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Report on the National Workshop in Austria

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Federal Institute for Less-Favoured and Mountainous Areas (BABF)

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This report presents the outcomes of the discussions at the PEGASUS WP5 national workshop in Austria. The workshop was carried out at the premises of the Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) and intended participation of stakeholders from all case study areas in Austria. Altogether 19 stakeholders and experts (14 external), both from public institutions and private experts, and representing all three Austrian case studies attended this 2nd national PEGASUS workshop in Vienna on 23rd of May 2017. The list of attendees with the institutional affiliation is attached in Annex 1.

The overall goal of the workshop was to collect the views and opinions on the emerging findings on the 34 case studies and to proof their robustness in relation to the national experience. In addition, the meeting stimulated discussions about the assessment of the current and future CAP. The advantage of this mixed approach collecting comments from practice work in rural regions and policy implementation is that it enables the project team to test the robustness of the overall project analysis design but also to incorporate themes not sufficiently covered so far with high relevance to the stakeholders and shed light on discussions surrounding the ESBO concept.

The Austrian project team prepared the agenda based on the workshop guidelines prior to the event (Annex 2). This agenda included a presentation on the emerging findings of the overall PEGASUS work, a presentation on European and Austria-specific maps on relevant ESBOs and a third presentation on the Austrian case study analysis and findings. Each presentation was followed by immediate comments of and an intensive discussion with the participants (session 1).

The second part of the workshop entailed two moderated rotating group discussions allowing practitioners and experts to express their views and opinions on both workshop topics, the “messages for practice” and the “messages for policy” (session 2 and session 3).

At the workshop, it was agreed with the participants to summarize core workshop outcomes (in German) and to disseminate the information together with the PPPs of session 1 among the participants to provide full access to the workshop information and to raise additional feed-back, if necessary.



Session 1 – Lessons emerging from the project so far

This first session was inspired by the Questions for the discussion (provided by the workshop template), including the following main aspects: Is there any salient point that emerges as being particularly relevant/not relevant or not accurate to the situation in your country? Are there any other points specific in your country not included in the emerging findings so far?

Particularly on the **maps**, key points raised in the discussion with the stakeholders around the following questions:

- *Does the map show the agri and/or forestry systems in Austria?*
- *Do you think the system you're interested in does appear in these maps?*
- *Why are these systems relevant in Austria?*
- *Do the links between the factors (type of management, type of crops, biophysical conditions) and the delivery of environmental public goods in Austria (respectively the study regions) resonate with stakeholders? If not, which links stakeholders think work differently than pictured in the maps and why?*

The main points of the discussion with stakeholders covered:

Participants confirmed that the case studies presented display the situation in the respective regions accurately, that the respective land use systems are responsible for the provision of the analysed ESBO and that the emerging findings from the project are meaningful. Main issues emerging from the discussion in the first part of the workshop are:

- All participants highlighted the importance of the ESBO concept and stressed the relevance of advancing the discussion about ESBOs derived from agricultural and forestry activities and its linkages to specific areas.
- Some argued that the service character in providing “public goods” from agriculture and forestry should be emphasized and questioned the applicability of the term in common conversation.
- The in-depth case study AT-1 of the organic haymilk production and label in a specific mountain region of Austria (Murau, Styria) was considered as a very useful example for public goods provision. Nevertheless, it was pointed out that it is important to keep in mind that private labels also have the potential to become a “burden” if farmers become too reliant on such a scheme and when requirements are considered to become excessive. In this context, it was argued for “equal partnership” and enhanced participation of primary producers in the creation and establishment of certification schemes. Labels are not a one size fits all solution and ultimately higher costs for meeting increased quality criteria need to be recovered. For this, consumer awareness and consumer trust was considered a precondition for the successful implementation of any type of label scheme. It was stressed that the premium of ZZU milk contributes to enabling an increase of agricultural income for organic mountain farmers, but additional standard requirements also increase production costs and this has to be kept in mind.



- Marketing initiatives and communication activities were seen as critical for the creation of public awareness. In all three Austrian case studies, there is potential to raise these activities and improve project outcomes.
- Targeting the whole value chain is seen as a precondition for equitable partnership.
- Long term success is only possible in the light of “transparency” and “trust” along the value chain.
- There were also voices highlighting the trend towards private certifications aiming at “quality competition” (arguing for a sensible race for “the better organic” scheme at present in Austria) that ultimately puts pressure on producers (e.g. transformation requirements for tie-up cowsheds) but also leads to uncertainty at the consumer end.
- Some participants showed scepticism about a too strong predominance of increasing private standards. They argued that quality standards and regulation should not be left to private actors (alone), but instead should be a priority matter of public policy development and public regulation systems as they are targeting “public” goods.
- It was stressed by all participants that public support is a precondition for continued mountain farming systems and, in general, preservation of land management in contexts of ANC and particularly mountain areas.

The session with the presentation of the project maps on ESBOs at the European level, national level and case study level was a specific methodological part in the workshop. It aimed to test the usefulness of the maps provided and the approach of drafting these presentations. Although familiarisation for the Austrian team with the maps was very limited, the presentation in the workshop raised a high interest and achieved this target to set the regional-specific situation into the European context. The contents of the maps and the regional details led to a particularly intensive discussion on the methodological backgrounds and assumptions of the maps. Some participants saw the maps, in particular the presentation on biodiversity, as a great way for communicating the role of ESBOs, imaging close links to locally prevalent land management systems. Others highlighted that there are more advanced and accurate national data sets available making the maps as shown excessive (albeit it seems that there was limited understanding about the value and specificity of the project maps). In general, it was argued that the level of grid presentation (at the regional scale) could encourage misleading or even wrong judgements within regions and hence they perceived the main potential of the maps rather in comparing regions and situations at a larger scale. It can be highlighted that the high number of crop system categories presented in one single map was perceived as confusing and therefore it might be better to reduce the numbers of categories presented in one map for more effective communication. Participants also indicated that it would be interesting to include an additional layer showing less favoured areas in the EU. The discussion on the multitude of aspect evolved through the maps had to be restricted due to the time schedule of the workshop, but was referred to in further contributions at sessions 2 and 3 indicating the high interest in the kind of information provided.



Session 2 – Messages for practice

Sessions 2 and 3 were organized in two parallel Working Groups. Half of the participants (about 8-10 in each group) took part in these and then changed to the other topic. While most followed this plan, some preferred to remain in the group of their main expertise and continued discussing with the different set of stakeholders in the second round. The results were afterwards reported in the plenary by two rapporteurs appointed by the project team, each of them with significant experience and expertise on the theme of public goods provision.

Questions for the discussion (see Annex 3):

- *Do the emerging findings of the project and discussions in previous sessions imply that policy change is needed? If yes, what change (e.g. policy design, implementation/delivery, scale of action, etc.)? What types of policy measures do you feel are currently missing (please use examples if possible)?*
- *Are there serious constraints preventing the achievement of the environmental and social goals? In what areas?*
- *How has policy (in combination with other factors) contributed to success?*
- *What opportunities are there for developing public-private interactions?*

The main points of the discussion with stakeholders covered (Rapporteur: Barbara Färber, Environmental Agency, UBA):

The discussions under the theme “*conditions and processes to enhance ESBOs by practitioners*” evolved around the following questions:

1. What motivates private actors to develop an initiative for the provision of ESBOs?
 - Enforceable rules and set of regulations
 - Higher economic welfare
 - CAP – Pillar 2 (esp. Agri-environmental and Climate Measures; AECM)
 - Independence from other parties
 - Response to consumer demand
 - Intrinsic considerations (i.e. idealism, pride, self-worth, regional identity and cultural heritage)
 - Concern for future development: “maintenance and preservation” of Public Goods for next generation(s)
 - Job opportunities to combat trends of land abandonment and rural depopulation linked to activities and effects
 - Positive implications on public opinion of society on farmers and foresters activities and service provision.
2. What are the major impacts stimulating the development of initiatives aiming at fostering the provision of ESBOs?
 - Increased public awareness triggers appreciation and increases demand. This in turn sends signals to actors leading to collective action



- Monetary transformation of demand through various forms of initiatives
- Meeting the expectations of tourists which is seen as an important direct source of non-agrarian income
- Public support is the basis of any agricultural activity in the analysed case studies.

3. What are the essential positive effects for stakeholders?

The provision of ESBOs through agriculture and forestry was considered very important and Pillar 2 implementation a good mode for fostering provision. Participants particularly highlighted the spill-over effects that it creates on other areas of the economy and socio-economic development. Main elements mentioned are:

- Positive employment effects for both agricultural and non-agricultural activities
- Improved conditions and opportunities for the tourism sector at local level
- Maintenance of traditional land management systems and features of cultural heritage
- Opportunities for marketing products with increased value added
- Incentives for investments with positive employment effects (outside the sector)
- Effects on demographic development – increased attractiveness for immigration and reduction of out migration
- Income stabilization effects – guaranteed payments for certain management practices over a defined period

It was supported by all participants that the level of ESBO provision under the analysed land management systems in the case study regions is high and that public policies play a fundamental role in the provision. Especially 2nd pillar measures were seen as beneficial and it was argued that shifting funds from 1st to 2nd pillar linked to environmentally-beneficial management practices would foster untapped potential for the provision.

The concern for the increased administrative requirements in policy implementation was shared widely and the notion that the level of bureaucracy needs to be reduced is expressed repeatedly. Especially in the case of forestry, the current red tape prevents foresters to make use of support schemes as transaction costs are often too high.

Participants also highlighted the often-limited public awareness and appreciation of ESBOs from agriculture and forestry and stressed the importance of an increased public dialogue to communicate the positive effects on a wide range of ESBOs which are currently often taken for granted. In this regard, participants mentioned that this would greatly improve the image of land managers and increase the attractiveness of rural areas and professions in rural areas.



Session 3 – Messages for policy

Questions for the discussion (see Annex 3):

- *How can local or thematic initiatives such as those examined in the case studies, expand their reach/impact, be replicated/transferred, and/or become more effective?*
- *What key qualities or actions/stepwise processes do participants need to adopt, to develop and achieve success? Please assess how participants' needs might differ between different groups of stakeholders, and different environmental or social goals targeted, in different contexts, etc.*
- *Who are the key people to involve, to enable long-lasting change? Why?*
- *What are participants' needs in terms of the types of maps or other basic information which would be useful in this context?*
- *What format should PEGASUS' tools and guidance take, to spread success across rural areas?*

The main points of the discussion with stakeholders covered (Rapporteur: Elisabeth Süssenbacher, BMLFUW):

The discussions under the theme “conclusions relevant for GAP and the application in policy programs” evolved around the following questions:

1. How can policy measures enhance the provision of ESBOs (more effectively)?
2. Are all levels and areas of policy/administration/NGOs that are relevant to the provision of ESBOs sufficiently covered?
3. How can the interaction/exchange of private actors and stakeholders be improved by appropriate policy measures?
 - While Austrian implementation of CAP is, in general, favourable to the provision of ESBOs in mountainous areas (e.g. AECM and ANC measures), it is important to keep and enhance this level. In general, a close connection of public funds to the provision of public goods is supported by the participants and seen as a core target for the future CAP.
 - Participants however also highlighted that there is a need to have sufficient space for national measures and adaptation of EU measures which could guarantee increased effectiveness.
 - Participants stressed the control function of public support. For this matter, ESBO provision should be at the centre of policy development. In this regard some argued, that policy elaboration should be extended to different policy strands, including a guiding role and responsibility for DG Agri and DG Environment.
 - Support under the ANC Scheme was seen as a precondition for the continuation of farming in the mountain areas and thereby a prerequisite for the provision of ESBOs. This is especially the case for the management of marginal agricultural land with high biodiversity value. Similarly, the crucial importance of AECM measures was highlighted.



- This refers to the assessment that, in general, increasing ANC support would help against the trend of marginalisation of less-favoured areas and farm abandonment in general.
- Participants highlighted through the example of the case study region of Murau that in such areas there are sub-areas (primarily side-valleys or part of the main valley) which are only kept in land management and preserve parts of “open” landscape due to support for organic farming and individual efforts by local farmers who convince others about the importance of continuing land management. Without that personal commitment, the area would have been already afforested.
- Administration staff from the Ministry of Agriculture (BMLFUW) argued however that keeping the level of support under the ANC scheme but also AECM in the next programme period (post 2020) would be a great success from the Austrian perspective.
- Participants also emphasized the important role of mechanisation (e.g. higher cost of mountain machinery) and the need to address the site-specific management costs in the calculation and framework for CAP support. Therefore, it was argued that higher investment support like for example for the construction of livestock stables and hillside mechanisation should be increasingly considered.
- On the other hand, participants commented that current support under Pillar 1 is considered too high taking into account that it does not provide sufficient control mechanisms on its effects for public goods and furthermore that it tends to favour intensification processes. Potentially this has *negative* effects on the provision of ESBOs. In this regard, it was highlighted to strengthen the 2nd pillar and to generally link support measures more closely to the provision of ESBOs.
- Participants stressed that future support schemes of pillar 1 of CAP should not be linked to the managed area (mainly through payments per ha) but depend stronger on the area-specific labour input requirements (payments per labour unit required; differentiated for specific management systems). In general, this would be favourable for smaller mountain farms and farms with livestock.
- As to Pillar 2, the respective support regulations should be coupled to an incentive system. Therefore, producers should not be compensated only for higher costs/lower yields but incentives should apply that favour sustainable land management systems which is not (yet) the case under the current regime. This would also change the self-respect and assessment of farmers (i.e. from “support receiver” to “ESBO provider”) and impact the public awareness of the role of agriculture and forestry.
- In order to support small scale agricultural farms favourable for the provision of ESBOs, some participants claim there is an increased need for a “digestive support system”. Thus, for example full support should be provided for the first 10 ha of land management and, then for additional land managed, the support should be calculated on a (more digestive) decreasing scale.
- It was also confirmed that the provision of ESBOs for mountain forestry in Austria is performing very well, given the long-term policy commitment and public approval to the





national forestry support system. at a high level. However, ESBOs resulting from mountain forestry have to be better communicated to increase public awareness and appreciation. In terms of policy measures, Pillar 2 programming (or following schemes) and uptake for forestry measures should be strengthened in order to guarantee continued ESBO provision in forest management. Although not a prime focus in the discussion, it was clearly expressed that forestry support is generally restricted, too bureaucratic and does not yet receive the required attention, against its close linkage to ESBOs provision.

- It was generally highlighted that consultancy work and extension services is needed to foster an increased provision of ESBOs. Nature conservation measures need to become a stronger consideration (e.g. in the case of forestry measures).
- Participants stressed the importance of a stronger dialogue with land owners regarding nature conservation.
- Public administration should improve and strengthen communication and marketing activities regarding the role of ESBOs from land management.



Conclusion

Summarizing the workshop discussions, four main areas have been addressed, i.e. regulatory policies, public support's role and development, private payments (labels, compensation for higher standards) and last but not least the role of collective action for the provision of ESBOs.

With regard to the main case presented in Austria, the haymilk label initiative, the role of the private sector is highly important in securing some of the core public goods in that region. However, it was concluded that the leading role in shaping strategies and approaches to frame public goods provision should remain within the remit of the various actors of governance (at the different scales) and hence be shaped by the framework of public policies. CAP design should be more targeted on the provision of ESBOs. The current performance in Austria with regard to ESBOs provision seems good, however it is anticipated that support in the next period will not be at the same level. Support for land management practices with negative effects on ESBOs should be discontinued (e.g. investment support only for free stall barns; support for outcomes not functions). In respect of effectiveness of policy measures and stronger impact, a reduction of bureaucratic regulations is demanded by the participants. Support schemes should not be area related but consider the necessary labour input. In general, small farms should be considered more given their role in the provision of ESBOs. Therefore, a shift of funds from the 1st towards the 2nd pillar of CAP is recommended. In addition, public administration should consider more effective modes of communication and marketing of ESBOs and to actively stimulate public support for the use of public funds. Yet, it is important to leave enough room for national interventions and measures. It was noted that transparency is highly important in order to guarantee long term success.

Overall stakeholders and involved actors in the implementation of the Austrian Rural Development Programme argue for a good performance of the present application of the policy scheme. There is big support for changes in future reforms towards a system that places higher weight on public goods provision and asks for verification of its provision (at different scales). The national stakeholders are of the opinion that such changes would support the current application and orientation of RDP in Austria, but enhance stronger effectiveness all over the EU regions.

Annex:

- Annex 1: List of participants
- Annex 2: Invitation and programme for the workshop
- Annex 3: List of questions for 2 working groups
- Annex 4: Selected photo documentation of the workshop
- Annex 5: Presentation slides

