



Evidence to the Environment and Sustainability Committee Inquiry into Glastir

May 2012

Wales Environment Link (WEL) is a network of environmental and countryside Non-Governmental Organisations in Wales, most of whom have an all-Wales remit. WEL is officially designated the intermediary body between the government and the environmental NGO sector in Wales. Its vision is to increase the effectiveness of the environmental sector in its ability to protect and improve the environment through facilitating and articulating the voice of the sector.

Wales Environment Link values the opportunity to take part in this important Inquiry.

1. Aims and Objectives of Glastir

The primary aim of Glastir is the provision of payment to farmers in order to secure the environmental goods and services that their land provides above the cross-compliance baseline, whilst enabling them to continue productive farming where appropriate. Alongside this primary aim are tangible objects for the scheme to deliver benefits to the Welsh environment. These are:

- To manage soils to help conserve our carbon stocks and reduce soil erosion
- To improve water quality and reduce surface run off
- To manage water to help reduce flood risks
- To conserve and enhance biodiversity
- To manage and protect landscapes and the historic environment
- To develop new opportunities to improve access to, and understanding of, the countryside

If the Welsh Government is to achieve its wider 2020 environmental obligations for water, greenhouse gas emissions and biodiversity in addition to developing sensitive stewardship of landscapes in Wales, Glastir must deliver as intended. The temptation to water down the scheme's effectiveness and objectivity for short term populist or political gain must be resisted otherwise it becomes increasingly unlikely that the scheme will be able to deliver against its stated objectives. For example, vigorous and sustained commitment to the restoration or creation of suitable quality permanent habitats, which will be farmed in an appropriate way, is essential to the success of conservation and enhancement objectives for biodiversity.

It should also be noted that Glastir is the main means of delivering the Welsh Government's target to create 100,000 ha of new native woodland by 2050.

2. Challenges and Context in Biodiversity

The Welsh Government's Wales Environment Strategy declares a firm commitment to achieving its legal obligation of halting biodiversity decline. Following the conclusions of the Axis 2 Review in 2008, Glastir was designed to represent a new contract between the agricultural sector and the scheme provider, in which public benefits, including biodiversity enhancement are purchased. The scheme has been designed, in part, to provide the needs for a number of Principal Biodiversity Species and Habitats identified as priorities for the scheme.

The All Wales Element (AWE), on which this submission focuses, is intended to cater for those species that are widespread yet vulnerable, for example Yellowhammer, Yellow Wagtail, arable plants, Brown Hare, Noctule Bat, Brown Hairstreak and Small Pearl-bordered Fritillary butterflies. However, it must be stated that successful delivery of the Targeted Element (TE) of the scheme, designed to address declines of priority farmland species of most concern is wholly dependent on which AWE options are implemented. The adoption of beneficial AWE options will underpin Targeted Element habitat management whilst the adoption of the wrong AWE options may actually prevent the required TE options from being implemented.

The ability of Glastir to deliver for priority habitats and species was considered during the Sustainability Committee's Inquiry into Biodiversity in Wales (January 2011) and Recommendation 8 states that 'The Welsh Government's review of the Glastir scheme should be utilised to make sure the scheme makes the best possible contribution to the achievement of biodiversity targets.'

If we look more closely at the natural environment in Wales it is clear to see that farmland biodiversity is under incredible pressure. Rapid changes in agricultural management in the post-war period, driven in part by CAP incentives, have resulted in much of the Welsh farmed landscape being unable to provide a sufficient amount or quality habitat for a wide range of species. The Welsh Farmland Bird Index has remained below its baseline level for the last five years. Although there has been some recovery in the most recent year (-3 in 2010 compared with -17 in 2009), this was driven particularly by increases in generalist species such as stock dove and rook that can feed and breed under a wide range of conditions. In fact, the true picture is likely worse than this because some farmland specialists, such as lapwings and ring ouzels, for which previous surveys show large declines (-77% and -69% respectively), are too scarce to be included in the indicator because of current small sample sizes.

Such an approach to managing the farmed environment in Wales is palpably failing to halt and reverse wildlife declines. For example, the current approach is not suitably equipped to meet the requirements of Articles 2, 3 and 4 of the Birds Directive, which collectively are aimed at maintaining the populations of all wild birds across their natural range:

- Meeting the ecological, cultural and scientific requirements of all wild birds (Article 2)
- Taking measures to preserve, maintain or re-establish a sufficient diversity and area of habitats for all wild birds to meet those requirements, including habitat management, re-establishment and creation (Article 3)
- Taking special conservation measures concerning the habitats of Annex I and migratory species to ensure their survival and reproduction in their area of distribution [which logically includes all habitat conservation measures set out in Article 3] (Article 4)

Birds Directive case-law makes it clear that measures deployed to deliver these requirements such as Glastir must be explicit and targeted. By making schemes too generic or building in structural defects that will clearly undermine the aims of such measures, Government risks breaching the requirements of the Directive. The ongoing decline experienced by many farmland bird species in Wales is clear evidence that, to date, these requirements have not been met. Substantive strengthening and re-structuring of agri-environment is required to ensure the ecological requirements of farmland birds and other wildlife are dealt with.

The combinations of management prescriptions that will secure the recovery of many farmland species are known. Failure to act on those prescriptions and to perpetuate wildlife declines must not be tolerated and could constitute a knowing breach of European legislation such as the Birds Directive.

3. Rees Review Panel

WEL has always been a strong supporter of Glastir, and our membership continues to commit substantial time and energy working with Welsh Government to develop the scheme. However, WEL was disappointed to learn that the composition of the **Rees Review Panel** was heavily orientated towards the agricultural sector and that no representatives from WEL were invited to take part until the network specifically asked to do so.

From subsequent participation in the review it became apparent that the main driver for many of the proposed changes to Glastir was an attempt to make commitments under the All Wales Element less agriculturally restrictive, rather than working to enhance the effectiveness of prescriptions. Although WEL was able to support proposals to address the barriers to uptake within Glastir, we were not able to endorse recommendations that presented risks in reducing the scheme's ability to deliver against its key biodiversity and landscape objectives. As a result WEL was not able to sign up to the final report.

It is WEL's intention to work with Welsh Government to overcome these issues. We recognise that Wales has made both gains and losses in the past due to the lack of a national and integrated scheme, which raises the overall environmental standards of land use and landscape stewardship. WEL is keen to champion the development of a scheme to encourage responsible stewardship of the countryside and that seeks to safeguard and enhance biodiversity, cultural and heritage values and the quality and diversity of our landscapes in Wales.

4. Specific Areas of Concern

4.1. Options

WEL was relieved to discover that some of the more detrimental, production based recommendations of the Rees Review, such as paying for liming and the consideration for the inclusion of payments for growing High Sugar Grasses and Maize were not accepted. However, new options, which will have reduced or no positive environmental impact have been accepted. These include:

- Reduced width hedgerow management
- Direct drilling of root crops
- Management of permanent pasture with low inputs (up to 50kg N/ha, which is almost equivalent to the national average)

Until the outcome of the second application window is known the overall impact of the introduction of these new, agriculturally less demanding options will not be fully realised. However, it is likely that in combination with the adopted recommendation of reducing the minimum number of options per contract to three their inclusion will result in a significant number of contracts containing a limited diversity of low environmentally valuable options. This carries with it the considerable risk that a large amount of public money may be spent, yet will deliver very little environmental benefit, as is the case with the English Entry Level Scheme.

This risk also highlights the significant concern that inclusion in the All Wales Element (AWE) will not automatically mean that priority species, requiring management of specific habitats, will benefit.

This will also be the case if farms with priority species do not progress into the Targeted Element of the scheme, which contains the majority of prescriptions, designed to benefit declining farmland wildlife of highest conservation concern. For example, the on-going failure of Government to take action and reintroduce a field scale P-layer for ground nesting waders, designed to ensure that inappropriate land management does not affect breeding sites for species such as lapwing and curlew, remains a significant concern and must be rectified.

4.2. Regional Packages

WEL maintains that the concept of *regional packages* designed to encourage and incentivise farmers to undertake appropriate habitat management for a range of widely distributed but vulnerable species remains sound. However, the limited uptake (approximately 7%) highlights the need, as identified by the initial inquiry, to review the process. The limited uptake may also highlight the need to increase the farming community's awareness of the purpose of the packages and why it is important to provide the full ecological requirements for a species.

4.3. Payment Options

WEL did not support the introduction of a "reduced points for reduced payment" option especially in light of the wide number of options available to more intensive farms. Reduced commitments to access capital grants is a poor justification. The decision that farmers who opt for this approach will not be eligible for the Targeted Element also raises the question of how priority species present on these farms will be managed, as the necessary management prescriptions are often only available in the Targeted Element.

WEL understands the decision to base Glastir scheme payments on income foregone and/ or costs incurred, but we are keen to stress the importance of regularly reviewing and re-validating costs to reflect the most up to date agronomic statistics available. This should be subject to full stakeholder consultation to ensure that scheme options offer sufficient remuneration to farmers for delivering the environmental goods and services required. WEL continues to view existing levels of payment for arable options as inadequate in the current economic climate. As they are, these levels of payment are unlikely to encourage existing arable farmers to take up options designed to deliver for Principle Biodiversity Species and Habitats. Payments for arable options for existing arable farms should be based on arable gross margins and not those for upland sheep, which have been adopted as the industry average when calculating Glastir payment rates.

4.4. Barriers to Uptake

Early indications suggest that the number of farmers applying for Glastir during the second application window will be comparatively low. Despite implementing a number of recommendations intended to improve accessibility to the scheme, **barriers to uptake** remain. Farmers continue to perceive the application process as overly complex with inadequate rewards in return for participation.

WEL has maintained that the increased deployment of **Project Officers** supported by specialist advisors (e.g. to provide advice on priority habitats and species) would enhance the farming community's understanding of the aims and objectives of the scheme. WEL also believes that an increase in individual/ small group support and engagement from Government would greatly increase uptake. One of WEL's members, RSPB Cymru, can demonstrate specific evidence of this through its experience within the North Wales Moors Futurescape area. During the first application window over 200 farmers were advised during the application process, this included the provision of information and guidance on how their contracts could help priority birds and other wildlife.

WEL believes that the **failure to adequately explain** to the farming community that the AWE is not directly comparable to Tir Gofal in economic terms, coupled with the uncertainty of progression from the AWE to the Target Element has contributed significantly to the belief held by some that participation in the scheme is not financially rewarding.

Uncertainty surrounding the outcome of reform of the Common Agricultural Policy (CAP) must also be a consideration. It is understandable that despite receiving assurances from the Welsh Government that Glastir will be “CAP proof” and that Welsh farmers will not be disadvantaged by any future changes, the farming community is being cautious about its involvement with the scheme. It must also be recognised that the sustained negative pressure directed at the scheme from certain quarters will almost certainly have contributed to the poor levels of uptake.

Rather than flexibility, the immediate issue regarding scheme funding is that adequate funds are allocated to Glastir to ensure that it is able to fully contribute to achieving Wales’ 2020 environmental objectives. The Welsh Government has repeatedly stated that Glastir is the main means of addressing Welsh wildlife declines, however, as yet the contribution that the scheme will make towards achieving this obligation has not been stated. Therefore, before considering the issue of **flexibility of funding between different elements of Glastir** it is critical that the scheme’s contribution towards achieving Wales’ environmental objectives is clearly established, and that adequate funding is available within the scheme to achieve these aims.

4.5. CAP Reform

WEL does not agree with the Welsh Government’s proposal that participants in Glastir’s AWE should be exempt from the proposed *greening* requirements of Pillar 1 (Single Farm) payment.

If this becomes a reality the majority of Welsh farmers are likely to participate in the AWE placing a significant demand on the agri-environment scheme budget. Whilst increased participation in agri-environment is to be encouraged this must not be at the expense of the scheme’s ability to reward farmers for undertaking targeted action for the benefit of the Welsh environment. This may be the case if increased uptake of the AWE results in a reduced budget for the Targeted Element. It is therefore vitally important that as part of its negotiations on CAP Reform, the Welsh Government seeks to secure the means of guaranteeing adequate future funding for agri-environment in Pillar 2. This must include a fair allocation of Pillar 2 funds, based on objective criteria and increased rates of modulation.

4.6. Less Favoured Area and High Nature Value

The decision in Wales to move away from automatic, non-objective Less Favoured Area payments (Tir Mynydd) and to incorporate the budget into Glastir was an important step forward. WEL questioned the justification for the non-objective LFA uplift within the scheme and as a result of similar concerns raised by Europe, the uplift payment has been removed. However, a recalculation of payments exercise has resulted in all participating farmers receiving the higher hectare rate of payment (£33.60 as opposed to £28.00). In effect all Welsh farmers are now eligible for what was the LFA uplift payment rate.

With respect to additional **funding available for farmers in the LFA** there are a number of options available within the current CAP Reform proposals that could be used for this purpose including a payment for Areas under Natural Constraints (ANC), which could be extremely useful if targeted to High Nature Value (HNV) farming systems. HNV farms often receive little or no support from current CAP payments, despite being widely distributed throughout Wales (with predominance in the uplands).

Payment logic, which governs agri-environment schemes, is not always best suited to the realities of HNV farming. For many HNV farms, extremely low (or even negative) incomes mean that paying for the 'income-forgone' for agri-environment activities may not make economic sense and as such does not provide a farmer with adequate incentive to adopt agri-environment measures. Paying for the 'costs incurred' can be inappropriate as in most cases the desired outcome is a continuation of current practices. HNV farms need targeted economic support that is linked to the continuation of well-defined land management practices and the delivery of environmental public goods.

There is also an opportunity to use the National Envelope (5% of Pillar 1) to channel support to High Nature Value semi-natural grazing systems where they deliver clear and significant environmental public goods but which are often economically marginalised. The environmental benefits produced by such low-intensity grazing systems, widely distributed throughout the uplands and more marginal areas of Wales, are inextricably linked to livestock grazing. However, the economic pressures facing such systems are leading to increasing uneconomic viability, which ultimately may result in the cessation of such farming activities. In some cases this may lead to more intensive management with negative impacts on the environment. In some locations however, changing land use will create positive opportunities for woodland creation.

5. Conclusion

As currently structured, it is clear that there are inherent weaknesses within Glastir, which undermine the Welsh Government objectives for the scheme.

WEL believes that Glastir has the potential to become a successful, sensitive, stewardship scheme providing benefits and opportunities to maintain and enhance the ecological requirements of farmland wildlife, the quality and diversity of landscape character and the traditional heritage and cultural values associated with the Welsh countryside. This should be achieved by developing a more robust design, and better implementation and enforcement plans within the scheme.

The following WEL members support this document:

Bat Conservation Trust

BTCV Cymru

Butterfly Conservation Wales

Coed Cadw / Woodland Trust

Cymdeithas Eryri / Snowdonia Society

Plantlife Cymru

RSPB Cymru

Wildlife Trusts Wales

Wye and Usk Foundation