Policies, Institutions and landscape change in Austria

Veronica Gaube

University of Klagenfurt

Austria
Introduction

This report summarizes the transposition and the implementation of the Habitats Directive and the CAP pillar 2 Agri-environmental measures in Austria. It is a supplementary work to the Volante WP2, as resources was not allocated to this task within the project. This implies that the issues are not exhaustively treated, but main lines have been described.

Implementation of the Habitat Directive

1 Introduction

Annex I of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (fauna-flora-habitat directive) lists 198 natural habitat types, of which 65 are listed as priority natural habitat types. Priority natural habitat types refer to habitat types within the European territory of the member states which are in danger of disappearance. Special areas of conservation are to be designated for the natural habitat types listed in Annex I and the species in Annex II of the FFH directive in order to create a coherent European ecological network. The title of this network of protected areas is Natura 2000.

In Austria 65 habitat types (around a third of those listed in Annex I) can be found. 23 out of these are priority habitat types according to the FFH directive, 42 are not. Of the 65 habitat types 17 are forests, 14 are natural and semi-natural grassland formations, 11 are rocky habitats and caves, 9 are freshwater habitats, 8 are raised bogs, mires and fens, 3 are temperate heath and bush habitats, and there is one coastal and halophytic habitat, one coastal sand dunes and continental dunes habitat and one sclerophyllous scrub habitat. With plant and animal species, listing their scientific names is usually sufficient for their precise identification. With habitat types, a description of the site factors and of the species characteristic of individual habitat types is necessary for their precise definition. Based on the description of the CORINE biotopes, an interpretative manual of FFH habitat types has been written on behalf of the EU Commission which gives short definitions of characteristic plant species and cross-references to plant communities.

National nature conservation concepts preceding the Habitats Directive

In Austria nature conservation is placed under the jurisdiction of each of the nine regional administration bodies, the federal provinces. The federal provinces support the management of protected areas, the supervision of generally protected habitats and the implementation of protection programmes for ensuring the protection of species and biotopes. In addition, numerous other matters having an impact on natural resources and “nature’s household” ecology such as hunting, fishing and environmental planning fall under the competence of the federal provinces. In Austria many precious habitats are generally protected, i.e. without having any special designation as protected areas. Hence wetlands, water bodies and their shore lands as well as the Alpine biotopes and glaciers are placed under protection in large parts of Austria. Apart from the areas that are generally protected, there are conservation areas protected by legal ordinances covering 25 per cent of the Austrian territory. The designation types “nature reserve”, “protected landscape area” and “natural monument or site” are the most widely spread designation types. Various other types –
altogether there are 14 different designation types with varying extent of protection – are limited to one or more federal provinces. For each protected area the corresponding protection regulations are laid down in special ordinances.

The very first nature conservation laws on the comprehensive protection of nature in Austria were enacted back in 1930. The designation of nature reserves under modern standards commenced in 1950. In the decades that followed both number and area of nature reserves in Austria have risen continually. The Austrian nature conservation laws define a nature reserve as “a natural self-regulative ecosystem with a high biodiversity and structural diversity which maintains the survival of populations of species in their natural habitats.”

Austria’s Natura 2000 areas have shares of the Alpine and continental biogeographic region. Austria has designated relevant areas for each of these regions that cover around 16 per cent of the federal territory. For a series of Natura 2000 areas LIFE nature conservation projects were/are being carried out that are co-financed by EU funds.

2 Policy Instruments and measures

Before the implementation of the Habitats Directive

Most of the N2000 sites in Austria have been protected or managed for nature conservation before the implementation of the HD:

National parks
National parks have a special position within the Austrian nature conservation policy. They are significant not only for Austria, but are also of international interest. So far, six of Austria’s regions have been designated as national parks since 1992. Covering an area of 2,356 sq km, the national parks make up 2.8 per cent of the Austrian federal territory.

Nature reserves
Beside national parks, nature reserves are among the most strictly protected areas in Austria. The protection regulations for each of the areas are laid down in special ordinances. Essentially, any intervention in the natural ecology is forbidden. As regards farming and forestry, hunting or fishing, special regulations are laid down. In Austria there are currently 377 nature reserves. Their total area is around 3,275 sq km covering 3.8 per cent of the federal territory.

Protected landscape areas
The majority of the protected areas in Austria, covering an area of 9,120 sq km or more than 10 per cent of the federal territory, are protected landscape areas. These are to a large extent semi-natural areas with outstanding landscape features and a high recreational value. The protection’s objective is to maintain the landscape’s appearance and ensure recreation and tourism.

Nature parks
The objective of Austria’s 36 nature parks is to convey knowledge on nature, accordingly, central focus in placed on their educational and recreational value. In many nature parks nature conservation is additionally combined with sustainable agriculture. In doing this an impetus is given to regional development.

Ramsar areas
Austria has been a contracting party to the Ramsar Convention since 1983, and has meanwhile designated 11 Ramsar areas. Their objective is to protect wetlands. The Austrian Ramsar areas cover
a total area of around 118 sq km or 1.4 per cent of the federal territory. The areas include Austria’s most important wetland habitats such as e.g. Lake Neusiedler See along with the salt marshes in Seewinkel, the floodplains of the Rivers March and Danube or the Rhine delta of Lake Constance.

**Biosphere reserves**

The UNESCO designates biosphere reserves or biosphere parks within the framework of the programme “Man and biosphere”. They extensively protect precious sections of cultural landscapes where special parts of natural landscapes are embedded. The preservation of nature, sustainable agriculture and environmental research are in the foreground. In Austria there are five biosphere reserves covering an area of 468 sq km (0.6 per cent of the federal territory). A further biosphere reserve was currently implemented for the Vienna Forest.

**Biogenetic reserves**

The network of biogenetic reserves goes back to an initiative of the European Council and is one of the chief instruments for implementing the Bern Convention, an international nature conservation treaty on the protection of European animal and plant species and their habitats. In Austria 56 biogenetic reserves have been established covering 173 sq km and around 2.1 per cent of the federal territory.

With Austria’s accession to the EU in the year 1995, the HD became effective immediately without any transition period. As nature conservation is placed under the jurisdiction of each of the nine federal provinces nine partly very different ways of transposition into national laws (nature conservation, hunting and fishing) took place. By May 2007 the EC came to the conclusion that the HD was insufficiently implemented (to different extends) in Austria which resulted in a treaty violation proceeding with a conviction of Austria. By 2008 it can be considered to have achieved a more or less full implementation of HD into the nine federal laws. The most severe change is the fact that since 2010 nature conservation is legally implemented in the land use regulation of the federal provinces. This is a major step as it takes nature conservation finally out of the ‘grey zone’.

**Instruments and measures under the Habitats Directive**

Nature conservation is in legislation and execution in the competence of the provinces. Therefore the two EU directives had to be implemented in each of the nine provincial state laws. The most important were the conservation-, the hunting-, the fishing, the National Park and the spatial planning- and land use planning laws and their compulsory and advisory critical levels.

http://www.umweltbundesamt.at/umweltinformation/naturschutz/sp/n2000/

In the following concrete examples of three provinces in Austria:

In **Lower Austria** the HD was implemented into national law through the following 5 laws:

- NÖ Regional Planning Act 1976 (NÖ ROG 1976), LGBl. 8000, idF LGBl. 8000-15, 23.5.2002
- NÖ fishery law 2001 (NÖ FischG. 2001), LGBl. 6550-0, 29.3.2000
- Corridor development law (Flurverfassungs-Landesgesetz) 1975 (FLG), LGBl. 6650, idF LGBl. 6650-5, 30.1.2002
In Upper Austria the HD was implemented into national law through the following 5 laws:

- OÖ Regional Planning Act 1994 idF. LGBl. 1/2007
- OÖ Fishery law 1983 idF. LGBl. 61/2005 (LGBl. 64/2008, Novelle, derzeit in Bearbeitung)
- OÖ Game law 1964 idF. LGBl. 138/2007
- OÖ Species conservation act idF. LGBl. 65/2008

Also, in Salzburg the HD was implemented through adaptations of the Nature Conservation Law, the Game Law, the Fishery Law and the Regional Planning Act. Even in all other federal provinces similar laws and acts were adapted. As all these regulations are under the jurisdiction of the provinces the concrete definition of the laws themselves as well as the adaptation for the HD implementation differ between the nine provinces.

**Criteria for Habitat area designations**

Austria’s federal provinces handled the implementation process of Natura 2000 areas differently. In Lower Austria, for example, Natura 2000 areas have been defined by experts before informing the users, leading to a share of Natura 2000 areas of 20%. Other provinces such as Upper Austria, defined the areas in co-operation with the users from the beginning onward. In that case only 5% of Upper Austria is defined as a Natura 2000 area. This points to the fact that area designation is not only driven by ‘objective’ evaluation but also subject to (political) negotiation.

**Natura 2000 designations**

As mentioned above, site selection is based on the legal situation in Austria by the nine federal states. In the selection of areas was to ensure that the habitat types in Annex I and the species covered by Annex II of the Habitats Directive and the Birds Directive. A habitat is regarded as covered sufficient when its total area is contained up to 60% in the proposed sites. If less than 20% of the total area of habitat is recognized in the fields, it is considered an insufficient representation.

In Austria, a total of 218 Natura 2000 sites have been nominated, they occupy almost 15% of the federal surface (> 12.000km²). Of these areas are 159 legally prescribed (March 2010). Each Natura 2000 area is legally adopted one by one. Still, experts argue that nature conservation or protection should not be limited to Natura 2000 areas. In Austria nature conservation is obligatory only for Natura 2000 areas while in other regions nature protection is voluntarily, financed via the agri-environmental programme ÖPUL. A region-wide mapping of areas deserving nature protection (apart from Natura 2000) is still missing.
Fig 1. Natura2000 areas Austria 2012: dark green areas = existing Natura2000 areas, signs – proposed new Natura2000 areas.

Measures for Natura 2000 sites

1. In general, the regulation of specific measures for protection is automatically given through the designation of an area for a specific nature conservation type (see 1.4!)
2. Subsidies for landscape care through land owners in N2000 sites (paid by the province and municipalities)
3. Subsidies for rural development ((1) management and cultivation plans, (2) biotope conservation, (3) conservation plans, (4) infrastructure for recreation and knowledge transfer, (5) organisation of informative events
4. ÖPUL subsidies (Austrian Programme for environmental friendly agriculture) which represent the national implementation of the CAP and includes one measure for the “Maintenance and development of nature conservation essential areas”.

N2000 planning

The nine provincial governments (respectively the Departments for Nature Conservation) are responsible for the planning. They authorize nature conservation agencies with designing N2000 plans and finally it is again the provincial government that decide which sites are nominated as N2000 sites. As soon as an area is designated as N2000 site a regional coordinator is implemented by the provincial government. This coordinator should serve as a regional “contact point” and as a communicator between stakeholders and the provincial government. Additionally, the regional coordinator is responsible for the controlling of measures.
Assessment of implications and notification (dt. Verträglichkeitsprüfung und Meldung)

In general, existing land use practices are not subject to nature conservation law but to cross compliance measures. For significant changes within land use practices, defined as ‘projects’, the municipality must be notified on an initialization of the activity in the vicinity of the Natura 2000 site in order for the authority to evaluate if the activity will have negative implications for the site. The activities relate specifically to agricultural and forestry practices and changes in these, and it establishes the law basis for defining the character if the activities under this regulation. They are especially related to diffuse emissions of nitrogen and to critical emissions of phosphorous. The list include activities such as plantation of Christmas trees, changes to the state of §3 nature types which are smaller than the size limit evoking protection, deforestation in deciduous forest as well as changes in the composition of species, cultivation of grassland in birds protected sites, changes in grazing intensity and of cessation of grassland management like mowing, changing of the use of manure, among others.

Agreements with landowners

According to experts, landowners hardly get financial support for nature conservation. Only few projects get money out of the LIFE fund, usually in areas managed by rather committed co-ordinators. Also, bigger farms seem to get more money related to the HD setting aside a high share of the land they are owning. According to experts, this money could be used more efficiently by supporting (small) farmers who actively maintain cultural landscapes and biodiversity. Most activities related to nature protection are, however, financed via the agrarian budget, mainly via the agro-environmental programme ÖPUL

3 Delegation of roles

Designations

The Natura 2000 areas relate both to the Habitats Directive and the Birds Directive. The responsibility for the designations rests with the nine provincial governments (respectively the Departments for Nature Conservation). As mentioned above, the federal provinces handled the implementation process of Natura 2000 areas differently. In Lower Austria, Natura 2000 areas have been defined by experts before informing the users, leading to a share of Natura 2000 areas of 20%. Other provinces such as Upper Austria, defined the areas in co-operation with the users. In that case only 5% of Upper Austria is defined as a Natura 2000 area. However, a region-wide mapping of areas deserving nature protection apart from Natura 2000 is still missing in most provinces.

Monitoring

The monitoring is clearly regulated via obligatory reports to the European Community. On the one hand it is shown which areas have been selected as N2000 areas and whether there has been any deterioration of protected areas. On the other hand, an Austrian national monitoring-concept is currently being prepared. Based on this national concept, there will be specific monitoring practices for the various areas under protection. These should entail both specific, targeted samples as well exhaustive surveys. 

Planning

The nine provincial governments (respectively the Departments for Nature Conservation) are responsible for the planning. They authorize nature conservation agencies with designing N2000 plans and finally it is again the provincial government that decide which sites are nominated as N2000 sites. As soon as an area is designated as N2000 site a regional coordinator is implemented by the provincial government. This coordinator should serve as a regional “contact point” and as a communicator between stakeholders and the provincial government. Additionally, the regional coordinator is responsible for the controlling of measures. Nearly all provinces have such coordinators. In some provinces, such as Lower Austria, they are missing; a fact that aggravates controlling as well as implementation processes and the acceptance of stakeholders.

Nature projects

Nature conservation as regards to N2000 areas seems to be widely defensive in Austria. This is to say that innovative projects mainly evolve in areas with active coordinators or in less favoured areas where nature conservation serves as a source for an additional income. In other regions activities serving nature conservation are often seen as a hindrance to everyday agricultural practice. This makes once more obvious that active and committed coordinators and local politicians that closely work together with the farmers are of major importance.

Stakeholder engagement

After the designation of the N2000 areas hearings, consultations, workshops, information evenings, discussion rounds have been organised by the Department for Nature Conservation of the Provincial Governments – mainly to calm down the - in many cases upset - land owners and citizens. In Austria the debate on the implementation of N2000 areas was and still is a very emotional discussion.

The implementation of management plans require in all nine provinces the integration and involvement of actors and stakeholders right from the beginning of the development. The way how they are integrated differs. Some provinces defined N2000 areas together with the stakeholders, some without. This led on the one hand to different shares of N2000 areas. On the other hand it influenced stakeholder’s acceptance regarding nature conservation. In those areas where farmers and other land tenures were involved in the designation process, stakeholders are more open to measures related to nature conservation. Regional coordinators play an important role as regards to mediating the benefits of nature protection to farmers. Experts argue that cooperative projects between farmers and experts for nature protection, as fostered via the ÖPUL, played - and still play - a significant role in creating win-win situations for farmers and nature, fostering farmer’s acceptance for nature protection. Thus, regional coordinators that support, facilitate and foster planning processes in which farmers or other land tenures and experts for nature protection cooperate would be essential for integrating nature conservation and agricultural practices on a wider scale.

Advisory or coordination bodies

Coordinating bodies are the provincial governments (following the respective Nature Conservation law and Spatial Planning Act) and municipal authorities who are in charge of implications and notifications.
4 Financial aspects

Financial resources were allocated to the different measures:

2000-2006: 18 projects with an EU contribution of EUR 24,550,799 (from LIFE+ fund)
2007-2013: EU contribution of EUR 3,509,000 (from LIFE+ fund)

These resources were not derived from the nature conservation budget but mainly from other sectors such as agriculture, spatial planning and water management and were coming from:

- EU CAP
- EU Rural development program or Structural Funds
- National budget (ÖPUL)
- Provincial
- Local budgets


5 Landscape and land use impacts

General nature management and landscape and land use impact

In general experts claim that N2000 areas are of special use as regards to maintaining biodiversity and the characteristics of specific landscapes. More challenging are those areas which deserve nature protection but are not designed as N2000 areas. In this regard the Austrian agro-environmental programme (ÖPUL) has proofed to be more effective. It ensures a slow-down of land use change in the sense that areas which are difficult to be managed, such as for example steep slopes, can be maintained and further afforestation (that potentially reduces biodiversity) or degradation can be partly prevented.

6 Evaluations and identification of implementation barriers

Implementation barriers

The different interests of the nine federal provinces still aggravate a national coherent strategy and implementation process. Also, as experts claim, communication between the parties involved, e.g. farmers and national or municipal agencies could be improved. Most important seems to be servicing and information on the farm level. First, one would have to prove which farms should be approached. Experts stress three farm-types that would be worse focusing on: First, ‘dying farms’ that still maintain unprofitable grassland and meadows. Second, younger farms that might apply more intensive land use practices but still appreciate income deriving from nature protection. Third, farms that show no interest at the first glance. In cooperation with the chamber for agriculture more information should be provided for these farms.

More cooperation between farmers, politicians and experts from beginning onward is needed as well as more financial resources. In Austria the financial budget for nature protection as regards to forestry is rather low (compared to agriculture). As areas that are not cultivated anymore are usually afforested, also the forestry sector should increasingly contribute to nature protection.
Discussion

- In general, nature protection in Austria has become widely accepted by the various stakeholders. Still, the political will, especially at the local level, could and should be improved. Local authorities should be actively supported by the agricultural chamber in order to become more active and committed themselves. This could avoid the often arbitrary outcomes of environmental impact assessments.

- Further, a more coherent nation-wide handling of the HD and of the management of N2000 areas as well a nation-wide bio-physical mapping would reduce the impact of individual (political) interests and foster a common, nationwide monitoring and amelioration of the state of the environment.

- Finally, a constructive cooperation between farms, experts, local authorities and the agricultural chamber would provide a stable foundation for creating win-win situations for both, nature and land-users.
Implementation of CAP/EU Agri-environmental measures

1 Introduction

The aims of Austrian agricultural policy are summarized in the Agriculture Act of 1992 (amendments in 1995 and 1996): Maintaining a rural scale farming in an intact rural area, increasing employment combinations between agriculture and other sectors, market orientation in production, processing and sales, promotion of agriculture as compensation for natural disadvantages, security of supply of high quality food products, keeping clean of soil, water and air, preserving the landscape, protection from natural disasters and other. In connection with the agrarian reforms of the European Union, which Austria joined in 1995, the previous system of market price support by direct compensation was replaced ([http://www.aeiou.at/aeiou.encyclop.a/a160968.htm](http://www.aeiou.at/aeiou.encyclop.a/a160968.htm)).


The 1992 CAP reform introduced accompanying measures which were directed towards limiting the adverse effects of the reform of market regimes (price drops and introduction of crops and livestock premiums). Since then, funds allocated for such measures have taken up an ever increasing part of farm payments. Farm commodity prices that had been kept at high levels via government intervention were reduced significantly with a view to controlling excess production. In order to restrict to a minimum the resultant effects on farm incomes, premiums were introduced which were linked to the amount of land used for production and the number of livestock.

Direct production incentives of higher prices were reduced, but it is still necessary to produce some crop such as wheat in order to get a crop premium. Additional premiums are granted when specified animals are slaughtered (bulls, oxen, calves, cows, heifers) or reared on the farm (suckler cows and heifers) and an extensification premium is granted when the number of livestock per hectare of land is below a specified limit.

The European Commission planned to decouple these premiums from production and to grant a transfer for the farm instead (dubbed "single farm payment"). This subsidy would be paid even if a farmer chose to produce nothing, as long as "land is maintained in good agronomic condition". The transfers which would be subject to decoupling (dubbed "crop premiums" or "livestock premiums" or "CAP premiums") are equivalent to more than half of the EU funds spent on agriculture ([http://www.lnvaainfo.nl/static/eng/files/2hash/76/7604a99e6b8692e1c184a310d4e76ab2ae807b5d/QU_2003_03_02_AGRICULTURAL_POLICY.pdf](http://www.lnvaainfo.nl/static/eng/files/2hash/76/7604a99e6b8692e1c184a310d4e76ab2ae807b5d/QU_2003_03_02_AGRICULTURAL_POLICY.pdf)).

Substantial price reductions for cereals and beef have been taken in three steps, as well as a reduction in intervention prices. These resulting losses of income were compensated by income support (direct payments). Furthermore, the closure of land to relieve the markets was encouraged.

Joining the European Community in 1995, Austria introduced the ‘Austrian Program to promote agricultural production methods compatible with the requirements of the protection of environment, extensive production, and the maintenance of the countryside’ (see Netzwerk Land, 2010, engl. 2011 ‘What farmers are doing for the environment’), known as ÖPUL. This agri-environmental program has since been co-financed by the European Community. It ‘supports the
farmers in order to ensure that they can produce healthy domestic foodstuffs and preserve at the same time our natural bases of life and tends our landscape. (…) additional services resulting from the additional work in favor of the environment and the cultivated landscape as well as income losses are compensated for’ (Netzwerk Land 2001). ÖPUL has since been a strong measure to slow down land use changes in Austria’s periphery, especially in hilly areas with their steep slopes that are hard to be managed. It has been amended in 1998 and 2000, adjusting the various measures to each other and further strengthening small scaled agriculture.

3 RDP 2000-2006

The Rural Development policy in Austria is under the responsibility of the Federal Ministry of Agriculture, Forestry, Environment and Water Management. The policy is defined in the Austrian National Strategy Plan (NSP) for Rural Development and a single Rural Development Programme (RDP) covering the whole country. It aims to deliver multi-functional, sustainable and competitive agriculture and forestry in thriving rural areas. (http://enrd.ec.europa.eu/country/austria/en/austria_en.cfm). ÖPUL is part of this RDP, focusing on agriculture’s environmental services.

Decoupling direct payments from farm production is a prerequisite for further negotiations within the WTO (in the Doha round) to liberalise international agricultural trade. In mid-December of 2002, the European Commission submitted a position paper for the trade talks (Fischler, 2002) in which it made, i.e., the following proposals:

- a reduction of the average tariff by 36 percent and a minimum of 15 percent per tariff line;
- an average substantial cut in the volume of export subsidies and an average 45 percent cut in the level of budgetary outlays;
- total elimination of export refunds for certain key products (such as wheat, oilseeds, olive oil and tobacco) provided that no other form of export subsidisation is given for the products in question by other WTO Members;
- a 55 percent reduction in “amber box” support (i.e., the most trade-distorting agricultural supports), starting from the level of commitments made in the last round of negotiations.

After the Agenda 2000 Reform this set of measures became part of the rural development programme (CR 1257-1999) which is developing the tools for an "European model of agriculture". This vaguely defined long-term strategy

- aims at strengthening rural development, improving the well-being of the farming community, and tries to achieve efficient and environmentally friendly farming. Elements of this program are agri-environmental schemes, payments for farms in less favoured areas, support for young farmers, investment aids and programmes
- for diversification. The programme is a synonym for the "second pillar of the CAP", the rhetoric alternative
- to the "first pillar of the CAP" (market regimes for specific farm commodities, e.g., intervention, export refunds, production quota). Measures of the "first pillar" are financed solely by the Guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF).

The Agenda 2000 Reform introduced several modifications of the milk market regime. Farm operators (but not the owners of land) are entitled to premiums based on historic payment
entitlements (average of 2000 to 2002). The total of premiums per farm is divided by the sum of the relevant crop and forage area, thus obtaining the average farm premium per hectare. Premiums per hectare therefore vary among farms. Premium entitlements can be transferred to other farms as long as the buyer has enough land (entitlements are linked to a reference land base).

The Reform of the Common Agricultural Policy has specific consequences for the Austrian Agricultural Sector. On the 26th of June 2003 a compromise on the reform of the Common Agricultural Policy (CAP) was reached under the Greek Presidency. Results of model simulations for the Austrian agricultural sector show that many of the concerns of Austrian agricultural policy makers have been accounted for by the compromise. Compared to the original proposal of the European Commission from January 2003 many effects are likely to be conforming better with the Austrian model of agriculture. This achievement is due to the following outcomes:

- Austria will get 50,000 premium rights for mother cows (equivalent to additional 10 million € annually);
- administrative prices will either not be lowered at all (cereals with the exception of rye) or lower to a lesser extent (milk) and
- Austria will get more CAP funds due to modulation, the effort to strengthening the Second Pillar of the CAP (rural development) at the cost of the first pillar (market intervention).
- The longer-term consequences of the reform will be a more competitive farm structure, less people employed in agriculture and a pressure for further reforms e.g., in the sugar policy).
- Price signals from world markets will become more important for the production decisions of European farmers.
- However, even after the reform the total expenditures for agricultural policy will not change, only its composition.

### 3 RDP 2007-2013

Since 2007 all direct payments as well as compensatory payments are coupled to Cross Compliance requirements. With this, a number of ÖPUL-standards became European standard, obligatory for all farmers. Since then ÖPUL financed only those environmental measures that go beyond Cross Compliance requirements. With this, Austria’s focus shifted more towards rural development. This might explain that a large proportion of Austria’s total agricultural budget (EU, and co-financing at national and Länder level) is allocated to rural development funding. In 2007, 37% of the agricultural budget was dedicated to Pillar 1, whilst 59% of total expenditure was allocated towards rural development (through EAFRD and associated national co-financing). In total, €7,822 million has been allocated to Pillar 2 for the period 2007-2013. In addition, 4% of total expenditure on agriculture is spent on a diverse range of nationally financed measures such as premiums for harvest and risk insurances and petroleum tax refunds.

Within the Austrian rural development programme, the majority of expenditure (€5,661 million, equivalent to 72% of Pillar 2 expenditure for 2007-2013) is on Axis 2 measures linked to environment and land management objectives. The main measures within Axis 2 in Austria are:

- compensatory payments for farmers in ‘mountain’ and ‘other’ less favoured areas; and
- the national agro-environment program (ÖPUL).

The new ÖPUL programme began in 2007 and consists of 29 measures which aim to promote ecologically sensitive and extensive forms agriculture as well as maintaining endangered cultural landscapes and supporting organic production. The programme is open to all farmers throughout the
whole country on a non-competitive basis and farmers are able to choose measures suited to their particular situation, although uptake of some basic measures is not optional.

Approximately 75% of all Austrian farms take part in the ÖPUL programme, which means that 87% of Austria’s farmland is subject to some form of agri-environment management. In 2007, around 65% of Austria’s agricultural area was supported by LFA compensatory payments. More than 70% of farms in receipt of LFA compensatory payments were located in mountain areas.

Expenditure on Axis 1 rural development measures is intended to improve competiveness in the agriculture and forestry sectors and accounts for 13.8% of rural development expenditure. Within Axis 1, the focus is on investments for farm modernisation, support for young farmers and the promotion of marketing.

The budget allocated to Axis 3 (dedicated to quality of life and diversification in rural areas) and Axis 4 (Leader) are relatively small: 8.7% and 5.5 % respectively. A significant programme intended to promote local agricultural products typical of certain regions in Austria - the so called “Genussregionen” – is financed partly through Axis 3 measures and partly through national funds.

Whilst Austria’s position towards Pillar 1 is quite clear, the government’s position towards Pillar 2 appears to be relatively ambiguous. For example, Austria has opposed the introduction of higher rates of compulsory modulation whilst at the same time calling for an increase in rural development expenditure. The principle reason for this apparent contradiction appears to relate to national co-financing requirements for rural development expenditure. In Austria, this accounts for a relatively large proportion of CAP expenditure. Austria retains a strong commitment to a Pillar 2 which supports sustainable agricultural management and delivers environmental, social, economic and cultural benefits linked to the maintenance of traditional farming activities. According to experts, this strategy will be even more strengthened after 2013 as the European Community demands a national strategy for holistically managing rural regions.

The CAP Health Check

Austria did not support the Commission’s original proposals for an increase in the rate of compulsory modulation. However, the final (lower) rates of modulation agreed were viewed as an “acceptable compromise” – not least because Austria has a low proportion of large farms and thus compulsory modulation only concerns the 36% of Austrian farmers who receive more than the €5,000 threshold for direct payments above which modulation applies.

Austria also intends to continue using historic reference periods, based on levels of production prior to decoupling, as the basis for calculating direct payments at farm level. It is argued that a transition towards a regional flat rate payment method, as advocated by the European Commission, would unnecessarily complicate matters and increase bureaucracy. In addition, it is likely that the application of a regional model would result in some redistribution of direct payments between farm types and regions. The Austrian Court of Auditors has suggested that small and extensive farms could, on average, experience noticeable losses of income as a result.

The decision to phase out the milk quota system from 2015 has provoked several reactions. The government, as well as the farmers’ lobby, fear that the liberalisation of the EU dairy market will lead to a collapse in Austria’s milk production due to competition from producers in other EU Member States countries which are not subject to the same physical environmental and structural constraints on production. It was argued that a large number of farms, especially those in the less favoured areas, would not be able to survive and that this would have consequences for the economy, employment, and the capacity to maintain current levels of food production (particularly in relation to quality, products of ‘origin’ and variety of products), as well as for tourism, linked to the maintenance of attractive agricultural landscapes. As a result, Austria lobbied intensely for
companying measures to soften the impact of the abolition of milk quotas. Alongside the lobbying of other Member States, this resulted in the restructuring of the dairy sector being added to the list of “new challenges” to be addressed by Pillar 2 in future. In Austria, this has allowed the establishment of a new “milk fund” which includes a Dairy Cow Premium to be made available to farmers from 2010 onwards. Prior to this, the dairy sector in Austria will be supported by national measures funded through the CAP, such as the promotion of investments, indicating the importance attached to the dairy sector in Austria (http://www.cap2020.ieep.eu/member-states/austria#payments).

4 Roles and levels of administration

Austrian agricultural policy makers (the Federal Minister of Agriculture, the Head of the Agricultural Chambers, the Head of the Farmers Union) took a subtly differentiated position. A joint statement on the reform proposal (Molterer – Grillitsch – Schwarzböck, 2003) opposed the degression and dynamic modulation of premiums, decoupling without specific conditions, the lowering of intervention prices, and the farm audit. However, they did not reject the reform proposals entirely. By the end of May 2003, the negotiation position had been formulated in more detail and a compromise proposal for the partial rather than full decoupling, as proposed by the European Commission, was furnished.

Representatives of farmers unions and agricultural co-operatives at EU level criticised the European Commission for exceeding its mandate granted in the Council Decision of the 1999 Berlin summit (Agra-Europe, 2003). They proposed to delay reform steps of such vast implications until the post-Doha round negotiations. In addition, they criticised that new member states were given no opportunity to contribute to the reform (http://www.invaainfo.nl/static/eng/files/2hash/76/7604a99e6b8692e1c184a310d4e76ab2ae807b5d/QU_2003_03_02_AGRICULTURAL_POLICY.pdf).

5 Stakeholders

Besides from the Common Agricultural Policy of the EU's agricultural policy in Austria is also influenced by the following institutions: Ministry of Agriculture and Forestry, Agrarmarkt Austria, the regional governments of the federal states, Chambers of Agriculture and Agricultural Cooperatives (Austrian Raiffeisen Federation) (http://www.aeiou.at/aeiou.encyclop.a/a160968.htm).

6 Financial aspects

In 2002, subsidies on agricultural products totalled € 535 million in Austria (Sinabell, 2003) - an amount that is almost identical to the sum of direct decoupled payments (or partly decoupled payments if Austria opts for retaining part of the subsidies). It represents approximately 10 percent of the total value of output of the agricultural sector at producer prices. The reforms of the common market organization have significant effects on selected markets (cereals, milk, beef) (http://www.invaainfo.nl/static/eng/files/2hash/76/7604a99e6b8692e1c184a310d4e76ab2ae807b5d/QU_2003_03_02_AGRICULTURAL_POLICY.pdf).

With Cross Compliance, many environmental measures related to land use change became part of Pillar 1 and with this mainly financed by the European Union. Still, Austria spends 540 Mio Euro per year on ÖPUL. In general, financial sources related to land use change were derived from national and provincial agrarian budgets and from the European Community.
The European Commission proposed to introduce an instrument known as "degression" which means that part of the farm subsidy will be cut at an increasing rate from 2006 on. By 2012, 12 percent of this subsidy will be retained by the European Commission for further reforms (e.g., sugar beets and olives). Farm subsidies between € 5,000 and € 50,000 are to be reduced at a lower rate, whereas farm subsidies lower than € 5,000 will not be reduced at all (http://www.lnvaainfo.nl/static/eng/files/2hash/76/7604a99e6b8692e1c184a310d4e76ab2ae807b5d/QU_2003_03_02_AGRICULTURAL_POLICY.pdf).

7 Impacts according to the evaluations

The implementation as well as the evaluation of agro-environmental measures are primarily in the hands of the Federal Ministry of Agriculture and the (scientific) institutions that have been authorised by the Ministry (e.g., AMA, Bundesanstalt für Bergbauernfragen, Umweltbundesamt, Netzwerk Land). However, Austrian provinces and the chamber for agriculture as well as researchers are involved in general discussions on the Austrian strategy for rural development. Especially the Chamber plays an important role in terms of providing and spreading information on the various measures (Cross Compliance as well as ÖPUL), making them available for farmers and other stakeholders. Provinces are in charge of implementing regulations concerning nature protection (Natura 2000).

8 Barriers to policy implementation

According to experts, agro-environmental measures are meanwhile widely accepted by the various political actors such as the chamber of agriculture. Still, Austrian politicians demand a simplification and praxis-orientation of the (future) measures and a re-definition of ‘green’ farms that should also comprise those farms that join the ÖPUL (http://www.lebensministerium.at/land/eur-international/gap/gap-2020/GAP.html). Affected stakeholders, usually farmers, are ambivalent. Farmers in disadvantaged areas voluntarily join the ÖPUL as it provides substantial income for them. Farmers in regions favourable to intensive production methods usually only apply obligatory measures. Especially with regard to nature conservation, farmers are sceptical and regard the related measures merely as contra-productive to their daily agricultural practise. What is demanded by experts, farmers and politicians is an amelioration of low threshold services that foster an active cooperation between farmers and experts making visible and understandable what both farmers and the environment could gain from agro-environmental measures.