

## Collective approaches to AECM

A “collective approach to the agri-environment-climate measure (AECM) can be understood as the collective delivery of environmental public goods and ecosystem services, for which farmers (and other stakeholders) cooperate (establishing an entity with or without legal personality) and jointly apply for an AECM commitment. The idea of engaging multiple farmers in one area to work together to deliver ecosystem services is not new. However, in the context of EAFRD only the latest legal framework mentions it explicitly as an option in the implementation of an AECM.

What is the added value of a collective approach for the purpose of delivering agri-environment-climate outcomes under the European Agricultural Fund for Rural Development (EAFRD)?

From an environmental point of view, many biodiversity or other environmental problems (e.g. water quality) can be addressed more effectively at a larger scale, i.e. it is better to work at landscape scale than at farm scale, if the aim is to restore large-scale habitats, establish biotope networks or enhance water quality in one river basin.

From an administrative point of view, one motivation to offer collective AECM commitments might be the hope for decreasing the administrative burden and transaction costs for the Managing Authority.

Against this background, the European Court of Auditors (ECA) has also encouraged the European Commission and the Member States to consider further the implementation of collective approaches to AECM.

*"In certain cases it might be necessary to have in a particular geographical area a minimum number of farmers signing a contract. Such cases can be to maintain (...) local landscape, to reduce pollution (...) or protect certain species (...). Expenditure for a few individual contracts may not be effective in such cases. One way to ensure that a sufficiently large group of farmers delivers the necessary environmental benefits is through collective approaches".*

ECA, [Special Report](#) No 7/2011

**The added value of cooperation ...**



On the other hand, the implementation of the EAFRD requires the identification of natural or legal persons who are accountable for compliance with AECM commitments entered into and who can be sanctioned in the case of non-compliance. This is also important for the verification of the results of the funding.

Moreover, formal cooperation among farmers is not common practice in all regions across the European Union (EU), and it is not self-evident that the potential for creating added value through acting in partnership is recognised or viewed as an incentive. Promoting such approaches in certain Member States / regions might be challenging and might require the advantages of the approach to be explained clearly to beneficiaries.

Nonetheless, ways have been found to operate a collective approach to AECM implementation in the Netherlands in keeping with EU rules for controls and verification (see below). Although this is a country where cooperation among farmers has a long tradition, the approach has been designed based on experience with a pilot initiative on collective approaches to AECM over a number of years, and it offers an interesting example of an approach to AECM delivery that might prove interesting for other Member States to explore.

## The Dutch collective approach to AECM

One long-term political objective pursued in the Netherlands is to increase the quality and quantity of ecosystem services delivered by the agricultural sector. In the short term, in the period 2014-2020, the key objective is to increase “nature efficiency”, especially to stop the decline in farmland birds. Given this objective, and the critical role of farmers in maintaining and enhancing biodiversity, a collective approach to AECM appeared a useful option.

The main focus of the support provided via the AECM is on creating good habitat conditions for farmland birds at landscape scale through management plans, instead of via individual commitments scattered across the country. In the Dutch approach, this is achieved by administering the AECM agreements via certified collectives who are accepted as the beneficiaries of the AECM support.

Starting in 2016, 40 certified collectives prepared to apply for the scheme. These collectives have legal personalities and are responsible for the good implementation of AECM commitments, they submit payment claims and ensure the management of the received financial support between collective members as well as management of sanctions for non-compliance (if applicable) imposed on the collective.

The 6-year AECM commitment is based on a Nature management plan, which is elaborated after in-depth training of the stakeholders involved in the collective (capacity building on the ground) and includes interventions offered under the Dutch Rural Development Programme. Thus, measures and operations from the catalogue of RDP Measures can be selected and combined in a very targeted way to respond best to the particularities of a given area/site, and to the content of the Nature Management Plans benefitting from local knowledge.

The Nature Management Plans (see Figure 2) contain information on:

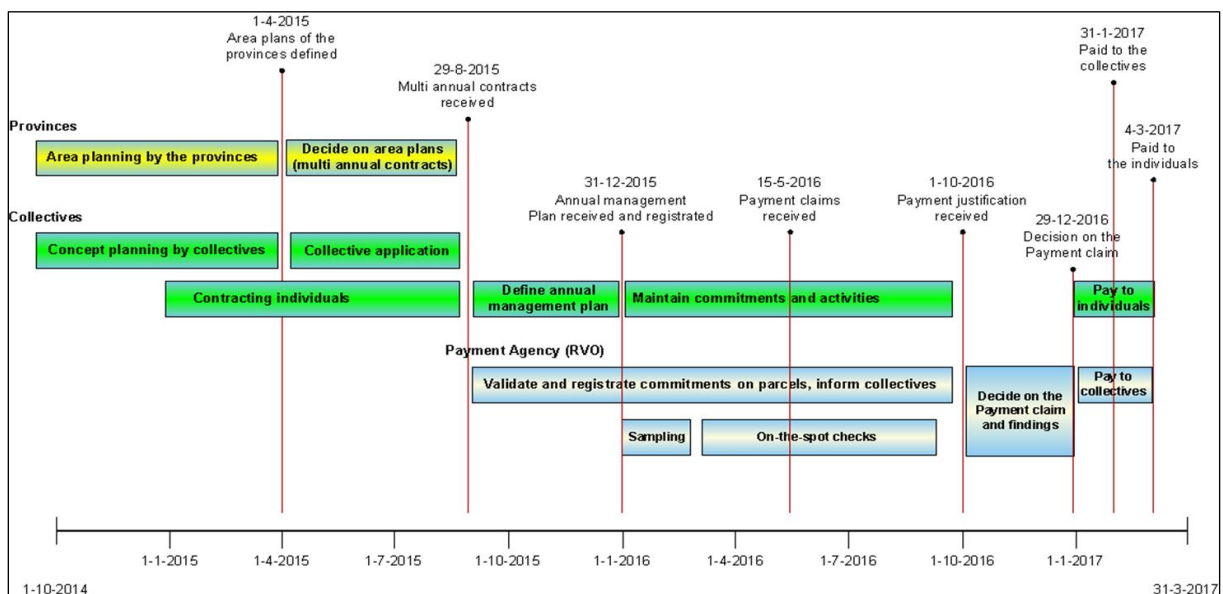
- minimum/maximum area;
- minimum conditions required to preserve habitat;
- AECM payment rates (€/ha);
- Activities from the list of those that are eligible as set out in the Dutch RDP (several activities per parcel can be carried out; selected activities are checked against their controllability).

The Dutch collective approach builds in a high level of flexibility to respond to the dynamics of nature and this is mainly done through the possibility to adapt the management plans during the year. While the parcels on which the management is to take place have to be fixed in May, the management on these parcels can be adapted over the year to take account of changing circumstances, e.g. changing breeding habits of birds. It is only in October, when the claim is made that these activities must be fixed.

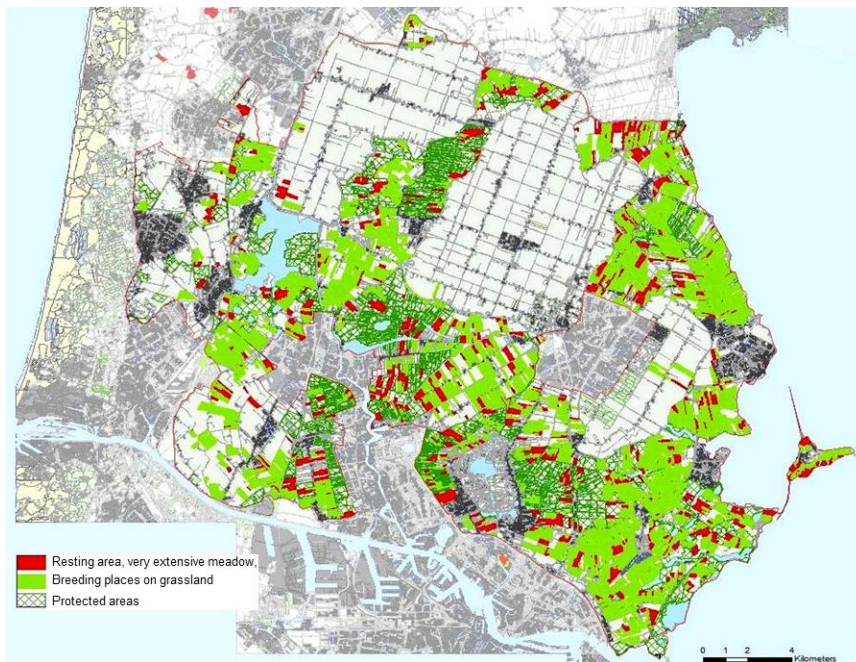
However, from an administrative perspective this flexibility brings about challenges related to accountability as controllability of the commitment has to be assured. Therefore, the implementation follows a clear schedule and rules and there is an ongoing online relationship between the collective and the Paying Agency throughout the year (see also Figure 1):

- The collective notifies the Paying Agency on 1 January each year of the activities to be carried out (annual management plan);
- With the payment claim (15 May) the area/ parcels and land-use on which AECM activities are to take place are defined and fixed.
- The type and timing of activities is fixed by 1 October (at the latest) at which point the final version of the management plan is fixed and the claim can be made.
- For certain activities, such as mowing, there is the option of ‘real time notification’: collectives have to notify time and place of carrying out the activity up to 14 calendar days in advance;
- The payment claim is submitted: there is one collective claim which is submitted by the collective together with the final annual Nature Management Plan (Figure 2), in which the point of time when activities have been carried out is registered.

**Figure 1: Share responsibility – the implementation process**

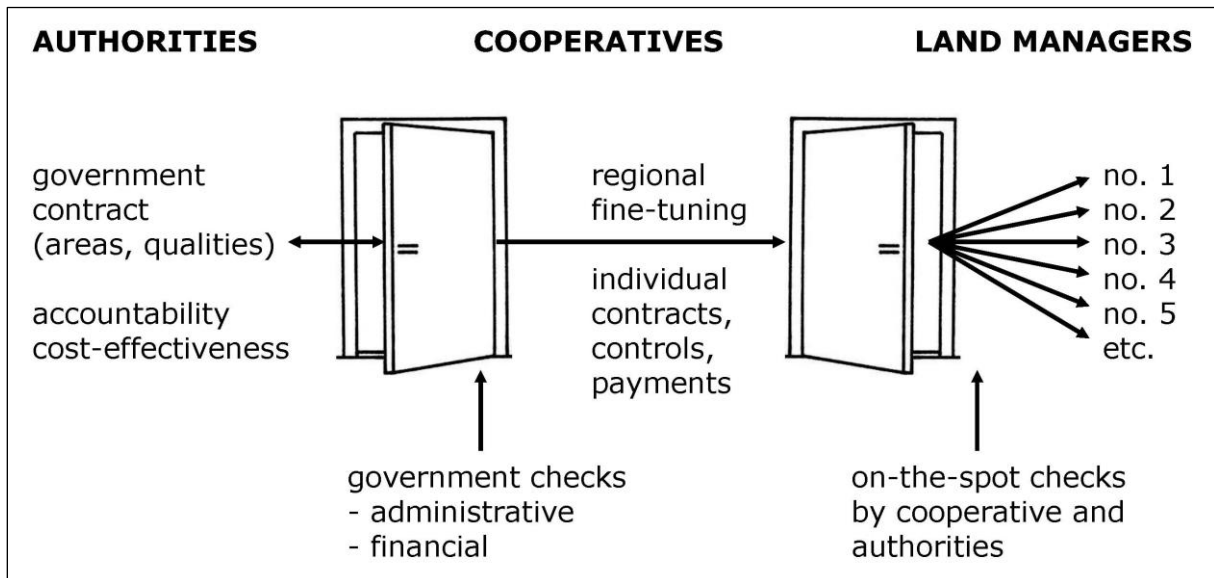


**Figure 2 : Illustrative extract of a Management Plan**



As illustrated in Figure 3, the collective forms the interlinking body between the paying agency and the farmers/ land managers. The collective itself has private contracts with the individual farmers/ members of the collective and distributes the payments accordingly. These elements of the relations between the collective and its members are not subject to EU rules.

**Figure 3: Front door – backdoor – the relations between the paying agency, the collective and the individual farmers**



## Controls & Sanctions

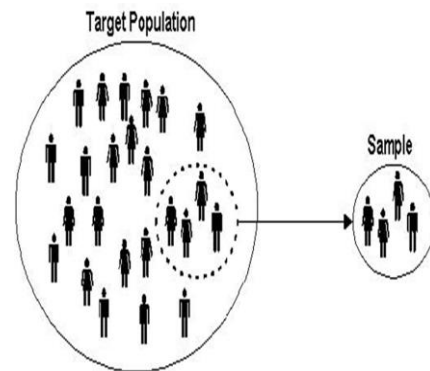
According to Art. 19 of Reg. (EU) 809/2014, 5% of the national area under AECM and 5% of AECM beneficiaries must be selected for on-the-spot checks (OTSC). As the collectives are the beneficiaries, the population - and subsequently the sample - to be controlled decreases in comparison to the common approach to AECM where agreements are held with individual farmers (see Figure 4).

If the area in the selected collectives is too small, additional collectives are included in the control sample. For each collective, at least 50% of the area under contracts is measured.

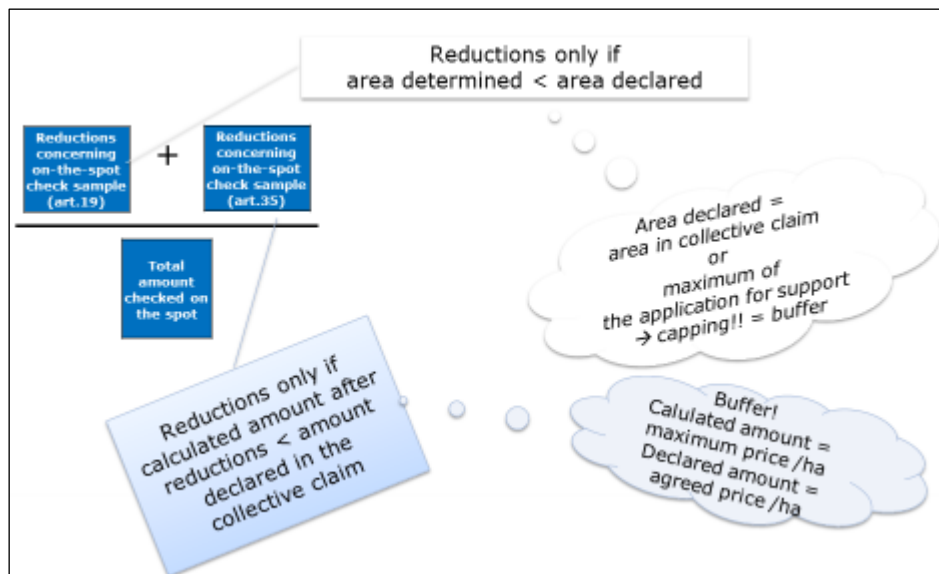
The collectives are advised to perform a kind of OTSC themselves to be sure that compliance with the commitment is achieved.

One flexibility that this approach as implemented in the Netherlands offers, is that the collectives can establish a buffer of areas to reduce the risk of sanctions for non-compliance (see Figure 5).

**Figure 4 : Calculation of control samples**



**Figure 5: Sanctions and error rates**



According to the above-mentioned regulation, the results of 5% of the activities supported must be verified. Due to the possibility of changing the areas on which the activities are carried out this might pose additional difficulties for administrating the schemes. However, the existence of IT tools allowing paying agencies to be informed in real time about land management activities and their location decreases the potential risks linked to such approach.



## **Implementation costs**

For the implementation of AECM following the collective approach in the Netherlands, the programme authorities estimate that the cost of government implementation per area of land under commitment is less than one third of the costs under the previous approach to AECM based on individual contracts.

The main reasons for this are a) the reduced number of beneficiaries (40 instead of thousands), and b) the enhanced communication structures between the paying agency and the beneficiaries (here the collectives). This enhanced communication benefits from an adapted ICT-System, into which the collectives can feed notifications directly, which streamlines the exchange between agencies and beneficiaries further.

It is not yet possible to say what the implications have been for the administrative costs on the side of the beneficiaries. In fact, it can be said that the collectives have taken over tasks of the agencies - they have to conclude contracts with the farmers involved and coordinate the implementation of the Nature Management Plan, which all leads to additional transaction costs.

### **Factors of success**

- Collectives have a long tradition in the Netherlands.
- Capacity building on the ground.
- Better use of local skills and energy.

### **Advantages**

- Lower administrative costs for government.
- Enhanced effectiveness and efficiency in terms of delivery.
- Controls can be more easily carried out at a meaningful point of time.
- Improved knowledge and skills.
- Improved policy monitoring: goals versus commitments.
- Flexibility to respond to the dynamics of nature.
- Strengthening the feeling / sense of community of farmers.



### **Key challenges**

- Results have to be verified at landscape level, and not at the level of an individual parcel.
- The higher flexibility in designating parcels brings about accountability challenges and potentially a higher risk of errors.

### **Disadvantages**

- As it is required that AECM beneficiaries are clearly identifiable natural or legal persons who are accountable for compliance, arrangements among cooperating farmers have to be in place or to be set up for implementing this approach to AECM.
- Lead time for establishing the plans is needed.
- The collective, as beneficiary, has comparatively high transaction costs and is confronted with more administrative burdens.
- The Integrated Administration and Control System has to be adapted.
- Paying Agencies have to operate on short notice (e.g. when performing controls) because of the short notification times.

### Further information

- [Brochure](#) on the Dutch collective AECM scheme
- [Mobilising farmers to cooperate – the approach of the England facilitation fund](#)



### References

For the draft of this Factsheet, figures have been taken from the PowerPoint contributions provided at an AECM workshop in December 2016; the presentations are published on the [ENRD website](#). For

the figures and the photo, see

[http://enrd.ec.europa.eu/sites/enrd/files/ws12\\_collectiveapproach\\_nl\\_deelen-mulders.pdf](http://enrd.ec.europa.eu/sites/enrd/files/ws12_collectiveapproach_nl_deelen-mulders.pdf)