

Natura 2000 Payments by Rural Development Programmes PES or Dead Weight?

- Examples from five Bundesländer in Germany

Objective of the measure

The European Agricultural Fund for Rural Development (EAFRD) is the most important financial fund to implement the European Natura 2000 network of protected sites. Within EAFRD, Natura 2000 payments are a core instrument aiming at farmers in Natura 2000 areas besides other measures like agri-environment payments or payments for conservation and upgrading of the rural heritage. In contrast to other measures the objective of Natura 2000 payments is the compensation of monetary disadvantages caused by legal requirements governing farming practises in Natura 2000 areas.

Natura 2000 Payments (Art. 38 EAFRD)

- to farmers for compensating disadvantages
- in Natura 2000 sites (79/409/EEC and 92/43/EEC)
- support granted annually per hectare of UAA
- to compensate costs incurred and income forgone
- 200 €/ha plus national top-ups

Table 1: Natura 2000 payments and supported UAA

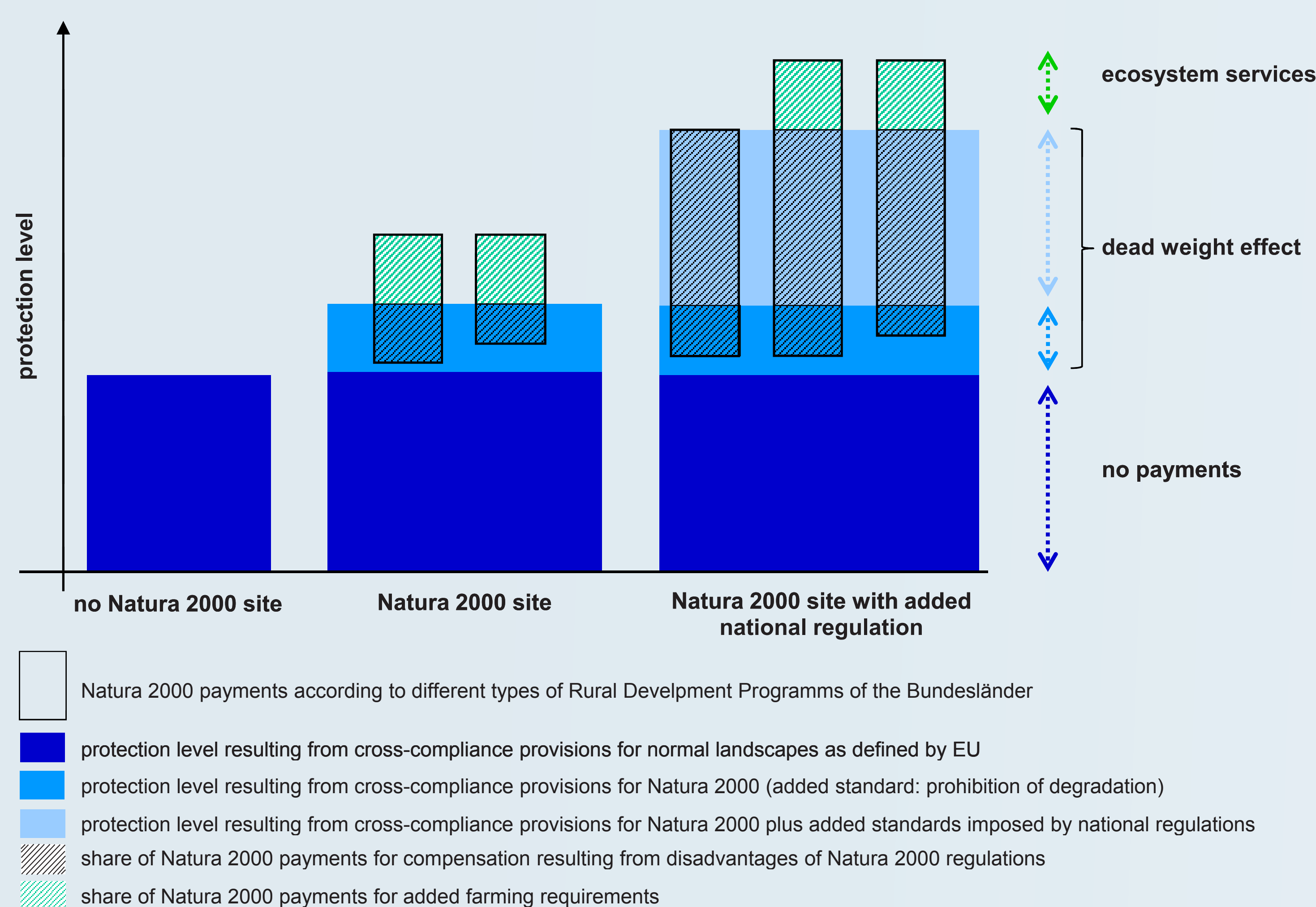
	Year	Unit	Bundesländer			
			SH	HH	NI / HB	NRW
UAA supported	2009	(ha)	17,798	650	20,678	33,313
Target area covered	2009	(%)	44	28	40	62
Farmers supported	2009	(n)	981	60	1,968	3,700
Range of payments	2009	(€/ha)	80 / 150	46 to 173	33 to 875	36 / 48 / 98
Sum of payments	2009	(€)	3,804,149	91,808	437,816	9,064,263
Portion of total payments for RD	2009	(%)	2.27	1.13	0.21	2.87
Relation of impl. costs per payments	2005	(%)	52.6	no data	34.4*	5.3

* HH/HB with nature conservation measures

Source: Compilation of Midterm Evaluation results (Reiter & Sander 2010) and Ex post Evaluation results (Fährmann 2008).

Design types of Natura 2000 payments and their additional ecological effects

Figure 1: Schematic presentation of design types of Natura 2000 payments



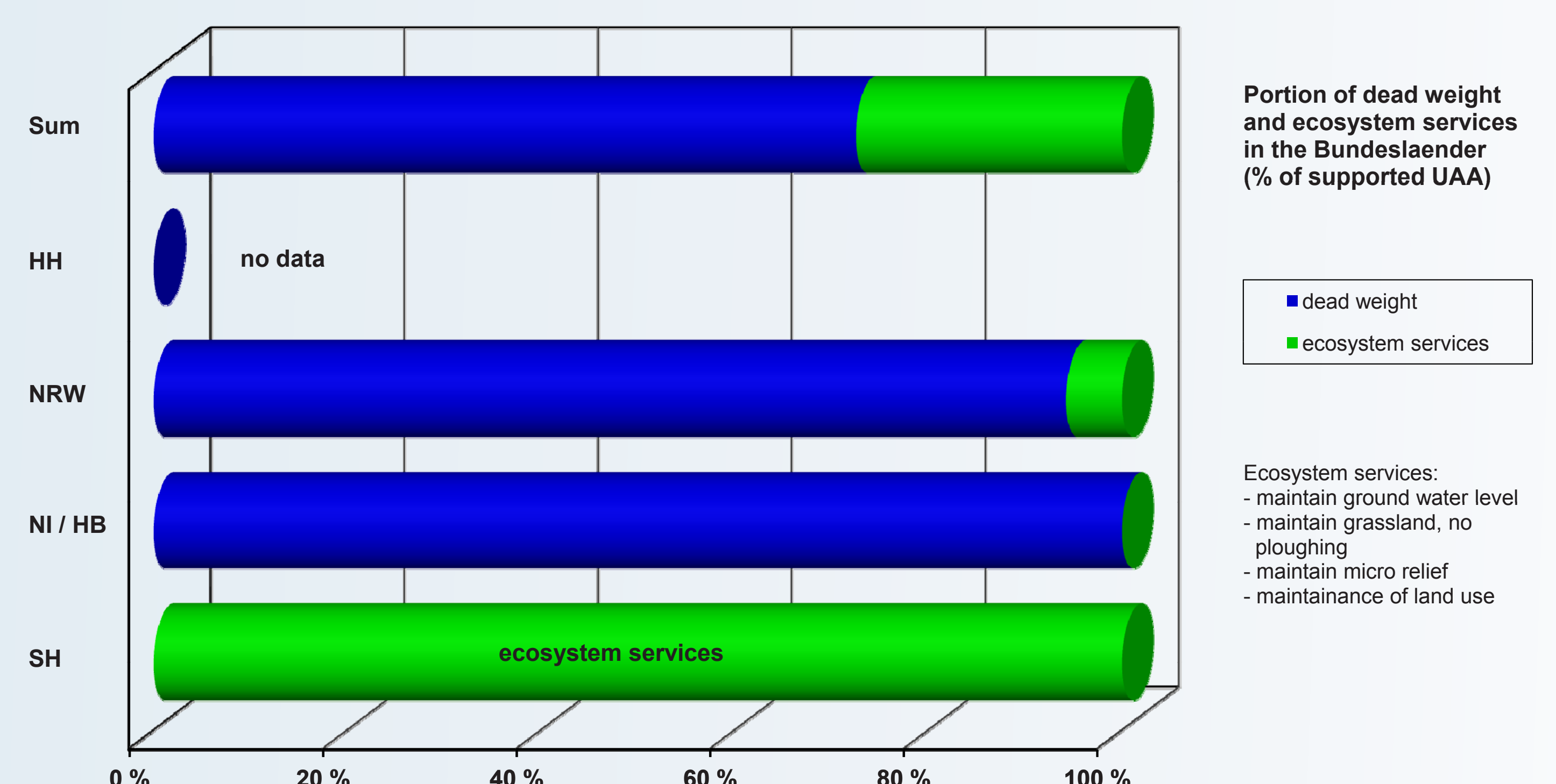
Types of Natura 2000 Payments

- Cross-Compliance (CC) is a set of (EU) legal standards for environmental protection and animal welfare as well as for food safety and the maintenance of „good agricultural conditions“
- CC-level varies between normal landscape and Natura 2000 area
- German Natura 2000 sites may include areas protected on a higher level with constraints imposed by national regulations and special farming requirements concerning e.g. use of pesticides, fertiliser
- Disadvantages caused by the protection in Natura 2000 areas are compensated to a different extent. Compared with the reference „without Natura 2000 payments“ this share of the support neither causes a different farm management nor additional environmental effect
- Share of payments which goes beyond the mandatory standard results in additional ecological effects

Results and conclusions

- According to the EAFRD-rules for the measure dead weight effects are outweighing ecosystem services
- In the context of the current design of Rural Development Programmes, the option to realise additional ecosystem services through Natura 2000 payments is only used to a (very) limited extent
- When setting up new Rural Development Programmes the design of the measures should be scrutinised against a more efficient use of financial resources
- In general it must be discussed to what extent the social responsibility entailed in ownership of property as laid down in the German Constitution is reflected

Figure 2: Ecosystem services triggered by Natura 2000 payments



Source: Extrapolation on the basis of case studies (Reiter & Sander 2010).