

# **European Forum on Nature Conservation & Pastoralism**

## **ANNUAL REPORT**

### **January 2006-December 2006**

#### **Introduction**

Europe's natural and cultural heritage is enriched by the wide variety of regional farming systems which work in harmony with local environmental conditions. However, many of these farming systems are currently under threat. The aims of the European Forum on Nature Conservation and Pastoralism (EFNCP) are therefore:

- To increase understanding that certain European farming systems are of high nature conservation and cultural value.
- To ensure the availability, dissemination and exchange of supporting information, combining research and practical expertise.
- To bring together ecologists, nature conservation managers, farmers and policy makers to consider problems faced by these systems and potential solutions.
- To develop and promote policy options which ensure the ecological maintenance and development of these farming systems and cultural landscapes.

The EFNCP is a pan-European non-profit organisation, bringing together non-governmental and governmental participants from several interest areas. It is a network to exchange information, identify conclusions, and inform policy development. To achieve its aims, the Forum organises conferences, workshops and seminars and produces a new newsletter (*La Cañada*) which is widely distributed within Europe. The EFNCP also conducts research into the ecological relationships on high-nature-conservation-value farmland and into the development of appropriate policies for such areas.

Between 1988 and 1996, the Forum developed a network of European scientists, conservationists, and policy makers which interacts with farmers, land managers and agricultural departments through biennial conferences (the Fora), a six monthly newsletter and a series of targeted seminars and workshops. The period 1996-2004 saw the further development of these activities, a crucial time for nature conservation on farmland with the second phase of CAP reforms and subsequent Mid-Term Review of the CAP, enlargement of the European Union and development of Natura 2000. This work has continued in 2005, as detailed below. The report is structured around the five main headers which encompass the Forum's work.

#### **ADMINISTRATION & MANAGEMENT**

- The Forum was successful in obtaining a grant for 2006 from DG Environment under their programme providing support for NGOs working in the field of environmental protection (from which, with the exception of 2002 and 2004, the Forum has otherwise obtained funding in every year from 1997). This grant in 2006 was relatively small (c. €37,000 euro) but still welcome.
- The Forum budget was, however, still limited and subject to strict controls during 2006. In particular, a concentrated effort was made to reverse the deficit carried forward from the 2005 financial year. The decision to only engage in completely or nearly completely fully-funded projects during 2006 meant that at the end of 2006 the Forum was projected to record a small operating surplus on the year (the first since 2002) and had therefore shown that it was taking active steps to markedly reduce the existing overall deficit.

- The Forum still has the intent of making changes to its legal structure. The current legal structure is exceedingly complex and the Directors have come to the conclusion that a simpler and more transparent structure is desirable. While discussions are continuing on the exact form that these changes will take, it is envisaged that the Board of Directors will become more independent of the Executive Committee. However, during 2006 the decision was taken to defer taking any active steps to change the legal structure until such time as the Forum was again registering an overall small surplus on its income and expenditure balance sheets (and hence could show any prospective independent Board of Directors that the Forum was an active going concern).
- As indicated on previous reports, as DG Environment funding in particular has declined over the years, the Forum has become increasingly dependent on income from project work, with all concerned giving some voluntary time to Forum work. Although such an arrangement is workable for a short time, it soon becomes untenable, especially if project work and core functions are carried out by different individuals for any length of time. The Forum continues to be aware of the difficulties inherent in such an arrangement and of the need to find a mechanism to fund a degree of core tasks.

### BIENNIAL CONFERENCES

- During 2006 the Forum worked to set funding in place and start to finalise arrangements to allow the Tenth Meeting of the Forum to be held in Sweden in 2007. This conference is being organised by EFNCP in association with SNF (Svenska Naturskyddsföreningen: the Swedish Society for Nature Conservation) in Sweden. Additional funding and support is currently being sought from other interested Swedish agencies and European organisations. The focus of this meeting will be on *The impact of First Pillar reforms on High Nature Value farmland and the possible role of markets for HNV products in supporting such areas*.

The Forum's conferences fulfil a major part of the role as a forum. These review progress on basic scientific work and identify further research needs in order to fulfil the requirements of informing policy development and awareness raising. An important role of these main Forum meetings is to see examples of high-nature-value farming systems and to speak to the farmers and managers involved. The 2006 meeting in Sweden will build on a number of successful collaborations with SNF over the years.

### RESEARCH

During 2006, the Forum led and/or provided input to the following projects:

- *Study on the environmental consequences of sheep and goat farming and of the sheep and goat premium system.* This study was led by the Forum and conducted for DG Agriculture. The main aims of this study were to provide: a detailed description of EU policies regulating the sheep and goat sector; a concise overview of this sector in the main producer Member States of the EU; an outline of the specific environmental impacts arising from the sheep and goat farming systems themselves and the influence of premium support mechanisms (and the response of farmers) on these environmental impacts. The final report of the study has been provided to DG Agriculture but has not, as yet, been made publicly available.
- *High Nature Value farmland - recognising its importance in Bulgaria and Romania.* This work is funded by the Dutch Ministry of Agriculture, Nature Management and Fisheries BBI-MATRA programme. It concerns the organisation of a total of 7 seminars in Bulgaria, Romania

and Brussels with the overall aim of illustrating at a local level, for the benefit of both policy makers and farmers, what a rather complicated HNV farmland concept means on the ground in Bulgaria and Romania and how these might be reflected in policy instruments. The Forum is working in partnership with WWF Danube Carpathian Programme to organise these seminars.

- *The economics of pastoralism.* This small desk-study project was conducted by the Forum under contract from IUCN.

In 2006, the Forum continued to focus on how the movement of agricultural support from the first pillar to the second pillar of the CAP will affect farming systems of high nature conservation value. This is especially relevant to the Mediterranean areas, to peripheral and mountain regions and to the recently acceded countries and potential future accession countries in south-eastern Europe. To this end, during 2006, the Forum submitted and/or obtained the results of the following applications:

- *Predators as indicators for High Nature Value farmland in Romania.* This proposal was submitted to the UK Darwin Initiative in association with WWF International Danube Carpathian Programme, Carpathian EcoRegion Initiative (CERI), Polish Institute for Nature Conservation and Milvus Group in Romania. The concept for the project successfully passed the first round of the evaluation process in 2005 and a full proposal was submitted for evaluation in January 2006. This was, however, not successful in obtaining funding.
- *Applying the High Nature Value farmland concept in Macedonia.* This proposal was submitted to the UK Darwin Initiative in association with Makmontana. The concept for the proposal was, however, not successful in passing the first round of the evaluation process.
- *Study on High Nature Value indicators for evaluation.* This proposal was submitted to DG Agriculture by a consortium led by the Institute for European Environmental Policy and including the Forum and a number of external experts drawn from throughout Europe. This study aims to provide the Commission and the Member States with guidance on operational indicators in a domain where they have not been used before. Two different types of indicator are to be distinguished. One is concerned with identifying high nature value farmland and forestry and traditional agricultural landscapes at Member State or regional level. It must highlight the information required to allow authorities to recognise relatively easily whether an area or farm/forest fits within the HNV category or not. The second type of indicator is entirely different, being a tool to contribute to the evaluation of the rural development programmes in all Member States. This application was successful and work on the study will take place in the first half of 2007.

## DISSEMINATION

During 2006, the Forum:

- Sought funding for the production of issue 20 of the Forum newsletter *La Cañada*, whose distribution is now 1200 and rising. *La Cañada* is sent to those active in Forum activities, appropriate officials in governments and the Commission, and as part of information provided in response to enquiries about the Forum. It has proven a very effective tool. Content was sought for Issue 20 during 2006 and it is hoped that this issue of the newsletter can be produced and distributed in early 2007.
- Were major participants in seminars organised by a number of partners: in Athlone, Ireland in a Heritage Council follow-up event to the one reported in 2005; in Plitvice, Croatia, where the Forum participated in a panel in the agriculture session of the Intergovernmental Environment for Europe conference; in Belgrade, Serbia, where the Forum cooperated with WWF Danube-

Carpathian Programme and others in a workshop to highlight the HNV issue for the first time in that part of SE Europe (the final report of this workshop can be obtained from: ([http://www.unep.ch/roe/programme\\_biodiv\\_Belgrade\\_workshop.htm](http://www.unep.ch/roe/programme_biodiv_Belgrade_workshop.htm))). The Forum was also scheduled to participate in a similar event for the so-called EECCA (in effect the former USSR) in Chişinău, Moldova but were unable to attend due to visa restrictions.

- Continued to support the development of the HNV concept by attending: two workshops on the further refinement of the European Environment Agency mapping of HNV areas held by the Joint Research Centre in Ispra; two workshops funded by DG Environment (one in Spain and one in Latvia) concerned with integrating wildlife management more fully into farming and forestry practices using the CAP and its Rural Development Programme ; a seminar on Natura 2000 and agriculture held at the European Environment Agency in Copenhagen; a conference organised by Euromontana in Portugal; and the final workshop held in Scotland of a DG Research funded project (Bioscene) concerned with reconciling biodiversity conservation with declining agricultural land use in the mountains of Europe.
- Hosted a visit by farmers from Kalmar county in Sweden to farms and nature conservation sites in north-west Scotland.
- Continued to maintain contact with the Biodiversity Expert Group charged with reviewing the EC Biodiversity Strategy and Action Plans.
- Continued to be involved in the development of the World Initiative for Sustainable Pastoralism (WISP).
- Continued work on updating the content of the Forum website (<http://www.efncp.org>) to reflect recent activities. Progress is being made very slowly and there is still a need to address general presentational quality issues of the site in order to improve its effectiveness.

#### ORGANISATION OF SEMINARS & REPRESENTATION ON EC COMMITTEES

During 2006, the Forum:

- Held a workshop in the Uist islands off NW Scotland on *Farmland Natura 2000 sites and the extent to which their needs were being considered in the process of drawing up the Rural Development Plans (RDPs) for 2007-13* (June 2006). This seminar was organised by EFNCP together with the Scottish Crofting Foundation. Funding was provided by Scottish Natural Heritage, Comhairle nan Eilean Siar, Western Isles Enterprise, LEADER+ and the European Commission NGO support fund. Papers connected with this workshop are available on the EFNCP website <http://www.efncp.com>
- The Forum has continued to have representatives nominated to attend meetings of the Consultative Committees on 'Rural Development', 'Agriculture and Environment' and 'Animal Products' established by DG Agriculture. Four networks (World Wide Fund for Nature, BirdLife International, European Environment Bureau and the Forum) are working together to provide the environmental NGO input to these meetings. Regular cancellation and short-notice rescheduling of these Committees by DG Agriculture meant, however, that in 2006 Forum representatives only attended meetings associated with the 'Agriculture and Environment' committee.

## PUBLICATIONS

Publications arising from the work of the Forum during 2006 include:

De Rijck, K. & Erg, B. (2006) *High Nature Value farming in the western Balkans: Final report of workshop held 2-3 February 2006, Belgrade*. WWF-Danube Carpathian Programme, Sofia

Poux, X. Beaufoy, G., Bigbal, E., Hadjigeorgiou, I., Ramain, B. & Susmel, P. (2006) *Study on environmental consequences of sheep and goat farming and of the sheep and goat premium scheme*. Contract no. 30-CE-0042768/00-19. Directorate-General for Agriculture & Rural Development. European Commission, Brussels. Not yet publicly available.

## CUMULATIVE BREAKDOWN OF INCOME AND EXPENDITURE

Between March 1995 and April 2003, the Forum operates on a 1 April - 31 March financial year. The following Table shows the relevant information from each of the EFNCP's Financial Statements for the last 8 financial years and the period 1 April 2003-31 December 2003. Financial figures are in £ sterling.

	Year ended								1 April 2003 to 31 December 2003
	31 March 1996	31 March 1997	31 March 1998	31 March 1999	31 March 2000	31 March 2001	31 March 2002	31 March 2003	
Balance brought forward from previous year/period	-	26,875	-	24,227	52,167	45,539	46,435	50,812	43,121
Income during year/period	44,705	61,710	118,069*	159,840	176,079	180,576	92,596	63,794	103,637
Expenditure during year/period	18,147	60,540	95,031	133,111	183,497	180,544	88,509	71,756	112,361
Operating Surplus/(Deficiency) during the year/period	26,558	1,170	23,038	26,729	(7,418)	32	4,087	(7,962)	(8,724)
Interest during the year/period	317	565	1,189	1,211	790	864	290	271	197
Retained Surplus/(deficit) for the year/period	26,875	1,735	24,227	27,940	(6,628)	896	4,377	(7,691)	(8,527)
Balance carried forward	26,875	28,610	24,227	52,167	45,539	46,435	50,812	43,121	34,594

\* Income for 1998 also included an exceptional item relating to a gift by resolution of the net assets of the EFNCP unincorporated, amounting to £28,610

In 2003, the Forum's financial year changed to a 1 January - 31 December period. The following Table shows the relevant information from the Financial Statements for the 2003- 2005 financial years. Financial figures are in £ sterling.

	Year ended 31 Dec 2003	Year ended 31 Dec 2004	Year ended 31 Dec 2005**	Year ended 31 Dec 2006****
Balance brought forward from previous year	46,055	34,594	(15,092)	(18,280)
Income during year	132,126	56,273	110,800	135,300
Expenditure during year	143,784	98,730	114,302	125,851
Operating Surplus/(Deficiency) during the year	(11,658)	(42,457)	(3,502)	9,449
Interest during the year	197	238	314	155
Retained Surplus/(deficit) for the year	(11,461)	(42,219)	(3,188)	9,604
Prior year adjustment***		(7,467)		
Balance carried forward	34,594	(15,092)	(18,280)	(8,676)

\*\* Note 1 extracted from financial statement for Year ended 31 December 2005: *Going Concern - The company experienced a deficiency this year after the grant applied for in respect of the 31st December 2003 accounts was not fully received. This was due to a lower level of eligible expenditure actually undertaken compared to the grant accrued for in the 31st December 2003 accounts. Since this event, the company have undertaken a number of fully funded projects. However, in some cases this has not been possible. In the period since 31 December 2005, the company are working on a number of fully funded projects and together with the support of the directors it is believed that the company will return to a positive net asset position. The board therefore feel confident that the company can continue in existence for the foreseeable future.*

\*\*\* Note 4 extracted from financial statement for Year ended 31 December 2005: *Prior year adjustment – During the year ended 31st December 2005, it was discovered that grant income has been received in advance but has been recognised incorrectly. Grant income to the value of £7,467 was registered in the period ended 31st December 2003 when it should have been deferred and registered as £3,637 in 2004 and £3830 in 2005. Although it was apparent that the grant income should have been deferred, this was missed in error and therefore a prior year adjustment has been required this year to recognise the income in the correct periods. There is no tax effect resulting from this adjustment.*

\*\*\*\* Note 1 extracted from financial statement for Year ended 31 December 2006: *Going Concern – During the current year, the company has returned to generating an annual surplus. The company has generated this surplus by securing a number of fully funded projects, together with grant funding from other sources. The annual deficiency experienced in previous years was due to lower levels of eligible expenditure, resulting in lower grant income. As the company now work predominantly on fully funded projects such shortfalls are believed to be isolated. The company expects to continue their work on fully funded projects and together with the support of the directors it is believed that the company will return to a positive net asset position. The board therefore feels confident that the company can continue in existence for the foreseeable future.*

ENDS