

The Grasslands Trust, Suite 103, Eastleigh Works, Campbell Road, Eastleigh, Hampshire SO50 5AD, UK

The Grasslands Trust is a charity registered in the UK no. no 1097893



An Investigation into Policies Affecting Europe's Semi-Natural Grasslands

Miles King

December 2010

**A report by The Grasslands Trust commissioned by the European Forum on
Nature Conservation and Pastoralism & co-funded by the European
Commission (DG Environment)**

An Investigation into Policies Affecting Europe’s Semi-Natural Grasslands

Contents

1.	Acknowledgements	3
2.	Executive Summary	4
3.	Introduction	6
3.1	Background to the research	6
3.2	Need for the research	7
3.3	Context: Environmental Impact Assessment Directive review, Renewable Energy Directive implementation; Common Agricultural Policy reform timetable	8
3.3.1	EIA Directive	8
3.3.2	Renewable Energy Directive	9
3.3.3	CAP Reform	10
3.3.4	Coherence of Policies	10
3.4	Questionnaire design, selection of countries, correspondents	11
4.	Results	12
4.1	Environmental Impact Assessment Directive for Grasslands	12
4.2	Renewable Energy Directive	13
4.3	Common Agricultural Policy Instruments	14
4.3.1	Permanent Pasture	14
4.3.2	Eligibility Criteria	16
4.3.3	Good Agricultural and Environmental Condition	19
4.3.4	Issues	21
5.	Recommendations	22
5.1	A Vision for Europe’s Grasslands: Coherence and Consistency	22
5.2	Reforming the Environmental Impact Assessment Directive	22
5.3	Implementing the Renewable Energy Directive	22
5.4	The Common Agricultural Policy	23
5.4.1	Permanent Pasture	23
5.4.2	Single Payment Eligibility Criteria	25
5.4.3	Good Agricultural and Environmental Condition	25
6	Appendix 1 Questionnaire Responses	
	Appendix 2 Copy of Questionnaire	
	Appendix 3 responses to questions “how to improve protection for biodiverse grasslands”	
	Appendix 4 responses to questions on CAP reform and the EU Biodiversity Strategy	

1. Acknowledgements

I am especially grateful to the following respondents who replied to the online questionnaire:

Yanka Kazakova, Iiri Selge, Blandine Romain, Soizic Jean-Baptiste, Rainer Oppermann, James Moran, Patrick McGurn, Concha Salguero, Jorgen Wissmann.

Thanks to Guy Beaufoy and Gwyn Jones at The European Forum on Nature Conservation and Pastoralism (EFNCP) for commissioning and guiding this project, and for comments on the drafts. Thanks to Deborah Alexander at The Grasslands Trust for designing the online questionnaire, and for helping to analyse the results.

This research project contributes to the work carried out during 2010 by EFNCP, on grasslands and other High Nature Value farmland in Europe and is part-funded by the European Commission (DG Environment) through the Life+ NGO support programme. Views expressed in this report do not necessarily reflect those of the European Commission (EC) or the EFNCP.

2. Executive Summary

The semi-natural grasslands of Europe are vital to our agriculture and our culture. They harbour a large part of our biodiversity and provide essential ecosystem services, but they continue to decline in extent and quality. The reasons behind this decline are well known: intensification of agriculture on semi-natural grasslands leads to the loss of their biodiversity, landscape quality and cultural heritage. Limited economic viability and unintended consequences of agricultural policies also drive abandonment of marginal grasslands. As a result of powerful trends in agricultural land use, semi-natural grasslands are under greater threat than other European habitats, such as forests.

A set of European Union (EU) policies has developed over the past 25 years that aims to protect and support grasslands for their environmental value, but these policies are failing. There is an evident failure to prevent grassland intensification through regulatory approaches such as Environmental Impact Assessment (EIA) Directive and Common Agricultural Policy (CAP) cross-compliance, while abandonment can be exacerbated by rules that prevent CAP direct payments from being applied to semi-natural grasslands. The low level of CAP payments that generally are paid on this land under the current policy framework is also a factor.

A series of opportunities has arisen to highlight the shortcomings of the instruments that affect semi-natural grasslands and identify revisions to these instruments – The impending review of the EIA Directive, the reform of the Common Agricultural Policy; and the impending implementation of the Renewable Energy Directive (RED). This research investigates the extent to which the EIA Directive is applied as a control measure to prevent semi-natural grasslands from being subject to intensive agricultural use. It also investigates the impact of the various instruments of the Common Agricultural Policy on semi-natural grasslands. The impending implementation of the Renewable Energy Directive is explored, in particular its impacts on Highly Biodiverse Grasslands.

An online questionnaire was designed, and grassland experts from a range of EU Member States were approached and asked to complete it, based on their own knowledge, official statistics and information from the competent authorities in their own countries. The results were then analysed to identify the key issues affecting semi-natural grasslands.

The results show that the EIA Directive is rarely applied to prevent intensive agricultural use of semi-natural grasslands, and Member States often set thresholds so high that the majority of intensification projects are exempt from environmental assessment. Implementation of the Renewable Energy Directive has not yet had an impact at Member State level.

Common Agricultural Policy rules to limit the decline of permanent pasture are ineffective at protecting semi-natural grasslands for a variety of reasons, primarily because the mechanisms are applied only at the Member State level in most countries, not at the farm

level. In addition, the definition of permanent grassland includes intensively managed grasslands, while at the same time in some countries large areas of semi-natural grasslands are not included in the Member State's permanent pasture declaration. Large-scale intensification and abandonment of semi-natural grassland can take place without registering on the CAP control system.

Single payment eligibility criteria are being applied in such a way as to exclude considerable areas of semi-natural grasslands from CAP Pillar 1 support. Good Agricultural and Environmental Condition rules can also have the effect of disallowing payments on semi-natural grasslands, and perversely of encouraging clearance of semi-natural vegetation.

Overall, we find a disparate set of policies and instruments that are neither effective, coherent nor coordinated. Even the terminology used to define grasslands of environmental value is completely inconsistent across different EU policy instruments. A coherent strategic framework and a consistent approach to the application of support and regulatory frameworks is needed to reverse the trends in semi-natural grasslands.

As a first step, permanent pasture under the CAP needs redefining to include all semi-natural grassland vegetation as well as other grazed systems, such as grazed woodland, heath and Mediterranean scrub, and to exclude grasslands that are regularly reseeded and therefore not permanent. Establishing this new and more accurate definition will facilitate effective implementation of the EIA Directive and Renewable Energy Directive.

3. Introduction

3.1 Background to the research.

Grasslands are defined as – “terrestrial ecosystems dominated by herbaceous and shrub vegetation and maintained by fire, grazing, drought and/or freezing temperatures”¹. Semi-natural grasslands have existed in Europe for over 6000 years, since the beginning of pastoral agriculture. They are an essential part of European culture.

Semi-natural grasslands are those which consist of unsown vegetation and are maintained by some form of human intervention, for example grazing by livestock or mowing for hay, but have not been substantially modified by intensive agriculture; fertiliser, where it is applied, is usually provided by organic manure; drainage is avoided or consists of shallow surface drains; herbicides are not routinely used.

Semi-natural grasslands are typified by extensive grazing systems using traditional breeds of livestock, and have a relatively low productivity compared with intensively managed grasslands. Where mowing occurs it takes place sufficiently late for flowers to have set some seed. Semi-natural grasslands are rich in biodiversity, as well as contributing to high quality landscape character. They also form a major component of High Nature Value farming systems.

Semi-natural grasslands are profoundly valuable both for their intrinsic value, and for the large range of ecosystem services they provide society.

Semi-natural grasslands form significant carbon stores in vegetation and soils and help to clean water for drinking – globally more carbon is stored in grasslands than in forests (White et al). They provide high quality food for livestock, creating valuable distinctive food products such as cheese and meats. They also provide homes for pollinating insects which are essential for pollinating agricultural crops. Semi-natural grasslands provide economic benefits by creating the special landscape character that attracts tourists. They also support physical health and mental wellbeing as attractive places to visit and exercise. They inspire art and provide special spaces for contemplation and spiritual uplift.

Semi-natural grasslands include:

- Lowland meadows and pastures including floodplain meadows
- Upland and alpine hay meadows
- Limestone grasslands including limestone pavement or Alvar
- Lowland acid grassland and heathland
- Steppe grassland
- Alpine and other montane rangelands

¹ White R, Murray, S and Rohweder, M. Pilot Analysis of Global Ecosystems: Grassland Ecosystems. World Resources Institute Washington DC 2000.

- Mediterranean scrub/grassland mosaic such as Phrygana, Garrigue, Maquis and Matorral.
- Boreal grasslands
- Wooded grasslands such as Baltic wooded meadows, Dehesa, wood-pasture.
- Maritime grasslands of dune, cliff and machair ²

Europe's grasslands have declined substantially in both extent and condition over the past 60 years, as a result of agricultural intensification, abandonment, afforestation, societal changes and development pressure. The Habitats Directive³ identified a large number (20% of all habitats listed on Annex 1) of different semi-natural grassland habitats and conferred some protection on selected sites where they occurred. Despite EC funding available to support management of these grasslands via rural development programmes, and policies intended to help protect them and encourage their management, these grassland habitats are in a poorer condition than other types of Natura 2000 habitat⁴. They are also under greater threat than other habitats, such as forests, as a result of powerful trends in agricultural land use.

Unlike other semi-natural habitats, grasslands are especially vulnerable to intensification and abandonment. The application of intensive agriculture techniques, such as cultivation and re-seeding with agricultural grasses or clover, artificial fertiliser, drainage, high stocking rates or application of herbicides, can quickly convert a semi-natural grassland into an intensive grassland with little or no biodiversity or landscape value, and much diminished ecosystem services. Semi-natural grasslands on marginal agricultural land are also highly vulnerable to abandonment, as a result of limited economic viability and unintended effects of agricultural and other land-use policies.

European policies and instruments have a broad range of impacts on semi-natural grasslands, some contributing to their protection and sympathetic management, while others contribute to abandonment or even destruction of these valuable grasslands. These include specific instruments under the Common Agricultural Policy⁵, the "Environmental Impact Assessment" Directive⁶ and the Renewable Energy Directive⁷.

3.2 Need for the research.

Anecdotal evidence suggests that the integration between different policies and directives is poor, but data are difficult to find to show the extent of this lack of integration. The Grasslands Trust and the European Forum on Nature Conservation and Pastoralism have investigated the evidence relating to the impact of European policies on grasslands, by gathering information from grassland experts in a selection of EU Member States, and reviewing what is available in published literature.

² CORINE land cover . European Commission 1994.

³ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

⁴ COM 2009/358 Report on the Conservation Status of Habitat Types and Species as required under Article 17 of the Habitats Directive

⁵ see http://europa.eu/pol/agr/index_en.htm

⁶ Directive 85/337/EEC (as amended) on the assessment of the effects of certain public and private projects on the environment

⁷ Directive 2009/28/EC on the promotion of the use of energy from renewable sources

An online questionnaire was devised and key grassland experts were approached and invited to submit information on the state of semi-natural grasslands in their country.

3.3 Context: EIA directive review; RED implementation; CAP reform timetable; Coherence of Policies

3.3.1 EIA Directive

Semi-natural grasslands are in theory afforded protection from intensive agriculture by the Environmental Impact Assessment Directive. The relevant sections of the Directive are as follows:

Article 2

1. Member States shall adopt all measures necessary to ensure that, before consent is given, projects likely to have significant effects on the environment by virtue, *inter alia*, of their nature, size or location are made subject to a requirement for development consent and an assessment with regard to their effects. These projects are defined in Article 4.

Article 3

The environmental impact assessment shall identify, describe and assess in an appropriate manner, in the light of each individual case and in accordance with Articles 4 to 11, the direct and indirect effects of a project on the following factors:

- human beings, fauna and flora;
- soil, water, air, climate and the landscape;
- material assets and the cultural heritage;
- the interaction between the factors mentioned in the first, second and third indents.

Article 4

Subject to Article 2 (3), for projects listed in Annex II, the Members States shall determine through:

- (a) a case-by-case examination,
- or
- (b) thresholds or criteria set by the Member State whether the project shall be made subject to an assessment in accordance with Articles 5 to 10.

Annex II

1. Agriculture, silviculture and aquaculture

- (a) Projects for the restructuring of rural land holdings;
- (b) Projects for the use of uncultivated land or semi-natural areas for intensive agricultural purposes;

In practice this protection is non-existent in at least some Member States below very large size thresholds (e.g. protection only applies to changes affecting areas of over 50 or 100hectares). The Grasslands Trust has been working to raise this issue with the European Commission, and has taken a complaint to the Commission, about the implementation of EIA for agriculture in England. One aim of the research was to elicit information on the situation in other Member States and regions.

The Commission carried out a public consultation on the EIA Directive in 2010, and has announced its intention to review the Directive in 2012, including an aspiration to “Biodiversity-Proof” it⁸. This is

⁸ Report COM 2009/378 on the application and effectiveness of the EIA directive. 2010.

welcome news, as the EIA Directive has the potential to do far more to protect semi-natural grasslands than it has done hitherto. It is also the main EU instrument available for the protection of Green Infrastructure, a key initiative for achieving the new Biodiversity Target for 2020. Views on the efficacy of EIA for agricultural impacts on semi-natural grasslands were sought from correspondents.

3.3.2 Renewable Energy Directive

Biofuels (primarily liquid fuels such as bioethanol and biodiesel produced from arable crops) production both within and outside the EU is likely to increase, in part thanks to global fuel demand, but also because of an EU policy to increase the proportion of fuel supplied from crops. This policy is enshrined in the Renewable Energy Directive, which has the potential to have significant impacts on semi-natural grasslands both within and beyond EU borders. While the sustainability requirements of the Directive can be applied within the EU, it is difficult to imagine circumstances where they could apply to non-EU countries producing biofuels for consumption in the EU.

The EU is encouraging the production of biofuels, such as biodiesel and bioethanol, to replace carbon emissions from fossil fuels. These biofuels are produced from crops such as sugar, wheat, soyabeans, oil-seed rape, oil-palm or jatropha. Some of these arable crops are tropical but others grow in temperate climates including Europe. They are all crops which can be grown on land that is currently grassland.

The “Renewable Energy Directive”⁹ introduced in 2009, is intended to encourage the production of biofuels that create a net reduction in carbon emission. There are also rules governing the sustainability of biofuel production from areas of high environmental value, such as tropical rainforests, wetlands or protected areas. Biofuels produced with environmental impact on these habitats will not count towards a country’s targets and may be less likely to be accredited for sale.

The requirements apply specifically to:

(h) ‘bioliquids’ means liquid fuel for energy purposes other than for transport, including electricity and heating and cooling, produced from biomass;

(i) ‘biofuels’ means liquid or gaseous fuel for transport produced from biomass;

Biogas for heating, produced from grassland, maize and other sources, is not covered by this Directive.

Grasslands outside protected areas are not considered to be of sufficiently high environmental value to be protected from biofuel production, unless they qualify as “highly biodiverse grasslands”. Grasslands with a predominantly shrubby or wooded component may also not be defined as grasslands or woodlands and thus become vulnerable to destruction for biofuel production.

Definition of Highly Biodiverse Grasslands under the Directive

⁹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC

(i) natural, namely grassland that would remain grassland in the absence of human intervention and which maintains the natural species composition and ecological characteristics and processes; or

(ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and which is species-rich and not degraded, unless evidence is provided that the harvesting of the raw material is necessary to preserve its grassland status.

The first definition effectively excludes most grasslands in Europe, other than those in the most inaccessible areas of mountains or the Arctic. To qualify under clause (ii), non-natural grasslands (or semi-natural grasslands as they are usually referred to) must be species-rich. Degradation seems to refer to other content within the Directive concerning contaminated land, and the last sentence concerns meadows which may be mown to provide feedstock that could be used to make biofuel: this is the subject of research into second generation “cellulosic biofuels”, but these are not destined to be produced in the near future.

The consequence of this Directive is that if a grassland is not considered to be highly biodiverse, it can be cultivated for the production of biofuels, and that production can be supported by a subsidy paid to the producer.

Views on the impact of the Renewable Energy Directive on grasslands in Member States were sought from respondents. In particular, the respondents were asked for views on defining “highly biodiverse grasslands”, which is the critical issue and will determine which grasslands are vulnerable to cultivation for biofuels.

Note this issue is distinct from biomass energy production such as short rotation willow coppice, which is not covered in this report.

3.3.3. CAP Reform

Discussions are now in progress on the shape of the Common Agricultural Policy after 2013. The European Commission published a Communication in November 2010 setting out options for reforming the CAP. Over the next 6 months, the debate on the future of the CAP will be mostly complete, so there is an opportunity now to influence the outcome of that debate as far as it affects semi-natural grasslands. There are several concrete elements of the current CAP and of the potential reforms that have a significant bearing on the future of semi-natural grasslands. Views on the current CAP instruments and programmes and suggestions for future improvements were sought from respondents.

3.3.4 Coherence of Policies

The principle concern driving this investigation is the perceived lack of coherence between the three different contexts of European policy affecting semi-natural grasslands; environmental impact, renewable energy, and agriculture.

3.4 Questionnaire design, selection of countries, correspondents.

The questionnaire was designed by The Grasslands Trust in collaboration with experts from the European Forum for Nature Conservation and Pastoralism. The questionnaire covers a range of grassland issues, including CAP Permanent Pastures rules; Single Payment eligibility criteria; Cross-

Compliance; Environmental Impact Assessment for agriculture; the Renewable Energy Directive, and proposed changes to policies that affect semi-natural grasslands. A copy of the questionnaire in Word form is in Appendix 1.

The Grasslands Trust approached grassland experts within a range of Member States to gather information evidence and views on the issues outlined above.

Experts in the following member states were approached:

Member State	Information gathered by:
Bulgaria	Yanka Kazakova
Estonia	Iiri Selge
France	Blandine Romain, Soizic Jean-Baptiste
Germany	Rainer Oppermann
Ireland	James Moran, Patrick McGurn
Spain (Navarra)	Concha Salguero
Sweden	Jorgen Wissmann
UK (information from England, Wales, Scotland and Northern Ireland)	Miles King, Patrick McGurn (Northern Ireland)

4. Results

4.1 EIA Directive for Grasslands

The “Environmental Impact Assessment” or EIA Directive¹⁰ is well known for its impact on development proposals (e.g. large infrastructure projects) that affect the environment. The Directive (Annex II) 1 (b) also requires member states to require environmental assessment of “Projects for the use of uncultivated land or semi-natural areas for intensive agricultural purposes.” If these projects are assessed as having “significant environmental impacts” they can be refused consent and cannot proceed. Member States can decide the criteria and/or thresholds to apply to these projects. For example, Member States are supposed to decide what constitutes “semi-natural” and “intensive agriculture” (amongst other definitions) as necessary to implement this element of the Directive.

It is worth emphasising that this legal instrument is the only EU measure available to protect habitats from intensive agriculture outside of the Natura 2000 Directives. It is therefore crucial to the maintenance of biodiversity-rich green infrastructure, a key objective of the forthcoming EU Biodiversity Strategy.

For the past 6 years The Grasslands Trust has been investigating the implementation of EIA for agriculture in the UK. This has culminated in a complaint to the EC that the UK is failing to implement the Directive as it affects semi-natural grasslands in England.

The European Court took action against the Republic of Ireland in 2008 because it had set a blanket threshold of 100ha below which it deemed agricultural improvement to have no significant impact. The average field size in Ireland at the time of that judgement was 2.4ha¹¹.

In Northern Ireland Since the revised regulations were introduced in 2007, there have been 70 EIA cases. Of these, 34 were screenings and 36 were enforcements which often result in a Cross Compliance Penalty. 14 stop notices were issued.

In England, to November 2010, there have been 353 screening applications, resulting in 14 environmental assessments being required. 76 investigations led to 2 stop orders being applied, one of which was revoked on appeal. A remediation notice was also served, after a semi-natural meadow was ploughed. During the same period, The Grasslands Trust discovered 15 cases where semi-natural grasslands were damaged or destroyed as a result of intensive agricultural activity, including 22ha of priority purple moor-grass/rush pasture, and an entire 36ha farm of semi-natural grasslands.

In Wales, data from the Welsh Assembly Government (WAG) suggest they are using EIA for agriculture more effectively than in England:

¹⁰ Council Directive of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment 85/337/EEC

¹¹ Cited in the judgement. ECJ Case C-66/06 20/11/08

“Since August 2002, WAG has processed 775 EIA cases (444 screening and 331 enforcements). Of these, 151 screenings and 85 enforcements were dealt with since the EIA Regulations were transposed in October 2007. Since August 2002, WAG has asked for 32 Environmental Statements, covering over 200ha and served formal reinstatement / remediation notices on 11 cases. 19 Stop Notices were issued on major breaches. For farmers claiming Single Farm Payment, all EIA breaches are referred for potential cross compliance penalty. Despite 32 requests, none has been prepared by the applicants. Wales have had no appeals following these requests. WAG [and England] believe that since EIA became part of cross compliance in 2005, many farmers appear to have 'played safe' to avoid penalty. A number have applied for screening on land 'outside' the EIA regulations or 'within' the regulations but of low environmental importance.¹²”

Elsewhere in Europe this part of the Directive appears to be insufficiently implemented and even widely unknown. Respondents in Germany and Sweden were not aware that the Directive was being implemented in those countries. In Estonia the threshold was found to be 100ha and no cases were discovered. In Spain the general threshold is also 100ha, or 50ha where slope of the land exceeds 10%. In Natura 2000 sites the rules are much stricter with a 10ha threshold - conversion of semi-natural areas for agriculture require EIA if the area is larger than the minimum cultivation unit.

Bulgaria has transposed the requirements of the Directive to agriculture. Cases are dealt with on a case by case basis and there are no thresholds. There are statutes requiring EIA in protected areas but these do not mention grasslands. However, the requirement for EIA before conversion of abandoned and semi-abandoned lands to intensive agriculture is explicitly stated.

In France the EC have launched infraction proceedings because there is a 50ha blanket threshold below which projects are automatically deemed to have no significant impact. Our respondents could find no record of any cases having been taken by the Departments which are responsible for implementing the Directive.

4.2 Renewable Energy Directive

There was very little awareness of the implications of this Directive on Europe's grasslands among the respondents to the questionnaire. This may be because there has been a prolonged delay in defining the method to determine what constitutes a “highly biodiverse grassland.” This was supposed to have been completed in 2010, but the European Commission have yet to publish detailed proposals. It appears that after a long delay the EC will now be starting work to define Highly Biodiverse Grasslands in early 2011.

An equally important issue is that Biofuel production can drive Indirect Land Use Impacts (ILUC) – where arable land is converted to produce biofuels, arable production of crops moves to more marginal land (often grassland) driving a wave of cultivation and loss of marginal grasslands. The complex interplay of ILUC has been investigated in detail by a recent report from the Institute for European Environmental Policy

<http://www.ieep.eu/topics/climate-change-and-energy/energy/bioenergy/2010/11/the-indirect-land-use-change-impact-of-biofuels-ieep-launches-analysis-of-eu-nations-projected>

¹² Letter from Defra to EC Infringements Unit Nov 2010.

The report concluded that to meet the targets set out in the Directive between 4M and 7M ha of additional land would need to be converted into arable land; it goes without saying that the vast majority of the land for conversion is currently grassland, much of it semi-natural and high value.

4.3 Common Agricultural Policy Instruments

4.3.1 Permanent Pasture

Definition

The Common Agricultural Policy includes a requirement on Member States to determine the proportion of agricultural land that is classified as permanent pasture in a base year (2003 for the EU15 Member States, 2004 and 2007 for the new acceded member states¹³), and to ensure that the proportion of agricultural land as Permanent Pasture does not decline by more than 10%¹⁴. This is intended to protect permanent pasture because of its value for “its positive environmental effect” including soil protection, biodiversity, landscape and carbon sequestration¹⁵. Measures are required to be taken when a 5% decline is recorded, and if 10% is breached, Member States are required to return arable (or other land) to permanent pasture status. This rule applies at the Member State level, though in France it is implemented at the Farm level.

Permanent Pasture is by EC Regulation 796/2004¹⁶ defined as

“... land used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding for five years or longer excluding land under Set-Aside schemes...” .

Permanent meadows are included within this definition, although not mentioned explicitly.

Under this definition, a grassland can be ploughed and re-seeded with an agricultural grass variety (or varieties) and return to the status of permanent pasture after 5 years. If grassland is cultivated then sown with an arable crop, it ceases to qualify as Permanent Pasture, until it has been re-seeded with grass and not sown with an arable crop for 5 years.

In the UK, the definition of permanent pastures includes those which have been re-seeded, as long as they remain under grass, although according to EU definitions this would be Temporary Sown

¹³ See Reg 73/2009 “The Member States other than the new Member States shall ensure that land which was under permanent pasture at the date provided for the area aid applications for 2003 is maintained under permanent pasture. The new Member States other than Bulgaria and Romania shall ensure that land which was under permanent pasture on 1 May 2004 is maintained under permanent pasture. Bulgaria and Romania shall ensure that land which was under permanent pasture on 1 January 2007 is maintained under permanent pasture. However a Member State may, in duly justified circumstances, derogate from the first subparagraph, provided that it takes action to prevent any significant decrease in its total permanent pasture area”.

¹⁴ For a review of Permanent Pasture undertaken as part of the CAP Health Check (2008) see http://mars.jrc.it/mars/News-Events/Workshop-on-GAEC-and-FAS-implementation/perm_pasture_vincenzo

¹⁵ Recital of Regulation EC 1782/2003.

¹⁶ COMMISSION REGULATION (EC) No 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers

Grassland. It is unclear whether other member States allow reseeded of permanent pasture at less than five year intervals.

Area and Status

Semi-natural grasslands are the most valuable grasslands for their soil protection, biodiversity, landscape value and carbon sequestration. Effectively they are a sub-set of permanent pastures according to the above definition. Thus the extent of permanent pasture recorded by authorities on the basis of the CAP administration system (Integrated Administration and Control System (IACS)), bears little relationship with the extent of semi-natural grassland in a Member State. Because of this discrepancy, the CAP measure, which is supposed to protect permanent pasture and ensure no losses exceed 10% from the base year, is meaningless as an environmental protection measure. The EU definition of permanent pasture also implicitly excludes areas with a shrubby component, which are included in the global definition cited in the introduction. In practice, some member states include shrubby grasslands within the scope of permanent grassland, while some do not.

The following figures are those received from the respondents to the questionnaire:

In some of the countries where responses were received, such as **Germany**, there appears to be little discrepancy between the area of permanent pasture declared, and the extent of semi-natural grassland. The fertile soils have all been converted to arable production, leaving semi-natural grasslands on the uncultivable areas.

In **England**, the area of semi-natural (and permanent) grassland is much smaller than the area reported to the EC as permanent pasture (4 Million hectares (Mha)). The England Countryside Survey¹⁷ estimates 1.88Mha of grassland falls within the broad grassland habitat classes, but Natural England estimate only just over 100,000ha of unimproved semi-natural grassland survives. Over 2 Mha is improved grassland of very limited value for biodiversity.

In **Spain** 7.1Mha is reported to the EC as the 2003 permanent pasture “baseline”, while Spain’s national farming statistics record 8.65M ha, and the real figure for land used as permanent pasture, including grazed and browsed woodlands and scrub, may approach 20M ha according to the national forest strategy.

In **Sweden** although 450,000ha of grassland is registered as permanent pasture, the true extent may be as much as 800,000ha – large areas of grassland are excluded as a result of the interpretation of single payment eligibility criteria by Member State agricultural departments apparently under pressure from EC auditors (see below).

In **France**, 7.4M ha was declared as permanent pasture in 2009, but remote sensing analysis indicates the true figure may be over 9.5M ha, if the alpine rangelands are included.

In **Bulgaria**, 435 597 ha were declared as permanent pasture in 2009, while official statistics state 1,718,029 ha. The official explanation for the difference is that 1,138,247ha were determined as

¹⁷ Countryside Survey: England Results from 2007 (2009). NERC/Centre for Ecology & Hydrology, Department for Environment, Food and Rural Affairs, Natural England, 119pp. (CEH Project Number: C03259).

being “not in good agricultural or environmental condition” in the reference year and disallowed from registration for single payment.

In **Ireland** the true extent of permanent pasture is difficult to determine, as the official figures may include arable land and farmed peat bogs. The officially declared extent of permanent pasture in The Republic of Ireland is 3.1Mha but the true extent may be as much as 4.7Mha.

Two issues arise from these data: Firstly, the definition of permanent pasture includes intensive agricultural grasslands of more than five years’ old, so even though the proportion of permanent pasture may not change from one year to the next, this could still mask conversion of semi-natural grasslands to more intensive ones.

Secondly, some countries, for example France and Spain, appear to have substantially under-declared the true extent of their permanent pasture grasslands. Large areas of grasslands of high nature value in Spain fall outside the permanent pasture categories reported to the EC, even though these same categories (e.g. pasture with scrub, pasture with trees) are eligible for Pillar 1 payments in Spain. So the status of the declared permanent pasture will give no indication of the status of these undeclared grasslands.

In some instances, their owners are not in receipt of single payment, hence they are not subject to cross compliance measures. In England, where the rules are relatively open to the inclusion of all types of pasture including grazed orchards, owners of small areas of grassland, such as pony paddocks, which may be of significant value, are not registering their land for Single Payment, and therefore not included in the overall amount of Permanent Pasture.¹⁸

In the Member States that acceded more recently, a fixed amount of Single Payment was available for each State, so by reducing the eligible area, the overall payment per hectare could be increased.

4.3.2 Eligibility Criteria

The way in which some Member States interpret the EU rules and guidance on eligibility for CAP direct payments effectively excludes large areas of semi-natural grassland, pasture woodland, and other forage areas, from eligibility for Single Payment. This vital source of income is thus not available for many farmers to support the agricultural activities (grazing, mowing, scrub management etc) needed to maintain the grasslands and their special features. It also creates a contradiction within the CAP rules since farmers are meant to declare all their farmed land and to maintain it in Good Agricultural and Environmental Condition, yet in some member states they are prohibited from declaring it all.

Non-herbaceous forage land.

The current definition of permanent pasture, and more broadly, what land is eligible for single payment, has thrown up problems for agricultural land which has little or no herbaceous element. EU Auditors have recently visited Corsica and found large areas of “woody pasture with no grass” receiving Single Payment. The Auditors have concluded that woody pasture with no grass does not

¹⁸ Martin Devine Defra pers comm.

qualify for Single Payment – presumably adopting the approach that if there is no grass or herbaceous material present, then there is nothing for stock to eat.

The problem is that the Auditors perceive legitimate agricultural land as intensive agricultural land, dominated by one or two agricultural varieties of grass or clover. At best, they accept semi-natural pastures or meadows, as long as they are dominated by herbaceous vegetation, and have little or no scrub or trees. This approach ignores the long history of browsing as a source of food for domestic stock.

Browsing, or the consumption of woody material by stock, has always been an essential component of the diet of stock in Mediterranean countries, where climatic conditions favour dominance by woody shrubs and trees, over herbaceous vegetation. Browsing used to be much more significant in Northern Europe, resulting in the vast tracts of heathlands that existed for four thousand years before their decline in the 20th century. And these habitats, many of which are recognised as threatened and highly valuable (for example through Natura 2000¹⁹), are dependent on extensive stock browsing for their maintenance, and to prevent the accumulation of dead wood which can increase fire risk.

The French Government apparently is preparing to defend its payment of CAP support for predominantly browsed vegetation and is proposing a new national category of “woody pasture” which may have no herbaceous element at all.

An equivalent problem has also arisen in Sweden and Estonia in Alvar landscapes, composed of limestone pavement. These have skeletal soils but still support highly biodiverse vegetation. Despite having been part of traditional agricultural systems for a millennia, they have now been excluded from eligibility for single payment by EU Auditors.

Grassland with Trees and Shrubs

In general terms, forestry and woodland is excluded from eligibility for Single Payment. This was laid out in Article 44 of Council Regulation 1782/2003 which excluded “permanent crops, forestry or other non-agricultural activities”. This left wood pasture and orchards in limbo. The issue of types of grasslands where trees and shrubs formed an essential component of the landscape or habitats was clarified in 2005²⁰. This EU guidance recommended that grasslands with more than 50 trees per hectare did not qualify for single payment, unless they were traditional orchards, or for “ecological/environmental reasons”, but this was left undefined: exceptions had to be defined in advance by Member States. It further stated that hedges could be no wider than 4 metres (see the Northern Ireland example given below) and that areas of tree or scrub cover “*preventing growth of vegetative under-storey suitable for grazing*” should be excluded from Single Payment Scheme (SPS) eligibility. However Member States were given free rein to include landscape elements as eligible.

¹⁹ E.g. Corine biotopes listed in the Habitats Directive: Northern Atlantic Wet Heaths with *Erica tetralix*, European Dry Heaths, Alpine and Boreal Heaths, Endemic oro- Mediterranean heaths with gorse

²⁰ Agri/60363/2005-REV1 “On the spot checks of area according to Articles 23-32 of Commission Regulation (EC) No 796/2004”

As has already been described, the consequences of this approach have caused problems in Northern Ireland, and possibly in Scotland, where land now deemed ineligible had been qualifying for payments for the past 5 years²¹.

Elsewhere, in Sweden for example, a whole landscape type of wooded meadows, has been excluded from eligibility for Single Payment. Swedish farmers trying to fit into the definitions of grassland forced upon them by the CAP have resorted to cutting their grasslands' trees and bushes down, with a huge loss of biodiversity as a result. The Swedish Government has also sought to reduce the impact of these rules by providing Pillar 2 agri-environment scheme support for the excluded grasslands.

In Estonia, grasslands are only eligible for single payment if they were registered as grasslands in 2004. While grasslands with less than 50 trees/ha are eligible for single payment, there may be cases where grasslands can be eligible with more than 50 trees/ha if tree crown cover is less than 50%. This has led to the necessity to provide a separate payment through LIFE funding – though claiming this payment excludes eligibility for any CAP payments on the same land.

In Bulgaria areas of grasslands with trees or bush vegetation covering more than 100 square metres are not eligible for Single Payment: in addition the 50/trees/ha applies although there is an exception for mosaics of grassland and trees/scrub, in which case the previous rule applies as long as at least 80% of the parcel is grassland. Bulgarian grasslands in High Nature Value farming areas, Natura 2000 sites or protected areas it is allowed to leave a mosaic trees and bushes (or groups of them) up to 25% of the total grassland area, depending on the previous state of the area.

EU guidelines on trees and shrubs in Ireland require farmers to identify areas of scrub greater than 0.1ha as separate parcels which are then excluded from SPS. The presence of scattered scrub forces the farmer to reduce the proportion of land eligible for SPS based on a visual estimation of the area covered by scrub. These rules *“incentivise the removal of certain habitat features associated with grasslands that contribute to their biodiversity value”*²².

In Spain, pastures with trees only receive 25% of SPS eligibility, while shrub pastures receive 50%.

In Germany even grasslands with certain species are considered insufficiently 'agricultural' to count as eligible land for SPS purposes. Examples are *Phalaris arundinacea* and *Phragmites australis* (reported verbally in workshop, Vilm, September 2010).

4.3.3 Good Agricultural and Environmental Condition (GAEC)

Encroachment of unwanted vegetation

The 2003 CAP reforms²³ introduced a new cross compliance requirement on farmers claiming Single Payment. To avoid the deterioration of habitats, a compulsory management standard was

²¹ RSPB letter to EC 2010.

²² James Moran, a questionnaire respondent for Ireland.

²³ Council Regulation (EC) 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers. Article 4. Member States shall ensure that all agricultural land, especially land which is no longer used for production purposes, is maintained in good agricultural and environmental condition. Member

introduced whereby farmers were required to act “*Avoiding the encroachment of unwanted vegetation on agricultural land*”. On the face of it, this requirement seemed logical, as a way of avoiding the abandonment of valuable grazing land, and the loss of those features that make semi-natural grasslands, and other forage areas, so valuable. That this compulsory standard has been interpreted in different ways in different Member States is unsurprising. Further, interpretation of this compulsory standard by EC inspectors has led to some perverse consequences.

The 2009 CAP regulation altered the GAEC requirements to “*Ensure a minimum level of maintenance and avoid the deterioration of habitats*” introduced in 2003. This split the previous standards into compulsory standards:

- Retention of landscape features, including, where appropriate, hedges, ponds, ditches trees in line, in group or isolated and field margins;
- Avoiding the encroachment of unwanted vegetation on agricultural land.

And optional standards

- Minimum livestock stocking rates or/and appropriate regimes
- Establishment and/or retention of habitats

These optional standards were not optional if they had already been defined in GAEC before 2009.

It would appear that the change from the 2003 compulsory standard for minimum management, to the optional 2009 standard, has altered the regulatory framework within which the application of the GAEC rules on encroaching vegetation is being applied.

In Northern Ireland²⁴, the EC has imposed a fine of 132 million Euros, as a result of Single Payment having been claimed and paid on land where hedgerows, or patches of scrub or bracken, have grown beyond the acceptable thresholds (encroachment of unwanted vegetation). These rules are now acting in opposition to other rules, such as EIA for agriculture, designed to protect semi-natural areas²⁵ (including scrub), or the GAEC standard for the “*Retention of landscape features, including, where appropriate, hedges, ponds, ditches, trees in line, in group or isolated and field margins*” .

Farmers in Scotland have been informed that they are now not entitled to claim Single Payment on areas where Gorse *Ulex europeaus* or other shrubs are growing at a high density, and have even been advised to remove scrub or even yellow-flag *Iris pseudacorus* beds, as these could be construed

States shall define, at national or regional level, minimum requirements for good agricultural and environmental condition on the basis of the framework set up in Annex IV, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures.

Annex IV Standards include: minimum livestock stocking rates or/and appropriate regimes; Retention of landscape features; Avoiding the encroachment of unwanted vegetation on agricultural land.

²⁴ <http://www.efncp.org/download/la-canada25.pdf>

²⁵ See section 4.2

as encroaching vegetation²⁶. It appears that the Scottish Government has changed its approach to GAEC, following the imposition of the fine on Northern Ireland.

Elsewhere for example in Estonia, Germany and France, grassland owners, who for whatever reason, have not grazed or mown their grasslands, are required to top/mulch/crush their grassland, in some cases annually, in order to qualify for single payment, so as to avoid falling foul of the “encroachment of unwanted vegetation” GAEC standard. Topping/mulching/crushing vegetation is the act of mowing vegetation and leaving it to rot. Topping, in the absence of other management such as grazing or mowing, can have a more damaging impact on the wildlife or other heritage interest of the grassland, than doing no management. Topping creates a mulch of dead vegetation which smothers the vegetation growing underneath. Topping as plants are flowering also removes nectar sources important for invertebrates, as well as preventing flowering plants from setting seed. Thus repeated topping can change the composition of a plant community and reduce its value for invertebrates.

In Bulgaria, as well as a minimum management requirement of 0.15 Livestock Units of grazing, or an annual mow (of meadows), permanent pastures are required to be kept clean of unwanted bushes or aggressive plant varieties, such as *Pteridium aquilinum*, *Veratrum album* or *Rosa canina*. In one case, an Inspector declared a semi-natural grassland ineligible for Single Payment because of a single stem of *Rosa canina*²⁷. The intention was to identify land that had been abandoned based on presence of certain species; the consequence was that the rules were applied before the land had been abandoned, but the removal of subsidy hastened the abandonment, producing precisely the opposite impact to the intended one.

It is particularly important to recognise that this approach to grassland management drives homogeneity. Homogeneity of management practice leads to homogeneity of habitat features which leads to a loss of biodiversity and landscape quality. The value of semi-natural grasslands lies in their heterogeneity, which has developed over centuries of local management practice, tailored to the individual needs of local economies and the distinctive characteristics of particular agricultural landscapes. Pastures in particular, are most valuable when they consist of mosaics of open grazed grassland, with scattered shrubs and underscrub, and other landscape features. The wildlife associated with hay meadows benefits from hedges and areas of underscrub around their margins.

4.3.4 Issues

The examples illustrate several important issues.

- GAEC standards on “encroachment of unwanted vegetation” at Member State level are driving farmers to remove trees and scrub from their grasslands, which is contributing to a loss of biodiversity and landscape quality. Topping is also used to ensure minimum management requirements are adhered to, despite it having an adverse effect on

²⁶ Copy of a letter from RSPB Scotland to the European Commission 2010.

²⁷ www.efnecp.org/download/la-canada22.pdf

biodiversity. Minimum maintenance rules based on stocking rates and/or a requirement to mow and remove the arisings would be more effective from an environmental perspective.

- Eligibility criteria: EU guidance and EU Auditors' interpretation of what constitutes legitimate forage for domestic agricultural stock is based on a narrow agronomic view of grasslands, which excludes shrub-dominated and tree-derived forage, or grasslands where trees and scrub are an essential component of the agricultural systems. **These systems that integrate herbaceous and woody vegetation in their agriculture are often the most valuable in terms of landscape and biodiversity, and cultural heritage.**
- Loss of single payment as a result of the eligibility criteria rules for Grasslands with Trees and Shrubs is forcing some Member States (Sweden, Estonia) to use Pillar II (agri-environment) funding to subsidise the loss of Single Payment income. Others (France) are threatened with large fines because they failed to give advance notice to the Commission of the exceptions to rules such as the 50 trees/ha rule, for environmental/ecological reasons. Others (Bulgaria) have excluded large areas of Higher Nature Value grassland from Single Area Payment Scheme (SAPS) eligibility.
- The approach taken by the EU Auditors is in direct contrast with the GAEC requirement for the **“ Retention of landscape features, including, where appropriate, hedges, ponds, ditches, trees in line, in group or isolated and field margins”**.

5. Recommendations

5.1 A Vision for Europe's Grasslands: Coherence and Consistency

Europe's semi-natural grasslands are continuing to decline in extent and quality, because there is no coherent and consistent approach to the regulatory and support framework that currently exists.

One of the reasons for this failure is that a plethora of different rules and systems have developed over the past 25 years, often with no deliberate resolve to make them complementary to each other. The EIA Directive definitions of semi-natural bear no relationship to the Natura 2000 Directives; CAP definitions of permanent pasture do not coincide with EIA and the relationship to the Natura 2000 Directives is more apparent through Pillar II than Pillar I of the CAP. The concept of “highly biodiverse grasslands” introduced by the Renewable Energy Directive does not coincide with the terminology and definitions of the EIA Directive, of Natura 2000 or of the CAP.

Semi-natural grasslands need a strategic and integrated support framework that works through both Pillars of the CAP and Natura 2000 funding. This requires a broader inclusive definition of semi-natural grasslands which recognises the diversity of grassland types and their history in agriculture: revising the definitions of what grasslands are eligible for Pillar I support would benefit from the work being proposed, to revise the Corine definitions. The regulatory structures provided by Cross Compliance, EIA, Renewable Energy Directive and Natura 2000 need to be aligned and integrated. At present there are gaps and overlaps, which lead to protection failures as well as excessive bureaucracy.

5.2 Reforming the EIA Directive

The European Commission has already announced its intention to improve the application of the EIA Directive as it affects biodiversity. For agriculture, the approach as outlined above will do much to ensure that semi-natural grasslands are protected from intensive agriculture: by mapping the extent and location of existing semi-natural grasslands (to provide the accurate baseline against which the area is monitored), these are automatically registered as “semi-natural” as defined by the EIA Directive. Therefore they would be immediately subject to EIA if there was a proposal to carry out an intensive agriculture project that would affect them. This would provide the regulatory mechanism to protect semi-natural grasslands, coupled with the Pillar I single payment, semi-natural permanent pasture premium, and any Pillar II agri-environment payments on top.

5.3 Implementing the Renewable Energy Directive

The key issue for grasslands arising from implementation of the Renewable Energy Directive (RED), is the definition of Highly Biodiverse Grasslands. It follows that any land that has been identified as semi-natural permanent pasture, under the above procedure, should automatically qualify as highly biodiverse grassland, for the purposes of the RED.

5.4 The Common Agricultural Policy

The CAP is Homogenising Europe’s grass-landscapes

Homogenisation of milk takes a product with a variety of different sized fat molecules and forces it through a filter to create many small fat globules all of equal size. This produces milk with uniform composition, longevity and flavour. While this might improve the qualities of some milk, other milk will lose their distinctive flavours and composition, particularly those which have been produced in extensive systems where cows graze on wildflower-rich pastures. While some milk may lose its character, the intention is to produce a uniform product that looks appealing, with a long shelf life.

The CAP claims to be valuing and maintaining the heterogeneity of regional distinctiveness and the delivery of a range of public goods by specific farms and types of farming. In reality, the current CAP rules on permanent pasture, minimum management requirements and single payment eligibility, take a variety of different grass-landscapes, with a variety of features that are essential to support the rich abundance of wildlife, landscape and cultural heritage, and force them through a series of filters, such as those on “unwanted or encroaching vegetation”, “grassland with trees and shrubs”, the exclusion of non-herbaceous forage, and the permanent pasture rules. The consequence of these varied grass-landscapes being forced through these filters is a homogenisation process akin to what happens to milk. The output is a reduction in diversity – of wildlife, of landscape, of cultural values and above all of local distinctiveness.

It is equivalent to comparing an industrially produced cheddar with and a *fermier*-produced unpasteurised cheese from mountain pastures.

5.4.1 Permanent Pasture

Current Definition

The current definition of permanent pasture fails in its intention to protect grasslands with environmental values. Semi-natural grasslands are lumped together with agricultural grasslands, but also sometimes excluded from support and from the area monitored. A new approach that protects valuable permanent pastures is needed. This could be instead of the current system (redefining permanent pasture to mean only those pastures with environmental or cultural values) or in addition to the current system.

Redefining Permanent Pasture

Valuable permanent grasslands fall into a number of categories, as is recognised in most EU countries where data are collected on permanent grasslands through Land Parcel Integration System (LPIS), IACS or other inventories. Some grasslands have not been cultivated for decades or longer, some occur in mosaics with scattered or dense scrub or underscrub, some have distinct tree populations (wooded meadows, dehesas), while others are composed of a mix of herbaceous and woody vegetation. Other grasslands are cultivated on a long rotation (eg 20 years or more) to eliminate unwanted vegetation, such as Bracken *Pteridium aquilinum*, while others are cultivated to remove vegetation that causes a fire risk, such as in Mediterranean grasslands, olive groves and grazed woodlands.

Permanent pasture could be defined as:

Land used to grow natural (unseeded) vegetation under farming use that is not included in any crop rotation.

This would remove the agricultural “sown” grasslands, which at present are included and reduce the value of the current permanent pasture rules. It would also allow inclusion of areas that provide forage from woody shrubs and trees, such as heathland, limestone pavement (Alvar) Mediterranean scrub, grazed woodland, and wooded meadows. It would still exclude areas under arable crops, areas under permanent crops (except for traditional orchards with a permanent understorey), areas of woodland that do not provide forage for domestic livestock, as well as land used for buildings, roads, permanent water features and other land-uses that are already excluded from Single Payment eligibility.

The use of this new definition, coupled with a requirement to prevent a reduction in the area of land under the new definition, could have several unintended consequences. Firstly it would allow the conversion of current re-seeded permanent pastures to crops such as maize, or other arable crops. Secondly, it would exclude pastures that have been restored by re-seeding arable land with native seed mixes, with funding from agri-environment schemes for example. One way to address these consequences would be to retain the current CAP definition (and rules), and introduce a higher tier of permanent pasture using the proposed new definition, with a new payment – a permanent pasture premium.

Semi-natural Permanent Pasture Premium

A semi-natural permanent pasture premium would be paid through Pillar I Single Payment, for farmers who register their semi-natural permanent pasture on their SPS forms. This would include those farmers who had not registered their pasture previously (to allow pastures currently excluded from SPS entitlement to be included.) This would require a new pool of SPS entitlements to be created with the explicit aim of including currently excluded semi-natural permanent pasture land in SPS entitlement.

In return for the annual payment, those registering agree to manage their semi-natural permanent pasture as follows:

- No cultivation or re-seeding during the period they receive the premium, except for pastures where annual or rotational cultivation is a normal agricultural practice and is necessary for the maintenance of their biodiversity, or for human health and safety (i.e. fire prevention) Fertiliser application will be restricted to levels that are needed to sustain production without affecting the nature of the vegetation
- The grasslands will be grazed and/or mown at sufficient levels to maintain the existing vegetation
- Specific rules for the above will be drawn up by Member States to reflect local management practices.

Member States would be required to maintain their agricultural permanent pasture and prevent it reducing by 10% as before. They would also be required to maintain their semi-natural permanent pasture, using a new base year of 2010, and ensure that there was no loss over 5% from the base year. The base year area would include all the semi-natural permanent pasture that their territory supports, using the new definition. If the 5% reduction threshold were crossed, Member States would be required to restore (through habitat restoration programmes) semi-natural permanent pastures until the area had been increased above the threshold again.

Member States would need to determine the area currently supporting semi-natural permanent pasture in the base year. This would be done using a combination of methods, including remote sensing, use of existing inventories, and ground-truthing. In this way, each Member State would have an accurate assessment of the area of semi-natural permanent pastures (including orchards, wooded meadows, alvar and grazed woodlands), which would be mapped to parcel level. A project is already doing this in Wales, and other Member States such as Slovakia, have semi-natural grasslands recorded on their LPIS databases.

5.4.2 Single Payment Eligibility Criteria

The evidence gathered from the questionnaire responses shows unequivocally that the rules around single payment eligibility criteria are acting to reduce the quality and extent of semi-natural grasslands in the countries concerned. Rules regarding the extent of scrub or trees, or the exclusion of non-herbaceous forage would need to be revised, as the new definition of semi-natural permanent pasture would place a value on these grass-landscapes, not a cost.

5.4.3 GAEC Standards

Minimum management requirements are necessary to maintain grasslands that could otherwise be abandoned. The current rules on encroachment of unwanted vegetation, or the requirement to only top grasslands, are not working, indeed they are driving habitat destruction. A more effective approach would be a requirement to define minimum maintenance in terms of the activity required, as is currently optional under GAEC rules e.g. a grassland should be grazed at or above a minimum level and/or mown (and the mowings removed). This would be simple to include in compliance monitoring programmes.

6. Appendix 1. Questionnaire responses. In separate file.

Appendix 2. Copy of the Questionnaire

The online format of some questions was slightly different eg tick box options were given. Question numbers below correspond with the online survey numbers.

Permanent Pasture Definitions and Data	
3	What is your Government's official definition of permanent pasture for the purposes of CAP cross-compliance?
4	What is the official extent of permanent pasture in your Member State as reported to the European Commission? (In hectares)
5	What do you consider to be the true extent of permanent pasture in the Member State? (In hectares)
6	How do you explain the difference between the figures given in Questions 4 and 5?
7	Are there different classifications of permanent pasture in your Member State? For example distinguishing between land that is mown, grassland pastures, pastures with scrub and/or trees, or others?
8	If you have answered Yes to Question 7, please describe each of these different classifications.
9	Are permanent pasture losses/gains at the national level measured as a whole, or within these different classifications?

10	Within Land Parcel Identification System (LPIS) and Integrated Administration and Control System (IACS) categories and other Agricultural Statistics, are there grassland categories that you regard as of greater environmental value than others? If you have answered yes, please describe these categories of higher value.
11	What proportion of permanent pasture in your country/region do you regard as semi-natural? Semi-natural is defined as modified by human influence but retaining characteristic species, and therefore of biodiversity value.
12	Are there any inventories of semi-natural grassland habitats in your country/region? If so please give references.
CAP Cross-Compliance Re Permanent Pasture	
13	Are there any reports/studies/other information resources on the functioning of the permanent pasture rules under cross-compliance? If so, please specify.
14	What are the cross-compliance rules at the farm level for permanent grasslands in your Member State/region?
15	How does your Government address the issue of preventing encroachment of unwanted vegetation under cross-compliance?
Eligibility for CAP Single Farm Payment	
16	Are grasslands with trees and shrubs, or other grassland types, excluded from CAP direct agriculture payments in your country?
17	If you answered yes to question 16, please provide more information. What are the rules for eligibility of land for CAP payments and how are they applied?

Application of EC Directive on EIA to Intensive Agriculture

The Directive on Environmental Impact Assessment (EIA) (85/337/EEC as amended) requires that the impacts of intensive agriculture on semi-natural areas should be subject to environmental assessment (annex 2 (1) (b))

18	How does your government implement this requirement as it affects permanent grasslands?
19	Who is the competent authority?
20	<p>Annex 2 (1)(b) states that "Projects for the use of uncultivated land or semi-natural areas for intensive agricultural purposes" are subject to article 4(2) and they shall be made subject to an environmental assessment. Criteria and/or thresholds to determine which projects are subject to assessment are defined by Member States or regions. Please provide definitions for these phrases for your Member State or region: i) Uncultivated land ii) Semi-natural areas iii) Intensive agricultural purposes iv) Significant effects on the environment</p> <p>If you would like more information this link will take you to the text of the EIA Directive: http://ec.europa.eu/environment/eia/full-legal-text/85337.htm</p>
21	Member States or regions decide on the implementation thresholds for area and quality of semi-natural habitat, and intensity of agriculture. The EIA Directive does not apply below these thresholds. Please tell us the thresholds for: i) Area of semi-natural habitat ii) Quality of semi-natural habitat iii) Intensity of agriculture
22	How is an assessment carried out?
23	Is there an opportunity for the public to be involved with the assessment?
24	Are you aware of any court cases where landowners or farmers have been successfully prosecuted for breaches of EIA for Agriculture? If so, please provide details.
25	Have there been any successful appeals against application of EIA for Agriculture? If so, please

	provide details.
How To Improve Protection for Biodiverse Grasslands	
26	The Common Agricultural Policy will be reformed in the years leading up to 2014. How could the CAP be made more effective at protecting, supporting and restoring biodiverse grasslands?
27	The European Union Biodiversity Strategy includes a target to "halt the loss of Biodiversity in Europe by 2020 and restore them in so far as it is feasible". How can this target be translated into action at Member State level to reverse ongoing declines of biodiverse grasslands?

Appendix 3: How to Improve Protection for Biodiverse Grasslands

This data comprises responses collected for 8 Member States or Regions. Two separate respondents covered the Republic of Ireland – hence the varying perspectives on the situation in this country

Respondents were asked: “Is undergrazing/abandonment a bigger problem within your Member State/region than overgrazing or cultivation? What are the best mechanisms for ensuring biodiverse grasslands are not abandoned?”

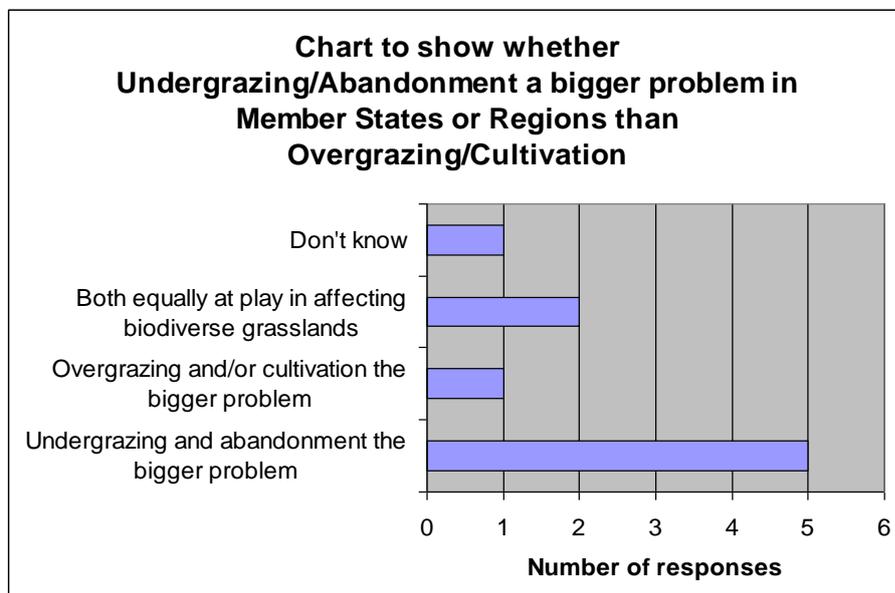


Chart Notes

Undergrazing/abandonment a bigger problem	<p>Northern Ireland</p> <p>Estonia – semi natural habitats particularly vulnerable; some regions affected by overgrazing</p> <p>Republic of Ireland – due to the the high associated costs of reclamation</p> <p>Sweden – historically but not any more</p> <p>Bulgaria</p>
Overgrazing or cultivation a bigger problem	<p>Germany - with undergrazing a problem in a few sites</p>
Don't Know	<p>France - suspect intensification more widespread in north, south could be the opposite</p>
Both equally at play	<p>Republic of Ireland – abandonment and intensification often taking place on the same farm</p> <p>Spain: Comunidad Foral de Navarra - abandonment in remote and marginal areas away from roads and communications; overgrazing especially closer to the more cultivated areas</p>

Solutions to cultivation and intensification	
Attractive premiums for biodiverse grasslands; additional quality bonus premiums; Requirement of at least 10% biodiverse grasslands of the total grassland of a farm	Germany
Solutions to undergrazing and abandonment	
Increased Economic Incentivisation <ul style="list-style-type: none"> • With appropriate management and no further intensification • By incorporating the concept of HNV into CAP reform so species rich habitat land receives higher payment than intensive grassland • For sensitive removal of encroaching scrub • Payments (in conjunction with other measures) • Changing the eligibility rules (tress and scrub, minimum size of managed land) so grasslands become more eligible for support • 	Rep. of Ireland Rep. of Ireland N. Ireland Rep. of Ireland Bulgaria
Changing Attitudes <ul style="list-style-type: none"> • Increase farmers understanding of importance of grasslands (many feel letting them scrub up is positive environmentally) • Instilling sense of pride in farmers of high quality biodiverse grasslands and getting society to value these areas for the high quality healthy food they produce 	N. Ireland Rep. of Ireland
Better Management Schemes <ul style="list-style-type: none"> • Individual management schemes to replace the current mechanisms that implement a general management plan through agri-environment schemes 	N.Ireland
Reducing bureaucracy <ul style="list-style-type: none"> • Removing the barriers small extensive farmers face (eg administrative constraints, sanitary requirements for cheese making and vaccinations, land access rules, subsidy eligibility) 	France

Appendix 3: Respondents Proposals for making the CAP more effective and incorporating the needs of grasslands into the EU Biodiversity Strategy

Q26: Respondents were asked “How can the CAP be made more effective at protecting, supporting and restoring biodiverse grasslands?”

Their answers have been categorised into groups (with a distinction made between the two different respondents for the Republic of Ireland).

Regulation Changes	
i) Relating to eligibility, classifications etc	
Change LPIS definitions	Bulgaria
Change eligibility rules	Bulgaria
Transfer resources from pillar 1 to axis 2 in pillar 2	Sweden
Review the EIA for intensification of grasslands and set a more realistic threshold target	Rep. Ireland a
Implementation of stricter criteria to prevent intensification (eg stocking rates currently too high under CAP measures)	France
Make the protection of permanent pasture under GAEC an obligation at farm level for MS and part of any payment structure; using LPIS to classify land and highlight changes at future inspections)	NI
Better categorisation of permanent pasture (based on environmental quality) will facilitate a more efficient payment system.	Rep Ireland b
ii) Relating to management	
Requirement of at least 10% of extensively used grassland on every farm with grassland (of the total grassland) and at least 10% of all parcels which are larger than 10ha (analogue requirement for land with at least 10% ecological priority areas)	Germany
Prohibition of ploughing permanent grassland unless there is no specific nature value (allowance required)	Germany
Make it compulsory for farmers to maintain all areas for which they are in receipt of subsidies (Suggest classifying land via LPIS so any changes would be noticed at future inspections and breaches easily noticed)	Rep Ireland a
Quality and Management Remuneration	
A 90-100% EU funded and attractive grassland payment for maintaining extensive grassland with high biodiversity level	Germany
Differentiate AE payments for species rich grassland from those for improved agricultural grassland	Rep Ireland b
Provide specific support to biodiverse grasslands (to help redress decline in profitability of	Rep Ireland a

livestock breeding compared to other agricultural sectors)	
Support a biodiversity quality bonus (2-3 levels of quality)	Germany
Pay semi-natural grassland at a higher rate than improved and based on species present	Rep Ireland a
Make AE payments more "inciting" compared to the signal launched by 1st pillar payments	France*
Effective long term strategic direction	
Demanding a strategy for maintenance and restoration of biodiverse grasslands from all MS incl. enhancing populations of grassland dependent birds and animals, restoring activities on suitable sites.	Germany
CAP must show that money comes first for this type of protection (in NI the NICMS did not open last year and this year even though it did no agreements or farm audits were carried out; environmental schemes are the first to be axed)	NI
Increase the AE budget in conjunction with improving the balance between 1st and 2nd pillar payments	France
Greater stability in CAP rules to enable farmers to make long term choices and stop withdrawing permanent grasslands just because they are fearful of future constraints that might be introduced	France
Demanding a parcel and quality status grassland inventory from all MS	Germany
Values	
Getting MS to give "biodiversity farmers" a positive image	Germany
Biodiverse grassland areas need to be better recognised and valued by the agricultural community. (They tend to be considered for rough grazing, have high proportion of scrub etc which reduces the area eligible for CAP payment and in turn leads to abandonment or increasing their productive capacity by reclamation, reseeding and draining.)	Rep Ireland b
As a capitalist society we need to assign an economic value to these areas as part of farm businesses	Rep Ireland b
Payment reward systems must be combined with education	Rep Ireland b
Payment should not be seen as compensation for reduced agricultural output but worded as pyament for services provided using a full cost system ie valuing these areas in their own right and not as the poor relation	Rep Ireland b
CAP supports need to step in to pay for the ecosystem services provided by biodiverse grassland and other grazed habitats not currently paid for by the market	Rep Ireland b
Other	
Research and discussion with experts for example through a workshop	Spain

Get Member States to develop marketing strategies for the utilisation of extensive grasslands.	Germany
Ensure that the way some biodiverse grasslands are collectively managed is addressed	France

Q27: The European Union Biodiversity Strategy includes a target to “halt the loss of Biodiversity in Europe by 2020 and restore them in so far as it is feasible”. How can this target be translated into action at Member State level to reverse ongoing declines of biodiverse grasslands?

Some respondents referred to their answers for Q26. The additional suggestions made were as follows:

Policy Action	
France is implementing a policy to better preserve (or even restore) ecological continuity. Most of the biodiverse grasslands will probably be part of this screen, but the tools associated with the scheme are not very strong right now and could be reinforced	France
Coherent policy approach of agriculture and environment	Germany
Set very specific targets and goals for biodiverse grasslands (otherwise they will continue to be ignored). The Bulgarian Act on Environmental Protection does not list them among the valuable ecosystems that need to be protected	Bulgaria
Address the lack of legislation to protect biodiverse grasslands	Rep Ireland a
Compile a comprehensive inventory to improve knowledge of localisation and extent of biodiverse grasslands	France
Regulation changes: the national ratio for maintenance of permanent pastures should be defined relatively to the area under arable land better than total UAA, or even better, should be considering the evolution of the area under permanent grassland itself	France
Improved and more accessible incentives	
Incentivise farmers to manage the land to maximise payments and encourage restoration. Pay semi-natural grassland at a higher rate based on species present under any land based Single farm payment scheme. The farmer would then claim his as improved or semi-natural. If on inspection this was not the case it would be treated as similar to a breach.	N Ireland
Make the system easier to understand and apply (less papers translates into more time for action)	Sweden
Increase payments	Sweden
Enhancement of the value of grasslands	
Recognition that biodiverse grasslands are an important part of the country offering both food and environmental services that intensive grassland cannot. At present they cannot compete with intensive grasslands in terms of agricultural output and as long as this remains the case then there will be a drive towards intensification. Note: Bord bia when advertising the benefits of Irish agriculture use photos of HNV grassland showing that these areas are important when it comes to marketing food.	Rep Ireland a
Biodiverse areas need to be valued by society and in particular the agricultural community/landowners who have direct control over their management	Rep Ireland b

Consultation	
Increase consultation with farmers	Sweden
Research and discussion with experts eg through workshops	Spain