Collective approaches to environmental services in the Netherlands

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History of agri-environmental cooperation

• Starting in the early 1990s, aiming at territorial contracts to meet government targets on the basis of ‘self-regulation’
• From defensive to offensive approach
• Filling assistance gap in agri-environment since agricultural extension services are privatised
• Fitting in a long tradition of agricultural producer groups or cooperatives, but now aiming at public services
• Partly independent from farmers’ unions, partly initiated by them
• Slow growth in the 1990s, fast growth after 2000
State of the art

- Up to 2016: some 160 cooperatives, all legal entities (mainly associations).
- Scale varying from 1,000 to 130,000 ha, depending on landscape scale and ‘span of control’
- Involving some 10,000 farmers, many thousands of eager citizens and 25% of the countryside
- Staff: from some eager board members to professional organisations with employees
- Many developed a broad spectrum of activities (rural tourism, education, water management, energy)
- Major change from 2016: 40 newly established regional cooperatives, covering the entire countryside, only partly replacing the old ones
The 40 new cooperatives and the underlying 154 old ones
Why do Dutch farmers cooperate?

At first from a rather defensive point of view:

• To counteract a ‘common enemy’: conservation organisations buying farmland. Show that also farmers can realise government objectives, and even in a more cost-effective way.

• Farmers’ autonomy / self-governance: an organisation ‘of their own’ is better trusted than an ‘unreliable’ government

• The farmers’ unions took insufficient care of farmland conservation issues
Why do Dutch farmers cooperate (2)?

Later from a more offensive point of view:

• Growing awareness that conservation of cross-farm values (e.g. birds, water, landscape features) needs joint action in order to be effective.

• Extending the traditional producer groups to collective marketing of public goods. Turning natural or economical restraints into public services.

• Increased perception of private benefits from collective action (especially prolonged access to government funds)

• Improve the local dialogue with other interest groups
Benefits of a collective approach

• Improved environmental effectiveness:
  - more effective approach to species and habitats that go beyond farm level: farmland birds, ecological corridors, water
  - improved regional tailoring: finding suitable locations and motivated farms. Making better use of local knowledge;
  - high participation and scheme coverage.
• Professional support to farmers, improved skills
• Better connection between farming and civil society
• Opportunities for a simpler scheme design and a more efficient implementation
Benefits of groups of farmers as final beneficiaries

• Less paperwork, especially for small farms, as a result of regional coordination. This may result in an increased participation and better conservation results.

• Possibilities for improved tailoring of payments. Within the payment range allowed, there is room to adjust the payment to the local conditions (ecological and economical). And/or to apply result-oriented payments.

• Shared responsibility, better compliance with the scheme conditions, less penalties
Three stages in environmental self-governance

• 1990s: around ten environmental cooperatives formulating comprehensive regional ‘bids’ to the government. Overall result: disappointment, governments not ready.

• Early 2000s (2000-2003): cooperatives as an intermediary party in the agri-environment scheme. The flexibility created was not compliant with the EU implementation regulations.

• From 2016: formal position under the agri-environment scheme. From bottom-up movement to embedding in government policies.
Focusing the scheme on cooperatives from 2016

- New design: cooperatives as final and only beneficiaries
- Regionally developed and tailored application for agri-environment services
- Including ecological assessment and consultation with other regional stakeholders
- Implementation shift to the regional associations with only limited government tasks
The “front door – back door” principle

**AUTHORITIES**
- government contract (areas, qualities)
- accountability
- cost-effectiveness

**COOPERATIVES**
- regional fine-tuning
- individual contracts, controls, payments

**LAND MANAGERS**
- no. 1
- no. 2
- no. 3
- no. 4
- no. 5 etc.

government checks
- administrative
- financial

on-the-spot checks by cooperative and authorities
Extended policy incentives for cooperation

The new EU directive includes more room:

• Possibility for groups of farmers to apply for AE support, including 10% increase in transaction costs (from 20 to 30%)

• Extended possibilities for EU support for information, training and cooperation (article 35)

• Group applications also allowed for other rural development articles (e.g. non-productive investments)

• Option for regional approach to 1st Pillar greening measures
Major reorganisation

• Two-year professionalisation programme by a national umbrella organisation, including the farmers’ union. Associations being certified as professional conservation organisations.

• Discussion on who to involve in the new cooperatives (all regional parties?), but in the end they are merely agricultural and the farmers’ union is well represented

• The new cooperatives have been elaborating a shared vision on the future of their region, selecting (from a government target list) relevant habitats and species, drafting management plans, developing locally tailored measures, organising pre-subscription of farmers to the scheme, delivering applications to the provincial governments and contracting individual farmers
Preliminary results

• New scheme: 63,000 ha, 6,600 participants, about 50% of earlier participation. Continuing old contacts will cause a modest increase.

• Seems contradictory with extended collectives’ working areas, but ‘front door’ has become much more strict: decreasing number of designated areas, increasing number of preconditions for participation -> fed by disappointing scheme results and repetitive discussion on cost-effectiveness.

• Together with a 25% raise in payments, there is a stronger focus on ‘dark green’ measures in smaller areas
What is at stake?

- For the government: increased scheme results at lower implementation costs (from 13,500 to 40 applications)
- Tackling the ‘free-rider problem’: no combination of collective and individual approaches in the same area
- Development of cooperatives to professional, certified bodies. Government has formulated a series of conditions.
- At the same time, preserve the cooperatives social capital, reputation and trust among land users
- Guarantee a sound implementation under EU and national regulations
Points of discussion with the European Commission

The devil appears to be in the detail:

• Due to EU rules, double on-the-spot controls (cooperative + government) are inevitable
• EU rules also require enforcement of cross-compliance (GAEC). Role for collective or for government?
• Individual contract breaches and the consequences for the collective contract
• Avoiding free-riders: mandatory membership of the cooperative versus governance principle of equal access to government schemes
Points of interest for the Dutch government

• Crucial balance between self-regulation and a governmental straightjacket (programme of preconditions)
• Demands on scale and participants and on the detailing of the application: reducing the distance between back door and front door
• Important differences between provinces in the degree of ‘trust’ and the need for regulation
• So: be clear and strict on the front door, keep the back door sufficiently appealing
Points of interest for the cooperatives

• Guidance by goodwill or by regulation? After 20 years of goodwill, informal procedures are now being formalised.
• A bottom-up initiative has been incorporated in government policies, bringing the cooperatives in threat of becoming an extension of the government, or at least being ‘sandwiched’ between government and farmers
• Larger scale means increased distance to farmers
• So: stay close to the farmers and create sufficient benefits
Extending the cooperative approach to the first Pillar

• In spite of all start-up problems: the Dutch government and the new cooperatives are convinced of the concept
• NL applies the small-scale (up to 10 farmers) possibility of cooperation in 1st Pillar greening measures -> little interest
• Exploring the possibilities for larger scale collective approaches to greening, but less ‘top down’ than the Commission now allows
• Some cooperatives are eager, others are reserved because of the budgets involved: € 225 mln. greening budget versus 60 mln. AE)
Limitations for adding greening to the collective approach

- Limited spatial overlap
- Availability of greening data due to privacy reasons
- One year versus six years measures
- Tackling the double payment discussion
- No provisions for guidance in Pillar 1
- Nevertheless: broad recognition of the advantages of ‘guidance on greening’ and an adequate balancing with agri-environment
The ‘greening pyramid’ in spatial terms

0.07 mln. ha

1.6 mln. ha

1.8 mln. ha

2 mln. ha

A-E

greening

cross-compliance

legislation
The ‘Dutch model’ is only one model

- NL has chosen the cooperation model of certified legal entities, but there are many shades of grey
- Territorial cooperation and community-based or Leader-like approaches are getting more common
- The 2013 OECD report on collective delivery shows many interesting examples worldwide
- The European Groupe de Bruges is collecting examples and has created a network with e.g. the German Landcare Associations (DVL)