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

STATE OF PLAY FOR THE ENVIRONMENT:

Of the protected habitat types under EU Nature legislation, 56% are not in a favourable condition (unfavourable or poor). Of these, grassland and freshwater habitat types are the most exposed to agricultural pressure. Melioration and irrigation measures are also important threats to habitats and species in certain areas.

**Of the protected grassland habitat types within the Natura 2000 network, 72% are not in a favourable condition.**

In the case of forest habitat types the situation is similar, with 71% of protected habitats in an unfavourable or poor condition.

FARMLAND BIRD INDEX:

This is also reflected in the declining populations of certain farmland bird species. Farmland birds have **decreased by more than 20%** in the Slovenian countryside since 2008. Grassland specialists are showing even larger declines of more than 30%. By comparison, generalist common birds have ‘only’ declined by 15%.

These alarming trends are even worse in some Natura 2000 areas where certain grassland and other farmland bird populations have declined by up to 90% in the last 10 to 15 years.

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

The implementation of EU Rural Development (RD) programmes should fulfil a number of objectives. While 51% of the Slovenian RD money has been allocated to measures that should directly benefit biodiversity, water and soil\(^1\), 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, e.g. through payments for farming in Areas with Natural Constraints (ANC), but they are not tied to concrete environmental targets and benefits. In Slovenia, the largest share of money under this priority (46%) will go to ANC farmers.

In principle, ANC payments should provide indirect benefits for biodiversity by addressing the abandonment of low productive farmland and the ensuing overgrowth of valuable open habitats in Natura 2000 areas. Unfortunately, the design of the scheme in Slovenia is likely to increase pressure on biodiversity through further intensification. At present, more than

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\(^1\) Priority 4, as foreseen by the Rural Development Regulation, Art. 5
85% of Slovenia’s territory (74% of utilised agricultural area (UAA)) is eligible for ANC payments, including some lowlands and valleys with intensive agricultural production. This creates an unfair situation for farmers who truly need these payments in order to pursue their activities managing High Nature Value farmland.

**AGRI-ENVIRONMENT SPENDING: past vs. future**

In Slovenia 203.6 million Euros (18% of RD money) will be spent on Agri-Environment measures (AEC) – this is an 8% cut compared to the previous spending period, despite the fact that Member States were required to maintain AEC funding levels\(^2\).

Only a small share of the AEC budget will be spent on measures targeted directly at specific species, habitats or biodiversity problems, i.e. those that are ‘dark green’ and are really tackling the issues at stake. These measures include, for example, support to Special grassland habitats, Grassland habitats for butterflies, Litter meadows, Extensively managed humid grassland habitats for birds, Conservation of hedgerows and High-stem traditional extensive orchards. However, it is impossible to identify how much of the budget is available for each measure, as it is only allocated to groups of measures, such as the ‘mowing/grazing’ scheme. Furthermore, some important measures (e.g. Conservation of hedgerows) are not even being implemented yet.

**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 at 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?

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\(^2\) Rural Development Regulation, Recital 22.
Many AEC measures for which money has been earmarked are not that effective in the delivery of environmental or biodiversity objectives.

**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 Slovenian government claims that 28.7% of farmland will be covered under voluntary contracts for biodiversity protection, but based on the current RDP it is not possible to evaluate how much land will be covered by schemes that could genuinely be beneficial for biodiversity. Given the low entry levels in these schemes in the first year of implementation (2015) this percentage will probably be insignificant (i.e. less than 5%).

**INACTION ON NATURA 2000**

No measure of the RDP specifically addresses the needs of the Natura 2000 network in Slovenia as required by the Rural Development Regulation\(^3\). The RDP claims that priority amongst the agri-environment measures will be given to schemes that aim to improve the state of biodiversity in Natura 2000 areas. Based on the current payment rates, and for the next five years, a budget of ca. €31 million (ca. 15% of the current agri-environment budget) would be needed to cover the priority grassland areas (24,500ha) with meaningful biodiversity contracts. However, in 2015 only 5,000ha (i.e. 11% of target value) of grasslands were enrolled in the target measures.

Some RDP measures could actually harm biodiversity and Natura 2000, such as ‘Land consolidation’ and ‘Forest roads construction’, which has already had damaging effects in the previous programming period.

**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

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\(^3\) Rural Development Regulation, Art. 8
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.

SLOVENIA NEEDS:

1. Sufficient funds allocated to targeted biodiversity contracts in order to reach the targets in the Natura 2000 Management Programme 2014–2020.
2. An increased attractiveness of ‘dark green’ agri-environment measures to achieve a higher take-up, by reducing barriers and reviewing payment rates.
3. To ensure investments in land consolidations and forest roads in Natura 2000 sites are not encouraged or supported.
4. Co-operation measures supporting initiatives that explore, test and promote new targeted biodiversity measures and new ways to finance biodiversity conservation within the RDP.
5. Funds to monitor the effectiveness of all RDP measures, in particular agri-environment measures.

SOURCES

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

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