

RDP analysis: Support to environment & climate change

M12

Natura 2000 & Water Framework Directive payments

In 2015, the Contact Point of the European Network for Rural Development (ENRD CP) carried out a broad analysis of the 2014-2020 Rural Development Programmes (RDPs). The following text forms part of a series of summaries outlining the information gathered on specific Measures (M) and sub-Measures. The summaries aim to provide an overview of the common trends and main differences in the programming decisions taken across the range of RDPs. If you believe that any of the information presented does not accurately reflect the content of one of the RDPs, please communicate your concerns to info@enrd.eu.

Where specific RDPs are referenced in the analysis, they are indicated with the official EU country codes (e.g. EE for Estonia). In the case of regional RDPs, the name of the region is given after the country code (e.g. IT-Lazio).

1. Regulatory background

The Natura 2000 / Water Framework Directive payments Measure (M12) provides **annual per hectare compensation payments to farmers and foresters for the additional costs and income foregone** when implementing the Birds and Habitats Directives or (for farmers only) the Water Framework Directive. The Measure is designed to **compensate farmers and foresters for the disadvantages they face as a result of mandatory activities they carry out** as a result of the legal requirements set out under these directives, compared to the situation of farmers and foresters in other areas not affected by these requirements.

M12 includes the following sub-measures:

- **M12.1 - Natura 2000 agricultural areas** – this provides compensation payments on agricultural land associated with Natura 2000;
- **M12.2 - Natura 2000 forest areas** – this provides compensation payments on forest land associated with Natura 2000;
- **M12.3 - River basin management plans** – this provides compensation payments on agricultural land affected by river basin management measures.

The Natura 2000 payments are applicable **to agricultural or forestry land in Natura 2000 areas**, which include **Special Protection Areas (SPA)**, designated under the Birds Directive and areas of Special Conservation Interest, or **Special Areas of Conservation (SAC)**, designated under the Habitats Directive. Payments can also be made to **other specified nature protection areas** which have been identified because they contribute to maintaining the connectivity of the Natura 2000 network and its habitats and specific species¹, for example as stepping-stone habitats, and which have environmental restrictions applicable to farming or forestry.

¹ [Council Directive 92/43/EEC](#) Article 10 of the Habitats Directive

The Water Framework Directive payments are relevant to measures defined in river basin management plans (RBMPs) that affect the use of agricultural land.

The Measure applies **to farmers** and, for the Natura 2000 part of the Measure, **to private forest holders and associations of private forest holders**. In duly justified cases payments can also be provided to other **land managers**. Beneficiaries do not have to meet the active farmer definition according to Article 9 of the EU Direct Payments Regulation².

The necessary management of agricultural and forestry areas in Natura 2000 sites can be **financed by a combination of the Natura 2000 payment** to compensate for certain broad restrictions, and **specific agri-environment-climate schemes** that pay for active conservation actions targeted at the relevant species and habitats for which the sites are designated.

Natura 2000 and WFD payments obligatory baseline requirements and requirements qualifying for compensation

The EU regulation on rural development specifies that Water Framework Directive payments **support can only be granted in relation to specific requirements that go beyond the statutory management requirements, the Good Agricultural and Environmental Condition standards** set by the Member State or region, and the minimum agricultural activity requirements³.

The Natura 2000 payments can only be granted in relation to specific requirements that go beyond the GAEC and minimum agricultural activity requirements, but are not subject to the statutory management requirements.

Good Agricultural and Environmental Condition standards set minimum conditions that farmers in receipt of CAP payments must meet on all agricultural land. They include standards to protect water (establishment of riparian buffer strips, irrigation authorisation procedures, and groundwater protection), soil and carbon stock (minimum soil cover, minimum management to limit erosion, and practices to maintain soil organic matter), and landscape (protection of landscape features).

Statutory Management Requirements (SMR) are EU legal requirements with which all farmers in receipt of CAP payments on agricultural land must comply, including legislation on water pollution by nitrates, biodiversity protection, food safety, animal identification and registration, animal diseases, plant protection products, and animal welfare.

² Article 9 of Regulation (EU) No 1307/2013

³ Article 30 of Regulation (EU) 1305/2013 (rural development regulation)

2. RDPs activating the Sub-measure

M12 is programmed in 57 RDPs, covering half of the total number of RDPs, across 18 Member States.

Colour	Sub-Measures	No of RDPs
	M12.1 and/or M12.2	36 (the majority)
	M12.1 and M12.3	11
	Only M12.3	5
	M12.1, M12.2 and M12.3	2

3 RDPs, namely FR-Auvergne, FR-Languedoc Roussillon and PT-Azores, programmed M12 but did not specify what sub-Measures will be used for its implementation.

RDP	12.1	12.2	12.3
AT	X		
BE-Wallonia	X	X	
BG	X		
CY	X		
CZ	X		
DE-Baden-Wuerttemberg		X	
DE-Brandenburg/Berlin	X		
DE-Mecklenburg Vorpommern	X	X	
DE-Nordrhein-Westfalen	X		
DE-Saarland	X		
DE-Sachsen-Anhalt	X		
DE-Schleswig-Holstein	X		
EE	X	X	
ES-Aragon	X		
ES-Castilla-Mancha	X	X	
ES-Murcia	X	X	
ES-Navarra	X	X	
FR-Aquitaine	X		X
FR-Auvergne			
FR-Basse-Normandie	X	X	X
FR-Bourgogne	X		X
FR-Bretagne	X		X
FR-Centre			X
FR-Champagne-Ardenne	X		X
FR-Franche-Comte			X
FR-Guadeloupe			X
FR-Haute-Normandie			X
FR-Ile-De-France	X		X
FR-Languedoc Roussillon			
FR-Limousin	X		
FR-Lorraine	X		X
FR-Midi-Pyrenees	X		X
FR-Nord-Pas-De-Calais	X		
FR-Paca	X		X
FR-Picardie	X		X
FR-Poitou-Charentes	X		X
FR-Rhone-Alpes	X		X
GR	X	X	
HU	X	X	
IE	X		
IT-Basilicata	X	X	
IT-Emilia Romagna	X		
IT-Friuli Venezia Giulia	X		
IT-Liguria	X	X	
IT-Lombardia	X		
IT-Marche	X	X	
IT-Piemonte		X	
IT-Sicilia	X		
IT-Umbria	X	X	X
IT-Valle D'Aosta	X		
LT	X	X	
LU			X
LV		X	
PT-Azores			
PT-Madeira		X	
PT-Mainland	X		
SK	X	X	
Total	45	19	18

3. Scope of RDP programmed activities

3.1 Natura 2000 payments

Obligatory requirements In several RDPs the Managing Authorities explain that the **obligatory baseline regulatory requirements**, which cannot be compensated for, are **defined in various kinds of national regulatory instruments**, including designation statutes, regulations or other contracts.

For example, the Latvian RDP specifies that managers of forests in Natura 2000 protected areas must comply with obligations established by the law on the special land and forestry exploitation, protected areas, environmental regulations, protected areas planning documents, protection contracts with private forest owners, forest management in internal projects or other activities in the protected zone established in naturally valuable territory law provisions.

The requirements for which Natura 2000 compensation payments may be provided may include restrictions on certain activities and/or the obligation to maintain certain activities and land cover. For example:

- In ES-Castilla Mancha, the Natura 2000 forest payment compensates for economic losses associated with restrictions on wood-cutting, cork harvesting, hunting and livestock grazing.
- In Cyprus, support is provided on an annual basis for the income foregone due the obligation undertaken not to collect 10% of the production of the agricultural holding.
- In FR-Nord-Pas-de-Calais, the Natura 2000 agriculture payment compensates for the creation and maintenance of grass cover and vegetation with fauna and flora interest.
- In IT-Sicilia, the Natura 2000 agriculture payment compensates for restrictions on livestock grazing densities and a ban on the removal of stones from fields and pastures.
- In DE-Sachsen-Anhalt, the Natura 2000 agriculture payment compensates for zero or reduced fertilising of grasslands.

Specific schemes Some RDPs have defined **several schemes** within the sub-Measures **aimed at particular agricultural or forest habitat types that occur in their Natura 2000 areas**. For example:

In IT-Friuli-Venezia-Giulia, the Natura 2000 agriculture payment is split into three schemes which compensate for restrictions on grazing densities on grassland habitats, production disadvantages on peatland and wetland habitats, and restrictions on the planting of woody crops, such as poplar, on arable land.

In IT-Lombardia, the Natura 2000 agriculture payment is split into four schemes that compensate for restrictions specifically targeted at: 1) conservation actions for a bird species (Red-backed Shrike); 2) reed bed habitat conservation; 3) peatland conservation; and 4) HNV farmland. The latter two schemes are also linked to carbon storage and sequestration aims.

Natura 2000 management plans Most of the RDPs require the **existence of a Natura 2000 site management plan that defines the specific requirements** that are compensated under the Measure. This was the case also in the past programming period.

Management plans however are not a mandatory requirement under the EU legislation and since many Natura 2000 sites lack management plans, in the past this was a **barrier**

to the distribution of payments. There is some limited evidence that this continues to be a barrier to the wider application of payments. For example:

- In ES-Aragon the Measure will be only applied in the Natura 2000 sites having an approved management plan.
- The IT-Piemonte RDP anticipates that agricultural payments will be activated by the end of 2017, when the Natura 2000 management plans are approved.
- The Bulgarian RDP anticipates that the Natura 2000 payments on forest land will be activated after mid-2016 upon the adoption of the relevant national regulations and management plans.

The lack of a management plan, however, should not necessarily be a barrier to the application of Natura 2000 payments, as the **EU legislation allows the use of a range of instruments to define site conservation measures, and some Member States use other planning instruments.** For example:

- The IT-Piemonte RDP mentions the existence of a planning document entitled 'Conservation measures for the protection of the Natura 2000 network of Piemonte'.
- In IT-Valle d'Aosta, the Natura 2000 agriculture payment is defined as applying to certain grassland habitat types as defined in the Habitats Directive, and the commitments for each habitat type are defined in the RDP.
- In DE-Mecklenburg-Vorpommern, support is available for all forest SPAs with populations of Lesser Spotted Eagle (*Aquila pomarina*), as well as forest SACs with existing management plans.

Outside Natura 2000 sites

The Natura 2000 payment can also apply to areas **outside Natura 2000 sites** that have been designated because they contribute **to maintaining the connectivity of the Natura 2000 network, its habitats and species**⁴. The areas must have environmental restrictions applicable to farming or forestry in order to qualify for payment.

Several RDPs, in fact, have expanded the scope of the payment to apply to areas outside Natura 2000 protected by national or regional laws (e.g. DE-Brandenburg/Berlin, DE-Sachsen-Anhalt, IT-Friuli Venezia Giulia - with prioritisation of payments to Natura 2000, and BE-Wallonia).

For example, in BE-Wallonia, compensation payments are also available for the conversion of land neighbouring Natura 2000 areas into 'stepping stones'⁵, identified to improve connectivity of ecological corridors.

Designated areas

The RDPs differ as to whether the Natura 2000 payments are available for agricultural and /or forestry land in Natura 2000 areas:

- Around 17 RDPs are using the Measure only for agricultural areas in Natura 2000 (AT, CZ, IE, DE-Brandenburg/Berlin, DE-Mecklenburg-Vorpommern, DE-Nordrhein-Westfalen, DE-Saarland, DE-Schleswig-Holstein, ES-Aragon, FR-Auvergne, FR-Languedoc-Roussillon, FR-Limousin, FR-Nord-Pas-de-Calais, IT-Sicilia, IT-Lombardia, IT-Valle d'Aosta, PT-Mainland).
- Around 4 RDPs are using the Measure only for forest areas in Natura 2000 (DE-Baden-Württemberg, IT-Piemonte, LV, PT-Madeira).
- Around 17 RDPs are using the measure for both agricultural and forest areas in **Natura 2000**.

⁴ E.g. stepping stone habitats (according to Article 10 of the Habitats Directive).

⁵ In French: prairies de liaison.

Interesting approaches

Some interesting approaches were identified:

- In Bulgaria, the measure is designed to address the problem that most farmers remove bushes and trees in order to make their land eligible for direct payments, sometimes destroying valuable habitats in the process.
- In BE-Wallonia, the measure compensates for the establishment of extensively managed 12-metre buffer strips along watercourses designated as Natura 2000 sites for the Freshwater Mussel.
- In FR-PACA (Provence-Alpes-Côte-d’Azur), M12.1 is programmed specifically to deal with the case of conflict between specific farming practices for birds in Natura 2000 sites (designated under the Birds Directive), and measures defined under the Water Framework Directive; however, it does not identify any rural areas in PACA that are currently affected (as of June 2015).

3.2 Water Framework Directive (WFD) payments

Activation of M12.3

As indicated in section 2 above, **only a minority of RDPs programmed M12.3 - River basin management plans**. Most of the RDPs, in fact, choose to finance farmers implementing water quality protection, such as buffer strips, soil cover management, and pesticide use restrictions, through M10 - Agri-environment schemes.

In the programming period 2007-2013 river basin management plans generally did not specify obligatory requirements for farmers, but with the 2014-2020 second generation of plans, it is possible to see that the sub-Measure for WFD payments is being used in more RDPs therefore strengthening the farmer’s role in water management.

Approaches followed

Very little information was collected on the way WFD payments are applied under M12.3. The information collected concerns:

- Bulgaria that will activate M12.3 after mid-2016 upon the adoption of the relevant national regulations and management plans.
- Some of the French regions that programmed M12.3 as a precaution, with a small provisional budget that will be reassessed in the case of a negative appraisal of the environmental status of water, as established under the WFD.
- IT-Umbria and IT-Friuli-Venezia-Giulia, where the WFD payment applies to those areas where buffer strips are mandatory to preserve watercourses that are located very close to arable land.

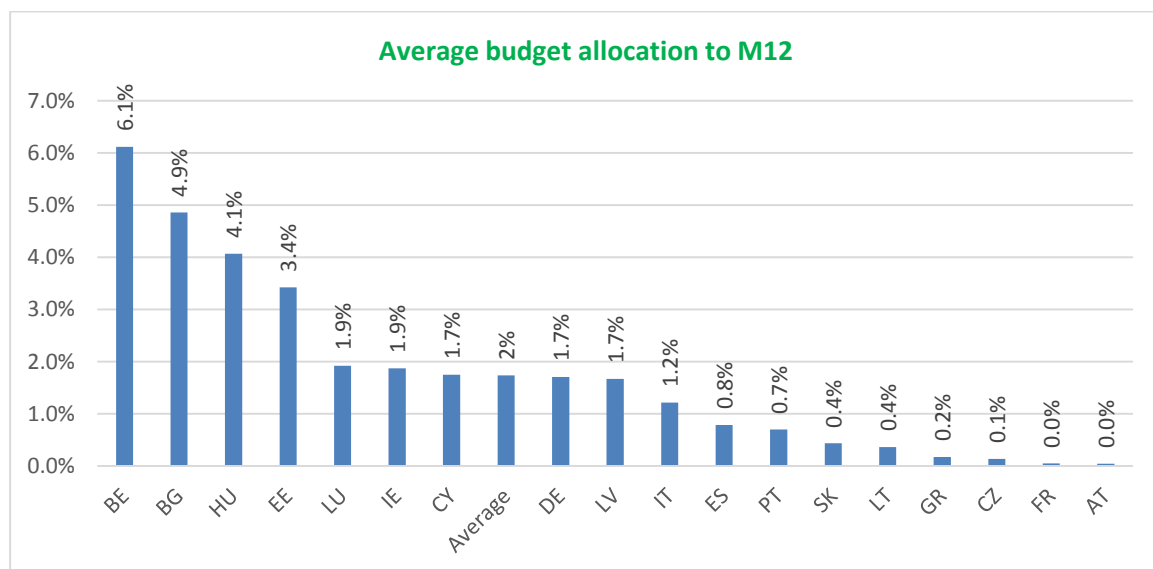
4. Budget allocation to M12

M12.1 and M12.2 supporting Natura 2000 areas are among the sub-Measures that count towards the obligatory minimum 30% budget allocated to the environment and climate change action⁶ imposed to each RDP.

Notwithstanding this fact, M12, with just 0.5%, is among the Measures receiving the smallest share of the EU total public budget.

The proportion of the total public budget allocated to M12 in the RDPs programming M12 ranges from 6.1% in BE-Wallonia down to 0.1% in the Czech Republic, ES-Aragon, and the French regions FR-Nord Pas-de-Calais, FR-Picardie, FR-Bretagne and FR-Haute-Normandie.

The following graph presents average budget allocation to M12 per Member State (MS).



5. Contribution to Focus Areas

M12 is mostly expected to contribute to P4 - Restoring, preserving and enhancing ecosystems. In fact, all RDPs using the Measure, with the sole exception of IT-Basilicata, planned the total M12 budget under P4.

Case 1: M12 and P5 in IT-Basilicata

IT-Basilicata programmed 66% of its M12 budget to P4 and 34% to FA 5E - Carbon conservation & sequestration.

In IT-Basilicata FA 5E objectives will be addressed through the use of M08 - Investments in forest areas and M12. These two Measures collectively account for 98.5% of the budget and will be directed to increase carbon storage, both with appropriate agricultural practices and with sustainable forest management.

M01 - Knowledge transfer & information actions and M02 - Advisory services are also expected to contribute to FA 5E by investing in human capital.

⁶ Article 59(6) in Regulation (EU) 1305/2013 (rural development regulation)

6. Linkages with other Measures

Alternatives Some RDPs chose not to use the Natura 2000 payments sub-Measures (M12.1 and M12.2), and instead to use **other Measures to support farming and forestry in Natura 2000**. Examples are:

The UK regions explicitly choose to use the agri-environment-climate measure instead of M12 to support farmers in Natura 2000 areas.

Sweden has not programmed specific support for Natura 2000 areas or other areas with high nature value (HNV), but the RDP indicates that many of the other measures can be applied in Natura 2000 areas.

M10 Two main approaches were identified within the analysis of M12 linkages to M10 - agri-environment-climate schemes:

1. In some RDPs **Natura 2000 payments (M12.1 and M12.2) compensate for a baseline of prohibited actions**, whilst M10 - Agri-environment-climate schemes are used to finance voluntary conservation actions that go beyond these actions.
2. Other RDPs **M12 - Natura 2000 payments compensate for all necessary voluntary conservation actions** and therefore recipients of the payment are excluded from applying for M10 - Agri-environment-climate schemes.

For example, in ES-Aragon if the land interested in the support is located in a Natura 2000 area, the payment covers a prohibition on tillage and cropping or any other action that eliminates or transforms the vegetation cover, and cannot be combined with M10.

In FR-Languedoc-Roussillon it is not possible to combine support under M12 and M10.

Interactions with greening direct payments In order to **demarcate M10 support from the 'greening' direct payments**, several RDPs states that, as imposed by Art. 30 of Reg.(EU) 1305/2013, when calculating the support under M12, Managing Authorities deducted the amount necessary in order to exclude double funding of practices.

A few RDPs specify other rules in relation to the risk of double funding, for example:

- The DE-Saarland RDP excludes funding under M12 if an applicant participates in the greening payment.
- IT-Friuli Venezia Giulia excludes grassland that is utilised to satisfy Ecological Focus Area requirements (covered by the greening payments), but compensates for restrictions on the planting of woody crops such as poplar on arable land.

Other Measures Several RDPs state that **farmers or foresters in receipt of the Natura 2000 support (M12.1 and M12.2) qualify for preferential support under other RDP measures**.

For example:

DE-Sachsen-Anhalt RDP specifies that Natura 2000 payments (M12.1 and M12.2) are linked to M01 - Knowledge transfer & information actions and M02 - Advisory services.

The ES-Cataluna RDP lists the Measures where funding is targeted to Natura 2000

areas, including:

- M04.4 - Support for non-productive investments linked to the achievement of agri-environment-climate objectives,
- M07.1 - Support for development plans and basic services of municipalities and villages in rural areas and protection and management plans relating to Natura 2000 sites and other areas of high nature value,
- M08.3 - Support for prevention of damage to forests from forest fires and natural disasters and catastrophic events,
- M08.5 - Support for investments improving the resilience and environmental value of forest ecosystems
- M08.6 - Support for investments in forestry technologies and in processing, mobilising and marketing of forest products
- M10 - Agri- environment and climate (only for some of operations)
- M11 - Organic agriculture

In IT-Umbria, the WFD payment can be combined with support for non-productive investments and with Natura 2000 payments.

7. Eligibility criteria and selection process

Eligible costs Most of the RDPs define the payment in terms of restrictions to grassland management. It is therefore possible to deduce that in the majority of the RDPs only grassland will be eligible for the Natura 2000 agriculture payment.

Area threshold Some RDPs have set minimum area thresholds.

Area threshold	Examples of RDPs
2 ha	AT
1 ha	SK
0.3 ha	BG, HU
0.1 ha	CY

Duration Support under M12 is based on annual payments. In most cases, the payment is made every year provided that the requirements are fulfilled.

Beneficiaries The measure applies to **farmers and to private forest holders and associations of private forest holders, who have land within a Natura 2000 site or who are in areas subject to measures under the Water Framework Directive**. In duly justified cases payments can also be provided to other land managers.

Several RDPs mention that **additional beneficiaries can be considered if proper justification is supplied**.

Except in one case, **RDPs did not specify whether public bodies can receive funding under M12** and whether Natura 2000 forest areas managed by public authorities are eligible (IT-Umbria specifies that public authorities, such as municipalities, are eligible if they have the use of agricultural land located in Natura 2000 areas).

8. Financial aspects

Budget

Support under M12 is limited to a maximum amount of €500 per ha per year in the initial period not exceeding five years, and €200 per ha per year thereafter⁷. All payment rates are based on the income foregone and additional costs resulting from the disadvantages and restrictions that apply. Some Member States offer a single payment rate for each sub-Measure, calculated on the basis of a set of general restrictions that apply across the area, whilst in others the payment levels in the current period vary according to different habitat types and the different types of restrictions that apply, for example:

- In BE-Wallonia, three compensation payment rates are set: €100/year/ha for grassland with low constraints, €440/year/ha for grassland with high constraints, and €21.60/year/20x12 measure strip for the riparian strip requirement.
- In DE-Brandenburg Berlin payments are scaled according to the degree of extensification: the largest amount is given for not using chemical-synthetic N fertilizers and pesticides (€140/year/ha), with additional amounts between €30 and €52/year/ha for further restrictions. On grassland, €200/year/ha is given for not grazing before mid-August, with decreasing rates to the earliest allowed use date of 15 June.
- In ES-Múrcia, the payment rates are calculated to compensate intensive horticulture producers for using biodegradable plastic covering instead of ordinary plastic. The payment rate was calculated at €655.75 per ha compensation plus €12.79 ha administrative costs. However, as this exceeds the allowed total payment rate of €500 per ha, the RDP states that the payment is only partially compensating for the additional costs and income foregone of the restriction.

⁷ Annex II Reg. (EU) No 1305/2013