

# Rural Areas NEWSLINK

NEWSLETTER FOR AGRICULTURE, ENVIRONMENT AND RURAL  
DEVELOPMENT IN CENTRAL AND EASTERN EUROPE

## Linking Agricultural Policy and National Development Strategies

During the last decade, Slovenia has significantly shifted its agricultural support away from production linked subsidies towards direct payments and structural support, which culminated in the Programme of Reform of Agricultural Policy in 1999. First, LFA payments were changed into area compensatory support and some environmental measures introduced. These were then subsequently developed into a national agri-environment programme that is based on relevant parts of the Community acquis. The EU pre-accession funds do not only offer financial support to the applicant countries but also provide important models that influence significant changes in national development policies. Nevertheless, support under the EU SAPARD fund is equivalent to only 2 % of the Slovene national agricultural budget. Thus, for the implementation of measures that influence the structure of agriculture, the country has to rely mainly on national resources.

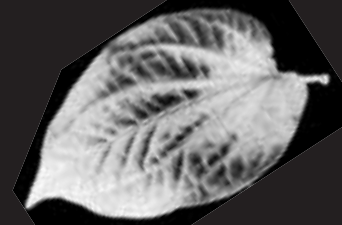
The current national concept of agricultural support recognises that farming has a number of appreciated and socially recognised functions besides production. All agricultural policy programmes are planned and implemented in compliance with the principle of sustainability. Codes of Good Agricultural Practice have been adopted, and support for environmentally friendly practices has been available to farmers for some time (environmentally friendly technologies in vineyards, integrated fruit production, organic agriculture, mountain pastures, traditional livestock breeds etc). Currently, the Slovene Agri-Environment Programme is being introduced. More than 50% of agricultural holdings are targeted to join the programme. The main emphasis is given to maintenance of the countryside in a sustainable manner as a pre-condition for nature protection and economic viability of the rural community. In addition, LFA payments are paid out to holdings in mountainous, hilly and other less favoured areas, and provide an important additional source of income to farmers. However, these de-coupled production payments are not automatic but only given for certain known and controlled measures carried

out on the holding. These measures include the controlled use of fertilisers and plant protection substances on a prognosis basis as well as livestock density limits based on the farm area. LFA and agri-environmental payments account for 7,5 % of the total agricultural budget in 2001.

Agricultural policy measures have also taken into account the consumer's rapidly changing attitude towards food, with increased preference for high-quality meat, better tasting bakery products, as well as fruit which does not only look good. The geographic origin of all agricultural products also becomes ever more important for food safety reasons. Many trade marks and labels for agricultural and food products of higher quality are being developed.

It has been recognised that the integration of rural development policies and co-ordination among different sectors, as well as between local communities and the state, are an absolute necessity to reach consensus in society. Complete globalisation and trade liberalisation is particularly risky for countries without highly developed economies. Furthermore, for small countries this notion is fraught with the danger of losing cultural identity and damaging natural resources. In this respect an integrated rural development policy should be the right way to the future. A sustainable agriculture policy, represented by agri-environment measures, LFA payments and investment support within the National Rural Development Programme, will contribute to preserving cultural, landscape and natural assets in rural areas. These are important elements of economic diversification, new rural services such as agri-tourism, and stronger local involvement, all of which are part of the national development.

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# Challenges and opportunities for integrated rural development in Hungary

A double challenge exists for integrated rural development in Hungary. On the one hand, the growing social and economic problems of rural areas must be solved (the development challenge). On the other hand it is essential to find a way through the maze of domestic and international political and economic interests, to enforce this approach in policy-making (the political challenge). Some issues which support or hinder these challenges are explored below.

Diversity of problems and resources is one of the main characteristics of Hungarian rurality. The problems range from industrial unemployment in some former mining areas, through ageing and depopulation of certain traditionally peripheral areas, to environmental degradation and agricultural unemployment in other regions. Resources for rural development vary from areas of great cultural and biological diversity and beautiful landscapes to areas with great capacity for agricultural production and processing. However, considering the diversity one could still state that in general:

- compared to western Europe, Hungarian rural areas have a more traditional society and economy, and more natural resources, all very advantageous for localised rural development;
- as a consequence of a range of factors connected to EU membership (open competition or the expected intensification of agriculture) the social and economic problems and relative backwardness of rural areas are likely to be reinforced in the near future.

Therefore, an integrated and sustainable approach to rural development could prove very advantageous. This means tackling structural problems and backwardness through top-down spatial and sectoral policies, but in parallel unlocking local resources through empowerment and participation, using an endogenous, bottom-up approach. Because Hungarian rurality has long been on a unique development trajectory the EU system should not be simply copied, but an alternative method and connected development models should be found. To achieve this, a great extent of subsidiarity of EU rural and pre-accession

policies and a coherent domestic strategy is essential.

However, rural development seems to only partly proceed in this direction, and integrated rural development still has to fight its way to becoming a core approach. Ideas of sustainability, taken from the rhetoric of EU policies, are spreading rapidly in the bureaucracy and in the civil society in Hungary. There is also a growing awareness of problems and possibilities at the local level. However, Hungarian policy making is largely pre-occupied with the preparation for EU membership, the overwhelming aim being to absorb present and future EU funds. The central approach to rural development is essentially a top-down, sectoral one, concentrating on agricultural interests. A centralised institutional system is being reinforced, and local initiatives have little support. This is partly a result of the struggle of domestic political and economic forces, and partly of the ambiguities of the EU approach towards rural policies and eastern enlargement. The EU rhetoric, referring continuously to the Cork principles, is in sharp contradiction with the growth and centralisation orientated programmes, causing confusion in the applicant countries. As a consequence, in spite of the growing awareness of civil society, a coherent strategy and vision for the future is lacking at the central level.

Hungary has good chances for integrated rural development. However, to successfully tackle the development challenge, the political challenge has to be solved first. There are forces in this direction, but help from the outside, from the EU and its regions, is needed to support them. Co-operation between rural areas in CEE, and a coherent integrated strategy for rural development is needed. There is a chance for positive change, but we still have a long way to go.

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## Financing Nature Conservation in Central and Eastern Europe

The European Centre for Nature Conservation, in co-operation with TERRA Environmental Policy Centre in Spain, has produced a manual on 'Financing nature conservation: EU instruments for CEE accession countries', with financial support from the Dutch PIN- MATRA Fund. The manual incorporates information gathered at an international workshop which was held in Budapest in June 2000, and aims to provide up to date information on LIFE, SAPARD, ISPA, PHARE and INTERREG programmes.

This is a valuable publication for candidate countries that are seeking funding for nature conservation projects. The manual also provides information useful for preparing for the implementation of EU instruments. It includes practical examples of

how nature conservation can be integrated into other economic sectors, such as agriculture or tourism. A comprehensive list of useful web sites and contact details of information centres complete the publication. The manual can be downloaded from <http://www.ecnc.nl/doc/ecnc/publicat/finnccee.html>.

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# Reform of the CAP Sheep and Goat Meat Regime



Sheep and goats make up a small proportion of overall agricultural production in Europe, but they have a major role in the marginal or Less Favoured Areas (LFAs). In the EU, around three quarters of sheep for meat production and 80% of those kept for milk production, primarily in the southern half of the Community, are in LFAs. Both sheep and goats play an important part in maintaining semi-natural habitats and open landscapes, with large numbers kept in extensive systems. Given the limited distribution of wild herbivores in contemporary Europe, sheep and other livestock control scrub and tree invasion and maintain a biodiversity-rich grassland sward. Many birds recognised as Species of European Conservation Concern, including the globally threatened Little Bustard, Lesser Kestrel and Golden Plover, are dependent on the habitats maintained by extensive grazing.

Over-grazing is a serious concern in some regions of the EU, such as parts of western Ireland, Sardinia and Wales. However, the contraction of grazing, marginalisation of traditional systems and land abandonment are the most prominent environmental issues in many countries. Abandonment in marginal areas is now becoming a problem as sheep production is concentrating on more productive areas. In central and eastern Europe land abandonment is widespread. Sheep and goat numbers fell rapidly during the 1990s and generally remain far below previous levels. In Poland for instance, the population declined by 90%. Reduced extensive grazing threatens the maintenance of biodiversity rich grasslands in the Polish Tatra National Park. Lack of grazing is also a serious concern on alvar grasslands in western Estonia, leading to disappearance of meadows under juniper scrub.

The CAP 'Sheepmeat and Goatmeat' regime was not altered in 1999 during the Agenda 2000 reforms, but the Commission will put forward proposals for amendments this spring. These are likely to include a

fixed annual premium per ewe rather than a variable premium, as under the present system. Given the sensitivity of the sector, an environmental dimension should be included in any changes that are made. At present it is uncertain what these might be. Some have proposed area rather than headage payments, at least on a limited scale. Extensification payments and the introduction of a "national envelope" are other possibilities. Options for a reform of the sheep and goat meat regime were discussed at a Brussels seminar organised by the European Forum for Nature Conservation and Pastoralism and the UK Wildlife and Countryside Agencies in January 2001.

Sheep headage subsidies are subject to national quotas. These are now becoming the subject of discussion between candidate countries and the Commission, despite the uncertainties over the availability of direct payments from the current CAP budget. The levels at which quotas are fixed could have significant social and environmental consequences, particularly in marginal upland or coastal areas, given concerns about under-grazing in several parts of central and eastern Europe. The potential extension of the CAP sheep meat and goat meat regime to central and eastern Europe raises many questions. How far would quotas constrain or assist the re-establishment of extensive grazing systems where they are needed? Are there other measures that need to be in place to enable farmers to re-introduce sheep farming? How valuable are higher quotas without support for marketing and processing, advice and training on sheep farming? Can agri-environment measures help to make environmentally friendly sheep farming viable? Could a new type of Less Favoured Area, introduced under the rural development regulation, be useful for supporting extensive grazing in protected areas? Are there other ways of maintaining attractive open landscapes and their wildlife where farming is not viable? Research into these questions is needed urgently to inform the policy debate. Further information on the interaction between grazing and wildlife is available on the EFNCP website: [www.efncp.org](http://www.efncp.org).

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# Promoting organic farming in Bulgaria

At European level the market for organic farm products is growing significantly every year. A lot of this demand is met by small and medium sized farms in less productive regions, such as mountain areas, which have to search for value-added products. Due to its mountaneous nature and the low intensity of fertiliser and pesticide use during recent years Bulgaria has natural advantages for the promotion of organic farming and other high quality food production.

In spite of its possibilities the development of organic farming in Bulgaria has only made very slow progress during the last decade. However, concentrated efforts are now being made to establish a national certifying body and pass national legislation on organic production. A new department for agri-environment within the Ministry of Agriculture and Forestry will co-ordinate the development and implementation of a national agri-environment programme. These measures will include a specific scheme for the support of organic farming. Vocational training under the national SAPARD programme will also help to develop the knowledge of Bulgarian farmers about

organic farming and agri-environmental matters.

Technical assistance under the EU Phare programme is essential for our efforts to develop the Bulgarian agri-environment programme. We are also very interested in developing further contacts in other European countries to work on the promotion of organic farming in Bulgaria. A Federation of Organic Farmers in Bulgaria is being formed. Further details are available from:

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# Exploring the Nature of Rural Development in Europe

Integrated rural development is seen as a key tool for achieving a sustainable land use and economic development in rural areas across Europe. A number of limited steps have been taken within the EU Common Agricultural Policy, and at national level, to promote such objectives. However, the scope of policy reform has been very limited so far. Against the background of WTO trade negotiations, and the forthcoming EU enlargement, further reforms are necessary to develop new ways of promoting sustainable rural development that meets social, economic and environmental objectives.

For these reasons, the World-Wide Fund for Nature (WWF) and the statutory countryside and nature conservation agencies of Great Britain commissioned a research project to investigate the

'Nature of Rural Development' in ten European countries. The first phase set out to map and analyse the actors, institutional structures and varying understandings of rural development issues in the countries involved (Austria, France, Germany, Hungary, Latvia, Poland, Spain, Sweden, Switzerland and the UK). The second phase will develop case studies to identify the key factors for successful rural development practice, and will develop working recommendations for the promotion of sustainable rural development.

The Institute for European Environmental Policy (IEEP) and the Centre for Rural Economy at Newcastle University guided national research teams in the participating countries and organised a European workshop on the research findings in Brussels.

The final national reports for the first phase have now been completed, and can be downloaded from: [www.panda.org/epo](http://www.panda.org/epo) A final comparative report produced by IEEP and CRE, which identifies key common factors and differences between the participating countries is also available from the same web site.

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