



THE HIDDEN TRUTH – UK – England

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

STATE OF PLAY FOR THE ENVIRONMENT:

Agriculture covers 74% of land use in England and it continues to have a significant net negative impact on a range of environmental priorities and associated indicators. In 2011, agriculture accounted for 8% of all Greenhouse gas emissions in the UK. Agriculture is estimated to account for 50-60% of nitrate in water bodies, 75% of sediment and pesticides and 20-30% of phosphorous.

40% of priority habitats and 30% of priority species under EU Nature legislation were declining in 2008.

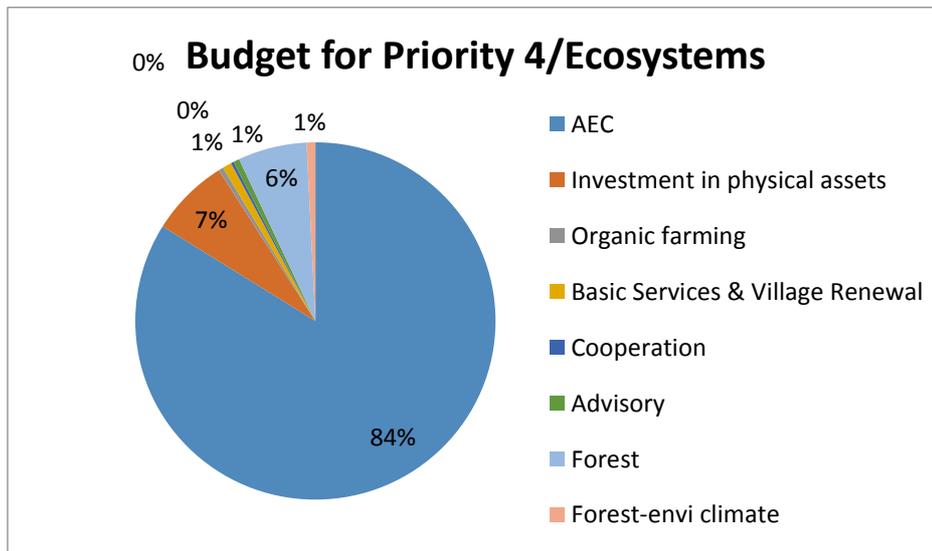
FARMLAND BIRD INDEX:

Farmland Birds have decreased by more than 50% in the English countryside since 1970.

The Farmland Bird Index hit its lowest ever level in 2013, and the 2013 State of Nature report found that 60% of species on enclosed farmland are declining, with 34% declining strongly.

These declines have continued, despite more than 70% of Utilized Agricultural Area (UAA) being under agri-environment schemes. However, the majority of this area was in Entry Level Stewardship, a 'light green' scheme.

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



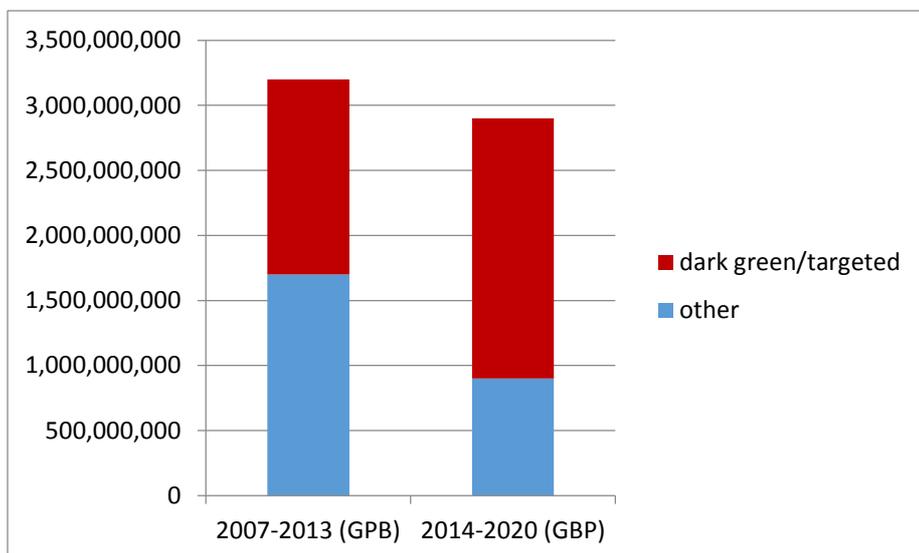
The implementation of EU Rural Development (RD) programmes should fulfil a number of set objectives and priorities. 85% of English RD money has been allocated to measures that *could* directly benefit biodiversity, water and soil¹. Whether this will be the case will depend upon how these measures are implemented during the programme. In many Member States 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. To their credit England chose not to allocate funds to this type of measure.

¹ Priority 4, as foreseen by the Rural Development Regulation, Art. 5



AGRI-ENVIRONMENT SPENDING: past vs. future



In England 71% of RD money will be spent on Agri-Environment measures (AEC), although in total 85% of the RD budget will be used to support measures included in the new agri-environment scheme, Countryside Stewardship. These include measures for Investment, Basic services, Forest investment, Cooperation as well as AEC measures. Although this represents a greater proportion of RD money compared to 2007-2013, the overall budget is smaller.

The main new agri-environment scheme 'Countryside Stewardship'

has been designed to address some of the flaws of 'Entry Level Scheme' (ELS) in the previous period. It is more targeted and competitive across the board, while ineffective options have been removed. However, it is likely that coverage will decline to around 30-40% of UAA. The big test of the scheme will therefore be whether a more focused and effective scheme on a smaller area of land will lead to an overall improvement in the environmental outcomes secured.

Many of the AEC measures in England (69% of AEC budget) qualify as 'dark green', i.e. targeting specific species, habitats or biodiversity problems. This is an increase in comparison to the previous period.

Both the mid and higher-tiers of 'Countryside Stewardship' meet the definition of 'dark green' AEC schemes,

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 agri-environment budget has been allocated to targeted, or 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?



although only the higher-tier will be supported by advice, which is necessary to ensure that targeting is truly effective.

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 managing authority (Defra) claims that 27.4% of England's farmland will be covered under voluntary contracts for biodiversity protection. The English RDP indicates that this will total 2,521,000ha. Defra's own analysis suggests that the RD budget is insufficient to meet English or European biodiversity targets², which makes effective implementation during the programme critical.

ACTION ON NATURA 2000?

Natura 2000 covers 1.6% of UAA in England. No measure of the RDP specifically addresses the needs of the Natura 2000 network in England, although Natura 2000 sites are a priority for the higher-tier of the 'Countryside Stewardship' scheme: if a Natura 2000 site is eligible for funding, and the land manager is willing to enter into an agri-environment contract, it is highly likely that they will be able to do so in conjunction with Natural England (English AEC delivery body).

Non-productive investment, Co-operation and Advisory agri-environment measures can also benefit Natura 2000 implementation, for example through the funding of landscape-scale projects to complement existing and new agri-environment agreements.

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

² Statutory and policy commitments in relation to the delivery of terrestrial biodiversity through agri-environment schemes, (2013), Natural England. A report for the Biodiversity Programme Board



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.

ENGLAND NEEDS:

1. To address initial IT failures to ensure that the RDP, and Countryside Stewardship (CS) specifically, can be implemented successfully.
2. To invest in the expertise and capacity of CS delivery bodies and ensure that they have the capacity to provide 1-to-1 advice to applicants at the higher-tier.
3. To ensure that there are adequate resources to fully deliver the monitoring and evaluation plan for environmental land management schemes.
4. To undertake a review of the verification and control requirements to ensure that they are not jeopardising the delivery of high quality environmental outcomes.
5. To undertake more proactive promotion of the RDP and CS specifically.

SOURCES

EC factsheet on 2014-2020 Rural development programme of England (UK):

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

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

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