUTS 2 or 3, because municipalities are very heterogeneous and can include both urban and rural areas within a single administrative boundary. In Czech Republic, rural areas have been defined as those municipalities (LAU2) with less than 2,000 inhabitants. Within this overall concept, rural areas are classified as suburban, intermediate or remote. In defining rural areas for the RDP for Wales, the government drew a distinction between areas eligible under Axis 1 and 2, and those eligible under Axes 3 and 4. For Axis 1 and 2, it used the OECD definition of areas where the population density is below 150 inhabitants/km²: this covers the whole of Wales apart from the major population centres of Cardiff, Newport and Swansea. For Axis 3 and 4, it uses a more complex "Rural Definition", reflecting the type of settlement and the geographic context: this leads to recognition as rural, for this purpose, of areas defined by the smallest statistical unit, namely 'Output Areas', each of which includes an average of 125 households. Three different terms have been used to describe the areas falling within the category of *Natura 2000 and environmentally valuable farmland*, namely:

In Portugal (Mainland)

The areas that merited '**Integrated Territorial Intervention**' (ITI), which are the subject of this case study, are specific territories classified by their natural, landscape and/or heritage values. They include the Demarcated Region of the Douro River, and eight other distinct areas which form the Natura 2000 Network and which contain Special Protected Areas and National or Nature Parks. They contain a wide variety of natural and man-made habitats. Their extent is quite clearly defined by text and by reference to administrative and other boundaries. They have no direct relationship with the overall definition of rural areas.

In Czech Republic

Natura 2000 areas, which are the subject of this case study and which are stated as a priority in the RDP, were delimited by individual Government Decrees. These areas cover 13.5% of the national territory. About one quarter of the total Natura 2000 area is used for agriculture, and the rest is mainly forest. The areas are delimited by maps and by administrative or other boundaries, in a rough but convincing way. The definition bears no relationship to that used to define rural areas generally.

In Wales

The **agri-environment areas**, which are the focus of this case study, are not defined by reference to territory, in that the agri-environment schemes are available to farmers throughout Wales on a voluntary basis. However, a degree of priority, in applying them, is given to farmers within Natura

2000 areas, which themselves comprise the Special Protection Areas and Special Areas of Conservation, as designated by the European Commission on recommendation by the UK government. These areas are delimited on maps and by reference to administrative or other boundaries.

Objectives

Different objectives have been explored within each of the case studies. In Portugal (Mainland) ITI the main focus was on the raising citizens' awareness of the ITI values; encouraging their environmental behaviour; and on sustaining natural and landscape values and traditional systems in Natura 2000 areas. In Czech Republic the RDP states objectives related to Natura 2000 sites as to protect biodiversity; to support special farming practices on protected sites; and to keep land under cultivation, in the face of the threat of land abandonment due to increased costs. A special emphasis in Wales has been put on the whole second Axis, to which 75% of the RDP budget has been allocated and aiming at "contributing to sustainable development by protecting landscapes, enhancing habitats, and managing diffuse pollution". This link between environment and sustainable development is then reflected in the more detailed objectives related to the agri-environment schemes. These objectives include – to increase biodiversity; to enhance local and regional landscapes; to develop niche, green and sustainable tourism; to diversify the economy into service and other sectors; and to generate employment associated with environmental management. The RDP strongly emphasises the link between environmental conservation and sustainable economic development.

RDP Measures and resources

To pursue the above described objectives, RDPs in each case focus on different measures. The Portuguese one relates to five measures: 214 Agri-environmental payments; 216 Non-productive investments in agriculture; 225 Forest environment payments; 227 Non-productive investments in forestry; and 323 Conservation of the rural heritage. In each ITI, these measures are aggregated into a single measure, called "2.4 Integrated Territorial Interventions". This has 11 sub-measures, of which two are general – support for ITI management, and management programmes – and the other 9 each relate to one of the nine ITIs. These nine specific sub-measures each draw upon four of the RDP measures, namely: 214, 216, 225 and 227, except that the Douro area only uses the first two of these measures. The Czech RDP included for this purpose five measures: 121 Modernisation of agricultural holdings; 122 Improvement of the economic value of forests; 213 Payments within Natura 2000 agricultural areas; 224 Payments within Natura 2000 forest areas. In Wales the RDP focuses five measures – 214 Agri-environmental payments; 216 Support for non-productive investments; 311 Diversification into non-agricultural activities; 312 Support for business creation and development; and 313 Encouragement of tourism activities.

The total budget allocated to the selected measures is as follows:

	Measure no.	Allocated funding in million €	Share of the RDP in %
Portugal	214 Agri-environmental payments *	456,6	10,2
	216 Non-productive investments in agriculture	4,2	0,09
	225 Forest environment payments	14,1	0,31
	227 Non-productive investment in forestry *	71,2	1,56

	323 Conservation of the rural heritage *	5,78	0,13
Czech Republic	121 Modernisation of agricultural holdings**	313,4	8,5
	122 Improvement of the economic value of forests**	25,5	0,7
	213 Payments within Natura 2000 agricultural areas	59,7	1,6
	224 Payments within Natura 2000 forestry areas	12,3	0,3
Wales	214 Agri-environmental payments	436,1	43,9
	216 Non-productive investments in agriculture	110,3	11,1
	311 Diversification into non-agricultural activities ***	3,1	0,31
	312 Support for business creation and development ***	14,4	1,4
	313 Encouragement of tourism activities ***	20,3	2,04

Source: Post-Health Check data

Note:

* These funds are only partly implemented through ITI. The exact share is not presented in the Portuguese RDP.

** The shares allocated to support farming and forestry in Natura 2000 areas are not specified in the Czech RDP.

*** Only a share is spent within the agri-environmental schemes. No size of these shares is given in the Welsh RDP.

Beneficiaries

In Portugal (Mainland) restrictions, related to the beneficiaries and the type and size of grant, are stated in the RDP. Grant levels under measures 121 and 124 carry an additional 10% in Natura 2000 areas in Czech Republic. Within these areas, payments under Measures 213 and 224 are confined to zones of National Parks and Protected Landscape Areas. Measure 213 offers 5-year contracts to farmers with at least 1 ha of UAA. Measure 224 is focused on 20-year contracts to support re-planting forest in the original composition (before logging), in order to save habitats. In Wales the beneficiaries are, for Measure 214, owners or tenants of agricultural property; for measure 216, all farmers and other agricultural land owners in Wales who, on a voluntary basis, have entered all their land into 5 year agri-environment commitments; for Measure 311, the members of farm households who diversify into non-agricultural activities; for Measure 312, micro-enterprises with less than 10 workers and less than €2 million of turnover; and for Measure 313, all who live in those parts of Wales identified as rural under the "Rural Definition".

Targets

Targets differ highly among the countries examined. Portugal (Mainland) decided that measures 214 and 216, both within and outside the ITIs, aim at a total of 25,200 contracts with up to 21,000 farmers, affecting up to 200,000 ha of land, whereas measure 225 aims to support up to 1,000 forest holdings, covering up to 6,000 ha. In Czech Republic measure 121 aims to support, each year, 8 farms in Natura 2000 areas. No quantified target is stated for measure 122 in relation to Natura 2000

areas. Measure 213 aims to support, each year, a total of 300 farms, affecting 4,000 ha in Natura 2000 areas. Measure 224 aims to support, each year, a total of 450 forest holdings, affecting 37,000 ha in Natura 2000 areas. In Wales the agri-environment measures, as a whole, aim to support 21,173 holdings, affecting 2,852,435 ha. This will secure protection for widely varied habitats throughout Wales, and also of 1,750 Scheduled Ancient and 28,000 other historic features. It will sustain or create public access to 215,000 ha of open country and 11,500km of public rights of way. No specific targets are given for creation of jobs or other economic benefits.

Other funds

Besides the RDP, other EU funding mechanisms are applicable to Natura 2000 and environmentally valuable farmland, namely: European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund (CF) and LIFE+ programmes. More specifically, in Portugal (Mainland) support for land register and mapping of conservation values can be addressed by the ESF and LIFE+. The Czech RDP states that CF may support investment in water or sewage treatment plants, which could benefit the Natura 2000 areas. Otherwise, the RDP records that there is a clear geographic or other demarcation that precludes other EU instruments or national programmes being applied to meeting the needs of these defined territories. In Wales RDP states that ERDF and ESF may support environmental enhancement where it is undertaken for a clear economic outcome, for example the use of innovative technologies to address the challenges of clean energy generation. In none of the cases explicit budget for the other funding sources has been mentioned.

Coherence

In general a high level of coherence between description of needs, purposes and applicable instruments has been observed. However, some detailed inconsistencies occurred in Portugal (Mainland) and Wales. More specifically:

In Portugal (Mainland)

The Integrated Territorial Intervention territories and their needs and purposes are clearly defined. The integrated approach through local management plans and implementation packages for each ITI area is coherent, and well focused on environmental needs. However, it is not clear how the aim of raising public awareness is addressed. Also unclear is the amount, and the use, of funds from outside the RDP budget.

Czech Republic

In respect to Natura 2000, the national approach relies on regulatory (legal) measures, including the obligatory land management plans which are required for all Natura 2000 areas, while incentive-based measures encourage farmers and foresters to continue their activities. From this point of view, the RDP addresses appropriately the problems associated with farming and development in general in NATURA 2000 areas.

Wales

There is a high degree of coherence between the different elements. The approach in Wales relies on incentive-based measures to encourage farmers to adopt and maintain environmental management activities. Measures 214 and 216, which are very well funded, will certainly stimulate action by farmers to protect wildlife habitats and landscape features: much of the money will go into the pockets of farmers or local contractors, and will thus sustain and possibly create employment in the rural areas. It is less clear whether the complementary measures from Axis 3, with very modest funding, will have a significant impact.

Conclusion on Natura 2000 and environmentally valuable farmland

In summary, within the mandate of the TWG1 several issues relating to Natura 2000 and environmentally valuable farmland were focused upon: the definition of rural areas applied within these areas; their various objectives and targets; RDP and other funding mechanisms applicable to them as well as types of their beneficiaries. Additionally, coherence between the needs, purposes and instruments used was examined.

The three countries studied illustrate different uses of a total of six measures from Axis 2, supported in Portugal (Mainland) and Wales by elements of Axis 3 and in the Czech Republic by elements of Axis 1. All three approaches are very interesting. Portugal (Mainland) focuses on Protected Areas (such as National and Nature Parks and SACs) and has developed an integrated approach through local management plans and implementation packages for each specific territory. The Czech Republic focuses on Natura 2000 areas, with regulatory action and incentive-based measures which serve to encourage farmers and foresters to continue their activities. Wales commits over half of its RDP budget to agri-environment measures: these measures support environmental stewardship, and bring income to farming communities, in many parts of the Principality.