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*European Forum
on Nature Conservation
and Pastoralism*

High Nature Value farmlands: Recognising the importance of South East European landscapes

FINAL SUMMARY REPORT (Bulgaria & Romania)



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Recognising the importance of South East European landscapes**

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This report is produced as part of collaboration between the European Forum on Nature Conservation and Pastoralism (EFNCP) and WWF Danube-Carpathian Programme (WWF-DCP). Both organisations recognise the importance of certain farming systems for nature conservation. Between 2006 and 2008 a project was executed aiming at finding out at a local scale where agriculture overlaps with areas of High Nature Value in order to understand better the relation between both. The project consisted of six local workshops, three each in Bulgaria (Strandzha, Rusenski Lom and Western Stara Planina) and Romania (Sibiu, Mehedin i and Gala i), and a reporting seminar in Brussels. After concentrating on the ecological aspects, the workshops analysed the socio-economical needs of local farmers and identified where policy can be improved. In this way the project linked the developing concept of High Nature Value farming to the reality of farming and considered the practicalities of implementing the EU commitments on identifying and supporting HNV farming in different local situations. All findings were reported to relevant bodies from local to European level.

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This final summary report builds on the findings of six local case study reports, downloadable from the websites.

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I. INTRODUCTION

Coming into the new millenium, a common perception in the European nature-conservation community was that the countries of eastern Europe are very important for farmland biodiversity, due to the large areas of traditional, low-intensity farming, and especially the survival of traditional grazing systems on semi-natural pastures – i.e. HNV farming. It was perceived that the transition to a market economy and to EU membership could be critical for the survival of these types of farming, and that without special measures of support, they are likely to disappear.

At the same time as Bulgaria and Romania were preparing for accession to the EU, the HNV farming concept was being brought into EU policy, with new commitments from Member States to identify, maintain and monitor the extent and condition of these farming systems. These commitments are not concerned only with farming in special areas, such as the Natura 2000 network, but are intended to translate into support for low-intensity farming where this exists across the “wider countryside”.

Although there is still a lack of clarity in the EU regulations about exactly what Member States are expected to do to convert these HNV commitments into reality on the ground, nevertheless it was clear that the needs of supporting HNV farming had to be addressed immediately by Bulgaria and Romania in in their Rural Development Programmes for 2007-13.

As a response to the above situation, EFNCP put together the present project in partnership with WWF-DCP, and BBI-Matra kindly agreed to provide funding. The aims of the project were:

- To raise awareness about the HNV farming approach and policy commitments in local areas amongst farmers, conservationists and administrators. This was through 6 local workshops organised by WWF-DCP (3 in each country), over the past 2 years.
- To study in each area the types of HNV farming, the issues affecting them, the support measures and how they are being applied. This work was undertaken mainly during the workshops and field visits themselves. Some background information was gathered beforehand, but funds were not available for exhaustive research.
- To reflect on the actual problems of HNV areas and on the appropriateness of EU rural policy for these areas.
- To bring together conclusions and discuss these with policy makers and other stakeholders at EU level in a final seminar held in Brussels in May 2008.

This was a challenging project to execute. We were attempting to tackle a new and complex issue in a series of short seminars, in some of the more marginal rural areas of the EU where multi-disciplinary workshops involving government officials, farmers and environmentalists are not a common event.

In the circumstances, the project turned out to be a great success. It brought together a large number of diverse rural actors, and enabled a considerable flow of information on cutting-edge policy issues, from EU to local level, and back again. It also facilitated many hours of lively and constructive discussion between actors who normally would not have such an opportunity (e.g. Ministry officials and local farmers).

This report aims to present the main information gathered during the Project, and the conclusions for the development and implementation of policies intended for supporting HNV farming.



Picture 1: Cow grazing on lucerne cropland (aftermath-grazing), discussion among workshop participants in the background

II. OVERVIEW OF CASE STUDY SITES



Map 1: Case study sites indicated on the map

II.1 Sibiu, Romania

Sibiu County (administrative level NUTS III) is situated in the Carpathian Mountain in central Romania. Its landscape is characterized by plateaus and hills (50%), lowlands (20%), and mountains (30%), the latter reaching 2535m. The mountain area is entirely designated as LFA (Less Favoured Area), while the whole county is designated as a HNV area by the Ministry of Agriculture for the purposes of the agri-environment measure.

The county hosts a rich flora of over 5500 plant species, or about 67% of Romania's total. Among them are over 40 species endemic for the Carpathians and 12 species on Romania's Red List. At least 11 hay meadow plant associations can be distinguished on HNV grasslands. Invertebrates on these grasslands have been researched comparatively well. In Sibiu at least 58 day-flying butterfly species can be found alongside a high diversity of other invertebrates such as beetles, grasshoppers and ants. 73 plant species found in the area are potential butterfly host plants.

Sibiu harbours more than half of the country's mammal and bird species. Large herbivores such as the Chamois (*Rupicapra rupicapra*) and Red Deer (*Cervus elaphus*) are present, as well as predators that have become extinct in many other parts of Europe: Brown Bear (*Ursus arctos*), Grey Wolf (*Canis lupus*), European Lynx (*Lynx lynx*) and Wild Cat (*Felis silvestris*).

As a result of this presence of such a rich flora and fauna, Sibiu is an important part of the European network of protected areas. About 75% of Sibiu County falls under Natura 2000, covering forests as well as grasslands. However, not all HNV grasslands as mapped by the European Environmental Agency are included within a Natura 2000 site.

The main land use in Sibiu County is agriculture, representing 56% of the total county surface, followed by forests (35%). Semi-natural vegetation accounts for 60% of all farmed land and most of this is managed extremely extensively. In fact, Sibiu is the county with the longest history of transhumance in Romania. The ownership structure of this hilly and mountainous area developed a specific farming system, predominantly based on methods of mixed sheep and cattle grazing and mowing, and mobile pastoralism on long and short distances. As a result of these characteristics, the majority of the farmland area in Sibiu can be considered as Type 1 HNV farmland.

Arable land is found only in very small parcels (except in the lowlands of the county), while orchards are common throughout the lower areas and are characterised by their large trees and permanent pasture understorey. The use of pesticide sprays is unusual in permanent crops. These crops form mosaic of farmlands around the villages that would fall into HNV Type 2.



Picture 2: Grasslands in Sibiu county



Picture 3: Traditional haystack on meadow

The farming systems which maintain the high nature values at a landscape scale are broadly:

- Small-scale working of village plots and orchard management
- Grazing management with local or daily movements of livestock (pendulation)
- Grazing management with seasonal or more long-distance movements (transhumance).

The main characteristics of the HNV farming systems in Sibiu are:

- Small-scale: most households have only 2-4 cows, some have less than 10 sheep, and 2-10 hectares of hay meadow
- Semi-subsistent: majority of the produce is consumed within the households
- 'Part-time': one or both parents in households have employment. The grandparents may do the majority of the work. Three or four generations may live in one household.
- Highly efficient in the use of natural resources: high input of labour and low or zero input of inorganic fertilisers and energy (wood used for fuel). Majority of winter fodder (hay, beet, turnips) produced by the households.
- Products: predominantly dairy – cheese and milk. Calves are slaughtered for home consumption. Lamb eaten at Easter and pastram in autumn. Wool is still valued in the villages and used to make clothing and rugs.

- Pendulation: annual forage deficit necessitates the movement of livestock to pastures in summer months where shepherds herd livestock communally and produce various cheeses (brânz , ca , urd and sometimes telemea) by hand in stânele (shielings).

The importance of this type of livestock production, based on semi-subsistence farms and sheepfolds, and delivering many benefits to society, seems not to be recognised or valued by policy makers. Semi-subsistence farming is not given priority in policy formulation at national level.

Shepherds from Sibiu were the first ones to react vociferously to the so-called “harmonisation” of hygiene standards, which accompanied EU accession. This will be the main issue that the farmers of the Sibiu and other HNV farming systems have to deal with in the coming years. The need for investments in basic equipment is becoming a main concern. Many farmers are already considering giving up shepherding entirely.

HNV farming systems are also becoming less socially acceptable. The job of a shepherd is very arduous and working conditions can be very poor. It is becoming difficult for the organisers of the sheepfolds to find skilled shepherds.

Another important aspect concerning transhumance is the lack of a legal framework regulating and legalising this activity. Without a legal basis for their operations, transhumant shepherds will always be on the threshold of illegality and facing conflicts with farmers and foresters.

II.2 Strandzha, Bulgaria

The Strandzha Mountains are located in the most south-eastern part of Bulgaria and border the Black Sea and the Republic of Turkey. The case study focuses mostly on the largest Bulgarian Nature Park “Strandzha”, which covers the most forested part of the mountains, as well as patches of grasslands of High Nature Value on a territory of 116,068.5 ha. Strandzha Nature Park represents a special natural combination of preserved sea and coastal landscapes, as well as low mountains and hilly landscapes, river valleys and tributaries. The coastal parts of the region are heavily developed with holiday resorts, while the interior of the Park faces serious problems of village and land abandonment.

The mixture of continental and Mediterranean climate in Strandzha gives rise to unique habitats of relict, endemic and threatened species of natural and semi-natural character. A total of 1,666 vascular plant species are identified in Strandzha, more than 47% of the plant species in Bulgaria. The presence of 56 endemic plant species, 63 relicts from the Tertiary (before last Ice Age), 3 globally threatened species, 10 endangered on a European scale and a further 113 species included in the Red Data book of Bulgaria, makes Strandzha one of Europe’s most exceptional botanical gardens. Besides this, Strandzha is well-known for its rich variety of medicinal herbs.

Also in terms of fauna, Strandzha harbours a rich diversity of 261 vertebrate species breeding in the Park. Among them are 40 fresh water fish, 48 salt water fish, 22 reptile and 10 amphibian species. With its 124 species Strandzha is among the most important protected areas for nesting birds in Bulgaria. The bird migratory route Via Pontica passes above the park, which explains the large number (257) of birds of passage. 149 of them are of conservation significance on a European scale, including Black Stork (*Ciconia nigra*), Lesser

Spotted Eagle (*Aquila pomarina*), Golden Eagle (*Aquila chrysaetos*) and Corncrake (*Crex crex*). 54 mammal species nest in the Park, including 21 bat species and Marbled Polecat (*Vormela peregusna*). The Park has one of the most important Otter (*Lutra lutra*) populations of Europe.

The unique species and habitat diversity of Strandzha Nature Park are of European significance and importance, and therefore the Park has been proposed as a whole in the Natura 2000 network, both under Habitat and Bird Directives. The management plan of the Park is unfortunately still not adopted by the Ministry of Environment. This poses significant problems for the management and protection of the Park, due to the strong interests from mass tourism development, especially along the coastal areas of the Park.

The main land use in the three municipalities of Strandzha Nature Park is forestry, with up to 80% of the land area. Open land within the forest estate is a particularly important element of the High Nature Value (HNV) farming systems in the Park, since pastures that could be grazed amount to 40 000 ha. The official carrying capacity of these pastures is 30 800 cattle or 180 000 small farm animals (sheep, goats), defining a grazing density of 0.67 to 0.77 LU/ha. Compared to the current number of animals it is clear that the pastures both in the agricultural and forest areas are seriously under-grazed. Thus, the main non-timber forest use comes from the collection of herbs, mushrooms and forest fruits, both for personal use and for trade.

The situation with the agricultural land use in the region has been particularly worrying over recent decades. Arable land abandonment is significant - as much as 99% is unused in the municipality of Malko Tarnovo.

The agriculture of the region was traditionally dominated by livestock. Pastoral sheep raising was typical for Strandzha till the middle of the last century. However, the post-war political situation meant that the borders were strictly controlled and shepherds were not allowed to move their herds to their traditional pastures along the Aegean Sea in Turkey.

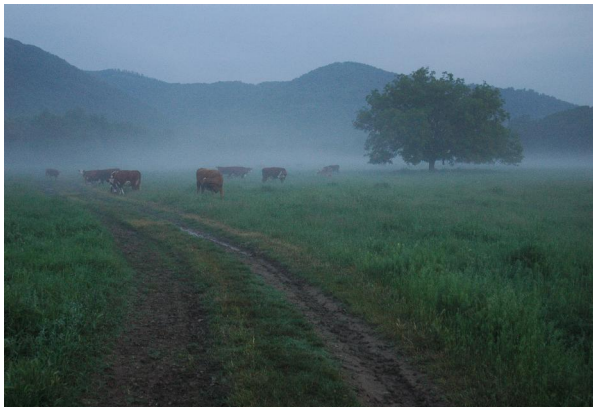
After a significant reduction in the total number of farm animals after 1990, in the period 2000 – 2007, the number of sheep and goats has increased again while the number of cattle continues to decline.

Today the farmland habitat continues to constitute a mosaic of biotopes in which grazed habitats play an important role: meadows, communal pastures, pastures, abandoned arable lands overgrown by grass and partially covered by bushes and scrub. The number of species directly connected to farmlands illustrates their conservation importance. This habitat is the breeding niche of 9 priority mammal species, birds and reptiles and of over 100 invertebrate species of conservation significance, and provides food for more than 20 species of priority mammals and birds.

The nesting of 8 bird species is linked to the agricultural lands and several of them are of a great conservation importance, such are Grey Partridge (*Perdix perdix*); Common Quail (*Coturnix coturnix*); Corncrake (*Crex crex*); Skylark (*Alauda arvensis*); Tawny Pipit (*Anthus campestris*) and Black-headed Bunting (*Emberiza melanocephala*). Mammals associated with the farmland habitat are Marbled Polecat (*Vormela peregusna*), Souselik (*Spermophilus citellus*) and rodent species such as Mole Rats, Moles, Shrews (*Sorex* spp.) and Mice. Snakes representative of the habitat are Dione Ratsnake (*Elaphe dione*) and Green Whip Snake (*Hierophis viridiflavus*).

The HNV farmlands in Strandzha are essentially Type 1 - semi-natural grazing land. They have great species diversity - approximately 200 higher plant species in total. The abundance of annual species is particularly evident in the clover family. The communities of thermophilic species and dry habitats are adapted to Strandzha's high summer temperatures. The HNV grasslands in Strandzha also include:

- Wet and semi-wet grassy communities typical for low altitude (up to 900 m).
- Grassy communities of scented grass (*Chrysopogon gryllus*) and bulbous barley (*Hordeum bulbosum*) in plains and hilly regions (500 – 600 m)
- Dry grassy communities with steppe elements and rocky steppes
- Dry shrubby pastures: areas used as pastures and representing complexes of grassy communities in combination with various shrubs and former forests. Characteristic are mock privet (*Phyllirea latifolia*) combined with communities of scented grass as well as pink rockrose (*Stachys incanus*).



Picture 4: Cattle grazing on wet, riparian grasslands along Veleka river (HNV Type 1)



Picture 5: Beef cattle grazing on dry, semi-natural grasslands with bushes and patches of woodland

The two main issues for the management of the HNV farmlands in Strandzha are strongly interrelated and interdependent:

- Serious land abandonment going on for more than a decade already. This leads to closure of some landscapes and complete disappearance of grasslands, both for conservation and for agricultural production;
- Significant shortage of human resources and overall interest to engage in farming. Agriculture and livestock breeding are seen as a historical activity. The interests of the few people left in Strandzha are targeted at tourism development – whether mass tourism at the seaside or rural tourism in the interior. This factor on its own has the potential to extinguish the labour-intensive HNV farming systems in Strandzha.

It is absolutely certain that the agriculture policy alone will not be able to solve these burning issues in Strandzha. However, it is important that the current agriculture and rural development policy is adequately supporting the few farmers still managing the grasslands and keeping animals. A next step will be to attract new farmers. One important aspect in this discussion is the farmers who are currently operating in an administrative and legal 'grey zone' of agricultural production. These are mostly farmers who are actively involved in farming both full-time and part-time. However, given the high number of new requirements introduced in the process of accession to the EU, as well as the high costs and awareness needed to respond to them, have been left outside the official 'legal' framework. On the other hand, farmers from the region potentially will be eligible for both the LFA and HNV farmland payments.

II.3 Mehedin i, Romania

Mehedin i County (NUTS III territory) is situated in the south-eastern part of Romania. Mehedin i has a varied relief (plains, hills, plateaus, mountains) in which the Carpathian Mountains cross the Danube River and thus form a hotspot for biodiversity of national, European and international importance.

Mehedin i hosts more than 1110 species of higher plant, 1500 species of lepidoptera (45% of the national total), and many bird species, including Red Listed farmland birds such as European Roller (*Coracias garrulous*) and Yellowhammer (*Emberiza citrinella*).

There are three major protected areas in the county (including the famous Portile de Fier or Iron Gates Natural Park) covering a total area of 282 866 ha, mostly forests. There are also a number of landscape sites and botanical reserves in the region protecting endemic (including grassland) flora species, such as Iron Gates Feather Grass (*Stipa danubialis*), Hungarian Tulip (*Tulipa hungarica*), *Centaurea atropurpurea* and *Cephalaria uralensis*.

Semi-natural grasslands in Mehedin i are habitats for flora species of medical importance, as well for small mammals such as European Ground Squirrel (*Spermophilus citellus*), and butterflies (*Papilio machaon*, *Agria tau*, *Vanessa atalanta*, *Aporia crataegi*, *Aporia crataegi*). Grasslands at higher altitudes (1500-1800m) are characterised by the presence of juniper shrubs (*Juniperus sabina* and *Juniperus communis* ssp. *nana*).

The land use in Mehedin i County is dominated by agricultural land use (a total of 59%) both as arable lands (37%) and as grasslands (19%) for pasture and meadows. The arable land is located on the plain and plateau areas in the Eastern and South-Eastern parts of the county. Grasslands on the other hand are concentrated (80%) in the hilly parts of the county with only 9% in the mountains and 11% in the plains. Forests, which cover approximately one third of the total territory, are mostly located in the Carpathians in the northern part of the county.

Livestock farming also varies spatially: pigs are concentrated in the maize growing areas, while sheep and goats are located mostly in the areas with natural and semi-natural grasslands. On the other hand, cattle are evenly distributed throughout the county. This is easily explained by the farming systems in which the different types of animals are kept. Thus, sheep and goat systems represent the highest interest in terms of HNV areas. A small number of animals per household is the typical pattern both for the sheep and cattle farmers. However, the share of registered animals is 60% and 62% respectively.

In terms of land registered for payments, it is notable that 87% of all agricultural land is registered with the Payments Agency. Registration is as high as 93% for arable lands, with 77% of grasslands and only 65% of vineyards being registered. Only 180 farms are larger than 50ha (average size 187ha), while 32 200 farms are smaller than 50ha (average size 5ha).

A calculation of grazing density using data for registered land and animals (cattle and sheep only) shows a grazing pressure of 0.56 LU/ha (1 livestock unit is about 1 cow or 8 sheep). This is lower than the grazing pressure on the total grassland area by registered and non-registered cattle and sheep – 0.70 LU/ha; and about half of the grazing pressure of non-registered sheep and cattle on non-registered grassland – 1.18 LU/ha. It will be quite interesting to get more insights of the full picture, especially in terms of the actual farming practices applied on both registered and unregistered farms.

HNV farming systems in Mehedin i are to some extent zoned according to the natural conditions in the county. Their economic performance is so low that they often are not even considered agricultural activity. However, their efficiency in terms of delivering HNV, as well as livelihoods for local people is quite significant.

*** HNV Type 1: Semi-natural vegetations**

These are broadly divided in three groups represented by:

- Grasslands in hilly areas used for sheep and goat grazing. If we consider the statistics that 80% of the grasslands in Mehedin i are located in the hills, this is the largest HNV area. These are mostly extensively grazed by the villagers' flocks. The same zone has very small patches of arable land, mostly directed to the villagers' own consumption and direct sale to neighbours.
- Lowland grasslands grazed mostly by cattle. This is mostly an extensive practice, however in some farms the level of intensity may be a little bit too high to allow high nature values. Therefore, the nature values of lowland grasslands most probably would be best evaluated at the farm level. The cattle feed is normally supplemented with fodder produced on the farm as well as some alfalfa, etc.
- Mountain grasslands used for sheep and goat grazing as well as hay-making. These are mostly small patches of grasslands in forested areas and their expected nature value is high, although not officially recorded yet.

*** HNV Type 2: Small-scale low-intensity mosaics**

Mosaic of small scale arable plots, orchards, combined with semi-natural vegetation in the plains and lowlands. These areas normally are located near the villages and produce a variety of crops. Usually their crop production is proportional to the animal production. Chemical inputs normally are not used. Some post-harvest grazing may be practised on the stubble fields.

Traditional orchard gardens throughout Mehedin i. Most of these orchards currently are abandoned. In most cases they have a grass understory, meaning that they are likely to be HNV.

Unfortunately, neither of these systems has been studied sufficiently in order to assess their specific biodiversity values.



Picture 6: Sheep and goats extensively pasturing on dry, hilly HNV Type 1 grassland – the most spread HNV farming practice in Mehedin i county



Picture 7: HNV Type 2 farmland with long-stretched, narrow plots of cropland, fallow land, vineyards and young orchards as well as semi-natural vegetation such as grassland and woodland

Parts of Mehedin i County (mostly the mountainous and some hilly areas) are eligible for the HNV packages given that the farmers are meeting the management requirements. Furthermore, the area is eligible for LFA payments both mountain area (in the north of the county) and for LFA due to sandy soils present in the eastern part of the county.

II.4 Rusenski Lom, Bulgaria

Rusenski Lom region covers three municipalities: Ivanovo, Vetovo, Tsar Kaloyan. The total area is around 110 736,3 ha, of which around 80 568 ha is agricultural land. The Rusenski Lom Nature Park is situated on the Rusenski Lom River near the town of Ruse and the Danube.

The river system of Rusenski Lom River has formed a canyon through the limestone plateau. The landscape is formed by the flat plateau and the deep valley and cliffs following the picturesque meanders of the river. Large territories on the plateau and along the rivers are covered with oak and lime-trees forest. The valley of the river is covered with wet meadows, pastures, arable land and riverine forest galleries. Many of these habitats are of high nature conservation importance and are as such identified according to the EU Bird (the complete Nature Park, 3408ha) and Habitat (32 489ha) Directives.

The variety of habitats and climate conditions contributes to a high flora and fauna diversity. The flora in the park includes 877 species (23% of Bulgaria's flora) including 30 Balkan and 1 Bulgarian endemic species. Nine species of the Orchid family can be found on semi-natural grasslands in the Park. Rusenski Lom is one of the top places for nesting birds in Bulgaria, and 122 (of a total of 174) bird species breed in the Park. Also the reptiles are very well represented (19 species) as well as fish species in the Lom Rivers. About 70 mammal species find their home in the Park, and more than half of them are protected under Bulgarian laws or Europe-wide conventions. Particularly interesting is the presence of 25 bat species dwelling in caves and old-growth forests.

The traditional farming practices that have been in place for centuries have shaped the landscape and species diversity. Many of the grassland communities in the park can be defined as high nature value (HNV) farmlands and thus are important for the biodiversity at regional level, but also at national and European level. Many species occur in open, semi-natural areas and are dependent upon certain low-intensity farming practices for their survival: Long-legged Buzzard (*Buteo rufinus*), Lesser Spotted Eagle (*Aquila pomarina*), Common Quail (*Coturnix coturnix*), Woodlark (*Lullula arborea*) and Red-backed Shrike (*Lanius collurio*). Particularly dependent on the wet meadows here are Corncrake (*Crex crex*) and the rare Black Stork (*Ciconia nigra*). The pastures in the area are among the last refuges where the European Ground Squirrel (*Spermophilus citellus*) is preserved as well as Marbled Polecat (*Vormela peregusna*) and Steppe Polecat (*Mustela eversmannii*). This is also a feeding place for the in South-East Europe critically endangered Egyptian Vulture (*Neophron percnopterus*). The rock dwellings and churches in the Rusenski Lom Nature Park are included in the World Heritage list.

The main occupation of the population is in the agriculture sector: cereals and vegetable production, livestock breeding, beekeeping. Cereals production is mainly carried out by cooperatives and large tenants.

Livestock keeping is developed mainly in private farms, which deal especially with cattle, pig, sheep and goat rearing, fish farming and beekeeping.

The forest areas including those in the park are extensively used for timber and firewood production.

The secondary economic activities are related to the service sector: mostly tourism linked to the Nature Park such as small rural tourism providing accommodation, restaurants, cafes, etc.

The farmlands of high nature value in Rusenski Lom region can be broadly classified in HNV Type 1 and Type 2.

*** HNV Type 1: Semi-natural vegetation**

These can be divided in two groups represented by:

- Meadows of the canyon floors: Over the years many, if not most, of these have lost their floristic diversity through manuring and nutrient inputs from floods. Some important semi-natural grasslands do remain, e.g along Cherni Lom and Malki Lom rivers, falling into the Habitats Directive Lowland Hay Meadows biotope. The main interest of these areas from a conservation point of view is for individual fauna species such as butterfly species and birds like Corncrake (*Crex crex*), a world-threatened bird of rich grasslands. The main threat to these areas comes from the abandonment of the mowing practices as well as the overgrazing. And while the lack of mowing is becoming a widespread issue in Rusenski Lom, the overgrazing of meadows is quite localized. However, where it happens it is seriously destructive.
- Semi-natural grasslands: These occur mainly on the canyon sides and margins. Most widespread are dry semi-natural grasslands on loess heights and uplands, but there are also significant rocky steppes, and surviving grasslands on the flat black earth soils of the flat lands above the canyons. Lastly there are significant areas of transitional habitats – bushy grasslands or open woodlands, depending on the point of view – on the canyon margins. They are recognized as the most valuable farmlands with occurrence of several endemic plant species. Significant fauna of the semi-natural grasslands include Spur-thighed and Hermann's Tortoises (*Testudo graeca iberia* and *T. hermanni*) and the European Souslik (*Spermophilus citellus*). The issue of overgrazing of pastures and some of the rocky steppes is a serious one. On the other hand there are pastures located further away from the villages than a day's movement of the animals and hence they are becoming more and more overgrown with bushes and other vegetation. This leads to the decrease in the Souslik population.

A moderate grazing density of 0.6 – 0.7 LU/ha is recommended for the park territory. The decline of small scale grazing practices and the concentration of animals in larger farms leads to formation of woody and bush vegetation and to overall decrease of pastures' area.

*** HNV Type 2: Small-scale low-intensity mosaics**

Mosaics of small scale vegetable plots and tree crops are found next to the villages on the canyon floors in the Nature Park. While floristically poor, they are significant for species such as Red-backed Shrike (*Lanius collurio*) and Nightingale (*Luscinia megarhynchos*).

The region was selected as one of the three pilot areas for the SAPARD Agri-environmental sub-measure – management of semi-natural habitats. In 2007-2013 the grasslands and traditional orchards in the region can be supported by the HNV farmlands package of the Agri-environmental measure.



Picture 8: Canyon of Rusenski Lom, seen from the edge of the cliff near Orlova Chuka. Meadows along the river and bushy, dry semi-natural grasslands on the canyon margins (left upper corner) are some of the most important HNV farmlands in the area. On the horizon are large, intensively-managed arable lands.



Picture 9: Vegetable cultivation between village of Cherven and Cherni Lom River, a typical example of HNV Type 2 in Rusenski Lom Nature Park

II.5 Western Stara Planina, Bulgaria

Western Stara Planina region is a mountainous area with exceptional natural richness and biological diversity. It is situated at the border with Serbia and shares many common characteristics and traditions. From a socio-economic perspective however the region is classified as a less-developed area both in Bulgaria and in Serbia.

About 60% of the region is covered in forests and the rest is farmland, more particularly grasslands. Some is natural grass vegetation (alpine or high mountain pastures, riparian meadows, stony and rocky terrains), the rest is of semi-natural character shaped by man after the removal of forest cover.

Western Stara Planina has an outstandingly rich biodiversity. It is the second important region in Bulgaria for the conservation of natural beech forests, and there are spruce forests of high environmental and conservation importance in the Chuprene nature reserve. In the flora of Western Stara Planina region there are more than 2000 species of higher plants, among which 12 are Bulgarian and 79 Balkan endemics. The beautiful flowering plant Bulgarian Eranthis (*Eranthis bulgaricus*) is endemic to the region, and Serbian Ramonda (*Ramonda serbica*) is a Balkan endemic and tertiary relict. The fauna of Western Stara Planina is also very rich, with more than 180 bird species, more than 50 species of mammals (including 14 species of bats) and 26 species of amphibians and reptiles.

Among birds some of the most significant are Corncrake (*Crex crex*), Black Stork (*Ciconia nigra*), Rock Partridge (*Alectoris graeca*), Western Capercaillie (*Tetrao urogallus*) and Hazel Grouse (*Bonasia bonasia*). Of the 9 species of European woodpeckers, 8 are present in the region. Among mammals the most interesting ones are European Wolf (*Canis lupus*), Pine Marten (*Martes martes*) and Otter (*Lutra lutra*). Wild Boar (*Sus scrofa*), Red Deer (*Cervus elaphus*), Roe Deer (*Capreolus capreolus*) are also present. Not surprisingly, Western Stara Planina is part of the Natura 2000 network. There are plans to declare a large Nature Park in the region, however this is not to be expected soon.

The natural conditions of the region determine the agricultural land use with approximately 70% of the farmland being meadows and pastures. In comparison the arable land is only

around one third of all agricultural land available. The region is characterized by poorly developed agriculture and this probably explains the high share of abandoned agricultural land – around 20% of all land.

Most of the arable land is in subsistence farms with the main products being potatoes, beans, tomatoes and peppers. Where commercial farming is developed it is mostly for strawberries and raspberries production.

The extremely high share of the subsistence and semi-subsistence sector can best be revealed when comparing the figures of agricultural land in use and the land registered in the Land Parcels Identification System (LPIS) showing land eligible for support. On average less than one fifth of all grasslands are in farms claiming support (which means that are more commercially oriented farms). Even worse, only 8% of all arable land is registered in the LPIS. Furthermore, this excludes long-term abandoned land which is statistically registered separately.

The abundance of natural meadows and alpine pastures traditionally supported the development of animal husbandry in the region and especially sheep and goat keeping. The main sheep breed is the 'tsigay' which is a mixed breed for the production of milk, meat and wool. They are usually housed overnight. Most sheep and goat farms are semi-subsistence with limited marketing opportunities for their products. The scope for cattle, and especially dairy cows, is quite limited in the region.

The region's richness in a variety of natural resources provides additional incomes for approximately 20% of the population. The majority of these pick wild plants, mushrooms and berries for commercial purposes.

The High Nature Value farmlands of the Western Stara Planina region are dominated by HNV Type 1 semi-natural grassland vegetation, but some HNV Type 2 small-scale mosaic of vegetable gardens and fruit orchards is also present.

*** *HNV Type 1: Semi-natural grasslands***

The pastures and meadows which are also the dominant farmland use in Western Stara Planina are semi-natural habitats important for the conservation of birds of prey and meadow birds, souslik, marbled polecat, etc.

Grasslands close to settlements are often threatened by overgrazing leading to a reduction in their biological quality and loss of valuable species.

Alpine pastures are mostly abandoned, leading to the encroachment of bushes and other unwanted vegetation and gradual conversion to forest. Alpine pastures are in a critical situation and are threatened by extinction unless urgent measures are undertaken. Ironically in the past they were intensively used, some of them even ploughed and cultivated.

*** *HNV Type 2: Small-scale low-intensity mosaics***

The so-called arable land and the orchards can easily be classified as Type 2. Cropping is mostly of vegetables and mostly near settlements in the valleys of the Botunya, Ogosta, Dalgoselska, Ogosta and Barziya rivers. The orchards are mostly extensively used. In many places they are adjoined to (semi-) natural habitats (riparian willow-alder forests, meadows, common lands, oak forests, marshlands).

In this category of farmlands there are no rare plant species, but it is a valuable habitat for fauna species. This is a result of the fragmented ownership of the small plots, the type of terrain, and the lack of potential for a significant return on any investment. The soil and other natural conditions do not support high yields and further intensification and ploughing of land cannot be expected. At the same time these fields border areas rich in endangered and rare species and thus represent important bio-corridors.

Bulgarian farmers managing HNV grasslands and/or situated in mountains areas can apply for the single area based payments as well as for LFA payments and agri-environmental schemes for high-nature-value farmlands.



Picture 10: Subsistence farmer with his cow grazing near a settlement on HNV Type 2 land



Picture 11: Horses grazing on HNV Type 1 dry semi-natural grasslands near Chuprene

II.6 Gala i, Romania

Gala i is a county (NUTS III level) in the East of Romania, situated in the Moldavian region and in the Pannonian biogeographical zone. The county is situated in the lowlands, between the River Prut in the East and the River Siret in the West and South-West, both of which flow into the Danube. To the north the county is hilly with more varied relief. Overall, the region still hosts patches of grasslands of high nature value where grazing takes place as well as extremely intensive arable fields of cereals and energy crops.

The overall diversity of fauna of Gala i County contains over 240 bird, 26 mammals, 13 reptiles, 14 amphibians and 35 fish species. The focus was on the floodplain of the Lower Prut (a Natural Park) and its adjoining territories. The Natural Park consists of a long, narrow stretch (122 km – 8247 ha) of floodplains and natural and artificial lakes along the Romanian riverbank of the Prut river and forms a major corridor for bird migration towards Northern and Western Europe. The whole territory of the Lower Prut Floodplain Natural Park is included in the European Natura 2000 network as Special Protection Area under the EU Bird Directive and (except for the Brates Lake) as Site of Community Interest under the EU Habitat Directive.

Three bird species which are present in the country and relevant for open, usually farmed landscapes are Corncrake (*Crex crex*) – a world-threatened bird of rich grasslands, Red-footed Falcon (*Falco tinnunculus*) – a bird of prey using open country with some trees and water nearby, and Lesser Grey Shrike (*Lanius minor*) – a bird of dry open lowlands.



Picture 12: Lesser Grey Shrike (*Lanius minor*)



Picture 13: Corncrake (*Crex crex*)

Agriculture is the main land use in Gala i county representing 80% of its total area. The majority (81%) is arable land while grasslands cover 12 %, followed by vineyards (5%) and orchards (0,5%).

Even in the Prut River floodplains the main land use is still arable, mainly for cereals but increasingly for energy crops. The pastures are located mostly outside the floodplains of the Prut river on the higher ground. Hay meadows on the floodplains make up only 0.4% of the total land use. Other remaining floodplain grasslands are used for grazing by sheep and cattle when river levels are low.

The number of sheep in the proximity of the Lower Prut Floodplain Natural Park has fluctuated somewhat. For the decade after 1990 their number almost halved. However, in 2005 their total number recovered due to the fact that sheep are more flexible and less capital-intensive than cattle, yielding a diversity of products (cheese, meat, skin, wool); and there is a growing demand for lamb both within Romania and for export.

The area is very representative of the intensively managed territories in the lowlands of the Lower Danube. It is a mixture of small shares of grasslands, mosaic gardens near the villages as well as vast areas of intensively managed agriculture fields. The area around the Lower Prut Nature Park has the following types of high nature value farmlands:

*** HNV Type 1: Semi-natural grasslands**

- Extensive grazing taking place in the floodplain meadows of the River Prut;
- Extensive grazing taking place on the pastures situated on the higher grounds of the county (< 300 m) and generally nearby the villages;

In general the common land graziers are divided into two types. The first is the collective village sheep flocks: in each community there are 2-3 flocks using the surrounding lands (especially the grasslands and the stubble fields.) The other type of user is the individual farmer with larger herds who is able to manage the flocks on separately. They have an agreement with the community administration on which land they can use. In general there are no conflicts of land use in the region.

The highest concentrations of Corncrake (*Crex crex*), Red-footed Falcon (*Falco vespertinus*) and Lesser Grey Shrike (*Lanius minor*) in Gala i County can be found in and around the HNV Type 1 grasslands in the floodplain. However, the birds are not confined to the grassland habitats. Corncrake makes use of cereal cropland as well, while Red-footed Falcon and Lesser Grey Shrike make use of forest patches in the floodplain for nesting and feeding.

*** HNV Type 2: Small-scale low-intensity mosaics**

Mostly represented by the small mosaics formed by vineyards, orchards, small strips of grasslands near lowland villages

This is the HNV type for which we have the least specific information due to the fact that it is mostly considered as village gardens with very small parcels. For example in the village of Mastacani the village gardens are 10% of the total agriculture land. In practice every villager has his/her parcels there. Most of them would have animals as well, so in terms of farmers they may be the same individuals. However, the purpose of their management is purely subsistence and in rare occasions some produce goes on the local market.

*** HNV Type 3: Habitats of species of European importance**

The majority of the farmlands: intensively farmed arable near lakes and rivers with concentration of important waterfowl plus poor biodiversity grasslands (overgrazed in most of the cases).

The main issue with this type of HNV in Gala i is the intensively used arable fields and overgrazed grasslands. This type of HNV farmland does not exhibit the HNV characteristics such as presence of semi-natural vegetation at large scale, diversity of land cover and overall low-intensive land use. Hence there is no or little relation between the farming system and the presence of rare species. Typical bird species of high conservation value are migrating waterfowl feeding on highly nutritious crops such as winter wheat e.g. Lesser White-fronted Goose (*Anser erythropus*) and Red-breasted Goose (*Branta ruficollis*). Also raptors such as Saker Falcon (*Falco cherrug*) and Montagu's Harrier (*Circus pygargus*) make use of HNV Type 3 farmlands as well as HNV Type 1 grasslands in and around the floodplain.

The region of Galati is not eligible for the agri-environment measure except for the green cover package which aims to reduce soil erosion. Some parts in the north of the county are eligible for LFA payment due to less-favourable soil conditions.



Picture 14: Sheep/goat grazing near Târgu Bujor on natural (wet) grasslands (HNV Type 1). Glimpse of Type 2 HNV farmland in background



Picture 15: Intensively farmed, drained arable semi-farmland near the city of Gala i (Type 3 HNV farmland)

III. IS POLICY EFFECTIVE IN STEERING THE USE OF HNV FARMLAND?

One of the major concerns of the project was to make the link between HNV farmland and policy. That meant firstly engaging with how issues such as land abandonment and the appropriate use of land link in to the HNV farmland concept at a grass roots level.

In relation to grazing systems, the broad issues seen in Bulgaria and Romania are common to many other parts of the EU, although with slightly different circumstances and emphasis. These issues consist of, on the one hand, the on-going neglect and decline of more marginal and remote semi-natural grazing land; and on the other, the over-intensive and inappropriately managed grazing of some more accessible land, especially under common usage.

The need is to achieve and maintain a balanced (in space and time) use of semi-natural grazing land, preventing abandonment of vegetation types that need low-intensity grazing to maintain their value as wildlife habitats, while at the same time preventing over-grazing. To pursue this aim through policy instruments, it is essential to have reliable information about how many animals currently are using which parcels of land, and to set basic objectives in terms of the grazing situation that should be achieved in (for example) 5-10 years.

These issues have received previous attention both nationally and on a regional scale¹ in the formulation of a range of detailed agri-environment and other support schemes. However, the degree to which the nationally-formulated prescriptions are valid or relevant on the local level remains of fundamental importance if policy is to deliver its objectives on the ground.

The project tried to investigate the technical, administrative and socio-economic reasons why policy measures may be less able, or unable, to impact on particular land. This has two aspects – whether the legislation *allows* support to target particular land; and whether the farmer *chooses* to declare the land and claim support on it. We deal with these in turn below.

This has a number of facets:

The State needs detailed knowledge of actual land use – who uses it and how – in order to be able to assess which management systems are beneficial and which not, and then to develop and apply appropriate policy measures. For example, livestock densities are known to be key variables on HNV farmland, but the difficulties in establishing what they are depend not only on honest declarations of livestock numbers by farmers, but also on accurate determination of what land is used by the animals.

Obligations to control land use in certain ways are placed on the State either by EU or national laws. For example, within Natura 2000 sites the authorities are obliged to establish and then maintain favourable conservation status for the habitats and species that have justified each site's designation. Farmers who receive CAP funding are subject to cross-compliance rules which are in many cases land based. The State must be in possession of meaningful facts about how land is being used and managed for the objectives of these legal obligations to be fulfilled.

¹ (2005) DLG Government Service for Land and Water Management, Utrecht *Land abandonment, biodiversity and the CAP* www.lvaei.lv/sigulda/BOOK.pdf

Box 1: Examples of land-based policies and area-based payments

Examples of policies whose effective implementation depends on detailed knowledge of land use

- § Natura 2000
- § EU Biodiversity Action Plan
- § Axis 2 objectives (sustainable land management) of the EAFRD
- § Cross-compliance of CAP payments
- § Compliance with per hectare restrictions on some CAP payments

Examples of CAP payments delivered on specified land

- § Single Payment Scheme/Single Area Payment Scheme
- § Disadvantaged Area payments
- § Natura 2000 payments
- § Agri-environment payments
- § Certain investments in holdings
- § Certain 'meeting standards' support

Whereas in the past, farmers could receive support for raising a certain number of livestock, or producing a certain amount of meat and milk, nowadays policy concerns itself very much more with the use of the land and the delivering of landscape and biodiversity objectives. To deliver this support, the State thus needs to know the location and extent of farmed land, which particular farmers use that land, and how.

III.1 Policy needs for HNV farmland in the project areas

Despite the apparent range of circumstances across the six project regions, the broad aims of policy from the point of view of sustainable, biodiversity-beneficial farm management are surprisingly similar, reflecting the overwhelming disruption that the post-Communist transition has inflicted across both countries. These are:

- Maintenance of appropriate grazing regimes on all currently-used forage areas, especially semi-natural grazing land
- Possibly, reintroduction of grazing on former forage areas
- Control of scrub expansion, but avoiding the total eradication of scrub
- Maintenance of small-scale, low-intensity mosaics, mostly, in the case studies, in the vicinity of villages

Achieving these objectives requires a holistic approach to the many social, economic and even cultural factors at work in the study areas. Some of the solutions will undoubtedly involve the delivery of financial support so it is imperative that the land is declared by farmers in their annual IACS (Integrated Administration and Control System) forms. Put another way, the land needs to be included and correctly described in the Land Parcel Identification System (LPIS) which supports IACS².

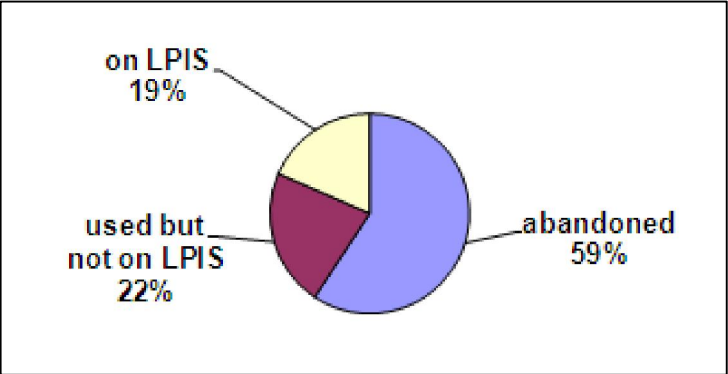
Data on land registration were presented for the Western Stara Planina area (shown in graphical form in box 2). The majority of the former pastures is shown on municipal records as being abandoned (see picture 16). This raises two questions. Is this the true situation and, if it is, does it matter – should policy try to reinstate grazing on some of these former pastures?

² <http://www.iacstr.com/whatlpis.html> contains a good simple introduction to IACS and LPIS. In short: IACS – Integrated Administration and Control System, a technical management and control tool. LPIS – Land Parcel Identification System, the GIS database underlying the control and administration of CAP payments.

In that particular location, it is vital to consider this question, since it falls within Natura 2000 sites and, as mentioned above, ensuring the favourable conservation status of habitats (including grasslands) is a key objective.

On the non-abandoned land, the data raised yet further questions. Why is it that even grazed land is not declared by farmers on their IACS forms? Is it a function of lack of incentives, or bureaucratic impediments, or personal capacity?

Box 2: Registration of land in 4 Western Stara Planina municipalities



Picture 16: Abandoned grassland with encroachment of Blackberry bushes, Hawthorn scrubs and small trees in Western Stara Planina (Bulgaria)



Picture 17: Mosaic of meadows, cropland, vineyards and fallow land in Mehedin i (Romania)

III.2 Factors preventing the declaration of land – *inability to declare*

From the information gathered at the workshops, it seems that there are several legal and administrative constraints which prevent farmers from declaring some of the land they use on their IACS forms.

Some of these are national rules. A good example, important in all three Bulgarian sites, is the law prohibiting the grazing of State Forest land. Land officially falling within the national forest estate, whether actually afforested or not, cannot in principle be included on IACS. In Romania, the law prohibits the grazing of *all* forest.

However, we saw in Rusenski Lom, for example, that much of the State Forest land was in fact grazed, and by a variety of stock from buffalo and dairy cattle to sheep and goats (see picture 18). In the case of goats, not just the glades but the woody vegetation itself provides useful forage. So long as it is within appropriate limits, such grazing may well deliver biodiversity benefits by maintaining open patches of benefit to certain species (e.g. of butterfly) within woodland.

Laws to prohibit livestock from forests were developed in many European countries in the past to prevent damage to tree stock. However, it is also a reality in many countries that forest land continues to be used as a significant forage resource. The existing rules not only limit the area farmers can claim and potentially be supported for using. They also tend to limit the willingness to evaluate and value this use of the forest on the part of the administration – grazing cannot be having positive (or negative) effects because officially it doesn't happen!

In Bulgaria, grazing seemed to have been an important factor in the shaping of all the sites, but our impression was that it was not being given its due consideration in the preparation of site management plans. In the Strandzha, it was clear that grazing was formerly much more extensively practised than at present, and that the landscape itself was changing rapidly as a result of the post-Communist decline in livestock. Yet an *a priori* inability to consider the role of grazing in the State Forest would seem to rule out substantial restoration on anything other than still-open land.

Box 3: Summary of Commission rules and guidelines on inclusion of woodland as IACS forage

- Art. 8.1 of Reg. (EC) 796/2004 states that 'a parcel that contains trees shall be considered an agricultural parcel provided that agricultural activities or, where applicable, the production envisaged can be carried out in a similar way as on parcels without trees in the same area'
- Commission Working Document AGRI/2254/2003 states that:
 - Areas of trees – particularly trees with a potential use only for wood production – inside an agricultural parcel with a density of more than 50 trees/ha should as a general rule, be considered as ineligible. Exceptions may be considered for tree classes of mixed-cropping such as for orchards and for ecological/environmental reasons. Eventual exceptions must be defined beforehand by Member States.
 - The Commission services take the view that wood within this meaning should be interpreted as meaning areas within an agricultural parcel with tree-cover (including bushes etc.) preventing growth of vegetative under-storey suitable for grazing.
 -

An example: the interpretation being used in Scotland

Woodland can be declared as grazed (and IACS-eligible) if:

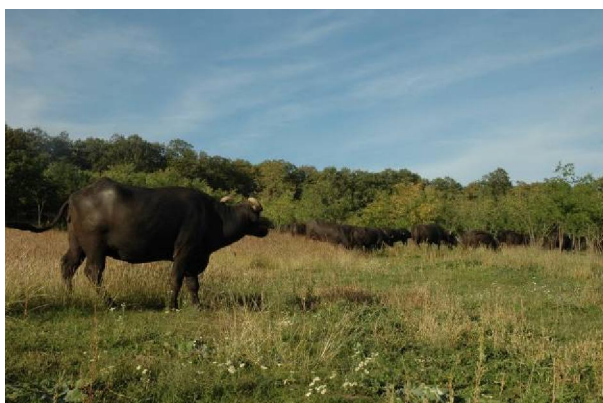
- Use for grazing is long-standing
- Not causing environmental damage
- Areas within parcels where tree cover is such that growth of grazeable vegetation is impaired should be deducted from forage (Note that whole parcels are not excluded)

A second obstacle to the declaration of land is the CAP rule forbidding the inclusion of woodland on IACS³. This regulation has the potential to affect IACS eligibility in many Member States where the use of forage in woods and scrubland survives (notably those in the Mediterranean region, where vast areas of HNV grazing land have a considerable cover of scrub and trees). The Commission has issued clarifying guidance which can, if used by Member States, limit its impact in practice (see box 3). However, in both Romania and

³ Art 44.2 of Reg. 1782/2003: "'Eligible hectare" shall mean any agricultural area of the holding taken up by arable land and permanent pasture except areas under permanent crops, forests or used for non-agricultural activities'

Bulgaria the rules have been interpreted fairly conservatively. In Bulgaria, land with more trees was categorized as code 6 “other agriculture land” in the LPIS. During personal consultation with the GIS experts who developed the first version of the Bulgarian LPIS it became clear that due to the short time this code included several types of land including land with too many trees or bushes (see picture 19), as well as land which could not be classified in any of the other codes due to low/bad/no visibility of the areal photos.

For some reasons (mostly justified as ‘potential for fraud’) the Paying Agency issued an internal recommendation which said that applicants with land under code 6 will not be paid SAPS payment. The possibility for a ground check of the actual land use was there but due to too many complaints and to the fact that only inspectors from the central authority could do the ground check only a few were carried out. Some local offices went even further and issued ‘punishment order’ which requested farmers to pay back the full SAPS payment. This created many tensions among the farmers, the Paying Agency and the Ministry of Agriculture. During the summer farmers protests in 2008 this was one of the main farmers requests presented to the Minister of Agriculture. The internal instructions were changed, ground checks carried out and code 6 land was made eligible for SAPS payment again.



Picture 18: Buffaloes grazing in open woodland officially natural designated as forest (Rusenski Lom, Bulgaria)



Picture 19: Excellent example of HNV Type 1 semi-grassland, not declared on LPIS due to scrub invasion (Western Stara Planina, Bulgaria)

A third CAP rule subject to national implementation is that which requires the setting of minimum parcel size eligibility for parcels included in an IACS application⁴. In Bulgaria the minimum size is 0.1 ha (with a minimum total declared area of 0.5 ha for LFA and most agri-environment schemes, 0.3 ha for traditional orchards, 1 ha for mountain area support etc.)⁵. In Romania the minimum parcel size is set at 0.3 ha (0.1 ha in special cases, and with a minimum total declared area of 1 ha for SAPS)⁶. The effect of choosing 0.3 ha as opposed to, for example, 0.1 ha is of course to exclude large numbers of parcels in a country where small-scale landscape mosaics are common, indeed the norm. It would be interesting to work out what percentage of land area is affected by these choices. The high degree to which land was collectivised meant that the restitution process since the fall of the Communist system effectively recreated the fragmented land holding pattern of the 1940s, one which has long since been rationalised out of existence in many Western European countries.

It is also clear, however, that merely lowering the minimum area would not ensure any substantive effect in terms of land use or even the number of claimants. Factors such as

⁴ Art. 14.4 of Reg. (EC) 796/2004 states ‘Each Member State shall determine the minimum size of agricultural parcels in respect of which an application may be made. However the minimum size may not exceed 0.3 ha.’

⁵ www.mzgar.government.bg/mz_eng/RuralAreas/BG-RDP-2007-2013%20third%20official%20version-eng.doc

⁶ www.apia.org.ro/dir_iacs/AddendumTeledetectieRomania2008.pdf

educational levels, awareness of the availability of support, and willingness to engage with the State, are likely to be crucial. The structure of the payment would also be important – strongly degressive payments would be one way of providing attractive levels of payment to those with a few small parcels. A comment was made in one of the workshops that no-one would bother claiming the Bulgarian orchard payment for a few leva per year. The unspoken assumption was that the current payment structure is appropriate or the only one possible - perhaps this should be re-examined.

While IACS allows in principle for practices, such as common grazing, which imply multiple claims being made on the same parcel⁷, the move towards area payments makes this impossible without a formal, if notional, splitting of the eligible area between claimants. In general, as in other Member States, the declaration of individual parcels reflects the ownership or tenancy of the land. Claimants dependent on the (often informal) use of forage in the same parcels (e.g., grass margins on cereal crops, aftermaths, stubbles, small areas of semi-natural vegetation between cropped areas) are left with forage declarations which substantially under-record their use of land. This has also happened in other Member States post-Mid Term Review. In Germany, for example, the move to area payments has apparently deprived the few remaining transhumant shepherds of their ability to claim CAP payments (Luick, pers. comm.)

III.3 Factors preventing the declaration of land – *unwillingness to declare*

It is officially forbidden to exclude deliberately from an IACS declaration land that is used by the claimant. This is so that cross-compliance can be properly enforced on all the land used. However, the reality in countries like Bulgaria and Romania, both of which have large areas of underused land and a traditional landscape with few stockproof boundaries, is that farmers have a great deal of flexibility, especially as regards land on which they do not have a formal tenancy.

Avoiding cross-compliance checks, especially if the chance of being caught is low, is of course a natural human behaviour. One of the challenges facing the project was to explore why some farmers choose not to declare land on which they could receive CAP payments.

Farmers, local administrators and advisors cited a number of reasons. The most common was to do with cross-compliance, and specifically the requirement (Annex IV of Reg. (EC) 1782/2006) to *‘ensure a minimum level of maintenance and avoid the deterioration of habitats [by] avoiding the encroachment of unwanted vegetation onto agricultural land’*.

The national interpretation of this rule means that an additional and higher burden is put onto farmers over and above the basic eligibility criteria for wooded land. In Romania the standard specifies that ‘unwanted vegetation must be removed’. In Bulgaria the standard gives more detail: dog rose and blackberry is to be removed completely, while vigorous vegetation such as bracken and white hellebore are to be controlled. The wording in Bulgaria thus seems to limit mandatory clearance to two species, while the need to control aggressively invasive species is generic in nature.

It seems then that both Romanian and Bulgaria farmers whose parcel is deemed to be eligible can nevertheless be ruled in breach of cross-compliance if the number of bushes increases, even if the parcel, despite the encroachment, remains eligible under the ‘woodland’ rule. In

⁷ e.g. Art. 8.2.a of Reg. (EC) 796/2004

the case of Romania, the presence of any bushes would seem to put a parcel in breach of GAEC, while in Bulgaria the presence of one bush of dog rose would put it in the same position.

Farmers told us that they are reluctant to declare parcels in case they are told on inspection that they have to clear the scrub, as this implies a cost that may outweigh the payment. Production (officially, at least) thus retrenches more and more onto the best and most open land. However, many of the rural development objectives of Bulgaria, Romania and EU require the maintenance of grazing activity on the very land where scrub encroachment is an issue. From a biodiversity point of view, there is no rationale for clearing all scrub and bushes. In fact, grassland with some presence of scrub in different stages of natural succession can be expected to constitute a more valuable habitat than a purely herbaceous sward.

It would seem logical to better integrate the basic eligibility rule and the demands of cross-compliance, in other words, that any changes which allowed the parcel to remain basically eligible for declaration in IACS should be acceptable. At the same time, it would be very beneficial to the better delivery of biodiversity and rural development objectives if the governments of Romania and Bulgaria were able both to implement the full degree of flexibility allowed by the Commission as regards eligibility, and where necessary to furnish the Commission with justified exceptions.

A second important issue was that of the minimum stocking levels which farmers must achieve, both under GAEC and to comply with certain agri-environment measures. The regulation requires Member States, as part of GAEC, to *'ensure a minimum level of maintenance and avoid the deterioration of habitats [by] minimum livestock stocking rates and/or appropriate regimes'*

In Romania, GAEC requires only that *'permanent pastures should be maintained by a minimum level of grazing or mowing at least once a year'*⁸. In Bulgaria, the minimum stocking according GAEC is 0.15 LU/ha unless annual mowing is carried out. We met one farmer who claimed to be at 0.1 LU/ha (see picture 21); assuming that to be correct, the incentive for him is to omit one third of the land he uses from his IACS form.



Picture 20: Scrub encroachment in a grassland along Veleka river



Picture 21: Gasconne beef cattle on their summer pastures on Kom mountain. Grazing density: 0.1LU/ha

Probably more significantly in the long term is the setting of minimum stocking rates in agri-environment. Again, the situation in the two States is different. Romania again has the looser provision, with only maximum stocking levels prescribed. However, in Bulgaria the

⁸ www.madr.ro/pages/dezvoltare_rurala/nrdp_en_official%20version.pdf
www.apia.org.ro/legislatie_nationala/Ordin%20GAEC%20MADR-MMDD%2015-56%20din%202008.pdf

prescriptions for the restoration and management of both under- and over-grazed pastures and meadows demand a minimum livestock density of 0.3 LU/ha except if otherwise specified in the management plan of a protected area. This stocking level is to be calculated at the level of the holding. Given the dubiety regarding the actual use of land and real stocking rates, the question was raised on what basis this seemingly quite high minimum stocking was set. Whatever the truth, an assessment of the level of potential exclusion of applicants should be considered.

These interpretations of the minimum maintenance requirements of GAEC are quite demanding compared to those applied in some other Member States (see box 4). This may well be a reflection of a concern to avoid further abandonment and to use GAEC as a first line of defence against the further encroachment of scrub. However, the result may well be the opposite of what was intended, if strict requirements to clear bushes act as a strong disincentive to claim CAP support instruments on the very land most likely to be abandoned. It would seem that it would have been possible to choose more flexible standards. Whether it is now possible to loosen them is another question. During the Brussels seminar the possibility of using the ‘meeting standards’ measure in EAFRD (Art. 31 of Reg. (EC) 1698/2005) to address at least the initial restoration of pastures to the GAEC baseline was discussed.

Overall, it seems that the definition and interpretation of CAP rules on eligibility of land for support payments, including GAEC, are coming into conflict with basic biodiversity goals, specifically the objective to maintain the existing extent of HNV grazed habitats.

An important conclusion from the project is that the approach to making such rules should be changed. There should be a presumption that all semi-natural land under grazing by domestic livestock is eligible for CAP payments, regardless of whether the forage is purely herbaceous, and including vegetation that is shrubby or includes a proportion of shrubs/trees.

Box 4: Scottish interpretation of the minimum maintenance requirements of GAEC

Interpretation of the GAEC minimum maintenance requirement in Scotland

- No minimum stocking for GAEC
- Statutory weeds to be controlled
- “Land will not be considered to be undergrazed provided it is capable of recovering by anytime during the growing season in the calendar year that follows the date that the problem first occurred”
- Encroachment of native species is allowed in the following instances:
 - Recolonisation of trees across the boundary line from native woodland
 - Recolonisation of scrub species such as gorse, birch and juniper as part of a mosaic of habitats
 - Reversion of land to wet grassland or wetland
- Patterns of ecological succession will be regarded as consistent with Good Agricultural and Environmental Condition provided that:
 - They are consistent with maintaining the ecological status of protected areas (e.g. SSSIs, SPAs and SACs)
 - The growth of scrub is easily reversible through regular cutting, use of approved herbicides or grazing
 - Where environmental gain is to be achieved this must be declared on the IACS return using the data sheet code for Positive Environmental Management (PEM)

Minimum activity requirement in Scottish LFA measure

- NO minimum stocking for LFA
- large changes in declared stocking trigger inspection

III.4 Specific issues concerning common/communal land

One of the features of marginal farming areas in the whole of the EU is the persistence of common land. In some countries in Western Europe, this reflects the survival the remnants of feudal or other long-standing social structures. In Bulgaria and Romania, as in countries in the Napoleonic tradition, this land is usually under the control of the State. While the practical difficulties of the management of open land by multiple users are similar in both systems, the difference way in which these uses are regarded has practical implications.

In true common land systems, the use of the land is regarded as a right of the pastoralist, albeit one which the State and large landowners have tried to constrain and limit over the centuries. In these circumstances, the modern State finds itself as a third party which has to decide on the appropriate amount of intervention needed to enable public interest and private aspirations to be delivered on the land.

Where the land has been nationalised, it is often the case that no such right exists in law. Farmers have to negotiate contracts for the use of the land with the local authority. This puts local government officers in a very powerful and responsible position, not just in regard to the individual economies of local farm businesses, but to the delivery on the communal land of the Government's socio-economic and environmental goals.

In Bulgaria, it has until recently been legally impossible to agree multi-annual contracts for the use of communal land. This renders the land ineligible for agri-environment and organic farming payments, since these are commitments for a minimum of 5 years⁹. This is now being addressed legally in Bulgaria.

Whatever a contract might say on paper, it seems from the evidence we gathered, for example in the Rusenski Lom, that real use can often be a different matter. We were told that pastures close to villages are used by particularly large numbers of semi-subsistence pastoralists. The issues raised by this are numerous. First, for the larger 'commercial' farmers who might have succeeded in getting a 5-year contract and are considering agri-environment, their inability in practice to control grazing on their allocated area can only act as a deterrent. Administrations who might want to change grazing practice through agri-environment contracts will be similarly affected. On the other hand, seen from the perspective of semi-subsistence farmers, their official exclusion for 5 years, rather than one year, represents further marginalisation, despite the importance of such farmers in managing some key parts of, for example, the Rusenski Lom Natural Park.

The choices facing administrations are difficult. On the one hand, the effective privatisation of communal pastures for periods of 5 years or more would seem to follow the logic of the CAP, and in particular the encouragement of further 'market orientation'. On the other, this rationalisation may in places be more theoretical than actual (with implications for agronomic issues as well as CAP support claims). Meanwhile, the delivery of environmental management by semi-subsistence farmers and their *de facto* importance in the grey market for certain locally-valued products, such as goat's cheese, is not addressed in everyday policy.

An alternative approach is to use the 'graziers' association' approach. Indeed, this mechanism seems unavoidable where grazing is in fact in common, as opposed to just being on communal land. These associations are able to apply for agri-environment payments, for

⁹ Art 39.3 of Reg. (EC) 1698/2005

example. This approach was being considered in by Bulgaria as a possible legal solution of the issue, but was not however was in use in the case study areas. Given the mixed experience, to say the least, of co-operative structures and the range of aspirations and attitudes which exist in Romanian and Bulgarian villages, just like in similar villages across Europe, this is a challenging task. The impression we got was that one danger was that the graziers' association replicated many of the problems it would seem to solve, namely that it became not a body of all graziers, but of the more go-ahead graziers.

In any event, the more inclusive the association, the higher the transaction costs likely to be incurred in setting it up and running it successfully. The role of the municipality or county authorities (and the recognition of the problem by national governments) seems crucial – they can easily ensure failure and are essential if there is to be any chance of success. Since these state-owned communal lands are key to the delivery of many of the governments' biodiversity commitment, it might be said that stronger government intervention in issues concerning them is desirable.

It seems to us that the setting up and running of graziers' organisations and ensuring that CAP measures are appropriate for implementation by such bodies are clearly identified as positive and eligible activities for support in the next programming period of EU rural development policy.

III.5 Land used informally

The informal use of land is a poorly-recognised and seldom-discussed issue of marginal areas, even areas of marginal land within otherwise productive regions. From Spain to Scotland, marginal areas are characterised by land held by aged or absent owners, often suspicious of the perceived threat to the rights fought for by their forebears posed by legal documents and the (overly-?) ambitious men who try to make them sign them. At same time, the agricultural productivity of the land, and the ever-increasing cost of labour on which most of the prevalent systems depend, mean that it makes little sense for the farmer who wants to make productive use of his neighbour's semi-abandoned land to offer attractive rents to the owner. The result is the proliferation of various informal land use arrangements.

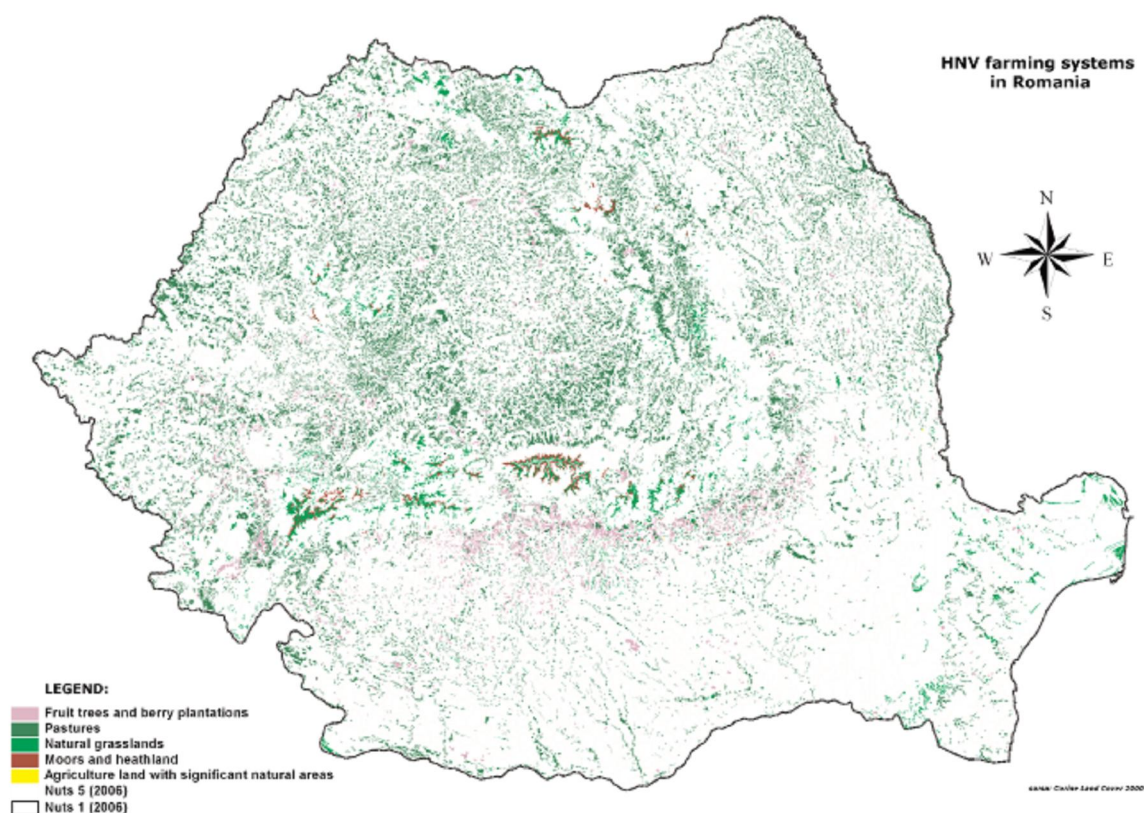
Recent changes to the mechanisms by which the CAP delivers support tend to intensify these tensions. Area payments are now in theory at least available to inactive landowners and the temptation to claim these while allowing the neighbours to graze (and in doing so fulfil the maintenance requirements of the SPS, for example) must be quite high. Decoupling for most areas means the legal separation of support from the obligation to produce. In marginal areas a more fundamental decoupling can and does occur: that between CAP support delivery and the incurring of costs to allow those payments. These can be attached to two completely different people, and this in the very areas where the market mechanism which can rebalance the equation – the paying of appropriate rents – is most inefficient.

A further exacerbating factor in Bulgaria and Romania, in common with the other former Communist countries, is the restitution of land to the descendants of the owners at the time of collectivisation. Thus even more than in Western Europe, owners are likely to be absentees and to have little interest in agricultural matters. As with common and communal land, the prevalence of informal land use imposes higher transaction costs and reduces in practice the ability of their users to claim all the available CAP payments, especially those requiring 5 year contracts (and therefore 6-7 year agreements).

III.6 Small and semi-subsistence farmers hit hardest

All the issues dealt with in this chapter impact most strongly on semi-subsistence farmers, adding to the problems created by rules on food hygiene and on the adequacy of premises, discussed in elsewhere in this report. These are the farmers are most likely to depend on small parcels, to use marginal forage and to have goats (dependent on scrub and woodland for browsing). They are most likely to use land informally, both land otherwise unfarmed and the residues and marginal grazing resources of arable farms, for example. They are also the people who have the largest proportion of their forage on communal land, to be depending on grazing state forests and the natural parks. Where they control land, they are the ones least able to access capital to control scrub, for example. Generally it seems that these semi-subsistence farmers are considered to be a problem by the administration, so while the regulatory telescope is often put to the blind eye, the same lack of dealings with local staff means that routes out of their situation are unlikely to be promoted by the authorities. Lastly, even the ignorance of their activity can be a serious obstacle to achieving wider policy objectives, such as sustainable land use and social issues facing the rural poor.

III.7 Some spatial aspects of scheme targeting



Map 2: EEA/JRC map of HNV farmland in Romania (based on CORINE land use data)

The High Nature Value approach is not about site designation. The EU already has a network of designated areas – Natura 2000; HNV farmland is above all about the link between nature and farming systems in the ‘wider countryside’. One of the weaknesses of policy in many

countries is that it concentrates support for ‘nature’ in designated sites, while support for ‘farming’ elsewhere goes overwhelmingly to intensive producers.

So while the purpose of the project was not to evaluate the overall approach to delivering support to HNV farmland in accord with the objectives set out for Axis 2 of rural development policy¹⁰, we were able to get some interesting impressions of the degree to which support instruments were available in some of the case study areas at the crucial policy level – that of the farm business.

Romania, unlike many other EU states, has taken the Community Strategic Guidelines seriously and taken the needs of HNV farmland into account in its Rural Development Plan for 2007-13. The EEA/JRC map (map 2) of Romania (incorrectly labelled ‘HNV farming systems’ in the RDP), although providing a first estimate of little more than ‘Type 1’ areas (those dominated by semi-natural grassland), shows that HNV farmland is found in almost all areas of the country. Moreover, Romania is, at least by reputation, full of Type 2 low-intensity mosaics. To what extent then can a HNV farmer in theory access support in Romania?

Given that the identification of Type 2 HNV farmland is not without its difficulties (no Member State has done it thus far), Romania targets its agri-environment schemes at Type 1 on the one hand and individual bird species on the other (map 3 and 4). The species currently targeted are Corncrake (*Crex crex*) and Lesser Grey Shrike (*Lanius minor*) and Red-footed Falcon (*Falco vespertinus*)¹¹.

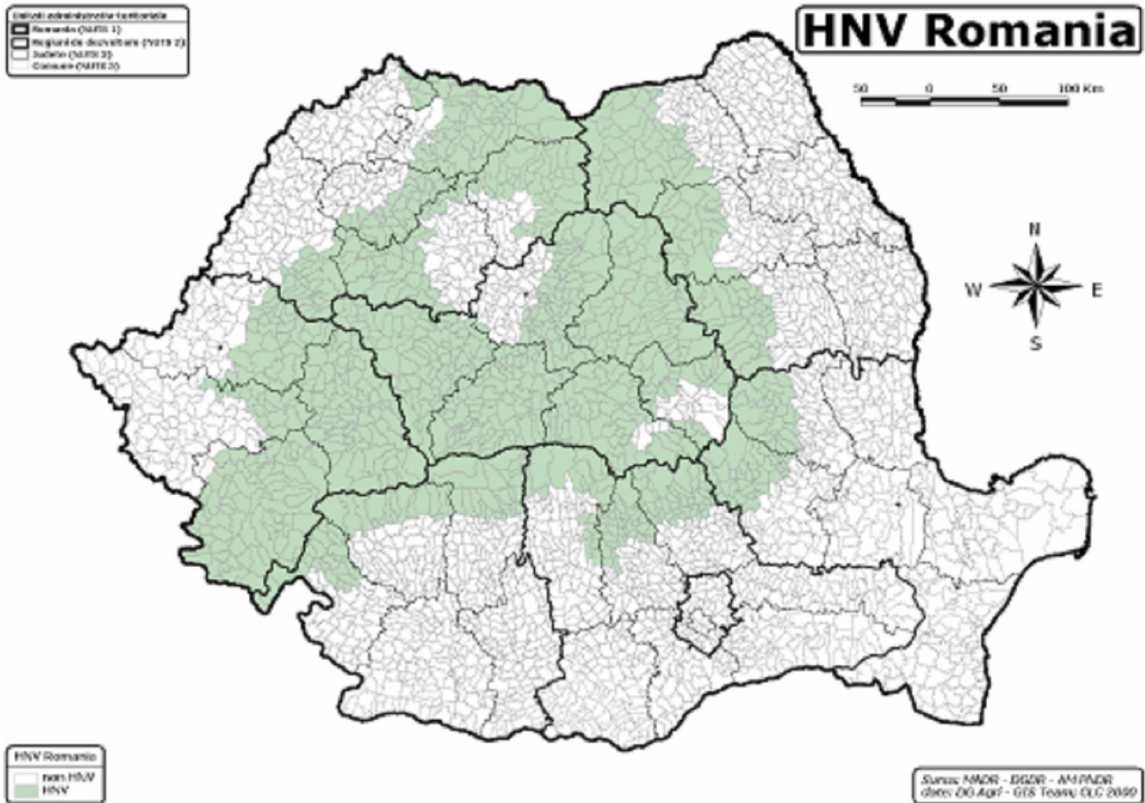


Figure 1 – Area HNV grassland

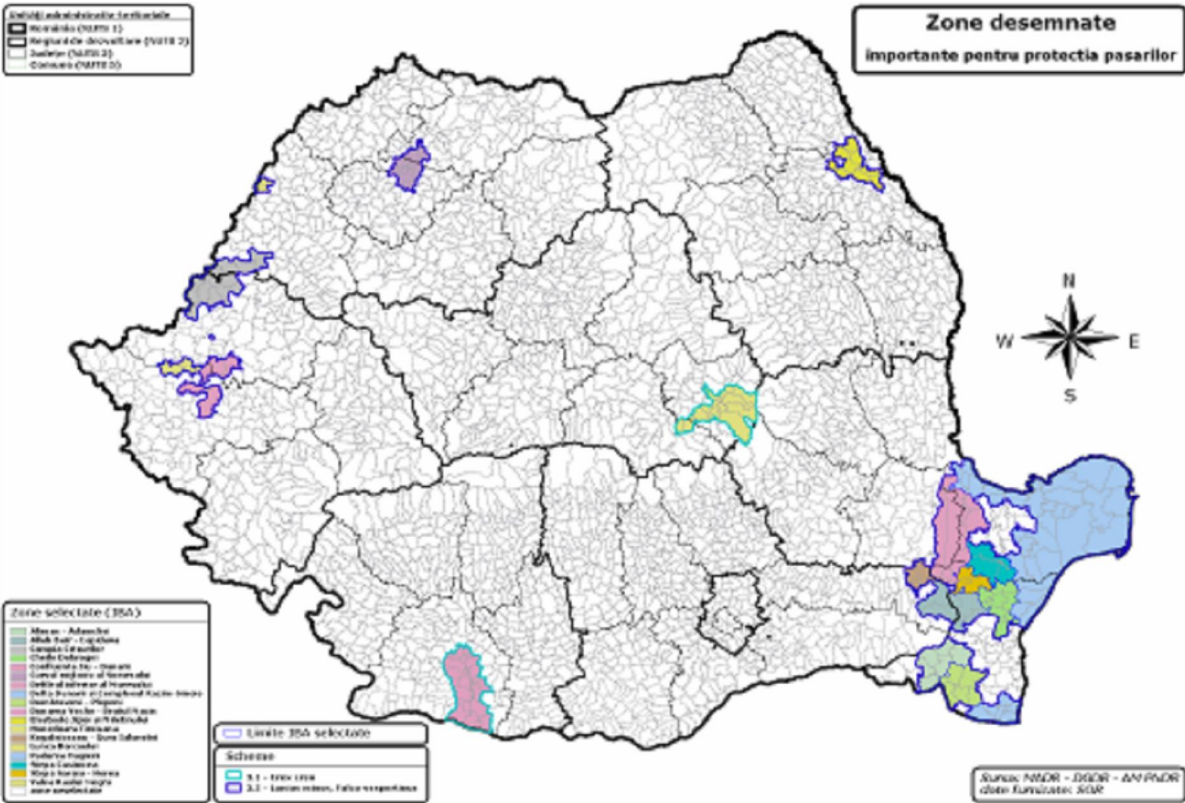
Map 3: Map of Romania indicating areas eligible for agri-environmental measure HNV1 and HNV2 (two measures focusing on grasslands, see table 1)

¹⁰ Council Decision 2006/144/EC of 20th February 2006
¹¹ These schemes are called HNV Package 3 in the RDP, not be confused with HNV Type 3.

While the coverage of the latter schemes is a matter of administrative capacity as much as anything else, and the intention is to review them with the intention of expanding the species and areal coverage (Sergiu Didiescu, pers. comm.), the coverage of the Type 1 scheme seems to be fixed. This leads to much HNV farmland being excluded from this key support instrument and illustrates the difficulties of a mapping-based approach to targeting.

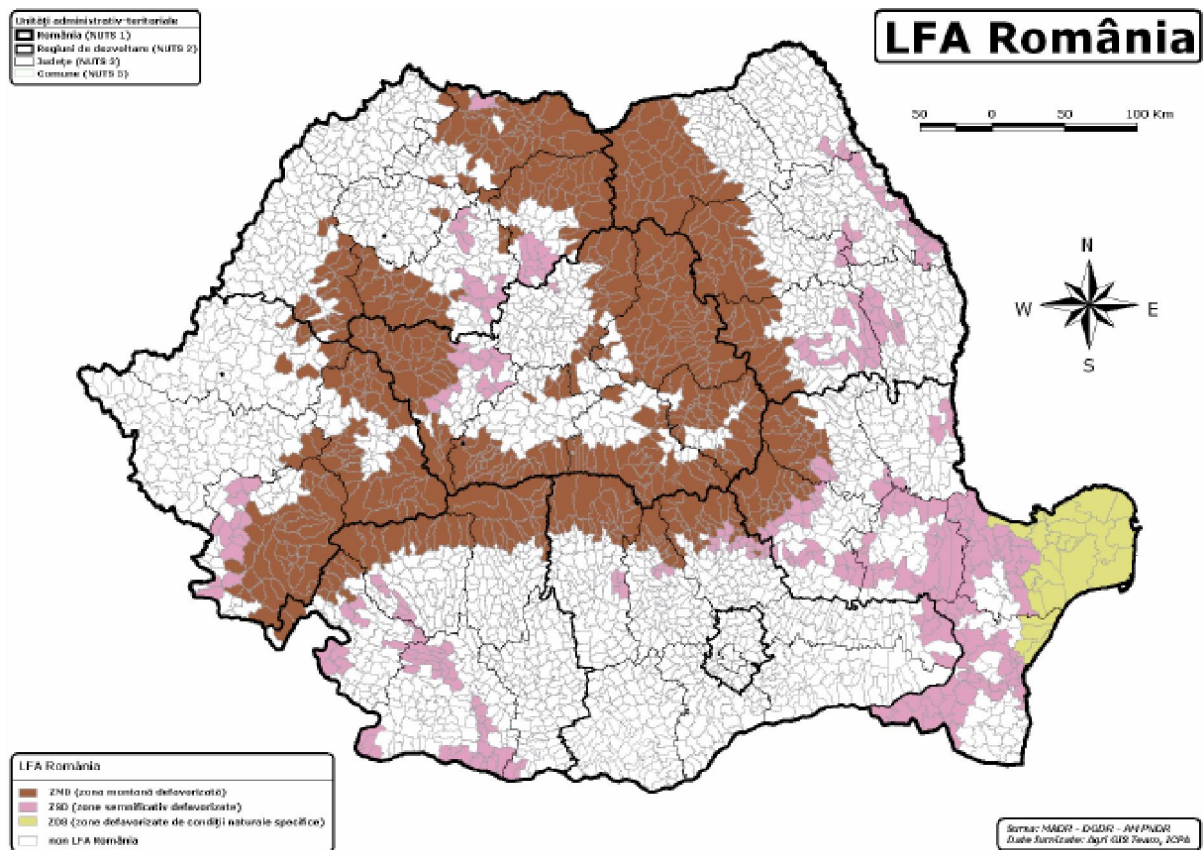
Another key scheme for HNV farmland is the support measure for disadvantaged areas (still commonly known as Less-Favoured Areas, LFA). The link between HNV farmland and marginal areas is no coincidence; the low productive potential in these areas means that farming has not had the economic possibilities to intensify. However, what is often forgotten is that the same combination of factors can lead to marginal farming and HNV farmland existing even in some of the most productive areas. Once more, it is conditions at the farm business level which are crucial. In this context it is of concern that it is intended to use Farm Account Data Network (FADN) statistics to justify and calculate LFA support in future. FADN concerns itself only with so-called commercial farms and excludes precisely the type of unit whose problems we found were being ignored or insufficiently addressed.

The situation in Romania should inform the current debate on the future of LFA support (map 5). The LFA is defined with reference to the average conditions in a municipality – a relatively sensitive targeting of the measure, with ‘outlier’ areas not being sacrificed to administrative tidiness. The weakness of the LFA approach was apparent however in the study zone north of Gala i. There it was clear that despite the average land quality being too good for the municipality to be classed as LFA, *some* farmers were nevertheless farming only poor land suffering from considerable physical handicaps. Sheep and goat producers seemed to be using either wet floodplain areas or dry, sandy, erodible slopes but were excluded from



Map 4: Map of Romania indicating areas eligible for agri-environmental measure HNV3 (a measure focusing on important birds)

receiving any additional support due to the overall land quality in the municipality, omission from the Type 1 scheme area and absence of the chosen “Type 3” species. It was clear that the land used by these farmers was Type 1 (and Type 2) HNV and that this was a real gap in provision.



Map 5: Disadvantaged or Less-Favoured Areas in Romania

In Bulgaria, much work has been done in adapting the grassland inventory to make it compatible with LPIS so that grassland schemes in the RDP can be targeted at individual physical blocks (map 6). Similar work in other Member States would be very worthwhile. However, while grassland has received a lot of attention and support, other grazed and browsed HNV habitats are poorly studied and identified in both countries.

Romania and Bulgaria have made considerable efforts to implement support measures for HNV farmland and these are in many ways exemplary. Examples were given during the Brussels workshops of other RDPs which fail to describe or adequately to target measures at HNV farmland. It was a concern however to ensure that these successes do not become ‘fossilised’ and that the possibility of improvement is kept open and acted upon.

IV. IS POLICY EFFECTIVE IN ADDRESSING TRADITIONAL AND SMALL-SCALE FARMING SYSTEMS?

In many countries the HNV farming systems and farmers are of very low economic and social status. This is especially true in Bulgaria and Romania, despite the fact that there are millions of subsistence and semi-subsistence farmers, many of whom are also HNV farmers.

Box 5: Key characteristics of HNV farming systems

- Well established management practices: e.g. transhumance, mowing, hay making
- Low use of fertilizers and agrochemicals
- Low degree of mechanization
- Low stocking densities
- Breeds adapted to the local environment
- Significant part of land used is publicly-owned or not under their long-term sole control
- Require a high level of labour input
- Often very small scale farms, even micro scale in wider EU context.
- Often subsistence and semi-subsistence in orientation, rather than commercial

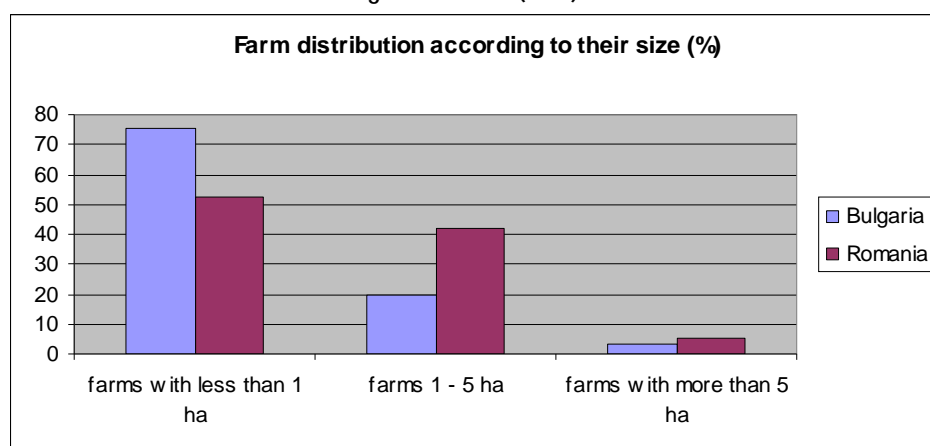
Source: Nature of Farming, by Beaufoy G., D. Baldock & J. Clark (1994). Downloadable from <http://www.efncp.org>

It is widely known that the farming sector in the two new Member States is characterized by a very strong duality in its farming structure. There are millions of very small scale and small scale farms and a few hundred very large and generally intensive farms. However, as the transition period comes to an end and with the countries joining the EU, the farming structure is becoming rather more diverse. Accession to the EU introduced the new term, “semi-subsistence” farmers. These are producing partly for their own consumption and partly for the market. There is also a growing number of market-oriented family farms whose production systems can be intensive or extensive, just as in the EU-15.

The Romanian Rural Development Programme 2007-2013 says that there are 3,4 million subsistence farms with an average size of 1,17 ha and almost a million (947 484) semi-subsistence farms with an average size of 3,3 ha of UAA. The larger scale farms come to only 115 000.

The situation in Bulgaria is not too different despite the lower absolute counts: subsistence farms (less than 1ha) are half a million, semi-subsistence (1-5 ha) 130 000 and larger farms approximately 20 000.

Box 6: Farm distribution according to their size (in %)



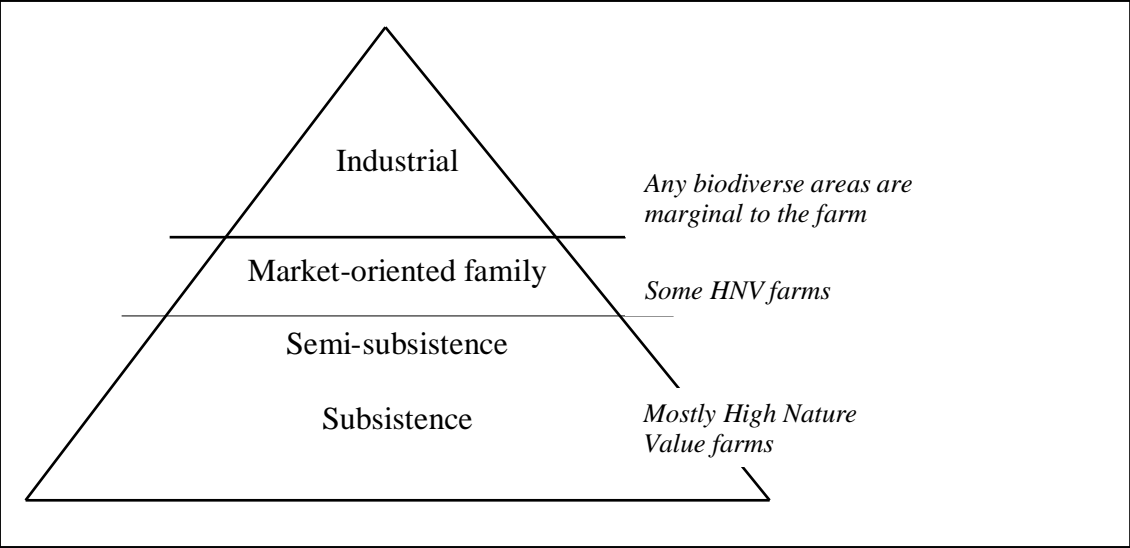
Source: Bulgarian RDP 2007-2013, Romanian RDP 2007-2013

It is not scientifically or statistically justified to say that the size of the farms determines the nature values of the farmland. However, many of the practical observations on the farming practice intensity, the related size and management of the farms and associated biodiversity support the broad statement that the areas managed by subsistence and semi-subsistence farms are also the areas with the highest farming-related nature values. In general, the more capital employed on a farm, the more intensive it needs to be to return a profit and the lower the nature value. This was also the situation in the six case areas of this project. The size of a farm is also a relative issue depending on regional characteristics such as geography, topography and climate. Yet in a given region, the areas dominated by small scale farms hosted most biodiversity. This may be due to a combination of an incomplete collectivisation process, itself due to difficult farming conditions, and the survival of large rural populations (the result being many small farms rather than a few large but extensive farms as in some areas of the EU-15).

There is a nostalgic attachment to the social and cultural values of “traditional” (and HNV) farming systems and the good and tasty food products they provide. However, they are already seen as the ‘past’ of the rural areas in Bulgaria and Romania.

In general, the majority of the HNV farms are small scale, normally classified as subsistence and semi-subsistence. In more marginal areas market-oriented family farms can also be managed extensively thus contributing to HNV farmlands. In very specific cases usually when some valuable bird species are finding feeding or breeding places in intensively managed cereal fields, farmlands managed by industrial farms can also be classified as HNV.

Box 7: Farm types and potential relation to HNV



IV.1 Subsistence farmers

This is the group of farms that still counts for the highest total number of farms. Typically they have up to 5 cows and 10 sheep, but one cow and two sheep farms are not uncommon. Their owned land is usually less than 2 ha but most of the forage area used is on the communal lands of the village. The animals usually form common village herds.

The shepherding is jointly organized whether by a hired shepherd (mostly “unofficially”, i.e., payment in kind) or on a rotational basis where each owner goes out with the animals for

certain days in the year. Most of the subsistence farmers are retired people or have another occupation and these arrangements and level of engagement are appropriate to their needs and capabilities.

They also manage small plots of land situated around or nearby the village. These can be vegetable gardens, orchards, vineyards or used for growing fodder crops (mostly maize and lucerne) for the needs of the animals, or a mixture of all these uses. This pattern forms a mosaic landscape of farmed and semi-natural features of varied management intensity, that is inherently of high nature value due to the diversity of opportunities for wildlife.

Despite being the largest group they were the ones most difficult to capture and analyze during the project implementation. Being subsistence in character very often they remain outside the policy domain. They do not register as agricultural producers (or farmers) which is normally required for people producing for the market. Thus they are also not eligible for support. Most of them are also not interested to apply for such support as the complexity is too high for the support they may get. But there are also some which due to the small size of the operation will never be eligible for registration unless they increase land.



Picture 22: Subsistence farmers growing maize and other fodder crops (Strandzha, Bulgaria)



Picture 23: Farmer Adriana Panduru has 3 cows and 2 calves in Mehedin i (Romania)

The planned policy response in the two countries varies significantly. The Romanian Rural Development Programme 2007-2013 considers possible support for approximately 2-3 mio subsistence farms and 1 mio ha of UAA. This can come in the form of socio-economic family counselling, early retirement or agro-tourism. Compared to the support planned for semi-subsistence and part-time farmers like training for GAEC and meeting standards or SAPS payments, the approach for subsistence farmers seems to be aiming to direct them softly out of the agriculture sector. However, the National Strategic Plan for Rural Development (version November 2006) also says that it will “let them in peace, if they want it”.

The Bulgarian NSP and RDP is more extreme in relation to subsistence farms. They are only mentioned together with semi-subsistence farms in a couple of pages analyzing the farm structure in Bulgaria which ends by stating that support will be provided to “part of the semi-subsistence farms able to achieve long-term viability as commercial businesses”. From this section (on p.18 of the Bulgarian RDP) onwards there is not a single mentioning of the half a million subsistence farms in the country.

Their relation to the high nature value areas in the country is not mentioned at all in this analysis.

It leaves a feeling that in Bulgaria subsistence farmers are not an issue for policy makers since they are not in the official system of registered farmers and are treated as ‘hobby’ farmers.

This would not be an issue at all only if we looked at the policy issue from the perspective of ‘who will get paid by the public money’. But the wider economic impacts are creating tensions between the officially and ‘unofficially’ operating producers in terms of price formation, market shares and liability. And yet, if we look at it from an environmental perspective then we see that the subsistence farmers are still responsible for a high share of HNV farmlands. There are also important social issues, if we consider the high numbers of such farmers.

Our main concern is what will happen to the HNV farmlands managed by subsistence farmers? Some may say that they will continue doing what they do so we can still rely on their way of managing land for the next 5 to 10 years. But then what happens to the current policy instruments? How effective will they be in delivering the policy objectives for sustainable management of HNV farmlands if such a large share remains outside their reach?

The favourite mantra of policy makers “No market orientation thus no support” works well for the historically justified support coming from Pillar I “Market support”. This CAP market history however is not a relevant response for the needs of the small scale farmers in this region. It is also not a relevant justification for the objectives aiming to ensure sustainable rural development and the support from Pillar II “Rural development”? Can we expect that environmental and social objectives could be delivered via the market only? If subsistence farmers deliver the public good “high nature value” should they not get some public payment for this? Should all farmers meet the criteria for intensive conventional agriculture in order to get CAP payments?

IV.2 Semi-subsistence farmers

This is probably the most relevant for HNV farm group in the two countries. It is a new category defined as “agricultural holdings which produce primarily for their own consumption and also market a proportion of their output” (art.34, Reg. 1698/2005). Each country in which this transitional measure is applied has to specify the minimum and/or maximum size of the farm, the proportion of production marketed, and/or the level of income of the eligible farm; and definition of the future economic viability.

Both Bulgaria and Romania defined semi-subsistence farms with very strict boundaries (1 to 4 and 2 to 6 Economic Size Units¹² respectively) in their RDPs. However, going to the field level it is very difficult to make the distinction between the subsistence, semi-subsistence and family farm, since the definition is in terms of gross margin and not livestock numbers or cropped area. This also suggests that the threshold will change in practice with the relative cost of inputs and value of outputs. The calculation of the farm’s economic unit is done in the offices of the paying agency. In Bulgaria, the Ministry of Agriculture developed an electronic template where the information of the farm is included and thus the Economic Size Units are calculated. The template is published on the ministry website so interested candidates can calculate it individually as well.

During the implementation of the project it was not possible to estimate the number of semi-subsistence farmers in the case study areas. Neither the administrators, not the farmers themselves, were aware of which category they belong to (and the related support they may get).

¹² ESU: Defined in 1995 as a Standard Gross Margin of €1200

However, at national level, there are estimations of the semi-subsistence farmers eligible for support from the 2007-2013 Rural Development Programme: 85 000 in Romania and 34 500 in Bulgaria. The eligibility is determined by two main criteria:

- SAPS min land requirement (min 1 ha, comprised of parcels of min 0,3ha)
- Farm size 1 to 4 economic size units.

It is estimated that if communal/municipal land is properly distributed and documents are available the first criteria would not be a problem for many small-scale farmers. However, there are still too many farmers who have issues with getting officially accepted documents for the land they use as well as for their own land.

It was somewhat disappointing to read in the measure “Support for semi-subsistence farmers” in Bulgaria that only 30% of all semi-subsistence farmers will be eligible for support from the measure. In reality it means that there are more than 130 000 semi-subsistence farmers in the country and 70% of them are not meeting one of the two requirements – if they are under 1 ESU they will become subsistence; but not if their land is too small.

This would not be such a big issue either (as in the case of subsistence farmers) if the agri-environment and semi-subsistence measures were not linked and promoted together so much.



Picture 24: Semi-subsistence farmer with Replyan sheep in Western Stara Planina (Bulgaria)



Picture 25: Sheep from semi- and subsistence farmers coming home after grazing on common land

The assumption in both the Bulgarian and Romanian Rural Development Programmes is that most investments needed in the farms implementing agri-environmental measures will come from the semi-subsistence support measure. If more than 70% of the semi-subsistence farms are expected not to be eligible for this support then the much needed on-farm investments in HNV farms will be particularly difficult.

For the 30% of eligible semi-subsistence farmers the support they can get from the 2007 – 2013 Rural Development Programmes can make a significant contribution to the development of their farms:

- In both countries the support equals 1500 euro/year for 5 years, and
- Farmers are also eligible for free advisory services to prepare application documents.
- Additionally they will be supported for the management of HNV farmlands and/or mountain farmlands if their farms fall within the designated HNV farmland and LFA regions

The hygiene requirements (more on the hygiene issues further below) however still force some of them to operate in the grey sector either entirely or for part of their activities.

IV.3 Market-oriented family farms

This group of farmers is smaller in number but with high economic viability potential. At least one of the family members is employed full time on the farm. They are more actively looking for information and news in the sector. This was also the group that was most interested and actively involved in the project activities for the project duration and development of follow-up activities.

Market-oriented family farms are not subject to targeted support but on the other hand they are eligible for all the types of assistance available. In general it is easier for them to comply with the requirements. Furthermore, they are usually the type of farmers who are interested in and able to diversify their farm activities with on-farm processing or tourism.

The Romanian RDP 2007-2013 divides this group in two sub-groups: full-time family holdings and part-time farmers. The type of support which is foreseen for part-time farmers is very similar to the support available for semi-subsistence farmers such as improving their understanding and knowledge on GAEC and other standards, SAPS and investments in agro tourism. There are also some differences where the semi-subsistence farmers can be supported to specialize and develop local or regional products, while the part-time farmers can be encouraged to undertake training for their main occupation outside agriculture.



Picture 26: Buffalo farmers (Yotkov family) in Rusenski Lom (Bulgaria)



Picture 27: Goat farmer Ion Barbulescu in Mehedin i (Romania)

On the other hand, the full-time family holdings in Romania are considered to be running professional agriculture holdings and thus the support foreseen reflects this: SAPS and investment support, state guarantees for credits, etc. Their additional technical support and advice is supposed to be coming from free-lance counselling, product advice from input companies as well as tax advisors.

The Bulgarian RDP 2007-2013 does not differentiate between full-time and part-time farming. However, there is an eligibility requirement for most of the measures that at least 50% of their income comes from agriculture activity. This clearly makes ineligible most part-time farmers.

Even for this sector, the hygiene requirements may currently cause problems, forcing them to carry out some of their activities in the grey sector. This is especially true for Bulgaria where on-farm processing and direct sales are not regulated in the legislation and is thus considered not legal. For example, in many of the dairy farms we visited yogurt and cheese were produced (in addition to the milk delivered to dairies) but were sold informally to neighbours and villagers.

Market-oriented family farms can mostly be considered as being HNV in marginal areas due to their low grazing intensities, a product of difficult natural conditions and/or availability of significant ‘free’ grassland resources. This reflects similar situations in Western Europe. Whereas in better areas, grazing land is the most expensive input, here the limiting factors are inputs such as labour, winter fodder and housing.

In the mountainous case study areas where significant land abandonment was taking place (Western Stara Planina, Mehedin i), there were relatively large farms, the operations of which were still quite extensive (low grazing density) due to the availability of free grazing. The same size of family farms in the lowlands (Rusenski Lom) were facing intensification due to the lack of grazing areas and thus needed to provide a lot more supplementary feed.

Overall, the biggest threat for this group of HNV farmers is the expected intensification with the stabilization of the agriculture sectors and support dispersal in both countries. In most cases, family farms will opt for introducing more labour and time-saving practices, technologies and equipment (eg. machine mowing as opposed to hand mowing) when fresh money become available which will lead to gradual decrease in the quality of HNV farmlands.

IV.4 Main issues for HNV farmers

The understanding of the environmental, social, cultural and economic values of the High Nature Value farming systems in Bulgaria and Romania is still very low. The fact that many HNV farmers have in reality very low social status puts them usually in the margins of the society. The usual perception of “good agriculture” in Bulgaria and Romania can be summarised as: “good = intensive = large plots = high inputs = high revenues” [= low nature values].

The fact that this “good agriculture” leads to low nature values usually remains outside the discussion. The leading concept is the economic efficiency and profitability which since recently is replaced by the term ‘viability’. However, there is little or no consideration of real labour efficiency or return on capital employed. The danger is that turnover is confused with profit, not least in systems with a high dependency on ever more expensive inputs. There is on the other hand no doubt that the cost of labour, especially skilled labour – the biggest input to extensive systems – is becoming a bigger consideration and one which needs attention.

This leads to a number of issues which threaten the existence of the HNV farming systems at large. They can broadly be grouped into recognition, support and market issues but again the division lines are very thin.

IV.4.1 Recognition issues

The recognition of the role of HNV farmers is problematic at local and national level alike. Their contribution to nature values is not known or understood either by the public or by the policy maker and administrators. In many (most?) cases it is not understood by the farmers themselves. Their usually low social status places them at the marginal end of the local communities. Furthermore, the added value they create for local economies via the landscapes and/or traditional food products esp. for tourism industry is not recognized either.

The farming performance is mostly evaluated on the basis of an assumed ‘good’ farming concept which in policy documents (RDPs) was translated as the “economic viability” of the farms. Environmental performance and contribution to nature values is not considered in this equation. A clear example is the organization of the farm visits at local level. When we first went to discuss the farm visits with local authorities and agriculture administrators we needed to explain the concept of HNV farming. The simple mentioning of the EU relevance of the HNV farming made many of them to direct us to the most developed farms meeting all EU hygiene and other requirements. Visiting some of the farms it was clear that they are indeed model farms for economic efficiency and EU standards however there were little or no links to the High Nature Values of the regions.

There is an increasing share of (mostly urban) consumers in the two countries who are well informed and care about their natural environment as well as health and lifestyles. They are looking for new ecological destinations and quality local products but still find difficulty in finding them on the markets. Furthermore, it is often frustrating of how to distinguish the quality of ‘well’-packaged foods and the locally produced food coming from an HNV farming system. The trickiest issue of all is how to describe the connection between the food production and nature values.

There is certainly a need to increase the image and social status of HNV farmers (and related food products) and thus support a more viable future for many of them.

IV.4.2 Support issues

One of the main characteristics for the HNV farmers is that there are many of them and most are small scale. Unfortunately, they rarely cooperate with each other even at village level. The ‘village flock’ is more the exception than the rule, and many of these are better seen as personal enterprises of the shepherd, so that the sheep are in effect sent away for the summer. At national level there is no representation of the HNV farmers or the semi-subsistence farmers in either Bulgaria or in Romania.

This is a problem since no-one defends their interests at policy level nor informs the development of support mechanisms aimed at them or suited to their circumstances. Access to information is also difficult - each individual has to look for it for himself. Unfortunately, information is not easily available yet at local level. The high transaction costs often results in a loss of interest in pursuing the matter.

On the other hand this is also a problem for their market access. Small quantities of whatever product cannot with ease access well-regulated markets or negotiate better prices. For semi-subsistence farms the small quantities are becoming a real marketing issue. Many small scale milk producers relied on the additional income from the daily milk delivery. The closure of non certified collection units immediately led to sale of the animals. At the same time larger milk processors are not interested in collecting too small quantities of too many farmers. This leads to abandonment of dairy cows grazing in entire regions. It was the case in Mehedinti, Romania and Rusenski Lom, Bulgaria: the lack of local certified collection point becomes a real problem for semi-subsistence farmers and they are forced to sell animals.

If there is some form of cooperation between them they can share the investment money and construct common milk collection points or processing units or slaughtering units. This would require a lot of local joint initiative and entrepreneurship and trust in addition to the investment money. This itself is already a significant challenge for the farmers of the two countries: the cooperative experience left too much negative heritage.

Furthermore, there is also the potential to share milk quotas but this issue was not discussed in details during the workshops. For example, in Bulgaria only farms with more than 5 animals can apply for milk quota allocation. Unfortunately, the sharing of milk quota is not foreseen in the legislation. On the other hand, the storage of milk is only allowed for the milk produced on the same farm. Farms with less than 5 animals are not allowed to set up milk storage facilities. These are all issues which will require common efforts of small-scale farmers if they are to survive (and potentially change) the new legal framework.

*** Overview of support measures for HNV farming**

Both Bulgaria and Romania have targeted HNV farmland packages within their agri-environmental measures. The measures were developed in a participatory approach involving interested stakeholders many of which were nature conservation and sustainable farming NGOs.

The Bulgarian HNV package builds on the SAPARD measure for semi-natural habitats. It was considered already in the first draft of the 2007 – 2013 Rural Development Programme. The Romanian HNV package was only included after long awareness raising and lobbying by nature conservation NGOs in mid-2007. Before that, there was only one general grasslands measure.

Table 1: HNV farmlands and related schemes in the agri-environmental measures

	Bulgaria	Romania
HNV farmland packages	HNV 1: Restoration and maintenance of under-grazed grasslands of high natural value [131 euro/ha] HNV 2: Restoration and maintenance of overgrazed grasslands of high natural value [155 euro/ha] HNV 3: Maintenance the habitats of waterfowl HNV 4: Restoration and maintenance of riparian habitats HNV 5: Maintenance of habitats for conservation important species	HNV 1: Management of HNV grasslands [124 euro/ha] HNV 2: Support for traditional farming practices [58 euro/ha] HNV 3: Support for grasslands for important birds [101-201 eur/ha] HNV 4: Green cover [130 euro/ha]
Other related to HNV farming systems	Traditional orchards scheme [131 euro/ha] Pastoralism scheme – Seasonal pasture of animals, implemented in two pilot regions [cattle 150 euro/unit; sheep/goat 20 euro]	

Semi-subsistence measures and support for less-favoured areas measures are applied in both countries. The requirements and support possibilities are similar according to the requirements in the EAFRD Regulation.

If a HNV farmer in the mountains manages a total of 20 ha (owned and rented land) and applies and is approved for all available support, he will receive (see table 2):

- Bulgaria: 1260 (SAPS) + 2620 (HNV1) + 1800 (LFA) + 1500 (semi-s) = 7180 euro/year
- Romania: 1100 (SAPS) + 3640 (HNV1+2) + 1000 (LFA) + 1500 (semi-s) = 7240 euro/year

As explained in the previous section, the main support problems are related to the eligibility of farmers and land for financial support, as well as the administrative and technical support (see below). The review of the support schemes and payment level per se shows that the

Ministries made a good use of the EAFRD measures. However, they are not going to work if the eligibility requirements and technical support are not taken good care of.

Table 2: Comparison of main HNV related payments in Bulgaria and Romania (in euro/ha)

	SAPS	HNVF	LFA (m)	Semi-subsistence
Bulgaria	63	155	90	1500
Romania	55	182	50	1500

* *Administrative Support Issues*

The national Ministries of Agriculture decide which policy measures are directed to which areas and farmers and how much money are allocated to them. Fortunately, both the Bulgarian and Romanian rural development plans have specific measures and budgets directed towards the management of High Nature Value farmlands. However, very often the administrators say: “The measures and the money are there; but there is no interest from the farmers; we are worried about the absorption of the HNV farmland measures budgets...”

Implementation of the HNV measures is still in the very early phase, and clearly farmers need to become more pro-active in looking for information and support. However, it became apparent from the workshops that the available information at local level is sometimes so disconnected and confusing that even the administrators themselves are confused. The main official information flow is still too centralized. All the relevant documents are available on the Internet and in the regional Government offices, but both advertising of the existence of schemes of support and the availability of easily-accessible and comprehensible printed information is very limited on the local level. In extreme cases this leads to very low awareness of the possibility of support, but even when information is available, it often ends up coming from informal and unofficial sources, many of whom may themselves be poorly informed.

The guidance and instructions provided to the local administration are still not sufficient. When there is some doubt in the rules implementation at local level, the only way to get clarification from the national administration (especially the Paying Agencies) is by following a cumbersome and long procedure. The result can be that one and the same rule is implemented in completely different ways in different administrative units.

Furthermore, the complaint and/or appeal mechanisms are still not functional and farmers are left without any chance to assert their rights. The case with the LPIS code 6 “Other lands uses” in Bulgaria where most of the abandoned lands and bush-overgrown grasslands fall is one such example. In many localities all farmers claiming support for LPIS code 6 were treated as fraudulent, penalized double amount of all area-based support claimed¹³ and made ineligible for support for the following three years for the entire farm and not just the code 6 land. On paper, there is an appeals commission which could review the farmers land and related papers. However, this commission is only formed by staff from the headquarters and they were not capable of handling the thousands of complaints. Thus farmers were left without support for at least a couple of years (over and above the penalty they had to pay).

¹³ In August 2008, all penalties to LPIS code 6 land were cancelled by the Minister of Agriculture for 2007. The 2008 applications are to be reviewed again since there is a new code classification introduced.

The pressure on staff to avoid mistakes makes them focus on meeting all requirements rather than helping farmers receiving support. Furthermore, absorption of funds is easier with larger farmers. Thus may administrators prefer to support the applications of the larger farmers rather than to spend too much effort on too many small farmers' applications.

** Technical Support Issues*

Technical support is available for developing application documents for the agri-environmental, semi-subsistence and young farmers' measures for the period 2007 – 2013 in both Bulgaria and Romania. So far, this support is available only via the National Agricultural Advisory Services and only for the application process.

However, this type of support presupposes that farmers are already aware about the opportunity and go to look for the support from the NAAS. So far the capacity of the NAAS offices in both countries are rather limited – they have 2 to 4 consultants per district and 10-12 consultants per county to provide support to the farmers from entire region.

A rough calculation of the number of eligible semi-subsistence farmers per country reveals that a consultant in Bulgaria has to provide support to 300 farmers on average and in Romania for 170 farmers. This may become a normal situation when the measures and the issues related to them settle down. However, in this early period it is a challenge for the farmers, for the advisors and for scheme administrators.

In Bulgaria the government decided to support the capacity of NAAS by hiring additional experts. However, this only increased their number up to 6 per district. This improved capacity now means that each consultant has to support 200 farmers

There are model applications developed for the semi-subsistence and young farmers' measures. The HNV packages normally contain detailed prescriptions for the land management on the farm. But this is not enough to address the specific needs of the HNV farming system on the farm level. Furthermore, with the investment measures the objective is to increase their viability by using the existing opportunities. This requires ongoing support for the entire 5 year duration of the projects. This is not dealt with in the current technical support schemes.

Furthermore, the HNV measures have environmental and nature conservation objectives. But NAAS offices have farming and economic experts only. Who is to deal with the environmental expertise? The danger is that this purely agronomic/economic perspective of the HNV measures, coupled with the perhaps unavoidably prescriptive nature of some of the measures themselves, actually lead to the homogenization of the farmed landscape and a resultant loss of biodiversity.

All farmers receiving support under these measures have to undergo some form of vocational training. This is an encouraging development. However, it should not replace the availability of regular, timely and specific environmental advice to farmers.

All these initiatives are the work of the Ministries of Agriculture. The Ministries of Environment, on the other hand, are not interested in or are too busy to consider HNV farmlands. Their main concern is still the designation of the Natura 2000 areas – and they have not yet properly considered even the management of those sites. They consider farmers and farming as something outside their scope of activities. Thus they are neither willing nor able to provide actual support to the HNV farmers.

IV.4.3 Market issues

There are around half a million semi-subsistence farmers in Romania and Bulgaria. Many of them are also managing HNV farmlands. They have only a few years left to either adapt to the new requirements of the agricultural policies or to leave the sector overall. Most of the new requirements have to be met by 31 December 2009. One of the main issues from the new requirements is related to the hygiene requirements at the farm level. Unfortunately, most of the farmers are not aware that they can receive support for the period of adaptation through investment funding.

The general approach that Bulgaria and Romania took towards the harmonization of the EU hygiene legislation was one of direct translation of the regulations in their simplest, all-encompassing form into national law. No considerations of the national characteristics were made, no opportunities to use the flexibility provided in the regulations were used. The main issues arise from the lack of provisions for on-farm milk processing and direct sales as well as the definition of small-scale producers and small quantities. The follow-up of this strict interpretation develops differently in the two countries.

** Romania's hygiene legislation*

In the first days of January 2007, Romania enforced a series of legislative papers imposing many restrictions in terms of hygiene standards, animal welfare, limits of cheese products sales and thus the livelihoods of mountain farmers. The imposition of these conditions suddenly, and their general application to both big and small farmers, without any prior information or awareness-raising campaign directed at small farmers, unsurprisingly attracted much attention out in the countryside. The first project seminar of the project addressed these issues precisely at this time.

As a result of this and other discussions, the order 301/2006 was replaced by order 2009/2007, which provides for differential treatment of small-scale producers. The notion of small-scale producers and small quantities were introduced in Romania. Small producers are individuals or small companies which sell food directly to the consumer that has been produced in small quantities (defined in Table 3) in their own premises.

Table 3: Small quantities of farm produce in Romania

<i>Product</i>	<i>Quantity</i>
Milk as a primary product	up to 1000 litres/week
Wild game (fur or feather)	1 large unit or 10 small units as part of allocated hunting quota
Chicken or rabbit meat from farms	up to 2000 chickens or 1000 rabbits/year
Live snails and bivalve molluscs	up to 20 kg / week
Eggs	farm with maximum 50 chickens
Fish caught at sea	up to 100kg per load
Fresh water fish	up to 10kg per load
<i>For small producers who sell honey, vegetables, fruit, fruit juice, bread, p. linca and wine direct to the consumer, there are no monthly production limits established either in EU or national legislation.</i>	

The change in the Romanian hygiene legislation is a very positive development providing opportunities for small scale producers to continue their activities.

The strict verification of specific hygiene requirements does not apply to:

- Food produced for domestic consumption

- Small quantities of primary products sold directly to the final consumer, including sold at the farm gate or at local markets, or to local retail shops, local restaurants and guest houses
- Primary products sold directly at events such as occasional markets, fairs, religious festivals etc.

In other words, EU food hygiene rules are applied only to those activities covered by the EU Regulations. Milk delivered to dairies has to meet all hygiene requirements for quality milk and buildings. The sale of non-compliant milk to dairies is allowed till end of June 2008 and can only be sold on the domestic market

However, for sale of secondary or processed products such as cheese, meat products and jam all hygiene requirements apply equally to small farmers and larger food producers. The Romanian legislation has a provision for accommodation of traditional methods of production, and the needs of producers in geographically disadvantaged regions.

They still have to register in the relevant institutions in order to be legally operating. The obligation for clean and safe food applies to all producers: small or large scale. This all requires on-farm investments, training and technical support if we are to ensure that the HNV farmers will not become 'grey' sector in the economy or disappear overall.

Another important issue in Romania is regional lack of certified milk collection points as well as milk and meat processing units and slaughtering facilities. This was an issue in Mehedin i County and is probably the case in other regions as well.

Approximately 80% of the total milk production is used for home consumption or for nearby markets. This milk is normally used to produce cheese and other products. It is not realistic to expect that all those small scale farmers will be able to invest in on-farm facilities so as to meet the hygiene standards requiring a supply of hot water, disinfectants, a hygienic space for keeping equipment, etc. Already many of them are willing to sell their milk directly to milk collection point and processing units.

The absence of officially certified collection points is a critical barrier for the functioning of the HNV related market chain. The need to support the establishment of such units at local and regional level is already urgent. There are several ways of doing it: cooperative establishment of a milk collection point which has contract with larger processors, local entrepreneurs entering the sector, farmers willing to diversify their activities, a local facility of a larger processor, etc

*** *Bulgaria's hygiene legislation***

Bulgaria continues on the original path, not differentiating small and large farm facilities or between quantities for home consumption or commercial production. The full legislation is applied equally to all. A farm must meet the following requirements by 2009:

- To have separate premises for animals of different ages conform the requirements relating to livestock accommodation
- To have production equipment and premises for the storage of milk until its delivery for processing which shall comply with the veterinary-sanitary and hygiene requirements related to milk production
- To ensure adequate conditions for veterinary of the animals
- To have separate delivery premises
- To ensure sufficient space for animals movement
- To possess premises and open-air outlets/grasslands for calf rearing complying with the regulations related to the protection and humane treatment of calf rearing

- To keep and handle waste in a manner preventing environmental contamination

The list of requirements is sufficient to basically close down small scale farms. The worst example is the regulation that farms with less than 5 animals are not allowed to set up milk storage facility. In these circumstances subsistence farmers are forced to sell animals to large producers. This is appreciated as a positive development from the economic perspective where concentration equals economic viability. However, this puts an end to extensive grazing practices, especially in the lowlands – e.g. Rusenski Lom, and moves some of the farms (or farms' activities) into the 'grey' sector.

Furthermore, dairy farms are classified in different groups according two criteria: meeting milk quality standards and premises rules. Support for quality milk production is provided only to farms in the first category (meet both sets of criteria) which are usually larger farms. The average herd in category I is 42 cows, while in category II (meet premises rules but not hygiene standards) it is only 21 cows. There are no statistics on the farms which fall outside these two categories.

The future of these farms is very unclear. Officially it is clear – they have to disappear as of the end of 2009. The main question here is whether they will disappear from the statistics only (which they already do) or will actually be closed down by administration. If they are to be officially and legally closed down how is this going to happen? Who is going to monitor the process? Is it known how many are the farms which will have to be closed down?

If we further review the Bulgarian milk legislation we can easily see that there is a government policy to eliminate all farms under 5 cows. The minimum size requirement in order to get a milk quota is 5 cows per farm. The minimum size to establish a milk storage facility on the farm so as to allow you deliver milk to certified dairies is 5 cows. It seems that farmers with less that 5 animals are not allowed to produce, store, sell or process milk according to the national legislation given the fact that the flexibility to allow for small scale production is not used in Bulgaria either. The number of farms with up to 9 cows already decreased with 13% for the period 2006-2007 according to the Agri Statistics department in the Ministry of Agriculture. If this trend continues we will witness a 'natural' disappearance of the small scale milk production in Bulgaria already in the 2007-2013 programming period. Unfortunately, there is no assessment at national level how this will affect the status and distribution of HNV farmlands in the country.

V. IDENTIFICATION OF HNV FARMING AND TARGETING OF SUPPORT

The HNV farming concept emphasises that biodiversity conservation goals in Europe cannot be met only by protecting particular habitats or species, or designating certain areas for their management, such as Natura 2000 sites. This view has been expressed clearly by the European Commission in official communications on halting biodiversity decline¹⁴. We must also maintain the low-intensity landuses that favour the dynamics of natural processes and create opportunities for biodiversity to flourish across large, contiguous areas of land.

In recognition of this, HNV farming commitments were established first in the 1998 EU Biodiversity Strategy¹⁵, which includes the explicit objective “*to promote and support low-intensity farming systems...*”. More recently, the HNV concept has been brought into EU rural development policy: the EAFRD¹⁶ regulation Strategic Guidelines¹⁷ on rural development established HNV farming as one of three priorities for Axis 2 of Rural Development Programmes (RDPs), as follows:

“To protect and enhance the EU’s natural resources and landscapes in rural areas, the resources devoted to Axis 2 should contribute to three EU-level priority areas: biodiversity and the *preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes [...]*”

V.1 Identifying HNV farming

In order to include effective measures for HNV farming in their RDPs, Member States need to be able to identify these types of farming, and understand their socio-economic and ecological needs and how best to address them. Currently, there are no specific rules or quantified criteria established at EU level on how this should be done. It is for Member States to interpret the concept and to decide how best to apply it.

Some Member States are struggling with the idea of identifying HNV farming. This is partly because to-date the concept has not been explained and promoted sufficiently by the European Commission. In many countries there has not been a sufficiently open and transparent debate on how to interpret and implement the HNV farming concept. In most countries, currently available data do not allow a very detailed identification of HNV farming systems. Their location and extent can only be estimated at present.

EFNCP believes that, before undertaking statistical or GIS analyses, the essential first step is to produce a description of the broad types of HNV farming in the country, on the basis of existing literature sources and expert knowledge. The aim of this is to identify the key criteria to be used in the identification process and thus to ensure that the estimate of the area under HNV farming systems is as meaningful as possible. The broad types of farming should be

¹⁴ “Natura 2000 and the conservation of threatened species will not be viable in the long-term without a wider terrestrial, freshwater and marine environment favourable to biodiversity. Key actions include: optimising the use of available measures under the reformed CAP, notably to prevent intensification or abandonment of high-nature-value farmland, woodland and forest and supporting their restoration;” COM(2006) 216 final COMMUNICATION FROM THE COMMISSION HALTING THE LOSS OF BIODIVERSITY BY 2010 — AND BEYOND Sustaining ecosystem services for human well-being.

¹⁵ COM(1998) 42 final Communication of the European Comisión to the Council and to the Parliament on a European Community Biodiversity Strategy

¹⁶ Regulation 1698/2005 establishing EAFRD

¹⁷ Council decision 2006/144 on Community strategic guidelines for rural development (programming period 2007 to 2013)

described and their agronomic characteristics identified. The nature value (habitats, species, nature-conservation functions) of each HNV farming type should be identified as far as available data and knowledge allow, including the relationships between particular farm practices and nature conservation, where known.

The descriptions of HNV farming types should identify in each case the basic components that make up an HNV farming system:

- The predominant **land cover** that characterises each category of HNV farmland, especially the types of semi-natural vegetation, types of cropped land, and their typical spatial coverage and distribution at the farm level (e.g. proportion of farmed area under each, mosaic patterns).
- The way in which this land cover is managed by the predominant **farming system and practices**, such as grazing regimes, cropping patterns and intensity of use (e.g. livestock densities per hectare of forage, nitrogen inputs).

The most widespread type of HNV farmland consists of semi-natural vegetation under low-intensity use for livestock raising. The grazed semi-natural vegetation may be grassland, scrub or woodland, or a combination of different types. Farmland that is predominantly grazed semi-natural vegetation has been labelled as Type 1 HNV farmland (Andersen *et al*, 2003). Often the semi-natural grazing is not part of the farm holding, but has some other ownership (common land, State land etc.), so it is important not to consider only the UAA within the holding when identifying HNV farmland.

HNV livestock farms will usually have more than one type of forage land. This can range from the least altered semi-natural vegetation (never tilled, sown or fertilised), through grasslands that may be occasionally tilled and/or lightly fertilised, to more productive or “improved” pastures, and cereal crops for fodder. Although more productive, these fields are still managed at low intensity compared with mainstream farming. They can be an important part of an HNV farming system, and can also contribute to nature value when combined with a sufficient area of semi-natural grazing, by providing feeding opportunities for wildlife.

Farms and landscapes with a lower proportion of semi-natural vegetation, existing in a mosaic with arable and/or permanent crops, can also be of high nature value. Nature values will tend to be higher when the cropped areas are under low-intensity use, providing a mix of habitats that are used by a range of wildlife species. This type of HNV farmland has been labelled Type 2. Because the proportion of land under semi-natural vegetation is less than in Type 1, and the proportion of cultivated land is greater, the management of the latter and existence of an “ecological infrastructure” of landscape features are especially critical for wildlife. More intensive use of the cultivated land, and the removal of features, will lead to a rapid decline in wildlife values.

At the more intensive end of the HNV spectrum are farmland types whose characteristics of land cover and farming intensity do not suggest HNV farming, but which nevertheless continue to support species of conservation concern. Generally these are bird populations. This has been labelled Type 3 HNV farmland.

The three types of HNV farmland are not intended to be precise categories, with a sharp boundary between them. Rather, they should be seen as a continuum, ranging from those with a higher proportion of semi-natural vegetation and lower intensity use and therefore higher biodiversity (Type 1) to more intensively managed farmland that supports few species. Some of these may still be of conservation concern, in which case this is considered Type 3 HNV. (See below.)

V.2 Designing indicators for HNV farming

There is no universally applicable dividing line between HNV and non-HNV farming - the biological diversity of farmland ranges along a gradient between the lowest and the highest values. But for a given situation, a judgement can be made of what types of farming should be considered as HNV, on the basis of available knowledge about the land cover, the farming systems in question and their inherent value for biodiversity. Ideally a clear differentiation between HNV and other farmland would be made; but realistically, Member States will have to choose between criteria likely to *include* as much HNV farmland as possible and those which *exclude* as much farmland of lower interest as possible. Based on this judgement, indicators can be designed.

Broadly speaking, indicators of HNV farmland can use three different types of criteria:

1) *Land cover criteria*

If land is under predominantly semi-natural grazed vegetation, this is the strongest single indication of HNV farmland. Even if the current grazing or management regime is not the optimum for habitat and species conservation, the mere presence of large areas of semi-natural vegetation provides greater opportunities for a range of wildlife than land where this vegetation has been replaced with improved grassland or crops.

A mosaic of semi-natural farmland and mixed cropping is also a strong indicator of HNV. In this case it is necessary to determine a threshold for the proportion of the farmland area that should be semi-natural in order to be considered as HNV. Some indication that the cropped land is managed at low intensity is also desirable. This may be a high proportion of fallow in the rotation (land cover information), or an indicator reflecting intensity of use on the cropped area (e.g. input use, see point 2).

Orchards and olive groves with large, old trees and a (semi-)permanent spontaneous understorey indicate HNV farmland.

Land cover data at a sufficiently high resolution can also show the presence of peripheral elements, such as semi-natural hedges, patches and water bodies, that can make a significant contribution to the nature value of farmland.

2) *Farming systems criteria*

In the absence of reliable inventories of semi-natural vegetation, very low livestock densities per hectare of forage (e.g. <0.2LU/ha, although the figure will depend on the area) are themselves a strong indication of predominantly semi-natural forage, and thus of HNV farmland.

For land under arable and permanent crops, a combination of low nitrogen and biocide inputs per hectare may be considered a good indicator.

3) *Species criteria*

Species indicators should not be necessary for Types 1 and 2, as these types of HNV farmland are defined by land cover and farming characteristics which are known to produce a situation inherently valuable for a range of wildlife and biodiversity, regardless of whether certain selected species are present or not. In the case of Type 3 HNV farmland, the land cover and farming characteristics do not suggest conditions of high nature value, so that such farmland is considered HNV only because of the presence of certain species. Generally these will be a

limited number of species, but of conservation importance due to their overall rarity, for example.

Drawing on these criteria, indicators can be designed that distinguish HNV farming from farming that is inherently of less value for nature. Ideally, a combination of land-cover, farming-systems and species criteria should be used, but the combination of necessary criteria depends on the type considered.

Thus for Type 1, it is desirable to know that the forage resource is mainly semi-natural, but also that the current grazing regime is appropriate. Similarly for Type 2 mosaics, the full picture can only be provided by a combination of land-cover and farming practices data. From these two explanatory criteria (i.e. land cover and farming practices), the species criteria can be assumed in principle. As explained in the following section, data on relevant farming practices are not generally available, and as a result the tendency to-date has been to focus on land-cover data.

For Type 3 farmland, the proof of its HNV characteristics stands on the presence of species of conservation interest, which could not be derived from land cover and farming practices criteria.

V.3 Applying indicators for HNV farming

There are two distinct reasons for designing indicators of HNV farming, and these may require slightly different tools and approaches.

- To measure the approximate extent of HNV farmland in a region or Member State, so that this can be monitored over time, for the purposes of RDP evaluation.
- To enable support measures to be targeted at HNV farming.

Member States were required to estimate their total area (“superficial extent”) of HNV farmland (baseline indicator) at the start of the 2007-13 RDPs. This figure can only be an approximate estimate, because current data sources do not permit an exact calculation.

The aim should be to capture an approximate picture of the total hectareage of land under landuses that meet the basic HNV criteria. Some Member States have taken rather unconvincing short-cuts, such as proposing that the HNV farmland area is equivalent to the farmland within Less favoured Areas, or within Natura 2000 sites. This is not a satisfactory approach as, although considerable overlaps can be expected, these two sets of areas were delineated on very different criteria from the HNV farmland criteria.

Following the lead taken by the European Environment Agency (EEA) with CORINE, some Member States have pursued the land cover approach. Where suitable data on semi-natural vegetation are available at national and regional levels, this is a sensible starting point. However, experience suggests that CORINE is not a suitable data base, in its current format, as it does not distinguish between semi-natural and more intensively managed grassland.

For identifying Type 1 HNV farmland, a recent and comprehensive inventory of semi-natural vegetation types provides an initial indication of the total area. Inventories of semi-natural grasslands as produced in some countries (see www.veenecology.nl) are more detailed than CORINE-based exercises and may be a valuable tool for identifying the location of this particular type of HNV farmland.

However, not all semi-natural vegetation is under farming use, and some means of verifying the current usage therefore is needed. The CAP Land Use Parcel Identification System (LPIS) should provide this information if it is operating correctly, as the use of all parcels is recorded on an annual basis.

Integrating semi-natural vegetation inventories with LPIS is a very desirable step, one which has been taken already in some Member States (e.g. Bulgaria, Slovakia). CAP payments (Pillar 1 and 2) are made through the combination of LPIS and the Integrated Administration and Control System (IACS), on the basis of individual parcels with the farm holding. Measures for supporting HNV farming also must operate at this level.

At this stage, the aim should be to establish a baseline area of semi-natural vegetation under farming use (grazing and/or mowing), that can be targeted for policy measures and monitored over time. It probably is not realistic on the basis of existing data to expect to know what are the current management practices on this land, such as livestock densities and grazing regimes, and whether they are optimum for conservation of the nature values.

This question is best addressed when designing and applying CAP support measures, by making such payments conditional on a management regime that is adapted to the conditions of the area (e.g. minimum and maximum livestock densities per hectare of forage). Thus, in this case the land cover data indicate the presence of HNV farmland, and the conditions attached to the support payment that the farming practices are appropriate for an HNV farming system. In practice, this is how existing agri-environment schemes for HNV grasslands are operating in Bulgaria and Romania.

Identifying Type 2 HNV farmland is more challenging. The type of land cover is more complex, as it includes a mix of semi-natural vegetation and cropped land. Identifying only the semi-natural element (e.g. through inventories) is not a sufficient approach in this case, as the nature value of Type 2 HNV farmland depends partly on the low-intensity cropping and its existence in a mosaic with semi-natural vegetation, with some importance of landscape features. Some measurement of the proportion of land under semi-natural vegetation is needed, and ideally this would be combined with a measurement of the intensity of use on the cropped area.

At present, data are not readily available on farming practices such as input use. Therefore, as with Type 1 HNV farmland, the realistic approach for the time being is to focus on identifying the land cover patterns (mosaics of semi-natural vegetation and crops) that indicate the probable presence of HNV farmland. Measures then can be targeted at this land, with the eligibility conditions of the measures themselves ensuring that the farming system is appropriate for maintaining nature values.

The choice of threshold values for HNV farming must be supported by information provided in the description of farming types and their nature values. Thus the definition of minimum and maximum stocking densities should be in accordance with ecological criteria for the region or area in question. This is the range of stocking densities considered most favourable to the conservation of species and habitats, which may be lower than the stocking densities considered as agronomically optimum.

It is essential that national choices of thresholds and indicators for HNV farming should be tested at the local level. Better still, the development work at national level should be informed by local-level research that is designed specifically to answer the key questions for

identification of HNV farmland. A selection of local case studies from different parts of the country should be undertaken.

V.4 Approaches taken in Bulgaria and Romania

The descriptions of HNV systems provided in the RDPs of the two countries are very general and mainly concerned with HNV Types 1 and 3. The analysis of characteristics is not detailed (e.g. there is no discussion of different pasture types, livestock grazing regimes, stocking densities, etc). However, even at this very limited level of detail, the descriptions are more complete than those found in the RDPs of many other Member States, especially in the EU15. Furthermore, the programmes in Bulgaria and Romania establish broad support schemes for main types of HNV farming, again something that is absent from many national RDPs.

In both countries, HNV Type 1 is identified through inventories of semi-natural grassland. This appears to be a useful approach for all countries to follow, so long as certain important criteria apply:

Surveys should cover the whole country.

- All farm parcels should be identified as either semi-natural or not (possibly with an intermediate category of “nearly semi-natural” or “partially improved”), and cross-referenced to LPIS.
- All types of semi-natural grazed vegetation should be included, not only herbaceous (e.g. including wooded pastures).
- Work must be undertaken to identify the appropriate grazing regimes (e.g. LU/ha), vegetation structure, etc., for each type of semi-natural grazing land.
- When support measures are applied, all semi-natural grasslands on the inventory should be targeted.

The inventories in Bulgaria and Romania do not apply all of these criteria. They cover the whole country in both cases (using interpretation of satellite images with local ground truthing). In Bulgaria, the inventory has been integrated with the LPIS (this is reported to have been a challenging undertaking). Further work is needed in order to meet the other criteria.

HNV Type 3 is, by definition, identified by the presence of species populations. The main application of the species approach in both countries is the inclusion of farmland within Important Bird Areas and Natura 2000 as HNV farmland. In Bulgaria, this is supplemented by an inventory of habitat types (from the Habitats Directive) used by a selection of farmland species of conservation concern (butterflies, reptiles and mammals).

HNV Type 2 is widespread in eastern EU (as in the southern Member States), consisting of low-intensity farmland mosaics, and orchards. There is no explicit attempt to define and identify HNV Type 2 in the RDPs of these two countries (as is the case in most, if not all RDPs). Some Type 2 will be covered *de facto* by Type 3 approach, but only where this type of farmland is found within IBA/Natura 2000 sites. Large areas of HNV Type 2 are known to exist outside such sites, e.g. around villages, as witnessed during the field visits under this project. However, very little information is available on the importance for biodiversity of these small-scale landuse mosaics.

Although presented as a landscape measure, rather than HNV, the case of orchards in Bulgaria provide an example of how one particular Type 2 category can be identified, and

supported. The Bulgarian national support measure for traditional orchards is based on simple parcel-level criteria:

- Trees are >25 years old and <10 metres apart
- Permanent (or nearly) grazed or mown understorey
- This follows the HNV indicators approach presented by DG Agri
- Orchards are identified through LPIS
- The age of trees must be checked and confirmed by a qualified expert
- The participant in the support scheme must confirm compliance with other criteria (e.g. grass cover and management)
- No additional inventories or maps are required
- EU objectives for HNV are met effectively and fairly by targeting at farm level (but exclusion of <0.3ha size)

V.5 Conclusions

The definition of HNV farming systems and associated biodiversity is lacking in Bulgarian and Romanian RDPs (as in most countries). This is an important gap. HNV identification in both countries follows the route of grassland inventories + farmland within Natura 2000 + farmland coinciding with the distribution of certain species. This approach of top-down mapping does not *define* HNV farming systems. Rather, it is an exercise in *spatial targeting* of support, which authorities were encouraged to do by the European Commission.

There are concerns about the justification for this spatial targeting, and the exclusions from support of large areas of HNV farmland that result. Is it good for biodiversity? Is it fair to farmers?

Within these mapped areas, HNV farming still has to be distinguished from non-HNV. Effectively this is done when a farmer applies for payment – e.g. LU/ha, age of trees – through LPIS/IACS data plus the farmer's commitment to conditions. Thus the State identifies the **land cover** (e.g. semi-natural veg.) and the farmer confirms that the **management system** is HNV. LPIS is the obvious tool for bringing together information on **land cover** and the **farming system**. For HNV Type 1, inventories of semi-natural pasture (all types) should be integrated with LPIS.

For mixed farmland (Type 2), HNV cannot be limited to Natura 2000 – the HNV approach aims to maintain a broad base for biodiversity. Applying agri-environment measures on farmland in IBAs/Natura 2000 is good in itself, but is not the full HNV approach. Type 2 should be addressed in the same way as Type 1:

Identify relevant land cover using basic criteria of mosaic (parcels/ha) and % semi-natural features.

To receive HNV support, farmers commit to low-intensity practices (thresholds on N use etc.).

At the EU level, there are currently two approaches to identifying HNV:

- Mapping of land cover and species (EEA)
- Farming indicators (DG Agri)

These are entirely compatible approaches, and ideally should be brought together in LPIS.

- Land cover to show semi-natural vegetation and mosaics (inventories integrated with LPIS)

- Farm systems indicators to show LU/ha and other management parameters.
- Species data for identifying Type 3 HNV only.



Picture 28: Horses grazing on HNV Type 1 dry semi- natural grasslands (Western Stara Planina, Bulgaria)

VI. LESSONS FROM THE PROJECT

Generally the “policy-making community” of the EU is quite removed from local realities. This project reveals that policy theory and design can be poorly adapted to reality. EU policy should be informed by local projects, and policy makers should not be tempted to brush aside the complications revealed by local projects. The burden of integrating agriculture and environment must not be left to the farmer to resolve alone.

HNV farming in Bulgaria and Romania faces many, and quite major, challenges. A lot of grazing abandonment already has occurred in some areas. A lot more is likely to occur in the future. Small-scale mosaic landscapes and elements such as traditional orchards are in a state of obvious neglect or abandonment in some areas.

New challenges which face HNV farmland in other Member States are if anything potentially magnified in the former Communist states, where the disruption to land use patterns since 1990 has created situations which are clearly transitory. Large changes are likely as the application of capital better matches the land’s potential. Areas which were formerly the breadbasket of Europe (Romania was the main grain maize producer in the inter-war years) are likely to become so once more. At present, biodiversity benefits resulting from low-intensity use here parallel (probably exceed) those created by set-aside policy in the EU-15, and are equally vulnerable to rising grain prices and pressure from alternative land uses, such as biofuels. Policies to address these likely pressures were not discussed at the workshops. Compensation for *not* going down this route will no doubt be demanded in the coming years. However, the workshops remind us that areas of truly High Nature Value farmland still exist; indeed, they dominate large parts of the EU.

Both Bulgaria and Romania have begun to implement relevant support measures through their RDPs, but clearly these are not endowed with sufficient resources to halt the decline right across these two countries, let alone to reverse the process where abandonment has occurred already. Not only are overall resources (financial, administrative, data, etc.) insufficient, but there are also numerous barriers built into the rules and machinery of rural policy that make it impossible for HNV goals to be achieved. What is EU to do about this situation, and its implications in terms of failing to meet the goal of halting Biodiversity Decline by 2010?

Small-scale, subsistence farming systems are especially problematic. It probably is not realistic to try to “fossilise” these farming types and their associated landscapes. So is there a vision for their future? Is it possible to manage a scaling-up of such traditional farming systems, without losing all nature and landscape values? How could this be achieved? At present, with the limited exception of the traditional orchard measure in Bulgaria, there is no satisfactory policy response to these fundamental questions. Indeed, the challenge is barely recognised, for example in relation to the identification of HNV farmland.

In fact, there seems to be a tacit assumption that the traditional, small-scale subsistence farming and its associated way of life, that is so widespread in Romania and Bulgaria, will disappear in a number of years, as farming responds to policy and economic signals to become modern and competitive. Indeed, it is realistic to expect new market opportunities (e.g. organic) to be taken up by larger, more intensive producers, as generally they are not accessible to very small, traditional farms. This apparently inevitable scenario, under which small-scale, mosaic landscapes are either abandoned or intensified and rationalised, may proceed unhindered by environmental mechanisms such as cross-compliance, and yet it is in

direct conflict with the EU's objective to maintain HNV farming as part of its strategy to halt biodiversity decline.

On the positive side, the project revealed some encouraging examples of HNV farming developments on the ground, as well as of policy responses from the authorities of both countries. For example, we saw examples of new and existing HNV farmers taking advantage of an abundance of low-cost land for extensive grazing, and encouraged by the expectation of CAP support payments. In several cases, a positive factor was the influence of experience and ideas from outside the locality and the country.

In terms of HNV policy responses, several strong points have emerged in both Bulgaria and Romania, and especially in comparison with many countries of the EU15. An important aspect is the degree of transparency and dialogue that has developed between agricultural authorities and NGOs. Although not without some hiccups, authorities at different geographical levels have responded positively to the challenge and opportunities of the HNV farming concept. This has been translated into progress made with HNV identification, and a strong presence of HNV farming in RDP documents. Both countries have set up a range of positive HNV support measures, with payments set at a level that can provide a real incentive to farmers.

However, it is in the nature of a project of this sort to highlight the issues that are not being resolved effectively, and to propose possible solutions. Unfortunately, the list of such issues is long and, although in some cases quite simple solutions can be proposed, in many others there are complex questions to be resolved, requiring sophisticated policy responses. The following is an overview of issues revealed by the project that need to be resolved if EU objectives for HNV farming are to be pursued effectively in these two countries. We have grouped these under four headings, although there are obvious overlaps between the groups.

Gaps in data, knowledge and understanding:

- Data on land, landuse and livestock densities are very inadequate. Reliable and relevant data are an essential basis for effective policy design. LPIS needs to be developed into a robust and reliable data base.
- HNV farming types need to be described, including key agronomic, economic and ecological characteristics. This is another fundamental starting point for the design of effective policies for HNV farming.
- Specifically, small-scale mosaics (Type 2 HNV farmland) currently are excluded from the identification process and thus from the design of policy measures.
- Commonland and land used under informal arrangements make up a large proportion of HNV farmland in Romania and Bulgaria. The practical issues surrounding these areas need to be better understood and incorporated into policy design.

Rules that conflict with HNV aims:

- Rules on livestock holdings and product processing, particularly rules related to hygiene, threaten to outlaw the economic activities of thousands of small farms. This is largely a question of national interpretation and implementation of EU rules.
- Eligibility rules for CAP support exclude considerable areas of HNV farmland from receiving support. Ironically, this is especially an issue for semi-natural grazing land with scrub and trees, a type of landuse often of very high biodiversity value and where support for grazing is especially important.
- GAEC rules, especially on scrub encroachment, threaten to have negative consequences for biodiversity, by encouraging either excessive scrub clearance, or abandonment and concentration of stock on better land.

Policy response

- Agri-environment is being used to support existing HNV farming systems, but this instrument alone is not enough.
- There is a need for a more integrated approach to supporting and improving the viability of HNV farms, through a combination of targeted investments aid, support for processing and marketing initiatives linked specifically to HNV farming, advice.
- Common land issues, such as local over-stocking, difficulties for maintaining shepherding, etc., need special attention.
- Small-scale holdings need a highly degressive system of payments per hectare, if the support is to act as a significant incentive to continue with management.
- Information and advice does not reach very large numbers of the most marginal farmers, who are maintaining a large share of the HNV farmland area. More resources are needed, and a more pro-active approach to delivering advice to the least accessible farmers.

Main gaps in support resulting from above issues:

- Small-scale mosaics (Type 2 HNV farmland) are a particular feature of the rural landscape in both countries, but do not benefit from any targeted HNV support measures.
- Very large areas of land fall outside LPIS and as a consequence are excluded from CAP support measures. Unless this issue is resolved, the land in question is almost certain to fall into disuse.
- There are major geographical gaps in HNV support due to the way in which HNV farmland has been identified and targeted using maps.

In addition to the specific issues in Romania and Bulgaria, a number of lessons from the project can be highlighted for the EU level. The picture painted in the 'European Model of Agriculture' hides the reality – that there is a spatial and social differentiation of farms producing private goods and those delivering public goods. Support goes overwhelmingly to the former, despite their apparent (and much trumpeted) market orientation. Romania and Bulgaria both have large areas of HNV farmland and the challenges of modernisation are also obvious. It is easy to criticise but easy also to sympathise. However the same questions remain unanswered in other Member States and most certainly at EU level.

The case studies were carried out in areas where rural life truly has delivered the social, economic and environmental aims of rural development in times of need and insecurity. The danger now is that Rural Development brings an end to this relatively balanced situation. The challenges of the margins must not be forgotten as Europe's intensive farmers find new reasons for policy to remain orientated to their needs.

The overarching policy drive towards a competitive, market-lead farming sector, accompanied by rural economic development, tends to overshadow the EU objectives for the maintenance of HNV farming and biodiversity. The dynamic of socio-economic development and of policy delivery on the ground are such that the more marginal farms and sectors will always tend to lose out to the most competitive. This means that policies for maintaining HNV farming need to be especially well funded and supported through effective delivery mechanisms if they are to have a chance of significant success.

The public benefits of small-scale and micro-scale farming (biodiversity, landscape, cultural heritage) need to be recognised, and policy instruments designed and implemented to respond to their needs.

The use of RDP measures for supporting HNV farming is one of three environmental priorities of the EAFRD. Ensuring that this use is effective is a growing concern. The following points emerge from this project:

- It needs to be clear how much and how well the available CAP measures which can benefit HNV farmland are used. How are RDPs evaluated for their HNV content, and does the current process allow us to answer this question?
- We see massive imbalances in the effort countries and regions are making for HNV farming. Bulgaria and Romania are among the better examples.
- Countries doing least for HNV are meanwhile providing more support for competitive, intensive farming. What should countries such as Bulgaria and Romania think of this?
- The possibilities for using agri-environment to support existing farming systems and activities needs to be clarified. Concern is repeatedly expressed from different parts of the EU that agri-environment can only be used to compensate for changes in farming practices, and that it is therefore more suitable for encouraging extensification of intensive farming than for maintaining an already low-intensity system. There is a lack of clarity from DG Agri about what is, and is not, permitted.
- One point that is clear is that agri-environment payments can only pay for activities that go beyond the “baseline” established by cross-compliance (GAEC and SMRs). The way in which cross-compliance is defined by national and regional authorities therefore is critical. For example, if a minimum stocking density is required under GAEC, then agri-environment payments cannot be based on maintenance of the same stocking density, but could compensate for stocking below a maximum threshold.
- If more strict management requirements are imposed by management regulations in Natura 2000 sites, then these can be compensated through the EAFRD Natura 2000 measure, but cannot be compensated under agri-environment.
- In practice, Romania in particular is using agri-environment essentially to support an existing HNV farming system involving shepherded grazing and hand mowing of hay. The scheme does not require farmers to make changes to their existing system. If this approach is acceptable to the Commission (as we believe it should be), it should be made more widely known to other national and regional authorities around the EU.
- Should payments be restricted to geographically defined areas? Is zoning good for biodiversity?
- Afforestation is a major threat to semi-natural grazing land in some countries: in Romania, these incentives can be used only on arable land, a system that could be extended usefully to the EU level.
- Axis 1 investment aid: is it really accessible for HNV farmers? Or is a specially targeted measure needed, with higher rates of grant-aid?

At the same time, it is essential to make CAP rules and mechanisms work for HNV farming, rather than hindering the effective application of measures for its maintenance:

- It is essential to get the ecology right in the design of CAP rules. GAEC rules on minimum maintenance, and the definition of “permanent grassland”, need to be modified. It is also clear that different countries are applying different standards for the inclusion of parcels or parts of parcels and that the effect of choosing certain rules on the achievement of policy objectives is given insufficient consideration.
- Development of the wider, non-farm rural economy does not provide a solution for biodiversity and land management. In fact, it is part of the problem, as it makes farming an even less-attractive option.
- LPIS is a key instrument for the identification of HNV farmland, the targeting of payments to HNV farmland, and the monitoring of HNV farmland. Relatively small

improvements are needed (for example, harmonisation of grassland types and semi-natural vegetation). This should be an EU priority for meeting HNV and biodiversity goals.

Overall, the EU needs to work out a more cohesive common framework for addressing HNV farming commitments. The Commission should make clear that the aim is to provide horizontal support for HNV farming systems, and that there is no policy requirement or intention to create designated “HNV areas”. Between them, the EU and Member States should:

- Address the “HNV barriers” existing in the CAP (e.g. rules referred to above).
- Provide guidance on which measures to use and how.
- Allocate sufficient resources in proportion to needs.
- Gather practical information on what each country is doing, or not doing

All Member States should be seen to be developing:

- Horizontal economic support for the types of farming that have been identified as HNV, such as low-intensity grazing.
- Local projects to tackle specific problems (economic, agronomic, conservation), for example small-scale mosaic landscapes. There is a need for Local Action Groups involving farmers, which could be supported via RDP Axis 4 for example.



Picture 29: European Ground Squirrel, also called Souslik, is an attractive inhabitant of dry semi-natural grasslands and an EU priority species

LIST OF ABBREVIATIONS

CAP	Common Agricultural Policy
CORINE	Co-ordinated Environmental Information in the European Union
EAFRD	European Agricultural Fund for Rural Development
EFNCP	European Forum for Nature Conservation and Pastoralism
EU	European Union
FADN	Farm Account Data Network
GAEC	Good Agricultural and Environmental Conditions
GIS	Geographical Information System
HNV	High Nature Value
IACS	Integrated Administration and Control System
IBA	Important Bird Area
LFA	Less Favoured Area
LPIS	Land Parcel Identification System
LU	Livestock unit (about 1 cow or horse, or 7-8 sheep or goat)
NAAS	National Agricultural Advisory Service
NGO	Non-Governmental Organisation
NSP	National Strategic Plan (for Rural Development)
NUTS	Nomenclature of Territorial Units for Statistics
RDP	Rural Development Plan
SMR	Statutory Management Requirements (the part of cross-compliance based on pre-existing EU laws, rather than the nationally-adapted GAEC part)
SAPARD	Special Accession Program for Agriculture and Rural Development
SAPS	Single Area Payment Scheme
SPS	Single Payment Scheme
UAA	Utilised Agricultural Area
WWF-DCP	Worldwide Fund for Nature – Danube-Carpathian Programme

EFNCP is a Europe-wide network which raises awareness of the importance of low-intensity farming for nature conservation and aims to improve the way public policies respond to the needs of these farming systems.

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