

Less Favoured Areas (LFAs) Review BirdLife Submission

Less Favoured Areas review

1.1 BirdLife welcomes the opportunity to submit views in advance of the consultation on the Impact Assessment of re-designation proposals for Less Favoured Areas (LFAs). The Commission's review focuses on defining the criteria for delimiting LFAs under Article 19 of EC Regulation 1257/1999. BirdLife recognises the need to ensure that Article 19 LFAs are designated with consistency across Member States, and should be done so using objective biophysical, rather than socio-economic, criteria. However, we argue that the review should encompass a much more comprehensive reform of the LFA mechanism, required in order that it starts to achieve its current objectives in relation to the true *sustainability*, including environmental sustainability, of the farming systems it targets.

1.2 As operated in many Member States, LFA support fails to conform to the stated objective of Axis 2 of EC Regulation 1968/2005, that of "*improving the environment and the countryside*"¹. Specifically, it often fails to achieve its aim of "*targeting the **sustainable** use of agricultural land*"², and to contribute to "*maintaining the countryside, as well as to maintaining and promoting **sustainable** farming systems*"³.

1.3 BirdLife recommends reviewing LFA support in order to incorporate the environmental dimension of sustainable farming, namely supporting farming systems of high nature value (HNV). IEEP (2006) note that "there is a sizeable overlap between areas of high environmental value, especially those dominated by low intensity livestock production, and areas currently classified as less favoured....In any future review of LFA classification, the opportunity should be taken to incorporate criteria which improve targeting to environmental priorities such as High Nature Value (HNV) farmland and valued traditional landscapes"⁴. BirdLife calls for a review that includes:

- Increased clarity on the objectives and rationale for LFA intervention.
- Increased clarity in the definition of sustainability of farming systems as applicable to LFA. The principles attached to defining HNV farming systems would be a useful starting point.
- Ensuring that support is targeted at sustainable farming systems, in line with the objective of "*improving the environment and the countryside*".

¹ EC Regulation 1968/2005, Article 4

² EC Regulation 1968/2005, Article 36

³ EC Regulation 1968/2005, Recital 33

⁴ IEEP (2006), *An evaluation of the Less favoured Area measure in the 25 Member States of the European Union*, http://ec.europa.eu/agriculture/eval/reports/lfa/index_en.htm

- Revisions to LFA eligibility criteria so that they can be tailored to achieve environmental objectives. This would include specifications on livestock farming practices, including stocking densities.
- Good agricultural practice as applied to LFAs should be distinguished from non-LFA good agricultural practice, currently addressed by cross-compliance and Good Agricultural and Environmental Condition (GAEC). It should, in particular, address issues of good livestock farming practice.
- Increased consistency and transparency of payment rates in line with the environmental outcomes they secure.

BirdLife's vision of LFA support

2.1 BirdLife's vision of future support for land management is outlined in the document "New Challenges, New CAP"⁵. A sustainable land management and rural development policy for the EU is premised on the principle that public funding paid to land managers should be based upon the delivery of environmental and other public goods. Within this policy, a legislative baseline would be supplemented by agri-environment payments to farmers for the delivery of specified environmental outcomes, currently calculated on the income foregone and additional cost required to produce them.

2.2 Alongside this, there should be support for High Nature Value (HNV) farming systems, to ensure their continuance in circumstances where agri-environment approaches are not appropriate. This may be because agri-environment funding may be insufficient, or the measures within agri-environment schemes inappropriate, to allow payment to be made for the maintenance of existing practices. However, it is also because HNV systems are usually economically marginal, and the environmental benefits they secure are not the result of the active manipulation of management practices, but of a continuation of those that are already environmentally-friendly. Moreover, the requirement for HNV indicators to be reported against as part of the new round of rural development programming should not be reduced to a mapping exercise, but should reflect real activity and environmental outcomes from HNV systems.

2.3 Agri-environment approaches, which reward the active production of public benefits based on income foregone, are unable to account for those public benefits that are maintained through farming practices that do not generate much income, but are intrinsically better for the environment. The environmental benefits that result from features of HNV farming, including conservation grazing, low levels of inputs, semi-natural habitats, and habitat mosaics, as well as the social benefits derived from retaining active land management in marginal areas, are therefore often better secured through a form of basic system support than through agri-environment. This is especially true of competitive and enhanced agri-environment, whereas there may be some potential overlap between very 'broad and shallow' approaches and HNV system support. Nonetheless, the principle of supporting a

⁵ <http://www.birdlife.org/eu/pdfs/CAP%20Brochure.pdf>

system in order that it remains producing the public benefit that is sought, is very different to an agri-environment approach that should be paying for additional benefits beyond what is already being produced.

2.4 BirdLife believes that the existing structure of LFA support does not achieve its objectives and should form the basis of support aimed at maintaining HNV farming systems. In our view, LFA support is currently failing because of:

- A lack of clarity about the objectives and rationale for LFA intervention, and a resultant lack of consistency across Member States in these.
- A lack of a definition of sustainable farming systems.
- A lack of consistency in defining eligibility criteria.
- A lack of consistency and transparency of payment rates.
- A lack of baseline environmental eligibility criteria, beyond cross-compliance and GAEC, defining good agricultural practice in LFAs.

2.5 The transition towards a reformed CAP should have reform of LFA support as an integral part, with an aim to better incorporate environmental sustainability of farming into its objectives. This can be delivered by explicit support for HNV farming systems, which would give LFA support a clear policy rationale as a key component of Axis 2. A review of LFA that encompasses only designation criteria will fall short of providing this rationale. Ensuring this rationale also serves to consolidate the land stewardship role of the CAP, thereby increasing its legitimacy in the eyes of EU citizens. Such a reform would be very timely in light of the upcoming EU budget review, which will inevitably question what is achieved through current spending on EU agricultural support structures.

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