



THE HIDDEN TRUTH – Finland

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 Finnish Rural Development spending means for the environment, specifically for biodiversity.

STATE OF PLAY FOR THE ENVIRONMENT:

10.5% of species in Finland are threatened. Most of these species are found in forests (1880 red-list species) and in traditional farmland habitats under pressure from overgrowth (1077 red-list species)¹.

The number of threatened species has increased in every natural habitat type between 2000 and 2010. The biggest negative change was on coastal habitats, farmland habitats, forests and marshes².

93% of all semi-natural grassland habitats, i.e. Finnish traditional or heritage biotopes, are not in a favourable condition (data from 2007-2012)³. This is the highest share among all habitat types in Finland.

Agri-environmental support schemes are invaluable for supporting semi-natural biotopes, amongst these, 70% of the 'traditional biotopes' are managed in some way. These small grassland patches are often severely isolated and at risk of abandonment.

FARMLAND BIRD INDEX:

Farmland Birds have **decreased by 50%** in the Finnish countryside from 1979 to 2012⁴.

Priority 4: RURAL DEVELOPMENT BUDGET FOR 'ECOSYSTEMS': reality and practice

The implementation of EU Rural Development (RD) programmes should fulfill a number of set objectives and priorities. While 68% of the RD money in Finland has been allocated to measures that should directly benefit biodiversity, water and soil⁵, the reality is that not all measures for which this money has been earmarked have high environmental value. These measures may, at best, benefit nature indirectly, such as payments for farming in Areas with Natural Constraints (ANC), but they are not tied to concrete environmental targets and benefits. Indeed, in Finland the largest share of money under this objective (65.5%) will go to ANC farmers.

In a 2013 report, the Ministry of Environment highlighted the perverse effect ANC spending could have on the environment through support to the intensification of agriculture⁶. Although support is targeted at small

¹ http://www.ymparisto.fi/fi-FI/Luonto/Lajit/Uhanalaiset_lajit/Suomen_lajien_punainen_lista_2010

² [http://www.ymparisto.fi/fi-](http://www.ymparisto.fi/fi-FI/Kartat_ja_tilastot/Ympariston_tilan_indikaattorit/Luonnon_monimuotoisuus/Suomessa_joka_kymmenes_laji_on_uhanalain(28272)

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³ <http://bd.eionet.europa.eu/article17/reports2012/habitat/report/?period=3&group=Grasslands&country=FI®ion>

⁴ [http://www.ymparisto.fi/fi-](http://www.ymparisto.fi/fi-FI/Kartat_ja_tilastot/Ympariston_tilan_indikaattorit/Luonnon_monimuotoisuus/Peltolinnut_karsivat_maatalouden_teho)

[FI/Kartat_ja_tilastot/Ympariston_tilan_indikaattorit/Luonnon_monimuotoisuus/Peltolinnut_karsivat_maatalouden_teho](http://www.ymparisto.fi/fi-FI/Kartat_ja_tilastot/Ympariston_tilan_indikaattorit/Luonnon_monimuotoisuus/Peltolinnut_karsivat_maatalouden_teho)
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⁵ Priority 4, as foreseen by the Rural Development Regulation, Art. 5

⁶ <http://www.ymparisto.fi/download/noname/%7BB3E047CC-DD7A-4897-BA56-513FBDC50C5F%7D/40297>



farms through a higher payment rate, contradictory signals are given to farmers under this scheme through increased requirements for livestock density and minimum area under contract⁷.

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 that 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 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?

AGRI-ENVIRONMENT SPENDING: past vs. future

In Finland, 1.6 billion Euros (19% of RD money) will be spent on Agri-Environment measures (AEC). It is due to separation of organic support from agri-environment and reallocation of funds to new animal welfare measure. This represents a 25% cut compared to the previous spending period despite the fact that Member States were required to maintain AEC funding levels⁸.

According to our analysis only 10% of the AEC budget is estimated for spending on schemes targeted directly at specific species, habitats or biodiversity problems, i.e. 'dark green' measures which really tackle the issues at stake. Although it must be noted that overall the budget available for such schemes has increased.

A large share of the AEC budget will go to measures which are not that effective in the delivery of environmental or biodiversity objectives. One such example is the agri-environment scheme to 'balance the use of nutrients' to which 51% of the AEC budget has been allocated and which involves over 90% of farmers. Its environmental delivery on the ground has been questioned because the measures are undemanding and mostly of a desk-type.

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.

⁷http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/fi_en.htm

⁸Rural Development Regulation, Recital 22.



The Finnish government claims that 15.6% of farmland is covered under voluntary contracts for biodiversity protection. This area includes land projected under “environmentally managed grassland” schemes (124,121,000 ha) which according to research has highly varied value for biodiversity and management insufficiently taking into account wildlife. But measures under the new RDP which could be genuinely beneficial for biodiversity are only applicable to 5.2% of farmland. Such targeted measures include ca. €100 million of support to the ‘management of biological and landscape diversity’ (projected 42,000ha) which will benefit semi-natural grasslands and includes accompanying advisory services, ca. €55 million of support to ‘field biodiversity’ (projected 76,000ha), a new scheme targeting migratory birds such as Cranes, Geese and Swans (€2.9 million, projected 800ha) and a scheme for the ‘management of multifunctional wetlands’ (€2 million, projected 1,100ha). However, a challenge with the delivery of these measures is that their uptake might be lower than expected due to their limited attractiveness.

For example, the real cost of work exceeds the maximum allowed support level, up to twice in the case of mowing of sites. It will be difficult to review this situation and to allocate a higher share of funds for ‘dark green’ measures during the current spending period because most funds will be bound in the agreements in the first year to 5-year basic agreements (such as ‘balanced use of nutrients’). This will result in a lack of funds for more demanding ‘dark green’ schemes that could potentially be initiated later during the spending period.

INADEQUATE ACTION ON NATURA 2000

Only 0.35% of Utilised Agricultural Area (UAA) in Finland is designated as Natura 2000. The RDP foresees that these areas will benefit from the agri-environment measure ‘field biodiversity’. Management planning for Natura 2000 is partly addressed under the measure for ‘Basic services and village renewal’ and higher payments for the establishment of buffer zones within Natura 2000 are foreseen. However, specific Natura 2000 measures have not been implemented.

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.

FINLAND NEEDS:

1. To tackle the pressure of intensive agriculture on farmland biodiversity, threatened species and Farmland Birds, through its RDP
2. To take serious measures to decrease the pressure of agriculture on water quality and review all perverse incentives provided by the RDP for the excessive use of fertilisers

SOURCES

EC factsheets for 2014-2020 Rural development plan for mainland Finland:

http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/fi/factsheet-mainland_en.pdf

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

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