



Coordination Committee Focus Group **Delivery of Environmental Services**

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List of Acronyms

AES	Agri-environment Scheme
EAFRD	European Agricultural Fund for Rural Development
ENRD	European Network for Rural Development
ES	Environmental Services
EU	European Union
FG	Focus Group – referring here specifically to the ENRD coordination committee focus group on environmental services
HNV	High Nature Value
LPIS	Land Parcel Information System
PC	Partnership Contract
PAF	Prioritised Action Frameworks
PDO	Protected Designation of Origin
RBMP	River Basin Management Plan
RD	Rural Development
RDP	Rural Development Programme
SWOT	Strengths, Weaknesses, Opportunities, Threats

1 INTRODUCTION AND PURPOSE OF THE FOCUS GROUP

This report presents the findings of the Focus Group on the delivery of environmental services, which has been operating since January 2012.

The purpose of this Focus Group (FG) is to consider how best the delivery of the range of environmental services that are supported through the European Agricultural Fund for Rural Development (EAFRD) can be improved and maximised in the future. Lessons learnt from this work are intended to inform the design and implementation of Rural Development Programmes (RDPs) in the next programming period (2014–2020). The scope of the group, therefore, covers environmental services provided through agriculture, forestry as well as rural areas more generally.

In particular, the FG has sought to answer a number of questions, including:

- What kinds of policy measures are needed and are most effective and efficient for delivering environmental services?
- What sorts of approaches have been used to deliver environmental services within RDPs under the current programming period and what were the main factors of their success?
- What are the advantages of collective and community-led type approaches and what is needed to ensure they are successful?
- What opportunities exist for delivering environmental services alongside improving economic performance of the holding or rural area and providing social benefits?
- What lessons can be drawn from these examples for the development, design and implementation of RDPs for the next programming period (2014-2020)?

To achieve this, the FG has:

1. facilitated the **exchange of practices** used in Member States to deliver environmental services and collected examples of these experiences to be used as informative reference or study material for dissemination;
2. taken into account the diversity of European rural areas, the national, regional and local contexts and needs, with the view to contribute to the **European dimension** of the policy.

2 METHODOLOGY

The FG has used a number of approaches to answer the research questions identified in section 1. The ethos of the FG is that it should draw on the expertise of its members to provide evidence on how ES are delivered in Member States currently and use their experience and involvement in the delivery of RDPs to discuss ways in which this might be improved in the future. As such the methods used for the collation of evidence for this report have been very participatory and have relied on the input and engagement of the FG members. It should be stressed, therefore, that the findings and recommendations reflect the views and experiences of the FG, rather than a review of all the available evidence on the topic.

In order to determine **what** environmental services are and **why** they are needed, the FG commissioned a background paper (see annex 3), which was produced in March 2012. This paper set out a definition of the term 'environmental services' to set the framework of the study. The paper makes clear that 'environmental services' are those environmental public goods for which there is a rationale for support through public policy. As such, it specifies that it is those environmental benefits that go beyond those required by the mandatory baseline which are captured by the notion of 'environmental services'. In these terms a distinction is made from ecosystem services, which includes market goods that do not justify the same support. The background paper also sets out the wider context as to why environmental services are needed in relation to current pressures faced in the rural environment.

To identify **how** the delivery of environmental services can be improved through rural development programmes, two types of activity were undertaken: the collation of examples of current approaches to delivery to create a strong evidence base on which recommendations for the forthcoming programming period (2014-2020) could be built; and a series of discussions with FG members, including field visits to highlight particular issues facing ES delivery.

Collation of examples of ES delivery:

- A fiche was developed to form the basis of the collation of examples of delivery practices in different countries for the delivery of environmental services, considering what worked well and what not so well.
- Examples were gathered in three phases and in total over 50 examples were provided. These were reviewed to create a final list of 47 examples from 15 Member States of innovative ways in which ES were being delivered currently, using a range of different measures (see annex 2).
- Examples were only excluded from the final list where there was a lack of information on the approach taken or the expected benefits and lesson learnt or where the examples were not linked to the EAFRD in any way, or was not related to ES delivery.
- In the second phase of the study follow up information was sought on the transaction costs associated with some of the more innovative approaches where higher administrative complexity had been highlighted. However, apart from detailed information from the Netherlands, it was not possible to source these data, either because they were not recorded, not easily accessible, not in English or there was an unwillingness to divulge such information.

FG discussions: In order to inform the analysis a series of discussion have been held between FG members. This has included:

- a series of discussions via online fora;
- face-to-face meetings in Brussels;
- two workshops combined with field visits - in the Netherlands (May 2012) and in Sweden (September).

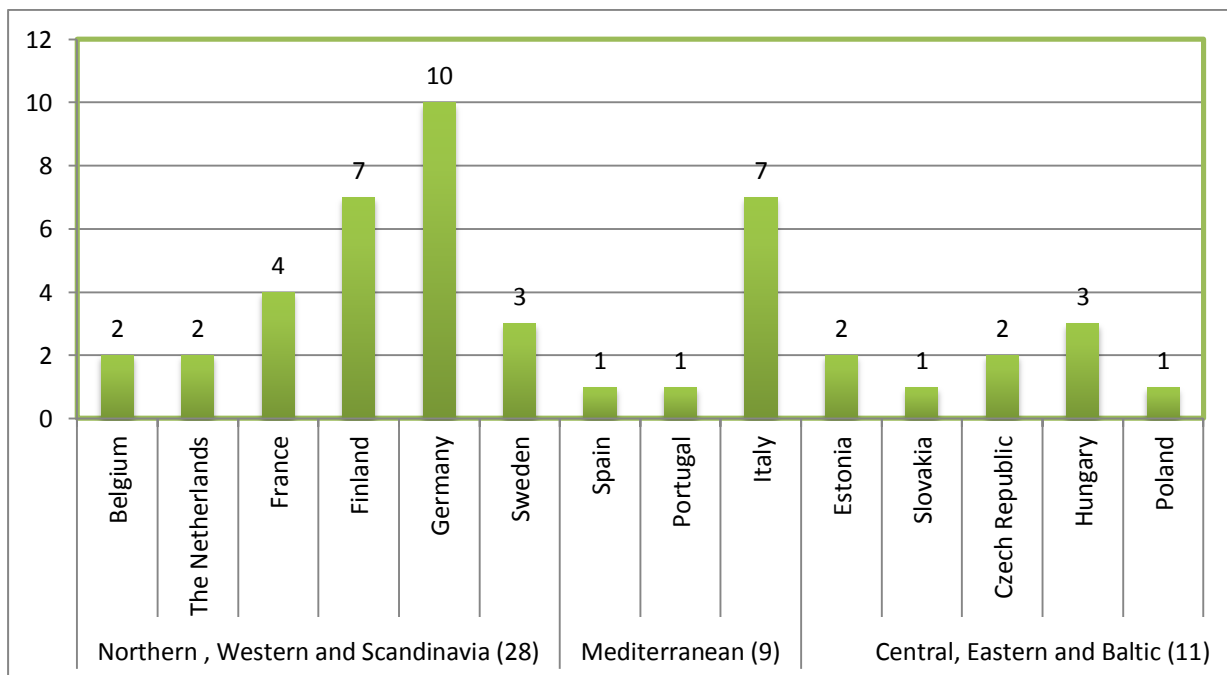
These meetings have focused on exploring different aspects of the research questions. They have been an essential element of the methodology to provide expert views and perspectives on the key issues influencing the delivery of ES, including the identification of success factors, barriers to delivery and improvements that are needed for the forthcoming programming period. This expertise has been invaluable in providing detailed inputs based on practical knowledge and experience in designing and implementing RDPs to deliver ES in a range of Member States.

3 APPROACHES USED FOR DELIVERING ENVIRONMENTAL SERVICES THROUGH RURAL DEVELOPMENT PROGRAMMES

This section summarises the different types of approaches that have been identified as being used in different Member States/regions for delivering environmental services, based on examples provided by members of the FG and supplemented with information from other relevant literature, previous work carried out within the ENRD (for example ENRD, 2010a and b) and that provided by additional experts in the field.

A range of different approaches to delivering environmental services has been identified. Overall, the geographical coverage of the examples - from 15 Member States - reflects the current composition of the FG. The majority of the examples (28) relate to northern, western and Scandinavian Member States – which may also be an indicator of their longer experience with using agri-environment schemes, and therefore the availability of a higher number of examples. However, a significant number (9) were provided for the Mediterranean area (in particular from Italy) as well as from RDPs in some of the central, eastern and Baltic Member States (11) (Figure 1).

Figure 1: Number of examples provided by Member State



3.1 Types of measures used

The examples provided focus primarily on those RDP measures that directly target the provision of environmental services (ES) especially the agri-environment measure (214). Other land management measures with an environmental dimension are also covered although with far fewer examples including non-productive investments (216), natural handicap payments (211/212) and the conservation of rural heritage (323). The examples provided focus largely on agriculturally focused

measures and fewer examples for forestry have been forthcoming. Partly this reflects the relative emphasis given to agriculture rather than forestry in RDPs, with programmed expenditure for forestry measures only accounting for approximately 5 per cent of programmed expenditure (total public expenditure) for the 2007-13 programming period. The Natura 2000 and WFD (water framework directive) measure (213) does not deliver environmental services within the definition used for this FG (i.e. services that go beyond those required by the mandatory baseline). This measure provides, in fact, payments to farmers to compensate for disadvantages they may experience from being required to carry out mandatory actions that apply within Natura 2000 areas or river basins, as put in place by Member States. However, this measure (213) has been included on the basis that it would be useful to draw lessons from current practice so as to understand how the measure is used in different countries, particularly how it is used in conjunction with agri-environment schemes to deliver additional voluntary actions that go beyond Natura 2000 mandatory action.

Accompanying measures, particularly vocational training and advice (111) are also included within the examples as are examples of the LEADER approach. A number of the examples indicate the importance of the use of multiple measures in combination. This is particularly true for vocational training and advice, the non-productive investments measure and the conservation and upgrading of rural heritage measure, all of which have been used in combination with the agri-environment measure, for example where advice and training are used to improve the delivery of environmental services through agri-environment schemes.

Table 1 shows the number of examples given for each measure and highlights the strong bias of examples towards those in Axis 2 with fewer examples involving Axes 1 and 3 measures or the use of the LEADER approach.

Table 1: RDP measures presented in the list of examples¹

Measure	Description	No. examples
111	Vocational training and advice	5
114	Use of advisory services	2
121	Modernisation of agricultural holdings	2
211/212	Natural handicap payments to farmers	2
213	Natura 2000 payments and payments linked to Directive 2000/60/EC	1
214	Agri-environment	27
216	Non-productive investments (agriculture)	5
223	First afforestation of non-agricultural land	1
225	Forest-environment payments	2
226	Restoring forestry potential and introducing prevention actions	3
227	Non-productive investments (forestry)	1
323	Conservation and upgrading of the rural heritage	5
Leader	Leader	4

¹ Please note that the table refers to the number of examples per measure, i.e. some examples may cover more than one measure and in these cases they will appear twice in the table.

Other -linked to RD	Examples that were not funded by EAFRD measures but are linked (eg Plan 42 in Spain (Castilla y León), use of PDO to add value to produce in France)	5
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Source: Environmental Services Focus Group - ES delivery examples.

Although a good number of examples have been sourced, they cover only 13 of the 44 possible rural development (RD) measures available in the current programming period (see annex 2). This is important to bear in mind, as it does not reflect the fact that funding can also be made available through other measures to deliver ES, such as through investments in infrastructure to address environmental issues such as water scarcity or greenhouse gas emissions in order to address climate change impacts (e.g. methods of collecting and storing water, promoting efficient irrigation systems, installing anaerobic digesters etc.). However, as not all use of such rural development measures delivers environmental benefits, it remains a priority to ensure that such funding is both sustainable and not detrimental to other environmental services (such as biodiversity or soil protection etc.).

In addition to those examples provided using specific RD measures, it is notable that there are a number of examples (5) which involve approaches adopted at least in part outside of RD policy (non-EAFRD measures) and instead are supported by private or public initiatives within Member States or regions. Such approaches are helpful in providing lessons learnt from existing approaches that could be translated into future RD policy.

3.2 Environmental services

The environmental services that form the focus of this work are described in the background paper and listed below. As can be seen in Table 2 the majority of examples focus on biodiversity objectives, with water quality and quantity as well as landscape objectives also featuring strongly.

Multi-service delivery is an important aspect of RD policy and many of the measures have the potential to deliver a range of environmental services as well as other economic and social benefits. Agri-environment schemes and the practices which they contain, including support for organic farming, are inherently multi-objective (see for example Cooper et al. 2009; Keenleyside et al. 2011) and this is demonstrated by many of the examples from the FG. The most frequent combination of objectives highlighted includes biodiversity and landscape; biodiversity and water management; and water and soil management. Indeed, many of the approaches in the examples provided have the potential to deliver an even wider range of environmental services than those stated. For example, management to prevent scrub encroachment and keep the landscape open to prevent fire risk is also likely to have biodiversity, soil functionality and landscape benefits.

Table 2: Environmental services and number of examples provided

Environmental service	No. examples
Biodiversity – habitats and species	35
Landscapes	17
Water Quality and/or Water Availability	17
Soil Functionality	10
Air Quality	1
Resilience to Flooding or Fire	8
Climate regulation – reduced greenhouse gas emissions/ carbon sequestration	3
Other	8

Source: Environmental Services Focus Group - ES delivery examples.

3.3 Approaches to the delivery of environmental services

The range of approaches to delivering ES, demonstrated by the examples provided, is set out below. The analysis considers which types of approaches have worked better in the past than others and some of the reasons for this. Section 4 then examines what factors have led to the achievement of successful outcomes as well as identifies some of the barriers to successful delivery that need to be overcome.

The evidence collected can be grouped into five different types of approach to delivery, using measures both singly and in combination. These are as follows:

- Integrated delivery – combining packages of measures from the EAFRD and/or different funds;
- Collective approaches;
- Community-led approaches (for example using the LEADER approach);
- Holistic approaches to achieving multiple outcomes (for example approaches that aim to deliver environmental services alongside economic and social outcomes); and
- Outcome-focused delivery.

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

The examples collected are not an exhaustive list of the different approaches used to deliver ES in RDPs. They tend to focus on more innovative approaches that are not used widely at present as a means of providing ideas on the range of ways in which the delivery of ES can be approached through the use of rural development measures. They provide an indication of what has worked, what has not worked and what improvements are needed for the future. It is important to highlight, however, that many other more conventional means of implementing measures are already delivering environmental benefits and where these are working effectively and efficiently, these should be continued.

3.3.1 Integrated delivery

Integrated delivery describes the use of a combination of different RD policy measures to deliver environmental services. Measures can be 'integrated' in different ways:

- a scheme may be introduced which incorporates elements from a range of measures, although this is not apparent to the land manager from the delivery end;
- farmers may be required to carry out certain activities funded by one measure (such as training) in order to receive support through another (e.g. agri-environment payments);
- the design of a range of measures in a particular locality could be all tailored as part of a package of measures that are applicable for a certain type of beneficiary or farming system (for example High nature Value (HNV) farming systems).

The examples provided by the FG have tended to centre on the agri-environment measure, which is combined with other land management measures as well as other measures to assist with capital investments or advice in order to facilitate the achievement of environmental objectives. The most

common combinations of (one or several) measures with the agri-environment measure in the examples provided included:

- vocational training and advice;
- conservation and upgrading of rural heritage; and
- non-productive investments.

In a few examples, the agri-environment measure was also combined with Natura 2000 payments or the natural handicap measure.

The examples suggest that training in combination with support to environmental land management activities is particularly important for increasing the awareness of farmers to environmental priorities as well as improving the skills of farmers in implementing environmental management.

In some cases training is part of the requirements of agri-environment schemes, as in the case of Estonia (see also Keenleyside et al. 2011). In this example improving the farmers' knowledge of their role in meeting different environmental challenges is expected to improve their delivery of ES and possibly lead to added delivery beyond the requirements set out in the measure. The involvement of farmers in the training process allows for greater sharing of knowledge about the effectiveness and potential of the different measures and has the added benefit of helping to improve future measure design.

Beyond raising awareness training can have a direct impact on the skills needed to implement some of the land management measures. For example in Finland, Hungary and Italy, vocational training and advice has been provided under measure 111 in order to improve land managers' ability to implement certain agri-environment management practices such as integrated pest management. The importance of training is also highlighted in several studies (Kleijn et al. 2001; Boccaccio et al. 2009; Pol et al. 2011; European Court of Auditors 2011; Loble et al. 2011). For example Poláková et al (2011) cite evidence from many northern European countries which indicates that the greater the understanding of the benefits and outcomes of environmental land management practices, the more likely a land manager is to commit to undertaking such actions and the more likely the outcomes are to be successful and sustained in the longer term (see for example Herzon and Mikk 2007).

In the wider literature there are further examples of the need to use RD measures in an integrated way, for example in response to the declining economic viability of HNV farming (see Beaufoy and Poux 2012). Support for such areas requires an integrated approach across different policy measures including: targeted Pillar 1 payments and improved cross-compliance protection for permanent grassland, higher support rates under Pillar 2, well-targeted agri-environment support well targeted to meet the specific objectives of the areas and farming concerned, local projects to mainstream HNV farming into rural communities (LEADER) and an EU-wide model of the Land Parcel Information System (LPIS) for monitoring (Beaufoy and Marsden 2010). Further examples are provided in Boccaccio et al (2009) for Greece, Portugal, Slovenia and Wales (UK)². Similarly the use of integrated

² Greece: training under measure 111 is provided to beneficiaries of agri-environment, afforestation and LFA measures in order to support an effective implementation of the measures. Portugal: Axis 1, various measures – designed to support the competitiveness of cork woodland and in so doing deliver several

packages of measures may be beneficial to support organic farming systems, combining support for environmental management with support for capital investments for improving the physical infrastructure on farm. Action 6 of the EU Organic Action Plan (OAP) recommends that Member states make full use of all Pillar 2 measures. Despite this there continues to be a lack of coherence between regional and national OAPs and support provided through RDPs (Pohl, 2009; Sanders et al, 2011).

A range of studies also stress that care should be taken when using a combination of policy measures to ensure that there is coherence between the measures, particularly in relation to their eligibility criteria and management requirements, and that the optimal mix of measures are used guided by clear objectives (see Poláková et al. 2011). Good coordination and communication between the delivery body and land managers implementing the measures on the ground is also essential. This can lead to additional costs for administration of schemes, although these have to be weighed against any improved benefits delivered. No information on the administrations costs or the changes in outcomes achieved through integrated delivery were available for the examples provided through the FG.

An approach to ensure coherence and the optimal mix of measures used to deliver environmental services is seen in Italy (Marche) where the 'Area Programme for Biodiversity' (launched in 2011) is funded primarily by the Natura 2000 measure, with support from other RDP measures (125, 211, 214 and 216) and developed by broad consultation and with the participation of local farmers living in the protected area and local authorities (see Box 1).

Box 1: Integrated delivery in the Marche region of Italy

In the Marche region of Italy, the need for new approach for the implementation of RDP measures was identified to ensure collaboration between stakeholders and optimum use of measures to support the delivery of environmental services in order to improve the biodiversity status of Natura 2000 sites.

In response to this need the Area Programme for Biodiversity was launched in 2011. It is primarily financed through measure 213 but with support from other RD measures and developed through broad consultation and with the participation of local farmers living in the protected area and local Authorities. The main actors are the Marche regional authority (in charge of RDP planning and implementation), the bodies managing Natura 2000, farmers and local authorities (such as provinces and municipalities).

The main expected benefits are the opportunity the new approach provides to carry out a series of integrated interventions within a given Natura 2000 area, agreed between public and private operators. The implementation should prove easier, and their impact more significant, not just for biodiversity conservation, but also for the maintenance of soil fertility, water courses and ground water, and for landscape conservation.

The design of this new approach required a large amount of administrative work for the two Regional

environmental services are provided: biodiversity conservation, protect against desertification, improve fire resilience, and sink carbon. Slovenia: biodiversity targets can be better met by combining basic agri-environment schemes (such as the organic farming payment) with Natura 2000 to ensure that endangered species and habitats can be targeted through broad land management requirements. Wales (UK): positive examples of the use of non-productive investments, where support is used for capital items in two agri-environment schemes.

Departments involved (Agriculture and Environment) in order to ensure accordance with the standard RDP rules. The approach also required a substantial communication and dissemination efforts involving many dissemination initiatives undertaken at local level by Marche region, public authorities and farmers associations so as to promote and discuss the new approach, both before and during the launch of the initial implementation phase. However, due to this joint effort, the system is now well-known (and has also gathered much interest beyond the region), with the next implementation round expected to require less effort.

Key Points:

- Using combinations of integrated measures can be an effective way of providing support for the range of economic and capacity building needs that are often needed to underpin support for the actual delivery of the environmental services themselves.
- Combinations of measures can be used to meet defined needs focussing on specific environmental services (such as wetland management) or within defined geographical areas (such as Natura 2000 sites or mountain areas) or for particular farming systems (such as HNV farming).
- Using a combination of measures, especially within defined areas, requires **coordination** between the delivery body and those implementing the measure and **good communication**. As such there is a certain level of **increased administrative investment** required.

3.3.2 Collective approaches to delivery

Collective approaches can be both territorial (landscape-scale or multiple holding) and institutional/organisational (involving multiple stakeholders). Territorial approaches are defined here as approaches where multiple farmers or foresters are encouraged to provide management across an area greater than that of an individual holding. These areas can be designated, such as Natura 2000 sites or administrative areas, natural, such as water catchments and areas of a particular type of landscape, or identified for the specific purposes of the measure. Institutional or organisational collective approaches are defined as approaches where a wider range of actors and stakeholders are involved in scheme delivery, such as local authorities and NGOs. The two approaches are not mutually exclusive.

Collective approaches have been clearly demonstrated to deliver a wide range of environmental services. Examples presented by the FG include:

- collective approaches to catchment management in Tuscany³;
- the restoration of HNV farmland in Sweden⁴;
- territorial agri-environment schemes in France⁵; and
- landscape scale agri-environment delivery in the Netherlands⁶.

³ Media Valle del Serchio (Pistoia and Lucca Provinces, Tuscany)

⁴ Öster Götland (archipelago area)

⁵ Parc National des Cévennes – Languedoc Roussillon

⁶ Pilot approaches to deliver biodiversity via collective approaches, for example Eemland farmers' association

Such examples demonstrate the potential added value of engaging a number of different actors across a wide area or the coordination of a range of different stakeholder groups. In all cases these approaches require some form of coordination with clear objectives either from local, regional or national organisations or through bottom up or community-led approaches (see section 3.3.3). The need for dedicated advisors to help manage and support collective approaches is also highlighted. Both the FG examples and wider studies indicate that it is important that those giving the advice and coordination are individuals who can engage with the target groups and are trusted by them.

Examples from Finland and Germany indicate the potential role of LEADER groups in bringing together local stakeholders and providing funding, sometimes in conjunction with the use of other measures, for delivering environmental services. It also allows for a more flexible use of funding and for payments to be made to a wider set of beneficiaries. However the response from Leader groups to engage with environmental issues has been variable to date, relying on them including environmental objectives within their local Leader strategy. More capacity building for LAGs on the opportunities for using the Leader approach to deliver environmental services and increased sharing of experiences and uses of the approach from different countries could help extend the use of Leader in the next programming period.

Box 2: Delivering environmental services using the Leader approach in Germany

Improving groundwater protection in Hop growing regions of Germany: The region of Hallertau, Bavaria is the most important hop growing region in Germany. Hop growing is very intensive in fertiliser and plant protection use and the regulations implementing the Water Framework Directive are strict and demanding. The Kehlheim LAG is helping farmers adapt the production of hops to the requirements of the WFD, by bringing together hop growers, water suppliers, administrations and scientists to find new and innovative ways of protecting water quality. Hops are only grown in some regions of Germany. So the (scientific and practical) knowledge is limited and very little is known about the environmental impacts of different hop growing strategies. Leader funding was used to gather information and analysis about different hop growing strategies to help develop new approaches to production that help deliver environmental services (mainly protecting water quality) which can then be taken up by the advisory services.

Supporting extensive grazing through the marketing of agricultural products: LAGs in several regions (e.g. Mittlerer Schwarzwald and Göttinger Land) have used projects to encourage the marketing of meat or other products from land that is extensively grazed and providing high levels of environmental services. The Leader funding provides support for specific management, capital items including new fences, getting water supply to fields, purchasing mobile milking machines for goats; re-establishing mobile shepherds (eg in Göttingen county); supporting the establishment of a private small scale mozzarella dairy; and supporting the marketing for regional products from extensive grazing. One of the reasons for using the Leader approach was the restrictions placed on the use of funding from Axis 1 and 2 measures through the German RDPs. The Leader approach allowed funding to be used in a more flexible way and adapted to local needs.

An example from Germany⁷ illustrates the use of local organisations to act as intermediaries between the local level and at national level to support planning and implement local projects with an environmental focus. This approach was set up in response to a need for coordination and management between relevant stakeholders where the environmental targets require action not related to farming practices. Although not provided as an example by the FG, the ADEPT project in

⁷ For example Landcare organisations and biological stations

Romania⁸ is helping smallholders in Romania to come together to apply for agri-environment funding. 72% of Romania's 3.9 million holdings are under 1 ha in area, which equates to about 35% of Romania's UAA. These farms are too small to be eligible to apply for funding under the RDP, but applying as a group can help overcome this issue.

The need for longevity of support, either financially or through advice and coordination, is a key issue identified in the examples and supported through wider studies. In a number of cases collective approaches have been used to deliver specific objectives, such as the recreation of a wetland area, however without support for ongoing management there is a risk that the environmental value of such areas will decline once funding ceases. This has been witnessed in Estonia where habitat restoration was funded (albeit not through EAFRD) without any support for on-going management. This would suggest that engaging individuals and organisations in the longer-term aims of such approaches is essential to ensure that the outcomes that have been paid for continue in the longer term and do not vanish as soon as funding disappears.

Key Points:

- Collective approaches (territorial and/or organisational) can deliver added value and deliver environmental services over a greater area with stronger environmental interest and motivation.
- They require significant **coordination and advice provision** but this can result in better targeting of resources. This can lead to **increased administrative efforts** however.
- They require **clear aims and objectives** to target resources effectively.
- They require **greater flexibility** than some current land management measures in order to be effective at the wider landscape-scale.
- These sorts of approaches could bring small farmers, currently excluded from CAP support, into the system⁹.
- Issues with collective approaches include the ability to source the **initial investments** needed (effort and money), which may need to be met by the collective.
- Collectives which are not led by landowners may find it difficult to leverage EAFRD support, if landowners are unwilling to participate.
- Collectives that consist of local organisations can play a role in delivery by acting as intermediaries but this requires a high level of trust between all actors (farmers, local organisations and administrative bodies).
- Internal arrangements within a collective are critical for ensuring the necessary implementation and respect of all requirements and the conditions and delivery of the expected outcome (e.g. shared responsibilities in terms of implementation as well as monitoring and control).
- **Longevity of delivery** is questionable where financial support is not offered in the long term and no individual takes ownership for the ongoing management of the area in question.

3.3.3 Community-based approaches

Community approaches describe the involvement of local and regional individuals or organisations, which may be outside of the farming or forestry sectors, in scheme development, design and

⁸ <http://www.fundatia-adept.org/>

⁹ ENRD Thematic Working Group 4.

implementation. This type of approach is often a key element of collective approaches involving a number of different stakeholders.

One interesting example of a community based approach is in the Czech Republic where local hunter organisations promote the use of certain agri-environment management practices that help to provide biodiversity benefits as well as increase game numbers. The hunter groups, present in most villages, are able to engage directly with farmers and to encourage them to adopt certain practices. The results have been highly successful demonstrating the benefits of effective communication about the dual benefits of certain measures as well as the importance of trusted advice.

Other examples involve the development of local projects in Germany to support the implementation of nature conservation and Natura 2000 water protection actions. Local stakeholders together with the nature conservation agency develop rural heritage projects, financed under measure 323, to provide flexible approaches to deliver environmental services. The involvement of such stakeholders, however, created significant administrative burdens which needed to be coordinated by the nature conservation agency.

Only a few examples have been provided that illustrate the use of LEADER approaches specifically for the provision of environmental services (see Box 2). It is also understood that ways of using the Leader approach to help design and deliver packages of measures to support crofting systems in Scotland for the forthcoming programming period are under investigation.

Examples from other studies demonstrate the importance of farmers' initiatives in developing and maintaining environmental schemes. For example, farmers in the self-initiated Pontbren partnership in Wales were reluctant to participate in the formal Welsh agri-environment scheme because of its perceived inflexibility to address the needs of the local area. Instead they created their own initiative which was flexible and better suited to their farms (Posthumus and Morris 2010). Similar approaches are seen in Romania where the ADEPT project, driven by an NGO group, works with farmers to overcome barriers to entry into existing agri-environment schemes as well as helping the government to develop new schemes.

Key Points:

- Community-based approaches can help to provide flexible and locally tailored approaches to deliver ES.
- Such approaches require coordination through some form of administrative body, for example nature conservation agencies, or national/regional authorities.

3.3.4 Holistic approaches to achieve multiple outcomes - green growth in practice

Holistic or multi-faceted 'win-win' approaches describe the joined-up delivery of multiple environmental services alongside economic and social benefits. This could be achieved through the use of either a single measure or combination of measures (such as through an integrated delivery approach) and could equally well be delivered using collective, community-based and outcome focussed approaches. In this approach, however, the emphasis is on achieving multiple benefits, for example adding value to food products through their improved marketing or increased tourism in an area alongside the provision of ES.

Examples from the FG of holistic approaches include adding value to agricultural products and shortening supply chains in Belgium and France. Adding value to agricultural products is an interesting example of how RD measures are used to improve the economic stability of farmers, reduce reliance on large chain operations and provide marketing opportunities based on environmental performance. In the Belgian example, farmers are remunerated for leaving ten per cent of arable fields un-cropped which helps to compensate for any income foregone from the crops that would have been produced on this land. In the French example no such remuneration is provided and farmers are finding that production volumes are too small to be profitable, despite the premium received for the product based on its environmental credentials. However the scheme persists due to the willingness of individuals. Both approaches indicate the importance of communication to consumers and the wider promotion of the environmental activities of the producers if the added value on products is to be realised in practice. In a number of RDPs organic farmers are prioritised for support, or receive higher levels of support under measure 123 for adding value to products, demonstrating an active targeting of support to environmentally sustainable farming systems (Sanders et al, 2011).

Other studies highlight the use of axis one measures (132 and 133) to support the production of PDO (Protected Designation of Origin) food products from Spanish HNV farming systems, thereby increasing the economic viability of farming in these areas (see Boccaccio et al. 2009). In Sweden, measure 123 has been used to support farmers in the operation of a new local dairy to market local produce and command a better price for their products¹⁰. A number of Member States offer special support under measure 132 for organic certification costs and costs resulting from checks required to verify compliance with organic specifications (see Sanders et al, 2011). In addition, Axis 2 measures have been used to similar effect, with measure 222 used to help restore silvo-agro-pastoral systems in Spain (see Boccaccio et al. 2009). However for the latter example uptake has been relatively low as only part of the costs are financed and thus such incentives rely at least in part on the desire of land managers to engage in the management required. In Austria Axis 3 measures (313) and the LEADER approach have both been used to support the production of organic potatoes as well as for increasing awareness of environmental issues in the region and to promote sustainable tourism¹¹.

Key Points:

- Holistic approaches recognise and promote the fact that the delivery of ES through agriculture [and forestry] can have a wide range of additional benefits including providing added value to agricultural products, promoting local tourism and increasing awareness of environmental issues.
- Such approaches require significant investment in **communication and advice** activities to ensure engagement by the different actors. **Promotional activities** are required between sector groups. This can also lead to **increased administrative** burden.
- These approaches also require in many cases the use of **collective approaches** or at least the engagement of a wide group of individuals and sectors within an area.

¹⁰ ENRD Thematic Working Group 2, case studies

- http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=AC998940-DE5D-B92C-23A6-FE1F2BD21A2A

¹¹ ENRD Thematic Working Group 2, case studies

- http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=AC9CA148-DDB4-5F2E-F9B1-67B9DF38A688

3.3.5 Outcome-focused delivery

Outcome-focused delivery refers to the direct relationship between the outcomes of RD policy measures and the level of support granted. For example, a farmer may be paid for certain environmental management only when the results of that management are realised. The potential for pursuing outcome-based approaches, sometimes referred to as 'payments by results' arises from its more positive approach to ES delivery through focusing the attention of farmers on the outcomes required, rather than simply following prescriptive management options which have been demonstrated to deliver the outcomes required. This in turn provides farmers with greater ownership of the results and generates a greater degree of pride in the outcomes. On the other hand such an approach may also be associated with a risk for the potential beneficiaries. Specifically, it may cause uncertainty with the farmer where other intervening factors, over which he has no control, can cause failure of achieving the required results for receiving payment.

Of the examples provided from the FG there are none which specifically describe outcome-focused approaches. However, certain elements of outcome focused delivery are found in many of the examples provided by the FG. These include the setting of specific objectives; allowing land managers a reasonable degree of discretion and flexibility about how to meet those objectives (but also an increased responsibility for the results); and monitoring that can be carried out by local groups or collectives. However, it needs to be kept in mind that the payment calculations – if they are to be granted under the agri-environment legal framework – need to be calculated on the basis of covering costs incurred and income foregone linked to certain management actions.

In the Netherlands some examples of applying outcome-focused approaches were highlighted, however, these have been discontinued for the time being given concerns about the accuracy of measuring outcomes, linked to payments. Issues such as the scale of delivery, the variability of the results and also the type of environmental service considered all have their inherent difficulties when measuring outcomes. However, more recent developments as a result of additional experience and research of the workable examples provided by the FG may lead to this approach being reconsidered.

Other information sources, however, do provide some examples of outcome-focused approaches. In the Rheinland-Pfalz and Baden-Württemberg regions of Germany, farmers engaged in agri-environment schemes are rewarded with extra payments for achieving a defined level of species richness in their HNV grassland areas. The farmers are responsible for identifying a number of easily recognised species which they declare in order to receive a supplementary payment of €50 per hectare. In addition to minimum management requirements, farmers are free to apply the farming practices they consider appropriate to achieve the required outcome (see also European Court of Auditors 2011). These approaches are particularly effective in attracting farmers, with around 10,000 of them applying for this agri-environment measure to manage a total of 65,000 hectares, which is around half the area of HNV grassland (and 12 per cent of all grassland) in Baden-Württemberg (Oppermann and Krismann 2003).

A similar type of approach is seen in England under the higher-level tier of the agri-environment scheme Environmental Stewardship. These agri-environment agreements include 'indicators of success'. Similar to the approach in Germany a range of different indicators are used, such as the

coverage of broad-leaved plants. However no specific remuneration is given for delivering these results instead they are intended to ensure that the land manager and the delivery body can monitor whether the environmental outcomes have been achieved (see European Court of Auditors 2011).

Outcome-focused approaches may also help to achieve longer term attitudinal and cultural changes in those carrying out the actions. Prescriptive approaches, ie those that require farmers to carry out specific management actions and which are more typical of agri-environment schemes, can distract attention away from the aim of achieving the desired environmental outcomes. Restrictions on farmers' behaviour have been shown to act as a disincentive for participation in land management schemes and weaken overall commitment to environmental goals in the longer term (SEI Milieu, 2012). This suggests the need to test alternative designs of agri-environment payments further, such as outcome-based payments, which allow farmers to engage, to innovate and to utilise existing knowledge in environmental provision.

Key Points:

- Outcome focused approaches can be effective in achieving increased ownership and strengthened commitment from farmers and other land managers to the delivery of ES in the longer term. On the other hand, they can pose certain risks linked to other intervening factors over which the farmer has no control.
- Such approaches require clear articulation and communication of the desired outcomes and it is critical that verification of the achievement of these outcomes is simple to ascertain.
- Further support and advice may be necessary to communicate the importance of the desired results so as to engage farmers in the longer-term goals.

4 SUCCESS FACTORS

Based on an analysis of the examples provided by FG members and the outputs of the FG meetings, this section provides a summary of the key factors that have been highlighted as those most significant in facilitating the successful delivery of ES. It also explores some of the most commonly identified barriers that prevent successful outcomes from being achieved in practice, with a view to understanding how these barriers can be overcome in the next programming period.

Evidence from the FG, which is backed up by the literature (see for example Boccaccio et al. 2009; Cooper et al. 2009; Natural England 2009; Poláková et al. 2011; Beaufoy and Poux 2012; Keenleyside et al. 2012) indicates that a wide range of factors that influence the success of scheme delivery in practice. 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 and monitoring and evaluation (see Figure 2 in Section 5). Success factors and barriers were identified in relation to all these programming stages. Indeed, many of the good practice examples provided by the FG 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 success factors identified can be subdivided into four main groups of factors, 'procedural', 'institutional/governance', 'advice/guidance' and 'practical/administrative' factors as outlined in Table 3 below. Those considered to be of highest importance (according to a ranking of the factors identified) by members of the FG are highlighted in the table¹².

Table 3: Success factors

Factors to consider	
Procedural Factors	
Measure and scheme design <i>'to provide flexibility, collaboration and focus'</i>	<ul style="list-style-type: none"> - Clarity about priorities and objectives - Flexibility: <ul style="list-style-type: none"> o Make the most of the flexibility of the measures in terms of the way that they can be used to tailor schemes and their control processes (to encourage landscape scale delivery or outcome focused approaches, for example) o Use of an appropriate mix of measures to deliver win-win solutions to improve farm profitability and to increase the chances of long term sustainability (economic, social and environmental) of beneficiaries o Incentivise joint contracts where this would deliver added environmental value - Respond to needs: <ul style="list-style-type: none"> o Design and target measures to respond to needs identified in the SWOT analysis, recognising the need to maintain existing good practices as well as incentivising changes in management o Ensure eligibility criteria do not exclude important groups of potential beneficiaries unintentionally o Make sure measures reflect local circumstances and farmers' and foresters' needs o Acknowledge and address any possible conflicts in addressing needs in order to be transparent about solutions proposed.

¹² A ranking of the importance of factors of success was carried out by members of the FG attending the Netherlands workshop (23-24/05/2012). Factors ranked the highest score are highlighted in the table. Participants at the FG meeting in Sweden also highlighted a number of factors of particular importance and these have been integrated.

	<ul style="list-style-type: none"> - Collaboration: <ul style="list-style-type: none"> o Involvement of stakeholders, especially farmers and foresters, in the design process to draw on local knowledge and experience and to achieve a sense of ownership in the scheme - Funding: <ul style="list-style-type: none"> o Ensure resources are targeted to achieve greatest benefits/added value o Attractive, adequate level of payments - Timeliness – give sufficient time to programme design to allow for thorough review of priorities and scheme design to address these. - Clarity: <ul style="list-style-type: none"> o Do not overcomplicate programme design – simplification and a logical programme structure will bring greater clarity. o Express targets clearly o Ensure a clear distribution of responsibilities between those involved in scheme design - Integration of new research findings and innovation ideas for new approaches - Continuity of approach: to provide coherence of approach over time and beyond programming periods
<p>Policy coherence <i>'taking a strategic approach'</i></p>	<ul style="list-style-type: none"> - Coherence should be ensured at the farm level between cross compliance, greening measures and AEC (agri-environment-climate) schemes to avoid unintended perverse effects for environmental services as a result of conflicting requirements under different measures. - Ensure measures are coherent with and included in broader national/regional strategies on specific priorities - Ensure no measures are implemented in a way that works counter to environmental objectives
<p>Monitoring and feedback <i>'to increase knowledge and improve design'</i></p>	<ul style="list-style-type: none"> - Increased monitoring and feedback loops to allow improvements in scheme design and implementation to be made - Innovative approaches to monitoring should be explored – landscape scale rather than farm specific, involvement of local actors/farmers or NGOs - Timing – all partners involved in RDP design, implementation and evaluation need time to understand the impact of measures, consider changes needed and how this might be achieved via the RDP.
Institutional/Governance Factors	
<p>Collaboration, partnership and ownership <i>'to deliver effectively, at different scales and across sectors'</i></p>	<ul style="list-style-type: none"> - Ensure that staff in Managing Authorities have the capacity and knowledge needed to contribute to programme and scheme design - Encourage communication between government departments and relevant authorities at the Member State/regional level - Collaboration between stakeholders in scheme implementation - Community based approaches (bottom up approach at local level) - Collective approaches to deliver results at the required scale - Cross sectoral approaches to engage wider audience and deliver greater benefits - Encourage local ownership of schemes to achieve better results in practice - Transparency in decision making and subsequent implementation and control.
Factors associated with advice and training	
<p>Advice, communication and training <i>'to build trust, knowledge and understanding'</i></p>	<ul style="list-style-type: none"> - Clear communication of scheme objectives and content from Government to farmers - Good quality advice and training schemes, delivered at different levels - Peer-to-peer advice to share knowledge and best practice - Integrated agri-environment and business-oriented advice - Advice and training on monitoring and evaluation - Advice delivered at the right level and time by the right organisation/people - Communication on the benefits of the measures to the wider public
Practical/Administrative Factors	
<p>Administrative factors <i>'to provide clarity, simplicity and right incentives'</i></p>	<p>Application – to ensure the confidence and security of beneficiaries in entering a contract:</p> <ul style="list-style-type: none"> - Clarity and consistency of eligibility criteria - Ease of application process - Farmers and administration as equal partners in the contract - Ensure farmers are involved in the discussion and are asked about their needs and that there is clear communication with the administration about roles, process and risks. - Ensure ways of developing agreements with group of farmers

	Payment rates: - Incentives for positive action Administrative simplification - Reduce administrative costs at all levels - Reduction in red tape through the use of smart IT: e.g. electronic application to help to identify mistakes and speed-up the process.
Control and Enforcement rules	- Enforcement and control systems should be risk based and sanctions should be proportionate to the severity of non-compliance and should be different for each Pillar - Guidance on enforcement and liability issues where agreements involve multiple beneficiaries

Other studies have also highlighted a similar range of issues, including institutional and political factors; and other intervening factors outside the control of the farmer or policy (see for example Poláková et al. 2011). In practice it is usually a combination of these factors that contribute to the relative success or failure of a measure to deliver ES. In addition it should be noted that there is a great deal of overlap and interaction between these factors and the barriers to realising one factor in practice may be overcome by another.

Each group of success factors is addressed in turn below.

4.1 Procedural Factors

Procedural factors are those linked to the process of designing the RDP's structure, content, the use of the different measures to achieve identified environmental needs, the way in which they are used and subsequently monitored and evaluated. Within the context of RDPs, the key areas highlighted as important for the successful delivery of ES 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 as well as other national/regional strategies and priorities; and the need to ensure appropriate monitoring which can feed back into improved scheme design.

4.1.1 Measure and scheme design

The interaction between land management practices and the provision of the full range of ES considered by the FG are inherently complex, and differ according to local bio-geographic and cultural situations in different farming systems across the EU. The effectiveness of the delivery of environmental services through RD policy depends heavily therefore upon: the design of the overall policy; good data to allow an in depth analysis of the current situation with the identification of the environmental needs and pressures; the measures which it contains to respond to these needs and pressures; the objectives it seeks to address; and the overall way the measures are implemented by Member States through their Rural Development Programmes.

The evidence provided by the FG indicates a range of different factors that contribute towards the effective design of RDPs. These include, the value of schemes founded on a robust evidence base, the benefits of involving key stakeholders in determining how measures are matched to local needs, as well as the importance of making the most of the measures' flexibility, using them in combination to deliver economic and social benefits alongside environmental services and the longevity of the support provided.

The examples collected by the FG, highlight the ways in which these factors have been incorporated into the design of different RDPs, particularly emphasising flexibility in measure design (singly or in combination) as well as the importance of partnership through engaging with a range of stakeholders in the design process (see for example Box 3, Box 4 and Box 5 and further supported by Siebert et al. 2006; Boccaccio et al. 2009; Siebert et al. 2010; Poláková et al. 2011). Stakeholder engagement, particularly where this allows the needs of local areas and scheme beneficiaries to be taken into account, can lead to greater ownership of the measure or scheme by those who are implementing it. This can in turn lead to greater engagement and commitment to delivering environmental outcomes.

Box 3: Partnership approach and flexibility in the design of Axis 2 measures in Finland

In order to deliver effective environmental measures, the Finnish Ministry of Agriculture and Forestry has implemented a partnership approach for the design of Axis 2 measures.

From the beginning of the planning process a range of stakeholders are invited to consider and discuss agri-environmental practices relevant to specific objectives. These stakeholders include: Ministry representatives, the Paying Agency, regional administrations, farmers' organisations, NGOs, researchers and advisory services. Different environmental objectives are discussed under eleven established thematic subgroups covering topics such as biodiversity, use of fertilisers and manure, plant cover, genetic resources or ecological production. The discussion outcomes are then fed into the design of Axis 2 measures.

Through early and on-going contact, there is an improved understanding amongst stakeholders of why and how RDP measures are developed; a greater exchange of information, points of view and practical experience in order to deliver solutions collectively; a greater focusing of research to find solutions to specific issues; and continuous feedback during the preparation of the measures.

Nevertheless, it is important to note that the Ministry needs to play an active coordination role and sufficient time is needed for this approach to be effective.

In summary, the partnership approach in Finland demonstrates the effective engagement of a wide range of stakeholders in the early design of Axis 2 measures. This approach helps to increase awareness of the issues, enhance the dissemination of measures, achieve better buy-in and potentially lead to better outcomes matched to different stakeholders' needs.

Another key factor in this process relates to the degree to which measures are used flexibly and tailored to local circumstances and needs. In the examples provided by the FG, flexibility is demonstrated to have a positive impact in allowing more efficient solutions to be implemented. This is demonstrated for example in Germany, where funding under measure 323 has been used to develop tailored projects in the fields of nature conservation and water protection. The high flexibility of this approach allows for efficient solutions that are coherent with local needs and regionally accepted (see Box 4).

Box 4: Demonstrating flexibility through rural heritage programmes to develop regionally tailored projects in Germany.

In 14 German RDPs, funding under measure 323 has been used to develop tailored projects for addressing specific needs in the field of nature conservation (Natura 2000) and water protection (Water Framework Directive). The measure is designed to be used to tailor management to the needs of particular sites and therefore its use has allowed efficient solutions to be designed and

implemented and it has secured solutions that are tailored to the local situation and regionally accepted.

The costs covered under this scheme include, among others, Natura 2000 planning, maintenance/restoration of habitats and implementation of species conservation programmes, WFD projects and nature conservation consultations services. Together with agri-environment schemes (AES), natural heritage projects provide 80% of the public funding for implementing Natura 2000 in Germany. Despite this, it has been noticed that the development, approval, implementation and controlling of this approach must be simplified both for the applying stakeholder and for the administration.

Where flexibility is lacking it can hamper spontaneous and endogenous initiatives and constrain implementation of measures at the necessary scale required to deliver results. Most examples that demonstrate flexibility in scheme design, particularly as a means of achieving integrated solutions for rural areas, maximising synergies between economic, social and environmental outcomes, also highlight the need for good coordination and additional administrative capacity to manage the complexity that such approaches can bring (see Box 5). However such an increase is thought to be commensurate with the improved outcomes achieved and therefore needs to be seen as an integral part of the costs of delivering environmental benefits.

Box 5: Flexible approaches to develop territorial contract-based solutions in France

Over the last few decades, the Cévennes National Parc (PNC) in France has experienced a decline in population, along with the agricultural and other land-based activities needed for the maintenance of its valuable natural landscape and cultural heritage. In this context, the PNC has recognised the importance of combining socio-economic development with environmental protection and the consequent need for collaboration between several institutions.

In order to support sustainable agriculture, since 2007 contract-based solutions called 'territorial agri-environmental measures – Park Core area' (MAEt) are being managed jointly by the Direction Départementale de l'Agriculture et de la Forêt (DDAF), the PNC and the Chamber of Agriculture. The novelty of MAEt is the territorial approach, meaning that contracts are restricted to specific locations for which a prior assessment of environmental sites has been conducted. This assessment includes the identification of the different management practices and the number of contracts needed to achieve the agreed conservation objectives for the area.

The PNC believes this initiative has been successful in enhancing institutional collaboration and in defining a coherent approach to support farmers' delivery of ES. The results of this approach, whilst also taking into account other policy and CAP initiatives, have led to an increase of new farmers in this area and lower decline in agriculture than elsewhere in the park. However, there are concerns as to whether or not the five-year length of the contract is enough time to witness real environmental change. Furthermore, the resulting contractual system is time consuming and complex to administer, requiring a lot of coordination work, together with sufficient financial support to allow a certain volume of contracts. The presence of the PNC or the Chamber of Agriculture are key for the development of a comprehensive strategy for the area, along with clear objectives and a cross-cutting approach to facilitate coordinated action and the delivery of effective results.

In summary, this contractual system is more likely to be successful when based on a collaborative approach and oriented to specific targets at a territorial scale. In addition it has helped to encourage better understanding and trust among the agricultural and wider stakeholders.

With sufficient flexibility and through the involvement of land managers in scheme design the different measures and schemes can be designed to meet local needs as well as broader strategic priorities. Furthermore this engagement can help to increase the transfer of knowledge of successful examples between individuals, groups, regions and even Member States. By engaging stakeholders from the outset there is also the potential to provide better clarity about the purpose of the different measures or schemes, and how they are contributing towards different strategic objectives, and thus save time and resources later in the process. These benefits are seen particularly in collective approaches, such as in the Netherlands (see Box 6). Information provided for the Eemland farmers' association in the Netherlands, shows that administration costs are in the region of 12 per cent of the total budget for 2012. These costs include not just coordination costs but also the costs for the polder managers who are part of the farmers' association and facilitate agreement on what management is needed and where amongst the farmers on a specific polder. There does not seem particularly high, especially when the advisory role played by the polder managers is taken into account and the improved environmental outcomes achieved as a result. Indeed the costs attributed to the polder managers perhaps would be viewed more accurately as an investment rather than a cost.

Box 6: Collective approaches in the Netherlands - the importance of coordination and advice

There are two broad types of collective approach in the Netherlands. Each has a territorial focus.

The first can be categorised as a 'coordinated' approach, whereby individual farmers apply for contracts, under the agri-environment measure, within the framework of a plan for a particular area or territory. Implementation is coordinated by a project manager and agri-environment contracts are only permitted on land that is prioritised in the plan. Agri-environment agreements focussing on maintaining and improving the status of meadow birds, arable farmland birds and hamsters are some examples of priorities that have been addressed in this way. This sort of approach requires significant levels of coordination from within the region to communicate with governmental organisation and other stakeholders, as well as providing advice to farmers and the wider community.

The second can be categorised as a 'genuine' collective approach. The essential element of this approach is that it is a group of farmers in the form of a collective or an association that applies for an agri-environment contract on the basis of a plan for the area/region concerned. The collective then agrees individual contracts with its members to ensure that the overall contract requirements, and ultimately the objectives of the plan, are met. A series of four CAP pilot approaches to the collective delivery of environmental services were established in 2011. These aim to improve the delivery of ES through cohesive measures and practices; to advance the interaction between farmers and also with non-farmers; to encourage land managers to think of ES as farm products so as to increase responsibility for their delivery; introduce flexibility of delivery; and provide long-term commitment and cooperation by giving land managers more responsibility for the outcomes.

The shared responsibility brought about by this sort of collective approach has increased the social interaction between land manager and peer-to-peer advice between farmers as well as improving the understanding and integration of environmental and agronomic knowledge and it has generated greater ownership of the outcomes required. The way the agreements have been developed provides farmers with the flexibility to adapt the management at the farm level as long as the overall commitments of the collective are respected.

Confidence and security in the longer-term continuity of measure or schemes is another key factor of success both for their design and implementation. The examples provided by the FG suggest that the duration of certain contracts, even those over five years long, is not a sufficient length of time to see the delivery of real environmental results (see Box 7). The coherence and persistence in offering the same type of measures in subsequent programming periods helps to provide a stable framework for land managers, both to provide the continuation of management necessary to deliver results and to help improve understanding of the goals of the measures as well as to plan for the longer term. However, FG discussions have also highlighted that ensuring measures are available over the long term needs to encompass the flexibility needed to adapt the operation of measures in the short-term should the measures not be delivering the benefits intended. What is required, therefore, is a coherent long term policy framework, within which there is a consistency of the measures made available to land managers for environmental delivery, combined with some short term flexibility – to the extent allowed by the framework - about how these are implemented in practice and evolve over time.

Box 7: Continuity in approaches to fertiliser planning and monitoring in agri-environment schemes in mainland Finland

In Finland, water protection from agricultural run-off is a key environmental issue due to the impact of run-off on inland oligotrophic (nutrient poor) lakes and the Baltic Sea. In this context, the Finnish government has set demanding targets to reduce agricultural nutrient losses and the national agri-environment programme is the main tool used to achieve them.

Improving water protection is a central element of the Finnish AES and consequently the requirements for planning, monitoring and fertiliser use are mandatory for every beneficiary. The objective is to increase the accuracy in fertiliser application in different parcels through regular soil mapping and analysis (every five years), annual cultivation plans prepared by farmers and annual recording of basic data, together with the specific farming practices carried out (including sowing). This parcel-based planning and monitoring approach allows farmers to take into account the specific farm and parcel needs when establishing environmental management measures both annually and across several years.

This approach has been in operation since 2000 and the continuity provided over successive RDPs has led to increased confidence and awareness of farmers, allows for longer term planning and it provides a contribution towards consistent environmental goals.

This approach continues to have relatively high administrative requirements, although it has not been possible to quantify these, as controlling fertiliser levels can be difficult and time-consuming. In this sense, it is important to ensure that farmers' records of fertiliser management are available for monitoring. Reducing government administrative costs and farmers' transaction costs is a high priority in Finland currently and work is underway to find solutions. One potential solution to these issues is to promote the submission of information through electronic means.

4.1.2 Policy Coherence

The importance of coherent policy design was highlighted by the FG as being essential to ensure that measures work synergistically and are mutually reinforcing and that any unintended perverse effects are avoided. This is essential at three levels. Firstly coherence is needed within the different

elements of the RDP itself. Secondly, support and requirements under both pillars of the CAP need to be coherent. The need to ensure consistency between the requirements for cross-compliance, the proposed green direct payments and agri-environment-climate payments was a point that was stressed very strongly by the FG. Thirdly there needs to be coherence in policy design between the CAP and the objectives of other strategies and funding streams that operate at the national, regional or local level.

To allow this to happen there is a need for internal coordination and integration at the administrative level, which involves the different administration departments (i.e. agriculture and environment in particular). Different levels of administration need to work together to reflect local, regional and national priorities. In working together, feedback and coordination is also needed between implementing bodies in order to reflect better the needs on the ground and to avoid land managers receiving mixed messages about the most appropriate management of their land to deliver ES. This latter point was highlighted in an example in Sweden where the detailed mapping of land parcels led to changes in what was classified as agricultural and forest land. Despite the land parcel, its associated features and the grazing regime remaining the same, the advice on how the land should be managed changed, purely based on its technical definition. This causes confusion amongst land managers about how best to manage their land to deliver ES, especially in situations where the existing management is already delivering significant benefits.

4.1.3 Monitoring and feedback

Monitoring and feedback is an important element of the policy cycle and is an essential means of improving measure and scheme design. Monitoring is critical to assess the effectiveness and efficiency of measures and it is critical that these findings are reviewed as part of the policy evaluation process to ensure the continued improvement of schemes in terms of their effectiveness and efficiency in achieving their objectives over time (Cooper et al. 2009; Poláková et al. 2011). This should not be confused with issues of control and enforcement which are addressed in the section on 'practical/administrative factors' below.

Feedback of monitoring results to scheme beneficiaries can also act to generate greater buy-in from those implementing the measures. The European Court of Auditors, in its assessment of agri-environment schemes, suggest that feedback on the measures' results may help improve farmers' awareness and understanding of the environmental effects of the agri-environment measures and management implemented, in particular where farmers have changed their practices as a result of the schemes (European Court of Auditors 2011).

Monitoring and feedback can take a significant amount of time and staff effort to collect and process. One solution proposed to help reduce this burden was to use collectives or regional groups to provide the monitoring and feedback to those administering the scheme or measure. This may be effective in small groups or where there is regular interaction between individuals within a collective but may be more difficult to organise at broader geographical scales. Another option, as demonstrated in the outcome-focused delivery approaches, involves the monitoring of environmental outcomes carried out by the land manager. This can help to achieve greater engagement of scheme beneficiaries with the outcomes they are being paid to deliver, although there are also risks that partial monitoring results are achieved, focused only on the positive and underplaying any issues arising or negative results

experienced. This is particularly the case with outcome-based approaches where payments are linked to achieving positive outcomes and therefore independent monitoring would also be required. Of course, this is no substitute for the official control and enforcement requirements, which would still need to be carried out.

However, the structure of the overarching monitoring framework also influences programme design strongly in the sense that Member States want to ensure that their RDPs can demonstrate success against the indicators set at the EU level. The monitoring framework will exert an even greater influence in the future given the proposal to withhold a performance reserve which will only be available to Member States if they can demonstrate successful delivery against the RDP's objectives. Progress against indicators is likely to be a key element here. This is important, because if the indicators for each of the priorities set for rural development are too narrow in focus, then the design of the programme may well be constrained accordingly. This has been seen under the current programming period where the Axis structure of the regulation and the design of indicators under the CMEF and financial reporting around this, served to limit the creative use of measures in an integrated way by Member States.

4.2 Institutional / Governance Factors – Collaboration and partnership

The governance structures that are put in place to design and subsequently implement RDP measures have been highlighted as an important factor that influences successful ES delivery. In particular collaborative working and the involvement of local communities and scheme 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. Just as important, however, is ensuring that those who are involved in scheme design have the skills and resources to do so. Engagement is an important principle, but it has to be with the right people with the appropriate expertise. This is true for those operating inside government departments and well as stakeholders and local communities.

Given the range of environmental services which rural development policy aims to support and the number of sectors that it covers beyond agriculture and forestry, it is important to ensure collaboration between many different stakeholders. This is true not only for the design of the measures as highlighted above, but also for the implementation of the measures on the ground. Working in partnership and ensuring good interaction between farmers, foresters, public and private sector organisations, NGOs, advisors and local communities can help to make the delivery of policy measures more effective (see also Poláková et al. 2011). To help guide this process it has been suggested that more explicit and detailed rules are needed within the rural development framework (see Boccaccio *et al.*, 2009) as well as ensuring that there are effective coordination mechanisms in place at the local, regional and national level.

Similar to coordinated responses between stakeholders, collective or coordinated actions between farmers is also cited as being effective, and increasingly seen to be essential for delivering ES at the wider landscape scale as well as a means of improving the flexibility of the way in which measures are used and the appropriateness of their design to local situations (see for example the Pontbren partnership in Wales highlighted in the previous section and Posthumus and Morris 2010; as cited in Poláková et al. 2011)).

Coordinated responses rely on clearly identified priorities as well as coordination between different groups and can involve significant administrative efforts, although the subsequent increased buy-in to the schemes and commitment to achieving results can justify this. 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. However, one of the current barriers to the effective delivery of coordinated actions can be the lack of strategic overview or plan identifying priorities and objectives for a specific area. Examples provided in the FG point to 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.

For individual farmers in certain regions there appears to remain some reticence to be involved in collective approaches. Some of the reasons for this may be cultural and/or historical. In some countries there is little history of cooperative working, whereas farmers in other countries may prefer to operate individually as a reaction to enforced cooperative activity in the past. However, there are also other more self-interested reasons for this reticence which include the lack of any economic benefit or economic need to work jointly, concerns that this might infringe private property rights or that entering into joint agreements could expose individuals to risks that they cannot necessarily control. Providing added incentives in the form of supplementary payments (e.g. payments covering transaction costs linked to setting up a group) for land managers working in partnership with one another to deliver benefits at a landscape scale is cited as one option to overcome this barrier. However, it is also important that farmers play a central role in agreeing the objectives to be achieved collectively and are involved in the negotiation process so that they understand and are committed to achieving the outcomes identified.

4.3 Communication and advice

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. This was highlighted as one of the most important success factors by the FG. Communication and advice are essential throughout both the design and application of measures with training and skills development being an important part of policy implementation. Valuing the knowledge and experience of land managers about the interactions between management practices and achieving environmental outcomes on their land, often built up over generations, is also important and should be encouraged as it often leads to more effective delivery in practice.

Training and support has been identified as particularly important for land management actions, such as those under AES with the FG suggesting that the current provision of advice for many of the voluntary schemes, such as agri-environment, is insufficient to help effectively deliver environmental services. In some schemes across the EU training is a mandatory requirement for those undertaking land management actions under AES, as illustrated in Estonia where farmers are required to pass a basic one-day agri-environmental training (and two days for organic farming) by the end of the first contracting year and an additional one-day (or two days for organic farming) training by the end of the contracting period. Other examples have also been highlighted (see Box 8) and can be found in the literature, such as Keenleyside et al. 2011, and the need for more emphasis to be placed on advice and training is also made in other studies (see Boccaccio *et al.*, 2009).

Box 8: Integrated approaches for water quality protection in Marche - Aso Valley, Italy.

In the Aso Valley, fruit orchards growing along river banks are intensively cultivated through the use of chemical inputs. A territorial agri-environment agreement (TAEA) has been developed with the objective of protecting water and soils from pesticide and nitrate pollution. The agreement involves both public institutions and local private actors to achieve common sustainable rural development goals.

The TAEA implements an innovative multi-sectoral and participative methodology to pursue multiple agri-environmental objectives through an integrated suite of measures addressing water and soil quality, farming practices and the production of healthier products. In this sense, the TAEA was structured as an integrated package, combining measure 111 and measure 214 on specific practices, including integrated pest management (IPM), organic farming, and maintenance of permanent grass areas. Measure 111 covering advice and training was included in the agreement to increase farmers' environmental awareness. Through this RDP measure, a capacity building programme for farmers was established to disseminate technical guidelines on environmentally sensitive approaches and the associated economic benefits amongst local farmers. Farms visits and bespoke workshops were also organised in order to increase information sharing among local farmers regarding IPM techniques. Another important characteristic of the agreement is its promotion by word-of-mouth, with a key role played by the *Nuova Agricoltura* association.

Since its implementation a significant number of farmers have joined the scheme and chemical inputs have been reduced, achieving lower levels than those required by law. Furthermore, according to the local stakeholders, compared to the traditional top-down approach, the territorial agreement experienced in the Aso Valley area has resulted in several positive effects on local governance and institutional cooperation dynamics.

At the same time, however local stakeholders have also highlighted several barriers related to coordination actions and the possibility of improving the integration of this approach into the policy framework of the CAP. They suggest more flexibility in the implementation of RDP schemes so they can be tailored to specific territories, and highlight the importance of sub-regional levels of implementation in order to facilitate more effective coordination at the territorial scale and additional funding to support the building of local networks of farmers.

Training has the potential to enable and encourage farmers and foresters to implement environmentally sound farm management more effectively. Training does not necessarily need to relate to the implementation of prescriptive practices and can involve the empowerment of individuals to help provide solutions and deliver ES, relying on their skills as land managers. Such flexibility however requires clear communication as well as coordination. Targeted advice is also seen to be important. This can take the form of one-to-one advice, sharing of knowledge and best practice or, targeted advice relevant to specific schemes, objectives or areas. Successful examples highlighted by the FG in Germany and Sweden are summarised in Box 9 and Box 10.

Box 9: Advice for the setting-up of farm level nature management plans in Germany

Optimising the nature conservation efforts of a farm is a complicated process. It involves respecting the legislative restrictions - both conservation and other types of legislation, choosing from the menu of AES practice and realising the specific potential and overcoming the issues of individual farms. In Germany (Rheinland-Pfalz¹, Lower Saxony and nationwide²) farmers are supported in their planning for nature conservation, mostly under agri-environment agreements, at the farm level.

Through communication between farmers and environmental advisors and ecologists an inventory of the farm holding is produced which identifies the most relevant agri-environment practices available and tailors these to the individual needs of the farm. In Rheinland-Pfalz, a consultant for the state environment advisory service and one from the farming advisory service, supported under measure 323 carry out the work together. In addition to this initial advice, the farmers participating in the agri-environment scheme must participate in at least two training courses in a five-year period. In Lower Saxony advisors at the county level, supported under measure 114 provide general environmental and farm specific advice for participation in the contractual nature conservation scheme.

Planning nature-relevant measures at the farm level together with farmer helps to deliver the right level of environmental management, as well as raising trust and awareness of farmers about conservation priorities and agri-environment programmes. Indicators and monitoring show higher acceptance of measures using a conservation plan and better conservation results. The conservation advisors give feedback to farmers and to administrations at least once a year.

This type of approach relies on flexible measures that can be tailored to the needs of individual farms and regions as well as accessible schemes. It is also important to ensure that those individuals providing the advice are trusted by the farmer and that this trust can take time to establish. This level of advice is also labour intensive, both for the farmer and the advisors. The farm-level planning takes around two days of work for both parties.

¹ www.partnerbetrieb-naturschutz.rlp.de/ ² www.kulturlandplan.de/

Box 10: Advisory services for nutrient management practices in Sweden

In Sweden the agricultural sector is responsible for reducing nitrogen and phosphorus emissions in order to comply with the national environmental quality objectives introduced in 2000. To help guide this process, the project 'Focus on Nutrients' has been introduced by the Swedish Board of Agriculture in collaboration with the Federation of Swedish Farmers (LRF), county authorities and agricultural advisory organisations. The project, financed with both national and EU funds, takes the form of an advisory service which adopts innovative training and advisory approaches in order to implement cost-effective environmental and climate measures at farm level.

Training is provided to both, farmers (at regional level) and advisors (at national level). Communication tools such as websites and advertisements also help to contribute to the dissemination of good nutrient management practices and help improve awareness of related legislation.

The advice programme is voluntary, free of charge and individually tailored to farms that have more than 50 hectares of land or 25 livestock units. The programme involves a start-up visit by qualified advisors to identify particular practices to be adopted by the farmer.

Focus on Nutrients has become a well-established concept among the farming community and currently has more than 8.000 members. Since the beginning of the project in 2001, 40,000 farm visits have been carried out by 250 advisors in 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. Results show that farms have become more resource efficient, decreasing nitrogen and phosphorus leaching by 800 and 30 tonnes per year respectively and that there has been good cooperation between all types of farmers (livestock, arable, organic and traditional) and different organisations.

The example provided demonstrates that changing farmers' attitudes and practices has not been difficult. It requires time and convincing explanations about the importance and positive effects of the proposed measures - not only for the environment, but also for farmers' businesses. It is also essential that the advice relies on repeated voluntary visits and that each farmer's achievements are

monitored and communicated.

One factor identified as critical to the engagement of individuals in RDP schemes relates to the providers of the advice and support. There is evidence in the examples collected by the FG to suggest that advice provided by 'trusted' peers is more likely to be followed than that provided by officials and that the sharing of information and experiences between land managers can improve the delivery of outcomes on the ground (this is backed up in the literature, see for example Garforth et al. 2003; Dwyer et al, 2007; Posthumus and Morris 2010; as cited in Poláková et al. 2011). UZEI (2011) also suggest that advisor numbers are important to build trust between themselves and farmers (as cited in Poláková et al. 2011).

Advice and training is not a one way process. Advisers and administrations also need to listen to the experience and knowledge of land managers about how to achieve the best environmental outcomes from their particular area. The sharing of suitable advice is particularly important in relating the need for and the compatibility of environmental management in agriculture and forestry business practices. Where advice and training is not provided by 'trusted' peers, those providing the advice may also need to be trained to reflect these needs. For example, advisors may have a clear understanding of the objectives of the scheme and how it should be implemented, but may have a more limited understanding of the needs of those implementing the scheme and how different actions may fit with current agricultural and forestry practices. Indeed, the examples presented by the FG all suggest that one of the barriers to the effective provision of advice is the need for increased institutional capacity – both to provide the advice as well as to provide coordination for advice provided through other groups. Some examples highlight that training and advice can in part be facilitated through better communication about the individual measures as well as through innovative approaches such as video clips and group seminars. This could help to reduce some of the burden for the coordination of specific training.

Another factor raised during the FG workshops relates to how advice is supported under the new EAFRD post-2013. In the European Commission's proposal for rural development it is only the provider of advice who is eligible for support. One example, already adopted in Germany (see Box 11) - that was highlighted as worth adopting in other regions - is the idea of having different types of advice available from a range of approved providers, with a 'voucher type scheme' providing farmers with the freedom to seek advice from their preferred type of provider.

Box 11: Voucher type scheme for advice provision in Lower-Saxony, Germany

In Lower-Saxony a range of different advice provision is available for the implementation of RD measures as well as cross compliance. Advice is provided through the agricultural chamber, farmers unions, consulting engineers and other specialist, farmers associations and clubs etc. This wide range of advisory bodies is important to provide advice to different groups of farmers for different purposes.

Due to this heterogeneous advisory service structure a payment scheme for an (environmental) advisory service was needed which did not conflict with and did not disturb the existing structures. In February 2012, for the first time, farmers were able to apply for support for advisory services for cross-compliance and the new CAP-challenges under measure 114 and were able to choose the number of hours of advice they required. The advice has to be received by August, with up to 80 per cent of the costs covered (to a maximum of €1,500). 2000 farmers have applied for this service.

The system of handing the money to the farmer and allowing them to choose the advisor (which could be compared to a voucher-system) does not disturb the market competition between existing advisory services. Nor does the administration decide which advisors are employed, rather this is the responsibility of the farmers. The level of knowledge of the advisors in the new fields for advisory services is secured by courses and certification / accreditation.

In terms of potential barriers to this approach, there is currently a lack of advisors who are qualified to provide advice for the 'new challenge' of biodiversity (as introduced via the Health Check of the CAP). In response, the agriculture and environment ministries are setting up a joint education system to fill this gap. In addition the relative acceptance of the approach by farmers may be limited by the 80 per cent remuneration costs rather than full re-imburement.

4.4 Practical / administrative factors

Practical considerations, such as 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 control and enforcement rules and the way these are carried out, are also key to the success of rural development policy measures in delivering ES.

4.4.1 Administrative Factors

The FG has highlighted a number of factors in relation to the application process for entry into scheme agreements or in order to qualify for support under different measures that are important to improve uptake of environmental schemes and measures. These include the clarity of eligibility criteria, the ease of the application process, minimising red tape, the involvement of land managers in developing the contractual agreement, as well as ensuring that land managers and administrations are equal partners in the contract.

One significant barrier to the implementation of agri-environment measures, relates to the administrative burden for land managers to enter a scheme or agreement, not only at the application stage but also throughout the duration of the contract. In addition, integrated approaches, as is suggested from the examples, do not always balance well with the need to ensure simplicity and reduced administrative complexity. Care needs to be taken, therefore, to find ways of implementing innovative approaches that do not overly complicate scheme operation from the beneficiary's perspective.

Any transfer of responsibilities, for example the use of collectives or land managers to provide monitoring information or the use of local groups and societies to provide advice and support, need to be carefully coordinated to ensure joined up delivery. Developing smart IT systems is highlighted as a means of achieving administrative simplification in the longer term. These often require some form of initial investment but once in place they can provide cost savings in scheme targeting, implementation, monitoring and evaluation. However, it is essential that flexibility is built into such IT systems so that they facilitate scheme operation rather than restrict its on-going development over time. The use of the Land Parcel Information System (LPIS) is a good example of a system that has already been shown to have significant value in enabling the targeting of RD measures, particularly the agri-environment measure, where it is especially useful to help prioritise action where financial resources are limited. The Czech Republic and Slovakia provide good examples of where detailed

mapping has been transferred to the LPIS which is subsequently used to target scheme resources at priority areas. In the case of Slovakia the upfront investment in mapping has been shown to reduce long term running costs.

Payment rates have also been referred to in a number of examples and in wider studies as an important factor of success in terms of providing the right level of incentive and remunerating land managers for their efforts, albeit within the rules set out in the regulations. The debates on outcome focused approaches suggest that it would be helpful to change the ethos of payments towards rewards for positive results rather than compensation for pre-established management prescriptions. Finding ways of achieving this without falling foul of WTO rules could help encourage a more positive view of delivering ES amongst land managers. The challenging feature of such approach, however, is to find a way to calculate the premiums: while in the current system the premiums are based on the actions undertaken (input based), for result oriented measures the focus would be on the outputs or impacts achieved and determining their value is very different conceptually. The provision of supplementary funding, justified by the costs of establishing and operating of collective entities, may act as an incentive to engage in collaborative or collective approaches. It may also provide increased confidence and security for farmers entering into a contract that is different to their normal agronomic practices.

The rules surrounding eligibility criteria, in particular the rules on what constitutes an agricultural parcel, was raised by the FG as having caused a number of issues over the current programming period. There are two specific aspects to the issue raised, both of which apply to areas where there is a high proportion of scrub, ineligible landscape features, such as rocky terrain or boulders or there is a high proportion of trees on the land. Firstly is the level of detail at which mapping has to be carried out. In summary, the rules state that permanent ineligible features larger than 0.1 hectare, or features smaller than 0.01 ha but representing together an area larger than the Land Parcel Identification System (LPIS) parcel tolerance, have to be deducted from the maximum eligible area¹³. Where permanent ineligible features are greater than 0.1 hectare these have to be mapped in the LPIS. The second issue is the density of trees or other features per hectare that is permitted for an area of land to be considered an agricultural parcel. The rules here suggest some flexibility for Member States to adapt the general rules to address their locally specific situation, if appropriately justified beforehand¹⁴. While these rules are in place to avoid the misuse of public money, a key

¹³ See Section 2.6 of WikiCAP:

<http://marswiki.jrc.ec.europa.eu/wikicap/index.php/2.6. Measuring the agricultural parcel area>

¹⁴ Art.34(4) of R.1122/2009 states that, without prejudice to Art.34(2) of R.73/2009 (parcels with permanent crop trees or parcels afforested under a 2nd pillar scheme), "an agricultural parcel that contains trees shall be considered as eligible area for the purposes of the area-related aid schemes provided that agricultural activities or, where applicable, the production envisaged can be carried out in a similar way as on parcels without trees in the same area". In this context, ... With regard to parcels containing trees, the commission services are of the view that, as a result, areas of trees inside an agricultural parcel with density of more than 50 trees/ha should, as a general rule, be considered as ineligible. Exceptions, justified beforehand by the Member States, may be envisaged for tree classes of mixed-cropping such as for orchards and for ecological/environmental reasons. With regards to shrubs, rocks etc, the conditions under which these elements can be considered as part of the agricultural parcel should be defined on the basis of the customary standards of the Member State or region concerned (e.g. land cover type, maximum area

issue to emerge is that their practical application is confusing to the land manager. In Sweden, for example land managers who are farming areas of high biodiversity and landscape value do not view their land as small parcels, but rather as a landscape, which is managed and grazed as a whole, with the animals grazing the woody vegetation as much as the grass. In these situations it is difficult to communicate why certain areas, while still grazed by livestock and environmentally valuable, should not be eligible for payments.

4.4.2 Control and Enforcement

The control and enforcement of RD measures and schemes is a necessary part of ensuring that the rules set out the regulations are adhered to and that public money is being spent effectively and efficiently. This part of RD policy implementation is never popular and the FG stressed the need for such controls to be joined up and risk based and that sanctions should not be heavy handed, but proportionate to the severity of the non-compliance encountered.

Within the context of promoting more collective approaches to ES delivery in the future, consideration needs to be given to developing rules and guidance for agreements with multiple beneficiaries (groups of land managers or farmers' associations). This is to ensure compliance with contractual obligations and to determine where liability lies in cases on non-compliance. To inform this, it would be useful to draw on the experience of collective approaches piloted in the Netherlands (see Box 6) as well as experience in England and Wales in developing agri-environment agreements on common land, where agreements have been signed with 'commoners' associations' on behalf of all those with grazing rights on the commons.

5 HOW TO MAXIMISE THE DELIVERY OF ENVIRONMENTAL SERVICES IN THE DESIGN AND IMPLEMENTATION OF THE NEXT GENERATION OF RDPS

From the first phase of work of the FG and the examples gathered, it is clear that there are numerous good examples of how ES are being delivered through RDPs in many different regions of the EU under the current programming period, often using existing RDP measures in creative and innovative ways. However, for all the good examples, there are other experiences where, for a variety of reasons, full opportunity is not taken of the flexibility offered by the EAFRD, or where the EAFRD rules constrain attempts to innovate. This section builds on the preceding analysis and further discussions held at the third FG meeting (Sweden, September 2012) to consider further improvements that would improve the design and implementation of RDPs for the 2014-2020 programming period to maximise their ability to deliver environmental services, considering all aspects of the programming cycle.

percentage).

<http://marswiki.jrc.ec.europa.eu/wikicap/index.php/1.2>. Definition of the area to be measured

Source:

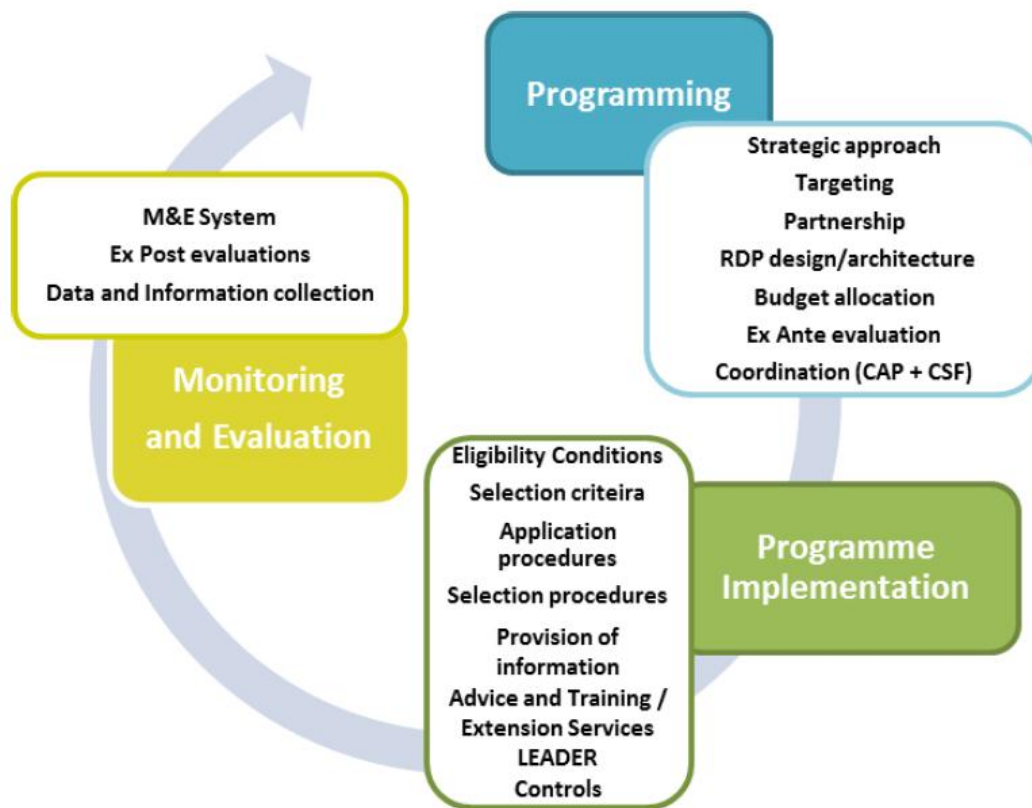
5.1 The programming approach

The programming cycle for rural development can be divided into three key stages as set out in Figure 2. All elements of the programming cycle are interlinked from programme design to implementation to monitoring and evaluation. ES therefore have to be considered in all aspects of programming. For this reason the way that all aspects of the EAFRD and implementing regulations are designed and the flexibility or rigidity this provides to Member States to design, target, implement and monitor their RDPs is critically important for the outcomes that can be achieved on the ground. It is important to recognise that the cycle is continuous, so the framework provided for monitoring and evaluation will have an influence on the way in which RDPs are designed and structured. Making sure that all elements of the EAFRD are joined up and do not work against each other unintentionally is very important.

The importance of taking a strategic approach was highlighted by many members of the FG, particularly the need to start the programming process with sufficient time to assess adequately the environmental priorities and needs before deciding on which measures are most appropriate to meet these needs and how these should be designed. One particular issue raised by the FG relates to a perceived incompatibility between the proposed monitoring and evaluation framework and the degree to which it risks limiting Member States in taking full advantage of the new flexibility in the design of the EAFRD.

Despite the fact that the new EAFRD proposes six priorities, with 18 focus areas and the freedom to choose which measures can be used to meet each of these priorities, this flexibility does not seem to be flowing through into the proposed monitoring framework. This links individual target indicators to specific focus areas. While this makes the system simpler it fails to recognise the multiple outcomes (economic, environmental and social) that could be achieved through the use of different measures to address the different focus areas. It also seems to work counter to the requirement that RDPs must demonstrate that activities under all Union priorities contribute to the delivery of environmental benefits (Article 5 of EAFRD proposal). The FG examples have demonstrated the importance of integrated approaches to the delivery of ES and it will be important to ensure that the new flexible structure for the EAFRD is translated into all aspects of programming to facilitate more of these sorts of approaches in the future.

Figure 2: The Programming Cycle in relation to Rural Development Programmes



Deciding what to support and how to fund it – based on a strategic evaluation of challenges, priority needs and desired outcomes and funding rules and requirements - is the first major step in the process of designing RDPs for the national or regional situation. For the upcoming 2014-2020 programming period, RDPs will also need to sit within a broader set of strategic objectives outlined in Partnership Contracts (PC) (covering not just rural development policy, but also Cohesion and Fisheries Funds). It will be important, therefore, for Managing Authorities to be involved in the development of PCs to ensure that the priorities for RDPs feature clearly in these documents. The FG highlighted the importance of ensuring the full participation of all relevant stakeholders who can contribute to the delivery of environmental services and wider RDP objectives in the drawing up of PC and the need for clear guidance to be made available to all stakeholders about how this process will take place.

The programming process applies to all 88 RDPs and inevitably the resources available in the administrations of some of the smaller regions are limited. It is important, therefore, to ensure that all programming requirements are possible with differing levels of resources and capacities in different Member States.

How to ensure that these aspects of programming take account of ES fully are discussed in sections 5.2 and 5.3, followed by consideration of issues relating to scheme implementation in section 5.4.

5.2 Assessing environmental needs – issues and solutions

One of the main ways in which environmental needs are assessed is through the SWOT analysis of the situation in the rural area covered by the programme, within the context of the overall Union priorities for rural development, as part of the ex-ante evaluation. This is intended to identify and justify the issues to be addressed within the RDP and the outcomes to be achieved.

The FG highlighted that having reliable data on the environmental status of rural areas and at the appropriate scale is essential to understand the different ways in which ES need to be incorporated into RDPs. However, it was also acknowledged that there are many limitations to the availability of good quality data in many Member States both at national and regional levels. In many situations there are gaps in the availability of reliable quantified data or the data are available, but in different formats, or at different scales making comparability difficult. This is a clear area where ongoing investment is needed. At the Member State level investment is needed to make existing datasets compatible and collect new data on areas that are not yet covered. Where funding is not forthcoming, other solutions suggested were to use the RDP technical assistance support where this is feasible, or to mobilise volunteers or other organisations to collect data (for example NGOs have been used in a number of countries to conduct surveys on bird numbers over time). At the EU level, there is a role for the Commission to make sure that the significant data resources that already exist are made easier to access and in a form that can be interpreted more easily by policy makers.

Data on trends in ES is also important to understand the changes that have taken place over time as well as the drivers that have influenced these trends in order to be able 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 trends and consumer and farmer behaviour.

This raises another important requirement - that of expertise and capacity of staff within the Managing Authority or those advising them. In order for the analysis of data and likely trends in ES to be as robust as possible, there is a need for analysis to be independent, and be carried out by people with good interpretative and analytical skills from different disciplines, both scientific and technical experts as well as those from social sciences to allow both quantitative and qualitative analysis to be carried out. Where reliable data are lacking, this sort of expertise is essential to allow informed decisions on priorities and needs to be made in a transparent way, acknowledging areas where the evidence is weak and the assumptions underpinning the judgements made. However, the FG members were clear that a lack of data is not an excuse for poor prioritisation.

5.3 Choice and design of measures

The next stage of the programming process, on the basis of the evidence base, is to articulate clearly what it is that needs to be achieved over what timescales and where it is appropriate for public expenditure via rural development policy. This is followed by establishing which measures, or combinations of measures can be used to deliver the priorities and outcomes identified through the SWOT analysis. 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. One

example highlighted in the FG related to support to HNV farming systems in sparsely populated areas such as small islands, areas which can easily be forgotten as needing support, but areas which need funding for quite specific activities related to the needs of island farming.

To ensure coherence with the objectives and implementation of other policies, the choice of what actions to fund through RDPs and through which measures needs to be considered within the context of other strategies and frameworks in place for delivering ES. This would include, for example River Basin Management Plans (RBMPs) relating to the implementation of the Water Framework Directive and Prioritised Action Frameworks (PAF) relating to the use of EU funds for the management of Natura 2000 sites. This is one of the most important parts of the programming process as this specifies what is funded in practice. Involvement of stakeholders is an important element of this part of the process. The key actions that need to take place at this stage of programme design to address the priorities and needs identified in the SWOT analysis are as follows:

- Identification of the priorities and needs that are a priority for funding under the RDP.
- Ensuring coherence with other elements of the CAP – this is essential to ensure that measures work synergistically and are mutually reinforcing and that any unintended perverse effects are avoided. There is a particular need to ensure consistency between the requirements for cross compliance, the proposed green direct payments and agri-environment payments.
- Identification of which measures are available within the EU regulations that can be used to deliver these priorities.
- Assessment of 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.
- Identification of any activities that are not deemed appropriate for funding because they would act counter to the delivery of ES.
- Identification of any safeguards that need to be put in place to ensure expenditure is 'environment proofed' and that no measures are used to promote actions that could work counter to environmental goals.
- Determining eligibility criteria to ensure the measures are available to the relevant target audience so that key beneficiaries are not unintentionally excluded.
- Ensuring that approaches are sufficiently flexible, yet within the limit of legal provisions, to allow adjustments to be made as the scheme evolves over time.
- Involving stakeholders.

The development of the structure and design of the RDP does not take place from scratch. All Member States have a history of institutional structures, existing rural development schemes and beneficiaries. This 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 that needs improving as well as encourage creative thinking about new ways that might improve ES delivery yet further. It goes without saying that any changes in approach should lead to greater effectiveness in achieving outcomes and ideally be more efficient in doing so.

The FG has focused primarily on the issues of measure choice and it is this aspect that is discussed in more detail below. As shown in section 3, a range of EAFRD measures can be used to deliver environmental priorities and needs. Indeed, for the forthcoming programming period, Member States are being encouraged to think about all measures and the role they could play in relation to the delivery of ES. Table 4 sets out the range of measures that have been identified by the Commission

that could be used – alone or in combination – to deliver ES, alongside as assessment of which types of ES they have most potential to deliver.

Table 4: List of EAFRD Measures with the potential to contribute to environmental priorities [indicate in a legend the meaning of 'K' and 'S']

Article No.	Measure Name	Environmental Priorities				Type of support
		Biodiversity	Water	Soil	Climate Change	
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	
Article 35	Forest-environmental and climate services and forest conservation	K	K	K	K	land
Article 36	Co-operation	<----->				capacity
Articles 42-45	LEADER	<----->				capacity
Article 61	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

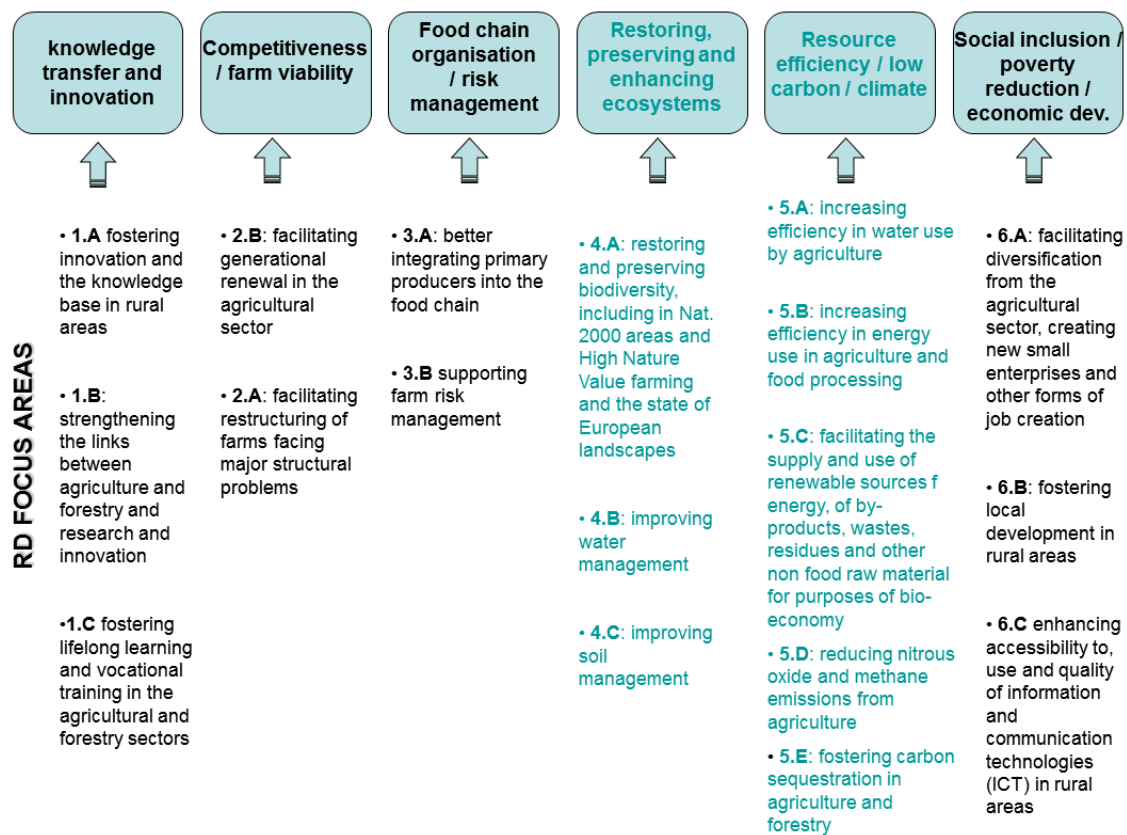
Source: Allen et al, 2012

When considering which measures would be most beneficial to use to address the core environmental priorities in the new EAFRD (priorities 4 and 5) and the eight associated focus areas (see Figure 3), feedback from the FG highlighted that of these, there are a number of measures that are highlighted most frequently as being appropriate for addressing the full range of focus areas. Those highlighted in the FG were:

- advice and knowledge transfer measures (Art. 15/16);
- environmentally focused measures, such as the agri-environment-climate measure (Art. 29) and the Natura 2000/WFD measure (Art. 31);
- the organic farming measure (Art. 30);
- payments to areas facing natural or other specific constraints (Art. 32);
- the measure for cooperation (Art. 36);
- investments in physical assets (Art. 18);
- the LEADER approach (Arts. 42-45); and
- the European Innovation Partnership, including support for agro-ecological innovation (Arts 61-63).

This list of measures is not exclusive, but perhaps identifies those that have the most obvious roles to play in delivering ES from their brief descriptions and/or experience with their use in the current programming period. To ensure that Member States consider holistically the full range of options open to them in terms of using the newly organised suite of measures, it is suggested that guidance from the Commission is needed on how the measures – both singly and in combination – could be used effectively to deliver ES. Examples of how packages of measures could work in practice would also be extremely useful, particularly as this is an area where there is limited experience in Member States currently. This would help encourage more innovative approaches to be taken, such as those seen in the examples provided for this report. Finally, given that the environment is a cross-cutting priority in the EAFRD, guidance from the Commission would be useful on how the non-environmental RDP priorities (priorities 1, 2, 3 and 6) can be met in an environmentally beneficial way to help with the ‘greening’ of all priorities and to ensure that the environment runs as a central theme through the core of all RDPs.

Figure 3: Proposed EAFRD priorities and associated focus areas



Source: European Commission's – DG Agriculture and Rural Development

The FG also stressed that scheme design should always consider how a scheme would look from the perspective of the end user. In order to inform the design of measures, therefore, it was felt that the findings of the SWOT analysis should be supplemented by information and feedback from land managers (including existing beneficiaries) and other actors or stakeholders who have experience of implementing RD schemes. This would enable experience and knowledge about specific land management issues and needs to be fed into scheme design, allow areas where assistance is needed to improve the delivery of ES to be highlighted, and encourage innovative ideas to be put forward about how this could be achieved.

This has also been highlighted from the examples collected by the FG. These have shown that greater involvement of stakeholders as well as farmers and foresters in scheme design and implementation can encourage more innovative approaches to environmental delivery. Taking an inclusive approach to scheme design and involving environmental and farming stakeholders, rural communities and land managers in the development of RD schemes and measures greater buy-in to the schemes is achieved as well as a greater awareness by stakeholders of some of the constraints that prevent certain ideas being taken forward in practice. This ultimately should help lead to improved outcomes as the schemes will be better matched to the different stakeholders' needs.

5.4 Implementation issues

Scheme/measure implementation is a very important stage of the programme cycle as it is the point at which the efforts put into programme design are put into practice. A number of issues relating to implementation that are important for maximising the delivery of environmental services through RDPs were highlighted by the FG. These were as follows:

Achieving buy-in from land managers: over the past 20 years, agricultural policy has undergone some fundamental changes and the latest reform is no exception. This has led to uncertainty, particularly within the agricultural sector, about the future nature of support to the sector. RD policy, providing multi-annual payments for land management over a period of five or seven years, provides a certain level of security but the FG highlighted that this does not offer security for the longer term, particularly if significant commercial decisions are being taken about the long term direction of the business. Having some confidence that schemes to encourage the delivery of environmental services are going to be available in the longer term, with sufficiently attractive payment rates, was therefore highlighted as extremely important to encourage farmers to engage with them and to enable longer term planning.

The need to secure **ownership, develop land managers' capacity and knowledge and learn from their experience:** collective approaches to scheme implementation were particularly emphasised by the FG in this regard, both in terms of the value of community based, multi-stakeholder facilitation of scheme operation as well as the implementation of schemes at a much broader territorial scale, for example to cover whole landscapes or catchments, as a more effective means of delivering the scale of environmental services required to meet EU targets. Equally important, however, is the need to take account of the detailed experience that land managers have of their land to enable schemes to be appropriately tailored to the local situation and maximise the delivery of ES.

Timing of payments: grants are usually paid on completion of the project - some are paid up front but the time it takes for the funding to be processed and be received by the recipient is too long. In reality many of the costs are up front and this leaves beneficiaries either having to take out loans to cover the gap or to forego the grant because they do not have the credit to be able to raise a loan.

Advice: investment in advisory services and advisors needs to be seen as an investment rather than a cost. The examples highlight the critical role that advice can play as well as the diversity of different structures and approaches that may be appropriate for providing advice within different Member State contexts. They emphasise the importance of peer-to-peer advice, whereby the sharing of advice and experiences between land managers themselves is encouraged. They also demonstrate the importance of advisers being well trained in the economic realities of farming as well as the interaction between land management and the environment to ensure that advice is seen to be realistic and grounded in the practicalities of operating a farm business.

Clarity and flexibility: making the most of the opportunities available within the regulations is essential: not only is it important to be clear about the intended outcomes of a scheme and its requirements, but it is also important to be able to change management during the life of an agreement if it becomes evident that such changes would deliver greater environmental outcomes, or to be able to move management requirements between parcels between years

according to what is needed for delivering ES. In this respect, it is important that Member States make sure they make best use of the possibilities that already exist (for example, the current EAFRD already permits the exchange of parcels during an agreement). Another example concerned is the possibility to classify areas with handicaps under measure 212 (in future Areas of Natural Constraint) and the need for Member States to recognise and consider for support the needs of all such areas through RDPs, including small islands alongside mountainous or upland regions.

Investments in data and mapping can look costly, but they improve targeting of resources and can lead to reduced running costs in the medium to long term.

Control and enforcement rules need to facilitate, rather than act counter to landscape-scale management. The current system focuses on single cadastral parcels under agricultural use, whereas increasingly emphasis is being placed on encouraging the management of broader landscapes or river catchments as a more efficient means of delivering environmental outcomes. FG members feel that the current rules encourage micro-scale management rather than landscape/mosaic management. This is not just important from the point of view of the area on which payments can be made, but also in terms of the message that this approach sends to the land manager and the general public. After all, it is the EU's diversity of landscapes that are at the heart of how the public interact with farming and management at a broader landscape scale is fundamental to enhancing the provision of ES in the future. Landscape objectives therefore need to be reflected more fundamentally in all aspects of the rules surrounding funding.

5.5 Summary of areas where changes and/or guidance are needed and where EU input is needed

A summary of areas highlighted by the FG where guidance would be welcomed or where changes to the implementing rules would help increase the uptake and effectiveness of measures and facilitate the design of more innovative approaches to delivering ES are set out below.

Guidance needs:

- The main area where guidance has been highlighted as being needed is how the measures – both singly and in combination – could be used effectively to deliver ES. Examples of how packages of measures could work in practice would also be extremely useful, particularly as this is an area where there is limited experience in Member States currently. Some examples of how measures can be used to deliver ES are presented in Annex 1 to this report. This could serve as an input into more general guidance provided by the Commission for Member States and could help encourage more innovative approaches to be taken.
- The importance of stakeholder engagement in the process of PC and RDP design is critically important. Although the regulations require Managing Authorities to consult with stakeholders there is room for improvement in the collaboration and involvement of stakeholders in the process in many Member States. Guidance would be welcomed on what is expected of Member States in this regard.

- Ensuring coherence of RDP design with the priorities and needs identified through the SWOT analysis is critical as well as ensuring that the RDP plays a coherent role within the broader funding framework nationally/regionally as well as the priorities of other environmental strategies (eg the RBMPs and the PAFs). It would be helpful if the Commission could encourage such coherent approaches through guidance and/or capacity building where needed and check that approaches taken are coherent through the RDP approval process.
- It may also be helpful to develop a checklist for Managing Authorities to help them ensure that RDPs are 'environment proofed' both in relation to all aspects of the programming process – in other words to provide an aid that helps those responsible for RDP design to check systematically that all elements of the programme (measure choice, eligibility criteria, monitoring and evaluation aspects) have taken impacts on the environment into account. This would help ensure that measures are in place to address environmental priorities and needs proactively as well as check that the environment is genuinely addressed as a cross-cutting issues and that no elements of the programme are working counter to environmental goals.

Within the context of promoting more collective approaches to ES delivery in the future, exchange of practices at EU level on the drafting of contracts with multiple beneficiaries would be welcomed to ensure compliance with contractual obligations and to determine where liability lies in cases on non-compliance. As emphasised by the European Commission, dissemination of practice is privileged. Also, the division of responsibilities should be dealt with at the level of collectives and/or between the collectives and managing authorities of Member States. The collective as a whole will be considered as a beneficiary.

- Guidance is also needed on the way in which the design of the new Monitoring and Evaluation System will operate and how it can be used to demonstrate the delivery of multiple objectives through integrated approaches. This will be important to ensure that the increased flexibility written into the proposed new structure of the EAFRD is maximised.
- Clarity on the baseline for payments is needed urgently – it is confusing that for some payments the baseline is cross-compliance and for others it is proposed to be the CAP Pillar 1 greening measures. It is essential that Member States are given clear guidance on how Pillar 1 greening will interact with agri-environment schemes as a matter of urgency as this is holding up the development of revised agri-environment schemes in some countries.

As a general point, the FG highlighted that all guidance needs to be provided as early as possible in the RDP design process, which often starts at least 18 months prior to the start of the new programming period. It also needs to be clear, unambiguous and as concise as possible. It is important that all guidance clarifies any technical or legal terminology used in the main regulations or the implementing regulations. This is particularly important to ensure that there is no confusion about what is possible under the regulations and to avoid Managing Authorities taking a risk averse approach for fear of penalties at a later date.

Issues relating to implementing rules:

- The detailed implementing rules (or guidance) for specific measures should be explicit about what can be funded. Of course it is impossible for guidance to be comprehensive, but the boundaries of what is possible should be made clear. Anecdotal information suggests that it can be the case

that where particular areas or activities are not explicitly mentioned as being eligible for support, this can lead to them not being prioritised. This can happen both unintentionally, because it was not apparent that the activity could be funded or intentionally if Managing Authorities decide to 'play safe' in case funding is deemed ineligible. Two specific examples were highlighted: first with regard to the use of the rural heritage measure for biodiversity /habitat restoration and secondly with regard to the targeting of support to small islands.

- Ensuring suitable advice and training is available to land managers is essential and the implementing rules for the EAFRD should ensure that it is possible to fund the sorts of advice that have been highlighted as particularly effective (including peer-to-peer advice and voucher schemes) in the future. One of the findings of the FG was the importance of allowing a diverse range of advisers to operate within a region and to allow farmers the flexibility of choosing which advice source they would like to access.
- The EAFRD proposals already do much to improve the focus on collaboration and working at a broader territorial scale. However it would be helpful if the implementing rules could spell out clearly and in more detail precisely what is possible to remove any barriers to the effective operation of groups of land managers and local partnerships to ensure that Member States take advantage of these opportunities to develop new ways of working and do not limit themselves to more conservative approaches only for fear of penalties as a result of non-compliance. In this respect the implementing rules should clarify respective responsibilities of farmers and collective groups in case of collective contracts.
- To ensure uptake of schemes there needs to be confidence in the continuity of support for environmental services in the long term. Coherence in the overall policy framework for rural areas is needed, within which there is a consistency in the measures made available to land managers for environmental delivery, combined with short term flexibility about how these are implemented in practice. In this vein, it would be helpful if the process for modifications to RDPs were quicker to allow these to be implemented within a shorter timeframe.
- Clarity is needed on the proposed changes in the rules regarding what constitutes an agricultural parcel and how this will affect existing mapping and the LPIS. This needs to ensure that new rules do not create unintended perverse effects by excluding areas that are subject to grazing and environmental valuable from payment. In so doing, the Commission need to demonstrate that all elements of the CAP are coherent and emphasise the value of landscape scale/mosaic management for the delivery of ES.

6 CONCLUSIONS

From the analysis and the evidence gathered by the FG, it is clear that there are numerous good examples of how environmental services are being delivered through RDPs in many different regions of the EU under the current programming period, often using existing RDP measures in creative and innovative ways. It is also evident that there is considerable scope and enthusiasm to find ways of reinvigorating the design and implementation of RDPs, to innovate and find imaginative and creative ways of using measures to enhance the delivery of environmental services in all parts of the EU-27 in synergy with achieving other economic and social outcomes.

In order to achieve this, a number of key elements have been emphasised that require further attention. In particular, there is a need to facilitate greater ownership of the outcomes required by those implementing the measures on the ground and that these outcomes need to be delivered at a much broader territorial scale than is currently the case. Collective approaches, integrated delivery, empowering local stakeholders and land managers are all phrases that reappear time and time again.

Above all, the critical role played by advice and training for improving the delivery of environmental services was emphasised and highlighted as an area where insufficient emphasis was placed in the current programming period. Alongside the more standard approaches to advice and training, emphasis was placed on the importance of peer-to-peer advice, whereby the sharing of advice and experiences between land managers themselves is encouraged. In addition, the importance of involving land managers in monitoring the results of their management in achieving environmental outcomes as well as feeding back monitoring results to scheme beneficiaries were highlighted as extremely important means of encouraging greater ownership and commitment from land managers in the aims and objectives of the support being provided.

This exercise also highlights the benefits of bringing examples together from different parts of the EU, to share experiences and stimulate ideas and new thinking about the different ways in which to facilitate positive action by land managers to benefit the environment and how these can be applied in different situations.

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ANNEX 1 RURAL DEVELOPMENT MEASURES 2007 – 2013

Measure	Description
Axis 1	Competitiveness
111	Vocational training and information actions
112	Setting up of young farmers
113	Early retirement
114	Use of advisory services
115	Setting up of management, relief and advisory services
121	Modernisation of agricultural holdings
122	Improvement of the economic value of forests
123	Adding value to agricultural and forestry products
124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
125	Infrastructure related to the development and adaptation of agriculture and forestry
126	Restoring agricultural production potential
131	Meeting standards based on EU legislation
132	Participation of farmers in food quality schemes
133	Information and promotion activities
141	Semi-subsistence farming
142	Producer groups
143	Providing farm advisory and extension services
144	Holdings undergoing restructuring due to a reform of a common market organisation
Axis 2	Environment and land management
211	Natural handicap payments to farmers in mountain areas
212	Payments to farmers in areas with handicaps, other than mountain areas
213	Natura 2000 payments and payments linked to Directive 2000/60/EC
214	Agri-environment payments
215	Animal welfare payments
216	Non-productive investments
221	First afforestation of agricultural land
222	First establishment of agro-forestry systems on agricultural land
223	First afforestation of non-agricultural land
224	Natura 2000 payments
225	Forest-environment payments
226	Restoring forestry potential and introducing prevention actions
227	Non-productive investments
Axis 3	Economic diversification and quality of life
311	Diversification into non-agricultural activities
312	Support for business creation and development
313	Encouragement of tourism activities
321	Basic services for the economy and rural population
322	Village renewal and development
323	Conservation and upgrading of the rural heritage
331	Training and information
341	Skill-acquisition and animation measure with a view to preparing and implementing a local development strategy
Axis 4	Leader
411	Competitiveness
412	Environment/land management
413	Quality of life/diversification
421	Implementing cooperation projects
431	Running the LAG, skills acquisition, animation

