

SIXTH FRAMEWORK PROGRAMME
SPECIFIC TARGETED RESEARCH PROJECT n° SSPE-CT-2006-044403



AGRIGRID

**Methodological grids for payment calculations in rural development
measures in the EU**

**NATURA 2000 payments
on agricultural land (213) and on forestry land (224)
in the Czech Republic
(partly filed questionnaire as an example)**

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Questionnaire - NATURA 2000 payments

This questionnaire is focused on two rural development measures - Natura 2000 payments on agricultural land and Natura 2000 payments on forestry land (title “*Natura 2000 measures*” covered both payments is used in following text).

The questionnaire is structured in 4 following parts and annex:

- I. Basic data about Natura 2000 measures;
- II. Information about the methodology of the payment calculation;
- III. Information about the data sources;
- IV. Contextual information;

Annex contains gathered texts relating to Natura 2000 measures.

I. Basic data about Natura 2000 measures

The purpose of this part of questionnaire is to obtain basic information about the whole structure of Natura 2000 measures (213 and 224) such as list of all sub-measures used under these measures; the level of the payments in the different measures / sub-measures; extent of their usage; the existence of payment differentiation and payment changes with respect to the last programming period (2000/2004-2006).

1. Fill in following table „*Overview of Natura 2000 measures*“ according to the instructions below:

- a) **Name** of sub-measures of the Natura 2000 measures
If Natura 2000 measures in your country are divided into separate sub-measures or contracts for example according to habitat types or tree-species then write their names, if not write only Natura 2000 payments on agricultural land (213) or/and Natura 2000 payments on forestry land (224)
(It is expected to be described whole structure of both Natura 2000 measures in detail according to separate payment rates existed.)
- b) **Differentiation of the payment** = existence of more payment rates for one sub-measure (e.g.: *by region, farm structure etc.*); in this column write NO or YES according to existence of differentiated payments (also write their payment levels or intervals in the column c))
- c) **Actual level of payment according to RDP** within Natura 2000 measures (a presumption is EUR/ha, please indicates if different unit is used).
For countries, where EUR is not used (CZ, LT and PL), write the level of payment as in national currency so in EUR. Add exchange rate used below the table 1.
- d) **The percentage level of confirmed payment compared with calculated payment** (*presumption of the level is 100%; the lower means calculated payment is not paid in total (under compensation) / the higher means that the particular schemes are preferred (overcompensation)*)
If the level is differing from 100% write reasons below the table 1.
- e) **Targeting of payments** – determination of areas where it is possible to enter into the sub-measures of the Natura 2000 measures or the Natura 2000 measures as a whole. (indicate if Natura 2000 measures / sub-measures are horizontal or targeted to specific regions / areas)

- f) **Previous existence** of Natura 2000 measures / or their particular sub-measures **before the year 2007 and changes of their payment levels** in the new RDP. (*The comparison is provided only with the earlier RDP for programming period 2000/2004-2006 and only with other measures or schemes which previously provided support for Natura 2000*). If the particular sub-measure /or Natura 2000 measure as a whole/ existed previously, fill in column f) by following marks: 0 measure didn't exist, ↑ increase of payment, ↓ decrease of payment, = same payment and add the level of payment rate from the previous RDPs.
If there were some changes in comparison with previous period (increase or decrease of payment level) write the reasons below the table 1.

Table 1: Overview of Natura 2000 measures

a Name of sub-measures of the Natura 2000 measures	b Is payment somehow differentiated? Yes/No	c Level of payments		e Targeting	f Previous existence of Natura 2000 measures ***
		EUR/ha (national currency/ha)*	% of calculated level of payment**		
Natura 2000 payments on agricultural land (213)					
Natura 2000 on agricultural areas	NO	112.64 EUR / ha (3 355 CZK / ha)	100	Horizontal (whole the Czech Republic)and for farmers farming in Natura 2000 areas and at the same time in the first zones of NPs and PLAs	↑ 88.05 EUR/ha (2 800 CZK /ha)
Natura 2000 payments on forestry land (224)					
Conservation of a forest management group from previous production cycle	NO	60.44 EUR / ha (1 800 CZK / ha)	100	Entire territory of the Czech Republic with the exception of the capital city of Praha	0

* National currency is valid only for countries where EUR is not used today. Write in column c) payments both in EUR and in national currency.

Add the applied exchange rate here **29,784 CZK / EUR**

** If the level is differing from 100%, write reasons here below the table:

*** If some changes in payment rates exist in comparison within previous RDP, write reasons here below the table:

Some Natura 2000 areas have been already supported in the Czech Republic since 2005 as Area with environmental restriction (LFA-E).

Reason for an increase of payment by nearly 20% is the data updating and actualization of reference period. The approach and methodology remain the same.

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)*
Horizontal Rural Development Plan of the Czech Republic 2004 – 2006

2. Was the support for Natura 2000 areas already provided in your country as the compensatory allowances intended for areas with environmental restrictions?

(according to the Article 16 of the Council Regulation (EC) No. 1257/99)

Natura 2000 payments on agricultural land (hereafter “AL”):

- YES
 NO

The LFA-E was defined as:

- A. bird protection areas pursuant to Council Directive 79/409/EEC within the 1st zone of national parks (NPs) and protected landscape areas (PLAs).
- B. areas pursuant to Council Directive 92/43/EEC listed in a list approved by the European Commission, which are found within the 1st zone of NPs and PLAs.

Reason for payment: It is prohibited to apply fertilisers in these areas (these results. Farmers farming in areas with environmental restrictions (LFA-E) was granted a compensatory allowance of 2 800 CZK/ha of grassland and this payment was combined with other LFA payments and agri-environment measures (AEM) too. Payment was available only for grassland.

Furthermore since only the bird protection areas were agreed (they were delimited by individual Government Decrees depend on national decision), the LFA-E payment was available in fact only for areas defined according to letter A) above.

The same approach is applied for Natura 2000 on arable land in the RDP for 2007-2013.

Natura 2000 payments on forestry land (hereafter “FL”):

- YES
 NO

If NO, describe reasons:

In the case of FL, it is not possible since compensatory allowances are determined only for agricultural land, not for forests.

Data source: *Council Regulation (EC) No. 1257/1999 (Article 16)
Horizontal Rural Development Plan of the Czech Republic 2004 – 2006*

3. Have differentiated payments been implemented for any sub-measures within the Natura 2000 measure?

(e.g. by natural condition: climate, soil quality, altitude zone, slope, etc. ;

by type of beneficiary: type of farm (arable farm, grassland farm etc.), farming entrepreneur or other than entrepreneur etc.;

by region: in / out of LFA, National Park, Protected Landscape Area etc.).

AL, FL:

- YES
 NO

If YES (should be already mentioned in column b) of the table 1 above), describe what kind of differentiated payments exists (How are payments differentiated?) and why such differentiation is provided (What are reasons for keeping more payment levels instead of one single payment?):

.....
.....

If none, please provide brief explanation why:

AL:

Natura 2000 on agricultural land support is provided on the entire territory of the Czech Republic (CZ), especially in all areas delimited as Natura 2000 areas (agreed in that time) which are at the same time located in the 1st zones of NPs and PLAs (the most valuable areas).

Within Natura 2000 payment (213) the prohibition of fertilisers' usage (0 N kg/ha) is compensated which can not be paid out from AEM (since it comes from the Law). The amount equal to Natura 2000 payment (i.e. 3 355 CZK/ha) is deducted from several AEM payments if they are applicable and uptake/ realized in these areas. Due to so linked relationship between Natura and AEM payments it is not possible to use differentiated approach.

FL:

Natura 2000 on forestry land support in the Czech Republic is provided on the entire territory of the Czech Republic and is available for all private forestry owners.

Reasons will be investigated.

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)*
Interview with VUZE (responsible for AL calculation)
Other interviews will be provided

4. Have differentiated approaches been implemented in past but not in subsequent programme (in the 2007-2013 RDP)?

AL:

- YES
- NO

If YES, write which and why do not continue?

.....
.....

FL:

- YES
- NO (was not implemented before 2007)

If YES, write which and why do not continue?

.....
.....

Data source: *Horizontal Rural Development Plan of the Czech Republic 2004 – 2006*

5. Have differentiated approaches been discussed in-house but not been implemented?

AL:

- YES
- NO

FL: will be added

- YES
- NO

If YES, write which and why have not been implemented?

AL:

The “contract approach” was discussed (design of a special management plan for concrete farm in selected Natura 2000 areas as a local measure) – idea takes from abroad (Austria). This approach is not accepted by the Ministry of Agriculture (MoA) due to high

administrative costs, no experience with implementation and lack of experts /advisory service for such plans preparation.
In this time Ministry of Environment (MoE) testing this approach within some projects on local extent.

FL: will be added

.....
.....

Data source: *Interview with VUZE (responsible for AL calculation)*
Other interviews will be provided

II. Methodology of the payment calculation i.e. „How Natura 2000 payment levels are calculated“

The purpose of this part of the questionnaire is to obtain information about the methodology of payment calculation for the Natura 2000 measures (and their particular sub-measures if it is applicable). We are mainly interested in the approaches used for the calculation of income foregone (losses), additional costs and possible savings. Following the project aims limits of payments, problems with payment calculation and their potential solutions are also investigated.

It is important not to forget the connection between payments and so-called “baselines” (conditions resulting from the national law, GAEC and Cross-Compliance), which are not possible to pay out within the Natura 2000 measure payments. The aim is to establish and compare a list of all relevant baseline requirements for both Natura 2000 measures.

6. Identification of commitments entering into the payment calculation of Natura 2000 measures / particular sub-measures and detail description of payment calculation process:

According to EU regulation Natura 2000 payments should compensate income foregone (losses) and additional costs connected with access / uptake of the Natura 2000 measures:

- income foregone / losses (e.g.: For agricultural land: decrease of production, lower quality of hay production due to later mowing, compensation of water pollution etc. And for forestry land: reduced economic utilisation of the forest as a result of lower average felling increment of forest stands, etc. In addition also counteractive savings are included as for example price premium);
- additional costs (e.g.: obligatory training, for agricultural land: additional mowing, tedding and ranking, costs of soil analysis, higher labour costs, removing of shrubs and self-seedlings, support of traditional methods of livestock-care, animal buying, hedges maintenance etc., in addition also counteractive savings are included as for example the savings of fertilization or spraying costs; for forestry land: costs of establishing the subsequent forest stand, necessity of making fencing and also maintenance costs, plantation material, etc.);
- transaction costs (*presumption is that no transaction costs are used in calculation of Natura 2000 payments and that is why no additional question is focused on them*).

Provide the following information:

- A) write **name of particular sub-measures** within the Natura 2000 measures (*e.g. types of habitat, according to tree-species*) or only the Natura 2000 measures as a whole;
- B) determination of **eligible criteria** (*specify if the sub-measure or Natura 2000 measure is limited for some specific areas or other specific criteria must be fulfilled to be possible enter into the sub-measure. In case of many conditions, describe only such eligible criteria which can or have impact on payment rate calculation, e.g. restrictions on the size or type of farms which are eligible for payments*)
- C) describe **relevant commitments and contractual obligations** of particular sub-measures within the Natura 2000 measures or for the Natura 2000 measures as a whole (*if no sub-measures exist*)
- D) describe necessary **land use / management practice changes or maintenance** resulting from these commitments and identify those which have to be considered in the payment calculation (*for those which are not included in the payment calculation write reasons*)
- E) describe the **process of payment calculation** for particular sub-measures within the Natura 2000 measures or for the Natura 2000 measures as a whole (preferably into the

table 2 below). The aim is to identify particular items of payment and how they have been calculated, their data source and applied reference period.

- F) provide, for better understanding, an explanation of the process of payment calculation in more detail and explain how the different values / numbers in Table 2 have been calculated or determined. Since this part of the questionnaire is at the core of the AGRIGRID project, it is necessary to provide as much detail as possible.

A) Name of sub-measure: **Payments within Natura 2000 agricultural areas**

B) Eligible criteria including specification of eligible area:

Natura 2000 provides support to farmers farming in Natura 2000 areas (declared according to Council Directive 79/409/EEC and Council Directive 92/43/EEC) and at the same time in the first zones of NPs and PLAs.

Only grasslands are eligible for the Natura 2000 support.

An applicant for the support shall meet the following conditions:

- farm at least 1 ha of agricultural land used as grassland in a Natura 2000 area in the first zones of NPs and PLAs;
- enter into the sub-measure with at least 1 ha of agricultural land used as grassland;
- undertake to pursue farming for at least 5 years from the first payment of support, with the exception of cases of force majeure, and the farming shall be pursued at least on the minimum area which is required for entry into the sub-measure.

C) Relevant commitments – contractual obligations:...

Management description:

- 1) The applicant shall farm in conformity with GAEC laid down in accordance with Article 5 and Annex IV of Council Regulation No 1782/2003.
- 2) In the calendar year concerned, the applicant shall utilise for a set period of time the agricultural land, for which he applies for support.
- 3) The applicant shall assure that grasslands are grazed or mowed at least twice a year (in justified cases once a year) within fixed deadlines. The mowed biomass shall be removed from the parcels
- 4) Application of fertilisers or farm manure shall be avoided. In the case of pasture, grazing livestock may at most 30 kg N per hectare of grazed area.
- 5) After the Czech Republic's transition to the single payment scheme, the applicant shall within his entire holding comply with the binding requirements according to Article 4 and Annex III of Council Regulation No 1782/2003 (cross-compliance).

D) Land use / management practice changes:...

- 1) Requirement resulting from GAEC can not be paid out within Natura 2000 payment (no impact on payment calculation), the relationship between requirement of GAEC and Natura 2000 measure is described in Annex I.
- 2) General condition – no specific impact.
- 3) No agronomic effect – grazing / mowing is not a reason for payment as it is a part of common farming practice (in addition, this condition was in Good Farming Practice in HRDP (2004-2006). *“Grasslands shall be grazed or mowed at least twice a year. The mowed green mass shall be removed from the parcel. The first mowing shall take place by 15 July at the latest, unless the conditions of individual AEM stipulate otherwise.”*
- 4) The basis for payment – prohibition of fertilization.
- 5) As point 1) – can not be paid out (no impact on payment calculation).

E) Process of payment calculation

Table 2: Process of payment calculation

	CZK/ha *	Data source	Reference period
Income foregone			
Gross Margin (GM) from grassland with typical/general fertilisation level (80 kg N/ha)			
costs of fertilizers	900	Derived data from “Costs of agricultural products in CZ”	Average of years (2001- 2004)
costs of seeds	97	“Costs of agricultural products in CZ”	- // -
costs for crop protection	26	- // -	- // -
other direct material	101	- // -	- // -
others directs costs and services	393	- // -	- // -
total variable costs	1 517		
hay yield (ton/ha)	5,1	scientific literature + research + own (VUZE) survey	1989, 1993, 2004 + 2000–2004 + 2005
sale price of hay (CZK/ton)	1 575	“Costs of agricultural products in CZ” + expert estimate of price margin + own (VUZE) survey	Average of years (2001 - 2004) + 2005 + 2005
total income	8 034		
GM by 80 kg N/ha	6 517 CZK / ha (218.8 EUR/ha)		
Gross Margin (GM) from grassland without fertilisation (0 kg N/ha)			
costs of fertilizers	0	Derived data from “Costs of agricultural products in CZ”	Average of years (2001- 2004)
costs of seeds	97	“Costs of agricultural products in CZ”	- // -
costs for crop protection	26	- // -	- // -
other direct material	101	- // -	- // -
others directs costs and services	393	- // -	- // -
total variable costs	618		
hay yield (ton/ha)	2,4	scientific literature + research + own (VUZE) survey	1989, 1993, 2004 + 2000–2004 + 2005
sale price of hay (CZK/ton)	1 575	“Costs of agricultural products in CZ” + expert estimate of price margin + own (VUZE) survey	Average of years (2001 - 2004) + 2005 + 2005
total income	3 781		
GM by 0 kg N/ha	3 163 CZK / ha (106.2 EUR/ha)		
Total income foregone (difference between Gross margins)	3 354 CZK / ha		
Additional costs			
Total additional costs			
Proposed amount of support	3 355 CZK/ha (112.64 EUR/ha)		

*National currency is valid only for countries where EUR is not used today. Write either both payments (in EUR and national currency) or write here exchange rate used **29,784 CZK / EUR**

F) Explain calculation of numerical values provided in E).

The amount of the Natura 2000 payment (213) is determined as a 100% compensation of the income foregone due to reduced production caused by ban on fertilization in the areas in question.

Calculation is based on a difference of GMs between typical / general management on grassland and extensive management on grassland in Natura 2000 areas (and at the same time 1st zone of protected areas where the usage of fertilization is prohibited) It means a decrease from 80 to 0 kg N/ ha.

GM is calculated according to EU methodology and economic principle = total income minus variable costs (see below):

Gross Margin (GM) = total income- variable costs

Gross Margin (GM) = total income (hay yield * sale price) - total variable costs

(costs of seeds + costs of fertilizers + costs for crop protection + other direct material + others directs costs and services).

The final payment is equal to the difference between GMs (6 517 CZK/ha - 3 163 CZK/ha)

Total income foregone = GM from grassland with typical fertilisation (80 kg N/ha) – GM from grassland without fertilisation (0 kg N/ha).

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)*
Interview with VUZE (responsible for AL calculation)

A) Name of sub-measure:

Payments within Natura 2000 forest areas: Conservation of a forest management group from previous production cycle – will be added

B) Eligible criteria including specification of eligible area:

C) Relevant commitments – contractual obligations:...

D) Land use / management practice changes:...

E) Process of payment calculation

Table 2: Process of payment calculation

	EUR/ha (national currency/ha)*	Data source	Reference period
Income foregone			
Total income foregone			
Additional costs			
Total additional costs			
Proposed amount of support			

* National currency is valid only for countries where EUR is not used today (CZ, LT and PL). Write either both payments (in EUR and national currency) or write here exchange rate used

F) Explain calculation of numerical values provided in E).

Data source:

7. **If it is not possible to describe the process of payment calculation for particular sub-measures within the Natura 2000 measures or for the Natura 2000 measures as a whole in your country by using the procedure suggested in question 6., explain used methodologies of calculation below in as much detail as possible:**

(It is expected to provide here something like “an instruction manual”.

In addition other alternatives to standard costs methods for payment calculations (e.g. tenders) could be outlined here as well.)

.....

Data source:

8. **Please describe commitments defined in the baseline requirements which have impact on payment calculation:**

- a) describe requirements covered by your system of good agricultural and environmental conditions (GAEC) which have impact on payment calculation (can not be paid out within Natura 2000 payments) (*table for GAEC evidence in Annex 1 can be used*)

AL:

Due to specific form of Czech Natura 2000 payment – no GAEC have impact on payment level (see filled Annex 1)

FL: will be added

- b) describe any other conditions resulting from the national law or Cross-Compliance which can not be paid out (compensated) within Natura 2000 payments:

AL:

Again due to specific form of Czech Natura 2000 payment – no other conditions have impact on payment level. In addition CZ will apply the Cross-Compliance after transition to the single payment scheme.

On the contrary CZ uses Natura 2000 payment in the form of compensation of disadvantage resulting with environmental limitation (Law on nature and landscape protection and Natura 2000) and it is continued support from RDP (2004-2006) under LFA-E.

FL: will be added

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)
 Interview with VUZE (responsible for AL calculation)*

9. **Is in your country provided any payments within the Natura 2000 measures which exceed the limits stated in the Council Regulation (EC) No. 1698/2005 (eventually any national limits)?**

AL, FL:

- YES
 NO

If YES, describe them and write reasons:

.....

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)
 Council Regulation (EC) No. 1698/2005*

10. Are in your country applied any payment ceilings or other maximum / minimum criteria (e.g.: farm size, amount of money) which impact on the payment levels within the Natura 2000 measures?

(degression of payment according to hectares = full support up to 100 ha, 50% up to 300 ha, 0% over 300 ha; maximal payment per farm; payment for limited time of commitment, etc.).

AL:

- YES
 NO

Only farmer shall enter into the Natura 2000 measure with at least 1 ha of agricultural land used as grassland, but there are no particular limits on payment.

FL: will be added

- YES
 NO

If YES, describe the limits, particular sub-measures by which are used and reasons for setting these limits:

.....

Data source: RDP of the Czech Republic for 2007-2013 (version from January 2007)

11. Is the combination of Natura 2000 measures with other RD measures somehow limited in your country?

(due to importance to guarantee that no overcompensation of certain land maintenance activities occur from parallel implementation of less-favoured areas, agri-environment or forest-environment measures; the combination with some sub-measures are not allowed (e.g.: beneficiaries can't have subsidies from Meeting Standards)

AL:

- YES
 NO

If YES, please explain the limitations and describe the impact on payment levels in the Natura 2000 measures:

In CZ, there is some limitation since some AEM on grassland can not be used in Natura 2000 areas and only higher value AEMs are applicable here. On the other hand, this limitation has no impact on Natura 2000 payment level mainly due to the specific situation in CZ, where Natura 2000 payment is complementary part of some AEM payments, so it is difficult to say that it is combined.

FL: will be added

- YES
 NO

If YES, please explain the limitations and describe the impact on payment levels in the Natura 2000 measures:

.....

*Data source: RDP of the Czech Republic for 2007-2013 (version from January 2007)
Interview with VUZE (responsible for AL calculation)*

12. Is there any level of integration, linkages or interdependencies between Natura 2000 and other RD measures, which affect the payment level of Natura 2000 measures?

(e.g. as additional incentives: higher payments, priority in the selection of beneficiaries or different level of Natura 2000 payment if certain agri-environment support measures are taken up on the same farm, etc.)

AL:

- YES
- NO

If YES, please explain the integration or linkage and describe the impact on payment levels in the Natura 2000 measures:

Although there are close linkage between AEM and Natura 2000 measures, this has no impact on payment level of Natura 2000 on agricultural land (for more detail information see question 13).

There is mostly opposite relationship (increase of payment for afforestation if area is in Natura 2000, or higher compensation up to 60/50% instead of 50/40% within the measure Modernization of agricultural holdings (code 121,124), etc.)

FL: *will be added*

- YES
- NO

If YES, please explain the integration or linkage and describe the impact on payment levels in the Natura 2000 measures:

.....
.....

Data sources: *RDP of the Czech Republic for 2007-2013 (version from January 2007)*

13. Are in your country applied other forms of support which compensate the limitation of economic activities in the Natura 2000 areas?

(e.g. national schemes out of EAFRD for Natura 2000 areas in Scotland, special AE measures for Natura 2000 areas in the Czech Republic)

- YES
- NO

If YES, choose and tick appropriate support from the prepared list below or provide own short description.

List of possibilities:

- Other supporting measures within EAFRD;
 - Agri-environment measure specific for Natura 2000 areas;
 - Forest -environment measure specific for Natura 2000 areas;
 - Other RD measure, which.....
- Measures targeting the sustainable use of forestry land;
- State Aid (e.g. national support for protected areas from Ministry of Environment);
- Other structural funds (e.g. ERDF, ESF...);
- Other funds (e.g. EFF, LIFE+...);
- Support within FP7 (Framework Programme);
- Indirect support (e.g. land tax incentive, options of land exchange or sales to the state);
- Other, which.....

Own short description:

(If any of possibility was ticked, please specify form of support in more detail and how does it affect Natura 2000 payment calculation (e.g. is it non-combinable?):

A) Agri-environment measure specific for Natura 2000 areas

If applicant is farming in specially protected areas (it means NPs and PLAs) and in Natura 2000 areas (especially Bird habitats which were already declared), he/she may choose schemes from whole list of schemes under grassland (meadows / pastures) measures. Applicants farming outside of the above areas can not choose higher value schemes (B.2, B.3 and B.8). In addition, these higher value schemes are identified in LPIS per particular grasslands and it is possible to enter only in such management.

Structure in scope of sub-measure “Grassland maintenance – meadows”:

B.1 Meadows (basic management)

B.2 Mesophilic and hygrophilic meadows - MHM (including fertilized MHM, non-fertilized MHM and MHM with unmowed belts)

B.3 Mountain and xerophilous meadows – MXM (including fertilized MXM, non-fertilized MXM and MXM with unmowed belts)

B.4 Permanently waterlogged and peatland meadows

B.5 Bird habitats on grassland – waders’ nesting site

B.6 Bird habitats on grassland – corncrake’s nesting site

Structure in scope of sub-measure “Grassland maintenance – pastures”:

B.7 Pastures (basic management)

B.8 Species rich pastures

B.9 Dry steppe grasslands and heathlands.

If farmer would like to enter only into basic managements (B.1 or B.7), he/ she should have this scheme approved by a nature conservation authority and activities as mulching, rapid grassland restoration, grassland restoration and supplementary sowing may not be carried out without approval of a nature conservation authority.

There is additional very important limitation – in all areas belong to the 1st zone of NPs and PLAs, payments under possible AEMs are deducted by the amount of 3 355 CZK/ha (correspond to Natura 2000 payment). These areas are those, where an application of fertilisers is prohibited by special legal regulations and deduction is necessary according to AEM rules (only above Law requirements can be paid out).

B) State Aid

BI) Ministry of Environment (MoE) supports its Program of Landscape Protection aimed to securing goals in landscape and nature protection which are not possible to reach by horizontal European programs, mainly through the RDP.

The Program has two parts: sub-program for landscape protection (whole country) and sub-program for protected (NPs and PLAs) and birds areas (the main part of program). The program is updated by the directive annually, but without big changes. The support is provided for non-investment activities as for example:

- grassland mowing (by small mechanization or handy),
- liquidation of self-seeding plants,
- renewal of grassland (local nature conditions appropriated),
- extensive grazing by sheep and goats or by horses and cattle,
- measures leading to the improvement of the woodlands and their spatial structure,
- out planting of green vegetation out of forest,
- care of eventful and significant trees,
- repatriation of protected organisms, etc.

BII) MoE has provided an additional possibility how to compensate specific limitation of farming in original protected areas and new Natura 2000 areas since the year 2006, especially in following cases (with fix amount of payments very close to AEM and Natura payments):

- prohibition of fertilization,
- prohibition of biocides usage in orchards, vineyards and hops,
- temporary exclusion of farming on grassland,
- prevention of livestock entry on particular areas,
- decrease of livestock intensity on grassland (LU/ha),
- postpone of mowing term,
- prevention or decrease of fish intensity,
- change of fish species composition,
- or some additional or costly measures.

The purpose of these possible supports (farmer should demonstrate disadvantages and ask for the compensation) is to have a space for MoE to state these specific limitations in protected areas. And mainly to compensate farmers which are in the 1st zones of PLAs and NPs however not in Natura 2000 areas and are discriminated by decreasing of AEM payments (see question 15)

Data source:

RDP of the Czech Republic for 2007-2013 (version from January 2007)

Directive of MoE No. 2/2007 for providing of financial recourses within the Program of landscape protection in year 2007

Ordinance No. 432/2005 on conditions and methods for providing of financial compensation of disadvantages resulting from limitation of farming

Interview with VUZE (responsible for AL calculation)

14. What problems did you encounter during the payment calculations? (What problems have been encountered?)

(e.g.: determination of decrease of the hay production incurred by lower fertilization, etc. determination of average felling increment, determination of increment from postponed felling of forests, etc.)

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- determination of decrease of the hay production incurred by lower fertilization (especially 0 kg N/ha)
- determination of input cost changes due to such fertilization limitation
Payment and the limitation relating to particular land areas (in the 1st zones) which are mostly only part of whole farm land – there is no separate data evidence. Since data (FADN) are available only per whole farm, there is no possibility to pick up or sort necessary data according to particular level of fertilization. In addition there is no information about the level of fertilization in main source “Costs of agricultural products in CZ”, only total amount of costs for fertilization.
- price for hay is missing since there is no market for hay and data from FADN do not cover price for products from grassland
- *special issue resulting from connection between AEM and Natura payment: payments for some extensive AEM on grassland are decreased by 3 355 CZK/ha if the grasslands are in the 1st zones of NPs or PLAs (since the prohibition of fertilization came from Law and can be paid out from AEM), but not always can be compensated by Natura payment since these localities are not situated in the Natura 2000 areas (on the other words, this situation discriminates farmers which are situated in the 1st zones but not in Natura 2000 areas). (Problem belongs rather to AEM issue).*
- we would have problem if “contract approach” be agreed – no data and experience with so farm focusing plan.

NATURA 2000 payments on forestry land (224)

Will be added

.....

.....

Data source: Interview with VUZE (responsible for AL calculation)

15. What solutions did you derive for these problems? (What solutions have been derived for these problems)?

NATURA 2000 payments on agricultural land (213)

- in the case of hay yield decrease: survey / research was necessary to provide:
 - a) VUZE as an organization responsible for payment calculation provided own telephone survey among farmers farming in protected areas where fertilization is prohibited (0 kg N/ha) and calculated weight average of yield.
 - b) Some additional supported data were gathered – results from NAZV research describing besides others also the dependence of grass yield on fertilization level; plus related scientific literature (books) were studied (see part III).
- in the case of change of input costs: some simplification should be made – the average variable input costs are accepted as the same as for general so for extensive grassland management, except cost for fertilization, which is for extensive management estimated as zero level (0 CZK) (see table 2).
- in the case of hay price: survey among farmers was again provided by VUZE plus internet offers were analyzed. In addition information about estimated possible price margin added to total costs of hay production were included.
- in the case of compensation such farmers – new Ordinance No. 432/2005 should be implemented by MoE and compensate such farmers from national resources, from MoE.
- in case of probably future acceptance of the contract approach: MoE with one NGO have implemented a project focusing on one protected locality and trying to design management plans for particular farms (results – knowledge about costs for administration and interest of farmers, plus first training for advisors and environmentalists).

NATURA 2000 payments on forestry land (224)

Will be added

.....

.....

Data source: Interview with VUZE (responsible for AL calculation)

16. Which issues remain unsolved and why?

NATURA 2000 payments on agricultural land (213)

- Horizontal = one level of payment for all Natura 2000 areas does not compensate economy limitation equitably for all farmers. Farmers criticize the average level of hay yield in such limited areas (amount 2,4 t/ha is used in calculation) and argue that they can reach maximum 1,5 t/ha and want higher payments. Farmers suggest calculating three levels of payment for example according to climatic zones or altitude.

- Issue of discrimination resulting from complementary relationship between AEM and Natura 2000 will be necessary to solve probably in different way in future. No solution in that time, no agreement between MoA and MoE.
- Probably totally new Natura 2000 measures in future according to possible and useful model abroad.

NATURA 2000 payments on forestry land (224)
Will be added

.....

.....

Data source: Interview with VUZE (responsible for AL calculation)

17. Is potential over- and under-compensation an issue when designing new sub-measures within the Natura 2000 measures?

(i.e. How the issue of over- and under-compensation has been considered in the payment calculation?)

Please describe in more details:

NATURA 2000 payments on agricultural land (213)
 From the view of measures combination:

- a) In CZ the payment for Natura 2000 areas is a complementary payment amount which is deducted from some AEM payment. So over-compensation resulting from combination with other RD measure is not expected due to this approach.
- b) Combination with national supports (especially from MoE – see question 13) is not allowed and according to mentioned rules - these supports are not possible to use for measures which can be also supported through other subsidies from EU or MoA.

From the view of calculation method: some inequity can be possible due to horizontal approach (one payment for whole country). There are areas with lower yield as well with higher yield of hay after decreasing fertilization to 0 kg N/ha. But it is general problem of horizontal approach and the usage of averages.

NATURA 2000 payments on forestry land (224)
Will be added

.....

.....

Data source: Interview with VUZE (responsible for AL calculation)

III. Data sources

The purpose of this part of the questionnaire is to identify data sources, which are used in payment calculations of the Natura 2000 measures. The objective is to compare availability of data and to find out which data sources are used and for which purposes.

18. Fill in following table 3 according to the instructions below:

- specify **data sources** used for calculation of particular sub-measures within the Natura 2000 measures or the Natura 2000 measure as a whole (try to provide whole list);
- write **organisation responsible** for data source;
- periodicity** (it means how frequently are they up-dated, published);
- spatial aggregation level** (it means how data are used within payment calculation, not in which form exist);
- purpose of the source usage** (write briefly the main range of usage within payment calculation);
- estimated extent of particular data sources usage** (it is expected to provide an expert estimate and sum should be 100%; the fulfilment of this column is only voluntary).

Table 3a: The list of the data sources necessary for payment calculation of the Natura 2000 on arable land and their usage

a	b	c	d	e	f
Data source	Organisation responsible	Periodicity	Spatial aggregation level	Purpose of the source usage	Estimate extent of usage (%)
Costs of agricultural products in CZ (part of FADN)	VUZE	Once a year	Horizontal (average for a whole country is used)	- costs of inputs for main crops per ha (e.g. costs of seeds, fertilizers, sprays...) - incomes for main crops (yield, price) <i>but not for grassland</i>	85
Survey –average yield of hay with 0 kg N	VUZE	Once for that purpose (2005)	Horizontal (covered the 1 st zones of NPs and PLAs)	General yield of hay reached with zero fertilization	7
Research NAZV QC 0067 ¹	VÚRV ²	During 2000-2004	trial areas in NVZs	Dependence of grass yield on fertilization level	2
Scientific literature (Komberec, Hrabě, Machač)	Xx (universities)	Once – books (1989, 1993, 2004)	Per climatic region, soil quality (BPEJ ³), trial areas etc.	Relationship between level of fertilization and grass yields	1 only as a supplement
Survey – price for hay	VUZE	Once for that purpose (2005)	Horizontal	Price survey for hay due to non-existence of market for hay.	3
Expert estimate of price margin	VUZE among advisors	Once for that purpose (2005)	Horizontal	Estimate of price for hay determined from costs.	2
					Sum=100%

¹ NAZV – National Agency for Agricultural Research, the research focused on farming in nitrate vulnerable zones (NVZs) - (implementation of the nitrate Directive 91/676/EEC)

² VÚRV - Research Institute of Plant Production

³ BPEJ – Bonited Soil Ecological Unit

Table 3b: The list of the data sources necessary for payment calculation of the Natura 2000 on forestry land and their usage – *will be added*

a	b	c	d	e	f
Data source	Organisation responsible	Periodicity	Spatial aggregation level	Purpose of the source usage	Estimate extent of usage (%)
					Sum = 100%

19. Which data do you miss for easier performance of the current calculation method?

And to what extent did the availability of data restrict the applied method to calculate payments?

(e.g.: a) missing data for current calculation: statistical data about fertilization for year 2006

b) needs of data as a whole (reason for calculate payment simplify or different way): lack of data according to separate crops produce areas.)

AL:

Ad a) in the case of current calculation:

- statistical data for price of hay were missing and estimate / survey had to be made;
- data about input costs and grass yields are not available sorting according to level of fertilization (80, 60, 0 kg N / ha)

Ad b) in general case:

- the most accurate calculation will be if a separate evidence of farms farming in such protected areas (especially their plots here) is available and can be compare with group of plots in close neighbourhood (accurate determination of yield decrease and costs change (probably savings) due to 0 fertilization)...

FL: *will be added*

.....

Data source: *Interview with VUZE (responsible for AL calculation)*

IV. Contextual information

The purpose of this part of the questionnaire is to cover subsidiary information which make possible to provide statistical comparison between Natura 2000 measures and countries. In addition, payment administration aspects are added in order to investigate administrative complexity of the payment calculations (i.e. how many institutions are involved into the calculation and a list of valid legislative rules created).

Collection of additional basic information about the current situation of the Natura 2000 network delimitation, number of SPA territories and pSCI sites designed / agreed, the connection with national protected area network is also covered by this part of questionnaire.

20. Statistical comparison – indicators of “ uptake”

(In case of Germany and Italy – data for the three selected regions are expected to be filled in the table 4 below.)

Based on data in tables below, we can compare following indicators:

- b. share of areas under the Natura 2000 measure in the UAA (%) and in the case of Natura 2000 on forestry land in the forestry area as well;
- c. share of holdings / beneficiaries involved in the Natura 2000 measures in total number of holdings in agriculture / in forestry (%);
- d. share of Natura 2000 expenditure in the total financial expenditure of whole RDP (%);
- e. average payment in EUR/ha of the Natura 2000 measures (eventually per farm / holding,...).

This data are served mainly for: verification of average payment per hectare, comparison of extent / importance of the RD measure and connection with original national protected area network.

Progress for fulfillment following table:

1. open the excel table by clicking twice on the table 4a (fill the list1);
2. leave excel file by clicking somewhere outside the table;
3. if the table 4b doesn't update alone then click on the cross in the left-upper corner in the table 4b (by right button) and choose “connection updating” (all data will be transferred).

Table 4a: Indicators of “uptake”

	2005	2006
Total UAA (ha)	4 259 480	
Total forestry area (ha)	2 647 416	
Total Natura 2000 area (ha)	1 046 312	
Of which: Natura 2000 – SPA (ha / number of areas)*	693 622 / 38	/
Natura 2000 – SCI (ha / number of areas)*	724 413 / 863	/
Supported agricultural land managed under Natura 2000 measure 213 (ha)	1 080	
Supported forestry land managed under Natura 2000 measure 224 (ha)	0	
Natura 2000 inside National protected areas (ha)	406 900	
Natura 2000 outside National protected areas (ha)	639 412	
Total protected area in the country (included Natura 2000 areas and National protected areas) (ha)	1 048 300	
Total number of farms in agriculture	46 385	
Total number of private forest owners		
Number of farms / beneficiaries in Natura 2000 on agricultural land (213)	145	
Number of farms / beneficiaries in Natura 2000 on forestry land (224)	0	
Financial expenditure for RDP (EUR)	190 980 406	
Financial expenditure for Natura 2000 on agricultural land -213 (EUR)	81 234	
Financial expenditure for Natura 2000 on forestry land - 224 (EUR)	0	

* There is the possibility of overlapping the areas.

** exchange rate used [29,784 CZK / EUR](#)

Table 4b: Statistical data for indicators of “uptake”

	2005	2006
Share of Natura 2000 on UAA	24,56%	#DIV/0!
Share of Natura 2000 on forestry land	62,15%	#DIV/0!
Share of supported agricultural land on total Natura 2000	0,10%	#DIV/0!
Share of supported forestry land on total Natura 2000	0,00%	#DIV/0!
Share of supported agricultural land (213) on total UAA	0,03%	#DIV/0!
Share of supported forestry land (224) on total forestry land	0,00%	#DIV/0!
Share of Natura 2000 inside NPA on total Natura 2000	38,89%	#DIV/0!
Share of Natura 2000 outside NPA on total Natura 2000	61,11%	#DIV/0!
Share of farms in Natura 2000 (213)	0,31%	#DIV/0!
Share of farms in Natura 2000 (224)	#DIV/0!	#DIV/0!
Share of financial expenditure for Natura 2000 (213) on expenditure for RDP	0,04%	#DIV/0!
Share of financial expenditure for Natura 2000 (224) on expenditure for RDP	0,00%	#DIV/0!
Average supported area per farm (213) (ha)	7,45	#DIV/0!
Average supported area per farm (224) (ha)	#DIV/0!	#DIV/0!
Average payment per farm (213) (EUR)	560,23	#DIV/0!
Average payment per farm (224) (EUR)	#DIV/0!	#DIV/0!

Data source:

Czech statistical office (www.czso.cz)

Agency for Nature Conservation and Landscape Protection of the CZ (www.ochranaprirody.cz)
<http://europa.eu/>

Annual and evaluative report of HRDP of the CZ for 2005

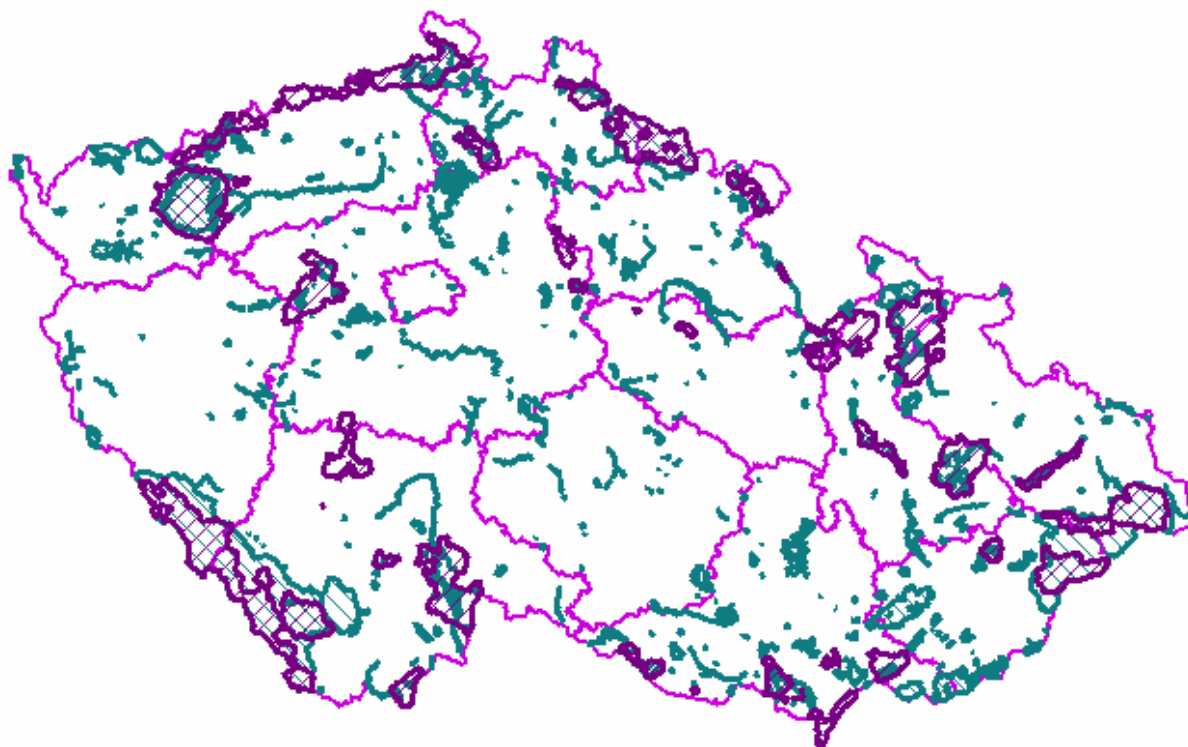
Green report 2005

21. Additional basic information: Please describe shortly how is current situation in Natura 2000 delimitation in your country (regions in case of Germany and Italy):

(It is expected only basic information published mostly in RDP about Natura 2000 areas for basic overview and simple comparison among countries. In addition impact of Natura 2000 delimitation on payment is investigated – e.g. Are there any limitations of payment / payment calculation in consequence to process of unfinished implementing of Natura 2000?etc.)

The unified large-scale farming was underwritten by a considerable threat to a number of biotopes on grasslands. It is estimated that of the overall area of grassland in the CZ ca 40 000 ha is well-preserved species rich meadows and pastures (the majority in existing protected territories) and another approximately 300 000 ha that are showing certain signs of degradation (a large part in the present protected areas or in the emerging Natura 2000 network). According to Ministry of Environment estimates the amount of agricultural land resources in Natura 2000 territory is 25.6% of the total area of the Natura 2000 territory. In all 13.5% of the Czech Republic's territory falls under the Natura 2000 system and are divided only into continental and pannonian areas and only terrestrial areas are in the Czech Republic. Bird habitats covers 8.8% of the Czech Republic (purple on the map), the rest are SCI (green on the map).

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Implementation of Natura 2000 in Czech Republic had two steps: delimitation of SPA and delimitation of pSCI. The main problem was the extent of protected areas and their delimitation. The Czech Republic has a specific system of biotopes maps, whose creating proceeded during years 2000 – 2004. Those maps were used for delimitation of Natura 2000 areas. Agency for nature and landscape protection of the Czech Republic (AOPK) and Czech union for Ornithology proposed and delimited SPAs. AOPK discussed implementation of proposed SPAs with landowners and users in 2003.

New 38 SPAs was declared in government degrees (See Annex 2) at the end of year 2004 and at the beginning of year 2005. The next step was proposition and delimitation of SCI for plant and animal species and habitats. Ministry of environment proposed 883 SPAs localities to government and the government approved 863 of them in December 2004.

These areas were proposed to European Commission through Ministry of Environment in February 2005.

Data source: *RDP of the Czech Republic for 2007-2013 (version from January 2007)*
www.Natura2000.cz
www.ochranaprirody.cz

22. Could you consider administration complexity of calculation?

a) How many institutions are involved into payment calculation:

AL:

1

2 – 3

more than 3

Write their names:

VUZE – Research Institute of Agricultural economics

FL: *will be added*

1

2 – 3

more than 3

Write their names:

b) How many institutions are involved in making observations / controlling / testing of payments (*e.g. second institution providing their own calculation for comparison, testing of payments in some farm-models, survey among farmers provided by association, control and comments from group of advisors etc.*):

AL:

0

1

2 – 3

more than 3

Write their names:

MoA as managing authority is responsible for correct implementation RDP in the framework of the EAFRD, but in fact no other institution does the calculation control.

FL: *will be added*

0

1

2 – 3

more than 3

Write their names:

23. Write down state rules and regulations which define Natura 2000 measures in your country:

NATURA 2000 payments on agricultural land (213)

National:

Due to very wide list of regulations, these are attached in annex 2.

We add in the annex 2 all legislative regulations connected with Natura 2000 to be seen how complex is regulatory environment in CZ. For example, the particular birds' areas have been delimited subsequently – 38 Government Decrees till today.

But only selected the most important regulations are expected to be mentioned here.

Regional (if you use this segmentation, e.g.: in Germany and in Italy)

Not applicable

NATURA 2000 payments on forestry land (224) Will be added

National:

.....

Regional (if you use this segmentation, e.g.: in Germany and in Italy)

.....

If you have any additional comments on the survey, please use this box:
(It is expected to add here: remarks and comments of the interviewee that cannot be included in the questionnaire, own observations and reflections on the interview, etc...)

From VUZE interview:

- It is sometimes difficult to separate issues between particular RD measures – so some data will be probably mentioned both in this questionnaire for Natura 2000 measures and in questionnaire for AEM.
- There can be problem in a decision in how detail is useful to go (payment calculation, data sources...). Since this questionnaire should serve as an example for other countries we go in more detailed somewhere than it is necessary.

Annex - gathered literature

Please write down short overviews of gathered literature / regulation / RDP focused on Natura 2000 measures and attach their texts in the separate file as an annex for this questionnaire (preferably in English language):

Overview of gathered literature is very long so it is added in Annex 3. The text contains only chosen texts from RDP of the Czech Republic about Natura 2000. This can be used for other partners as a model what to apply to questionnaire.

Annex 1 – GAEC evidence

Issue	GAEC-standards ¹⁾	yes (x)	Description of national GAEC-standards	voluntary obligation ²⁾ yes (x)	Description of national voluntary obligation (Natura 2000 obligations)
Soil erosion	Minimum soil coverage				
	Minimum land management reflecting site-specific conditions	x	Exclusion of cultivating corn, potatoes, beet, broad bean, soy beans and sunflowers on blocks of land or parts thereof with an average slope exceeding 12	No	
	Retain terraces				
	Other standards?				
Soil organic matter	Standards for crop rotations where applicable				
	Arable stubble management				
	Other standards?				
Soil structure	Appropriate machinery use				
	Other standards?				
Minimum level of maintenance	Minimum livestock stocking rates or/and appropriate regimes				
	Protection of permanent pasture	x	Not allowing culture changes of grassland on arable land culture,	No	
	Retention of landscape features	x	Conservation of landscape elements, particularly hedgerows, terraces, groves, lines of trees and grassed thalwegs,	No	
	Avoiding the encroachment of unwanted vegetation on agricultural land				
	Other standards?				
Other standards?	Atmosphere protection	x	Not burning herb remains on blocks of land	No	
	Water protection	x	Working slurry or manure into soil at most 24 hours after its application on arable land with an average slope exceeding 3 degrees,	No	

1) According Council Regulation (EC) No 1782/2003, Article 5, Annex IV.

2) Is there any obligation similar as GAEC-standard for which it is possible to get Natura 2000 payments?

For example: GAEC-standard = min. 5% of arable land is covered during winter.

Natura 2000 obligation = min. 15% of arable land is covered during winter; the payment is calculated in relation to 10% of winter coverage which is going over GAEC standards.

Whole text of **Good agricultural and environmental conditions in the Czech Republic**

- 1) Conservation of landscape elements, particularly hedgerows, terraces, groves, lines of trees and grassed thalwegs,
- 2) Exclusion of cultivating corn, potatoes, beet, broad bean, soya beans and sunflowers on blocks of land or parts thereof with an average slope exceeding 12 degrees,
- 3) Working slurry or manure into soil at most 24 hours after its application, with the exception of supplementary row fertilising of growths using a hose applicator on blocks of land or parts thereof with registered type of arable land culture and with an average slope exceeding 3 degrees, if such an application is not disallowed by special legal regulations,
- 4) Not allowing culture changes of grassland on arable land culture,
- 5) Not burning herb remains on blocks of land or parts thereof.

Annex 2

List of Czech legislation connected with Natura 2000

Act No.	Name
252/1997 Coll.	On agriculture
114/1992 Coll. (218/2004)	On nature and landscape protection and Natura 2000
100/2004 Coll.	On the conservation of natural habitats and wild fauna and flora, control of market with them and other measures for protection of these kinds - CITES
334/1992 Coll.	On protection of agriculture land resources
254/2001 Coll.	Water act
123/1998 Coll.	On right to information about environment
183/2006 Coll.	On landscape planning and building regulations (building act)
246/1992 Coll.	On animal protection against torture
166/1999 Coll.	Veterinary act
449/2001 Coll.	On hunting
289/1995 Coll.	Forest act
Gov. Decree No.	Name
241/2004 Coll.	About conditions for help for areas with environmental restrictions
132/2005 Coll.	This sets national list of Sites of Community Importance. This Government Decree has 863 annexes (one for each area).
Notice No.	Name
227/2004	Declaratory statute for Act No. 100/2004 Coll. on the conservation of natural habitats and wild fauna and flora, control of market with them and other measures for protection of these kinds – CITES
152/2006	On devious progress for bird protection and except from basic protection conditions of special protected bird kinds and for their marking
432/2005	On assessment of conditions and the method of administration of financial refund for loss caused by limitation of agriculture farming
335/2006	On assessment of conditions and the method of administration of financial refund for loss caused by limitation of forestry farming
166/2005 (390/2006)	Declaratory statute for Act No. 114/1992 Coll. on nature and landscape protection and with consequence with Natura 2000
395/1992	Declaratory statute for Act No. 114/1992 Coll. on nature and landscape protection

Government Decrees for limitation of area of conservation of wild birds

Government Decree No.	Area
687/2004	Beskydy mountains
608/2004	Bohdaneč pond
19/2005	Boletice
20/2005	Broumov
21/2005	Bzenecká Doubrava
598/2005	Českolipsko – Dokeské sandstones and wetlands
688/2004	Doupovské mountains
609/2004	Hlubocké enclosures
686/2004	High Vsacko
22/2005	Hostýnské hills
604/2004	Hovoransko – Čejkovicko
603/2004	Jaroslavice ponds
599/2004	Jeseníky mountains
605/2004	Jizera mountains
679/2004	Komárov
685/2004	Králický Sněžník
600/2004	Giant mountains
684/2004	Křivoklátsko
683/2004	Labe sandstones
601/2004	Lednice ponds
533/2004	Libavá
23/2005	Litovelské Pomoraví
24/2005	Novodomské peatland
602/2004	Novohradské mountains
532/2004	Orlické Záhoří
682/2004	Pálava
534/2004	Podyjí
25/2005	Poodří
606/2004	Rožďalovické ponds
535/2004	Řežabinec
26/2005	Soutok-Tvrdonicko
27/2004	Middle pond of Nové Mlýny
681/2004	Šumava mountains
680/2004	Třeboňsko
607/2004	Otava and Vltava rivers valley
530/2004	Nechranice pond
28/2004	East Ore mountains
531/2004	Žehuňský pond – enclosure Kněžičky

Annex 3

a. Payments within Natura 2000 agricultural areas

Legislative framework

The sub-measure “Natura 2000 payments” has been designed in conformity with Article 38 of Council Regulation (EC) No 1698/2005.

The support to Natura 2000 areas has been granted in the Czech Republic in conformity with national provisions laid down in Act No. 252/1997 Coll. on agriculture, as amended.

Following the Czech Republic’s accession to the EU, Government Decree No. 241/2004 Coll. was issued to implement the Horizontal Rural Development Plan (according to Article 16 of Council Reg. (EC) 1257/1999) and the above-mentioned Agriculture Act. Through this Decree, support to less-favoured areas and areas with environmental restrictions has been implemented in the period 2004 - 2006. As Natura 2000 areas were delimited by individual Government Decrees only towards the end of 2004, the compensatory allowance for areas with environmental restrictions (E areas) has been granted from 2005.

Profile of the sub-measure

This sub-measure provides support to farmers farming in Natura 2000 areas (areas declared according to Council Directive 79/409/EEC and areas declared according to Council Directive 92/43/EEC) and at the same time in the first zones of NPs and PLAs. The support is provided in order to conserve rural landscape, to encourage environmentally friendly farming systems and to help to assure adequate levels of farmers’ incomes.

Objectives of the sub-measure

Protection of biodiversity, in particular of:

1. bird populations
2. agricultural land with high nature value
3. species composition of growths

Sustainable use of agricultural land and protection of other natural resources (especially water sources).

Definition of supported areas

The supports are provided on the entire territory of the Czech Republic in areas delimited as Natura 2000 areas which are at the same time located in the first zones of NPs and PLAs.

Scope of the sub-measure

Sub-measure	Possible scope	Expected scope	Targeted at
Payments within Natura 2000 agricultural areas	10 000 ha	8 000 ha	Natura 2000 areas in the first zones of NPs and PLAs

Conditions for the granting of support

An applicant for the support shall meet the following conditions:

- He/she shall farm at least 1 ha of agricultural land used as grassland in a Natura 2000 area in the first zones of NPs and PLAs.
- He/she shall enter into the sub-measure with at least 1 ha of agricultural land used as grassland.
- He/she shall undertake to pursue farming for at least 5 years from the first payment of support, with the exception of cases of force majeure, and the farming shall be pursued at least on the minimum area which is required for entry into the sub-measure

Description of management

- The applicant shall farm in conformity with good agricultural and environmental conditions laid down in accordance with Article 5 and Annex IV of Council Regulation (EC) No 1782/2003. These requirements are set out in Annex 2.
- In the calendar year concerned, the applicant shall utilise for a set period of time the agricultural land, for which he applies for support.
- The applicant shall assure that grasslands are grazed or mowed at least twice a year (in justified cases once a year) within fixed deadlines. The mowed biomass shall be removed from the parcel.
- Application of fertilisers or farm manure shall be avoided. In the case of pasture, grazing livestock may supply at most 30 kg N per hectare of grazed area.
- After the Czech Republic's transition to the single payment scheme, the applicant shall within his entire holding comply with the binding requirements according to Article 4 and Annex III of Council Regulation (EC) No 1782/2003 (cross-compliance).

Categories of beneficiaries

The beneficiary is a natural or legal person pursuing farming in its own name and at its own responsibility, farms registered agricultural land, meets the criteria for participation in the measure and meets the conditions for participation in the sub-measure.

Method to determine the support

The amount of the compensatory allowance shall be determined as a 100% compensation of the income foregone due to reduced production caused by ban on fertilisation in the areas in question. In view of the fact that in Natura 2000 areas in the first zones of NPs and PLAs the priority objective is not to perform intensive farming, the compensatory allowance is determined only in relation to extensive grassland management.

Type and amount of support

The support has the form of a compensatory allowance provided as an amount in CZK per hectare of grassland in Natura 2000 areas in the first zones of NPs and PLAs.

The rate of compensatory allowance in Natura 2000 agricultural areas

	Per hectare of eligible area
Natura 2000 areas in the first zones of NPs and PLAs	112.64 EUR / ha (i.e. 3 355 CZK/ha)

*Exchange rate 29.784 CZK/EUR

Progress of payment calculation

Income foregone from decreased production	CZK/ha
Income with typical fertilisation level (80 kg N/ha)	6,517
Income with decreased fertilisation level (0 kg N/ha)	3,163
Total income foregone	3,354
Proposed amount of support (100% income foregone)	3,355

b. Payments within Natura 2000 forest areas

Within this measure, the following one sub-measure is proposed "Conservation of a forest management group from previous production cycle".

Legislative framework

The measure has been designed on the basis of Article 46 of Council Regulation (EC) No 1698/2005 and in conformity with an implementing Commission Regulation and applicable national legislation.

In the Czech Republic, the Natura 2000 areas are delimited according to Council Directive 79/409/EEC (on the conservation of wild birds) and Council Directive 92/43/EEC (on the conservation of wild fauna and flora).

The measure will contribute to fulfilment of the strategy of the National Forestry Programme from the year 2001.

Objectives of the measure

Addressing a specific handicap of forest owners

Increasing the environmental value of forests

Sustainable use of forest land

Improvement of the environment and landscape.

Sub-measure: Conservation of a forest management group from previous production cycle

Profile of the sub-measure

Conservation of natural habitats protected by European legislation by supporting on selected areas the conservation of current optimum structure of basic tree species or current management type of the forest.

Scope of the sub-measure

Sub-measure	Possible scope	Expected scope	Targeted at
Conservation of a forest stand management group from previous production cycle	200 000 ha	37 000 ha	Natura 2000 forest areas

Definition of supported areas

The measure may be implemented on the entire territory of the Czech Republic according to the delimitation of Natura 2000 areas.

Conditions for the granting of support

- Together with his application, the applicant shall submit a project complying with applicable legislation,
- The applicant shall undertake to give to the author of a new forest management plan a requirement that within the groups of stands on the forest parcel entered into the submeasure, the current management group or current management type of the forest is conserved,
- The forest parcel shall be located within a territory delimited as a site of European importance or a bird site,
- The entire group of stands of the forest parcel, in which the new forest management plan prescribes forest regeneration after a planned felling or from an existing unstocked area, shall be included into the sub-measure according to laid down regulations,
- The applicant shall undertake to observe the sub-measure's conditions on the forest land entered into the sub-measure for at least 20 years,
- For the group of stands entered into the sub-measure, the beneficiary shall, in the event of forest regeneration and throughout the duration of the commitment, observe the species composition recommended for the regeneration or the method of regeneration by means of suckers.
- Together with his application for support, the beneficiary shall submit to the payment agency annually a notification certified by a professional forest manager that the prescribed species composition or the method of forest regeneration by means of suckers have not been changed on the forest parcels entered into the measure.

Categories of beneficiaries

The following may be beneficiaries of the support:

- Private forest land owners
- Associations of private forest land owners with legal personality.

Method to determine the support

The support shall have the form of a payment per technical unit.

The support shall be provided annually for a period of 20 years as a compensation of the income foregone due to a reduced economic use of forests.

Type and amount of support

The rate of support shall amount to 60.44 EUR/ha (i.e. 1 800 CZK/ha) of forest per year.

Exchange rate of 29.784 CZK/EUR

The EU contribution shall amount to 80% of public sources.

The Czech Republic's contribution shall amount to 20% of public sources.

Calculation of payment proposal for sub-measure management system of retention of forest stand from the previous production cycle

In the case of the negotiated management system of retention of forest stands from the previous production cycle losses are created for forest from reduced economic utilisation of the forest, as a result of lower average felling increment (PMP) of forest stands compared to possible PMP. In the period of the of new forest management plan creation (FMP) for clearings or current fellable stands the forest owner has the option in compliance with Decree No. 83/1996 Coll. to decide whether trees with higher PMP will be planted where currently there are trees with a favourable environmental impact but low PMP. Thus for CHS No. 41, 43, 45, 47, 51, 53, 55, 57 and 73 after felling current beech stands, it is possible to establish a subsequent stand with a predominance of spruce. Similarly for CHS No. 19, 21, 23 and 25 currently low forest systems (created by shoots from stumps) can be replaced by high forest systems (created from seeds and seedlings).

A significant economic factor for forest owners are the costs of establishing the subsequent forest stand, which are significantly higher for deciduous trees due to the necessity of making fencing significantly higher than for coniferous trees (for instance for beech twice as much as compared to spruce). Paying additional costs for the establishment of deciduous stands would be very stimulating, but it could collide with contributions for forest management provided by regional offices. For shoot regeneration, in contrast, there are much lower afforestation costs, which are for oak the highest for all trees. The payment calculation has been performed according to the formula:

$$P = (Hlpu1 / u1 - Hlpu2 / u2) \cdot u1/d$$

Where:

P = the annual payment for sub-measure management system of retention of forest stands from the previous production cycle in CZK/ha,

Hlpu1 / u1 = value of PMP composition of wood or form of forest in the previous production cycle in CZK/ha,

Hlpu2 / u2 = value of PMP of the possible composition of wood or possible form of forest in the next production cycle in CZK/ha,

u1 = rotation of the previous production cycle in years,

d = the number of payments (20).

Total annual payment CZK 1,800

Density of 0.9 was applied to the calculation, which typical for density of stands of fellable mature stands, a deduction from the value of the growth due to decomposition of core stock proportionate to age and assessment level of the wood.

The forest owner can take a decision about management system only in the creation of the FMP for a fellable mature stand or existing clearing. If a stand is already established a change in the management system is possible only after felling the subsequent stand. For this reason it should preserve payment in the amount of the difference between the possible and voluntarily chosen PMP for a rotation period as long as it is for the current stand, i.e. the agreed twenty-year period. The interest coefficient of 0.0612 has not been applied to the payment since the loss does not occur only in the first year of the period, but in the whole time of the rotation period.