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	<u>Total investment volume</u>	<u>approx. EUR 1.3 million</u>
<u>Result</u>	<u>Areas under successful land management and number of km of watercourses with good ecological status, increased amenity value, greater biodiversity, improved living conditions for fish and small animals at the same time as continued opportunities for farming.</u>	<u>The measure will lead to less intensive agricultural production on 6,700 <del>10,000</del> ha agricultural land due to change in water course management of approx. 1,400 <del>2,100</del> km watercourse</u>
<u>Impact</u>	<u>Reversal in biodiversity decline (IRENA farmland bird species population index: 106.1 in 2001. Common objective)</u>	<u>Positive effect (not quantified)</u>
	<u>High nature value areas (78,000 ha in 2000, common objective)</u>	<u>Positive effect (not quantified)</u>
	<u>Changes in gross nutrient balance</u>	<u>Reduction in P and N usage (not quantified)None</u>
	<u>Increase in production of renewable energy</u>	<u>None</u>

**Additional programme-specific indicators and quantified targets**

<u>Effect</u>	<u>Good ecological status of watercourses in question, increased amenity value, greater biodiversity and guarantee of the basis for fishing stocks and thereby the regeneration of better fishing waters.</u>	<u>1400 <del>2100</del> km watercourse</u>
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**5.2.2.1b. Mandatory establishment of cultivation-free buffer zones (Code 213b)**

**Article (and paragraph) which covers the measure**

Articles 36(a)(iii) and 38 of Regulation (EC) No 1698/2005

Point 5.3.2.1.5 of Annex II to Regulation (EC) No 1974/2006

Article 16a of Regulation (EC) 1698/2005 (cf. new challenges/Health Check measure)

**Code of the measure**

213b

**Implementation of the Water Framework Directive**

As part of the Danish implementation of the Water framework directive, Denmark will implement, with binding effect from 1st of September 2012, an up to 10 m mandatory

cultivation-, spraying- and fertilizerfree buffer zones along all open streams and ponds more than 100 m<sup>2</sup> in rural areas. The measure implements article 11.4 of Directive 2000/60/EC.

### **Rationale for intervention**

In order to implement the WFD successfully it has been decided also to apply mandatory obligations for management of farmland and to offer support to compensate for costs incurred and income foregone for farmers resulting from implementing the Water Framework Directive (2000/60/EC) pursuant to art 38 in REG 1698/2005.

As part of the Danish implementation of the Water framework directive and pursuant to Act no. 591 of 14<sup>th</sup> June 2011 (Law of Bufferzones) Denmark will implement, with binding effect from 1st of September 2012, an up to 10 m mandatory cultivation-free buffer zones along all open streams and ponds more than 100 m<sup>2</sup> in non-urban zones. It is foreseen to compensate the extra cost incurred and income foregone by a farmer caused by this measure. The measure is foreseen to have a positive impact on the aquatic environment by reducing the phosphorous and pesticides emissions and leaching of nitrate caused by agriculture.

### **Objectives of the measure**

The purpose of the support scheme is to compensate the establishment of non-cultivated buffer zones along lakes and open watercourses in non-urban zones in order to reduce the leaching of Phosphorus, Nitrate and pesticides into surface water. The buffer zones will also contribute to safeguard biodiversity and improve ecological connectivity of the rural landscape.

It has been estimated that the mandatory buffer zone measure comprises approximately 50,000 hectares divided between approximately 30,000 beneficiaries. It has been assessed by the University of Aarhus that the gross impact with regard to a reduced P-discharge could contribute to a reduction up to 160 tonnes per year

The requirement of no cultivation within the buffer zone will not apply if managed as permanent pasture or perennial energy crops are grown without the use of fertilisers and pesticides.

The University of Aarhus has assessed the impact with regard to reduced N-discharge at 2,500 tonnes of N. The reduced N leaching is expected to be up to 13 kg N per hectare less than on cultivation-free border zones if perennial energy crops are grown in the buffer zone, and 5 kg N per hectare less if permanent pasture is grown.

### **Scope and actions**

Area payment is offered as compensation for the mandatory establishment of cultivation-free buffer zones. The cultivation-free buffer zones must be established on farmable land along all open watercourses and lakes in excess of 100 m<sup>2</sup> in non-urban zones. Support is given as an annual area subsidy with a fixed support rate.

The existing voluntary measure regarding bufferzones (code 214d) will end in 2011. The requirements of no use of pesticides, fertiliser and cultivation-free buffer zones will be mandatory and statutory as part of the Danish implementation of the Water framework directive. Farmers are expected to be compensated with support in accordance to Article 38

of Council Regulation (EC) No 1698/2005. As an exception to the general requirements farmers can establish fertiliser and spraying -free farming of perennial energy crops or permanent pasture in the buffer zone.

The obligations are well beyond the national minimum rules concerning the management and conservation of pasture and natural areas. For land covered by support under the single payment scheme, the obligations will extend beyond the conditions concerning good agricultural and environmental condition, cf. Commission Regulation (EC) No 73/2009.

The cultivation-free buffer zones will in some areas compliment an already existing un-cultivated strip of 2 metres along lakes and open water courses pursuant to the baseline under Regulation (EC) 73/2009. For the existing 2 metre border strips the additional requirement will only be for 8 additional metres and the compensation will only be given for the 8 metres up to the 10 metre requirement.

In accordance with section 69 of the Danish Watercourse Act, the provision on 2 metre non-cultivated strips along all natural or high priority watercourses as well as lakes larger than 100 m<sup>2</sup> applies. The opportunity to grow perennial energy crops in the border strip does not apply to these 2 metre strips, as no soil preparation or cultivation is allowed in these areas.

It is expected that the compensation to farmers can be applied for in 2013 for the establishment of mandatory buffer zones going back to September 1<sup>st</sup> 2012. In 2013 it is foreseen that the payment to farmers will cover the period 1st september 2012 to 31<sup>st</sup> december 2013.

#### Priority criteria

All applicants shall be offered the support. No priority criteria are needed. Adequate funding will be allocated for at least 50,000 ha.

#### Beneficiaries

Support may only be granted to farmers and to other land managers.

#### Administration

The support scheme will be paid out by NaturErhvervstyrelsen (A new body replacing 3 previous Danish public bodies under the Ministry of Food, Agriculture and Fisheries; FødevareErhverv, Plantedirektoratet and Fiskeridirektoratet). The on-the spot control will be carried-out by NaturErhvervstyrelsen.

#### Confirmation that the cross-compliance requirements are identical to those provided for by Regulation (EC) No 73/2009

The cross-compliance requirements, which set out the basic conditions for receiving single farm payment support under Council Regulation (EC) No 73/2009, form the basis for the establishment of further obligations for which compensation is paid.

Support is only given for obligations which extend beyond these mandatory obligations.

**Description and justification of the different types of commitments, based on their expected environmental impact in relation to environmental needs and priorities**

Beneficiaries can combine payments of support under this measure and single farm payment support in accordance with Council Regulation (EC) No 73/2009. The payments of support cover only those commitments going beyond the baseline standards established pursuant to that regulation.

The beneficiary must commit to not add plant protection products, fertilisers or soil improvement agents to the land during the commitment period. The area must be established as grass or set-aside natural area ~~except where the area is cultivated with perennial energy crops or present other perennial crops. The area must not be irrigated.~~

If the bufferzone is used for grazing, the maximum grazing pressure is indirectly regulated through the measure as the grazing pressure must be adjusted according to the conditions and in order to prevent overgrazing of the area and loss or damage of plant cover.

If there is an existing perennial crops as for example christmas trees, orchards etc in the buffer zone, it is possible to maintain this crop, but not to reestablish it. The beneficiary must commit to use no plant protection products, fertilisers or soil improvement agents to the land. In some special cases it is foreseen, that the minister can make an exemption from the general rule. If this is the case, there will be no support for the area in question.

The measure is expected to lead to improvement of the aquatic environment and natural conditions by reducing Phosphorus and Nitrogen leaching and erosion from the buffer zones to the aquatic environment and by banning the use of plant protection products in the bufferzones. The buffer zones will also help to safeguard biodiversity and improve ecological state of the rural landscape.

**- The areas designated to implement Directive 2000/60/EEC and the obligations for farmers resulting from the corresponding national/regional management provisions**

In order to implement the Water Framework directive, river bassin management plans for 23 appointed river valley areas in Denmark have ~~with~~ been adopted nationally in ~~by the end of~~ 2011. Eligible areas for support under the measures are designated pursuant to these plans.

**Description of the methodology and the agronomic assumptions used as reference point for the calculations justifying additional costs and income foregone resulting from the disadvantages in the area concerned related to the implementation of Directives 79/409/EEC and 92/43/EEC**

The level of support has been established on the basis of calculated income losses accrued from the obligations.

The reference level for calculating income foregone and additional costs resulting from the commitments are the relevant standards and requirements referred to in Article 39(3) of Council Regulation (EC) No 1698/2005. The payments cover only those commitments going beyond the baseline standards established pursuant to Regulation (EC) No 73/2009.

The proposed support rates apply to all farms and are based on the average data for historic yields which can be differentiated by soil type (clay or sandy soil) and production type (grass, extensive pasture, crops, pigs, cattle). The support does not contain compensation for transaction costs. Further explanation of the calculation requirements is given in annex 5i.

Baseline

The mandatory buffer zones implement art. 11.4 of Directive 2000/60/EC. The 10 meter mandatory cultivation-free buffer zones will in some areas complement an already existing un-cultivated strip of 2 meters along lakes and open water courses pursuant to the baseline under Regulation (EC) 73/2009. Considering the EU legislation for the protection of water, the 2 meters strips constitutes the only relevant baseline to take into consideration for the present measure. For the existing 2 meters border strips the additional requirement will only be for 8 additional meters and the compensation will only be given for the 8 meters up to the 10 meter requirement.

According to Executive Order No 1362 of 19 December 2008 on cross-compliance, with changes pursuant to Order No 239 of 27 March 2009 and Order No 253 of 31 March 2009 on direct support for farmers according to the single farm payments scheme, the following mandatory obligations exist:

Plant cover on non-cultivated agricultural land: Uncultivated areas must be covered with plant cover. Conditions are made concerning timing for establishment, the use of seeds and after-sowing.

Maintenance of uncultivated areas: Uncultivated agricultural land must be cut at least once every two years in July or August, while permanent pasture must be cut at least once a year in July or August. In the case of permanent pasture, mowing can be replaced by grazing. The plant cover on uncultivated agricultural areas must not be cut in the period 1 May to 30 June. The areas must not be utilised in a way that destroys or removes the plant cover. No plant protection products must be used on the area except for products used for selective prevention of certain aggressive weeds on the condition that the remaining plant cover is not damaged and is not given fertiliser or artificial irrigation.

The calculation of support is based on income-foregone related to establishing the cultivation-free buffer zones or for establishing the buffer zones with permanent grass or perennial energy crops with no use of fertilisers and plant protection products.

Support commitments and baseline

<u>Support commitments</u>	<u>Baseline commitments</u>
<u>An up to 10 meter buffer zone along lakes and open water courses in non-urban zones must be established and maintained as cultivation free and without any use of fertilisation or plant</u>	<u>The buffer zone areas will where relevant compliment an already existing un-cultivated strip of 2 metres along lakes and open water courses pursuant to the baseline under Regulation (EC) 73/2009.</u>

<u>protection products.</u>	
<u>Same</u>	<u>Obligations concerning the plant cover on border strip pursuant to Regulation 73/2009</u>
<u>Same</u>	<u>Border strips must be cut at least once every two years (Order No 1362 of 19 December 2008 on cross-compliance, with changes pursuant to Order No 239 of 27 March 2009 and Order No 253 of 31 March 2009 on direct support for farmers according to the single farm payments scheme)</u>

### Control

The respect of the support conditions shall be controlled through on-the-spot control and through administrative control by NaturErhvervstyrelsen.

### Amounts of support

A fixed annual support rate is offered of up to euro 349 per ha per year.

As compensation for the mandatory requirements of establishing cultivation-, spraying- and fertiliser-free buffer zones, the following two annual support rates per ha are provided:

- 161 € to agricultural areas previously farmed as permanent pasture
- 282 € to agricultural areas previously farmed with arable crops

Support is only offered for areas eligible to the single payment aid granted under Regulation (EC) No 73/2009. Support may also be provided for areas with established perennial crops consisting of Christmas trees. While the measure is considered to be very significant and comparable with a permanent conservation, the one of the two support rates exceeds the normal maximum rate of euro 200 per ha per year. The annual support is expected to be paid out together with the single payment premium for the calenderyear. The requirements regarding the bufferzones are applying from 1st September 2012, it is foreseen that the farmers apply for the the support in 2013 including the period from 1<sup>st</sup> September 2012 to 31th December 2013. With regard to administrative and on-spot controls, these will be carried out in accordance to the Regulation in force, and so that they cover the entire period of the payment period (in the case of the first payment period , from 1<sup>st</sup> September 2012 to 31th December 2013).

### Beneficiaries

Support is provided for farmers. Only utilised agricultural areas (UAA) are eligible for support.

### Combinations of support

Support under this measure can be combined with the following measures in the program.

- Non-productive investments in connection with protection of environment, nature and animal welfare
- Island support
- The Article 68 measure: "Support for extensive maintenance of pasture areas"

- Conservation by grazing or cutting on pasture and natural areas (Code 214a)  
~~The Article 68 measure: "Support for establishment of perennial energy crops"~~

It cannot be combined with other types of area support in the programme, and there will be controls to prevent double support regarding these schemes via the coordinated administrative control of common application forms for area payments under LDP and the single payment scheme.

In accordance with article 46 in Commission Regulation (EC) no 1974/2006, revision clauses will be inserted in the agreements made under measure 214d (border strips), regarding areas eligible for support under measure 213b, so to ensure that the agreements are adjusted the baseline requirements and compensation levels proposed under the present measure, herunder the mandatory requirements to manage the areas in question as cultivation-free buffer zones. Hence, the possibility of overlap and risk of multiple overcompensation will not occur.

#### Compatibility with CAP first pillar measures

The commitment may not be combined with commitments made for the same agricultural production pursuant to the measures implemented under common market organisations and the direct support schemes listed in Annex I to Regulation No 1974/2006. The payment can be combined with the single payment aid granted under Regulation (EC) No 73/2009.

#### Evidence as referred to in Article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

The Institute of Food and Resource Economics at the University of Copenhagen has provided the data and calculations used as the basis for setting support rates. The research institution is functionally independent from NaturErhvervstyrelsen which is responsible for the calculations. The institution represents the necessary expertise to assist in this task.

#### Financing

Total cost: 24.8 million euro.

Public expenditure: 24.8 million euro.

#### Transition arrangements

This measure is not similar to activity co-financed under the Rural Development Programme 2000-2006. No transition arrangements are necessary.

#### Quantified targets for EU common indicators

<u>Type of indicator</u>	<u>Indicator</u>	<u>Target 2007-2013</u>
<u>Output</u>	<u>Number of farm holdings and holdings of other land managers receiving support</u>	<u>30,000</u>
	<u>Total area under agri-environmental support</u>	<u>50,000 ha</u>
	<u>Total number of contracts</u>	<u>30,000</u>
	<u>Physical area under agri-environmental support</u>	<u>50,000 ha</u>

	<u>Number of actions related to genetic resources</u>	None
<u>Result</u>	<u>Areas under successful land management</u>	50,000 ha
<u>Impact</u>	<u>Reversal in biodiversity decline (farmland bird species population)</u>	<u>Maintain index level for breeding bird population (IRENA population index for 18 breeds of birds on agricultural land: 106.1 in 2001. Common objective)</u>
	<u>Changes in gross nutrient balance</u>	<u>Reduction of up to 160 t P and 2,500 t N per year</u>
	<u>Increase in production of renewable energy</u>	Negligible

#### **Additional programme-specific indicators and quantified targets**

None.

#### **5.2.2.2 Conservation by grazing or cutting on pasture and natural areas (Code 214a)**

A separate article 68-programme has been submitted to the Commission with partially the same objective as this measure. The demarcation between measures of the two programmes is described in chapter 10.3.

#### **Article (and paragraph) which covers the measure**

Articles 36 (a) (iv) and 39 of Council Regulation (EC) No 1698/2005.

Article 27 and point 5.3.2.1.4 of Annex II of Commission Regulation (EC) No 1974/2006.

#### **Rationale for intervention**

Agriculture and forestry play an important role in the conservation of natural, environmental and cultural assets and recreational assets in the Danish countryside. The Government has as a high priority objective the aim of reducing the loss of biodiversity in the Danish landscape. The Danish Government in 2009 launched a new Green Growth vision for Danish agriculture, nature and the environment that among others comprises plans for new and improved actions that also contribute to safeguard biodiversity and improve ecological connectivity of the rural landscape. These activities include conservation of existing natural areas such as open grasslands, common land, meadows, small biotopes and other semi-cultivated areas. In many of these areas, targeted support to maintain special conservation status will contribute to positive development.

Many high nature value areas are dependent on extensive farming. No farming means overgrowth, while intensive farming can reduce the assets associated with the land. Yearly grazing or cutting of permanent pasture on open land, meadows, common land and moor land may help to preserve these assets. The measure shall contribute to these aims.

#### **Objectives of the measure**

The purpose of the support scheme is to ensure yearly grazing or cutting of pasture and natural areas and thereby to protect and improve landscape and biotope conditions, the conditions for flora and fauna and the biodiversity. The areas are existing high nature value