WWF

REPORT

2012

Sorting out the goods

Agri-Environment Measures in the Baltic Sea Member States

WWF Baltic Ecoregion Programme

CONTENTS

SUMMARY AND CONCLUSIONS

Agri-Environment Measures is one of 13 topics under Axis 2 in Pillar II of the Common Agricultural Policy, CAP. In this context it may seem to be an issue of limited importance. Nevertheless, Agri-Environment Measures are at the core of environmental protection in agricultural policies.

It is the only measure that all EU Member States are required to have, and a varying but generally large share of farms in the Baltic Member States are associated with at least one scheme under the topic. The measure is also the single largest in Pillar II when considering EU funding. Over the programme period 2007-2013, almost € 8 billion have been allocated to such schemes in the Baltic Member States alone, excluding Germany.

In principle, the measure consists of an agreement between a farmer and authorities in a Member State, where the farmer makes a voluntary commitment to take certain measures beyond mandatory regulation to protect the environment. In return, EU and the Member State offer financial support for costs and loss of income caused by the commitment.

Though EU regulation defines a number of criteria and objectives that need to be met, Member States have great freedom to design the schemes they wish to implement. Some schemes are very wide, targeting all farms, but often they are more or less specific, divided into sub-measures on several levels, designed to address certain national or regional needs or aims.

This report assesses how Agri-Environment Measures are implemented around the Baltic Sea, how relevant they are to environmental protection and how the system can be improved.

A thicket of schemes

Since Member States have a great deal of freedom to design their own measures, and each country has it's own set of political, financial, social and environmental circumstances, there is a large number of schemes with great disparity and variation. In the eight Baltic Sea Member States there are over 60 different schemes and many of them are in themselves topical, divided into a number of sub-measures.

All together there are hundreds of schemes in use, ranging from broad and shallow to narrow and deep approaches, creating a thicket of schemes that can only be analyzed at great effort and cost. Although many of them have similar objectives, they are all unique in design and implementation.

Agri-Environment Measures are defined and described in national or regional Rural Development Programmes (RDPs), subject to approval by the European Commission. Since Agri-Environment Measures are an important part of the RDPs, these are also examined to determine compliance with existing regulation. However, this examination is quite technical, mainly assessing whether formal criteria have been met. On a more detailed level and concerning the efficiency of the measures, the Commission simply states that it is not practical to scrutinize them on a Community level - that has to be up to the Member States.

[1] COUNCIL REGULATION (EC) No 1698/2005, Article 77-79.

The result of this arrangement is that there is little or no overview. The Commission has not made any assessment of which schemes are being used in the Member States. There is no comprehensive document, data base or list outlining which national or regional measures are in use and how they are performing.

This creates an obstacle against cooperation between Member States and against transparency for individuals, NGOs and civil society at large. For example, several of the Baltic Sea Member States have defined eutrophication and water protection as a priority, but from the RDPs it is virtually impossible to see exactly what they are doing, if they have similar strategies, if they are cooperating or what the results are.

Good. But which ones and how good?

The EU regulation on support for rural development demands that the measures being used fulfil certain criteria and are monitored and evaluated by the Member States. But also at national level the evaluations are mostly technical and linked to criteria and objectives that sometimes are not relevant, rarely giving answers regarding their efficiency and ecological effects.

Contesting the maze of measures and sub-measures in use, there have been several attempts to evaluate the performance and efficiency of Agri-Environment Measures at the EU level. The approach has been to look at a limited number of Member States and programmes. The result of these studies show that there is no doubt that Agri-Environment Measures are performing and delivering common goods. The question is: which ones are efficient, how much good are they producing and how can the system at large be improved?

This is an essential question considering the amount of money that tax-payers are allocating to these schemes, and even more so in the reform of the CAP now taking place. Agri-Environment Measures are essential for environmental protection as well as in agricultural policy and they will continue to play an important role in the foreseeable future.

One of the most critical studies in recent years was made by the European Court of Auditors in 2011 . They found that there was a great potential for improvements in several areas. Their main criticism concerned the haphazard structure of national and regional plans, displaying a multitude of ill-defined objectives with little or no apparent links to the problems that had been identified or to the strategies in use. Their conclusion was that the measures could probably be much more efficient with a better structure and they made a number of recommendations to this end.

Conclusions and recommendations

Agri-Environment Measures have a huge potential to improve the health of the environment in the Baltic Sea and its Member States. It is a mandatory measure for all countries and currently involves € 7.9 billion in public funding for 2007-2013 in the Baltic Sea region, excluding Germany.

Environmental protection in agriculture must have a local and regional perspective as well as a European. Environmental pressures differ in different parts of Europe and naturally, environmental measures should be targeting the specific regional situation.

In the Baltic Sea region, cooperation on water protection, nutrient management and combating eutrophication should be priorities. The reported national implementation of RDPs does not always show that this is the case.

[2] Is Agri-Environment Support Well Designed and Managed? Special Report No 7, European Court of Auditors, 2011.

Funding provided through Pillar II is target driven and despite the shortcomings described above, clear links can be drawn between funding and the provision of public benefits. Seen from the perspective of the Baltic Sea region, several actions can be taken to improve the efficiency and effectiveness of the environmental measures within the Rural Development Programme, both within the present CAP and as part of the upcoming reform:

- Measures and levels of payments should be more linked to clear and specific targets. Targets must be based on existing knowledge and science and designed to meet real environmental pressures. There should be a measurable relationship between funding and progress toward the agreed targets.
- Targets should reflect public priorities and not be used as hidden income support for farmers. More specific and measurable targets based on agreed policy will help to ensure that public funding is used for its real purposes.
- Targets should be set and agreed with a Baltic Sea Region perspective in mind. Environmental pressures vary across Europe. Targets, and allocation of funding, must reflect the specific pressures that are most relevant in the region.
- Measures should be evaluated based on their effectiveness in achieving the agreed targets, not only on technical implementation.
- Cooperation between Member States within the region in setting targets should be encouraged. As this report shows, agri-environment payments are used quite differently in the eight Baltic Sea Member States. More cooperation would provide opportunities to learn from each other as well as efficiencies to be gained from harmonized approaches.
- Halting eutrophication of the Baltic Sea should have a more prominent place among these targets. Eutrophication has been identified as the single biggest threat to the ecology of the Baltic Sea. This report shows that there is not enough emphasis on measures related to combating eutrophication.

INTRODUCTION

Rural areas cover 91 percent of EU territory and is the home for half of its population. The areas are characterized by a great diversity in nature, but also in terms of socioeconomics, demographics and development. Some are among the wealthiest in the union – others are among the poorest, but all of them have a need for a planned development.

To deal with the great variation there is a need for coordinated rural development planning at the EU level. Not all Member States would be able to afford the policy they need and many of the issues addressed by rural development policies cut across borders, affecting people in other states. Moreover, rural development policy is linked to other EU regulation.

Structure

Rural development policy is an integral part of the Common Agricultural Policy (CAP). The essential rules governing rural development policy for the period 2007 to 2013, as well as the policy measures available to Member States and regions, are set out in Council Regulation (EC) No. 1698/2005. Under this regulation, the policy is focused on three themes (known as thematic axes). These are:

- Axis 1: improving the competitiveness of the agricultural and forestry sector;
- Axis 2: improving the environment and the countryside;
- Axis 3: improving the quality of life in rural areas and diversification of the rural economy.

To help achieve a balanced approach to policy, Member States and regions are obliged to spread their rural development funding between all three of these thematic axes. There are certain minimum requirements regarding the distribution of funding; 10, 25 and 10 percent respectively for axis 1, 2 and 3. The intention is to ensure that each national programme reflects the three main policy objectives, while leaving a high margin of flexibility for governments to emphasize the policy axis they wish.

A further requirement is that some of the funding must support projects based on experience with the Leader Community Initiatives, also referred to as Axis 4 which is a cross-axis measure mainly concerning implementation and involves highly individual projects designed and executed by local partnerships to address specific local problems.

Every Member State (or region, in cases where powers are delegated to a sub-national level) must develop a rural development programme, which specifies what funding will be spent on which measures in the period 2007 to 2013.

The policy is funded partly from the central EU budget and partly from individual Member States' national or regional budgets. The EU funding is derived from a single fund, the European Agriculture Fund for Rural Development (EAFRD) accompanied by a single set of programming, financing, reporting and control rules.

Summaries of National and Regional Development Programmes are available at:
http://enrd.ec.europa.eu/rural-development-policy/country-information/en/country-information_home_en.cfm

National and Regional Rural Development Plans

National rural development policy must be developed in line with the EU policy and laid down in national rural development plans. There is also an option for Member States to delegate this to regions, submitting regional development plans when appropriate. Germany, for example, has a regional development plan for every Bundesland and Finland has one plan for mainland Finland and a separate plan for the Åland islands.
As a result there are a total of 94 Rural Development Programmes (RDPs) in the EU and 11 for the Baltic Sea Member States. Germany has a national plan as well as separate plans for Schleswig-Holstein and Mecklenburg-Vorpommern and Finland has two separate plans.

The plans follow a template and are extensive, giving lots of detail required by the EU. Their main feature is to set objectives for the policy as a whole, but also to define objectives and details on the individual parts. Thus, they elaborate on what funds and programmes are used to reach the objectives under each axis.

Convergence

A significant factor influencing the EU funding of national and regional programmes for rural development, is the uneven distribution of wealth between Member States and regions. Around the Baltic Sea there is a divide in this respect, where most of the states and regions fall under the convergence objective, i.e. having a GDP per capita of less than 75 percent of the EU average.

The northern German regions of Schleswig-Holstein and Mecklenburg-Vorpommern, Poland, Lithuania, Latvia and Estonia all fall under the convergence criteria. A part of Finland is considered a phase-in region[1]. Thus they receive a larger proportion of co-funding for their regional development programmes from the EU, typically around 80 percent compared to about 50 percent provided for the other countries.

Regional development is also addressed by the EU Cohesion and Structural funds, whereby these countries and regions receive additional funding for development in addition to that coming through the EAFRD.

Axis by axis

A total amount of around € 226 billion have been made available over the period 2007 – 2013 for the 94 RDPs, including all public expenditure (from EU and national support) as well as private investments from farmers and industry. The EU's expenditure for these programmes amounts to € 90.8 billion, corresponding to 61 percent of the total public expenditure. EU funding is supplemented by € 57.7 billion of national co-financing.

Figure 1: Allocation by axis in Baltic Member States, percentage

Source: The EU rural development policy: facing the challenges, EU Commission, 2008. Figure for Germany is national

1 A phase-in region is a region which used to be under the 75% threshold that would qualify them for inclusion in the convergence group, receive extra funding to help them "phase in" to their new objective.

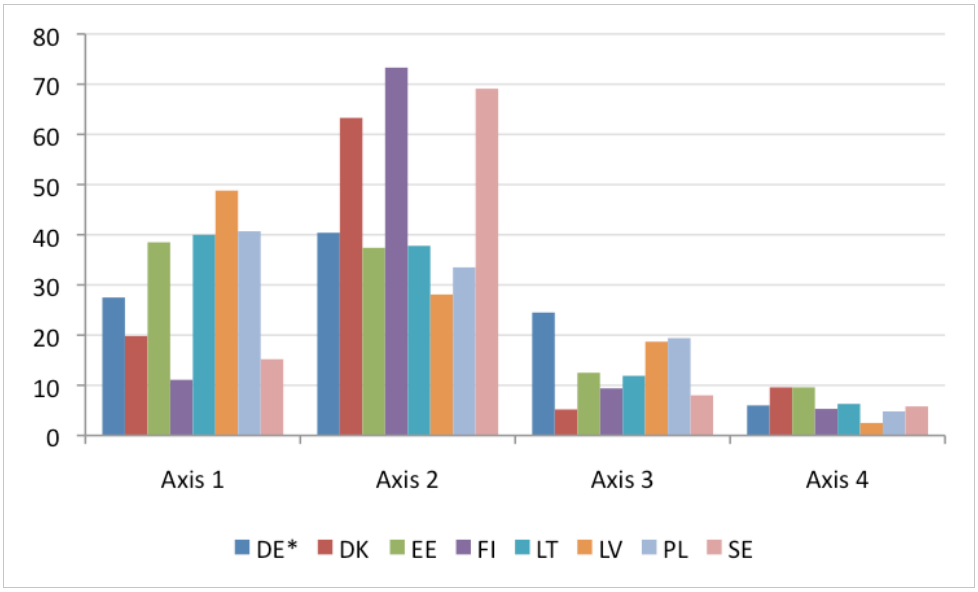
More information about convergence and strudtural funds is available at:
http://europa.eu/legislation_summaries/regional_policy/provisions_and_instruments/l60014_en.htm

Regarding the distribution of funding between the four axes (Axis 1-3 plus Leader), Baltic Sea Member States have made different choices in their allocation. Most of the funds are allocated to Axis 1 - *improving the competitiveness of the agricultural and forestry sector* - and Axis 2 - *improving the environment and the countryside*. Jointly, these axes receive some 80 percent of the funding in Baltic Member States, with the lion's share dedicated to Axis 2.

Axis 3 – *improving the quality of life in rural areas and encouraging diversification of the rural economy* receives less funding, roughly 15 percent of the total. The smallest proportion goes to Axis 4, Leader.

Axis 1 is slightly prioritized in Poland, Lithuania, Latvia and Estonia, where it receives almost half of the total funding, while the Scandinavian countries prioritize Axis 2, allocating 60-70 percent to this purpose.

Figure 2. Allocation of funding by country and axis, percent of total



Source: The EU rural development policy: facing the challenges, EU Commission, 2008.
** Figure for Germany is national*

The socioeconomic situation of people living in rural areas of Poland, Lithuania, Latvia and Estonia is likely to be the reason for the priority given to axis 1 in these countries. Rural inhabitants are typically much poorer than people living in urban areas. In Scandinavia, people living in the countryside are also less well off than those living in cities, but the difference is much smaller and generally their GDP per capita is even above EU average.

Figure 2 shows the overall allocation of EAFRD funds in the Baltic Member States 2007-2013. Roughly half of the funds - € 15.7 billion excluding Germany - are allocated to Axis 2, one third of the funds to Axis 1 and 14 percent to Axis 3. Compared to figures for EU27, Axis 2 receives slightly more in the Baltic Member States while Axis 1 gets slightly less. The proportions change slightly when national funding is included.

AXIS 2

The main axis concerning support programmes with relevance for environmental protection is Axis 2. Measures under this axis are directed towards the sustainable use of agricultural and forestry land. They are intended to ensure the delivery of environmental services by Agri-Environment Measures in rural areas, including in areas with physical and natural handicaps, and preserving land management. A general condition for the measures under Axis 2 is respect of the relevant EU and national mandatory requirements (cross-compliance).

Measures under Axis 2

Support may be given to farmers who sign up voluntarily to commitments for a minimum period of five years. Longer periods may be set for certain types of commitments, depending on their environmental effects. Payments are annual, calculated according to the income loss and additional costs resulting from the commitments made, including the costs for letting the transaction take place.

Support may be granted for commitments in agriculture and forestry. At the EU-level, the measures are structured in 13 topics and given code numbers for identifation purposes. Six of them cover agriculture (211-216) while the remaining seven are associated with forestry (221-227).

Concerning agriculture, Agri-Environment Measures and support in Less Favoured Areas are the dominating measures in terms of budget and acreage covered. Agri-Environment Measures are the only compulsory measure to be included in the rural development programmes. This illustrates the political priority attached to the measure.

Forestry is considered to be an integral part of rural development and EU support for sustainable land use also encompasses the sustainable management of forests and their multifunctional role. In this context, support is available for a number of measures as described in the table below.

Table 1. Support measures in Axis 2

Measure	Code
Less Favoured Areas, mountains	211
Less Favoured Areas, other	212
Natura 2000-payments, agricultural land	213
Agri-Environment Measures	214
Animal Welfare Payments	215
Nonproductive Investments, agriculture	216
First Afforestation of Agricultural Land	221
Agro-Forestry Systems on Agricultural Land	222
First Afforestation of Non-Agricultural Land	223
Natura 2000 Payments, forest land	224
Forests Environment Payments	225
Natural Disasters Prevention, forest restoration	226
Nonproductive Investments, forests	227

AGRI-ENVIRONMENT MEASURES

Agri-Environment Measures is the oldest and the single most significant measure for pursuing environmental objectives across the farmed landscape in Europe, both in terms of the spatial coverage of schemes and the resources allocated to them. The basic idea is that farmers are paid for the extra costs and income losses for voluntarily providing environmental services defined in a national or regional support programme.

First introduced in 1985 under pressure from the United Kingdom and the Netherlands, Agri-Environment Measures have gradually assumed greater prominence. Today it is the major source of environmental funding in many Member States, with a total planned public expenditure for the 2007–13 programming period of € 34 billion including national co-financing, 23 percent of the total Pillar 2 budget. Out of this, nearly € 20 billion are funded by the EU. In the Baltic Member States, € 7.9 billion in public expenditure will be allocated to the measure, excluding Germany.

Over the 2007–13 programming period, it is estimated that nearly three million farms will enter into Agri-Environment Measures, bringing approximately 39 million hectares (22 percent of total utilised agricultural area) under some form of environmental management.

Put simply, Agri-Environment Measures constitute a huge financial support system for environmental protection. The question is: does it deliver?

Great variation

Agri-Environment Measures display a variety of programmes in different Member States across Europe and indeed in the Baltic Sea region. The base-line is laid down in Regulation EC 1698/05, where article 39 states that support may be given to farmers who voluntarily take on commitments going beyond mandatory EU and national regulation.

This basic requirement leaves a great deal of liberty for the design, targeting and delivery of schemes at Member State level. Levels of payment rates are also calculated by Member States, reflecting their differing needs and environmental priorities as well as their capacity to apply to the measure.

This freedom of choice is considered to be important, because achieving the intended environmental objectives is dependent on the matching of incentives to a wide range of local factors, which can vary enormously even within one region. The downside is that it may allow the design and implementation of schemes that have limited environmental benefits in practice. Comprehensive scrutiny at the EU level is considered impractical.

Maintaining and enhancing the character of cultural landscapes and protecting biodiversity on farmland have been at the core of Agri-Environment Measures since the 1980's. Over time a number of schemes have been developed, for example the protection of High Nature Value farmland and the conservation of rare species.

Nearly all Member States also use Agri-Environment Measures to promote organic farming. Other schemes, such as improving water quality and soil functionality have gradually become more widespread. For some Member States, for example Finland, water protection is considered to be the key priority. In others, the sustainable management of natural resources is prioritized.

Measures in practice

Generally, schemes tend to fall into two main categories: those focused on maintaining low-input, extensive farming systems, often covering whole farms, and those that are more targeted and focus on the more complex management for the restoration and protection of certain habitats, species or areas. In many countries these approaches are used in combination, creating a multi-tier system.

In the Baltic Sea region, as in the rest of the EU, there are a multitude of schemes, varying greatly between countries and regions. Each Member State has at least 5-10 different schemes, some being multi-tier schemes with a number of sub-measures and combinations. Ultimately, there are literally dozens of voluntary commitments a farmer can make and receive support for.

Thus the national programmes are diverse, consisting of anything from a few general programmes to a multitude of specific and narrowly defined schemes. For example, there are schemes for "sustainable farming", which in some cases simply requires a slightly higher level of caution than what is mandatory when applying fertilizers or pesticides.

The most obvious example of the broad approach is perhaps Finland, boasting a coverage of some 95 percent of the agricultural land by agri-environment schemes. Out of this, more than 40 percent of the area is under an entry-level scheme. Similarly, more than 80 percent of the agrarian land in Sweden is covered by measures, of which more than 70 percent concern management of landscape and high natural values (HNV). At the other end of the scale, only some 5 percent of the agricultural area of Poland is covered.

Figure 3: Percentage of agricultural land under agri-environment schemes by nation

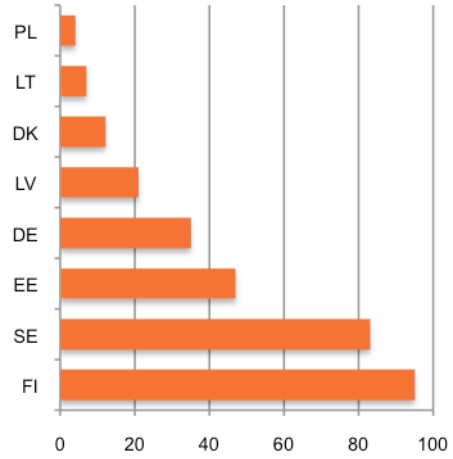
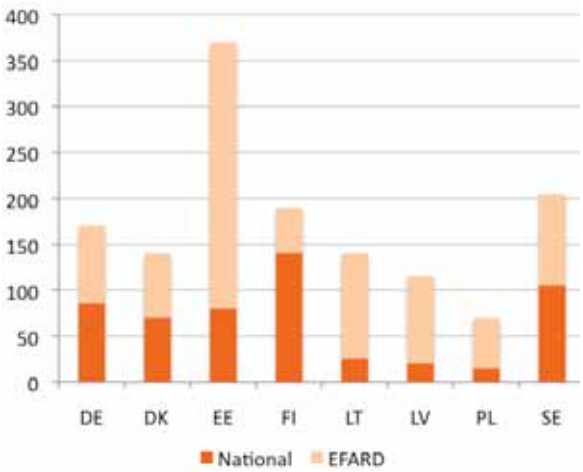


Figure 4: Average payments per hectare in Baltic Member States, €



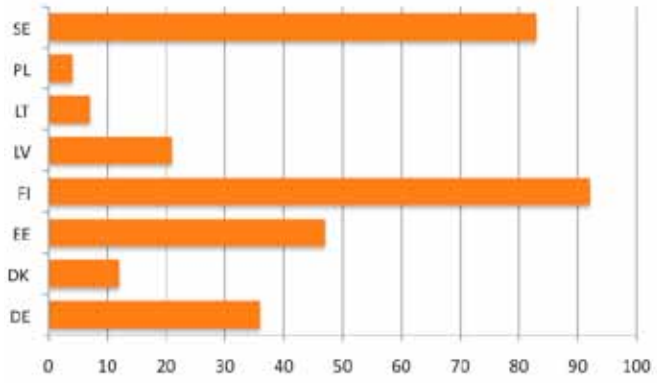
Source for figures 3 and 4: Rural Development in the European Union, Statistical and Economic Information, Directorat-General Agriculture and Rural Development, December 2011. All figures 2007-2009 basis.

The main groups of farming practices eligible for agri-environment payments in the EU are listed below. Those receiving most support in the Baltic Sea Member States are organic farming and management of landscape, including the conservation of historical features on agricultural land.

- Organic farming
- Integrated production
- Other extensification of farming systems: fertiliser reduction, pesticide reduction and extensification of livestock farming
- Crop rotation, maintenance of set-aside areas
- Action to prevent or reduce soil erosion
- Genetic resources (local breeds in danger of being lost to farming, plants under threat of genetic erosion)
- Biodiversity conservation and enhancement actions
- Upkeep of the landscape including the conservation of historical features on agricultural land
- Water-related actions (apart from nutrient management) such as buffer strips, field margins, wetland management.

The broad approach used in Finland and Sweden means that the acreage under agri-environment schemes is larger in these countries, with over 2 million hectares per country, more than twice as much as in Poland and four times as much as in the other Member States.

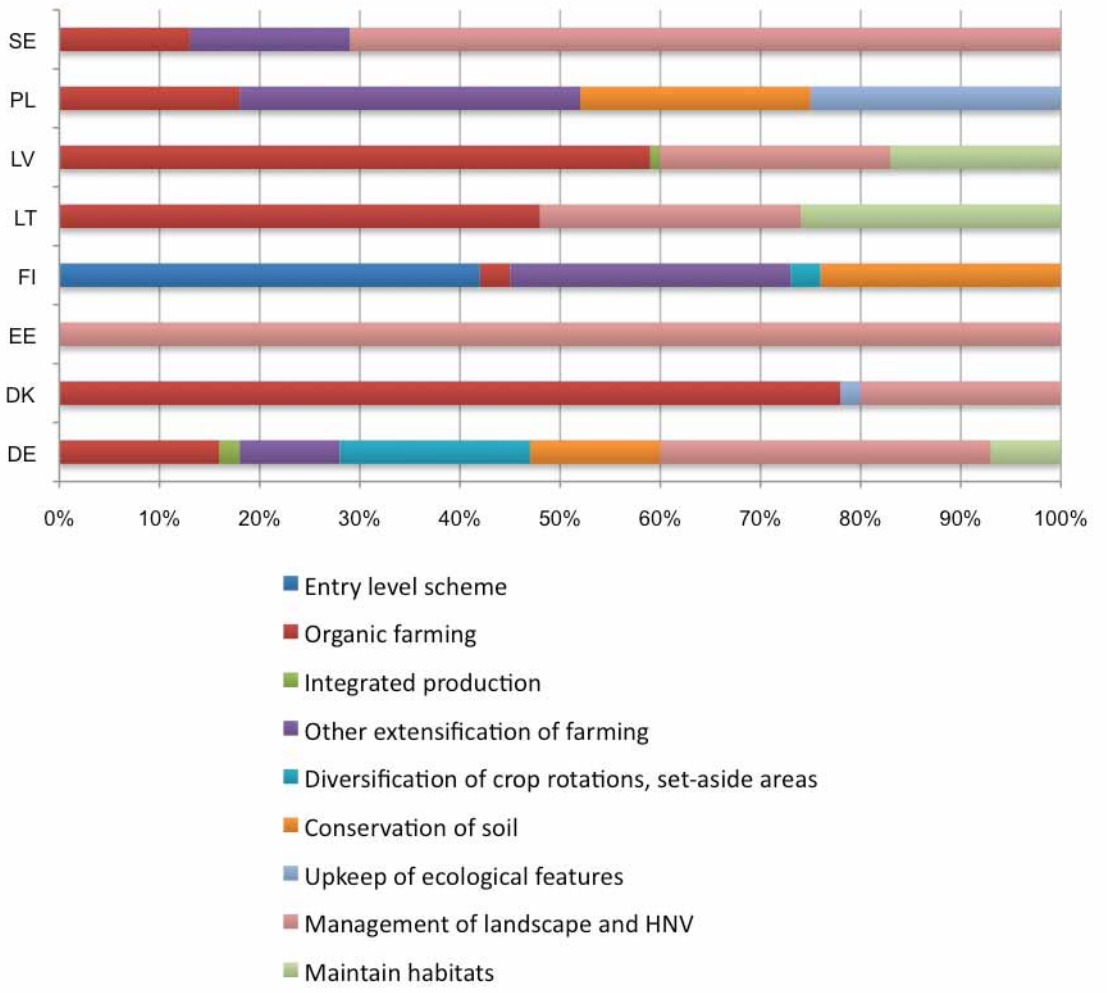
Figure 5. Share of agricultural area under Agri-Environment Measures 2009 , percent



Source: Rural Development in the European Union, Statistical and Economic Information, Directorat-General Agriculture and Rural Development, December 2011.

Naturally, the average payment per hectare varies greatly between countries, depending on type of schemes in use and the acreage covered by the measure. A policy with very narrow and targeted schemes leads to higher costs per hectare than a wide and shallow approach. While the average in Estonia is a payment of over € 350 per hectare, the average in Poland is about € 70.

Figure 6. Breakdown of agri-environment schemes in use by type, percent



Source: Rural development in the European Union, Statistical and economic information, Directorate General for Agriculture and Rural Development, 2011

Monitoring and analysis

The high-level legislation at the EU level provides the legal framework for rural development in general, of which agri-environment measures and payments are an important part. The measures are expected to contribute towards three EU-level priority areas: biodiversity, water and climate change. The objectives are - as may be expected - fairly generic. As regards Agri-Environment Measures, which are a part of Axis 2, the aim is to improve the environment and the countryside by supporting land management.

Each Member State is required to develop and submit a rural development strategy outlining the areas for action relevant to the EU priorities: biodiversity, water and climate change. Regional development programmes must ensure that financial support from the EU is allocated to measures contributing to these priorities.
To this end, national strategy plans and programmes must include information on the axes and for measures proposed for each axes, in particular the specific verifiable objectives that will allow the programme's progress, efficiency and effectiveness to be measured.

As required by the regulation, all the assessed RDPs contain information about the programmes used in some detail. However, on the level of individual schemes within Agri-Environment Measures, there is little specific requirement in the regulation regarding what information should be available. Thus the information in the RDPs varies in character, quantity and quality.

In some plans information is highly technical and complex, in others it is brief and cursory or even sketchy. The structure of the description as well as terminology being also varies. Financial information is scarce on a detailed level; only half of the eight Baltic Member States define the costs of the individual agri-environment schemes in their RDPs.

Similarly, there is a requirement in the EU regulation for follow-up and evaluation of the schemes. Mostly, these follow-ups are of a technical character, sometimes linked to irrelevant objectives, giving few - if any - answers regarding effects on the ecosystem.

As a result, it is practically impossible to fully assess and compare the schemes being used in the Baltic Sea Member States. Even the European Commission has no systematic compilation of the schemes being used, simply stating that it is not practical to do so on a community level.

There are a few initiatives looking into Agri-Environment Measures in the Baltic Member States from different perspectives, e.g. Baltic Compass and Baltic Deal. These studies give some idea about the measures in use, and make it possible to compare certain specific schemes, but still can not provide a comprehensive assessment or comparison of the full programmes. On the whole, it is not possible at this time to make technical, financial or environmental comparisons of the schemes in use in the Baltic Sea Region.

Evaluation

The regulation also specifies a number of criteria for evaluation of progress. However, these are mostly technical criteria linked to the objectives, which are also of a technical character; defining how many hectares or farms that should participate, when and how to manage crops, how to apply fertilizers or - in some cases - how much money to spend. Environmental objectives and criteria are very rare.

As a consequence, the environmental efficiency of Agri-Environment Measures has been questioned. In an evaluation from 2011, the OECD concludes the following:

> *"The extent of environmental benefits delivered is subject to much debate, as they are difficult to measure. Evaluations of the agri-environment measure under Pillar 2 have shown that its implementation has achieved benefits for biodiversity, or at least reduced the rate of biodiversity loss. Recent evaluations have also showed that the measure has had a generally beneficial impact upon maintaining landscape patterns.*
>
> *In contrast there is less information on the impact of agri-environment schemes on soil and water quality within the evaluation literature, with insufficient data being the main limiting factor. Where benefits have been identified, these are largely delivered through actions requiring reductions in inputs, the use of cover crops on arable land, appropriate arable rotations, arable reversion to grassland, organic agriculture and the introduction of buffer strips of varying widths alongside water courses."*

Considering that EU tax-payers are spending over € 2 billion per year, plus similar amounts in national funding, on agri-environment payments, such a level of certainty regarding efficiency is insufficient.
The European Court of Auditors has also made an attempt at evaluating the measure. The Court found that the objectives determined by the Member States are numerous and not specific enough for assessing whether or not they have been achieved.

The court exemplified this by using the Rural Development Strategy Plan and the RDP for Andalusia in Spain. The strategy contains 20 environmental objectives, while the RDP has 8 entirely different objectives for Agri-Environment Measures. In addition, the RDP contains a number of objectives for each of the 15 agri-environment sub-measures (in total 51), which are sometimes partly or entirely different from the objectives set out in the general part of the RDP.

Out of 203 contracts from different Member States examined by the Court, they found that in 39 percent of the cases there were no specific environmental pressures in the area where the contract was implemented, or such problems could not be identified by the Member States. More than half of the sub-measures surveyed were based on 'common sense' impact models, and thus were based on general beliefs about how agricultural practices are linked to environmental changes, rather than on documented evidence.

The Court stated that the large amounts of money spent on entry-level schemes, in contrast to the small amounts spent on higher-level schemes, were insufficiently justified in the rural development programmes in relation to their environmental effects. On the other hand, very targeted measures often only cover a very small number of farms, resulting in minor benefits.

Instead, the Court recommends targeting funds to geographical areas, types of farms or farming practices by setting appropriate eligibility criteria. It noted that ensuring that funds are spent according to regional needs and priorities is of key importance for enhancing the environmental effects of agri-environment sub-measures.

The court concludes:

> *"Considerable problems existed as regards the relevance and reliability of management information. In particular, very little information was available on the environmental benefits of agri-environment payments."*

The example from Andalusia used by the European Court of Auditors is indeed a mere example. Our study of the RDPs from the Baltic Member States reveals similar problems. The objectives are all over the place, often without coherence or structure and - more often than not - they are general bordering to meaningless and in-comprehensiveness. In some cases they have not been found at all.

ANNEX: SCHEMES IN THE BALTIC SEA MEMBER STATES

This Annex presents keyinformation on the agri-environment schemes of EU Member States in the Baltic Sea region. The information consists of excerpts from national rural development plans without review or comments. Due to the extensive material there may be gaps.

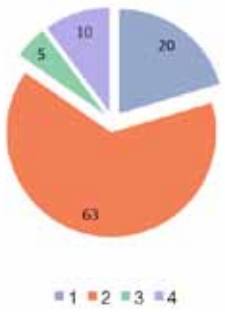
DENMARK

Objectives and strategy

The Danish rural development programme is to contribute to accomplishing the four overall objectives expressed in the national strategy for rural areas.

- More entrepreneurs and local jobs in rural areas;
- Greater competitiveness in the agricultural, food and forestry sectors;
- Varied landscapes, rich nature and a clean environment;
- Attractive living conditions in rural areas, which contribute to strong cohesiveness between countryside and town.

Allocation by axes



To date the Danish rural development programme has been principally focused on primary agriculture, including the promotion of particularly environmentally friendly land use. In the present programme the focus is being extended to a greater degree to the food chain and activities in the rural areas not directly linked to the food sector. The objective to a greater extent is becoming general development in the rural areas.

Axis 2

Improvement of the environment and landscape will primarily be pursued through establishment of wetlands and set-aside areas in marginal zones along lakes and streams. Secondarily, objectives will be pursued in respect of environmentally friendly agriculture and forestry, including promotion of organic farming.

Within Axis 2, the majority of funds are allocated to Agri-Environment Measures. According to an estimate in the Danish plan, about 73 percent of public support under Axis 2 is directed to such measures.

Public payments Axis 2 in Denmark 2007-2013, €

Payments to farmers in less-favoured areas (212)	8,671,496
Agri-environment payments (214)	372,150,549
Support for non-productive investments (216)	31,073,416
First afforestation of agricultural land (221)	66,060,309
Forest-environment payments (225)	4,600,000
Restoring forestry potential (226)	6,712,484
Support for non-productive investments (227)	22,857,047
Total	512,125,302
EAFRD (55 percent)	281,668,916

Source: Indicative breakdown of payments for individual measures for the entire programme period, page 279, The Danish Rural Development Programme 2007-2013

Agri-Environment Measures

The following measures are supported in Denmark.

Conservation by grazing or cutting on pasture and natural areas

The purpose of the support scheme is to ensure yearly grazing or cutting of pasture and natural areas and thereby to protect and improve landscape and biotope conditions, the conditions for flora and fauna and the biodiversity. The areas are existing high nature value agricultural and semi-natural areas and habitats.

Support is given for the conservation of pasture and natural areas in connection with yearly grazing or cutting. Yearly grazing or cutting of permanent pasture on open land, meadows, common land and moor land may help to preserve such areas of high natural value as lightopen areas. The total cost for 2007-2013 is estimated at € 73.1 million in public expenditure.

Conversion to organic agricultural production

The specific aim of the measure is to promote organic agricultural production by encouraging farmers to convert to organic agricultural production.

Support will be granted for conversion to organic farming for cultivated agricultural areas. This measure concerns conversion to organic farming only, while the up-keep of organic farming is supported under the measure Extensive production on agricultural land. The total cost for 2007-2013 is estimated at € 6 million in public expenditure.

Extensive production on agricultural land

The primary objective of the measure is to promote pesticide free farming. This measure supplements the obligations in the measure conversion to organic farming. The scheme is open for both organic and conventional farmers.

Support will be granted for pesticide free farming during a 5-year commitment period, paid for cultivated agricultural areas only. The total cost for 2007-2013 is estimated at € 82.9 million in public expenditure.

Establishment and management of set-aside border strips

The purpose of the support scheme is to promote the establishment of non-cultivated border strips along lakes and open watercourses in order to reduce the leaching of Phosphorus and pesticides into surface water. In order to achieve the above aim, support is given for placement of set-aside areas (including set-aside areas from other farms) on to borderstrips along watercourses and next to lakes.

The set-aside must be placed on border strips of a width of between 10 or 20 metres and immediately adjacent to lakes and watercourses. The border strips can be established along all open watercourses and lakes in excess of 100 m2. The border strips must be trimmed/cut back at least once a year with special equipment to avoid erosion. The total cost for 2007-2013 is estimated at € 0.8 million in public expenditure.

Management of wetlands

The objective of the measure is to promote the establishment and sustainable management of wetlands, and to secure natural habitats in order to protect eg. living conditions for birds. Support is offered for sustainable management of wetlands geographically situated within special sensitive agricultural areas. These areas have been designated by the regional authorities in accordance with guidelines given by the Ministry of Environment. The total cost for 2007-2013 is estimated at € 12.9 million in public expenditure.

Plant genetic resources

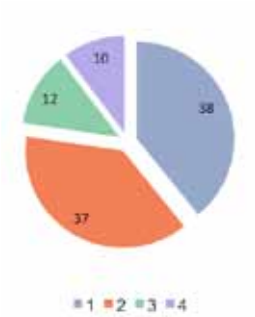
The purpose of the measure is to encourage on farm conservation of plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion. Support is offered for projects regarding sustainable use of older Danish plant varieties worthy of conservation. Support is offered for activities concerning the cultivation, demonstration and dissemination of information on the use of the eligible plant species worthy of conservation. The total cost for 2007-2013 is estimated at € 0.5 million in public expenditure.

For more detail, see http://agrifish.dk/rural_development.aspx?ID=46534

ESTONIA

RDP objectives and strategy

Allocation by axes



In 2007–2013, in increasing the competitiveness of agriculture and forest management, more attention is given to the increase in the share of the production of higher value added by product development and the assurance of stable quality. This will require more emphasis on the development of technology and closer co-operation with different research establishments.

At the same time, considering the big need for investment accompanying agricultural production and agricultural produce processing since 1990s and getting bigger due to the new additional requirements, modernisation of agriculture and processing industry will be of the greatest importance in the development of the competitiveness of agriculture and forest management.

Axis 2

The activities of Axis 2 are primarily directed at the promotion of such ways of agricultural production, which ensure stable status of the environment and land use in regions where it is important for the formation of traditional landscapes, and in Natura 2000 areas. In particular, attention is paid to the maintenance of biological diversity and traditional landscapes, to the assurance of water quality and to the alleviation of climate change.

Public payments Axis 2 in Estonia 2007-2013, €

Payments in other areas with handicaps (212) *	53,513,654
Natura 2000-payments (213)	8,652,796
Agri-environment payments (214)	210,886,973
Animal welfare payments (215)	21,724,033
Support for non-productive investments (216)	3,962,523
First afforestation of agricultural land (221)	4,281,093
Natura 2000-payments (224)	31,439,272
Total	334,460,344
EAFRD (80 percent)	267,568,275

** Including the transferred costs from period 2004–2006*
Source: Tables 28 and 29, Estonian Rural Development Plan 2007-2013

Agri-Environment Measures

The overall objectives of this measure are to promote the implementation and continual use of environmentally friendly management methods in agriculture; to preserve and increase biological and landscape diversity; to help the agricultural producers acting in an environmentally favourable way to get adequate income and to increase the environmental awareness of agricultural producers. To this end, the following measures are supported in Estonia. The total indicative budget for Agri-Environment Measures is € 192.3 million. Out of this amount E 18,7 million is foreseen for the commitments taken under the ERDP 2004–2006.

Environmentally friendly management

The objectives of the support for environmentally friendly management are the following:

- To promote the introduction and continual use of environmentally friendly management methods in agriculture, in order to protect and increase biological and landscape diversity and to protect the status of water and soil;
- To expand environmentally friendly planning in agriculture;
- To increase the awareness of agricultural producers of the environment.

The applicant must follow the cross-compliance requirements and the minimum requirements for the use of fertilizers and plant protection products in its entire holding and the requirements of the support for environmentally friendly management on the arable land of the whole enterprise.Support is paid for arable land entered in the register of agricultural supports and refence parcels, incl. short-term (up to 4 years) grassland. Indicative budget: € 105.2 million.

Organic production

The objectives of the support for organic production are the following:

- To maintain and increase biological and landscape diversity and to maintain and improve soil fertility and water quality;
- To support the development of organic farming and to contribute to the increase in the volume of organic products;
- To support and improve the competitiveness of organic farming.

The applicant must follow the Organic Farming Act, be approved according to the Organic Farming Act and must follow the requirements for organic production. In the fourth year of the 5-year commitment, the requirements for organic crop farming provided in the Organic Farming Act must be followed on the agricultural land of the whole holding. If animals are kept in the holding according to the Organic Farming Act, the requirements of organic animal husbandry must be met during all of the rest of the commitment period, regarding those animals possessed by the applicant. Indicative budget: € 55.8 million.

Keeping animals of local endangered breeds

The objective is to ensure the conservation of local endangered breeds valuable for cultural heritage and genetic diversity. Support will be granted for keeping a bovine of Estonian native cattle breed, or keeping an Estonian native horse, Tori horse or Estonian heavy draught. Cost not available. Indicative budget: € 3.5 million.

Growing plants of local varieties

The objective is to ensure the preservation of the local rye variety Sangaste which is valuable for cultural heritage and genetic diversity. Hectare-based support is granted for those agricultural producers who are growing the variety. Applicant must within the 5-year commitment period grow the winter rye variety in each year on at least 2 hectares. Indicative budget: € 0.9 million.

Maintenance of semi-natural habitats
The objective of the support for the maintenance of semi-natural habitats is to ensure the favourable conservation status of the semi-natural habitats located in Natura 2000 areas. In order to receive the support the applicant must participate in training on the maintenance of semi-natural habitats. Indicative budget: € 26.8 million.

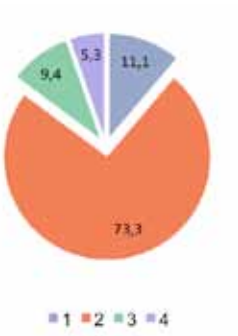
For more detail, see the Estonian Rural Development Plan:
http://www.agri.ee/rdp

FINLAND

RDP objectives and strategy

The main objectives of Finland's rural development strategy are to preserve a viable and active countryside, improve the state of the environment and promote the sustainable use of renewable natural resources. To achieve this, the strategy needs to respond to the permanent challenge created by the northern and remote location and adverse climate, abundance of water bodies and low population density in respect of preserving and improving the viability of rural areas. The strategy aims to reinforce the position of Finnish countryside to keep up with the regional, national and international development as the globalization proceeds.

Allocation by axes



Axis 2

Finland has a set-up that differs from the other Baltic Member States, a two-level system where the basic level intends to raise environmental standards in the agriculture on a broad scale and the next level – special measures – sets more demanding standards and are used by a limited number of farms. Today roughly 92 percent of the Finnish farms and 95 percent of the farmland are to some extent covered by the measure.

For the purposes of rural development policies, Finland is divided into seven areas ranging from urban to sparesly populated and conditions for support are partially dependent on what area is considered, The priorities set in the strategy are the following:

- To maintain valuable, open, cultivated agricultural landscape as well as meadows and pastures, independent of whether they are used to produce food or food raw materials or renewable energy or managed without cultivation. The measures to achieve this are payments for natural handicaps and payments for agri-environment special measures for management of traditional biotopes and enhancing of biological and landscape diversity.
- To reduce environmental load to the soil, surface waters, groundwater and air from agricultural sources by the promotion of environmentally friendly production methods. To support the reduction in greenhouse gases and the preservation of the organic matter in the soil and carbon sink effect through renewable bio energy produced on agricultural and forest land.
- To preserve biodiversity in agricultural and forest environments. Special emphasis is given to the preservation of the Natura 2000 network of agricultural and forest areas.

Public payments Axis 2 in Finland 2007-2013, €

Natural handicap payments in mountain areas (211)	1,657,000,000
Payments in other areas with handicaps (212)	1,212,000,000
Agri-environment payments (214)	2,370,229,588
Animal welfare payments (215)	105,000,000
Support for non-productive investments (216)	10,000,000
First afforestation of agricultural land (221)*	10,000,000
Total	5,454,229,588
EAFRD (28-45 percent)	1,538,339,171

* Commitments made 1995-1999
Source: Financing plan by axis, tables 6.2.1 and 6.2.2, page 257, Rural Development Plan for Mainland Finland 2007-2013

Agri-Environment Measures

The Finnish system for Agri-Environmental Measures consist of Basic measures, Additional measures and Special measures.

Basic measures are mandatory for all farms that are part of the programme. Additional measures are optional depending of payment-area. There are additional measures for both horticultural crops and arable crops. In areas A and B, farmers have to choose at least one but most often four Additional measures. In area C, farmers can choose 0-2 Additional measures. There is no obligation for horticultural farms to commit to any Additional measures, but if they want to, it is possible to choose up to 2 Additional measures (for horticultural crops) in area A and B and in area C only one measure.

Special measures concern various specific action for environmental protection. Compensation is generally based on hectares or animal unit, but it is also possible that they contain areas which are not fields or cultivating areas. Payments are mostly for farmers but some special measures are open also for society, i.e. management of multifunctional wetlands and management of traditional biotopes.

The following measures are supported in Finland. Since the number of schemes is extensive no details are given.

Basic measures

Environmental planning and monitoring of farm practices
Nature management fields
Fertilisation of arable crops
Fertilisation of horticultural crops
Headlands and filter strips
Sustainance of biological and landscape diversity

Additional measures

Reduced fertilization
More accurate nitrogen fertilization on arable crops
Plant cover in winter and reduced tilling
Plant cover in winter (in support areas A and B)
Intensified plant cover in winter (in support areas A and B)
Crop diversification (in support areas A and B)
Extensive grassland production (in support areas A and B)
Spreading of manure during the growing season
Nutrient balance
Cultivation of catch plants (in support areas A and B)

Additional measures for horticultural farms
More accurate nitrogen fertilization on horticultural crops
Use of mulch in perennial horticultural crops
Use of pest monitoring methods

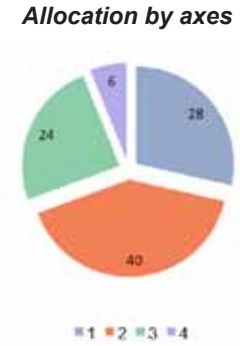
Special measures
Establishment and management of riparian zones
Management of multifunctional wetlands
Arable farming in groundwater areas
Runoff water treatment methods
Organic production
Organic livestock production
Management of traditional biotopes
Enhancing of biological and landscape diversity
Raising local breeds
Cultivation of local crops
More efficient reduction nutrient load (in support areas A and B)
Incorporation of liquid manure in the soil
Long-term grass cultivation of peaty arable land

For more details:
www.mmm.fi/attachments/maaseutu/maaseudunkehittamisohjelmat/ohjelmatkaudelle2007 2013/5jIWP1U4F/strategy_13102009.pdf

GERMANY

Germany has chosen to submit regional RDPs for each state (Bundesland), which means that the relevant plans for this study are those of Schleswig-Holstein and Mecklenburg-Vorpommern. Unfortunately these RDPs have not been readily available in their entirety in English. Instead we have studied a mid-term evaluation which has a summary in English, but detail is limited.

On a national level, Germany allocates 40 percent of the funding to Axis 2, while Axis 1 and 3 receive roughly 25 percent each. On a regional level, the distribution of resources is different, but information in the summares is too sketchy for a precise account.



MECKLENBURG-VORPOMMERN

RDP objectives and strategy

The objectives of the Rural Development Plan for Mecklenburg-Vorpommern are:
- Boost the economic strength of rural areas and the labour market,
- Conservation and development of natural resources,
- Improvement in the quality of rural life
- Increase the self-development potential of the regions.

The rural development programme has at its disposal a total of 3.8 billion euros (EU funds and public, national co-financing). Best funded is Axis 3, nearly half of funds are earmarked for these measures and Leader. Some 28 percent of scheduled public funds are available for Axis 2 while Axis 1 accounts for about one-fifth of public funds. The best-financed measures are Land consolidation and rural infrastructure in Axis 1, Agri-Environment Measures in Axis 2 and the measures for Conservation and upgrading the rural heritage in Axis 3.

Agri-Environment Measures

Agri-Environment Measures in Mecklenburg-Vorpommern consists of five sub-measures:

Conservation of Grassland

Integrated fruit and vegetable Farming

Organic farming

Erosion-reducing field gropping and farming methods

Flowering areas as forage areas for bees.

The majority of the schemes offered pursue several resource conservation goals. The total supported area in 2009 was 154.78 hectares, representing 11.5 percent of agricultural land in Mecklenburg-Vorpommern.

At 88,474 hectares, organic farming is the largest sub-measure in terms of land; furthermore, organic farms also receive payments in relation to 11,539 ha of grassland managed in accordance with the principles of nature conservation. Thus, organic farms constitute 7.3 percent of funded agricultural land. Extensification on individual sites accounts for about 34,000 haectares.

The area of land supported by other sub-measures is much smaller, but remained relatively constant or declined slightly compared to the reference year 2006. The number of holdings (360) receiving funding for flowering areas and flowering strips for bees is high relative to the supported area (647 hectares), because the goal is to distribute funding as widely as possible. Overall, participation rates for the schemes are only satisfactory when measured against the objectives.

Almost all measures are considered to have moderate to very positive impact on biodiversity, except for the sub-measure Integrated production, which has a low impact on it. Grassland-oriented measures are reaching more than 35 percent of permanent grassland in Mecklenburg-Vorpommern, but only 4.4 percent of arable land and 21.5 percent of Natura 2000 sites.

The schemes with positive impacts on water quality have been implemented on around 11 percent of agricultural land. This is primarily land given over to organic farming. Impacts are in the form of a reduction in nitrogen balances and in substance inputs into surface waters via erosion and runoff. Organic farming also makes a substantial contribution to soil conservation. Impacts can also be expected in climate protection and conservation and development of the countryside.

To achieve the objectives of the Water Framework Directive remains a great need to reduce nutrient inputs from agriculture is seen. In the short term, the aim is to increase the acceptance of highly effective measures (e.g. organic farming).

To make the impact of the erosion-reducing arable fodder crops more useful for water conservation, augmentation of the territory with the priority areas as per the Water Framework Directive should be reviewed or, where resources are limited, consideration should be given to limiting funding to these areas.

SCHLESWIG-HOLSTEIN

RDP objectives and strategy

The rural development plan of Schleswig-Holstein has four main objectives that follow the common theme of "Improving the quality of life":

- Increase economic strength, and secure and boost employment,
- Improve educational levels,
- Improve environmental quality,
- Improve living conditions.

The objectives of the State of Schleswig-Holstein are to be implemented under the four funding axes of the Rural Development Programme. Overall, Schleswig-Holstein has a budget of 542 million euros in public funds (as per 31.12.2009) and EU co-financing. Public funds are distributed among the four axes as follows:
– 36 percent for Axis 1: Improving the competitiveness of the agricultural and forestry sector,
– 19 percent for Axis 2: Improving the environment and the countryside,
– 45 percent for Axis 3: Improving the quality of life in rural areas and encouraging diversification of economic activity, and Priority 4: Leader.

Axis 2

Three agricultural and two forestry measures are offered under Axis 2. The focus of funding is on Agri-environment measures. The Compensatory allowance in disadvantaged areas is offered only in a small section of the territory, and so it has little financial bearing on the general programme. This applies equally to the Natura 2000 compensatory payment and the two forestry measures.

Agri-Environment Measures

The Agri-Environment Measures are composed of five modules. In the two target areas of biodiversity and water conservation, they have a clearly defined target structure. While the Permanent Grassland Programme, the Hallig Programme and the Contractual Nature Conservation Measures primarily pursue biodiversity in grasslands and salt grasslands, water conservation is also the goal of the measures Reducing Substance Inputs into Water and Organic Farming Methods on arable land.

The total supported area of the measures, based on the information on payments made in 2009, came to about 62,400 hectares, including legacy obligations. Consequently, agri-environment measures are theoretically being implemented on 6.3 percent of the area of Schleswig-Holstein.

At 26,300 hectares, Organic Farming Methods make up the largest area. Substantial increases in total supported area can be seen in Contractual Nature Conservation Measures. The size of the area covered by the new contracts shows that the transition to the new systematology of contractual nature conservation has been a success.

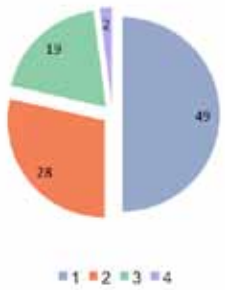
Almost all agri-environment measures have moderate to very positive biodiversity impacts. Of all the measures, less than 0.1 percent of Schleswig-Holstein's arable land, but around 4.5 percent of permanent grassland is reached. Whereas only small impacts are to be expected on agricultural land outside protect areas, measures reach some 53 percent of grassland in the area protected by Natura 2000.

The four sub-measures associated with water conservation goals helped to conserve and improve water quality on around 42,660 hectares or 4.3 percent of the land in 2009. Positive effects in 2009 stemmed first from an average reduction of 2.0 kg/ha (estimate) in the nitrogen balance, representing just under 2 percent of the reduction, and second by reducing substance inputs into surface waters.

LATVIA

RDP objectives and strategy

Allocation by axes



The Latvian Rural Development Plan identifies the following main needs to be addressed in the light of the strategic goal: prosperous people in sustainably populated rural areas of Latvia.
The main ideas concerning the distribution of the strategy financing to satisfy the needs are as follows:

- In order to cater for the need of restructuring of agriculture, 50 percent of the Axis 1 funding is used on restructuring and modernisation of the agricultural sector. The high rate is also justified by the fact that there is no other public funding available to satisfy these needs, except for this and the first pillar of CAP.
- To ensure policy balance and successive continuity, a gradual transition from income support to activity support, like agri-environment measures is required. This can be ensured by using 30 percent on Axis 2.
- 20 percent of the financing have to be used on Axis 3, in order to ensure successful satisfaction of life quality needs of non-agricultural economic and rural area from the EAFRD.
- 2.5 percent of the total EAFRD funding will be reserved for Axis 4 to support local initiatives.

Axis 2

Axis 2 measures promote improvement of environment and rural landscape by supporting activities aimed at preservation of the nature values of the rural territories, attractive landscapes and biodiversity.

Public payments Axis 2 in Latvia 2007-2013, €

Payments in other areas with handicaps (212)	137,476,000
Natura 2000-payments (213)	12,878,250
Agri-environment payments (214)	160,063,209
First afforestation of non-agricultural land (223)	16,218,160
Natura 2000-payments (224)	22,186,703
Natural disasters prevention (226)	16,218,116
Total	365,040,438
EAFRD (80 percent)	292,032,350

Source: Indicative breakdown by Rural Development Measure, page 295, Rural Development Plan for Latvia 2007-2013

Agri-Environment Measures

More than 40 percent of the total financing under the axis has been granted to this measure to support the development of organic farming and integrated horticulture, which significantly reduce the chemical stress to the environment compared to intensive farming methods; to continue extensive management of biologically valuable grasslands; to increase the content of plant nutrients in soil and reduce the impact of soil erosion; as well as provide state aid to maintenance of local varieties of agricultural animals and promote reduction of pollution caused by intensive agriculture in especially sensitive territories by establishing grassland belts along rivers, ditches and fields, thus promoting the preservation of biodiversity, mitigation of climate changes and improvement of water quality.

The following measures are supported. Additionally, from state aid will be implemented Agri-environment sub-measures Establishment of Buffer Zones and Preservation of genetic resources of farming animals.

Developing organic farming

The purpose of the sub-measure is to facilitate organic agricultural production by promoting application of organic agriculture methods in the utilised agricultural land. This sub-measure ensures support for holdings, which in the process of managing the utilised agricultural land produce organic farming products or are in transition period to organic farming production. Cost not available.

Introducing and promoting integrated horticulture

The aim is to eliminate the use of plant protection products and fertilizers and to promote the preservation of biological diversity by promoting application of the integrated growth methods in horticulture.

A beneficiary is eligible to receive aid if he performs agricultural activity by means of the integrated production methods on eligible UAA at least 1 ha, consisting of plots not smaller than 0.3 ha, undertakes voluntary agri-environmental commitments to manage the specified area in line with the aid eligibility criteria and to submit an application for the aid for five years from the first year of payment and conducts agricultural activity using integrated production methods confirmed by record in the Register of Integrated growing agricultural products of the State Plant Protection Service. Cost not available.

Maintaining biodiversity in grasslands

The objective of the sub-measure is to encourage conservation of biodiversity grasslands and maintenance of wild plants, wild animals, bird population and landscapes in the area of biodiversity grassland of the utilised agricultural land.

A beneficiary is eligible to receive aid if he performs agricultural activity on eligible UAA of at least 1 ha consisting ofplots not smaller than 0.3 ha, undertakes voluntary agri-environmental commitments to manage the declared area in line with the aid eligibility criteria and to apply for the aid for five years from the first year of payment and mows the biologically valuable grassland or graze on them annually respecting certain requirements. Cost not available.

Stubble field in winter period

The objective is to facilitate soil cover protectionagainst soil degradation processes, to preserve organic matter in soils and to reduce run-off plant nutrients. A beneficiary is eligible to receive aid if he performs agricultural activity on eligible UAA of at least 1 ha consisting of plots not smaller than 0.3 ha, undertakes voluntary agri-environmental commitments to manage thedeclared area in line with the aid eligibility criteria and to apply

for the aidfor five years as from the first year of payment confirmation, after harvesting leaves uncultivated post-harvest residues or stubble untilMarch 1 of the next year and does not use plant protection products and chemical fertilisers inthe stubble field after harvesting. Cost not available.

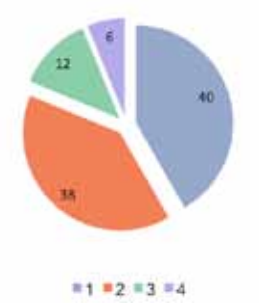
For more detail, see the Latvian Rural development Plan:
http://www.zm.gov.lv/index.php?sadala=1267&id=5864

LITHUANIA

RDP objectives and strategy

The objective as stated in the Rural Development Plan is to ensure growth through improving the competitiveness of agrifood and forestry sectors as well as creating possibilities for diversification of economic activities and improving the quality of live in rural areas meanwhile enhancing the human, environmental and other countryside values and reducing disparities between rural and urban areas as well as separate regions.

Allocation by axes



Axis 2

Within Axis 2, it is the objective to improve environment and landscape, to stop decline of biodiversity through rational use of land resources and promotion of sustainable development of agriculture and forestry. To this end, the Lithuanian development plan allocates roughly 40 percent of the total support to Axis 2. The measure receiving most funds 2007-2013 is Payments in less favoured areas followed by agri-environment measures.

Public payments Axis 2 in Lithuania 2007-2013, €

Payments in other areas with handicaps (212)	287,033,696
Natura 2000-payments (213)	7,500,000
Agri-environment payments (214) *	364,916,304
First afforestation of agricultural land (221) **	59,214,489
First afforestation of non-agricultural land (223)	45,425,916
Natura 2000-payments (224)	25,500,000
Forest environment payments (225)	10,000,000
Natural disasters prevention (226)	16,218,116
Non productive investments forests (227)	10,000,000
Total	824,590,405
EAFRD (80 percent)	659,672,324

* Including commitments RDP 2004-2006: € 102,247,741
** Including commitments RDP 2004-2006: € 2,790,852
Source: 6.2 Financial plan by axis and 7. Indicative breakdown by Rural Development Measures, pages 142-143, Rural Development Programme for Lithuania 2007-2013

Agri-Environment Measures

The overall objectives of the agri-environment measures are to improve the environment and the landscape through sustainable use of land resources and to support for development of sustainable farming. More specifically, this is defined as preserving the landscape, biodiversity and semi-natural habitats and to reduce the negative impact of agricultural activities on the environment. The following measures are supported.

Landscape stewardship scheme
The objective of this scheme is to maintain natural and semi-natural meadows, wetlands, preserve or, if necessary, restore extensive farming systems on meadows and in wetlands, to reduce the intensity of farming on intensively used meadows, to protect biodiversity and water bodies against pollution.
The scheme covers 8 activities eligible for support: management of natural and semi-natural meadows, management of wetlands, management of shore protective belts of water bodies in meadows, protection of water bodies against pollution and soil erosion on the arable land, management of stubbly fields in winter, management of strips or plots of melliferous plants in the arable land, management of the hedgerows and finally, management of reclamation ditches. The total cost for 2007-2013 is estimated at € 156,463,142 in public expenditure.

Organic farming scheme
The aim of this scheme is to support organic farming as the production system that ensures the production of quality food products with good market potential. Participants are required to follow the rules approved by EU and national legal acts of organic production at least for the duration of agri-environmental commitments, to submit an organic farm certificate issued by an organic farm certification institution, declare utilized agricultural area on annual basis and to partially sell/use as production that is supplied to the market. The total cost for 2007-2013 is estimated at € 90,414,980 in public expenditure.

Rare Breeds Scheme
The objective of this measure is to promote keeping and breeding of the old local endangered breeds of native domestic animals and birds. A number of endangered traditional animals are identified for support according to specific figures. The applicant has to approve of certain rules for breeding and keeping of the animals. The total cost for 2007-2013 is estimated at € 1,600,000 in public expenditure.

Improving the status of water bodies at risk
The objective of the scheme is to help achieve good status of water bodies that by especially big negative impact of farming - pollution of water with nutrients, organic substances - are at risk not to achieve good status till 2015 (as required by Water Framework Directive and Water Law of Lithuania). The scheme consists of the measure Conversion of arable land into permanent pasture (meadow). It is designed to reduce nitrogen and phosphorus reaching water bodies at risk because of the soil erosion and fertilizing. The total cost for 2007-2013 is estimated at € 14,190,441 in public expenditure.

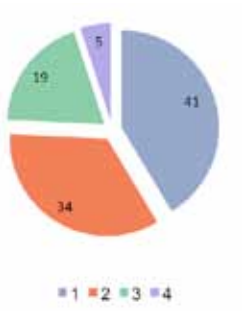
For more detail, see the Lithuanian Rural Development Plan:
http://www.zum.lt/en/information/rural-development-programme-2007-2013/

POLAND

RDP objectives and strategy

The basic goal of the Rural Development Programme 2007-2013 is the implementation of the concept of multi-functionality of agriculture and rural areas. This concept assumes economic strengthening of agricultural holdings and the increase of agri-food sector competitiveness as well as the provision of instruments for diversification of economic activities in order to obtain and create alternative sources of income for rural population.

Allocation by axes



Axis 2

The pro-environment activities in Poland, such as the agri-environment program and the support for Natura 2000 areas, are important from the point of view of well-preserved natural resources and related potential for implementation.

These activities shall be promoted both in the areas of high natural values and areas exposed to an excessive environmental pressure excised by agriculture. Support for less favoured areas is an instrument much more common and more accessible to farmers than agri-environment programmes. Nevertheless, the agri-environment programmes will have a more significant role in the future than currently.

Public payments Axis 2 in Poland 2007-2013, €

Payments in less favoured areas (211+212)	2,448,750,000
Natura 2000-payments (213)	7,500,000
Agri-environment payments (214)	2,303,750,000
First afforestation(221+223)	653,501,520
Natural disasters prevention (226)	140,000,000
Total	5,546,001,520
EAFRD (80 percent)	4,436,801,216

Source: 6.2 Financial plan as divided into axes, page 305, and 7. Indicative division into particular rural development measures, page 306, Rural Development Programme, Poland 2007-2013

Agri-Environment Measures

The aim of the measure is improvement of natural environment and rural areas, in particular restoring the values or maintenance of the status of valuable natural habitats used for agricultural purposes and retaining biodiversity in rural areas; promotion of sustainable management system; proper use of soils and water protection and protection of endangered local species of farm animals and local crop varieties.

The Polish set-up of agri-environment measures consists of 9 packages. Within each package, there are a number of sub-programmes - variants - directed toward specific issues. These variants contain sets of tasks exceeding applicable baseline requirements. Altogether there are 41 variants of agri-environment measures and payments. The following is a list of packages and variants. There are no specific objectives or costs stated for the individual packages or variants.

Sustainable farming
This package only has one variant. The specification states the following obligations: Planning and observance of proper plant selection and rotation system. Drawing up and observance of a fertilisation plan. Maintenance of permanent grasslands and landscape elements not used for agricultural purposes in the agricultural holding area. Fertilisation limits. Prohibition on the use of sewage and sewage sludge.

Organic farming
The package addresses 6 practices of farming in a two-fold way: those in transition and those with a certificate. Consequentially there are 12 variants within the following 6 areas: agricultural cultivation, extensive permanent grassland, vegetable cultivation, herbs cultivation, horticultural and berry cultivation, other horticultural and berry cultivation. Within each variant there are a number of criteria and tasks.

Extensive permanent grassland
This package only has one variant, called Extensive management on meadows and pastures. The following obligations are mentioned: Prohibition on ploughing, rolling, under-sowing and levelling during a certain period. Limited number and periods of mowing, leaving a part of the agricultural parcel un-mowed. Obligation to remove or stack the cut biomass within certain periods. Specification of the grazing season. Maintenance of permanent grassland areas and landscape elements not used for agricultural purposes in the agricultural holding area. Prohibition on the use of plant protection products. Fertilisation limited and grazing intensity reduction. Prohibition on the use of sewage and sewage sludge.

Protection of endangered bird species and natural habitats outside of Natura 2000 areas
The programme for protection of endangered birds and habitats outside of Natura 2000 areas is divided into ten different variants defined by flora and biotope: bird breeding habitats, small sedge-moss communities, tall sedge swamps, litter meadows, xerothermic grass, semi-natural wet meadows, semi-natural mesic meadows, species-rich Nardion grasslands, salt marshes and natural lands. Each variant is associated with specific criteria and obligations.

Protection of endangered bird species and natural habitats in Natura2000 areas
This package also contains ten variants with the same classification as above.

Preservation of endangered genetic plant resources in agriculture
The scheme consists of 4 variants aiming to conserve endangered species: commercial production of local crop varieties, seed production of local crop varieties, seed production at the request of gene bank and traditional orchards.

Preservation of endangered animal genetic resources in agriculture
Similar to the package for preservation of endangered plants (above), this programme is divided into 4 variants with specific obligations and criteria: preservation of local cattle breeds, preservation of local horse breeds, preservation of local sheep breeds and preservation of local pig breeds.

Protection of soil and water
Three variants are available for the protection of soil and water classified as under-sown catch crops, winter catch crops and stubble catch crops.

Buffer zones
The package addresses the maintenance of 2-meter buffer zones and field baulks in 4 variants.

For more detail, see the Polish Rural Development Programme and Annex 11:
http://www.minrol.gov.pl/eng/content/view/full/18575

SWEDEN

RDP objectives and strategy

The overall objective of Sweden's rural development policy is to promote economically, ecologically and socially sustainable development in rural areas. This encompasses the sustainable production of food, the creation of rural employment, due regard for regional conditions, and sustainable growth. The natural and cultural values present in the landscape are to be safeguarded and negative environmental impact kept to a minimum. Rural development policy in Sweden is closely linked to environment policy and the national Environmental Quality Objectives (EQOs). There are also strong links to regional development policy and forest policy.

Allocation by axes

Axis 2

Measures under axis 2 are designed to preserve and improve an attractive landscape and living countryside, and stimulate the shift to efficient and sustainable production with lower environmental impact, in order to help achieve EU and Swedish environmental objectives as effectively as possible. An integrated approach is to be developed in which the landscape is seen as a resource for recreation, development and growth, as a place to live and as a site of natural and cultural heritage.

Public payments Axis 2 in Sweden 2007-2013, €

Payments in less favoured areas (212)	561,598,667
Agri-environment payments (214)	2,106,303,129
Non-productive investments forestry (227)	34,224,850
Total	2,702,126,646
EAFRD (47 percent)	1,260,812,293

Source: Annex 9B and 9C, Annex 9, Sweden's Rural Development Plan 2007-2013

Agri-Environment Measures

Sweden has a system of 15 Environmental Quality Objectives that are the over-arching framework for environmental protection policy. The agri-environmental measures are often designed in this context. The following schemes and measures are supported.

Biodiversity and cultural heritage in semi-natural grazing lands, mown meadowland and wetlands

The purpose of this sub-measure is to contribute to the fulfilment of the objective to halt the loss of biodiversity by 2010. The objective of the present sub-measure is the management of at least 500,000 hectares of land. Support payable for the preservation of 9 classified types of semi-natural grazing land and mown meadowland when using management practices that preserve the natural and cultural value of such land where the requirements go above and beyond cross-compliance. Cost not available.

Valuable natural and cultural environments in the agricultural landscape and reindeer herding areas

The objective is to preserve the biological and cultural values of small biotopes in the agricultural landscape. The acreage committed to this sub-measure should be about 30 percent of Sweden's arable land and this acreage should be evenly distributed across the country. Payment may be granted for the management of small biotopes (landscape features) of biological and/or cultural and historical importance in or around arable land. Arable land is defined as land that is used or may be used for crop cultivation or grazing and which is suitable for ploughing. Cost not available.

Payment for regional priorities

Objective: See the two previous measures. The measure provides for payment for items of special priority from a regional perspective and is designed to supplement the measures above. It also provides for investment aid for nonproductive investments which are considered important from an environmental standpoint. Cost not available.

Traditional cultivated plants and livestock breeds

The sub-measure contributes to achievement of the national environmental quality objective A Varied Agricultural Landscape. This implies:

- The continued cultivation of local brown bean varieties, and
- Measures to ensure the long-term survival of a sufficient number of native livestock breeds.

The payment for cultivation of brown beans involves traditional farming on the island of Öland. To qualify for payment, growers may only add nitrogen fertilizer to the field as a starting input in direct conjunction with sowing etc. Payment is also granted to livestock farmers who keep breeds of animals that are included on the EU list of endangered livestock breeds. Cost not available.

Reduced nutrient leaching from arable land

The objective is to reduce nutrient losses from arable land by planting 135,000 hectares with catch crops and bringing 65,000 hectares under spring cultivation and by establishing approximately 7,000 hectares of riparian strips alongside waterways.

Support is paid to farmers who cultivate crops established to catch plant nutrients, especially nitrogen over an area equivalent to at least 20 per cent of the spring grain acreage on the holding, and to farmers who refrain from working the land following the harvesting of a main crop or of a planted fallow before the year's end. Cost not available.

Environment protection measures
The aim si to reduce the risks associated with the use of plant protection products and reduce the risk of plant nutrient losses in 600,000 hectares of land. The measure requires a number of actions of the farmer, such as aachieving a farm gate nutrient balance for the holding, determining the nitrogen content of liquid manure used in crop production, undertaking soil mapping, including soil analysis, use biobeds or other approved loading position/method for farm sprayers etc. Cost not available.

Organic forms of production
The objective is to have 20 percent of Swedish farmland certified as organic. Increased organic production and sustainable agriculture production adapted to organic production systems contributes directly and indirectly to the achievement of several of the environmental quality objectives. Support may be paid for certified organic production as well as to sustainable agricultural production adapted to organic production systems according to EU regulation.
Cost not available.

Extensive ley management for a better environment and an open landscape
The main objectives are to encourage sustainable land management and maintain a rich biodiversity on 700,000 hectares of arable land in the agricultural landscape, and reduced leaching of nutrient from 200,000 hectares of arable land.

Arable land eligible for payment must be ploughable and suitable for extensive management of grass or leguminous plants for forage, grazing or seed; be actively cultivated, i.e. grazed or harvested annually, and the harvested crop must be collected and removed. It must also remain un-ploughed for at least three consecutive years. Furthermore, application of chemical plant protection products is prohibited, but the land may be ploughed chemically with at least three years interval instead of the normal two-year interval. Cost not available.

For more detail, see the Swedish Rural Development Programme:
http://www.regeringen.se/sb/d/8723/a/82731
and The Swedish Environmental Quality Objectives: http://www.sweden.gov.se/sb/d/5775

WWF Baltic Ecoregion Programme

DELIVERING RESULTS

We are an active and effective agent of change in the conservation and sustainable management of the Baltic Sea

COOPERATION

We promote constructive interactions to create awareness, spread ideas and stimulate discussion among stakeholders and partners

REGIONAL NETWORK

We represent the largest membership network in the region and are represented in all the countries surrounding the Baltic Sea

INFLUENCE REGIONAL POLICY

We are and continue to be a watchdog that monitors how governments manage our common resource the Baltic Sea

Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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