THE DANISH ECONOMIC INTEREST IN INVESTING IN THE ENVIRONMENT

Denmark’s position as a net paying country in the EU (a net contribution of EUR 851 million in 2010), gives it a key role in any EU budget debate, with the government normally seeking much more progressive positions with other like-minded Member States, notably the other net-paying Scandinavian countries.

The position of the Danish government towards the EU budget is characterised by the desire to improve and implement significant EU policies and to ensure efficient and effective financial investments as currently done within Denmark.

The awareness for environmental issues is relatively high in Denmark, including the economic benefits of the environment. For example, the environment in rural areas provides services such as food for livestock, clean water, climate regulation, erosion and pest regulation, and cultural heritage values. By 2050, the lack of implementation of biodiversity policy in the EU will cost EUR 1.1 trillion annually.

In 2010, the EU spent EUR 1.53 billion in Denmark, of which farm spending accounted for EUR 1.15 billion (75%), making it by far the biggest spending category in Denmark. Farm spending in Denmark is significantly above the EU-average share of 50%. These EU payments, mainly acting as income support for Danish farmers, have very few environmental benefits.

The current public debt crisis in the EU and Denmark’s role in it will clearly limit the availability of Danish public funds for the environment. At the same time, it is an opportunity for a debate on the most efficient and wise use of taxpayers’ money and for the phasing out of environmentally harmful subsidies.

NATURA 2000 COVERAGE IN DENMARK

1. The terrestrial Natura 2000 Network, the cornerstone for biodiversity conservation in the EU, covers 8.9% of the total area of Denmark.
2. Most of Denmark is cultivated: 60% is farmland, 16% is forest or heath and 7% is lakes, rivers and wetland areas. Danish Natura 2000 hosts 60 different types of habitats.
3. In Denmark, property in natural environments, when compared to similar property elsewhere, sell for a 25% higher price.
4. In the last 20 years, Denmark invested EUR 79.4 million of European funding (LIFE programme) to directly support the environment. In comparison, Denmark invested the same amount of EU funds in 2010 to develop a motorway between Copenhagen and Berlin.
HOW EU SUBSIDIES ARE WASTED ON ENVIRONMENTALLY HARMFUL ACTIVITIES

Although the Common Agricultural Policy has decoupled agricultural payments from production in 2003, EU member states may still choose to maintain a limited link between subsidy and production, where Denmark chooses to do so for sheep and beef cattle. Two-thirds of Danish agriculture is managed by farms with a high intensive use of fertilizers, manure and pesticides, and high production of pigs and cows. Pollution from farming is a challenge to the water supply. Several aquifers suffer from groundwater pollution, especially from nitrate and pesticides, and over recent decades many waterworks have been closed, forced to drill deeper or forced to buy their water from neighbouring water supplies. Denmark, like 65% of Europe, relies on groundwater as a source of drinking water. In 2010, EUR 956.1 million from the EU budget was spent as income support to Danish farmers and a further EUR 1,006.5 million was spent on agriculture markets (i.e. interventions on productions), while only EUR 61.5 million was spent on Rural Development schemes. Income support for farmers is a single payment on the basis of cultivated area with no link to the delivery of public goods, such as clean water and air and biodiversity. EU agricultural subsidies have been mainly targeting intensive farming in Denmark and very little actually go towards targeted schemes, such as agri-environment.

BIRDLIFE RECOMMENDATIONS – HOW TO MAKE A DIFFERENCE

> The EU Budget should redirect funds towards rewarding the delivery of public goods. EU funds can be used to support local products and handicrafts that are linked to Danish cultural heritage and natural landscape.

> EU investment should be adequately channeled to energy efficiency and improved water management.

> Sustainable tourism that respects the natural environment promotes traditional activities, including traditional products, increases productivity and all together preserve the environment and landscape.

> Denmark should ensure that EU funding is spent in a quality way that leads to a sustainable economy that benefits Danish society.

EU policy

1. Increase the total budget of the EU’s environmental fund “LIFE” from 0.23% to 1% of the total EU Budget (circa 1.5 billion EUR per year);
2. Balance the two pillars of the Common Agricultural Policy (CAP) and ensure 50% of its total budget delivers towards the Rural Development Programme;
3. Ensure the EU Budget delivers 20% of climate action, especially through climate mitigation under cohesion policy;
4. Establish a tracking system that documents specific positive and negative effects of EU funds for climate and biodiversity.
5. Support the establishment and financing of the Voluntary scheme for Biodiversity and Ecosystem Services in Territories of the EU Outermost Regions and Overseas Countries and Territories (BEST).

National planning & programming

1. Establish clear earmarking of EU funds for the financing of the Natura 2000 network, based on national or regional priority action frameworks;
2. Ensure sufficient funding is available for well targeted and well designed agri-environment schemes and other environmental measures under rural development;
3. Finance Green Infrastructure and projects on energy efficiency under regional development;
4. Involve all relevant actors, including environmental NGOs, during national planning and implementation of European funds (including partnership contracts).

HOW EU FUNDS CAN BE INVESTED IN FUTURE BENEFITS

Intensive farming based on grass pellets’ production has dominated the landscape of the River Varde Valley and the meadows of Ho Bay, seriously degrading the area’s natural qualities. A restoration project was developed in the late 1990’s to improve the situation utilising a combination of EU LIFE programme and agri-environment scheme measures. The project demonstrated good stakeholder engagement and the Varde is currently the only major river system not regulated by dikes and locks in the Wadden Sea. The project increased the water level of the river, enhanced the flora and fauna, and reduced the nutrient and pesticide pollution.

1. In 2010, DK contributed a total of EUR 2.38 billion (including customs and farm trade duties collected on behalf of the EU of which 25% was retained by DK) and received EUR 1.53 billion. European Commission (2011). EU budget 2010-Financial Report.

Download the report at: www.birdlife.org/eubiodiversityreport2012