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Foreword

Rural Europe plays a central role in the provision of environmental services such as preserving biodiversity, contributing to climate regulation—by reducing emissions and sequestering carbon, protecting water quality and availability, preserving soil functionality and air quality, reinforcing resilience to flooding and/or fire and maintaining landscape values. These services are often provided in combination, by ensuring appropriate land use practices.

The EAFRD is the largest source of EU funding for sustainable land use, and for improving the delivery of environmental services in all Member States.

The pressure on all aspects of the rural environment remains very high. Notwithstanding targeted legislation and incentives, and some positive outcomes, for example in reducing the environmental impact of agricultural and forestry activities, especially in terms of reducing greenhouse gas emissions, EU objectives for biodiversity, climate and water — to name the most relevant — appear far from being attained.

Many current land management models have a high environmental impact, contributing to a decline in farmland birds and grassland butterflies, and in the conservation status of agricultural and forest habitats, as well as to high nitrogen loads in water resources and reduced water availability and lower levels of organic matter content in soils.

The importance of improving the delivery of environmental services as part of the wider challenge of moving towards a resource-efficient economy is recognised in the Europe 2020 Strategy[1], and reflected in specific rural development policy priorities for 2014—2020. Importantly, 'caring for the environment', along with 'contributing to climate change mitigation and adaptation', are considered to be common goals for all Rural Development Programmes (RDPs).

1 http://ec.europa.eu/europe2020/index_en.htm

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Clearer priorities and greater flexibility in the use of measures provide future RDPs with greater potential to tackle environmental issues. Doing this effectively, however, requires a coherent policy framework within which environmental concerns are carefully taken into account in every aspect of the programming cycle, starting with the programme design. It also means putting in place environmental safeguard mechanisms, which help to ensure that positive outcomes are not eroded or reversed and that all RDP measures work in synergy towards a common goal. In other words, it means ensuring ensuring that programmes are 'environmentally-proofed'.

When designing RDPs, an initial, careful assessment of environmental weaknesses and threats must be translated into coherent priorities and well-defined targets. During this process, it is crucial that RDPs are not considered in isolation. A wider and comprehensive environmental strategy is needed to take into account the full set of policy interventions and support instruments that operate in rural areas, at both national and regional level. In terms of the strategic approach, rural development policy should serve environmental priorities in the wider common strategic framework, embracing European structural and investment funds.

Effective design of future RDPs means making the best use of available tools, understanding what the different measures can achieve, and ensuring that they are used in a creative way to deliver the best environmental outcomes. This will likely require new approaches from Member States and may imply a need for guidance and practical assistance in order to better understand the implications of the new rural development regulations and to jointly build the capacity of administrations and stakeholders.

The European Commission's guidelines on programming for 2014—2020 mark an important step forwards and this issue of the EU Rural Review aims to be a complementary tool that provides some direction and potential inspiration to RDP programmers.

Previous work of the ENRD on 'Public goods and public interventions' [2] focused on clarifying the context of the support provided by EU rural development policy to the delivery of environmental services. It also provided definitions (TWG3 — Conceptual framework[3]) and explored how the 2007—2013 RDPs contributed to the provision of a series of public goods and services, with a particular focus on the role of agri-environment measures.

A seminar and a series of publications, including a brochure[4] and a special issue of the EU Rural Review in the spring of 2011,[5] provided a common ground for discussion about the role of rural development — and more generally the CAP — in addressing societal demands for environmental services.

Building on this work, the ENRD Focus Group on the delivery of environmental services, which was launched in January 2012, explored in more detail how RDP support works in practice, so as to share experience between Member States and learn from the success (or failure) of different approaches to the delivery of environmental services. With a forward-looking perspective, the ENRD Focus Group has provided useful insights into current practice and drawn lessons that are relevant to addressing environmental challenges in the future RDPs.

Moving on from the results[6] of the Focus Group, this issue of the EU Rural Review has been conceived as a practical 'tool box' for those who are responsible for the design and future implementation of the next generation of Rural Development Programmes (2014—2020), as well as for rural stakeholders generally. We hope that you find it useful and that it provides the insights and inspiration needed to ensure the design of high quality programmes and measures that truly care for the environment.

2 Find more information on the Thematic Working Group 3 – Public goods and public intervention, and related documents, on the ENRD website http://enrd.ec.europa.eu/themes/public-goods/en/public-goods_en.cfm
3 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=260BD8EA-A4CB-C498-1375-8C96A9AC9738
4 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=260BDE6D-0066-3464-FD34-E3BB6AD3BB51
5 http://enrd.ec.europa.eu/app_templates/enrd_assets/images/langs/lang_en3.gif
6 The final report of the Focus Group can be found on the ENRD website: http://enrd.ec.europa.eu/themes/environment/environmental-services/en/environmental-services_en.cfm

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EU rural development policy and its potential to provide environmental services

Europe's biggest assets are its people and its natural resources. By working together in smart, sustainable, and inclusive ways, EU citizens can use natural assets to help safeguard long-term growth and prosperity in all Member States. The EU's Common Agricultural Policy (CAP) recognises this and successive reforms of the CAP have introduced new approaches to help improve its 'green' credentials. This trend is continuing, with moves to further extend the CAP's capacity to deliver different types of environmental services during the 2014—2020 period.

Member States have a strong track record of using their RDP support to generate many different kinds of beneficial environmental services.

RDP funds focus on environmental services that have a rationale for support through public policy[7].

This includes, among others, co-financing actions that:

- conserve biodiversity by working with habitats and species;
- contribute to climate regulation by reducing emissions and sequestering carbon;
- protect water quality and/or water availability;
- facilitate improved soil functionality;
- preserve or improve air quality;
- reinforce resilience to flooding and/or fires; and
- maintain landscape values.

Rural Europe's natural resources are being managed, with help from the RDPs, to provide all these different environmental services. The outcomes of this RDP support are linked to vital goals related to Member States' recovery from the current global economic crisis.

7 RDPs only fund actions that go beyond legislative requirements in order to encourage land manager to support the provision of environmental benefits that cannot be secured by the usual market dynamics.

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Economic benefits

Dutch MEP, Gerben-Jan Gerbrandy[8] observes that, 'the services that nature provides us with, like clean water, clean air, and fertile soil are not only crucial for the well-being of humankind; they also represent an astronomical economic value. According to economists, each year we lose three percent of GDP due to the loss of biodiversity. That costs the EU €450 billion year after year.'

RDP support for environmental services is being used by Member States to help tackle the decline in biodiversity and thus alleviate the negative economic impacts. But other commercial benefits are also produced by RDP funding for environmental services. These include the enhanced productivity that is possible by introducing more efficient methods of consuming raw materials, and key resources like energy or water.

Similar win-win benefits for the economy and environment can be achieved by using RDP assistance for environmental services to drive innovation. New techniques and their transfer can lead to, for instance, pollution prevention and reduced operating costs. 'Clean' technologies offer competitiveness opportunities for rural businesses and open up new options for growth through exportation.

More and better quality jobs can be stimulated by promoting growth in the fields of eco-technology and eco-innovation. This can apply to a diverse mix of sectors ranging from, for example, techniques for farm-based nature conservation to community-led climate action.

RDP funds can also help to create rural employment by overcoming barriers to development that are associated with poor environmental quality. Investing in the provision of environment services can hence boost conditions for growth. This point is particularly pertinent in parts of rural Europe that suffer from natural handicaps, peripheral locations, and/or market isolation.

Access to alternative growth opportunities is often limited in these areas and so the value of the natural environment as an economic asset remains high. The sustainable use of such rural resources (via aid from RDP measures supporting environmental services) can establish new opportunities in sectors such as tourism, and help to attract inward investors, business start-ups, and workers.

For all these reasons, it is important that RDPs are properly equipped to optimise the flow of environmental services that is possible from within Member States' RDP territories.

Cross-cutting objectives

The proposals for rural development policy in the 2014—2020 period aim to strengthen the RDPs' ability to support environmental services. A new policy emphasis is proposed for RDP actions on environment, innovation, and climate change mitigation and adaptation. These are set to become cross-cutting objectives for the next generation of RDPs.

This means that even though the environment, innovation, and climate change mitigation and adaptation may have strong links to specific RDP measures (and their budgets), all RDP measures (and their budgets) must be able to prioritise their support for actions which contribute to these cross-cutting objectives[9].

RDP stakeholders will need to increase their ability to target funding towards rural development activity that favours environmental services. They will also need to boost their capacity to track and report the results so that RDP contributions to environmental services are clearly visible.

Improvements in the targeting and tracking of RDP contributions to environmental services are needed and this can be achieved by improving the organisation of RDP stakeholders, at both territorial and sectoral levels. The proposals for the 2014—2020 RDPs include new forms of flexibility to help make this happen.

Optimal organisation

The territorial or area-based organisation of stakeholders can enhance the coordination of RDP efforts to promote environmental services and provide economies of scale that lead to added benefits.

8 Rapporteur of the EP Resolution of 20 April 2012 *Our life insurance, our national capital: An EU biodiversity strategy to 2020* (2011/2307(INI))
9 Other sections of this *EU Rural Review* highlight practical ways to help embed the cross-cutting themes related to environmental services within the new RDPs.

Territorial approaches to biodiversity demonstrate what can be achieved by organising RDP stakeholders to work collaboratively. For example, wildlife habitats often comprise a patchwork of different features that extend over large areas. Parts of the habitat might be used by species for sourcing food. Other parts might be used for breeding and rearing their young, while other parts of an overall habitat are used to connect its different features. In order to properly protect such species' habitats, it is necessary to coordinate conservation actions in different locations. Each location may be owned or managed by a different person and each location may require different types of conservation work. Organising all of the people involved in a coordinated territorial programme of RDP support helps to better ensure the conservation status of this type of habitat and its species.

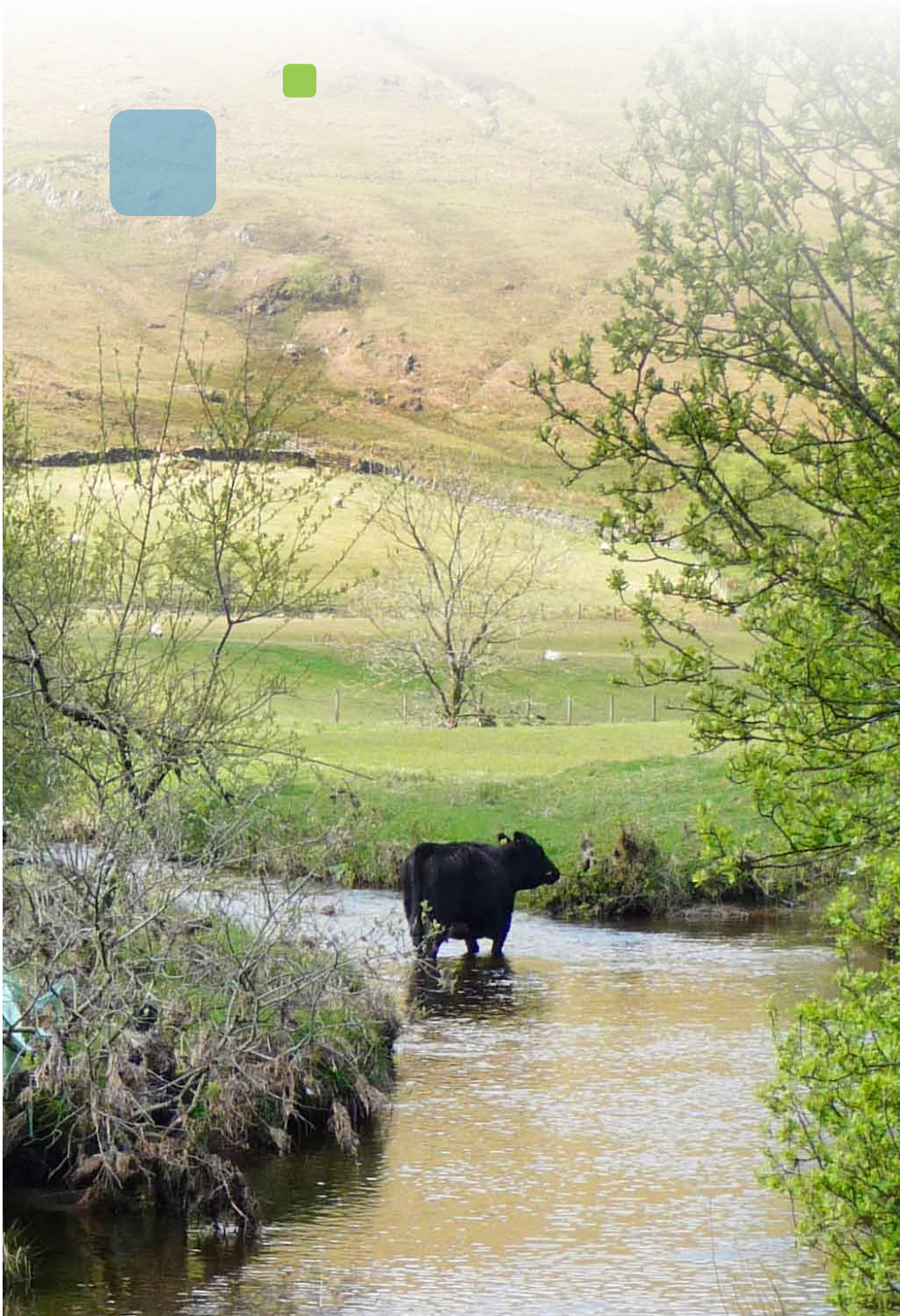
Similar benefits can accrue when territorial approaches are organised for other environmental services such as: addressing pollution challenges throughout a nitrate sensitive territory; promoting wise water use across territories suffering from arid conditions; or tackling risks related to flooding over a river catchment area; etc.

Economic gains can also result from organising RDP stakeholders to work together in providing environmental services. Time and cost savings are possible since tasks can be shared. This benefit applies to tasks involved in carrying out practical environmental work, as well as work involved in administering RDP funds. These savings can translate into more effective and efficient methods for achieving RDP targets related to environmental services.

Other qualitative, socio-economic benefits are also possible through organised approaches to territorial cooperation. Joint action between RDP stakeholders tends to improve working relations and creates forums where ideas and experiences can be exchanged. Organising group approaches can also promote a stronger sense of ownership, pride, and collective commitment to the environment by the stakeholders of an RDP territory.

'We need to improve RDP reporting to change impressions that RDPs may give money to farmers but don't ask them to do anything for it.'

Dacian Cioloș,
European Commissioner for Agriculture and Rural Development



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Case study: organising territorial approaches to delivering environmental services in Italy

RDP stakeholders from the Marche region implemented a coordinated set of actions to improve the biodiversity status of a *Natura 2000* site. A number of different land-users needed to be involved in managing the site's habitats and so a plan was prepared, using bottom-up methods, to agree and coordinate the various inputs that were required.

Consultation and communication were essential success factors for this cooperation initiative, which uses funding support from different RDP measures. The private and public sector beneficiaries involved in the Marche territorial scheme appreciate the inclusive methodology used, which has helped the scheme to expand its reach beyond biodiversity and also cover soil fertility, water quality, and landscape protection.

Christian Vincentini, from Italy's Ministry of Agriculture, Food and Forestry, believes that territorial schemes like the Marche example are advantageous because they 'increase levels of awareness among farmers and administrators about the importance of environment protection. The collaboration among farmers, and between farmers and the administrations, has also helped to improve mutual understanding and promote a participative approach.'

The Marche region also has a scheme for advanced integrated pest management, aimed at reducing pesticide and nitrate use. Territorial approaches have also been adopte din other Italian regions. In Tuscany, for example, a scheme has been developed to involve farmers in managing the region's water resources, while

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in the Veneto region there is a scheme focusing on conservation agriculture, where the main objective is soil protection. This scheme has also been replicated in other regions, such as Lombardy and Lazio.

'As the EU Member State with the highest proportion of agricultural land given over to organic farming,' observes Mr Vincentini, 'the agri-environmental measure is important in all Italian regions.'

Important challenges remain, however. In terms of administration, a critical issue is delayed payments, and in some regions payments are also considered too low to attract or retain the commitment of farmers. To overcome these challenges and improve the environmental impact of rural development, greater recognition must be given to the role of such services in providing public goods and farmers must be adequately rewarded for their contribution.

Sectoral organisation is another useful tool for increasing participation. It can occur in different forms and may refer to groups of similar rural businesses working together (e.g. farmers, foresters, service providers, etc.) or it might involve different stakeholders working together towards a common objective (e.g. the different linkages in a supply-chain).

Positive impacts

As RDP stakeholders become more organised they are able to channel their efforts more effectively, and collectively. This can have a positive impact during the both planning and implementation of an RDP.

Organised stakeholders are able to provide clearer inputs into the planning processes that define what the real needs and opportunities are regarding support for environmental services in a specific RDP territory.

Organised stakeholders are also better able to inform RDP decision-makers about how to target funding towards a territory's most important needs and opportunities. This could involve establishing selection criteria and eligibility conditions that prioritise RDP funding for certain actions or certain locations.

Results-oriented approaches

Organising RDPs and their stakeholders to be more results-oriented in their approach to environmental services is an important task for everyone involved in EU rural development policy

Challenges have emerged in the past to accurately clarify the difference that RDP funding makes to the provision of specific environmental services. Modifications in RDP implementation systems for 2014—2020 are expected to help provide solutions to this problem.

Useful and replicable experience already exists in Member States for reinforcing result-oriented approaches that make environmental service outcomes more visible. An example of this can be found in Germany where a new approach is being used to help improve the way that agri-environment activities report on their results.

Case study: the 'Contractual Nature Conservation' model in Germany

Germany's Contractual Nature Conservation technique uses targeted, site-specific contracts with land-users who receive agri-environment payments. Each contract is designed to fit with the individual needs of each holding. Contracts are prepared through collaboration between the land-users and environmental experts. As with standard agri-environment operations, land management practices are agreed to support particular environmental services.

In addition, quantifiable targets are agreed for outcomes to be achieved as a result of the land management practices. Monitoring has shown that this kind of results-based approach is more effective at producing visible environmental service outcomes than agri-environment contracts that only specify land management practices.

Models like the Contractual Nature Conservation scheme highlight the benefits of using flexible tools that can be adapted to local situations. Higher administrative costs may be involved but options exist to offset these using complementary RDP measures.

Jan Freese from Germany's Federal Office of Agriculture and Food sees the potential for results-oriented approaches like the Contractual Nature Conservation scheme, noting how, 'the RDPs are now the most important source of financing for landscape management and conservation in Germany and the RDPs provide all the necessary tools to further develop their role in supporting environmental services.'

Measure 323 for the 'conservation and upgrading of the rural heritage' is also very important in Germany, accounting for a further €800 million. The strength of this measure is its flexibility — it can support a wide range of landscape and species protection actions, and eligibility is not restricted to farmers. A key challenge in implementing environmental service measures in Germany, however, is the associated administrative burden, and because of this, many of the dark green schemes have had to be cut back, with the money transferred instead to light green schemes, which, although less targeted and less effective, are easier to implement.

© Jan Freese

With a budget of €4.4 billion for the period 2007—2013, agri-environmental schemes account for 25% of all rural development spending in Germany. These schemes are further categorised as 'light green', aimed mainly at promoting extensive agricultural practices and the protection of soil and water, and 'dark green', focused on contractual conservation or species protection.

In the next period, the aim is to try to address these issues and to shift more resources to dark green schemes. To facilitate this, one option being explored is to delegate some of the administrative tasks to local bodies.

Combining RDP support

The success of results-oriented environmental service delivery relies on all stakeholders having a suitable understanding of how to provide and sustain the desired environmental service, as well as how to make the results visible. Skills in these domains may be needed by land-users, and the experts who advise them. Combinations of RDP support for training and advisory services can be used to provide such skills. This support can also be packaged together, in conjunction with RDP co-finance for practical environmental action.

Organising RDP funding within co-ordinated packages of support for environmental service action is seen as offering many new opportunities.

Flexibility has deliberately been built into the proposed 2014—2020 RDP framework in order to allow Member States to take full advantage of the potential benefits from combining RDP measures.

The combination of RDP environmental services support is expected to create synergies and could involve a variety of integrated measures. These include measures to co-finance environmental works, training, advisory services, cooperation, innovation, and competiveness, as well as other rural development actions deemed relevant by individual Member States.

Case study: rural advisory services building farmers' capacity to deliver water-related environmental services in Sweden

Sweden's 'Focus on Nutrient' project is an advisory service that uses innovative approaches to training and advice for land-users wishing to implement cost-effective environmental and climate measures. Providing advice to almost every Swedish agricultural holding, the scheme calculates the nutrient balance on farms and suggests how inputs should be used in production.

Different advisory techniques are used and the service does not always take the form of an individual site visit. Where possible, advice is provided through printed and electronic communication tools. An impressive 90% of Swedish farmers say they have followed the scheme's advice to reduce nitrogen and phosphorus emissions.

Speaking about Sweden's approach to promoting environmental services, Sofia Björnsson from the Federation of Swedish Farmers remarks that, 'looking to the future, we believe that existing environmental service measures should be continued, with minimum changes. Farmers, consultants and administrators now have the benefit of experience in implementing these measures and we should try to build on this.'

'In Sweden,' Ms Björnsson continues,'the Parliament has identified 16 environmental quality objectives, some of which have specific relevance to farmers and agriculture. Environmental legislation is quite heavy for farmers in Sweden and the inclusion of environmental service measures in the RDP provides an important means of support, both financial and technical, in meeting these obligations.

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The focus to date has mainly been on the use of the agri-environmental measure (214). This support is particularly important in more traditional farming areas, where it helps to maintain and even enhance the environmental benefits of extensive farming systems. Without it, practices such as the management of semi-natural grassland, which is hugely important in terms of biodiversity, would simply not be viable.

In more intensively farmed areas, the focus is on targeted actions, addressing specific issues such as water pollution. In this context, measures for vocational training (111) and farm modernisation (121) are more important.

A pre-requisite for the delivery of environmental service in all areas, however, is that farm enterprises are viable and competitive. In general, production is falling in Sweden and if this continues, large tracks of land will simply be abandoned and revert to forest.'

Environmental services and the ENRD

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The European Network for Rural Development (ENRD) plays an important role in linking the delivery of environmental services and EU rural development policy. A Focus Group was set up by the ENRD Coordination Committee to identify aspects critical to maximising the delivery of environmental services and to offer a set of recommendations for the design and implementation of the future generation of Rural Development Programmes (2014—2020). These recommendations are based on data drawn from current experience, different delivery approaches and success factors, as well as from field visits and a series of discussions with environmental stakeholders from across the EU.

The overall goal of the Focus Group was to examine current experience in the delivery of environmental services through Rural Development Programmes (RDPs). The Focus Group (FG) comprises around 40 experts from across the EU. These experts identified examples of best practice in delivering environmental services, analysed the factors that made these examples a success, and from the results, generated a set of lessons that could be used by policy-makers in the design and implementation of the next generation of RDPs (for the programming period 2014—2020 — see page 20).

The FG's first task was to draw up a background paper[10] (published in March 2012) that sought to provide a precise definition of 'environmental services' in order to determine why they are needed and to provide a framework for future work. The paper defines environmental services as, 'those environmental public goods for which there is a rationale for support through public policy' (thereby distinguishing the concept from 'ecosystem services', a related idea that also includes market goods requiring no policy intervention).

10 Working documents of the FG can be found in the dedicated webpage of the ENRD website: http://enrd.ec.europa.eu/themes/environment/environmental-services/en/environmental-services_en.cfm

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In order to address the key question of how RDPs can improve the delivery of environmental services — and not only relating to agriculture, but also those delivered through forestry and rural areas more generally — the FG collated examples of innovative ways by which such services have been delivered to date (some 48 examples from 15 Member States). Members of the group also participated in discussions via online forums, meetings in Brussels and two workshops, combined with field visits, in the Netherlands and Sweden.

These opportunities for discussion, collaboration and the sharing of practices (both good and not so good) fed into an interim report (published in July 2012) and ultimately, the Final Report of the ENRD Coordination Committee Focus Group on the *Delivery of Environmental Services*, which was published in February 2013.

Key findings: success factors

The FG analysed the examples it had collated and – apart from the classical single-measure approach — identified five different types of approach to the delivery of environmental services. These include:

- integrated delivery — combining packages of measures from the European Agricultural Fund for Rural Development (EAFRD) and/or other sources of funding;
- collective approaches;
- community-led approaches;
- holistic approaches to achieving multiple outcomes (e.g. delivering environmental services alongside economic and social outcomes); and
- outcomes-focused delivery.

Most importantly, the FG highlighted a number of 'success factors' with regards to the delivery of environmental services.

In its Final Report, the FG noted that, 'successful delivery is not just about scheme implementation, it involves all elements of the programming cycle, from programme and scheme design, through implementation, to controls, monitoring and evaluation….good practice examples emphasise the effective design of the measures involved and the flexibility in the way they have been used, as well as the importance of advice, training, targeting and monitoring.'

The Focus Group subdivided the success factors it identified into four main groups: 'procedural', 'institutional/governance', 'advice/guidance' and 'practical/administrative', each of which is examined below. It is important to note, however, that there is significant interaction and overlap between these factors and the Final Report notes that, 'the barriers to realising one factor in practice may be overcome by another.'

Procedural factors

The process of designing an RDP's structure and content, the way in which different measures are used to achieve identified environmental needs, and the monitoring and evaluation of outcomes, can all have a crucial impact on the delivery of environmental services. Three such procedural factors that the FG highlighted in particular are: 'the way in which measures and schemes are chosen and designed, including the way in which stakeholders are engaged; the importance of ensuring policy coherence between RDP measures and other elements of the CAP, and other national/regional strategies and priorities; and the need to ensure appropriate monitoring, which can feed back into improved scheme design.'

The examples collected by the FG emphasise the importance of both flexibility in the design of measures and schemes and of partnership through engaging with a range of stakeholders during the design phase.

A good example of the former is provided by the Cévennes National Park (PNC) in south-west France, which used flexible approaches to develop territorial contract-based solutions for the delivery of environmental services (see box).

'The problem faced by the farmers in these [mountain] areas is a lack of competitiveness,' points out Alexia Rouby, Director of Euromontana and a member of the ENRD Focus Group. 'The cost of production in these areas, especially in the Cévennes area, is very high, and the surfaces are not very productive, so you have to be very extensive. What is at stake really is the prevention of land abandonment and the maintenance of less productive surfaces, because that's where you get the better quality of the product in the end and the greater environmental impact.'

Case study: a flexible initiative in territorial contract-based solutions from France

To address issues associated with the lack of competitiveness, unproductive soil and land abandonment, the PNC, together with the local Chamber of Agriculture and the Ministry of Agriculture (DDAF), has, since 2007, implemented the 'Territorial agri-environment measure – Park Core area' (MAEt). This provides a means of taking into account farmers' needs and socio-economic conditions, and the need for collaboration between several institutions. The approach sets out to determine 'the key farming practices that can be enhanced on specific farms that would contribute to the environmental objectives of the area,' says Ms Rouby. '[This] approach is interesting because it's based on facts and a targeted analysis of the area, to reconcile environmental objectives and farming objectives,' she adds.

'The approach involves an environmental diagnosis on the one side and a farm diagnosis on the other, and bilateral discussion between the two to agree a common plan that should be implemented — and that will be rewarded with public funding. This has helped to build trust and a common knowledge,' adds Ms Rouby.

© Isabelle Souriment

Another key procedural success factor identified by the FG is continuity – farmers and other potential beneficiaries must have, 'confidence and security in the longer-term continuity of measure or schemes.' Thus, the Focus Group concludes that, 'what is required is a coherent long-term policy framework, within which there is a consistency in terms of the measures made available to land managers, combined with some short-term flexibility.'

The importance of continuity is illustrated by the following case study from Finland.

Case study: continuity sows the seeds of successful water protection in Finland

In Finland, the impact of agricultural run-off on lakes and the Baltic Sea is a major environmental issue. The Finnish government has set ambitious targets for reducing nutrient losses from farming by means of the national agri-environment scheme (AES — Measure 214).

Anyone applying for AES support must produce a cultivation plan, including a soil fertility analysis, which determines the amount of fertiliser that can be used on an annual basis. Farmers are compensated for using less fertiliser than would be optimal for high yields (the maximum permissible fertiliser amounts are lower than those allowed under the EU rules on cross compliance and the minimum requirements for the use of fertilisers).

This compulsory agri-environment measure now covers 90% of agricultural land in Finland and has helped bring about a decline in the use of nutrients in the country since it was introduced in 2000. 'This can be seen, for example, on a national level by a reduction in the amount of mineral nitrogen (N) and phosphorous (P) brought to farms each year,' explains Anna Schulman of the Finnish Ministry of Agriculture. By targeting fertilisation according to the crop and soil needs, it has also limited the run off of nutrients, helping to reduce the eutrophication of surface water.

The FG points out that an important factor in the success of this approach to water protection is the, 'continuity provided over successive RDPs [which] has led to increased confidence and awareness among farmers, allowing for longer term planning and… providing a contribution towards consistent environmental goals.'

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The FG also notes the contribution that procedural factors can make to a coherent environmental services policy. These include:

- internal coordination and integration at administrative level; and
- monitoring to assess the effectiveness and efficiency of measures.

According to the European Court of Auditors, feedback on the results of measures 'may help improve farmers' awareness and understanding of the environmental effects of the agri-environment measures and management implemented.' In order to reduce the administrative burden of monitoring and feedback, the FG highlights the possible use of land managers, collectives or regional groups to provide the monitoring and feedback to those administering the scheme or measure.

Institutional and governance factors: collaboration and partnership

Collaboration and partnership have been identified as crucial institutional/governance factors that help lead to the successful delivery of environmental services. 'In particular, collaborative working and the involvement of local communities and beneficiaries in scheme design and operation are shown to be important ways of improving ownership of both the process and the outcomes to be delivered,' says the FG.

The group also highlights the importance of collective or coordinated actions between farmers as an effective tool for the delivery of environmental services at the landscape-scale, something that allows schemes to be more flexible and more targeted to local needs and situations.

However, since coordinated approaches can require significant administrative efforts, as well as stakeholder buy-in, the FG suggests that, 'using different groups such as NGOs or specific project or voluntary groups, or already established LEADER networks to provide some of the necessary coordination may lessen this burden…[There is] a need for local, regional and national administrations to act as coordinators, or at least to set the overall strategic objectives in order to facilitate collective action.'

One country where local organisations have played a significant role in coordinating the implementation of measures is Germany, where so-called 'landcare' organisations act as an intermediary between farmers and local administrations, fostering communication and developing and implementing projects (see box).

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Case study: local administrators as coordinators in Germany's 'landcare' organisations

'We have around 150 landcare organisations in Germany,' says Jan Freese from Germany's Federal Office of Agriculture and Food. 'I think it's our best decentralised organisation where nature conservation, farmers and administrations work together at the local level… they always have these three groups — farmers, conservationists and administrations — equally represented on the managing board.'

Mr Freese explains that the landcare organisations tend to coordinate 'special activities' projects funded under Measure 323 — conservation and upgrading of the rural heritage. 'The main task is biotope and species protection — things like keeping the trees away from very extensive grasslands. There can be special management activities for birds, for insect groups — for 'red list' species.' Other uses include the implementation of the Water Framework Directive (WFD) and maintaining high nature value (HNV) farmland in cases when it cannot be done through agri-environment schemes.

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For Mr Freese, there are a number of clear benefits of the 'landcare' system, including the ability to build trust with farmers and reduce their administrative burden. Although this takes time, the result is increased efficiency of implemented measures at the landscape-scale. 'Environmental services must be delivered locally in many projects. We need strong local organisations capable of doing the networking and project management part locally,' he says.

Case study: the 'Kortweg Natuur' project in the Limburg Province in Belgium

The goal of the project was to tackle the decline of farmland biodiversity based on an (unsubsidised) short chain product approach.

Farmers were encouraged to leave 10% of cultivated wheat un-harvested to provide winter feed for farmland birds such as the skylark. The lost income would be made up by adding value to the harvested wheat — by using it to produce bread in a short supply chain at a slightly higher cost to the consumer.

This approach required the cooperation of farmers, millers, agents and local bakeries with the administration and regional consultants in order to set-up the supply chain to produce a product called 'bakkerbrood' ('baker's bread'). 'At this moment about 20 bakeries in Limburg sell the bakkerbrood,' explains Joke Rymen, who works for the project coordinator, Regionaal Landschap Haspengouw & Voeren.

Ms Rymen believes the lesson to be learned from the 'Kortweg Natuur' experience is that, 'we have to work together to realise farmland biodiversity in agriculture areas… If we stimulate collaboration between these sectors, we double, triple, quadruple our knowledge and ideas. And if we think outside of the box and look for collaboration with 'non-obvious' partners we might actually, find some interesting agriculture measures.

Elsewhere in Europe, a Belgian project that involves a collaboration between many different stakeholders in a 'holistic' approach has enabled the joined-up delivery of environmental services alongside economic and social benefits — in this case adding value to food products through shortening supply chains (see box).

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Advice and guidance

The environmental services examples collated by the FG also point to the value of advice and guidance. 'Clarity in understanding the objective of a particular measure and how it needs to be implemented is a critical factor in facilitating the delivery of environmental services,' notes the group, which highlights three success factors in particular that are associated with advice and training:

- clear communication of scheme objectives and content from governments to farmers;
- good quality advice and training schemes, delivered at different levels; and
- peer-to-peer advice to share knowledge and best practice.

According to the FG, communication and advice are essential, both during the design and application of measures, with training and skills development being an important part of policy implementation.

'This is a major issue — training and awareness-raising for farmers so that they better understand their role and their impact, and thereby become their own bosses in this respect,' says Focus Group member, Alexia Rouby. '[Delivery of environmental services] has to be in their hands and this requires training.'

Land management actions, such as those under Measure 214, are one area where the FG has identified good training and support as being particularly important. However, in its Final Report it notes that, 'the current provision of advice for many of the voluntary schemes, such as agri-environment schemes, is insufficient to ensure the effective delivery of environmental services.'

One training initiative that offers an interesting model for future action comes from Estonia, where farmers must pass a one-day agri-environment training session (two days for organic farmers) before the end of the first contracting year, followed by an additional training session of a similar length at the end of the contract.

The FG also makes the important point that training doesn't have to be prescriptive, 'and can involve the empowerment of individuals to help provide solutions and deliver environmental services, relying on their skills as land managers. Such flexibility requires clear communication as well as coordination.'

The value of targeted advice

Alongside training, targeted advice has been identified as a significant success factor in delivering environmental services. 'This is not well-developed in our country, and I think a major obstacle is social capital — we need to invest in this a lot; to develop this way to spread information,' says Czech rural development expert, Jaroslav Pražan, adding that, 'we would like to use better prepared field advisers to tailor the management prescriptions to particular sites and to teach farmers.'

Focus Group member Anna Schulman (Finnish Ministry of Agriculture) says that of all the examples of environmental services delivery collated by the group, she is 'impressed mainly by those examples where advisory services on environmental issues have been successful and well-functioning — especially the example from Sweden,' (see box).

Case study: Sweden's focused advice on nutrients

'Focus on Nutrients' is a Swedish programme offering individually-tailored and free advice to farmers on reducing nitrogen and phosphorous emissions. The voluntary scheme was developed, with the support of national and EU funds, by the Swedish Board of Agriculture, in collaboration with the Federation of Swedish Farmers (LRF), county authorities and agricultural advisory organisations.

Uptake of the service, which provides training to farmers (at regional level) and advisers (at national level), has been high: Focus on Nutrients currently has more than 8 000 members. Since it was launched in 2001, the programme's 250 advisers have carried out more than 40 000 farm visits, providing invaluable support for the effort to reduce nutrient losses. Nine out of ten farmers implement the measures proposed and the majority of farmers state that they have become more environmentally aware and that the process has positively affected profitability.

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This Swedish case illustrates that with sufficient time, and some convincing explanations as to the aims of proposed measures, it is possible to change the attitudes and practices of farmers. Based on this and other examples (see the German case study on the use of consultancy services by farmers), the FG concludes that, 'advice provided by 'trusted' peers is more likely to be followed than that provided by officials.'

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Case study: combining measures to advise farmers in Germany

Consultancy services are an important means by which farmers are able to understand RDP land management measures and thus change their farming processes. However, in Germany, 'farmers... are only willing to pay for consultancy that raises their income at farm level. This is currently a significant barrier to the use of these services,' explains Jan Freese from Germany's Federal Office of Agriculture and Food.

A number of measures have been implemented in Germany to enable farmers to benefit from an advisory service that integrates agricultural and economic perspectives with environmental services. For instance, in Lower Saxony county-level advisers provide both general and farm-specific advice through Measure 331 about how farmers can participate in contractual conservation schemes (measure 214). Farmers in this region are also paid 80% of the advisory costs concerning water protection, biodiversity protection and climate protection, via Measure 114.

Such initiatives have had a noticeable impact: in selected counties in Lower-Saxony, the existence of information and advisory services for conservation schemes has led to, 'a significant increase in scheme uptake,' according to Mr Freese.

He adds that farmers are happier because the measures are better suited to existing farm processes, the 'advice is making agri-environment measures better accepted and raises the ecological effectiveness of the measures.' It can also help to increase farm profitability through more efficient implementation of measures.

Where advice is not provided by 'trusted' peers, the FG suggests that advisers need to be trained to be sympathetic to the concerns of farmers (as in the earlier Swedish case study).

The FG also highlights an innovative means of providing support for advisory services that is currently in use in Germany and may be worth adopting elsewhere, namely, 'the idea of having different types of advice available from a panel of approved providers, with a 'voucher type scheme'[11] providing farmers with the freedom to seek advice from their preferred provider.'

Practical and administrative factors

The importance of practical considerations to successful environmental services outcomes is often overlooked. The FG notes that, 'the way in which scheme applications and contracts are designed and drawn up, the amount of paperwork and red tape that is perceived to be involved, the extent to which adequate data is available for targeting and then monitoring schemes, as well as the control and enforcement rules and the way these are applied, are also key to the success of rural development policy measures in delivering environmental services.'

Speaking about the Finnish experience, Anna Schulman says 'there is a need for a simpler system with clearly defined measures with clear baselines,' an issue that equally applies to many other EU Member States.

Illustrating this, the FG notes that the administrative burden placed on land managers wishing to enter a scheme or agreement is a significant barrier to the implementation of agri-environment measures. Indeed, integrated approaches of the kind highlighted in the Cévennes and Kortweg Natuur case studies are often highly complex in administrative terms because of the breadth of actions or number of partners.

Thus, even where the will exists, reducing administrative costs for nature conservation measures in the second pillar is a difficult proposition. As Jan Freese points out with regards to Germany, 'we need people from the administrations to go out and to discuss what needs to be done with farmers or with the landcare organisations, then they have to set up a contract and there have to be controls, so I think there is no way to make that process leaner.'

Yet, although the process itself cannot be simplified, Mr Freese identifies other ways of reducing red tape, for instance, 'if you have a good working landcare organisation, they can manage several projects so the administration has only one partner to deal with — otherwise we would have 10 or 15 individual projects that have to be managed.'

Another means of simplifying administration in the longer term could be via smart IT systems. This has already paid dividends in the Czech Republic and Slovakia, where the Land Parcel Information System (LPIS) has been used to carefully target the agri-environment measure to where it is most needed (see box).

Case study: using smart IT to better target Slovakia's agri-environment schemes

A budget shortfall meant that the Slovak Ministry of Agriculture was unable to implement the agri-environmental Measure (214) on all the country's grasslands. However, an innovative solution was found when the NGO, Daphne, mapped in detail valuable grasslands and other potentially important habitats across the whole nation and then cross-checked the results with the LPIS[12] to identify management needs for particular sites.

Farmers applying for one of the seven agri-environment schemes (AES) relating to semi-natural grasslands indicate a particular field block in the application form. The State Nature Protection Agency (SNPA) then cross checks this information against the geographic data derived from the mapping process and uses it to identify a management scheme (and payment level) relevant to the biotopes on that particular plot or holding before the application proceeds.

Set-up costs (for mapping and system development) were quite high, but the ongoing administrative burden, which now falls on the SNPA should be lower than before, because the new system removes the need for onsite investigations in the majority of cases.

Importantly, the simplified application procedure (one form) has led to significant adhesion to the scheme (101 000 ha in the 2004—2006 programming period and 38 000 ha in 2007—2013).

11 See the EAFRD brochure, *Examples of projects providing environmental services* for more on this approach http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=3CD8BF41-D35F-1592-897F-1D03C8D5764C

12 Land Parcel Information Systems, the main instrument for the implementation of the CAP first pillar – direct payments to the farmer, i.e. to identify and quantify the land eligible for payments.

The smart IT tools used in the Slovak example gives both land managers and administrators a clear picture of payment levels. Payment rates are identified in the FG's final report as an important success factor in terms of providing the right level of incentive. This was shown by the earlier case study from Finland, where water protection measures have become, 'widely accepted by farmers because they are compensated for costs and income losses,' explains Anna Schulman.

Developing rules and guidance for agreements with multiple beneficiaries (such as farmers' associations) is identified by the FG as important within the context of promoting more collective approaches to environmental services delivery in the future. The collective approach piloted in the Netherlands — where the administrations deal with a regional partner rather than every single farmer — was identified as particularly useful in this regard and was mentioned by several of the FG participants interviewed for this issue of the EU Rural Review. 'I was fascinated by this concept,' says Jan Freese. 'In Germany this topic of environmental services is still driven mostly by conservationists; in the Netherlands, it's really driven by the farmers themselves.' For Francesco Vanni, 'it's quite surprising — but exciting — that the Dutch government was able to create an official system that was able to support collective action.'

Case study: the Media Valle del Serchio river management in Tuscany

In Tuscany, the local territorial authority improved river management in the Media Valle del Serchio area thanks to a local initiative using a network of farmers, explains Francesco Vanni of INEA (Italy's National Institute for Agricultural Economics). 'This case study is interesting because it looks at how it will be possible, and maybe necessary, especially in certain marginal mountain areas, to bring small farmers into the system, into the Rural Development Programmes — farmers that are currently outside of the system because they are small, or because they are scared by the bureaucracy of the RDPs or don't know how to apply.'

The authority made use of the farmers' local knowledge, paying them (under Measure 226) to carry out small-scale hydro-geological management measures for flood prevention in rivers and canals outside the boundaries of their farms. 'The result was really, really interesting because through the involvement of the small farms the local agency was able to monitor a big area with very little money,' notes Mr Vanni.

© Unione dei comuni media Valle del Serchio

Workshop on 'Quality design of environmental and climate measures for 2014—2020 RDPs'

This workshop was one of a series of ENRD preparatory activities for the new programming period (2014—2020). The event was based on the specific guidelines being prepared by the European Commission, as well as the work of the ENRD Focus Group on the delivery of environmental services. The workshop encouraged knowledge sharing between all stakeholders involved in the design and implementation of Rural Development Programmes (MAs, PAs, NRNs, etc.)

On March 4th, 2013, the European Commission and the European Network for Rural Development (ENRD) hosted a Workshop on *Quality design of environmental and climate measures for 2014—2020 RDPs*. The workshop was aimed at encouraging exchanges between stakeholders such as Managing Authorities, Paying Authorities, National Rural Networks and EU organisations, with the aim of developing a common understanding of successful programming and design of environment and climate measures, and to ensure access to information on available guidelines and tools to accompany the process.

The workshop discussions provided the opportunity for different rural development stakeholders to improve their awareness of underlying needs and issues regarding the delivery of environmental services, as well as to improve their knowledge of the possibilities offered by the new policy framework.

The European Commission opened the workshop by providing general information on programming and measures. Three presentations were delivered, highlighting the environment-climate dimension of rural development programming; climate mainstreaming; and the agri-environment-climate measure. The participants pointed out a series of inter-related critical aspects in managing the transition period towards the new generation of RDPs, such as the need to quickly stabilize the legal framework.

The next three sessions presented the conclusions of the work of the ENRD FG on the successful delivery of environmental services, on the basis of the different stages of the programming cycle: overall programming, measure design and implementation. Each session began with a short overview of the findings of the FG, followed by a presentation on the experiences of certain Member States and a group-discussion, driven by questions addressed to the participants.

The first session focused on the effective assessment of needs and the definition of priorities, including external coherence and complementarity. One presentation showed how the Finnish Managing Authority sought to fit a bottom-up approach into a top-down framwork by involving stakeholders early in the programming stage. Although there was no available funding, the Finnish Managing Authority was able to engage a wide variety of stakeholders. Key to this process was trying to make the measures as attractive as possible to farmers, and increasing their sense of ownership over the measures. The session then continued with some advice on how to conduct an accurate needs' assessment, while making sure that it is coherent role with national environmental and climate strategies.

In response to these aspects of programming, the participants stressed the importance of avoiding situations where budgetary decisions and allocation of measures precede the assessment of needs. Instead, the programming should start with an accurate needs' assessment, based on clear, quantitative and qualitative data, in addition to which early and continuous multi-level consultations of stakeholders are also crucial. Participants also stressed the need for clear guidance from the European Commission on needs assessment. Moreover, they stressed that it is essential for RDPs to be consistent with other legal frameworks and strategies – such as *Natura 2000*. In view of this, certain EU organisations argued that it would be useful to ensure access to a checklist of strategies and existing plans that overlapped with environment and agricultural policies.

The second session explored the process of selecting the measures, programme design and implementation. It presented the experience of the German National Rural Network in using different combinations of measures in order to provide integrated advisory environmental services to farmers in different regions. For example, some regions chose to provide nature conservation advice through Measure 323 (Conservation and upgrading of the rural heritage); others sought to increase the qualification of farmers for contractual conservation through Measure 331 (Training and information); while others opted for a 'voucher' system, financed through Measure 114 (Use of advisory services), in order to allow farmers to choose their preferred advisor. One of the key messages to emerge was that advisory services should be seen as tools for all measures and, therefore, they should have a holistic approach.

The session continued with a discussion on how to choose the most effective measures to achieve expected targets, and how to decide between 'continuity' and 'change'. In response to these questions, participants highlighted the importance of the SWOT analysis in setting a basis for how to use measures. They also underlined the need to avoid unnecessary u-turns by trying to maintain those aspects that are already working well and introducing changes only if necessary.

The third session was dedicated to the effective delivery of environmental services. It showed England's experience with designing and operating an outcome-oriented environmental land management scheme, using the example of the Higher Level Stewardship scheme. This scheme included 'indicators of success' to ensure the effective monitoring of the achievement of environmental services by a land manager or a public advisor. When asked about how to put in place results-oriented measures and schemes that encourage ownership and deliver measurable outputs, participants emphasised the importance of transaction costs, providing training for advisors, having a participatory approach, and ensuring sufficient flexibility and time to allow farmers to understand and 'buy into' the intended outcomes.

For more information and background information on the workshop, visit the ENRD website:

http://enrd.ec.europa.eu/en-rd-events-and-meetings/seminars-and-conferences/quality_design_measures/en/quality_design_measures_en.cfm

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Building blocks for the delivery of environmental services through the RDPs 2014—2020

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The elements presented below are intended to support the design of the 2014—2020 Rural Development Programmes (RDPs). They offer suggestions on how to help make the most of the opportunities provided by the rural development measures to improve environmental service provision and to avoid adverse environmental impacts. They can be used by those who are leading or participating in programme development and consultation, including the Managing Authority, other government departments, environmental experts and external stakeholders involved in the process. They draw on the findings of the focus group on the delivery of environmental service and the outcomes of the ENRD's 'seminar on 'Successful Programming' (Brussels, December 2012).

Few sectors affect Europe's environment, both positively and negatively, as much as farming and forestry management. With over 70 per cent of the EU land area used for agriculture or forestry, all Member States face the challenge of maintaining efficient and productive agriculture and forestry sectors, whilst also ensuring that environmental services (ES) are maintained and improved.

Addressing environmental priorities should be a central component of RDPs. Indeed, the 2009 Lisbon Treaty states that the environment must be taken into account in all EU policies. There is also an increasing recognition of the importance of protecting the environment not just for its own sake but because of its economic and social value, as highlighted in the EU's Biodiversity Strategy and priorities

NB: This article was written on the basis of the proposals for the CAP and rural development after 2013 presented by the Commission on 12 October 2011. Some numbers or references to details of specific measures may be subject to change.

for resource efficiency and addressing climate change.

Rural development policy provides a large amount of funding for protecting and sustainably managing the EU's rural environment. It offers important opportunities for actively promoting ES delivery. However, it provides only a framework of measures. How these are used to deliver ES in different parts of Europe is up to Member States and regions. This freedom allows measures to be tailored to locally specific priorities and needs and it leaves a lot of responsibility with the RDP Managing Authorities.

Delivering ES is one priority amongst many to be addressed through the next generation of RDPs. As such, it is important that MAs are in possession of sufficient information to understand how measures can be used to maximise positive outcomes for ES, alongside economic and social improvements, and avoid negative impacts.

The CAP is undergoing some significant changes for the 2014—2020 programming period. Although many of these changes affect Pillar 1, they will still affect the design and content of RDPs. Much of the content of the rural development regulation remains similar with respect to 2007—2013, but there are changes in its structure, with six priorities, some measures grouped together, and some new measures added. Importantly, the environment, and climate mitigation and adaptation are highlighted as cross cutting objectives to be addressed by the whole programme.

Overall, the proposed regulations for rural development policy for 2014—2020, and the rules for all Common Strategic Framework (CSF) funds, place environmental priorities more centrally in the European policy agenda[13]. These are set out in Box 1.

To ensure ES are given priority within the 2014—2020 RDPs, environmental priorities also need to be given due attention within the **Partnership Contracts**, as these lay the ground for all future expenditure under RDPs (as well as other EU funds, such as Cohesion Funds) and forms a binding contract between the European Commission and the Member State.

Box 1: The environment as a central theme of the CAP and rural development policy

Cross-cutting

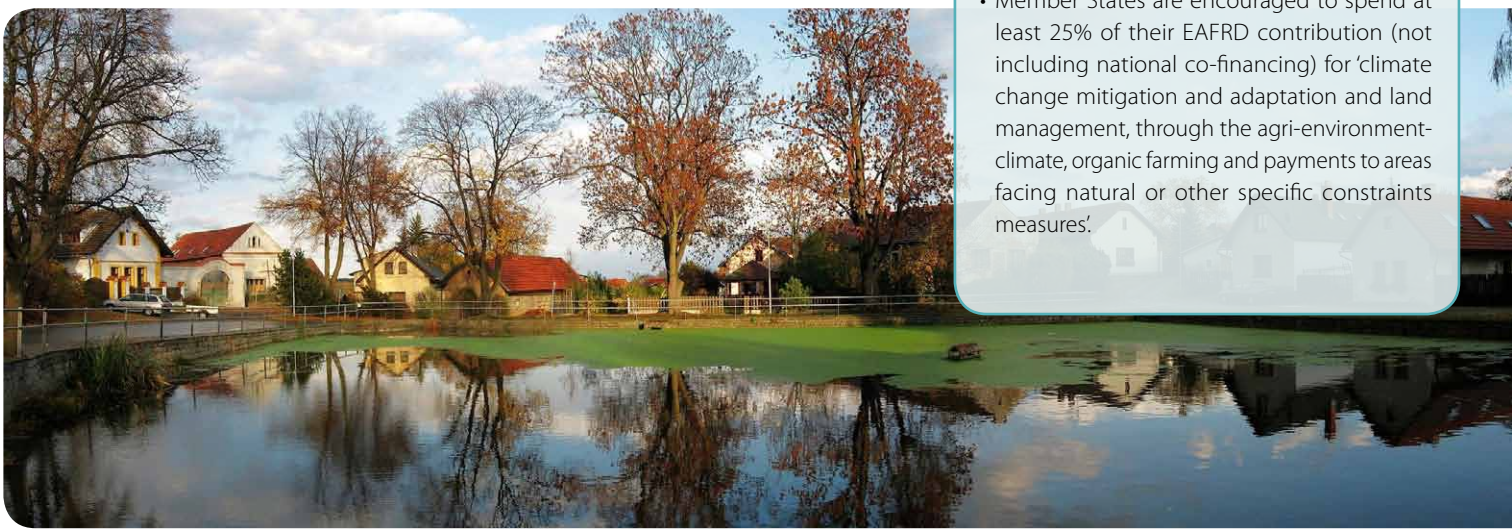
- The horizontal principle of sustainable development: Article 8 of the proposed Common Provisions Regulation states that: *the objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle….The Member States and the Commission shall ensure that environmental protection requirements … are promoted in the preparation and implementation of Partnership Contracts and programmes.*
- 20 per cent of all CSF funds must be seen to be delivering climate change mitigation and adaptation.

CAP — General

- 'the sustainable use of natural resources and climate action' is one of the three core objectives of the CAP.

Rural Development Policy

- Two of the six priorities are focused specifically on the environment:
  - » *Priority 4: restoring, preserving and enhancing ecosystems dependent on agriculture and forestry;*
  - » *Priority 5: promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture and food sectors and the forestry sector.*
- The environment, alongside climate mitigation and adaptation is flagged as a cross-cutting objective that must be addressed through actions under all priorities.
- Member States are encouraged to spend at least 25% of their EAFRD contribution (not including national co-financing) for 'climate change mitigation and adaptation and land management, through the agri-environment-climate, organic farming and payments to areas facing natural or other specific constraints measures'.



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13 The EC's proposal for the CAP after 2013 can be found on the Europa website: http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm

How to optimise the delivery of ES through RDPs

Essentially, the integration of ES into RDPs consists of two distinct elements:

- Opportunities for directly funding activities that deliver ES (identifying and prioritising dedicated environmental actions that enable the agricultural and forestry sectors to develop in a way that ensures their long term sustainability and ensures the delivery of ES);
- Avoiding damage to the environment through the use of measures to meet non-environmental priorities.

Developing an RDP follows a logical process. Firstly, an assessment of the situation in the rural area covered by the programme, within the context of the overall priorities for rural development, has to be carried out in order to identify and justify the issues to be addressed within the RDP and the outcomes to be achieved. Subsequently, a suitable combination of measures are chosen, which can help to achieve the outcomes identified, and then decisions are taken about how they are to be designed and implemented to deliver the greatest added value. The budget is then allocated between the different measures and priorities, targets and milestones are set and indicators are developed to help measure progress towards meeting the targets.

Each stage of the process offers an important opportunity for taking ES into account.

Cross-cutting considerations

Working in partnership. All stages of the programming process must be carried out in close collaboration with the relevant social, economic and other appropriate bodies (including environmental organisations). This is a requirement of the current rural development regulation and remains so for the 2014—2020 period, for all CSF funds.

Engagement with environmental, farming, forestry and rural development experts within governments, with relevant external stakeholder organisations, as well as with previous and potential scheme beneficiaries, is important as it allows for a range of different perspectives and experiences to be taken into account. In practice, the way in which different actors are involved in the RDP programming process varies significantly, but experience shows that higher levels of engagement can lead to much greater buy-in to schemes and improved outcomes during the lifetime of the RDP.

National Rural Networks can provide a good vehicle for exchanging information and expertise on how to address environmental needs in RDPs, for example, by considering the types of options and approaches used that have proved most effective.

Member State capacity and knowledge. To ensure effective integration of environmental issues within RDPs, it is important to ensure that the staff of Managing Authorities have the capacity and knowledge needed to contribute to programme and scheme design. Understanding how environmental priorities can be translated into practical actions is not always straightforward, particularly where decisions need to be made about complementarities and trade-offs between different priorities. Suitable training must be put in place as part of a process of continual professional development.

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For 2014—2020, it is a pre-requisite for approval of RDPs that Member States can demonstrate that measures are in place to improve administrative efficiency and that the MAs have sufficient capacity in relation to staff, training and IT to operate RDPs efficiently and effectively[14].

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Assessing environmental needs and defining priorities

Summary of key actions:

- ✔ Assemble the available evidence on environmental impacts. Action should be based on the best scientific evidence available – where considerable uncertainties remain it still may be important to take action as the risk of doing nothing may be greater. This will need to be assessed on a case by case basis.
- ✔ Gather information from a range of sources, combining formal research with feedback from land managers and other actors and stakeholders who have practical experience of the issues at hand.
- ✔ Ensure that this information is fed into the situation/SWOT analysis to identify the needs to be addressed in the region(s) covered by the RDP.
- ✔ On the basis of the evidence base, articulate clearly what it is that needs to be achieved and over what timescales.
- ✔ Identify what priorities are appropriate for public expenditure via rural development policy:
  - Establish and be clear about baseline environmental standards — through legislation, cross-compliance and the Pillar 1 greening measures.
  - Identify the market failures — only provide funding for public goods.
  - Ensure funding is providing additionality and minimise deadweight.
- ✔ Identify any activities that are not deemed appropriate for funding because they would act to counter to the delivery of ES.
- ✔ Ensure coherence with other policy measures to ensure that measures work synergistically and are mutually reinforcing, and that any unintended negative effects are avoided.
- ✔ Use the ex ante evaluation process and the Strategic Environmental Assessment (SEA) to provide a cross check that the environmental dimension of funding priorities has been fully taken into account.

14 This is an ex-ante conditionality, as set out in annex IV of the EAFRD regulation proposals – COM(2011)627/2final

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Development of clear and coherent priorities and objectives for RDPs, based on the situation analysis

The strategy set out within an RDP for meeting a series of nationally or regionally appropriate targets in relation to the priorities for rural development is based on a SWOT analysis (strengths, weaknesses, opportunities and threats) of the situation in the geographical area covered by the programme.

Ensuring a robust evidence base. Having reliable information, at the appropriate scale, on the state of the environment within the Member State/region, as well as the agricultural, forestry and rural sectors, is essential to inform the different ways in which ES need to be incorporated into RDPs. The EU draft regulations require that environmental and climate needs form part of the situation analysis.

It is important to make sure that a sufficiently robust evidence base is in place, from which the key environmental priorities and needs for the region/Member State in question can be established.

Considerable information and evidence is needed and this can be derived from a range of sources:

- quantitative data on the state of the environment in relation to agriculture and forestry;
- data on trends in ES and the drivers that have influenced them, which can help to predict likely future trends in ES and assess the types of intervention that will be needed to improve their delivery. This requires an understanding not just of the environment, but also of economic and social trends, including likely farm structural change in the face of likely trends in commodity and input prices, population changes and changes in consumer and farmer behaviour.
- Information and feedback from land managers and other actors or stakeholders who have experience with the practicalities of managing land and who can identify the areas where assistance is needed and may have innovative ideas about how it can be best delivered.

In most cases, substantial research and assessment will be necessary to gather the required information and have it available in time. It is worth investigating the degree to which the technical assistance measure could be used to fund evidence gathering and integration activities. Other options include the use of volunteers or other organisations to collect data. However, although the evidence base may not be perfect, this should not prevent action being prioritised.

Defining priorities. On the basis of the evidence base, the next state is to articulate clearly what it is that needs to be achieved over what timescale

and where it is appropriate for public expenditure, via rural development policy, to be used. In determining which actions or farming systems require support it is important to recognise both areas where the delivery of ES is already being carried out, but needs continuing support if these benefits are not to be lost, as well as those areas where changes are needed. Experience from current programmes has shown that even if an issue is identified as important in the SWOT analysis, it still may not influence funding priorities. Therefore making sure that environmental considerations are part of the decision making process is important as this will translate directly into scheme/measure design.

Ensuring coherence. Priorities determined for the RDPs must be coherent with the objectives and implementation of other policies, strategies and frameworks in place for delivering ES, including other elements of the CAP. The involvement of stakeholders is an important element in this part of the process.

Care should be taken to ensure that the measures and activities chosen as a priority within the RDP work in a coherent way with other elements of the CAP. Measures in rural development policy should not duplicate what is already required under Pillar 1, but should be complementary and provide opportunities to add value and deliver more for the environment. Specifically, all actions prioritised for funding must go beyond the environmental baseline set by legislation, cross-compliance and the Pillar 1 'green measures'.

In addition, it is important to take account of any national or regional strategies that are in place. This could include, for example, River Basin Management Plans (RBMPs) relating to the implementation of the Water Framework Directive, or Prioritised Action Frameworks (PAF) relating to the use of EU funds for the management of *Natura 2000* sites. These strategies and how they are applied is often decided by a different department within the Agricultural Ministry from that developing the

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RDP. Environmental experts need to be involved in the design of both elements to ensure consistency and complementarity in design.

Coherence works two ways. Where Member States have the flexibility to define eligibility criteria for payments (e.g. for the basic payment), or the nature of the requirements (e.g. standards of Good Agricultural and Environmental Condition), these need to be compatible with RDP priorities, so that negative affects are avoided. For example, it is important to ensure that eligibility criteria for Pillar 1 payments do not result in HNV farmland being damaged through scrub removal, where these are habitats that are a priority for support under the agri-environment, organic, *Natura 2000* or Areas of Natural Constraints measures. This re-emphasises the need for good coordination between and within government departments.

The ex-ante evaluation and Strategic Environmental Assessment, which assess the overall rationale, consistency and coherence of the programme, and ensure that the environment is suitably integrated, are a good opportunity to provide a second check that the environmental dimension has been sufficiently taken into account during this stage of the programming process.

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Selection of measures and scheme design

Summary of key actions:

- ✔ Ensure all decisions made are transparent.
- ✔ Identify which measures are available within the EU regulations that can be used to deliver environmental priorities – make sure to consider the potential of all measures and that the rationale for intervention is based on the situation analysis.
- ✔ Assess the multiple benefits that can be achieved through the use of the measures identified to deliver ES – not only the different ES but also economic and social benefits.
- ✔ Where conflicts between the actions needed to address objectives are foreseen, identify what these are and put criteria in place to determine what sort of trade-offs are acceptable.
- ✔ Consider different or innovative approaches to delivery, including integrated and territorial / landscape-scale approaches.
- ✔ Determine eligibility criteria to ensure the measures are available to the relevant target audience and that key beneficiaries are not unintentionally excluded.
- ✔ Target schemes to the relevant geographic scale and/or environmental priority/priorities.
- ✔ Ensure payment rates are sufficiently attractive to ensure the level of uptake required.
- ✔ Identify any safeguards that need to be put in place to ensure that no measures are used to promote actions that could work counter to environmental goals or lead to environmentally harmful activities.
- ✔ Double check that there is no overlap between actions funded under the RDP and those required or funded through other parts of the CAP.
- ✔ Ensure that approaches are sufficiently flexible, within the limit of the legal provisions, to allow adjustments to be made as the scheme evolves over time.
- ✔ Involve stakeholders and beneficiaries in scheme design to improve buy-in to schemes and improve outcomes.

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Once the priorities for funding have been established, based on the available evidence (Step A), the next stage of the process is to determine which measures, or combinations of measures can be used to deliver the priorities and outcomes identified through the SWOT analysis. This is one of the most important parts of the programming process, as this specifies what gets funded in practice. Programme design should involve stakeholders, including farmers and foresters. This can lead to more innovative approaches to ES delivery, encourage greater buy-in to schemes, which in turn can lead to improved outcomes as the schemes will be better matched to the different stakeholders' needs.

The development of the structure and the design of the RDP does not start from zero. All Member States have a history of institutional structures, existing rural development schemes and beneficiaries, which will inevitably affect programme design. It is important not to 'reinvent the wheel' and to build on what has worked well in the past. However, equally, it is important to reflect on what has not worked so well and what needs improving, as well as to encourage creative thinking about new ways that might further improve ES delivery. Any changes in approach should lead to greater effectiveness in achieving outcomes and ideally be more efficient in doing so. It may be the case that Member States decide to deliver certain environmental priorities via other means, such as through national measures. Where this is the case, it is important to highlight this in the RDP to demonstrate that the priorities are being met.

Using the full range of measures available. Multiple measures can be used to deliver ES. It is important to think broadly about the different opportunities each offers against the national/regional priorities identified. Often, a combination of measures supporting land management activities, investment in capital expenditure, adding value to products, and capacity building will be appropriate.

The following table sets out the range of measures that could be used – alone or in combination – to deliver ES, alongside an assessment of the types of ES they have most potential to deliver.

List of EAFRD measures with the potential to contribute to environmental priorities

Article No	Measure Name	Biodiversity	Water	Soil	Climate Change	Type of Support
Article 15	Knowledge transfer and information actions	↔				capacity
Article 16	Advisory services, farm management and farm relief services	↔				capacity
Article 17	Quality schemes for agricultural products and foodstuffs	S	S	S	S	added value
Article 18	Investments in physical assets	K	K	K	K	investment
Article 20	Farm and business development	↔				investment / added value
Article 21	Basic services and village renewal in rural areas	K	K	K	K	investment
Article 23	Afforestation and creation of woodland	S	K	K	K	land
Article 24	Establishment of agro-forestry systems	K	K	K	K	land
Article 25	Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events	S	K	K	K	land
Article 26	Investments improving the resilience and environmental value of forest ecosystems	K	K	K	K	land
Article 27	Investments in new forestry technologies and in processing and marketing of forest products	S	S	S	S	investment / added value
Article 28	Setting up of producer groups	↔				capacity
Article 29	Agri-environment- climate	K	K	K	K	land
Article 30	Organic farming	S	S	S	S	land
Article 31	*Natura 2000* and Water framework directive payments	K	K	S	S	land
Article 32	Payments to areas facing natural or other specific constraints	S	S	S	S	land
Article 33	Designation of areas facing natural and other specific constraints	S	S	S	S	land
Article 35	Forest-environmental and climate services and forest conservation	K	K	K	K	land
Article 36	Co-operation	↔				capacity
Article 42-45	LEADER	↔				capacity
Article 64	European Innovation Partnership	↔				capacity

K — Key measures that have the potential to support the delivery of certain environmental priorities

S — Measures that have the potential to support the delivery of certain environmental priorities

↔ — Cross cutting measures with the potential to play a role in delivering all environmental priorities

Source: Allen et al. 2012

Innovative approaches to measure design and delivery. There are a number of approaches that can be used to deliver ES, using measures both singly and in combination (see Box 2). There are already a range of examples of where Member States have used innovative approaches for this purpose (as highlighted by the work of the ENRD Focus Group), but the most prevalent approach remains the use of single measures (usually the agri-environment-climate measure) to deliver prescribed management practices. Where this approach is delivering environmental benefits and working effectively and efficiently, it should be continued. However, this should not prevent consideration of new and novel approaches if these might be more suited to addressing future priorities and needs.

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Box 2: Different approaches for delivering ES

- ✔ Integrated delivery: combining packages of measures from the EAFRD and/or different funds.
- ✔ Collective approaches: can be both territorial, where multiple farmers or foresters are encouraged to provide management across an area greater than that of an individual holding and/or institution/organisation, where a wider range of actors and stakeholders are involved in scheme delivery, such as local authorities and NGOs.
- ✔ Community-led approaches: involving local and regional individuals or organisations, which may be outside of the farming or forestry sectors, in scheme development, design and implementation, such as is often the case under the LEADER approach.
- ✔ Holistic approaches to achieving multiple outcomes: for example, approaches that aim to join up the delivery of ES alongside economic and social outcomes (green growth).
- ✔ Outcome-focused delivery: whereby support (or a proportion of support) provided to land managers is dependent on the outcomes achieved rather than the management undertaken.

NB: these types of approaches rarely occur in isolation and the effective delivery of ES may require them to be used in combination. For example, the use of a range of different measures (integrated delivery), through coordinated delivery, at the landscape scale, using collective approaches.

Targeting, setting eligibility criteria and safeguards. Once the measures and approaches to be used have been determined, they need to be designed in a way that ensures funding is used in an effective and efficient way. The overall goal is to create the necessary conditions for applications so that the award of funding to project beneficiaries and subsequent implementation achieves environmental outcomes. Some of these conditions many already have been established in the EU implementing regulations and might just need to be translated into national rules, whereas others may need to be adopted to address the local situation.

Different types of measures present different opportunities for delivering ES. As such, different eligibility criteria, safeguards and targeting will be required. For example, depending on whether expenditure is focused on incentivising land management actions, on investment in physical infrastructure or on the development of packages of advice and training.

Examples of relevant eligibility criteria / safeguards related to ES include:

- investment in infrastructure should demonstrate that it does not harm the environment and is resilient to future climate change;
- for afforestation, only applications that commit to using species from a regionally approved list would be eligible;
- infrastructure related to water use is only eligible if the applicant can demonstrate overall water savings will be achieved by the proposed activities.

Measures should also be targeted at the most appropriate scale (field, holding, landscape) for the particular issue being addressed. In addition, support should be targeted at those who are best placed to carry out the environmental management necessary to deliver the priorities identified. This may be farmers or foresters, but it could also be other land managers. It is important to bear this in mind so as not to unintentionally exclude key beneficiaries.

Implementation and delivery

Summary of key actions:

- ✔ Allocate sufficient delivery resources to achieve environmental outcomes.
- ✔ Provide clear guidance and resources for applicants (web-based, printed) – in particular make sure scheme objectives and content are clearly communicated.
- ✔ Put in place good quality advice and training schemes – consider new ways of communicating with land managers, such as peer-to-peer advice.
- ✔ Provide training sessions for project applicants on how to maximise the delivery of ES on their land.
- ✔ Provide guidance and training for those who provide technical support and advice to land managers and other rural actors, including extension services and private providers – in particular, ensure that those delivering the Farm Advisory Service have sufficient expertise in environmental issues.
- ✔ Use evaluation and monitoring to improve effectiveness.

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Advice and guidance. Providing advice, communicating and training, both directly to those seeking funding from RDPs, as well as to intermediaries such as extension services and private advisers, is critical for building trust, knowledge and understanding between those organisations implementing the schemes and land managers about environmental priorities and their delivery on the ground.

There are a variety of ways of achieving this, including:

- Ensuring that the relevant extension services and experts that provide advice to scheme applicants have the necessary knowledge and skills.
- Ensuring that revisions to the Farm Advisory Service (FAS), which for 2014—2020 must be extended to cover all environmental issues in relation to rural development policy, as well as Pillar 1 measures (rather than just cross-compliance as in the past), fully addresses the environment in the advice and training materials provided.
- Provide good quality advice and training directly to scheme beneficiaries through written guidance materials, as well as through face to face training seminars and workshops.
- Provide examples of good practice in delivering ES. NRNs' and the ENRD project database are a useful starting point for finding such examples.

Monitoring and evaluation. The revised RDP Monitoring and Evaluation System for 2014—2020 sets out a suite of indicators specific to the CAP as a whole, and rural development policy in particular. A set of common indicators must be applied to all RDPs, although Member States can also put in place additional indicators relevant to their national/regional situation.

Working within this required framework, there are many opportunities to ensure that the necessary indicators are put in place to ensure that the environmental outcomes of the RDP are able to be identified and improvements measured. Being able to demonstrate success will help to promote engagement with environmental measures by beneficiaries in the future.

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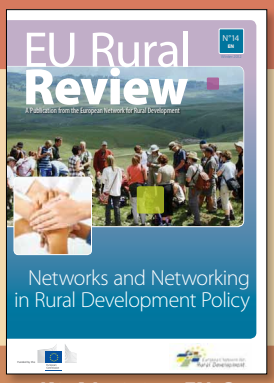

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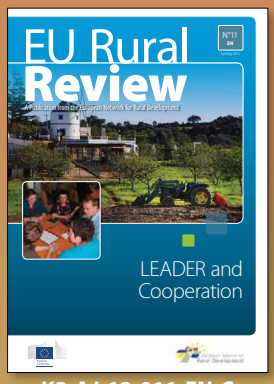

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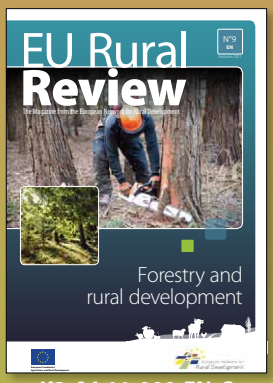

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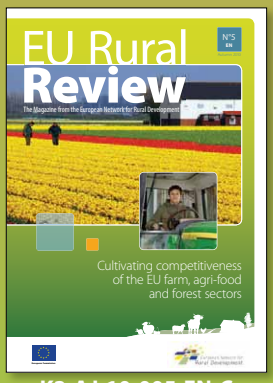

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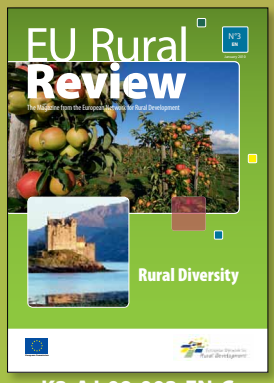

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