



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

Executive Summary of the Final Report

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Introduction

The purpose of the ENRD Focus Group (FG) on the 'delivery of environmental services' is to provide a set of recommendations on how to maximise the delivery of environmental services (ES) through agriculture, forestry, and rural areas in general, in a way that meets the local needs and programme objectives. In particular, the FG has sought to provide information on (1) the approaches used within current Rural Development Programmes (RDPs); (2) their main success factors; and (3) the lessons drawn for the design and implementation of the future generation of RDPs (2014-2020).

Data was collected through participatory methods that included a series of discussions with FG members and field visits to highlight particular issues facing the delivery of ES, together with a collation of 47 examples (from 15 Member States) of current approaches in order to create a strong evidence base. The examples collected focus primarily on those RDP measures that directly (or indirectly) target the provision of ES. Also, a number of examples involve approaches adopted at least in part from outside of rural development policy and are supported by private or public initiatives within Member States or regions. The examples can be found in Annex II of the FG on the Delivery of Environmental Services¹.

1) Approaches used for delivering ES through RDPs

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

Integrated delivery combines packages of measures from the EAFRD and/or different funds. Measures can be integrated through the introduction of a scheme which incorporates elements from a range of measures, although this is not apparent to the land manager from the delivery end. Or, farmers may be required to carry out certain activities funded by one measure (such as training) in order to receive support through another (such as agri-environment payments), as is the case for example in the Marche region of Italy (see Report). Another form of integrated delivery is through the design of a range of measures in a particular locality, tailored as part of a package of measures that are applicable to a certain type of beneficiary or farming system. The benefits of using combinations of integrated measures are manifold: the provision of economic and capacity building support required to underpin the actual delivery of ES; as well as meeting defined needs focussing on specific ES, or within defined geographical areas, or for particular farming systems. Using a combination of measures, especially within defined areas, requires coordination between the delivery body and those implementing the measure and good communication. As such there is a certain level of increased administrative investment required.

Collective approaches can deliver added value and deliver ES over a greater area with stronger environmental interest and motivation. Among the examples are those using the LEADER approach in Germany, such as "Improving groundwater protection in Hop growing regions"; and "Supporting extensive grazing through the marketing of agricultural products" (see Report). They can be both

¹ The Final Report of the FG on the Delivery of Environmental Services is available at http://enrd.ec.europa.eu/themes/environment/environmental-services/en/environmental-services_en.cfm

territorial and institutional/organisational. The first are defined as approaches where multiple farmers or foresters are encouraged to provide management across an area greater than that of an individual holding. The latter are defined as approaches where a wider range of actors and stakeholders are involved in scheme delivery, such as local authorities and NGOs. Collective approaches require clear aims and objectives and significant coordination and advice provision, which can lead to increased administrative effort. In order to last, they require greater flexibility, long-term financial support, and ownership.

Community-led approaches, such as LEADER, describe the involvement of different stakeholders in scheme development, design and implementation. Examples of stakeholders include local and regional individuals or organisations, within or outside of the farming or forestry sectors. While helping to provide flexible and locally tailored approaches to deliver ES, community-led approaches require coordination through some form of administrative body, such as nature conservation agencies, or national/regional authorities. One interesting example of a community-led approach is in the Czech Republic where local hunter organisations engage directly with farmers in order to promote the use of certain agri-environment management practices that help to provide biodiversity benefits as well as increase game numbers.

Holistic approaches describe the joined-up delivery of multiple outcomes (for example approaches that aim to deliver environmental services alongside economic and social outcomes). This could be achieved through the use of any other approaches as long as the emphasis is on achieving multiple benefits. In view of that, they require significant investment in communication and advice activities to ensure engagement by the different actors, as well as promotional activities. This can also lead to increased administrative burden. Examples of holistic approaches include adding value to agricultural products and shortening supply chains in Belgium. Adding value to agricultural products is an interesting example of how rural development measures are used to improve the economic stability of farmers, reduce reliance on large chain operations and provide marketing opportunities based on environmental performance. In Belgium, farmers are remunerated for leaving ten per cent of arable fields un-cropped which helps to compensate for any income foregone from the crops that would have been produced on this land.

Outcome-focused delivery refers to the direct relationship between the outcomes of rural development policy measures and the level of support granted. For example, a farmer may be paid for certain environmental management only when the results of that management are realised. Outcome-focused approaches can be effective in achieving increased ownership and strengthened commitment from beneficiaries. Yet, they can also pose certain risks linked to other intervening factors over which the farmer has no control. Therefore, it requires clear articulation and communication of the desired outcomes and it is critical that verification of the achievement of these outcomes is simple to ascertain. Of the examples provided from the FG there are none which specifically describe outcome-focused approaches. However, certain elements of outcome-focused delivery are found in many of the examples provided by the FG. These include the setting of specific objectives; allowing land managers a reasonable degree of discretion and flexibility about how to meet those objectives (but also increased responsibility for the results); and monitoring that can be carried out by local groups or collectives.

2) Success factors

The analysis of the examples provided by FG members and the outputs of the FG meetings highlighted a number of key factors that are most significant in facilitating the successful delivery of ES. The success factors identified can be subdivided into several main categories:

Procedural factors are linked to the process of designing the RDP's structure, content, the use of the different measures to achieve identified environmental needs, the way in which they are used and subsequently monitored and evaluated. They include: i) measure scheme and design (requiring **clarity** about priorities and objectives, **flexibility, responding to needs, collaboration, funding, timeliness**); ii) policy **coherence**; and iii) monitoring and feedback (requiring **innovative approaches** and **timing**).

Institutional/governance factors established for the design and implementation of RDP measures require **collaboration, partnership** and **ownership** so that ES are successfully delivered.

Factors associated with advice and training require **clarity** regarding the communication of scheme objectives and content to farmers, **good quality training** schemes and **advice** based on knowledge sharing and best practice.

Practical / administrative factors such as the design of scheme applications, the amount of paperwork and red tape involved, the availability of adequate data, the control and enforcement rules carried out, are also key to the success of RD measures in delivering ES. They require **clarity** of eligibility criteria, **good communication, funding, administrative simplification, proportionality** of sanctions with the severity of non-compliance.

3) How to maximise the delivery of ES in the design and implementation of the next generation of RDPs

The programming cycle for rural development can be divided into three interlinked key stages: programming; implementation; and monitoring and evaluation. ES have to be considered in all aspects of the programming cycle.

Among the issues highlighted by the FG are the importance of taking a strategic approach and starting the programming process with sufficient time to adequately assess the environmental needs before deciding on which measures are most appropriate and how these should be designed and implemented. The assessment of environmental needs is through the SWOT analysis, as part of the ex-ante evaluation. It was conveyed by participants that the carrying of a good SWOT analysis requires having reliable and valuable data on the environmental status of rural areas and at the appropriate scale. Limitations to the availability of valuable data can be overcome by early collection of information or by ensuring that databases are compatible. In regards to the analysis of data, participants in the FG discussions stressed the need for it to be independent, and be carried out by people with good interpretative and analytical skills, and coming from different disciplines in order to allow both quantitative and qualitative analysis to be carried out.

Another issue highlighted is establishing which measures, or combinations of measures can be used to deliver the priorities and outcomes identified through the SWOT analysis. When considering which measures would be most beneficial, there are a number of measures that were highlighted most

frequently as being appropriate for addressing the full range of focus areas². These include advice and knowledge transfer measures (Art. 15/16); environmentally-focused measures, such as the agri-environment-climate measure (Art. 29) and the Natura 2000/WFD measure (Art. 31); the organic farming measure (Art. 30); payments to areas facing natural or other specific constraints (Art. 32); the measure for cooperation (Art. 36); investments in physical assets (Art. 18); the LEADER approach (Arts. 42-45); and the European Innovation Partnership, including support for agro-ecological innovation (Arts 61-63). To ensure that Member States holistically consider the full range of options open to them in terms of using the newly organised suite of measures, it is suggested that guidance from the Commission is needed on how the measures – both singly and in combination – could be used effectively to deliver ES. The key actions that need to take place after having identified suitable measures and prioritised funding are ensuring coherence with other CAP elements, assessing the multiple benefits to be achieved, establishing safeguards to guarantee that expenditure is 'environmentally proofed'; determining eligibility criteria to endorse availability to target audience; ensuring flexibility of approaches and the full participation of all relevant stakeholders in the delivery of ES and wider RDP objectives.

Yet another issue raised by FG members is the fact that at programming stage the proposed indicator plan³, part of the future RDP programmes, does not quantify ex-ante the contribution of all European Union priorities to the delivery of environmental benefits. The FG examples have demonstrated the importance of integrated approaches to the delivery of ES and it will be important to ensure that the new flexible structure for the EAFRD is translated into all aspects of programming to facilitate more of these sorts of approaches in the future.

4) Summary of areas where changes are sought or more clarification, guidance is needed from the EU level

The FG highlighted a number of issues where further clarification at the level of implementing rules or more *guidance* - also drawing from the exchange of experience at the EU level - is sought:

- How to ensure coherence of RDP design with the priorities and needs identified through the SWOT analysis, possibly including a 'checklist' for MA to ensure RDPs are 'environmentally proofed'.
- How to ensure that the RDP plays a coherent role within the broader funding framework (nationally/regionally) as well as the priorities of other environmental strategies.

² The proposal for the 2014-2020 Rural development policy proposes 18 focus areas for the 6 priorities. The focus areas relevant for the priorities related to delivery of environmental services (priorities 4 and 5), include restoring and preserving biodiversity, improving water and soil management, increasing efficiency in water and energy use by agriculture, facilitating the supply and use of renewable resources, reducing nitrous oxide and methane emissions from agriculture, and fostering carbon sequestration in agriculture and forestry.

³ The indicator plan serves to set the targets for the selected focus areas and to plan the measures and resources needed to achieve the targets

- How to demonstrate the delivery of multiple objectives through the Monitoring and Evaluation system.
- Possibilities for using RDP measures – both singly and in combination – to deliver ES effectively; examples of how packages of measures could work in practice and clear information on what can be funded.
- Eligibility rules as regards the sorts of advice that have been highlighted as particularly effective.
- Clarity on control rules.
- Responsibilities of farmers and collective groups in case of collective contracts and practical information, e.g. on how to write contracts for collective approaches.
- Clarity on the proposed changes in the rules regarding what constitutes an agricultural parcel and how this will affect existing mapping and the Land Parcel Identification System. This needs to ensure that new rules do not create unintended perverse effects by excluding from payments areas that are subject to grazing and/or environmental valuable.
- How to improve the collaboration and involvement of stakeholders.
- Clarity on the baseline for payments.