



# THE HIDDEN TRUTH – Estonia

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 factsheet therefore analyses the quality of public spending. It looks at what hides behind the official numbers and what Estonian Rural Development spending means for the environment, specifically for biodiversity.

## STATE OF PLAY FOR THE ENVIRONMENT:

Overgrowth of semi-natural habitats, loss of High Nature Value farmland, increase in fertiliser use and concentration of livestock farming leading to increased run-off of nutrients, and increasing pesticide use are some of the challenges facing farmland biodiversity in Estonia.

**The area of semi-natural grasslands decreased from 303,000ha in 1981 to an estimated 130,000ha in 2006.** Less than 30,000ha are under some sort of management, with the remaining threatened by overgrowth and will soon be lost under present trends.

About half of protected extensive grasslands within the Natura 2000 network are not managed and are therefore in decline.

## FARMLAND BIRD INDEX:

**Farmland Birds have decreased by 20% in the Estonian countryside during the last 30 years<sup>1</sup>.**

## 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 37% of the RD money in Estonia has been allocated to measures that *should* directly benefit biodiversity, water and soil<sup>2</sup>, the reality is that not all measures for which this money has been earmarked necessarily have high environmental value.

In many Member States this is most obviously the case with payments for farmers in Areas with Natural Constraints (ANC). **The Estonian government decided not to include ANC payments in its RDP** as the whole Estonian Utilised Agricultural Area (UAA) would be eligible for this measure and it would in this context have represented a blunt top-up payment to all farms.

Although 21% of spending under this priority in Estonia is allocated to organic farming, which reduces pressure on the environment, this amount will not be sufficient to maintain the growth of this sector.

## AGRI-ENVIRONMENT SPENDING: past vs. future

In Estonia 25% of RD money will be spent on Agri-Environment measures (AEC) – **this is a 58% increase compared with the previous spending period and a movement in the right direction.**

**Only 13.5% of the AEC budget will be spent on measures targeted directly at specific species, habitats or biodiversity problems, i.e. that are 'dark green' and are really tackling the issues at stake.**

<sup>1</sup> Fig 3. In Andres Kuresoo, Hannes Pehlak and Renno Nellis. Population trends of common birds in Estonia in 1983–2010. Estonian Journal of Ecology, 2011, 60, 2, 88–110.

<sup>2</sup> Priority 4, as foreseen by the Rural Development Regulation, Art. 5



Many other measures are not that effective in the delivery of environmental or biodiversity objectives. This is the case in Estonia with the agri-environment measure 'environmentally friendly management' (74% of the budget for agri-environment measures, i.e. €182 million).

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

The European Court of Auditors, in its special report from 2011\* looking at 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 make the judgment, using the following principles: The scheme has been considered 'dark green' if it targeted 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?

Support to traditional endangered breeds of farm animals benefits biological diversity of domestic species directly but it also generates indirect wildlife benefits as traditional breeds are most often combined with extensive or High Nature Value farming in Estonia.

### 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 Estonian government claims that 70.3% of its farmland is covered under voluntary contracts for biodiversity protection, but **measures under the new RDP which could be genuinely beneficial for biodiversity are only applicable to a small proportion of Estonian farmland.** The only area-based and genuine biodiversity-targeted measure which could be identified is support to the 'management of semi-natural grasslands' (€33 million, applicable to just 30,000ha, i.e. **3.2% of UAA**), although only Natura 2000 farmland is eligible. The budget available for this measure during this period has been cut.

### INACTION ON NATURA 2000

Rural Development Programmes should include an approach to tackling the specific needs of Natura 2000 areas<sup>3</sup>. **The RDP does not efficiently address the needs of the Natura 2000 network in Estonia.** 5.8% of the UAA is designated as Natura 2000. Although almost 9% of spending (€32.7 million) under the RD

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



objective for biodiversity, water and soil is allocated to Natura 2000 and Water framework Directive (WFD), the actual improvement to biodiversity which can be delivered by the scheme is limited, as it is not accompanied by strict requirements.

## 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.*

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.

## ESTONIA NEEDS:

1. RDP measures supporting buffer strips and wetlands in the context of the implementation of WFD obligations.

2. Increased spending on semi-natural habitats, also outside of Natura 2000 sites.



3. Increased spending on organic farming to secure continued growth of the sector, as was the case during the previous period.

## SOURCES

EC Factsheet for 2014-2020 Rural development programme for Estonia:

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

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

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