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Land Use Policy Group
The GB statutory conservation, countryside and environment agencies

Rural Development Environmental Programming Guidelines

A Manual based on the findings of the Europe's Living Countryside (ELCo) project

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The Land Use Policy Group

The LUPG comprises seven GB statutory conservation, countryside and environment agencies: the Countryside Agency, Countryside Council for Wales, English Nature, the Rural Development Service, Scottish Natural Heritage and the Environment Agency, working with the Joint Nature Conservation Committee. The Department of Environment Northern Ireland is an observer. The LUPG aims to advise on policy matters of common concern related to agriculture, woodlands and other rural land uses. It seeks to improve understanding of the pros and cons of policy mechanisms related to land use, particularly farming and forestry; to develop a common view of desirable reforms to existing policies; and to promote these views.
www.lupg.org.uk

Stichting Natuur en Milieu

SNM (the Netherlands Society for Nature and Environment) is an independent organisation committed to securing a vigorous and healthy natural environment. We are helping to build a sustainable society in which nature, the environment and the landscape are treated with care and respect. We want a world in which we can enjoy nature close to home, a world in which we can breathe clean air and travel without harming the environment – and harming other people.
www.natuurenmilieu.nl

IDRiSi

Instituto de Desarrollo Rural Sostenible (IDRiSi) is a non-profit organisation based in Extremadura (Spain). IDRiSi is dedicated to the objective analysis and improvement of agricultural and rural policies, in order to take better account of environmental and social needs.

Sponsors' Preface

We are pleased to present this Manual, which we hope will help in the process of drawing up the new generation of Rural Development Programmes under the European Agricultural Fund for Rural Development 2007 - 2013.

This is one of the products of the *Europe's Living Countryside* project – a major collaboration between WWF Europe, the Land Use Policy Group (LUPG) of British nature and environment agencies, and Stichting Natuur en Milieu from the Netherlands.

The project, which builds on earlier joint work[1], has assessed how successfully the environment has been addressed through existing programmes for rural development in a variety of EU Member States. It has looked in detail at how environmental priorities and objectives might be better identified and addressed in future. Our research is based on detailed studies and discussions with stakeholders in seven countries and discussions with policy makers from across the EU. This experience has been drawn into a set of guidelines that should help in the process of putting together the new Rural Development Programmes that start in 2007.

The Manual does not represent the formal policy position of the ELCo Project partners. Instead it is intended to provide practical advice that should ensure that rural development responds to Europe's environmental aspirations and will contribute to delivering genuinely sustainable development. We hope it will assist you in this vital task and look forward to any feedback you may have.

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[1] See References at the end of the manual for a compiled list of joint research outputs

Preface

It is very encouraging that organisations such as the Land Use Policy Group, WWF Europe and Stichting Natuur en Milieu are willing to bring together environmental experience and best practice from across Europe.

We are now entering the preparatory phase of our fourth generation of rural development programmes. The broad framework for the period 2007-2013 has been agreed in the Council. The involvement of stakeholders at all phases of rural development programming is an essential element in making the new framework a success.

This new framework strikes a balance between the desire for continuity and the need for reform. Thus, most of the rural development measures we propose for the future already exist today. However, we have fundamentally changed the focus of rural development programming by putting a much greater emphasis on the objectives of the policy – whether European, national or regional – and the benefits that it should bring. In particular, measures have been grouped together in relation to three overriding objectives for rural development policy.

- It should contribute to increase the competitiveness of agriculture and forestry through support for restructuring, modernisation and quality production.
- It should help improve the environment through support for land management and the remuneration of environmental services.
- It should contribute to enhance the quality of life in rural areas and to promote diversification of economic activities. This includes an improved access for the rural population to basic services and the infrastructures linking them as well as the promotion of new employment opportunities outside agriculture.

Defining measures that respond to local needs while contributing to overall policy objectives is at the heart of rural development programming. And of course, we can maximise the quality of these measures by making full use of the expertise that is available to help in the programming, monitoring and evaluation phases. We hope that this manual, which focuses on environmental questions, is the first of many such initiatives to build on this experience and involve stakeholders.

Dirk AHNER
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Table of Contents

Sponsors' Preface 3
Preface 4
Introduction 7

Chapter 1: The Proposed Programming Approach 9

Chapter 2: The Seven Steps Approach 14
2.1 Setting Environmental Priorities 14
2.2 Identifying Environmental Objectives & Targets 18
2.3 Involving Stakeholders in Development & Implementation 21
2.4 Using Measures to their Full Environmental Potential 24
2.5 Budgeting for & Funding Rural Development 28
2.6 Delivery Mechanisms including Leader 32
2.7 Monitoring & Evaluation 36

Chapter 3: Identifying & Addressing Funding Needs for the Environment 39
3.1 Safeguarding Europe's Biodiversity 40
3.2 Reaching & Maintaining Freshwater in Good Ecological Condition 42
3.3 Sustainable Forest Management 44
3.4 Protecting the Landscape Heritage 47
3.5 Contributing to Combating Climate Change 50

Annex 1. Programming Guidelines Checklist 67
Glossary of Acronyms 73
Further Contacts 74
References 75

List of Figures, Examples & Tables

Figure 1. The Proposed Programming Approach 11
Example 1: Developing the England Rural Development Programme 2000-2006 14
Example 2: Doñana National Park, Andalucia (Spain) 18
Example 3: Lessons from Stakeholder Involvement in the Poland RDP 2004-2006 22
Example 4: Combining Measures to Achieve Social & Environmental Outcomes in the Krimpenerwaard (Netherlands) 24
Example 5: Mismatch Between Priorities and Expenditure: Farmland Afforestation in Extremadura (Spain) 28
Example 6: Voluntary Advisors for Hungarian Agri-Environment Schemes 32
Example 7: Use of Monitoring to Develop New Agri-Environment Schemes in England 36
Example 8: Biodiversity Monitoring in Hungary 37

Table 1. Funding biodiversity administration, management and monitoring 41
Table 2. Funding biodiversity infrastructure 42
Table 3. Funding water administration, management and monitoring.....43
Table 4. Funding infrastructure for water savings and water dynamics.....44
Table 5. Funding sustainable forestry management 45
Table 6. Funding landscape administration, management and monitoring 48
Table 7. Funding landscape infrastructure.....49
Table 8. Funding crop production for renewables 51
Table 9. Funding the processing & marketing of renewable energy.....51
Table 10. Funding investments in energy efficiency & emissions reduction.....52
Table 11. Overview of EAFRD measures & their potential use for the Environment.....53

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Introduction

1. What this Manual is About

This Manual, entitled *Rural Development Environmental Programming Guidelines*, was developed as a contribution to the programming of the 2007-2013 European Agricultural Fund for Rural Development (EAFRD).

Its purpose is to help ensure that the 2007-2013 Rural Development Programmes developed by Member States (or their regional authorities) address environmental challenges and deliver environmental outcomes in a substantive and integrated way. To this end, the Manual provides a checklist that can be used to prompt ideas on how to achieve environmental integration through all stages of the programming process, from defining the national strategies to monitoring and evaluating outcomes. The Manual also provides illustrative examples which can help inspire, or simply clarify, good practice.

By using this Manual, those responsible for compiling RDPs will help ensure that they meet the requirements in the EAFRD Regulation for public participation, and that they account for the requirement to deliver key EU environmental priorities. Setting out how the RDP and other funding instruments will be used together to deliver these EU priorities should help secure approval for the programme and demonstrate good practice.

Chapters 1 and 2 of this Manual propose an approach that programme designers can use to ensure that programmes effectively deliver environmental outcomes and environmental integration. Chapter 3 provides ideas on the types of measures competent authorities could consider including in their rural development programmes in order to address some of the environmental challenges identified through our research (see below) and which have been identified in the Commission proposal for the *Strategic Guidelines for Rural Development* (published on 5th July 2005).

2. Who is this Manual for?

The *Guidelines for Rural Development Environmental Programming* form a short, technical and operational manual primarily aimed at three audiences:

- those who design and implement rural development programmes in the Member States,
- European Commission officials responsible for assessing and approving the programmes they receive from Member States,
- non-governmental organisations (NGOs) and State Agencies interested in working with Member State or EU officials, to influence and assess the design and implementation of rural development programmes.

This Manual is aimed at a specialist audience. However, we hope that it will be sufficiently accessible to anyone with an interest in rural and environmental issues.

Reference should also be made to another handbook published by WWF in May 2005: *EU Funding for Environment – a Handbook for the 2007-2013 Programming Period*. This handbook looks at the full range of EU funding instruments (Cohesion Fund, European Social Fund, European Regional Fund, EAFRD and the European Fisheries Fund) and how they can be used to deliver environmental objectives[2].

3. How this Manual was Developed

The guidelines have been developed as part of a wider collaborative project called *Europe's Living Countryside* (ELCo) run by LUPG, WWF and Stichting Natuur en Milieu. The project has undertaken national studies and developed case studies in Germany, Hungary, Poland, Bulgaria, the UK, Spain and the Netherlands. Its aim is to investigate the potential of EU Rural Development Policy to deliver sustainable rural development by better integrating the environment into Rural Development Programmes (RDPs) and ensuring these address environmental priorities.

Environmental integration lies at the heart of sustainable rural development. The ELCo studies show that, if implemented effectively, the EAFRD has potential to help the EU to achieve its environmental commitments. These include halting biodiversity loss by 2010, delivering Good Ecological Status in water bodies by 2015 and implementing the Kyoto Protocol in order to combat climate change.

The ELCo project provides examples that illustrate how rural development measures can be used to deliver environmental and other public benefits whilst at the same time improving business competitiveness. Such an approach can improve rural incomes and environmental standards, whilst also increasing the quality of life for land managers and others.

The strength of the ELCo findings, as reflected in this Manual, lies in having examined the ideas widely through national studies in seven countries with inputs from a range of stakeholders. The key issues that emerged from these national studies were common across the all the countries, although sometimes they showed up in different ways. This suggests that the basic issues are widely applicable across the EU, and the ELCo recommendations form a robust approach to tackling high priority environmental issues and working towards greater sustainability in rural land management.

4. Why Rural Development Programming is Important for the Environment

The EU has a strong environmental regulatory approach (including, for example, the Birds, Habitats and Water Framework Directives), as well as high level political commitments enshrined in the Treaty of Rome (Articles 2 and 6) and in the Sustainable Development Strategy of the EU endorsed by the European Council in Göteborg (2001). Nonetheless, translating these commitments into effective national implementation remains a challenge. Although there is a specific Financial Instrument for the Environment (Life+) both its scope and size remain too modest to meet environmental needs. Effective deployment of resources from both EAFRD and the Structural Funds is therefore essential to address these environmental commitments.

Environmental integration into all EU policies is a principle objective of EU policy, as stated in Article 2 of the Treaty[3]. Few sectors affect Europe's environment and natural resources, both positively and negatively, as much as farming and land management. The European Environment Agency (EEA) reports: *"...the*

[2] Available for download from www.panda.org/epo under the Publications section

[3] Agriculture Council (1999)

continuing search for efficiency, lower costs and increased scale of production is resulting in substantial pressures on the environment, landscapes and biodiversity, particularly in the most intensively farmed areas. At the same time, agriculture remains essential to the maintenance of many landscapes."[4]

Environmental integration is also important because it is what European citizens want. They value a healthy environment and consider it is as important to their quality of life as the state of the economy and social factors, according to a recent EU-wide survey[5]. The majority of EU citizens (88% of respondents) believe that policymakers should take account of environmental concerns when developing policies in other areas such as economy and employment. In a further survey specifically concerning the Common Agricultural Policy, eighty-nine per cent (89%) of respondents believed that promoting the respect of the environment is the second most important objective for the CAP[6].

The EAFRD Regulation requires Member States to commit a minimum of twenty-five per cent of all CAP rural expenditure to land management and environmental objectives (i.e. axis II) during the 2007-2013 programming period. There are also many opportunities to deliver environmental priorities through the axes for competitiveness (axis I), quality of life / diversification (axis III) and Leader (axis IV). The Regulation requires Member States to consult with stakeholders, including environmental NGOs, during both the development and implementation phases of the programme (Title I Chapter III article 6), and provides for the allocation of funding to support these consultations (Title IV Chapter II article 66).

Whether the challenge of environmental integration and delivery can now be seized depends largely on the choices made by the competent authorities in each Member State regarding both use of the available rural development measures and the allocation of funds.

[4] EEA (2003) page 44

[5] Eurobarometer (2005) pages 29 & 34

[6] Eurobarometer (2004) page 22

Chapter 1: The Proposed Programming Approach

This Manual was developed as a contribution to the programming of the 2007-2013 European Agricultural Fund for Rural Development (EAFRD). Its purpose is to help ensure that the Rural Development Programmes of Member States (or their regional authorities) address environmental challenges and deliver environmental outcomes in a substantive and integrated way.

A structured, transparent and participative process, applied throughout the various stages in the development and implementation of rural development programmes, is the most secure way of ensuring programmes effectively deliver environmental outcomes and environmental integration. On-going review of the programmes and consequent adjustment of measures and implementation processes, if targets are not being met, is also fundamental.

To this end, this Manual provides a checklist of guidelines that can be used to prompt ideas on how to achieve environmental integration through all stages of the programming process:

- from selecting priorities and formulating targets in the national strategies,
- to defining the budgets and delivery mechanisms required to implement the Rural Development Programmes,
- to monitoring and evaluating outcomes.

Overall, there are seven key stages in the development and implementation of RDPs. Figure 1 provides an illustration of these seven stages, as well as of the role of ongoing review and consultation processes. Following the code of Figure 1, Chapter 2 expands on each of these seven stages explaining:

- what the stage in the process is about,
- why the stage is important for the environment,
- the ELCo project proposed programming guidelines.

Each stage is further substantiated with evidence drawn from the ELCo project. Finally, Annex 1 provides a checklist summarising all the proposed programming guidelines. Comparison of individual RDPs against this checklist should provide a systematic appraisal of the degree of environmental integration within each plan.

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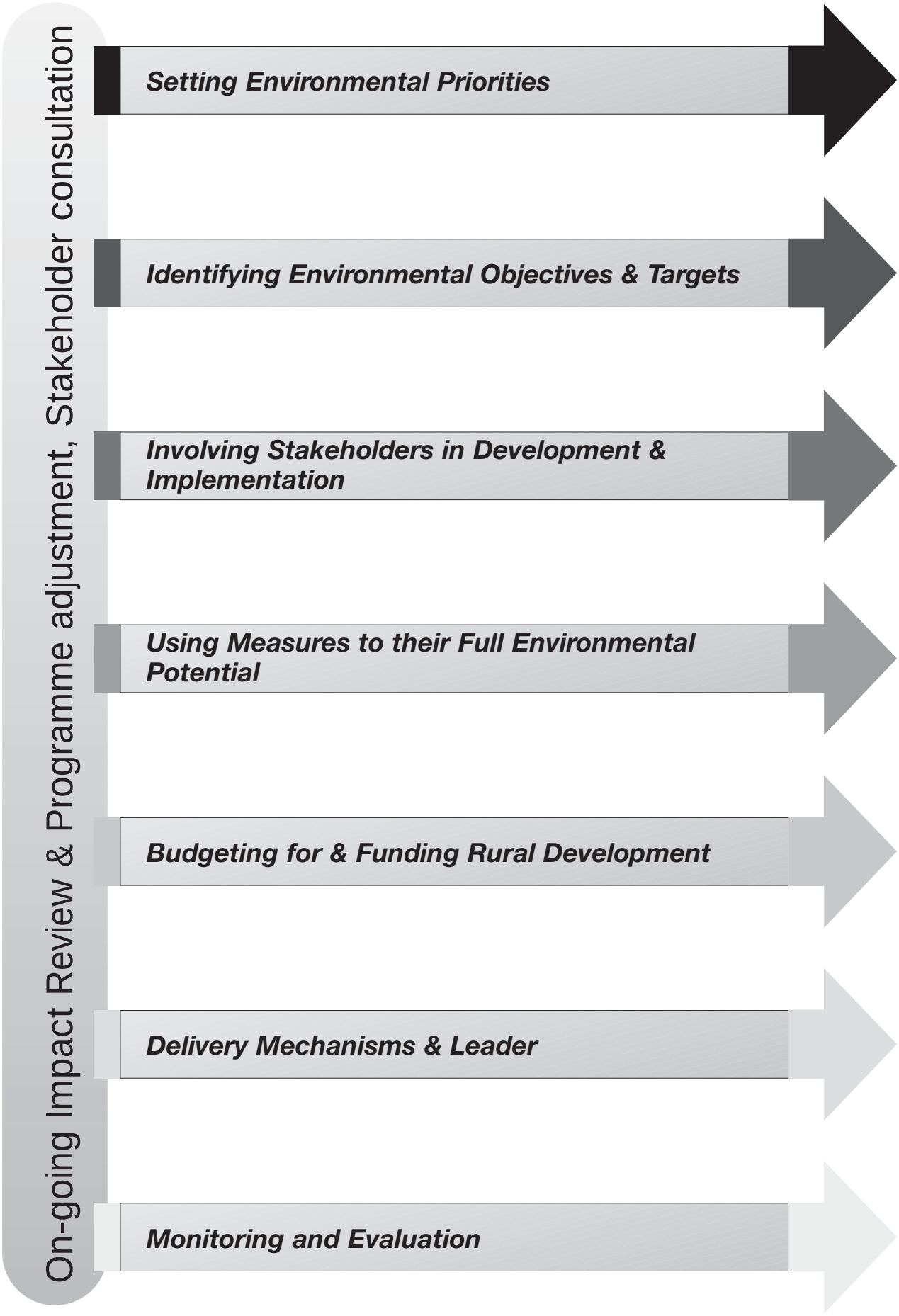
Figure 1. The Proposed Programming Approach



Chapter 2: The Seven Steps Approach

2.1 Setting Environmental Priorities

Chapter 2: The Seven Steps Approach

2.1 Setting Environmental Priorities

What is this Section About?

This chapter is about priorities, i.e. selecting what to include in individual Rural Development Programmes and what to leave out. It is about how to make this selection, and what makes one issue a priority over another.

Article 9 of the EAFRD regulation states that the Community *Strategic Guidelines for Rural Development* will define the EU level priorities that need to be delivered across Europe through the second pillar of the CAP. Article 11 further requires that the national strategic plans should ensure the co-ordination between EU, national and regional priorities. To do this, the Regulation suggests that an evaluation is required within a Rural Development Programme of the economic, social and environmental situation, and the potential for development for each area. This evaluation must contain an analysis of the situation in terms of strengths and weaknesses and the strategy chosen to meet them. It must also justify the priorities chosen with reference to the Community strategic guidelines and the national strategic plan, as well as the expected impact in the ex-ante evaluation (Article 16).

The Regulation indicates a thematic and territorial priority for each of the three axes of the EAFRD. For the environment, the proposed *Strategic Guidelines for Rural Development* emphasise three EU level priority areas, which should be addressed in all Rural Development Programmes:

- Biodiversity, and the preservation of high nature value farming and forestry systems,
- Water,
- Climate change.

Why is it Important to Set Environmental Priorities?

The ELCo project concluded that although rural and environmental priorities varied widely across the countries studied, two themes appeared to be common environmental priorities:

- Loss of biodiversity and landscape values,
- Problems of water quality and quantity.

These two ELCo priorities coincide to a large degree with the first two of the three EU level environmental priorities identified by the European Commission in the draft *Strategic Guidelines for Rural Development*[7].

Studies by the European Environment Agency (www.eea.eu.int) and BirdLife International[8] show that current land use trends, specifically by the agricultural sector, are one of the main reasons for environmental decline in rural areas. This indicates the close link between environmental sustainability and appropriate land management practices.

Good land management requires effective implementation of environmental legislation alongside environmental knowledge, skills and awareness (delivered through advice and incentives). Whilst effective implementation of environmental legislation is not normally compensated, improvements in environmental expertise and awareness should be eligible for public support. As should be the provision of those environmental services that the market does not currently pay for (e.g. maintenance of shelterbelts, management of watercourses for biodiversity and flood control, maintenance of high nature value grasslands, landscape and cultural heritage etc.).

The Rural Development budget is unlikely to be large enough to meet the cost of delivering fully against all of the objectives associated with it. Thus the identification and selection of priorities for expenditure will be a key issue. In the case of the environment, such a selection must be based on a thorough analysis of the environmental status and trends in each of the regions covered by the Rural Development Programmes.

Proposed Programming Guidelines

The following questions will help to ensure that environmental concerns and priorities are integrated into rural development programmes:

1. Has there been a proper **analysis** of the **state** of the environment across rural areas?
   a) Have all **EU environmental priorities** mentioned in the *Community Strategic Guidelines for Rural Development* been addressed in the analysis, including

EXAMPLE 1: DEVELOPING THE ENGLAND RURAL DEVELOPMENT PROGRAMME 2000-2006

Preparation of the England Rural Development Programme (ERDP) involved substantial consultation between the Ministry of Agriculture and stakeholders to develop the priorities, measures and schemes. This included a 3-stage national public consultation in 1999, open to anyone who wished to respond to the Ministry's national consultation papers:

Stage 1 invited comments on the long-term strategy for agri-environment schemes and asked which other measures should be included in the plan,

Stage 2 sought comments on a range of options for implementing the RDR,

Stage 3 asked for views on the relative priority of the measures and on the use of voluntary modulation.

These processes involved mostly official environmental agencies alongside agricultural organisations. Regional stakeholder groups were asked to undertake a structured analysis of regional rural development issues and to rank regional priorities. Many stakeholders criticised both the process and the very short time allowed for developing the plan and some environmental NGOs felt that they had not been sufficiently closely involved. However, despite this the environmental sector had some success in influencing the priorities and the overall ERDP.

Sources: *ERF the UK National Report* (2002) Ward, N. and *'Implementing the Rural Development Regulation in England: Exploring the Potential for Sustainable Rural Land Use through Policy Design'* (2005) PhD thesis by Johnson, G. University of Gloucestershire (U.K.)

[7] European Commission COM(2005) 304 final page 10

[8] BirdLife International (2004)

- Biodiversity (Natura 2000 and High Nature Value farming and forestry areas[9]),
- Water quality and quantity (Water Framework Directive),
- Climate change including renewables & emissions (Kyoto Protocol).

b) How adequate and reliable is the **data**?

c) Is the data specified for different geographical areas?

d) Have the main causes of problems been analysed, specifying what types of land use are problematic?

e) Which environmental authorities and stakeholders have been involved in the analysis?

2. Have environmental priorities have been included in the analysis which are not EU priorities, but **national** or **regional priorities** (e.g. maintaining landscape and cultural heritage)?

   a) Why do they require EU funding?

   b) Does the **balance** between EU and national priorities allow EU priorities to be addressed effectively?

3. Has there been a proper **analysis** of the **trends** in rural areas which affect the state of the environment?

4. Are the environmental priorities that have been selected for the rural development programme:

   a) Clearly embedded in the state and trend analyses?

   b) The result of engagement with environmental and other stakeholders?

5. The *Community Strategic Guidelines for Rural Development* clearly specify that *"strong economic performance must go hand in hand with the sustainable use of natural resources":*

   a) Which socio-economic needs can be addressed in ways which will also help to provide environmental benefits?

   b) Have other measures in the programme that might threaten environmental priorities been identified and any problems addressed?

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[9] EEA (2004) "high nature value farmland can be defined as farmland with a high proportion of semi-natural vegetation; farmland dominated by low intensity agriculture or a mosaic of semi-natural and cultivated land and small-scale features; or farmland supporting rare species or a high proportion of European or world populations"

2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.2 Identifying Environmental Objectives & Targets

What is this Section About?

Rural Development Programmes need to set relevant environmental objectives and targets if they are to effectively progress towards delivering their selected EU and national environmental priorities.

The process of setting environmental objectives and targets is set out in Articles 15 and 16 of EAFRD, and is also informed by the Community *Strategic Guidelines for Rural Development*. This process must be linked to the monitoring and evaluation of rural development plans (see Section 2.7).

Why is it Important to Identify Environmental Objectives & Targets?

Research through both the ELCo and Europe's Rural Futures[10] projects has shown that it is unusual for schemes available under Rural Development Programmes to have appropriate environmental objectives (although agri-environment measures are often an exception to this). Objectives are often inadequate and tend to be insufficiently clear or precise to address the real environmental issues and priorities (e.g. in Spain and the UK). For example, the current Polish plan includes no measurable objectives, and lacks baseline data in some areas and information on trends[11]. However, the plan does propose conservation targets - which is a step in the right direction[12]. Specific targets are often absent or too vague, making it difficult to monitor whether progress has been made towards meeting them during the life of the programme (e.g. in the Netherlands).

An example of an imprecise target is "*maintaining environmental values of agriculture*', while a target which can be used to effectively monitor progress is: '*achieve favourable conservation status defined for [a certain species or habitat]*'. The ELCo national studies have developed proposed objectives and targets for identified environmental priorities for each of the countries / regions studied[13].

Objectives provide a clear starting point from which to design effective and appropriate schemes, measures and actions in the national (or, in federal countries, regional) Rural Development Programmes. Targets provide a baseline against which to measure progress in implementing programmes and the cost effectiveness of resources used. Objectives and targets need to be carefully developed to enable them to encourage and support effective programme development. The European Commission considers that setting so-called 'SMART' objectives is a necessary first step for any activity[14]:

S - **S**pecific

M - **M**easurable

A - **A**ction-orientated, **A**mbitious but **A**chievable within the timeframe

R - **R**elevant and **R**ealistic

T - **T**imely/**T**imebound

Proposed Programming Guidelines

The following questions will help to ensure that effective environmental objectives and targets can be identified and set:

1. For each selected environmental priority: what are the desired environmental outcomes? How soon could they be realistically achieved?

Answering the above questions should give rise to a set of objectives.

2. Are the objectives **SMART**?

   a) What **specific** objectives would deliver the desired outcome? What change and how much change is desired? By when could this be achieved?

   b) Can progress be **measured** effectively? For example, what targets and indicators are needed, can these be measured cost effectively and how? Which aspects of monitoring can be used to measure progress towards national objectives and targets and how will progress be assessed at the scheme, measure or local level e.g. related to an agri-environment scheme or a local development strategy?

   c) Are the targets short or medium term (e.g. to reduce loss of landscape features by *a percentage to be defined*) or are they more aspirational, long-term targets (e.g. to stop or reverse the loss of specif-

EXAMPLE 2: DOÑANA NATIONAL PARK, ANDALUCIA (SPAIN)

According to the ELCo study for Andalucia, sustainable water use is the main environmental priority that needs to be addressed in the Doñana National Park. To achieve this, Rural Development Programme objectives are needed at two scales:

- **National level objectives –** to improve the balance and sustainable use of water resources between agriculture and nature to achieve targets set in local priority areas and river basins by 2013.
- **Local level objectives for Doñana -** Re-establish the water balance between agriculture and nature in the Doñana wetlands by:
  - Reducing water consumption by 15% across half of the area under strawberry production by 2013 (WWF estimates this would leave up to 3.6 million cubic meters for environmental uses),
  - Recovering 56 km of rivers and streams that can act as biological corridors, by 2013. This would allow the re-connection of Doñana with other valuable inland freshwater areas, so that the National Park waters are not isolated.

Source: *ELCo National report for Spain* (2005) WWF

[10] Dwyer, J. (2002) page 63

[11] Dobrzynska, N.; Kolomyjska, I et al. (2005) page 34

[12] ibid. pages 35-36

[13] These can be found in the Publications section at www.panda.org/europe/agriculture

[14] European Commission (2000)

ic woodland bird species)? Aspirational targets are likely to need specific interim targets or so-called 'milestones' as stages towards achieving a long-term objective and target.

d) Are these objectives and targets **ambitious** but **achievable?** Have realistic targets been set for the proposed timeframe and likely available resources?

e) Are the objectives and targets set **relevant** to achieving the environmental priority that has been identified?

f) Will the related action be **timely** and **timebound?** For example, is this the right time to take action? Are other actions needed first? Will a target be realistically achieved during the programme or will action be a step or 'milestone' towards achieving the objective?

3. Are the objectives throughout the Rural Development Programme compatible?

   a) Is this environmental objective compatible with other environmental and RDP objectives? Could it help to achieve socio-economic objectives as well?

   b) Are other economic, social and environmental RDP objectives complementary to achieving the stated objective? If not, have conflicts been resolved? If not, how do objectives need to be amended to prevent conflicting actions?

4. Have relevant stakeholders participated in setting the objectives and targets? *(refer also to section on stakeholders)*

5. What is the process for reviewing objectives and targets in the light of implementation experience or changing trends?

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2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.3 Involving Stakeholders in Development & Implementation

2.3 Involving Stakeholders in Development & Implementation

What is this Section About?

Effective participation is an important process that can make a significant contribution to achieving sustainable outcomes. Developing and running an effective participatory process is likely to deliver an outcome that is better supported, bought-into and built on the knowledge and experience of individuals from different backgrounds.

Article 6 of EAFRD requires Member States to establish 'partnerships' with, amongst others, *"...any other appropriate body representing civil society, non-governmental organisations including environmental organisations..."* in the development of the national strategy plan and RDP. In addition, Article 76 requires Member States to provide information to the general public and certain types of organisations on the national strategy and RDP and should *"ensure the transparency of EAFRD assistance".* Finally, the development of an axis dedicated to Leader strongly signals the priority given by the European Commission to the effective participation of a wide range of stakeholders and statutory interests in rural development programming, and provides funding to support it.

Why is Stakeholder Involvement Important?

Increasingly central governments, local authorities and environmental agencies are becoming sensitive to the need for greater public participation in their day-to-day activities. This is often also prompted by legal requirements to do so (e.g. the Water Framework Directive and the EAFRD Regulation). Experience from the ELCo project shows that measures designed and implemented with the involvement of farmers and other stakeholders from a very early stage tend to be much more effective than measures drawn up by authorities and then offered to farmers as a *fait accompli*.

Both the ELCo and Europe's Rural Futures (ERF) projects identified that the programming approach to rural development has encouraged competent authorities to involve more than solely agricultural interests in the RDP programming process. However, the involvement of a broader range of stakeholders, and in particular non-governmental ones, continues to lag. ERF identified in particular that stakeholder involvement has been generally more common in the plan preparation process than in the implementation phase (e.g. in Germany: *"economic, social & environmental partners participated to varying degrees in rural development programming at Federal level but performance has been poorer in the implementation stage"*[15]).

Public participation responds to the rights of individuals to be informed, consulted and to express their own views. It also provides for a 'bottom up' approach to decision-making and for enhanced social learning and responsibility. Participation offers opportunities to build trust, capacity and understanding, particularly when it is instigated at an early stage in the decision making process. Besides individual engagement, participation can be delivered by non-governmental organisations. Transparency and timeliness of engagement is critical to a more successful rural development planning process and outcome.

It is important to remember that not all stakeholders want or need to be involved at all stages of the development and implementation of the RDPs. However, for those who want or need to be involved, clear processes, early information about timelines and budgets to cover time and travel are often essential: *"A more systematic process of participation is needed involving environmental bodies (both official & NGOs) and help for NGOs to develop their capacity to participate effectively"*[16]. NGOs are not always recognised as legitimate stakeholders, which can reflect a weak tradition of engagement. This situation is further exacerbated by capacity issues (e.g. knowledge, resources), and clearly limits the scope for programmes to learn from stakeholder experience as they are implemented and reviewed. Complexity in design and delivery structures, and a lack of continuity, also lead to disengagement.

Proposed Programming Guidelines

The following questions will help to ensure that effective participation of stakeholders is integrated in RDP programming:

1. How will the key rural, land management, environmental, economic and social **stakeholders** be **identified** at national / regional / local levels; and **engaged** in the process?
2. Which steps will be put in place to ensure that the identified stakeholders can **effectively be involved** from the first stages of programme development, through to delivery on the ground, according to the capacity and means of each?
3. **What** type of participation **process** will be used (e.g. face to face meetings, internet consultations) to engage the partners? How does this relate to the capacity of the partners selected?
4. Have the partners been **informed** about which role, and what type of contribution is envisaged for them?
5. How will the **results** of the stakeholder participation be **communicated**? How will the stakeholder input be considered and the final decision reached?

EXAMPLE 3: LESSONS FROM STAKEHOLDER INVOLVEMENT IN THE POLAND RDP 2004-2006

In Poland the development of the RDP for 2004-06 was subject to wide stakeholder consultation, and this resulted in positive amendments to the draft plan. However, the process was not without teething problems e.g. late notification; use of irregular communication channels; insufficient guidance on how to input comments; and engagement with different stakeholders for different elements of the plan.

Suggested improvements include: better sharing of information such as independent expert analyses; establishing a register of corrections and comments and the Ministry's response to these; setting up a liaison body with the NGO sector which facilitates information transfer and smoothes the process of public consultations including clear and reasonable timetables; using more appropriate channels to communicate (i.e. e-bulletins, e-mail circulation lists, environmental press or sectoral journals, public debates, mass media); and helping to build the capacity of NGOs e.g. through providing training in relevant EU legislation and policy.

Source: *ELCo National Report for Poland* (2005) WWF

[15] Schubert, D. (2005) page 9 section 2.2.2

[16] Beaufoy, G.; Jennings, S.; Hernandez, E.; Peiteado, C. & Fuentelsaz, F. (2005) page 7 section 5

2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.3 Involving Stakeholders in Development & Implementation

2.4 Using Measures to their Full Environmental Potential

2.4 Using Measures to their Full Environmental Potential

What is this Section About?

This section addresses how the measures offered in the EAFRD can be selected, designed and applied to deliver against the specific environmental priorities Member States will have identified in their national strategies [and *ex-ante* assessments]. It examines the standards needed to ensure that no EAFRD payments have a negative environmental impact. This section also identifies the broader conditions Member States should consider in drawing together the various measures into a coherent programme.

Why is it Important for Measures to Realise their Full Environmental Potential?

Work by WWF and LUPG[17] has found that many authorities prefer to roll forward existing measures and schemes which they have applied in the past (and are confident of administering) rather than offering new measures or developing new approaches to existing measures. This may perpetuate existing environmental problems, and prevent the development of innovative solutions. For example, the forest management measure could be used to fund integrated management plans for forests, combining production with the conservation of forest habitats and species rather than supporting conventional investments, such as constructing forest roads or scrub clearance (e.g. in Extremadura[18]).

Many measures drawn from across all four axes of the EAFRD, including measures traditionally associated with the farm only as an economic unit (e.g. Art. 26 modernisation of agricultural holdings) can deliver an improved environment as well as an enhanced business performance. The key is to select the measure most suited to the target to be achieved, focussing on the delivery objectives and the conditions and criteria for implementation – and not on the subject of each Article. For example, the training measure offered in the Swedish RDP 2000-2006 reflects the aim of achieving integrated goals by complementing agri-environment and Article 33 environmental protection measures, ensuring that those receiving grants and multi-annual payments for environmental actions have the appropriate skills to deliver them[19]. Similarly, grants to modernise agricultural structures can be targeted on environmental objectives, by giving preference to investments designed to reduce water or energy use or to minimise pollution risk (e.g. slurry stores).

Alongside design, geographical scale is often a critical issue in the successful use of measures. In many regions there is a need to develop schemes at a sufficient scale to maintain the biodiversity, landscape and natural resource values associated with High Nature Value[20] farming and forestry. This is especially urgent in the face of decoupled CAP payments and the expected decline of economically marginal land uses. Delivery of the most challenging environmental objectives often requires a package of measures, for example a combination of economic incentives (agri-environment payments), investment aid (to improve the viability of HNV farming systems in marginal areas), information services and training, all of which are underpinned by regulation (conditionality).

All rural development measures need to be implemented in a way that ensures additionality, that is, funds should not be used to finance activities that would have happened anyway, which fail to generate public benefits or that could be pursued more effectively by other means. In the light of limited funding for rural development, additionality also ensures greater cost effectiveness. Furthermore, competent authorities should strive to ensure coherence between the measures offered in individual RDPs. From an environmental perspective, this means ensuring that a programme does not simultaneously offer incentives to reduce environmental problems (e.g. nitrate pollution from intensive poultry production units) alongside another measure which would contribute

EXAMPLE 4: COMBINING MEASURES TO ACHIEVE SOCIAL & ENVIRONMENTAL OUTCOMES IN THE KRIMPENERWAARD (NETHERLANDS)

The Krimpenerwaard is a typical rural area in the middle of the Netherlands, under pressure from urbanisation and agricultural intensification. The area is widely recognised for its landscape and is important for some biodiversity (e.g. birds such as the Black-Tailed Godwit). Parts of the area are designated within the National Ecological Network and as robust links (i.e. wildlife corridors) between nature areas. The main environmental problem in the area is that the groundwater levels are kept low to safeguard agricultural productivity. However, due to soil shrinkage, the groundwater level is already a few metres below sea-level and is still falling. In the longer term the costs of protecting these areas from flooding will be far too expensive. A higher groundwater level is needed to protect against flooding. However, this would decrease the competitiveness of local (mainly dairy) farmers who are already facing reduced incomes as a result of the recent CAP reform.

The objective is to support extensive dairy farming in these areas whilst simultaneously promoting higher groundwater levels in the interests of biodiversity.

The suggested solution involves a combination of instruments: financial support, advisory schemes and targeted spatial planning. EAFRD can support these. Less-Favoured Area payments (axis II, art 37) could support farmers producing in areas with higher water levels. Agri-environment schemes (axis II, art 39) could fund the implementation of various land management operations such as those favouring breeding meadow birds or the planting of willows which could be managed as pollards (a characteristic landscape feature). A local milk brand could be developed, emphasising local landscape values (axis I, art 32). Advisory services (axis I, arts. 21 & 24) could provide advice to individual farmers on the incentive schemes available, alternative water management practices, etc. Spatial planning could help with issues such as land re-parcelling and provision of cattle housing at appropriate locations, facilitating grazing for longer periods of the year whilst protecting nearby nature areas from drying out and eutrophication. The whole process could be supported by developing landscape plans for the area (axis III, art 57).

Source: *ELCo National report for Netherlands* (2005) SNM

[17] See Dwyer, J. (2002) Chapter 9

[18] Beaufoy, G.; Jennings, S.; Hernandez, E.; Peiteado, C. & Fuentelsaz, F. (2005) see, for example, page 10

[19] Dwyer, J. (2002) see, for example, page 54

[20] Refer to footnote 9 for definition of HNV

to the same problem (e.g. investments into new poultry production units, without appropriate conditions).

Chapter 3 of this Manual provides further examples identified through WWF, LUPG and SNM research of how EAFRD measures from all axes could be used to address key environmental priorities

Proposed Programming Guidelines

The following questions will help to ensure a full assessment of the potential and co-ordinated use of EAFRD measures:

1. Selecting & Designing Measures

a) Which of the measures from the current RDP and the EAFRD are best suited to deliver on the identified environmental objectives and targets?

b) How do the proposed measures draw on **past experience** and best practice to ensure environmental outcomes will be reached?

c) Can existing measures be modified to deliver environmental outcomes? If so, have changes been designed in consultation?

d) Have new measures been proposed (i.e. not offered in 2000-2006 RDP)? If yes, have these been designed in **consultation**? *(refer also to stakeholder section)*

e) Do the measures have SMART objectives and outcome-related **targets**? Which criteria have been included to ensure those targets can be met (e.g. performance indicators, length of agreement)? *(refer also to sections on objectives & targets and on monitoring)*

2. Environmental Standards

a) Not all measures will be subject to cross-compliance. For those that are not, how will it be ensured they do not lead to negative **environmental impacts**?

b) Have any standards beyond cross-compliance been set? If yes, how do they relate to the requirements of key EU environmental legislation *(e.g. the Water Framework Directive)*?

c) Has there been a Strategic Environmental Assessment or an **evaluation**, based on past experience, of the environmental **effectiveness** and **efficiency** of the proposed measures?

3. Programming Criteria

a) How will the programme contribute to sustainable rural development – i.e. how will axis II measures be assessed for their social and economic outcomes and axes I & III for their environmental outcomes?

b) Does the programme demonstrate that the various **measures** can be **combined** to achieve overall:

- Coherence,
- Additionality,
- Synergy,
- Economies of scale,
- Avoidance of duplication?

c) Does the programme include an appropriate package of measures to address the identified environmental priorities and objectives, as well as explaining how they will be used? *(refer also to sections on environmental priorities and on objectives & targets)*

d) Why are EU rural funds critical to the delivery of the proposed environmental measures, and how do they combine with other EU (e.g. regional funds) and national funds? *(refer also to section on budgets)*

2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.3 Involving Stakeholders in Development & Implementation

2.4 Using Measures to their Full Environmental Potential

2.5 Budgeting for & Funding Rural Development

2.5 Budgeting for & Funding Rural Development

What is this Section About?

At the time of writing, negotiations on the EU's Financial Perspectives for 2007-2013 have yet to be concluded, and both the total amount available for rural development, and the national allocations, remain to be agreed. Nonetheless, it is considered unlikely that the agreed budget will be significantly greater than the current proportion of the total CAP budget, which is too small to effectively deliver on the full range of objectives associated with the policy. In such a context, targeting funds to the specific priorities selected, and ensuring additionality (i.e. not paying for an activity that would have happened anyway) are key criteria.

Aware of the ambitious scope of the EU's rural development policy, and of the potentially limited funding available, the proposed Community Strategic Guidelines for Rural Development strongly recommend that funding choices avoid potential contradictions between measures and: *"ensure complementarity and coherence between actions to be financed by the ERDF, Cohesion Fund, ESF, EFF and EAFRD on a given territory and in a given field of activity"*[21]

Why is Rural Funding Important for the Environment?

As mentioned in the introduction (section 4), there are many reasons why rural funding is important for the environment. Most important amongst these is the inextricable link between farming, forestry and land management and their impact on natural resources such as water and soil, biodiversity and rural landscapes.

Any allocation of EU funds should start by addressing EU priorities, as mandated in the proposed *Community Strategic Guidelines for Rural Development: "Each of the Community priorities […] will need to be translated into the Member State context in the national strategy plan and rural development programmes"*[22]. In an environmental context, this means including a range of appropriate measures and funding in each national / regional RDP to support biodiversity (Natura 2000 or High Nature Value systems), water management and to combat climate change.

Alongside the EU priorities, each Member State and competent authority will also have identified a range of national or regional priorities during the ex-ante evaluation and national strategy processes. Funding decisions should reflect the priorities identified through thorough analysis and consultation, rather than focussing on issues delivering only limited additionality as in the Spanish example below:

Guaranteeing the effective delivery of sustainable environmental, social and economic outcomes is essential to provide long-term justification for continuing public expenditure on rural development. Setting effective objectives and targets (see section 2.2) is the key to monitoring delivery and justifying expenditure. Ensuring a sufficient level of expenditure to achieve effective impact is also important.

Budgets will be particularly difficult to defend if programmes include measures that (inadvertently or not) lead to environmental damage. This is particularly true where a specific environmental problem has been identified, but measures included in the RDP are likely to exacerbate the situation. In Poland, for example, lack of water resources has been identified as a priority environmental problem, but the management of agricultural resources measure supports investment into further damaging drainage and improvement schemes[23]. An environmental assessment of all proposed measures is necessary to ensure that no rural development support creates environmental damage.

Once allocated, EU rural development funds must be able to demonstrate value for money, in the form of sufficient evidence of environmental outcomes. The ELCo project has found evidence of 'dead weight' in a number of schemes (especially investment measures, processing grants and marketing grants and schemes for setting up young farmers) with activities being funded that probably would have happened in any case[24].

EXAMPLE 5: MISMATCH BETWEEN PRIORITIES AND EXPENDITURE: FARMLAND AFFORESTATION IN EXTREMADURA (SPAIN)

Large areas of Spain are affected by priority environmental issues (soil erosion, biodiversity values on farmland) that could be addressed through effective agri-environment programmes. Until now, such measures have taken second place to a major scheme for farmland afforestation, whose aims and benefits are widely questioned

In Extremadura the objectives of the farmland afforestation scheme are extremely vague, copied almost directly from the wording of the old EU Regulation 2080/92, without significant adaptation to Spanish or regional considerations.

The measure has a major territorial impact, difficult to justify in a region which already has 30 per cent forest cover. The land afforested is of very low productivity, mostly permanent grazing, so the aim of reducing agricultural production is not effectively pursued.

Although strongly supported by large landowners and afforestation companies that emerged in the 1990s to take advantage of the scheme, the measure is criticised by environmental groups. The view of WWF Spain is that better management of existing forests should have priority over new planting. Support for new planting should be targeted at very specific situations and needs, such as restoring riverine woodlands. A smaller budget with more effective planning and implementation could deliver far greater environmental benefits.

Yet the scheme continues, absorbing over a third of the accompanying measures' budget, overshadowing agri-environmental and less-favoured area expenditures. In a region with some of Europe's most outstanding and extensive biodiversity directly related to High Nature Value farming, schemes for supporting these forms of land management are almost non-existent.

Source: *ELCo National report for Spain* (2005) WWF

[21] European Commission COM(2005) 304 final page 14

[22] ibid. page 13

[23] Dobrzynska, N. ; Kolomyjska, I et al. (2005) page 34-35

[24] Beaufoy, G.; Jennings, S.; Hernandez, E.; Peiteado, C. & Fuentelsaz, F. (2005) page 5 and Swales, V. et al (2005) page 11 of the executive summaries of both reports

Proposed Programming Guidelines

The following questions will help to ensure budgets reflect the environmental priorities selected:

1. How does the RDP relate the explicit assessment of environmental, social and economic **priorities** in the choice of measures (giving particular attention to achieving environmental commitments such as Natura 2000 and Water Framework Directive) to the allocation of funding?
2. What steps are being taken to ensure increased **complementarity** and links between the range of EU and national funding instruments, and between the different competent authorities and complementary state aids? Is good practice being shared between regions?
3. What steps are being taken to ensure **sufficient funds** will be available to deliver identified environmental objectives (for example a shift in emphasis from EU to national sources of funding)?
4. Do all EAFRD funded mechanisms have environmental objectives and/or are subject to environmental conditionality to help ensure that EU rural development expenditure is **environmentally sustainable**?
5. What kind of assessments have been undertaken to ensure that investments proposed in the RDPs will not amount to **dead weight** but effectively contribute to the delivery of European and national priorities?

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2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.3 Involving Stakeholders in Development & Implementation

2.4 Using Measures to their Full Environmental Potential

2.5 Budgeting for & Funding Rural Development

2.6 Delivery Mechanisms including Leader

2.6 Delivery Mechanisms including Leader

What is this Section About?

Delivery mechanisms include the range of practices (e.g. scoring or selection criteria), procedures (e.g. application form completion and selection procedures) and structures/approaches (e.g. information provision, advisory services, Leader) that help all eligible beneficiaries to become aware of, access and implement rural development measures to their full potential. The key issue is to ensure that potential beneficiaries are informed of the range of opportunities available as well as being helped to access and implement rural development measures to their best potential.

The EU Commission's proposed *Strategic Guidelines for Rural Development* speak extensively of the importance of investing in human capital, suggesting that the use of axes I, III and IV should respectively prioritise: *"knowledge transfer and innovation […] for investment in physical and human capital"*[25], in order to promote skills acquisition, including traditional rural skills for environmental services and recreation; and build local capacity. From 2007 the Leader approach will be fully integrated (or mainstreamed) into EAFRD. Articles 61 – 65 require Member States to allocate at least 5 per cent[26] of their rural development budget for implementing aspects of each RDP through the *Leader approach*. This involves identifying well-defined sub-regional rural areas and using local public-private partnerships (called Local Action Groups or LAGs) to develop and implement rural development strategies. Leader must be used to achieve the objectives of at least one of the other 3 axes, with particular focus on axis III. It can also be used to combine the objectives of all three axes.

Why are Delivery Mechanisms Important?

Effective delivery mechanisms are essential for the successful implementation of rural development programmes both in getting people to sign up to schemes, and in ensuring that they produce the desired results. The more dynamic farms and businesses normally have no difficulty in finding information and applying for grants. The challenge is to generate participation from others whose involvement is needed (but who may be less well informed or motivated) by tailoring the delivery mechanisms according to the needs of the audiences at different levels: national (e.g. farming unions, NGOs); regional (e.g. municipalities); and local (e.g. individual beneficiaries). Such action is important in promoting take-up from new beneficiaries, or beneficiaries in more marginal areas, as in the Lower Vit river region of Bulgaria[27].

Effective delivery mechanisms can also encourage activities that may not be obvious to potential beneficiaries. Even in countries like the United Kingdom with a fairly strong tradition of environmental integration, for example, awareness of the environmental potential of measures outside of agri-environment schemes remains low[28]. This finding is common across the majority, if not all, of the countries studied in the ELCo project, as is the lack of focus on the potential benefits arising from integrating measures drawn from across the Regulation.

A particular challenge will be the provision of guidance and support to enable High Nature Value farms in the most marginal areas to become viable for the long term, through adaptation to the new opportunities and threats (e.g. the effects of CAP reform), whilst still maintaining their important environmental values. Good extension services can represent an effective delivery mechanism in this area, as illustrated in the Hungarian case study below. However, as the ELCo UK study concludes, where such services still exist, they are rarely attuned to delivering both environmental and business support in an integrated way[29]:

- *There is a lack of focus on helping farm businesses become more sustainable – economically, environmentally and socially – and using different measures in integrated, complementary and enhancing ways to achieve this e.g. combining investment and agri-environment aids,*
- *There is some evidence of funding being given to businesses that results in displacement of other businesses and saturation of the market. In allocating funding, funders need to be more attuned to business activity at local and regional level and encourage broader diversification and market innovation,*
- *Different organisations involved in delivery need to work in a much more co-ordinated and complementary way to deliver environmental objectives,*
- *Mechanisms are lacking to encourage/ achieve collaborative action among farmers e.g. co-ops for food processing and marketing, landscape scale habitat restoration, landscape restoration, managing features running across several farms etc..*

Advisory services are increasingly uncommon across Europe, and where they still exist remain focussed on advising farmers about farming practices. Comprehensive advisory services should be accessible and available to all rural stakeholders: forest owners, other land managers, Local Action Groups, local

EXAMPLE 6: VOLUNTARY ADVISORS FOR HUNGARIAN AGRI-ENVIRONMENT SCHEMES

The extension services for the Hungarian agri-environmental schemes were originally organised on a voluntary basis. The idea was that volunteer advisors, if trained to a fairly high level, would provide a good basis to set up a reasonable pool of advisors. Experience suggested that where these experts were well paid from the outset, 'traditional' agricultural advisors who were less knowledgeable in environmental issues would dominate the market. Of course, a requirement to demonstrate good standards of competence (exams, accreditation, etc.) will help resolve this, but as a first step, the voluntary system seems to offer sufficient protection. It is proposed that the scheme will evolve into one operating on a contractual basis with full-time paid advisors.

Source: *ELCo National report for Hungary* (2005) WWF

[25] European Commission (2005) page 9

[26] New Member States can phase this in over the programming period, but must reserve at least 2.5 per cent of EAFRD funds for LEADER

[27] Kazakova, Y. (2005) see Lower Vit river case study

[28] Swales, V. et al (2005) page 4

[29] ibid.

NGOs and municipalities should also be able to benefit from them.

Finally, the choice of administrative processes to be used remains critical to effective delivery. Applying for rural development funds remains complex and confusing for many beneficiaries. Beneficiaries need clear and transparent processes and information (e.g. details of the scoring systems used to select successful applications and reasons for rejecting others). Availability of such information can significantly assist engagement and encourage new applicants. For example, in the Netherlands *collective contracts* are used to support the administrative work related to applying for agri-environment contracts[30] as well as advising farmers and farmer co-operatives involved in nature management to improve knowledge, share experience and get better results.

Making the Most of the Leader (axis IV) Approach for the Environment

The EAFRD Regulation requires 5 per cent of Member States' EAFRD budget to be allocated to the Leader axis (although transitional measures are available in the new Member States). Leader offers considerable potential as an area-based 'bottom-up', participative means of integrating environmental priorities into individual RDPs. In each Leader area, a Local Action Group involving all the relevant local stakeholders (e.g. environmental associations) will need to agree and implement a local development strategy to help achieve the priorities and objectives of each of the other three EAFRD axes. This makes it possible to link both ecological and landscape goals with economic development within a regional and local development framework.

The EU Commission's proposed *Strategic Guidelines for Rural Development* note that integrated approaches involving land managers and other rural actors working together can safeguard and enhance local natural and cultural heritage, raise environmental awareness, and help to promote speciality local products, tourism and renewable energy. Leader support should also focus on building local partnership capacity, promoting public-private partnerships, co-operation and innovation and on improving local governance to meet these priorities. LUPG and WWF research[31] has shown that area-based implementation approaches, working with local stakeholders and integrating measures, can be an effective way to address environmental and rural priorities. However, the effectiveness of the Leader approach depends on the organisations and individuals that make up the Local Action Groups, and on the guidelines and objectives that are set out for them at national and regional levels. More emphasis could be put on pursuing environmental goals through the involvement of farmers, as this is not a common element of Leader projects.

The Leader approach is likely to be particularly beneficial where land management and other actions need to be co-ordinated and integrated in a local area, for example to achieve:

- landscape-scale approaches to agri-environment and rural development,
- catchment scale action to achieve compliance with the Water Framework Directive,
- conservation management of species across whole landscapes.

Most evaluations of Leader have focussed on its 'soft' effects[32], such as partnerships and governance (e.g. an EC study[33] on how to 'mainstream' Leader processes effectively). However, there is considerable experience of using Leader to address environmental issues as well as socio-economic ones:

- **Leader II projects in the UK contributed to a wide range of environmental actions** including action related to biodiversity, conservation and management of landscape and cultural heritage, sustainable woodland management, public access and sustainable tourism[34];
- **Some Leader projects in Spain have made a significant contribution to Natura 2000** objectives at the local level, especially where environmental NGOs have been key players in the Local Action Groups[35];
- **Nature conservation has contributed positively to rural development in six 'model' regions in Germany.** Most projects were focused on environmentally friendly rural tourism and regional product marketing[36]. Large protected areas such as national parks, nature parks and nature reserves had particularly favourable conditions for achieving *win-win* outcomes between nature conservation and other economic sectors. The environmental importance of these regions makes them a high priority for targeting limited funds, whilst their permanent organisational structures and established regional partnerships provide a strong delivery framework;
- **In the New Forest National Park in England, Leader+ aims to make the best use of the area's natural and cultural resources and to contribute to the rural economy**. This includes a 'forest friendly' farming advisor, regeneration of traditional wood coppice, work to find affordable local housing for 'commoners' (people with traditional rights to use the Forest's common grazing land), development of local products and related markets, and a marketing scheme to improve the viability of New Forest ponies, a traditional breed that is an essential to maintaining the Natura 2000 site grazing regime.

More research is needed on the scope for using the Leader approach to deliver environmental priorities and outcomes and the best ways of doing so. Current indicators for monitoring Leader programmes focus on processes and socio-economic outcomes (European Commission 2002). More comprehensive evaluation is needed of the 'hard' environmental outcomes of using Leader (e.g. monitoring progress towards measurable environmental objectives and targets – *refer also to sections 2.2 & 2.7*), as well as monitoring the socio-economic effects (e.g. added value, jobs maintained or created). The results of such work should also be used to steer the continued development of Leader process at regional level.

It will also be important to demonstrate Leader's contribution and cost effectiveness as part of the overall rural development planning process, both at European and Member State levels.

[30] Berkhuysen, A. (2005) page 30

[31] WWF & LUPG (2003)

[32] Schubert, D. (2005)

[33] OIR Managementdienste GmbH (2004)

[34] LUPG (2005) varied references

[35] Beaufoy, G.; Jennings, S.; Hernandez, E.; Peiteado, C. & Fuentelsaz, F. (2005)

[36] Bocher, M. (2004)

Proposed Programming Guidelines

The following questions will help to ensure that appropriate delivery mechanisms are identified and effectively implemented:

1. Can potential beneficiaries readily **access** information on rural development measures and on obtaining support across all territories, and at an accessible cost?

2. Do advisory and information services take a **pro-active approach** to dissemination, or is information simply available to those who look for it?

3. Have the competent authorities checked with potential beneficiaries that the application selection and **administrative processes** are clear and transparent (e.g. are forms clear and simple, is information on scoring and selection systems publicly available, is feedback on applications available)?

4. How are different advisory bodies, responsible for social, economic, environmental and nature conservation issues planning to deliver an **integrated advisory service**? Is it possible to establish a 'one stop shop' arrangement, with all advice available from one point of access?

5. How will advisory services **target** delivery at specific **areas** with environmental priorities (e.g. River Basin Districts, High Nature Value areas, Natura 2000 sites) or land management systems (e.g. marginal farming systems that are needed to maintain landscape values)?

6. How are **advisors trained** and kept abreast of technical know-how and further sources of information so that they can support the development of farmers' knowledge and in the longer-term, more spatially-oriented planning?

The following questions will help to ensure that the Leader axis contributes to meeting environmental priorities:

7. How are environmental issues and priorities strategically **integrated** into the **selection** of Leader areas? For example:

   a) Does the national strategy identify environmental issues or environmentally important areas where a Leader approach is likely to be particularly suited?

   b) What strategic mechanisms will ensure that socio-economic and environmental *win-win* projects are developed?

8. How are environmental issues and priorities **integrated** into the **delivery** mechanisms for each Leader local development strategy? For example:

   a) Have environmental objectives & targets been set? (*refer also to section on Objectives and Targets*)

   b) What safeguards are in place to avoid any detrimental environmental or landscape effects?

   c) What priority has been given to increasing or building the environmental and landscape value of the Leader area?

   d) What proportion of the budget will be allocated to environmental as opposed to economic and social projects?

   e) How will the Leader outcomes be **monitored** locally and nationally? *(refer also to section on monitoring)*

9. What mechanisms will be used to **develop** the environmental understanding, skills and capacity of local action groups?

2.1 Setting Environmental Priorities

2.2 Identifying Environmental Objectives & Targets

2.3 Involving Stakeholders in Development & Implementation

2.4 Using Measures to their Full Environmental Potential

2.5 Budgeting for & Funding Rural Development

2.6 Delivery Mechanisms including Leader

2.7 Monitoring & Evaluation

2.7 Monitoring & Evaluation

What is this Section About?

This section gives guidelines on how to develop effective and appropriate monitoring and evaluation for Rural Development Programmes as required in Article 79 of the EAFRD regulation, stating that *"the Managing Authority and the Monitoring Committee shall monitor the quality of programme implementation"*. Following these guidelines will help ensure that the monitoring of the programme will be sufficient to measure the fulfilment of the environmental objectives set out in an individual RDP.

Why are Monitoring & Evaluation Important?

Even though it may seem difficult and expensive, effective monitoring is essential to:

- Measure and demonstrate progress towards environmental objectives,
- Evaluate the effectiveness of current measures and guide revisions of the current programme (e.g. agri-environment schemes),
- Monitor environmental changes and trends against baseline conditions.

Monitoring is necessary to demonstrate results from Rural Development Programmes, the only long-term way to justify spending public funds on them. This is particularly important for objectives which produce benefits which may not have an obvious market value, as is the case with many environmental objectives.

The European Commission describes the evaluation of RDPs as helping in: *"… designing the rural development programmes, in improving and adjusting them at the mid-term stage, in planning an appropriate follow-up and in informing the public or the budgetary authorities about the effects and the value of the public intervention*[37]*."* In the current programming period, the Commission's guidelines for monitoring take the approach of asking farmers and other stakeholders relatively open questions such as: *"what has been the effect of this measure on the environment?"* or *"How many actions for the environment have you undertaken?"*. Experience derived from ELCo is that it is more useful to monitor against pre-established objectives.

For example, if the objective set is: "for 90% of farmers in a given area to comply with existing water extraction limits" then monitoring should be established to assess progress against the specific compliance objective. This also highlights the need to distinguish between outputs (such as the number of particular activities undertaken) and outcomes (such as the recovery of an endangered species in response to sensitive farming practice). Outputs are generally easier to measure, but do not always reflect underlying environmental change.

Monitoring should not be used simply to justify the existence of a programme. It must be part of an honest and open process of evaluation executed throughout the whole lifetime of the programme with the intention of correcting any deviation from operational objectives and of improving programme performance. Monitoring and evaluation that just involve "ticking a box" represents a waste of time and resources.

Proposed Programming Guidelines

The following questions will help to design and implement more effective monitoring and evaluation practices:

1. There is an important **role for** long term, impartial and scientific **evaluation** in improving RDPs and justifying rural funding. Is this role clearly set out within the programme?
2. Does the **monitoring** clearly **build on the objectives and targets** identified for the proposed measures? Were these chosen and formulated in a way that will assist monitoring of the Programme? *(refer also to sections on objectives & targets)*
3. Is there an adequate **baseline** environmental assessment (or if sufficient data are not currently available, are steps being taken to ensure they are in future)? How will this be used to inform the evaluation of the programme?
4. How well is the wider national context for the monitoring described in the programme (e.g. links with other monitoring and data systems like water quality measurements)? Has **funding** been allocated?
5. What **innovative approaches** are set out for improving the effectiveness of monitoring (e.g. helping and rewarding farmers to provide data, or integration with farm planning and advice systems)?
6. How appropriate is the mix of **output** and **outcome** monitoring? Where outputs are to be monitored as proxies (e.g. reduced inputs as proxy outputs for a reduced pollution outcome), does the programme indicate whether these can reliably be interpreted in terms of outcomes?

EXAMPLE 7: USE OF MONITORING TO DEVELOP NEW AGRI-ENVIRONMENT SCHEMES IN ENGLAND

A two year evaluation of existing agri-environment schemes was carried out in England using a combination of data from scheme monitoring, externally commissioned reviews, other surveys and a major public consultation exercise, in order to develop a radically new approach for rewarding environmentally sensitive farming.

The design of the new scheme, Environmental Stewardship, built on the results of this and provides for a two-tier scheme, the Entry Level scheme, open to all farmers and offering a fixed payment per hectare in return for management measures chosen by the farmer from a standard menu of options. A targeted Higher Level scheme is also available for areas of high environmental importance.

Because this type of scheme was new to England, a live pilot was run to evaluate the design. Criteria indicative of success were agreed in advance covering uptake, farmer reactions, and likely environmental outcomes. Performance against these criteria was carefully monitored during the first 6 months of the pilot and it was concluded that the pilot had delivered to the required standard.

The design of the new scheme incorporates features intended to make it easier to measure environmental outcomes in future. The project demonstrated that it is important to shorten the cycle time between monitoring, evaluation and changes to schemes.

Based on: *Evaluating Agri-Environment Schemes in England* (2005) G. Radley – Defra (U.K.) – In Press

[37] European Commission DG Agriculture website: http://europa.eu.int/comm/agriculture/rur/eval/index_en.htm

7. Do the **indicators** ensure an effective means of monitoring the outcomes? Is the rationale for selection of indicators clear? Has the danger of manipulating the programme just to improve the measurable outputs been avoided?
8. Are the roles of the different **competent bodies** clear and distinct? What safeguards are in place to ensure the process of monitoring is open and transparent? *(refer to section on stakeholders)*

EXAMPLE 8: BIODIVERSITY MONITORING IN HUNGARY

The setting up of a system for direct biodiversity monitoring in agricultural areas is usually costly and can take years to work effectively. However, it is a necessary first step in order to obtain reliable data and follow trends over the long term. In the short term however, specific and more detailed proxy outcome indicators can be used, especially when the effect of an environmentally bad practice is clear and proven. Useful indicators of this kind might be the following:

the average size of farms participating in the schemes in a given area (to assess how much of a mosaic type landscape is developed)

area not irrigated during a species' nesting period in compliance with a measure (direct effect in case target species is present)

the type and number of livestock farming units established in an area (cattle farms can use nearby grasslands for mowing)

the number of measures used by farmers in High Nature Value areas (the viability of HNV farmers in marginal areas is often significantly enhanced if they receive a package of different grants)

Source: *WWF Hungary & BirdLife International Hungary*

Chapter 3: Identifying & Addressing Funding Needs for the Environment

This Chapter looks at five environmental themes: biodiversity, water, forests, landscapes and climate change. Farming, forestry and land management have an important role to play in contributing to the sustainable development, wise use and conservation of these natural resources.

The ELCo project has identified a striking similarity in environmental themes across the seven countries studied, despite their varied rural and environmental profiles. In particular, two issues appear to be common environmental priorities:

- Loss of biodiversity and landscape values,
- Problems of water quality and quantity.

These resonate with the environmental priorities proposed by the European Commission in the proposed *Community Strategic Guidelines for Rural Development*, which should be addressed in all Rural Development Programmes:

- Biodiversity, and the preservation of high nature value farming and forestry systems,
- Water,
- Climate change.

Climate change did not emerge as a strong environmental issue across the ELCo countries studied. This is not surprising, however, as the relationship between agriculture and climate change is a relatively new issue and it is not yet clear what contribution EAFRD could make to address it. However, it is important to consider the ways in which the next RDPs can be used to address the causes and impacts of climate change.

The following sections provide a reminder of the legal basis underpinning each of the environmental themes addressed and how EAFRD funding could be used for the delivery of the specific theme. The tables at the end of each section provide guidance on the types of approaches to environmental delivery that may be eligible through various EAFRD measures.

Many of the ideas proposed have emerged from the ELCo and Europe's Rural Futures (ERF) projects. However, some are drawn from the expertise existing within the sponsoring organisations and their networks. This Chapter aims to provide guidance and is not intended to be prescriptive.

Table 11 at the end of this chapter provides an overview of how EAFRD measures can be used across all five environmental themes.

3.1 Safeguarding Europe's Biodiversity

The European Legal Basis

In response to the continued loss of native species (of both plants and animals), European leaders in 1979 adopted the Birds Directive, followed in the early 1990s by the Habitats Directive, which in turn resulted in the creation of the Natura 2000 network of specially protected areas. These twin directives are central to the EU's aim of halting biodiversity loss by 2010. They are the cornerstone of EU conservation policy, one of the four priority issues identified in the EU's 6th Environmental Action Programme[38], and a key instrument for achieving long-term sustainable development, as endorsed by the European Council at the Göteborg Summit[39]. Conserving biodiversity and habitats on High Nature Value (HNV)[40] farmland is also key to achieving this target.

Pan-European data on the distribution and conservation status of HNV farmland are currently lacking. In the Kiev Resolution on Biodiversity[41], European Environment Ministers declared: *"By 2006, the identification, using agreed common criteria, of all high nature value areas in agricultural ecosystems in the pan-European region will be complete. By 2008, a substantial proportion of these areas will be under biodiversity-sensitive management by using appropriate mechanisms such as rural development instruments, agri-environmental programmes and organic agriculture, to inter alia support their economic and ecological viability"*[42].

Responding to this mandate, the European Environment Agency undertook a first mapping exercise to identify HNV farming areas. This mapping was undertaken initially in the EU-15 Member States, and the results were published in 2004[43].

The EAFRD regulation confirms the role of rural funding in supporting HNV farming and forestry, describing biodiversity and Natura 2000 site management as *key issues* to be addressed in rural development programmes. The proposed Community *Strategic Guidelines for Rural Development* go further in stating that the financing of Natura 2000 is a priority for rural development spending, and that: *"…axis II should contribute to* ***three EU level priority areas: biodiversity and preservation of high nature value farming and forestry systems …"***[44].

Why Support the Management of Biodiversity?

Most designated Natura 2000 sites are located in rural areas, and many are dependent on high nature value farming methods that maintain habitats such as hay meadows, low-intensity grazing of semi-natural vegetation, extensive cereal systems in Iberia, floodplain grasslands, etc.

High Nature Value farming systems are not always profitable for the farmer, because the price that the consumer pays does not include the environmental added value that the farmer provides by farming with lower intensity/inputs as compared to conventional farming. The EAFRD funds provide the opportunity to pay the farmer for these environmental "products".

The European Commission's Communication on Financing Natura 2000[45] estimated that 6.1 billion per year will be needed to implement the Natura 2000 network across the enlarged EU. Many stakeholders consider this to be a conservative estimate.

Funding Biodiversity Management

The management of biodiversity and Natura 2000 can be financed through the Structural Funds and the Financial Instrument for the Environment (LIFE+) as well as through the European Agricultural Fund for Rural Development (EAFRD). However, the EAFRD is the most appropriate of EU funds due to the focus on land managers as beneficiaries, and the potential to support specific land management practices.

Member States and competent authorities interested in financing the management of biodiversity, e.g. through Natura 2000 or HNV farming systems, can consider:

- management agreements (agri-environment and forest-environment) with farmers and foresters to ensure the maintenance (and adaptation where necessary) of HNV systems[46]
- compensating for costs incurred and income foregone resulting from restrictions in Natura 2000 areas[47],
- on-farm investments which enhance the public amenity value of a Natura 2000 area or other high nature value areas to be defined in the programme[48],
- the drawing-up of protection and management plans relating to Natura 2000 sites and other places of high natural value; environmental awareness actions and investments associated with maintenance; restoration and upgrading of the natural heritage and with the development of high nature value sites[49].

The maximum annual Natura 2000 payment is 200/ha UAA (Utilised Agricultural Area). However an initial payment of 500 can be granted for a period not exceeding five years to cover costs incurred and income foregone. These amounts may be increased in exceptional cases taking account of specific circumstances to be justified in the RDPs.

The socio-economic viability of HNV farming and forestry systems is a particular concern emerging from the ELCo project: measures that improve this viability (LFA payments, targeted investment aid, advice) may be just as important as specifically environmental measures.

[38] European Parliament & Council (2002)

[39] European Commission COM(2001) 264 final

[40] Refer to footnote 9 for definition of HNV

[41] www.countdown2010.net/documents/ biodiv_resolution_Kiev.pdf

[42] EEA (2004) pages 5-6

[43] EEA (2004)

[44] European Commission (2005) page 10, highlighted in bold in original text

[45] European Commission COM(2004) 431 final

[46] Articles 39 & 47

[47] Articles 38 & 46

[48] Article 41

[49] Article 57

Table 1. Funding biodiversity administration, management and monitoring

EAFRD Measures	Explanatory note	EAFRD Ref.
Vocational training & information actions Use of advisory services	**Training and capacity building**: of land managers and others involved in the farming, forestry and food sectors and their advisers on the role of agriculture in high nature value farming and Natura 2000 objectives, and the socio-economic benefits of doing so. Information to support their capacity to be involved in site management planning, understanding objectives and how to achieve them.	Art. 21 & 24
Setting-up of management, relief and advisory services	**Establishing Natura 2000 management bodies**: Investments could include start-up funding, feasibility studies, the development of Natura 2000 site management plans and /or their link to local development plans. New advisory services could be set-up, targeted on farmers in HNV areas to help adapt and diversify their economic basis whilst keeping land management for environmental values.	Art. 25
Adding value to agricultural and forestry products Co-operation for development of new products, processes and technologies in the forestry sector Participation of farmers in food quality schemes Information and promotion activities	**Improving the viability of sustainable farming practices related to areas delivering environmental benefits:** by supporting developments in processing and marketing of products derived from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).	Art. 28, 29, 32 & 33
Less Favoured Area (LFA) payments	**Maintaining management systems**: many high nature value areas depend on continued land management to protect biodiversity (e.g. grazing of grasslands). LFA payments can help sustain economic viability. To be cost-effective, payments should be targeted on farm types that are most disadvantaged and of most environmental value.	Art. 37 (payment system) & Art. 50 (2)-(4) (designation)
Natura 2000 payments (and payments linked to the Water Framework Directive) Natura 2000 payments (on forest land)	**Limiting intensive use of Natura 2000 sites**, and potential income foregone, can be compensated for farmers, foresters or other land managers. This compensation should apply to specific restrictions defined in the site management plans.	Art. 38 & 46
Agri-environment	**Targeted environmental management**: incentives to maintain (e.g. hedges, hay meadows, arable fallows) and develop (e.g. leaving portion of field unsown for ground nesting birds) practices beneficial for biodiversity. The functioning and viability of the whole farming system should be considered in the management agreement, not only specific elements. Requires clearly defined environmental objectives and land management plans. Depending on needs, payment could support either taking land out of production and allowing natural regeneration or prevention of abandonment, as necessary. For best benefit, could support the development of co-operative agri-environment.	Art. 39
Forest environment	**Targeted environmental conservation management**: Management agreements for supporting forestry practices and systems that generate specific environmental benefits.	Art. 47
Training and information Skills acquisition, animation and implementation	**Capacity building**: of economic actors involved in axis III actions and anyone involved in developing and implementing local development strategies, to improve their understanding of Natura 2000 and high nature value farming. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	Art. 58 & 59
The Leader approach National rural network	**Targeted environmental management**: Biodiversity and high natural value could be used as one of the criteria for selecting the 'well identified sub-regional Leader territories'. **Area-based Leader local development strategies** could be a very suitable basis for integrating biodiversity action across a local area. Action includes trans-national co-operation projects between territories in several Member States and with territories in third countries. **Public participation**: in the development and implementation of mechanisms and processes for natural area scale planning (e.g. of projects for farmer or land manager co-operatives) and management related to local development strategies. Funding should support clearly defined environmental objectives and targets. **Capacity building:** Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	Leader & Art. 68

Table 2. Funding biodiversity infrastructure

EAFRD Measures	Explanatory note	EAFRD Ref.
Non-productive investments on agricultural and forest land	**Enhancing the public amenity value of a Natura 2000 area**: for example through fencing, signposts, mapping.	Art. 41 & 49
Encouragement of tourism activities Conservation and up-grading of the rural heritage	**Environment as a basis for rural tourism and marketing asset**: information and capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, sign-posting, small capacity accommodation and recreational infrastructure, including access to natural areas, development and marketing of green tourism activities and services.	Art. 55 & 57

3.2 Reaching & Maintaining Freshwater in Good Ecological Condition

The European Legal Basis

Adopted by the European Parliament and Council in December 2000, the Water Framework Directive (WFD) is the cornerstone of EU water policy. It is significant to other policy areas (particularly agriculture) because it provides a framework and tool for the integrated management of land and waters in river basins. The integrated approach also contributes socio-economic benefits such as natural flood control, water purification and groundwater recharge.

The aim of the WFD is to prevent "further deterioration" (i.e. stabilise the current situation, prevent it worsening and achieve improvements where necessary) and achieve "good ecological and chemical status" in all EU waters by December 2015[50]. Achieving this goal should help to reduce the impacts (e.g. floods, droughts, overuse of water resources and pollution of water supplies) of bad water management on the EU's environment and citizens in a cost-effective manner.

The WFD relies on eleven separate water-related EU Directives, some of which have been in place for many years (e.g. 1976 Bathing Water Directive, 1992 Habitats Directive and 1991 Urban Wastewater Treatment Directive). All eleven Directives need to be implemented adequately for the WFD to be successful on the ground.

The WFD was required to be transposed into Member States' national legislation by the end of 2003. Its implementation consists of several planning cycles. The first extends for 15 years (from 2000 to 2015), while subsequent cycles take place every 6 years. During these cycles, River Basin Authorities – which are set up to manage the Water Framework Directive's individual River Basin Districts – will have to develop and implement a set of tasks, including:

- analysis and characterisation of the original condition of the River Basin Districts,
- implementation of the actual water management measures needed to achieve the WFD's environmental objectives, including any measures required to effectively implement the eleven water-related EU Directives upon which the WFD relies,
- establishment of appropriate and effective monitoring systems,
- communication of the policy content and needs of the Directive's implementation process,
- the establishment and operation of extensive public/stakeholder participatory processes.

Each cycle culminates with the production of a River Basin Management Plan, which must include all the measures needed to prevent deterioration and achieve "good status". The first River Basin Management Plans under the WFD should be finalised by 2009, with the first set of measures starting to apply in 2012.

The WFD's water management planning should be regarded as an iterative process, with ongoing "reviewing" phases, where Member States use the results of previous analyses to identify and prioritise the follow-up actions for the next stages of the planning process.

Why Support Water Management?

Agriculture and rural users play a very important role in the implementation of the WFD, affecting both the quality and quantity of water. The use of water to irrigate crops such as maize, fruit and vegetables, olives and vines is increasing, particularly in southern Member States. Land drainage can lower groundwater levels as well as destroying wetlands which provide important habitats for protected species and a tool for managing flood risk. The inappropriate application of pesticides and fertilisers (mainly nitrates and phosphates) and poor soil management can affect the good chemical and ecological status of both surface waters and groundwater. Agriculture and water management are inextricably linked, and successful implementation of the WFD depends on recognition of this.

Funding Water Management

The ELCo project reveals concerns about current approaches to water management in some countries, especially the continued expansion of irrigation using Rural Development funds, and an excessive emphasis on an engineering approach to river management (e.g. dams, canalisation of river banks). EAFRD has great potential to promote a more sustainable approach to water management. It can be used to support reduced water consumption through more efficient irrigation systems, the restoration of natural river margins and more integrated management of water resources through dialogue, training and planning.

[50] To learn more about the Water Framework Directive, please see Tips and Tricks for Water Framework Directive Implementation – A resource document for environmental NGOs on the EU guidance for the implementation of the Water Framework Directive, EEB and WWF, March 2004, available at www.panda.org/about_wwf/where_we_work/what_we_do/policy_and_events/epo/initiatives/freshwater/publications/index.cfm

The timing of the final stages of development and implementation of the first WFD River Basin Management Plans coincides with the programming of the RDPs for 2007-2013. This provides a timely opportunity for Member States to ensure they consider how EAFRD measures can help to achieve the WFD's objectives and effective implementation on the ground.

The following table lists a number of opportunities available under EAFRD which can help to support WFD implementation. The list is not exhaustive. Full delivery of good ecological and chemical status relies on national progress with the implementation of the entire suite of eleven water-related Directives. In addition, the degree to which certain measures need to be adopted will largely depend on the current condition of water bodies within each River Basin District.

Table 3. Funding water administration, management and monitoring

EAFRD Measures	Explanatory note	EAFRD Ref.
Vocational training & information actions Use of advisory services	**Capacity building**: for land managers and others involved in the farming, forestry and food sectors and their advisers on the role of agriculture in achieving Water Framework Directive objectives, and the socio-economic benefits of doing so. Information to support their capacity to be involved in river basin authorities.	Art. 21 & 24
Setting-up of management, relief and advisory services Conservation and upgrading of the rural heritage	**Establishing water management bodies**: compatible with the WFD. Investments could include start-up funding, feasibility studies, the development of river basin management plans and /or their link to local development plans. Water related action linked to conservation of the rural heritage in areas of high natural value can include environmental awareness action, studies and investments.	Art. 25 & 57
Less Favoured Area (LFA) payments	**Land management**: support to continue systems of agricultural land management in areas affected by water handicaps (e.g. floodplain area) and where land management should be continued in order to conserve or improve the environment (e.g. habitat type or biodiversity), preserve tourist potential or in order to protect the coastline. Instead of receiving LFA payments, arable land on river margins should be encouraged to change to grassland or woodland. Irrigated land should not be eligible for LFA support, as disadvantage has been overcome with irrigation.	Art. 37 (payment system) & Art. 50 (2)-(4) (designation)
Agri-environment Forest environment	**Targeted environmental management**: can comprise a wide range of measures: *Horizontal measures*: e.g. nutrient management plans, buffer strips along watercourses. *Targeted measures*: e.g. eco-ditch management for biodiversity and flood management, water retention, soil erosion control.	Art. 39 & 47
First afforestation of agricultural and non-agricultural land	**Flood, erosion & pollution management**: target afforestation on river margins to reduce effects of diffuse pollution or to manage water flows and floods, and control soil erosion, e.g. on steep slopes. Afforestation should be combined with other approaches, such as managing existing vegetation.	Art. 43 & 45
Training and information	**Capacity building**: of rural economic actors involved in axis III actions and of people involved in developing and implementing local development strategies, to improve their understanding of the WFD and sustainable water management. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	Art. 58
Skills acquisition, animation and implementation	**River basin management planning & implementation**: this support could be directed towards providing information (studies, inventories, mapping, information material and publications for participatory processes managed by RBAs) about the river basin district, the basin's management plans and its links to the local development strategy. **Awareness raising campaigns**: can also be funded, as can promotional events. Targeted communications on the role of agriculture in achieving Water Framework Directive objectives, and the socio-economic benefits of doing so.	Art. 59
The Leader approach	**Targeted action based on Leader local development strategies** could be a very suitable basis for integrating action across a catchment or river basin in Leader areas. Action includes trans-national co-operation projects between territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of river basin management plans related to local development strategies. **Capacity building**: Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	Leader & Art. 68

Table 4. Funding infrastructure for water savings and water dynamics

EAFRD Measures	Explanatory note	EAFRD Ref.
Modernisation of agricultural holdings Adding value to agricultural and forestry products	**Water saving solutions for agriculture**: to consolidate and improve on-farm water management, e.g. through combating leakages in watering systems or up-grading irrigation infrastructure. **Investments into new water saving technologies**: can help improve the overall performance of the enterprise as well as meet potential water saving requirements. Can include new irrigation equipment or water recycling and re-using equipment.	Art. 26 & 28
Modernisation of agricultural holdings Infrastructure related to the development and adaptation of agriculture and forestry Meeting standards based on Community legislation Non-productive investments on agricultural and forest land	**Investments to meet WFD standards**: grant aid can be given to help farmers invest in measures to help them comply with new Community standards such as implementation of the WFD. These can include infrastructure investments (e.g. slurry storage, animal housing, pesticide handling facilities) or non-productive investments (e.g. physical works e.g. reconnecting floodplain areas to rivers to act as flood storage reservoirs and recreate wetland systems).	Art. 26, 30, 31, 41 & 49
Payments linked to the Water Framework Directive (and Natura 2000) Natura 2000 payments in forest areas	**Wetland management or restoration**: manage and/or restore floodplain functions associated with a water body, for example by impeding drainage, raising water levels, pursuing agricultural land-management in floodplain grasslands or woodlands.	Art. 38 & 46
Encouragement of tourism activities	**Environment as a basis for rural tourism and as a marketing asset**: capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, sign-posting, small capacity accommodation and recreational infrastructure, including access to areas of high natural value, development and marketing of green tourism activities.	Art. 55

3.3 Sustainable Forest Management

The European Legal Basis

Forestry is affected by an array of EU legislation and policy. The EU Forestry Strategy (1998) is the main one. It defines the scope of EU actions on forestry, agreed objectives and key areas for action. The strategy's main objectives for forestry include:

- protecting the natural environment and forest heritage by ensuring the role of forests and forestry in a range of resource protection actions, especially in relation to soils, water quality and water resource management, air quality, carbon sequestration, climate change mitigation and the protection of biodiversity,
- protecting forests against biotic and abiotic factors,
- improving ecological, economic and socially sustainable forest management within the framework of the internal market, and in line with the Union's international obligations.

Sustainable forestry management is also included within the EU's Strategy for Sustainable Development. The EU Forest Strategy has links to the Ministerial Conference on the Protection of Forests in Europe (MCPFE). The MCPFE resolutions provide a framework for sustainable forest management which underpin the *national plans* required from each Member State by the EU Forestry Strategy. The current Forestry Strategy (1999 – 2004) has been reviewed and the Commission has proposed an Action Plan for Sustainable Forestry, due in 2006.

Forests make up a large proportion of the Natura 2000 network, so the way in which forests are managed is also of fundamental importance to achieving the aims of EU biodiversity policy.

The EAFRD Regulation strengthens the case for forestry playing a full role within wider land management, stating that: "*Forestry is an integral part of rural development and support for sustainable land use should encompass the sustainable management of forests and their multifunctional role. […]. Forestry measures should be adopted in light of undertakings given by the Community and Member States at international level, and be based on Member States' national or sub-national forest programmes or equivalent instruments, which should take into account the commitments made in the Ministerial Conference on the Protection of Forests in Europe. Forestry measures should contribute to the implementation of the Community Forestry Strategy. This support should avoid distorting competition and should be market-neutral.*[51]".

The EU Environmental Impact Assessment Directive also applies to forestry, requiring assessments for significant planting and felling, and on strategic forestry plans and programmes.

Why Support Sustainable Forest Management?

Forests and other wooded land cover approximately 160 million hectares or 35 per cent of the EU25 territory. Approximately 60 per cent of this is privately owned and 40 per cent publicly owned. Unlike the global picture (where forest cover is declining), in Europe the area

[51] European Commission (2005) EAFRD proposal as referenced, preamble 32

under forest is increasing and the volume of timber is rising. Many European forests are natural or semi-natural, supporting valuable ecosystems and rare species, but they also provide a wide variety of timber as well as other marketable goods and public benefits, including:

- timber: construction and manufacturing, wood pulp and biomass, including fuelwood,
- non-timber products: cork, game, fruit, berries and fungi, medicinal plants, and grazing for livestock,
- environmental products: woodland habitats and species conservation, soil and water protection, flood amelioration etc.,
- public use: access (walking, climbing, cycling, horse riding etc), hunting, food and fuel gathering.

Forest management and creation also have the potential to produce negative impacts, if not managed well. The dangers of poor planning and management include the loss of valued open habitats and their associated species; loss of biodiversity (e.g. due to inappropriate selection of tree species which do not support indigenous fauna or use of establishment techniques and design which do not provide a diverse forest structure); loss of water quality and quantity; soil erosion and increased risk of fire. The expected impacts of climate change, combined with forest expansion onto land no longer in active agricultural management, is expected to increase the risk of damaging fires, particularly in southern Europe.

Forests can support a degree of productive management alongside the maintenance of diverse ecosystems. Sustainable forest management techniques, many of which have evolved over centuries, are being promoted to deliver multifunctional forests – maintaining conservation values while still permitting owners to derive income from forest products.

Compared to current rural development measures, the new EAFRD forestry measures set out a much broader framework for sustainable and multifunctional forest management. This provides significant opportunities for Member States to deliver against the objectives of sustainable forest management. Achieving such an outcome requires a new emphasis on measures that support forest management for conservation purposes, especially in and around Natura 2000 sites. Environmental safeguards also need to be applied, at the programme level, to ensure that all forestry funding is fully compatible with protection of the environment.

Funding Sustainable Forestry Management

In addition to EAFRD funding, forestry projects are eligible for support from Structural Funds and LIFE+. However, EAFRD provides the majority of accessible funding for private forest owners to undertake forest management and expansion. The funding structure as presented in the EU Regulations is fairly complex, involving payments for management and establishment set at a maximum of 70 per cent of eligible costs (80 per cent in LFAs). A range of operations is eligible for funding, including management planning. There are payments to compensate for loss of income for afforestation of agricultural land and to offset income lost due to management restrictions in Natura 2000 sites.

Many authorities combine the currently available measures into more integrated forest programmes at national or regional level. In some cases, this approach could usefully be taken further, especially where programmes currently offer a series of grants for separate forestry actions (the ERF project found that the tendency for grant-aid to be taken up by investments in forest roads was an environmental concern in Spain and Austria). Rather, forest owners should present integrated management plans, combining nature conservation with other management aims in return for a tailored rural development support package (see Extremadura example[52]).

The main forestry measures are set out in the table below.

Table 5. Funding sustainable forestry management

EAFRD Measures	Explanatory note	EAFRD Ref.
Vocational training and information actions	**Training and capacity building:** Support for training and dissemination of information to land managers, foresters and others involved in managing forests. Includes dissemination of scientific knowledge and innovative management practices.	Art. 21
Use of advisory services	**Capacity building:** To help forest holders to meet the cost of advisory services for improving the management of their forests, including conservation management.	Art. 24
Setting up of management, relief and advisory services	**Capacity building:** In some countries, advisory services for forest owners are even weaker than those for farmers. Establishing effective advisory services is essential for achieving a move to more sustainable forest management.	Art. 25
Improvement of the economic value of forests	**Sustainable forest management:** Can be used to support sustainable forest management operations where these will not result in environmental damage and will generate environmental benefits. Forest Stewardship Council measures and certification should be eligible for funding.	Art. 27
Adding value to forestry products Co-operation for development of new products, processes and technologies in the forestry sector	**Improving the viability of sustainable forest management:** by supporting developments in processing and marketing of forestry products produced from sustainable forest management and related co-operation where this will provide clear benefits and there is market failure. Forest Stewardship Council measures and certification should be eligible for funding.	Art 28 & 29
Infrastructure related to the development and adaptation of agriculture and forestry	**Sustainable forest management:** For the development and adaptation of forest holdings where these will not result in environmental damage and will generate environmental benefits.	Art. 30

[52] Beaufoy, G.; Jennings, S.; Hernandez, E.; Peiteado, C. & Fuentelsaz, F. (2005) see Extremadura case study.

Natura 2000 payments and payments linked to Water Framework Directive (on agricultural land)	**Targeting environmental management:** Payments to compensate restrictions and support forests most beneficial for site values.	Art. 38
Afforestation of agricultural and non-agricultural land First establishment of agro-forestry systems on agricultural land	**Sustainable forest management:** For woodland expansion, which can be of native species. Applies to both agricultural and non-agricultural land. On agricultural land payment for loss of income is available, as well as establishment costs. Afforestation should not be an end in itself. It should be targeted on specific sites with clear environmental needs, e.g. restoring particular habitat types that are eroded/fragmented. Special care should be taken to prevent afforestation from contributing to the depopulation and decline of marginal farmland areas of high nature and landscape value, or with a high fire risk. For the establishment of agro-forestry systems (trees associated with agricultural management).	Art. 43, 44 & 45
Natura 2000 on forest land	**Targeting environmental management:** Compensates for costs resulting from restrictions on management of forests due to designation under the Birds or Habitats Directives (Natura 2000 sites).	Art. 46
Forest-environment	**Conservation management**: payments to forest owners for undertaking management that produces environmental benefits, including the maintenance of existing forest habitats.	Art. 47
Restoring forestry potential and introducing preventive actions	**Sustainable forest management:** For the restoration of productive potential in forests damaged by natural disasters and fire, and for undertaking preventative actions where these will not result in environmental damage and will generate environmental benefits. FSC measures should be eligible for funding.	Art. 48
Non-productive investments on forest land	**Conservation management:** Can support investments necessary for the conservation management of forests.	Art. 49
Encouragement of tourism activities	**Environment as a basis for rural tourism and as a marketing asset**: capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, sign-posting, small capacity accommodation and recreational infrastructure, access to areas of high natural value, development and marketing of green tourism activities.	Art. 55
Training and information	**Capacity building**: of staff involved in developing and implementing local development strategies, to improve their understanding of high conservation value forestry and sustainable forest management. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	Art. 58
Conservation and up-grading of the rural heritage Skills acquisition, animation and implementation	Support for the development and implementation of **forestry protection and management plans** covering Natura 2000 and other areas of high natural value.	Art. 57 & 59
Leader	**Targeted action based on Leader local development strategies** could be a very suitable basis for co-ordinating forest related action at the landscape or natural area scale in Leader areas. Action also includes trans-national co-operation projects between Leader territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of local development strategies. **Capacity building**: Funding for axis III related actions can support training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	Leader & Art. 68

3.4 Protecting the Landscape Heritage

The European Legal Basis

Europe's unique diversity of rural landscapes and cultural heritage results from thousands of years of human uses of both the land and the coast for cultivation, grazing and forestry. Such landscapes are a product of the European 'multifunctional model' of farming – farmers not only produce food but also contribute towards maintaining the landscape. However, in many areas landscapes have been damaged and even lost in recent decades due to development for homes and businesses and as a result of changing land management practices which have become more intensive in some areas and more extensive in others. Policies have been developed to protect, enhance and manage Europe's landscape and cultural rural heritage. However, these tend to focus on internationally and nationally important landscape areas, such as cultural landscapes designated under the UNESCO World Heritage Convention[53], and national parks, nature parks and landscape protection areas through the World Conservation Union's (IUCN) protected landscapes network, and Member States' own legislation.

In relation to EU landscapes as a whole, the EU 6th Environmental Action Programme[54], adopted in 2001, introduced 'integration of landscape protection and restoration into agricultural and regional policy' as one of two new objectives. Recently the Council of Europe has developed the European Landscape Convention[55]. By August 2005 this had already been fully ratified or signed by 19 EU Member States. However, despite the role and importance of Europe's landscapes, there is as yet no specific EU Directive covering landscape diversity and heritage.

The Common Agricultural Policy seeks to promote sustainable agriculture[56] and has long recognised that one role of multi-functional EU agriculture involves the *'regeneration of local …… landscapes*[57]*'.* The EAFRD encourages land managers such as farmers and forest holders to adopt land use practices that are compatible with the need to preserve the landscape (e.g. through agri-environmental payments). It also supports conservation and upgrading of the rural heritage, the development of management plans for 'other places of high nature value' and studies and investment linked to maintaining, restoring and upgrading the cultural heritage such as in villages and rural landscapes. Under the Habitats Directive, Member States should try to encourage the management of landscape features of major importance for wildlife (e.g. linear or continuous features like rivers and hedges and 'stepping stones' such as ponds) to improve the coherence of the Natura 2000 network.

Why Support the Management of the Landscape Heritage?

Europe's diverse landscape heritage has a vital role in helping to support biodiversity, enhancing the character and quality of life of rural areas (including peri-urban areas) and underpinning rural recreation, tourism and public access whilst supporting rural economies. Cultural landscapes are an integral part of rural identity but are very vulnerable to changes in land use intensity and management practices – both intensification and extensification. Vulnerable landscapes include upland meadows and extensively grazed calcareous grasslands in many parts of the EU, terraced landscapes in central (e.g. vines) and southern Europe (e.g. olives, almonds, figs), and alpine pastures. Small-scale, mosaic landscapes survive in many parts of southern Europe. Similarly, in some parts of Poland the characteristic checkerboard pattern of small blocks of farmland and meadows among forests, with associated boundary strips and groups of trees still remains due the traditional land ownership patterns and low intensity farming - but is now threatened by intensification[58].

Intensification tends to result in: greater inputs (which reduce natural vegetation), more irrigation with associated water table changes, a reduction in management practices such as haymaking, transhumance and use of water meadows, and increases in field size and landscape scale. Extensification leads to lack of management of land and landscape features, reductions in open landscapes and pastures, increases in scrub and, potentially, land abandonment and regeneration of woodland. Whilst an increase in native woodland area can benefit landscape heritage, biodiversity and public amenity in some parts of Member States where woodland is currently limited, it can increase fire risk and reduce landscape diversity and biodiversity in areas with a higher proportion of forest cover. All these effects change the character of the landscape and can adversely affect the local economy and the quality of life for residents and visitors alike.

Funding Landscape Heritage Management & Enhancement

Landscape heritage projects in some areas could seek support from the Structural Funds. However the focus of the EAFRD on rural development and on supporting land managers and others in managing the rural environment and cultural heritage makes it more relevant to addressing landscape heritage issues.

[53] Convention on the Protection of the World Natural and Cultural Heritage, adopted by Unesco in 1972

[54] European Parliament & Council (2002)

[55] http://www.coe.int/T/E/Cultural_Co-operation/Environment/Landscape/

[56] European Council ***Regulation establishing common rules for direct support schemes under the CAP […]*** N° 1782/2003

[57] European Commission (1998)

[58] Dobrzynska, N. ; Kolomyjska, I et al. (2005) page 20

Table 6. Funding landscape administration, management and monitoring

EAFRD Measures	Explanatory note	EAFRD Ref.
Vocational training and information actions Use of advisory services Training and information Skills acquisition, animation and implementation	**Training and capacity building**: of land managers and others in the farming, forestry and food sectors and their advisers, rural economic actors involved with axis III actions and people involved in developing and implementing local development strategies. Could aim to improve their understanding of the landscape heritage, reduce landscape impacts of actions, integrate landscape issues into rural land management and rural development and encourage landscape enhancement actions.	Art. 21, 24, 58 & 59
Adding value to agricultural and forestry products Co-operation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector Participation of farmers in food quality schemes Information and promotion activities	**Improving the viability of sustainable farming practices related to areas delivering landscape benefits:** by supporting developments in processing and marketing of products produced from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).	Art 28, 29, 32 & 33
Setting-up of management, relief and advisory services Conservation and upgrading of the rural heritage	**Drawing up of protection and management plans**: for landscape aspects related to Natura 2000 sites and other places of high natural value. Support for rural heritage studies could help assess priorities and management needs associated with maintenance, restoration and upgrading of the landscape and cultural heritage, such as cultural features of villages and the rural landscape.	Art. 25 & 57
Less Favoured Areas (LFA)	**Landscape farming**: payments to areas affected by specific handicaps, and where land management should be continued in order to conserve or improve the environment, preserve tourist potential or in order to protect the coastline. Intensified farming systems should not be eligible for LFA support unless clearly maintaining environmental values.	Art. 37 (payment system) & Art. 50 (2)-(4) (designation)
Natura 2000 payments and payments linked to Water Framework Directive (on agricultural land)	**Limiting intensive use**: of Natura 2000 and sensitive riparian sites, and potential income foregone, can be compensated for farmers, foresters or other land managers.	Art. 38
Agri-environment	**Landscape diversity**: Can support action to *' introduce or continue to apply production methods compatible with the protection and improvement of ….the landscape and its features'* (e.g. maintaining stone walls, diverse patchwork quilt farm landscape patterns and special historic landscapes.). **Targeted landscape action:** focus on threatened features and landscape areas, maintaining areas of high natural value. For best benefit, could support the development of co-operative agri-environment agreements.	Art. 39
First afforestation of agricultural land First afforestation of non-agricultural land Forest environment Restoring forestry potential and introducing prevention actions	**Forest landscapes**: forest planting, regeneration and management that are sensitive to the local landscape heritage (e.g. in its scale and use of species) can contribute positively to the landscape. Measures funded must be compatible with landscape strategy or plan for the region or with the local development strategy.	Art 43, 45, 47 & 48
Conservation and upgrading of the rural heritage	**Landscape heritage**: investments in the development of protection and management plans related to places of high natural value. Environmental awareness actions (e.g. promoting the existence and natural values of a site); studies and investments in the maintenance, up-grading or restoration of natural (e.g. hedges) and cultural features of the rural landscape (e.g. roofing systems, farm buildings) or of villages (e.g. traditional signs, structures and footpaths).	Art. 57
Skills acquisition, animation and implementation	**Implementation through public-private partnerships**: local development strategies implemented by public-private partnerships can encompass one or more of the axis III measures.	Art. 59

The Leader approach Funding co-operation	**Targeted and co-ordinated landscape management**: landscape heritage and identity could be used as one of the criteria for selecting the 'well identified sub-regional Leader territories'. They need to be sufficiently large to have a critical mass of human, financial and economic resources to support a viable development strategy and organising Local Action Groups. **Area-based Leader local development strategies** could be a very suitable basis for co-ordinating landscape related actions across a local area. Action includes trans-national co-operation projects between territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of mechanisms and processes for landscape scale planning (e.g. of projects for farmer or land manager co-operatives) and management related to local development strategies. Funding should support clearly defined environmental objectives and targets. **Capacity building:** Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	Leader & Art. 65

Table 7. Funding landscape infrastructure

EAFRD Measures	Explanatory note	EAFRD Ref.
Support for (micro) business creation and development Conservation and up-grading of the rural heritage	**Rural diversification in support of the landscape heritage:** Farm diversification into non-agricultural activities and development of small businesses that will help to maintain landscape heritage e.g. providing heritage and landscape management services, craft and construction skills (e.g. thatching, traditional building practices, traditional stone walling). **Landscape heritage conservation and enhancement**: investment associated with maintenance, restoration and upgrading of high natural value sites and the cultural heritage of villages and rural landscapes. There is potential to integrate restoration of the rural cultural heritage with development of small-scale tourist infrastructure, diversification into non-farm businesses, creation or development of other rural businesses.	Art. 54 & 57
Encouragement of tourism activities	**Landscape heritage as a basis for sustainable tourism and as a marketing asset**: capacity building to improve the understanding of local landscape heritage, biodiversity and environmental awareness, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, sign-posting, small capacity accommodation and recreational infrastructure, public access to areas of high natural value, development and marketing of green tourism activities. Developments need to be in keeping with the landscape heritage and linked to management practices which will maintain it.	Art. 55

3.5 Contributing to Combating Climate Change

The European Legal Basis

The implementation of the Kyoto Protocol combating climate change, and longer-term efforts to secure supplies of renewable energy sources and to reduce the emission of greenhouse gases are key environmental objectives of the European Union as detailed in the 6th Environmental Action Programme[59] and the *European Climate Change Programme (ECCP)*[60]. In their wake, the EU has adopted a range of targets for the growth in the contribution of renewable energy sources to the production of:

- Energy - Renewable Energy White Paper: from 6 to 12% renewable energy sources (RES) by 2010, of which 75% growth is expected from biomass sources
- Electricity - Directive on Green Electricity: from 14 to 21% green power by 2010
- Bio-Fuels for Transport - Bio-Fuels Directive: 5,75% share in transport fuel by 2010

To reach these targets, the EU has launched a *Biomass Action Plan*, which states that: *"This additional biomass production can only be achieved in the short-term with strong and targeted measures and […] a better co-ordination of EU policies".*

The agricultural and forestry sectors may have a key contribution to make if these targets are to be met. Therefore, the CAP reform of 2003 included provision for an energy crop aid[61]. The proposed *Community Strategic Guidelines for Rural Development*[62] further strengthen the link between rural land use and climate change mitigation measures by noting that: *"In working out their national strategies, Member States […] reflect on how to take into account other EU level strategies such as […] the latest Commission Communication on Renewable Energy, the Commission's recent Communication on Climate Change …"*[63]

Why Support Measures to Combat Climate Change?

There are potential energy benefits to be gained from using biomass over fossil fuels, but to be environmentally sustainable, its production must ensure the conservation of biodiversity and landscape heritage, and the sustainable use of natural resources such as water and soil. As with all agricultural and forestry plantations, the application of good practice and compliance with environmental legislation must be the baseline standard for the production of biomass. *"Without careful planning, implementation, monitoring and regulation, there is no guarantee that bioelectricity schemes will be beneficial for the environment by default"*[64].

As well as supporting biomass, the EAFRD could also be used to help the environment to adapt to climate change (e.g. by enabling connections between habitats and refashioning forests to help flora and fauna to adapt, and managing flooding) as well as tackling the problem itself (e.g. reducing energy emissions by promoting the use of locally produced foods and biofuels etc). We are at a very early stage of understanding this complex issue.

The European Commission and the Member States will need to work in partnership to assess how the range of EAFRD measures can be used cost-effectively to make a genuine difference as part of the wider climate change strategy.

Understanding the Difference: Defining Bio-*mass* & Bio-*fuels*

There is no single definition for the words *biomass* and *biofuels*. Indeed, biomass is often used as the generic term covering all agricultural, forestry and waste products of either animal or plant origin. WWF defines these two words on the basis of how they are processed for energy.

Biofuels are defined as those products that can be processed into liquid fuels (e.g. bioethanol, biodiesel) for either transport or burning processes, for the production of either energy or heat. Traditionally, the main source for such products is the agricultural sector, and in particular oilseeds (e.g. rape-seed) or vegetable (e.g. beet) crops. Certain forestry products can also be used for biofuels (e.g. biomethanol from lignocellulose).

Biomass is defined as deriving from those products which can be processed into mass for burning (e.g. wood, straw, animal dung) or into biogas. Biomass can be used to make fire, or for combined heat and power generation. There is a wide variety of sources for biomass from both the agricultural and forestry sectors.

Funding Kyoto & Renewable Energy Sources

Member States and competent authorities considering the use of EAFRD measures and associated funds as a contribution towards implementation of the Kyoto Protocol can consider a variety of approaches:

- Supporting the production of crops for renewable energy production,
- Supporting the marketing and processing of biomass into electricity, combined heat & power, biogas or fuel,
- Supporting the improved energy efficiency of farming and agri-food businesses, reducing greenhouse gas emissions.

The market "pull" for the generation of electricity through increased use of energy crops will need to come from the energy sector and consumer demands. However, agricultural and forestry investments will be needed to provide the conditions for the delivery of biomass sources in an efficient and environmentally sound way. The European Commission anticipates positive impacts on employment from the development of a renewable energy supply. It believes that doubling the share of electricity produced from renewable energy sources to 22.1 per cent by 2010 could create an estimated 500 000 new jobs[65].

The following table highlights some of the types of investments Member States and competent authorities, interested in contributing to funding Kyoto and renewable energy production could consider including in their national or regional RDPs. This list is neither exhaustive nor definitive, but highlights a number of options for consideration.

[59] European Parliament & Council (2002)

[60] European Commission COM(2000) 88

[61] Council Regulation (EC) N° 1782/2003 Title IV Chapter 5

[62] European Commission COM(2005) 304 final

[63] European Commission COM(2005) 304 final

[64] European Commission (1997)

[65] European Commission (1997)

Table 8. Funding crop production for renewables

EAFRD Measures	Explanatory note	EAFRD Ref.
Vocational training and information actions Skills acquisition, animation and implementation	**Training and capacity building** for the farming and forestry sectors including their advisers and other rural economic actors. This could include training courses, seminars, know-how transfer, publications etc. to strengthen the capacity of public administrations and other stakeholders to identify, plan and implement the sustainable production and processing of renewables as part of the local development strategy.	Art. 21 & 59
Training and information	**Capacity building**: of economic actors involved in axis III actions and anyone involved in developing and implementing local development strategies, to improve their understanding of Natura 2000, high nature value farming, the WFD and sustainable water and sustainable forestry management. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	Art. 58
Modernisation of agricultural holdings Support for business creation and development Leader	**Supporting the production of agricultural energy crops**: the list of agricultural crops eligible for support as energy crops is detailed in the CAP common rules regulation (EC 1782/2003). The EAFRD provides for measures across axes I, III and IV to support the production of renewables through, e.g.: ■ Axis I: modernisation of agricultural holdings schemes, aimed at improving their economic and overall performance ■ Axis III: support for business creation and development, aimed at micro-enterprises, to help promote a broader economic basis for rural areas ■ Axis IV (Leader): for example co-ordinating action on an energy strategy within the local development strategy, and related information / marketing activities Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements.	Art. 26, 54 and axis IV
Improvement of the economic value of forests	**Supporting the production of forestry energy crops:** based on forestry management plans, this measure aims to help forests improve and broaden their economic value. This payment is available to forest owners and their associations, or municipalities and / or their associations. Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements e.g. in scale, pattern and choice of species and management practices.	Art. 27

Table 9. Funding the processing & marketing of renewable energy

EAFRD Measures	Explanatory note	EAFRD Ref.
Improvement of the economic value of forests	**Processing forestry products for energy supply**: based on forestry management plans, this measure aims to help forests improve and broaden their economic value. This payment is available to forest owners and their associations, or municipalities and / or their associations.	Art. 27
Adding value to agricultural and forestry products Co-operation for development of new products, processes and technologies in the agricultural, food and forestry sectors	**Investing into the creation of energy from renewables:** both agricultural and forestry products can benefit from EAFRD support to be processed into renewable energy through the *adding value* scheme. This payment is available to producers, but also micro-enterprises. Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements e.g. in scale, pattern and choice of species and management practices. Small-scale renewables can help farms to reduce their fossil fuels energy consumption by promoting the development and use of local renewables and bioenergy processing structures (e.g. biomethanisation, small-scale biomass CHP-combined heat & power…). The adding value scheme can also be used to support farms in meeting new (i.e. <36 months) Community standards.	Art. 28 & 29

Table 10. Funding investments in energy efficiency & emissions reduction

EAFRD Measures	Explanatory note	EAFRD
Modernisation of agricultural holdings Infrastructure related to the development and adaptation of agriculture and forestry	**Infrastructure for on-farm use of renewable energy sources**: farm infrastructure investments, aimed at helping holdings to develop and adapt, including in their energy use. Small-scale renewables can help farms to reduce their fossil fuels energy consumption by investing into new energy generators (e.g. solar thermal, solar PV, heat pumps, wind…).	Art. 26 & 30
Infrastructure related to the development and adaptation of agriculture and forestry Basic services for the economy and rural population	**Investments in improving energy efficiency**: aimed at micro agri-food business enterprises and municipalities, this could include, e.g. investments in insulation, energy efficient windows and doors, as well as heating systems. (Partially covers the implementation of the Directive on the Energy Performance of Buildings).	Art. 30 & 56
Less Favoured Areas Agri-environment	**Reducing greenhouse gases and ammonia emissions**: agriculture is not the primary sector emitter of greenhouse gases. Nonetheless, it does contribute substantially to ammonia and methane emissions[66]. A reduction of these can be achieved through purposefully designed land management (feed and grazing) measures, which can be supported through agri-environment or less-favoured area schemes.	Art. 37 & 39

[66] European Commission (2001)

Table 11. Overview of EAFRD measures & their potential use for the Environment

The following table provides an overview of the measures presented in the previous environmental chapters, in tables 1 to 10. It illustrates, at a glance, how each EAFRD measure can be used across all five environmental themes.

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Axis I - Improving the Competitiveness of the Agricultural & Forestry Sector (starts at art. 19)					
Art. 21 **Vocational training & information actions** for people involved in the farming, food and forestry sectors, including diffusion of scientific knowledge and innovative practices. (See also Articles 52, 58 and 59 for training, information and skills acquisition for other rural sectors)	**Training and capacity building**: of land managers and others involved in the farming, forestry and food sectors and their advisers on the role of agriculture in contributing to HNV farming, Natura 2000 and Water Framework Directive objectives, and the socio-economic benefits of doing so. Information to support their capacity to be involved site or river basin management planning, understanding objectives and how to achieve them.		**Training and capacity building**: of land managers and others in the farming, forestry and food sectors and their advisers, rural economic actors involved with axis III actions and people involved in developing and implementing local development strategies. Could aim to improve their understanding of the landscape heritage, reduce landscape impacts of actions, integrate landscape issues into rural land management and rural development and encourage landscape enhancement actions.	**Training and capacity building**: Support for training and dissemination of information to land managers, foresters and others involved in managing forests. Includes dissemination of scientific knowledge and innovative management practices.	**Training and capacity building** for the farming and forestry sectors including their advisers and other rural economic actors. This could include training courses, seminars, know-how transfer, publications etc. to strengthen the capacity of public administrations and other stakeholders to identify, plan and implement the sustainable production and processing of renewables as part of the local development strategy.
Art. 24 **Use of advisory services to improve the overall performance of farm and forest holdings**	**Training and capacity building**: of land managers and others involved in the farming, forestry and food sectors and their advisers on the role of agriculture and forestry in high nature value farming, Natura 2000, Water Framework Directive and sustainable forestry management and conservation objectives, and the socio-economic benefits of doing so. Information to support their capacity to be involved site management planning, understanding objectives and how to achieve them. To help farmers and forest holders to meet costs arising from using advisory services to improve the overall performance of their holding. Advisory services to farmers should cover at least the statutory management requirements and good agricultural and environmental conditions provided for in Articles 4 and 5 and in Annexes III and IV of Regulation EC No 1782/2003. The focus on these aspects will help to achieve the baseline management necessary for rural development programmes to provide additional environmental benefits.				
Art. 25 **Setting-up of management, relief and advisory services** (to cover the initial costs of setting up farm management, farm relief and farm advisory services and forestry advisory services) (see Articles 52, 58 and 59)	**Establishing Natura 2000 management bodies**: Investments could include start-up funding, feasibility studies, the development of Natura 2000 site management plans and /or their link to local development plans. New advisory services could be set-up, targeted on farmers in HNV areas to help adapt and diversify their economic basis whilst keeping land management for environmental values.	**Establishing water management bodies**: compatible with the WFD. Investments could include start-up funding, feasibility studies, the development of river basin management plans and /or their link to local development plans. Water related action linked to conservation of the rural heritage in areas of high natural value can include environmental awareness action, studies and investments.	**Drawing up of protection and management plans**: for landscape aspects related to Natura 2000 sites and other places of high natural value. Support for rural heritage studies could help assess priorities and management needs associated with maintenance, restoration and upgrading of the landscape and cultural heritage, such as cultural features of villages and the rural landscape.	**Capacity building**: In some countries, advisory services for forest owners are even weaker than those for farmers. Establishing effective advisory services is essential for achieving a move to more sustainable forest management.	

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Art. 26 **Modernisation of agricultural holdings**		**Water saving solutions for agriculture**: to consolidate and improve on-farm water management, e.g. through combating leakages in watering systems or up-grading irrigation infrastructure. **Investments into new water saving technologies**: can help improve the overall performance of the enterprise as well as meet potential water saving requirements. Can include new irrigation equipment or water recycling and re-using equipment. **Investments to meet WFD standards**: grant aid can be given to help farmers invest in measures to help them comply with new Community standards such as implementation of the WFD. These can include infrastructure investments (e.g. slurry storage, animal housing, pesticide handling facilities) or non-productive investments (e.g. physical works e.g. reconnecting floodplain areas to rivers to act as flood storage reservoirs and recreate wetland systems).			**Supporting the production of agricultural energy crops**: for example as a contribution to improving their economic and overall performance. **Infrastructure for on-farm use of renewable energy sources**: farm infrastructure investments, aimed at helping holdings to develop and adapt, including in their energy use. Small-scale renewables can help farms to reduce their fossil fuels energy consumption by investing into new energy generators (e.g. solar thermal, solar PV, heat pumps, wind…). Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements.
Art. 27 **Improvement of the economic value of forests**				**Sustainable forest management**: Can be used to support sustainable forest management operations where these will not result in environmental damage and will generate environmental benefits. Forest Stewardship Council measures and certification should be eligible for funding.	**Supporting the production of forestry energy crops**: based on forestry management plans, this measure aims to help forests improve and broaden their economic value. This payment is available to forest owners and their associations, or municipalities and / or their associations. Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements e.g. in scale, pattern and choice of species and management practices.

					Processing forestry products for energy supply: based on forestry management plans, this measure aims to help forests improve and broaden their economic value. This payment is available to forest owners and their associations, or municipalities and / or their associations.
Art. 28 **Adding value to agricultural and forestry products**	**Improving the viability of sustainable farming practices related to areas delivering environmental benefits**: by supporting developments in processing and marketing of products derived from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).	**Water saving solutions for agriculture**: to consolidate and improve on-farm water management, e.g. through combating leakages in watering systems or up-grading irrigation infrastructure. **Investments into new water saving technologies**: can help improve the overall performance of the enterprise as well as meet potential water saving requirements. Can include new irrigation equipment or water recycling and re-using equipment.	**Improving the viability of sustainable farming practices related to areas delivering landscape benefits**: by supporting developments in processing and marketing of products produced from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).	**Improving the viability of sustainable forest management**: by supporting developments in processing and marketing of forestry products produced from sustainable forest management and related co-operation where this will provide clear benefits and there is market failure. Forest Stewardship Council measures and certification should be eligible for funding.	**Investing into the creation of energy from renewables**: both agricultural and forestry products can benefit from EAFRD support to be processed into renewable energy through the adding value scheme. This payment is available to producers, but also micro-enterprises. Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements e.g. in scale, pattern and choice of species and management practices. Small-scale renewables can help farms to reduce their fossil fuels energy consumption by promoting the development and use of local renewables and bioenergy processing structures (e.g. biomethanisation, small-scale biomass CHP-combined heat & power…). The adding value scheme can also be used to support farms in meeting new (i.e. <36 months) Community standards.
Art. 29 **Co-operation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector**					

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Art. 30 **Infrastructure related to the development and adaptation of agriculture and forestry**		**Investments to meet WFD standards**: grant aid can be given to help farmers invest in measures to help them comply with new Community standards, such as implementation of the WFD. These can include infrastructure investments (e.g. slurry storage, animal housing, pesticide handling facilities) or non-productive investments (e.g. physical works e.g. reconnecting floodplain areas to rivers to act as flood storage reservoirs and recreate wetland systems).		**Sustainable forest management**: For the development and adaptation of forest holdings where these will not result in environmental damage and will generate environmental benefits.	**Investments in improving energy efficiency**: aimed at micro agri-food business enterprises and municipalities, this could include, e.g. investments in insulation, energy efficient windows and doors, as well as heating systems. (Partially covers the implementation of the Directive on the Energy Performance of Buildings). **Infrastructure for on-farm use of renewable energy sources**: farm infrastructure investments, aimed at helping holdings to develop and adapt, including in their energy use. Small-scale renewables can help farms to reduce their fossil fuels energy consumption by investing into new energy generators (e.g. solar thermal, solar PV, heat pumps, wind…).
Art. 31 **Meeting standards based on Community legislation**					

Art. 32 **Participation of farmers in food quality schemes**	**Improving the viability of sustainable farming practices related to areas delivering environmental benefits**: by supporting developments in processing and marketing of products derived from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).		**Improving the viability of sustainable farming practices related to areas delivering landscape benefits**: by supporting developments in processing and marketing of products produced from sustainable land management. Development of recognised food quality schemes based on environmental criteria, where these help to develop or sustain delivery of environmental benefits and there is market failure (e.g. products of conservation grazing).		
Art. 33 **Information and promotion activities**					
Axis II - Improving the Environment & the Countryside (starts at art. 36)					
Art. 37 (payment system) & Art. 50 (2)-(4) (designation) **Less Favoured Areas**	**Maintaining management systems**: many high nature value areas depend on continued land management to protect biodiversity (e.g. grazing of grasslands). LFA payments can help sustain economic viability. To be cost-effective, payments should be targeted on farm types that are most disadvantaged and of most environmental value.	**Land management**: support to continue systems of agricultural land management in areas affected by water handicaps (e.g. floodplain area) and where land management should be continued in order to conserve or improve the environment (e.g. habitat type or biodiversity), preserve tourist potential or in order to protect the coastline. Instead of receiving LFA payments, arable land on river margins should be encouraged to change to grassland or woodland. Irrigated land should not be eligible for LFA support, as disadvantage has been overcome with irrigation.	**Landscape farming**: payments to areas affected by specific handicaps, and where land management should be continued in order to conserve or improve the environment, preserve tourist potential or in order to protect the coastline. Intensified farming systems should not be eligible for LFA support unless clearly maintaining environmental values.		**Reducing greenhouse gases and ammonia emissions**: agriculture is not the primary sector emitter of greenhouse gases. Nonetheless, it does contribute substantially to ammonia and methane emissions. A reduction of these can be achieved through purposefully designed land management (feed and grazing) measures, which can be supported through agri-environment or less-favoured area schemes.
Art. 38 **Natura 2000 payments and payments linked to Water Framework Directive (on agricultural land)**	**Limiting intensive use of Natura 2000 sites**, and potential income foregone, can be compensated for farmers, foresters or other land managers. This compensation should apply to specific restrictions defined in the site management plans.	**Wetland management or restoration**: manage and/or restore floodplain functions associated with a water body, for example by impeding drainage, raising water levels, pursuing agricultural land-management in floodplain grasslands or woodlands.	**Limiting intensive use: of Natura 2000 and sensitive riparian sites**, and potential income foregone, can be compensated for farmers, foresters or other land managers.	**Targeting environmental management**: Payments to compensate restrictions and support forests most beneficial for site values.	

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Art. 39 **Agri-environment payments**	**Targeted environmental management**: incentives to maintain (e.g. hedges, hay meadows, arable fallows) and develop (e.g. leaving portion of field unsown for ground nesting birds) practices beneficial for biodiversity. The functioning and viability of the whole farming system should be considered in the management agreement, not only specific elements. Requires clearly defined environmental objectives and land management plans. Depending on needs, payment could support either taking land out of production and allowing natural regeneration or prevention of abandonment, as necessary. For best benefit, could support the development of co-operative agri-environment.	**Targeted environmental management**: can comprise a wide range of measures: Horizontal measures: e.g. nutrient management plans, buffer strips along watercourses. Targeted measures: e.g. eco-ditch management for biodiversity and flood management, water retention, soil erosion control.	**Landscape diversity**: Can support action to 'introduce or continue to apply production methods compatible with the protection and improvement of ….the landscape and its features' (e.g. maintaining stone walls, diverse patchwork quilt farm landscape patterns and special historic landscapes.). **Targeted landscape action**: focus on threatened features and landscape areas, maintaining areas of high natural value. For best benefit, could support the development of co-operative agri-environment agreements.		**Reducing greenhouse gases and ammonia emissions**: agriculture is not the primary sector emitter of greenhouse gases. Nonetheless, it does contribute substantially to ammonia and methane emissions. A reduction of these can be achieved through purposefully designed land management (feed and grazing) measures, which can be supported through agri-environment or less-favoured area schemes.
Art. 41 **Non-productive investments on agricultural land**	**Enhancing the public amenity value of a Natura 2000 area**: for example through fencing, signposts, mapping.	**Investments to meet WFD standards**: grant aid can be given to help farmers invest in measures to help them comply with new Community standards such as implementation of the WFD. These can include infrastructure investments (e.g. slurry storage, animal housing, pesticide handling facilities) or non-productive investments (e.g. physical works e.g. reconnecting floodplain areas to rivers to act as flood storage reservoirs and recreate wetland systems).			

Art. 43 **First afforestation of agricultural land**		**Flood, erosion & pollution management**: target afforestation on river margins to reduce effects of diffuse pollution or to manage water flows and floods, and control soil erosion, e.g. on steep slopes. Afforestation should be combined with other approaches, such as managing existing vegetation.	**Forest landscapes**: forest planting, regeneration and management that are sensitive to the local landscape heritage (e.g. in its scale and use of species) can contribute positively to the landscape. Measures funded must be compatible with landscape strategy or plan for the region or with the local development strategy.	**Sustainable forest management**: For woodland expansion which can be of native species. Applies to both agricultural and non-agricultural land. On agricultural land payment for loss of income is available, as well as establishment costs. Afforestation should not be an end in itself. It should be targeted on specific sites with clear environmental needs, e.g. restoring particular habitat types that are eroded/fragmented. Special care should be taken to prevent afforestation from contributing to the depopulation and decline of marginal farmland areas of high nature and landscape value, or with a high fire risk. For the establishment of agroforestry systems (trees associated with agricultural management).	
Art. 44 **First establishment of agroforestry systems on agricultural land**					
Art. 45 **First afforestation of non-agricultural land**		**Flood, erosion & pollution management**: target afforestation on river margins to reduce effects of diffuse pollution or to manage water flows and floods, and control soil erosion, e.g. on steep slopes. Afforestation should be combined with other approaches, such as managing existing vegetation.	**Forest landscapes**: forest planting, regeneration and management that are sensitive to the local landscape heritage (e.g. in its scale and use of species) can contribute positively to the landscape. Measures funded must be compatible with landscape strategy or plan for the region or with the local development strategy.		
Art. 46 **Natura 2000 payments (on forest land)**	**Limiting intensive use of Natura 2000 sites**, and potential income foregone, can be compensated for farmers, foresters or other land managers. This compensation should apply to specific restrictions defined in the site management plans.	**Wetland management or restoration**: manage and/or restore floodplain functions associated with a water body, for example by impeding drainage, raising water levels, pursuing agricultural land-management in floodplain grasslands or woodlands.		**Targeting environmental management**: Compensates for costs resulting from restrictions on management of forests due to designation under the Birds or Habitats Directives (Natura 2000 sites).	

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Art. 47 **Forest-environment payments**	**Targeted environmental conservation management**: Management agreements for supporting forestry practices and systems that generate specific environmental benefits.	**Targeted environmental management**: can comprise a wide range of measures: Horizontal measures: e.g. nutrient management plans, buffer strips along watercourses. Targeted measures: e.g. eco-ditch management for biodiversity and flood management, water retention, soil erosion control.	**Forest landscapes**: forest planting, regeneration and management that are sensitive to the local landscape heritage (e.g. in its scale and use of species) can contribute positively to the landscape. Measures funded must be compatible with landscape strategy or plan for the region or with the local development strategy.	**Conservation management**: payments to forest owners for undertaking management that produces environmental benefits, including the maintenance of existing forest habitats.	
Art. 48 **Restoring forestry potential and introducing prevention actions**			**Forest landscapes**: forest planting, regeneration and management that are sensitive to the local landscape heritage (e.g. in its scale and use of species) can contribute positively to the landscape. Measures funded must be compatible with landscape strategy or plan for the region or with the local development strategy.	**Sustainable forest management**: For the restoration of productive potential in forests damaged by natural disasters and fire, and for undertaking preventative actions where these will not result in environmental damage and will generate environmental benefits. FSC measures should be eligible for funding.	
Art. 49 **Non productive investments on forest land**	**Enhancing the public amenity value of a Natura 2000 area**: for example through fencing, signposts, mapping.	**Investments to meet WFD standards**: grant aid can be given to help farmers invest in measures to help them comply with new Community standards such as implementation of the WFD. These can include infrastructure investments (e.g. slurry storage, animal housing, pesticide handling facilities) or non-productive investments (e.g. physical works e.g. reconnecting floodplain areas to rivers to act as flood storage reservoirs and recreate wetland systems).		**Conservation management**: Can support investments necessary for the conservation management of forests.	

Axis III - The Quality of Life in Rural Areas and Diversification of the Rural Economy (starts at art. 52)					
Art. 54 **Support for business creation and development**			**Rural diversification in support of the landscape heritage:** Farm diversification into non-agricultural activities and development of small businesses that will help to maintain landscape heritage e.g. providing heritage and landscape management services, craft and construction skills (e.g. thatching, traditional building practices, traditional stone walling). **Landscape heritage conservation and enhancement**: investment associated with maintenance, restoration and upgrading of high natural value sites and the cultural heritage of villages and rural landscapes. There is potential to integrate restoration of the rural cultural heritage with development of small-scale tourist infrastructure, diversification into non-farm businesses, creation or development of other rural businesses.		**Supporting the production of agricultural energy crops**: this measure can be used to support business creation and development, aimed at micro-enterprises, to help promote a broader economic basis for rural areas through the production of renewables. Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements.
Art. 55 **Encouragement of tourism activities**	**Environment as a basis for rural tourism and marketing asset**: information and capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, sign-posting, small capacity accommodation and recreational infrastructure, including access to natural areas, development and marketing of green tourism activities and services.				
Art. 56 **Basic services for the economy and rural population**					**Investments in improving energy efficiency**: aimed at micro agri-food business enterprises and municipalities, this could include, e.g. investments in insulation, energy efficient windows and doors, as well as heating systems. (Partially covers the implementation of the Directive on the Energy Performance of Buildings).

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Art. 57 **Conservation and up-grading of the rural heritage – Natura 2000**	**Environment as a basis for rural tourism and marketing asset**: information and capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development. For small-scale infrastructure, e.g. information centres, signposting, small capacity accommodation and recreational infrastructure, including access to natural areas, development and marketing of green tourism activities and services.	**Establishing water management bodies**: compatible with the WFD. Investments could include start-up funding, feasibility studies, the development of river basin management plans and /or their link to local development plans. Water related action linked to conservation of the rural heritage in areas of high natural value can include environmental awareness action, studies and investments.	**Landscape heritage**: investments in the development of protection and management plans related to places of high natural value. Environmental awareness actions (e.g. promoting the existence and natural values of a site); studies and investments in the maintenance, up-grading or restoration of natural (e.g. hedges) and cultural features of the rural landscape (e.g. roofing systems, farm buildings) or of villages (e.g. traditional signs, structures and footpaths). **Drawing up of protection and management plans**: for landscape aspects related to Natura 2000 sites and other places of high natural value. Support for rural heritage studies could help assess priorities and management needs associated with maintenance, restoration and upgrading of the landscape and cultural heritage, such as cultural features of villages and the rural landscape. **Rural diversification in support of the landscape heritage:** Farm diversification into non-agricultural activities and development of small businesses that will help to maintain landscape heritage e.g. providing heritage and landscape management services, craft and construction skills (e.g. thatching, traditional building practices, traditional stone walling).	Support for the development and implementation of **forestry protection and management plans** covering Natura 2000 and other areas of high natural value.	

Art. 58 **Training and information**	**Capacity building**: of economic actors involved in axis III actions and anyone involved in developing and implementing local development strategies, to improve their understanding of Natura 2000, high nature value farming, the WFD and sustainable water and sustainable forestry management. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.				
Art. 59 **Skills acquisition, animation and implementation**	**Capacity building**: of economic actors involved in axis III actions and anyone involved in developing and implementing local development strategies, to improve their understanding of Natura 2000 and high nature value farming. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	**River basin management planning & implementation**: this support could be directed towards providing information (studies, inventories, mapping, information material and publications for participatory processes managed by RBAs) about the river basin district, the basin's management plans and its links to the local development strategy. **Awareness raising campaigns**: can also be funded, as can promotional events. Targeted communications on the role of agriculture in achieving Water Framework Directive objectives, and the socio-economic benefits of doing so.	**Implementation through public-private partnerships**: local development strategies implemented by public-private partnerships can encompass one or more of the axis III measures. **Capacity building**: of economic actors involved in axis III actions and anyone involved in developing and implementing local development strategies, to improve their understanding of Natura 2000 and high nature value farming. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.	Support for the development and implementation of **forestry protection and management plans** covering Natura 2000 and other areas of high natural value.	**Capacity building** for the farming and forestry sectors including their advisers and other rural economic actors. This could include training courses, seminars, know-how transfer, publications etc. to strengthen the capacity of public administrations and other stakeholders to identify, plan and implement the sustainable production and processing of renewables as part of the local development strategy.

	Biodiversity – Natura 2000 & High Nature Value (HNV) land-uses	Water pollution & consumption	Landscape heritage	Sustainable forestry management & conservation	Combating climate change
Axis IV - LEADER (starts at art. 61)					
Arts. 61 - 65	**Targeted environmental management**: Biodiversity and high natural value could be used as one of the criteria for selecting the 'well identified sub-regional Leader territories'. **Area-based Leader local development strategies** could be a very suitable basis for integrating biodiversity action across a local area. Action includes trans-national co-operation projects between territories in several Member States and with territories in third countries. **Public participation**: in the development and implementation of mechanisms and processes for natural area scale planning (e.g. of projects for farmer or land manager co-operatives) and management related to local development strategies. Funding should support clearly defined environmental objectives and targets. **Capacity building:** Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	**Targeted action based on Leader local development strategies** could be a very suitable basis for integrating action across a catchment or river basin in Leader areas. Action includes trans-national co-operation projects between territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of river basin management plans related to local development strategies. **Capacity building**: Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	**Targeted and co-ordinated landscape management**: landscape heritage and identity could be used as one of the criteria for selecting the 'well identified sub-regional Leader territories'. They need to be sufficiently large to have a critical mass of human, financial and economic resources to support a viable development strategy and organising Local Action Groups. **Area-based Leader local development strategies** could be a very suitable basis for co-ordinating landscape related actions across a local area. Action includes trans-national co-operation projects between territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of mechanisms and processes for landscape scale planning (e.g. of projects for farmer or land manager co-operatives) and management related to local development strategies. Funding should support clearly defined environmental objectives and targets. **Capacity building:** Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	**Targeted action based on Leader local development strategies** could be a very suitable basis for co-ordinating forest related action at the landscape or natural area scale in Leader areas. Action also includes trans-national co-operation projects between Leader territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of local development strategies. **Capacity building**: Funding for axis III related actions can support training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	**Supporting the production of agricultural energy crops**: for example for co-ordinating action on an energy strategy within the local development strategy, and related information / marketing activities Developments need to avoid environmental damage and be sensitive to landscape and biodiversity requirements.

Art. 68 **National rural network**	**Targeted environmental management**: Biodiversity and high natural value could be used as one of the criteria for selecting the 'well identified sub-regional Leader territories'. **Area-based Leader local development strategies** could be a very suitable basis for integrating biodiversity action across a local area. Action includes trans-national co-operation projects between territories in several Member States and with territories in third countries. **Public participation**: in the development and implementation of mechanisms and processes for natural area scale planning (e.g. of projects for farmer or land manager co-operatives) and management related to local development strategies. Funding should support clearly defined environmental objectives and targets. **Capacity building:** Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	**Targeted action based on Leader local development strategies** could be a very suitable basis for integrating action across a catchment or river basin in Leader areas. Action includes trans-national co-operation projects between territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of river basin management plans related to local development strategies. **Capacity building**: Funding for axis III related actions can support e.g. training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.		**Targeted action based on Leader local development strategies** could be a very suitable basis for co-ordinating forest related action at the landscape or natural area scale in Leader areas. Action also includes trans-national co-operation projects between Leader territories in several Member states and with territories in third countries. **Public participation**: in the development and implementation of local development strategies. **Capacity building**: Funding for axis III related actions can support training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.	

Annex 1.
Programming Guidelines Checklist

The following checklist compiles all of the proposed programming guidelines from the seven stages described in Chapter 2. This checklist is a tool to assess both the effectiveness of each stage and to develop an overall assessment of the environmental effectiveness of the Rural Development Programme as a whole.

The scoring system proposed is simple. Each stage is linked to a section in Chapter 2. Individual questions from each stage can be answered in one of three ways:

Positive	**Neutral**	**Negative**
(+)	**(0)**	**(-)**

An overall assessment of the effectiveness of each stage in relation to the environment can then be determined on a five-point scale:

Damaging	**Poor**	**Neutral**	**Good**	**Excellent**
(- -)	**(-)**	**(0)**	**(+)**	**(+ +)**

The checklist provides a framework for assessing the results in a systematic way. It is not intended for use as a numerical scoring system, nor is a definitive list. There is scope to adapt the framework to European, national and local needs. It aims to trigger programmers into thinking about environmental integration throughout the entire programming process. Judgements on environmental impacts should take into account further variables such as, for example: scale, geographical extent, level of importance of individual environmental assets etc.

Setting Environmental Priorities	(-)	(0)	(+)
1. Has there been a proper **analysis** of the **state** of the environment across rural areas?			
1.a Have all **EU environmental priorities** mentioned in the *Community Strategic Guidelines for Rural Development* been addressed in the analysis, including:			
• Biodiversity (Natura 2000 and High Nature Value farming and forestry areas[67])			
• Water quality and quantity (Water Framework Directive)			
• Climate change through renewables & reduced emissions (Kyoto Protocol)			
1.b How adequate and reliable is the **data**?			
1.c Is the data specified for different geographical areas?			
1.d Have the main causes of problems been analysed, specifying what types of land use are problematic?			
1.e Which environmental authorities and stakeholders have been involved in the analysis?			
2. Have environmental priorities been included in the analysis which are not EU priorities, but **national** or **regional priorities** (e.g. maintaining landscape and cultural heritage)?			
2.a Why do they require EU funding?			
2.b Does the **balance** between EU and national priorities allow EU priorities to be addressed effectively?			
3. Has there been a proper **analysis** of the **trends** in rural areas, which affect the state of the environment?			
4. Are the environmental priorities that have been selected for the Rural Development Programme:			
• Clearly embedded in the state and trend analyses?			
• The result of engagement with environmental and other stakeholders?			
5. The *Community Strategic Guidelines for Rural Development* clearly specify that *"strong economic performance must go hand in hand with the sustainable use of natural resources".*			
5.a Which socio-economic needs can be addressed in ways which will also help to provide environmental benefits?			
5.b Have other measures in the programme that might threaten environmental priorities been identified and any problems addressed?			

Setting Priorities Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Identifying Environmental Objectives & Targets	(-)	(0)	(+)
1. For each selected environmental priority: what are the desired environmental outcomes? How soon could they be realistically achieved?			
2. Are the objectives **SMART** (refer to objectives and targets section for a definition of SMART)?			
2.a What specific objectives would deliver the desired outcome? What change and how much change is desired? By when could this be achieved?			
2.b Can progress be measured effectively? (For example, what targets and indicators are needed, can these be measured cost effectively and how? Which aspects of monitoring can be used to measure progress towards national objectives and targets and how will progress be assessed at the scheme, measure or local level e.g. related to an agri-environment scheme or a local development strategy)			

[67] Refer to footnote 9 for a definition of HNV

2.c Are the targets short or medium term (e.g. to reduce loss of landscape features by *a percentage to be defined*) or are they more aspirational, long-term targets (e.g. to stop or reverse the loss of specific woodland bird species)? Aspirational targets are likely to need specific interim targets or so-called 'milestones' as stages towards achieving a long-term objective and target.			
2.d Are these objectives and targets ambitious but achievable? Have realistic targets been set for the proposed timeframe and likely available resources?			
2.e Are the objectives and targets set relevant to achieving the environmental priority that has been identified?			
2.f Will the related action be timely and timebound? (For example, is this the right time to take action? Are other actions needed first? Will a target be realistically achieved during the programme or will action be a step or 'milestone' towards achieving the objective?)			
3. Are the objectives throughout the Rural Development Programme compatible?			
3.a Is this environmental objective compatible with other environmental and RDP objectives? Could it help to achieve socio-economic objectives as well?			
3.b Are other economic, social and environmental RDP objectives complementary to achieving the stated objective? If not, have conflicts been resolved? If not, how do objectives need to be amended to prevent conflicting actions?			
4. Have relevant stakeholders participated in setting the objectives and targets?			
5. What is the process for reviewing objectives and targets in the light of implementation experience or changing trends?			

Identifying Objectives & Targets Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Involving Stakeholders in Development & Implementation

	(-)	(0)	(+)
1. How will the key rural, land management, environmental, economic and social stakeholders be **identified** at national / regional / local levels; and **engaged** in the process?			
2. Which steps will be put in place to ensure that the identified stakeholders can **effectively be involved** from the first stages of programme development, through to delivery on the ground, according to the capacity and means of each?			
3. **What** type of participation **process** will be used (e.g. face to face meetings, internet consultations) to engage the partners? How does this relate to the capacity of the partners selected?			
4. Have the partners been **informed** about which role, and what type of contribution, is envisaged for them?			
5. How will the **results** of the stakeholder participation be **communicated**? How will the stakeholder input be considered and the final decision reached?			

Stakeholder Participation Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Using Measures to their Full Environmental Potential	(-)	(0)	(+)
1. **Selecting & Designing Measures**			
1.a Which of the measures from the current RDP and the EAFRD are best suited to deliver on the identified environmental objectives and targets?			
1.b How do the proposed measures draw on **past experience** and best practice to ensure environmental outcomes will be reached?			
1.c Can existing measures be modified to deliver environmental outcomes? If so, have changes been designed in consultation?			
1.d Have new measures been proposed (i.e. not offered in 2000-2006 RDP)? If yes, have these been designed in **consultation**?			
1.e Do the measures have SMART objectives and outcome-related **targets**? Which criteria have been included to ensure those targets can be met (e.g. length of agreement)?			
2. **Environmental Standards**			
2.a Not all measures will be subject to cross-compliance. For those that are not, how will you ensure they do not lead to negative **environmental impacts**?			
2.b Have any standards beyond cross-compliance been set? If yes, how do they relate to the requirements of key EU environmental legislation (e.g. the Water Framework Directive)?			
2.c Has there been a Strategic Environmental Assessment or an **evaluation**, based on past experience, of the environmental **effectiveness** and **efficiency** of the proposed measures?			
3. **Programming Criteria**			
3.a How will the programme contribute to sustainable rural development? – i.e. how will axis II measures be assessed for their social and economic outcomes and axes I & III deliver also environmental outcomes?			
3.b Does the programme demonstrate that the various **measures** can be combined to achieve overall: • Coherence, • Additionality, • Synergy, • Economies of scale, • Avoidance of duplication?			
3.c Does the programme include an appropriate package of measures to address the identified environmental priorities and objectives, as well as explaining how they will be used?			
3.d **Why are EU rural funds critical** in funding the proposed environmental measures, and how they combine with other EU (e.g. regional funds) and national funds?			

Use of Measures Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Budgeting for & Funding Rural Development	(-)	(0)	(+)
1. How will the RDP relate the explicit assessment of environmental, social and economic **priorities** in the choice of measures (giving particular attention to achieving environmental commitments such as Natura 2000 and Water Framework Directive) in the allocation of funding?			
2. What steps are being taken to ensure increased **complementarity** and links between the range of EU and national funding instruments, and between the different competent authorities and complementary state aids? Is good practice being shared between regions?			
3. What steps are being taken to ensure **sufficient funds** will be available to deliver identified environmental objectives (for example a shift in emphasis from EU to national sources of funding)?			
4. Do all EAFRD funded mechanisms have environmental objectives and/or are subject to environmental conditionality to help ensure that EU rural development expenditure is **environmentally sustainable**?			
5. What kind of assessments have been undertaken to ensure that investments proposed in the RDPs will not amount to **dead weight** but effectively contribute to the delivery of European and national priorities?			

Budgets & Funding Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Delivery Mechanisms including Leader	(-)	(0)	(+)
1. Can potential beneficiaries readily **access** information on rural development measures and on obtaining support across all territories, and at an accessible cost?			
2. Do advisory and information services take a **proactive approach** to dissemination, or is information simply available to those who look for it?			
3. Have the competent authorities checked with potential beneficiaries that application selection and **administrative processes** are clear and transparent (e.g. are forms clear and simple, is information on scoring and selection systems publicly available, is feedback on applications available?)?			
4. How are different advisory bodies, responsible for social, economic, environmental and nature conservation issues planning to deliver an **integrated advisory service**? Is it possible to establish a 'one stop shop' arrangement, with all advice available from one point of access?			
5. How will advisory services **target** delivery at specific **areas** with environmental priorities (e.g. River Basin Districts, High Nature Value areas, Natura 2000 sites) or land management systems (e.g. marginal farming systems that are needed to maintain landscape values)?			
6. How are **advisors trained** and kept abreast of technical know-how and further sources of information so that they can support the development of farmers' knowledge and in the longer-term, more spatially-oriented planning?			
7. How are environmental issues and priorities strategically **integrated** into the **selection** of Leader areas? For example			
7.a Does the national strategy identify environmental issues or environmentally important areas where a Leader approach is likely to be particularly suited?			
7.b What strategic mechanisms will ensure that socio-economic and environment win-win projects are developed?			
8. How are environmental issues and priorities **integrated** into the **delivery** mechanisms for each Leader local development strategy? For example			
8.a Have environmental objectives and targets been set?			
8.b What safeguards are in place to avoid any detrimental environmental and landscape effects?			
8.c What priority has been given to increasing the environmental and landscape value of the Leader area?			

8.d What proportion of the budget will be allocated to environmental as opposed to economic and social projects?			
8.e How will Leader outcomes be **monitored** locally and nationally?			
9. What mechanisms will be used to **develop** the environmental understanding, skills and capacity of local action groups?			

Delivery Mechanisms Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Monitoring & Evaluation	(-)	(0)	(+)
1. There is an important **role for** long term, impartial and scientific **evaluation** in improving RDPs and justifying rural funding. Is this role clearly set out within the programme?			
2. Does the **monitoring** clearly **build on the objectives and targets** identified for the proposed measures? Were these chosen and formulated in a way that will assist monitoring of the Programme?			
3. Is there an adequate **baseline** environmental assessment (or if sufficient data are not currently available, are steps being taken to ensure they are in the future)? How will this be used to inform the evaluation of the programme?			
4. How well is the wider national context for the monitoring described in the programme (e.g. links with other monitoring and data systems like water quality measurements)? Has **funding** been allocated?			
5. What **innovative approaches** are set out for improving the effectiveness of monitoring (e.g. helping and rewarding farmers to provide data, or integration with farm planning and advice systems)?			
6. How appropriate is the mix of **output** and **outcome** monitoring? Where outputs are to be monitored as proxies (e.g. reduced inputs as proxy outputs for a reduced pollution outcome), does the programme indicate whether these can reliably be interpreted in terms of outcomes?			
7. Do the **indicators** ensure an effective means of monitoring the outcomes? Is the rationale for selection of indicators clear? Has the danger of manipulating the programme just to improve the measurable outputs been avoided?			
8. Are the roles of the different **competent bodies** clear and distinct? What safeguards are in place to ensure the process of monitoring is open and transparent?			

Monitoring & Evaluation Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Rural Development Programme & the Environment Overall Assessment	(- -)	(-)	(0)	(+)	(+ +)

Glossary of Acronyms

EAFRD	European Agricultural Fund for Rural Development
EFF	European Fisheries Fund
ELCo	Europe's Living Countryside project
ERDP	England Rural Development Plan
ERF	Europe's Rural Futures project
ERDF	European Regional Development Fund
ESF	European Social Fund
FSC	Forestry Stewardship Council (see also http://www.fsc.org/en/)
HNV	High Nature Value (can be associated to farming or forestry. See definition in footnote 9)
Leader	Liaison Entre Actions pour le Développement Rural Economique
LUPG	Land Use Policy Group, of Great Britain statutory countryside and conservation agencies
NGOs	Non-Governmental Organisations
RBAs	River Basin Authorities
RDPs	Rural Development Programmes
RDR	Rural Development Regulation N° 1257/1999
SNM	Stichting Natuur en Milieu
WFD	Water Framework Directive N° 60/2000
WWF	WWF the Global Conservation Organisation, formerly known as World Wide Fund for Nature

S.M.A.R.T.

S - **S**pecific
M - **M**easurable
A - **A**ction-orientated, **A**mbitious but **A**chievable within the timeframe
R - **R**elevant and **R**ealistic
T - **T**imely/**T**imebound

Further Contacts

This Manual sets out what we hope readers will consider a logical approach designed to encourage properly justified and well-constructed rural development programmes which take full account of environmental assets and contribute to achieving environmental priorities at both European and national levels.

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