



# THE HIDDEN TRUTH – Austria

Environmental impact of new Rural Development Programmes – 2014-2020

One of the overarching aims of Common Agricultural Policy (CAP) reform was to make it deliver more for the environment. This fact sheet therefore analyses the quality of public spending. It looks at what hides behind the official numbers and what Austrian Rural Development spending means for the environment, specifically for biodiversity.

## STATE OF PLAY FOR THE ENVIRONMENT:

Land abandonment in areas of natural constraints, particularly in alpine regions, is causing shrub and wood succession. Intensification of farming practices in high-yield areas in the lowlands is harming biodiversity. **83% of protected extensive grasslands within the Natura 2000 network are not in a favourable condition.** Reporting under the Birds and Habitats Directives in Austria showed that the loss of biodiversity on farmland has not been halted.

## FARMLAND BIRD INDEX:

**Farmland Birds have decreased by 42% in the Austrian countryside since 1998.** During the 2015 breeding season, once-common farmland birds such as Ortolan Bunting, Great Grey Shrike, and European Roller were observed in very low numbers. There is a great risk that these birds will disappear completely from the Austrian countryside if no significant changes are made to current intensive agricultural practices. Other farmland birds, such as Lapwing, Skylark and Grey Partridge are also at risk.

## Priority 4: RURAL DEVELOPMENT BUDGET FOR ‘ECOSYSTEMS’: reality and practice

The implementation of EU Rural Development (RD) programmes should fulfil a number of set objectives and priorities. While 65% of the RD money in Austria has been allocated to measures that should directly benefit biodiversity, water and soil<sup>1</sup>, the reality is that not all the measures for which this money has been earmarked have high environmental value. These measures may, at best, benefit nature indirectly, but they are not tied to concrete environmental targets and benefits.

Of the money under this priority, 35% of it will go to farmers in Areas with Natural Constraints (ANC), mostly due to the fact that more than half of Austria’s agricultural land is located in mountainous areas. In most cases, these payments will actually benefit traditional, mostly extensive, alpine farming and the cultural and natural heritage associated with this type of farming. The ANC payments can help to ensure the preservation of High Nature Value meadows in alpine ecosystems.

## AGRI-ENVIRONMENT SPENDING: past vs. future

**In Austria, 2.22 billion EUR (28% of RD money) will be spent on Agri-Environment measures (AEC) – this is a 23% cut compared to the previous spending period** despite the fact that Member States were required to maintain AEC funding levels<sup>2</sup>. The Austrian government argues that mostly ‘light green’ measures were cut.

Of the AEC budget, 22% will be spent on measures targeted directly at specific species, habitats or biodiversity problems, i.e. which are ‘dark green’ and are really tackling the issues at stake. Although the horizontal measure (UBB – ‘Environmentally sound and biodiversity supportive management’) has been

<sup>1</sup> Priority 4, as foreseen by the Rural Development Regulation, Art. 5

<sup>2</sup> Rural Development Regulation, Recital 22.



improved in order to increase its actual delivery for biodiversity, it is still not effective enough in the delivery of environmental or biodiversity objectives. Further, the budget for the more effective and targeted schemes has been reduced, quite significantly in the case of support to mowing of alpine meadows.

In addition to less money being available and some measures being ineffective, another weakness of the current Austrian RDP is that its design is such that the positive 'dark green' measures are unattractive to farmers and their uptake will likely be low as a result. The main challenge for the uptake of these schemes is that they are usually most appropriate for plots which are hard to manage and have a low yield. Even though maximum payments were raised to 900€/ha for grassland and 700€/ha for arable land, ecological management of many of these plots is still either uneconomic or involves administrative burdens. For example, farmers wishing to implement the 'Nature Conservation' measure on a certain area are also required to take-up the horizontal measure 'Environmentally sound and biodiversity supportive management' for all their Utilised Agricultural Area (UAA). Farmers who cannot or do not want to do this tend to give-up ecological management of their last remaining small High Nature Value plots.

The current programme makes it more advantageous for farmers to apply for 'light green' measures instead. The serious decrease in the applications for the AEC measure 'Nature conservation' can be seen as alarming proof that better incentives for managing High Nature Value areas are needed.

### What do we mean by 'dark green' agri-environment measures:

The European Court of Auditors, in its special report from 2011\* looking at the effectiveness of agri-environment, recommended that agri-environment schemes should be more precisely targeted and there should be a higher rate of EU contribution for sub-measures with a higher environmental potential. In our analysis, we have looked at what proportion of the agri-environment budget has been allocated to targeted, as we call them 'dark green', schemes for biodiversity. As EAFRD and Rural Development plans do not recognise such a category, we have worked with regional and national experts to assess measures, using the following principles: The scheme has been considered 'dark green' if it is targeted to specific species (group of species), habitats or a specific biodiversity problem (pollinator strips).

\* **ECA Special report no 7/2011:** Is agri-environment support well designed and managed?

## FARM BIODIVERSITY CONTRACTS INSUFFICIENT TO REACH EU BIODIVERSITY STRATEGY OBJECTIVES

The EU's Biodiversity Strategy clearly states that by 2020, the area of farmland covered by biodiversity-related measures must be maximised in order to achieve a measurable improvement of species dependent on, or affected by, agriculture.

**The Austrian government claims that 83% of Austrian farmland is covered under voluntary contracts for biodiversity protection, but targeted measures under the new RDP, which could be genuinely beneficial for biodiversity, are only applicable to a small proportion of Austrian farmland.** Such targeted measures include €65 million of support to alpine mowed meadows (applicable to just 17,300ha) and €148 million of support to alpine herding (applicable to just 240,000ha).



While the budget for 'Nature conservation' measures has not decreased under the new funding period (€278 million), between 2013 and 2015 participation has dropped among farmers as the payments are not attractive enough. This has resulted in a 10-20% decrease of farmland coverage of the scheme. Consequently, the predicted 83,900ha covered by this scheme will in reality be closer to 65,000ha (preliminary figure Dec 2015). To positively affect biodiversity, 100,000ha of farmland would need to be covered by the scheme.

## INACTION ON NATURA 2000

Rural Development Programmes should include an approach to tackling the specific needs of Natura 2000 areas<sup>3</sup>. During the current funding period in Austria, Natura 2000 will mainly benefit from the agri-environment measures 'Nature conservation' (projected 83,900ha, €278 million) and 'Mowing of alpine meadows' (projected 17,300ha, €65 million) with the problems mentioned above

An unambitious new €3.5 million measure launched specifically to support Natura 2000 sites is unlikely to compensate for this lack of uptake and funding as it is only applicable to 2,500ha of land – insufficient given that 11.4% (319,000ha) of Utilised Agricultural Area (UAA) is designated as Natura 2000 land.

## EUROPE NEEDS:

**1.** To ensure that a well-designed greening and reinforced cross compliance represent a firm baseline for Pillar 2 environmental measures. This could help free up money for more efficient and targeted measures that benefit the environment and biodiversity.

*These baselines should be properly set and checked so as to create an equal level playing field for all farmers in Europe – special attention is needed on issues such as integrated pest management, water and soil. The Commission should urgently start to work on including the Water Framework Directive and Sustainable Use of Pesticides Directive directly into cross compliance so that the uncertainty around what is the baseline and what is not, is removed.*

**2.** To ensure that the CAP is designed in a way which helps reach the EU Biodiversity Strategy goals by 2020. So far evidence shows that the agriculture target is the most problematic.

*In Pillar 2 this can only be done through proper funding of the Natura 2000 Network and the Priority 'Habitats and species' as defined in the Birds and Habitats Directives.*

**3.** To have a genuine system for tracking environmental spending. Only measures with clear environmental objectives and delivery can be included. Areas of Natural Constraints (ANCs) must not be counted as environmentally-beneficial measures as there are no environmental obligations or management requirements attached to the payments.

*At best, ANC has an indirect positive effect for biodiversity and the environment. However, in the worst case they are just income support which is pushing damaging intensification. The purpose of the ANC payments – to fight against abandonment or compensate farmers to work in more difficult areas – remains difficult to justify when compared to the direct income support of the first pillar. At best it is proof of the duality of the CAP where Pillar 1 is a driver for large and intensified farms and Pillar 2 a way to counter this drive. This duality should be ended and a targeted instrument should be devised which supports extensive farming systems that provide high environmental value but are not economically viable.*

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<sup>3</sup> Rural Development Regulation, Art. 8



**4.** To ensure proper monitoring of the Rural Development schemes' delivery.

*It is not possible to know if investments in rural development are really delivering benefits for biodiversity without this evaluation.*

**Conclusion:** Europe needs to take a proper look at the whole of its agricultural policy and how it is working together or against environmental commitments and priorities. Even if Rural Development can be a large part of the answer and has the potential to play a positive role in many parts of Europe, the figures unfortunately show adjustments are necessary for this policy to truly deliver towards its objectives. It is now clear that this reformed CAP still has a long way to go before it can be called green.

**AUSTRIA NEEDS:**

1. Increase the budget for *Alpine herding and pasturage* and *Mowing of alpine meadows and steep terrain* as these schemes are schemes which can help reduce the speed of biodiversity loss in the Alps.
2. Make the *Nature conservation* scheme more attractive in the high-yield areas of the lowlands, particularly in Natura 2000 areas.
3. Give more financial benefits and less administrative burden for farmers to improve the attractiveness of 'dark green' measures. Improved biodiversity-related farm advisory systems will also help take-up.
4. A sound evaluation of the actual biodiversity benefits provided by the AEC schemes, particularly by the horizontal measure '*UBB – environmentally sound and biodiversity supportive management*'.

**SOURCES**

EC factsheet on 2014-2020 Rural development programme for Austria:

[http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/at/factsheet\\_en.pdf](http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/at/factsheet_en.pdf)

The data in this factsheet is based on the first version of the Rural Development Programme in Austria

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