



## New Landowners and Conservationists Joint Report for the Future of CAP

We welcome the launch of the Country Land and Business Association (CLA) and RSPB's joint vision for the Common Agricultural Policy (CAP). A joint policy paper<sup>1</sup> launched recently (Wednesday 27 January) examines the concept of public goods as it applies to agriculture in Europe and assesses the need for policy measures to encourage the provision of public goods in the agricultural sector. The evidence to support this report has been gathered from across European countries including the UK.

The report addresses the full range of public goods provided by agriculture including food provision, landscapes, farmland biodiversity, water quality and availability, soil functionality, climate stability, carbon storage, air quality, resilience to flooding and fire, farm animal welfare and animal health. A range of environmental indicators within agriculture show a significant undersupply of these public goods and a specific need to reverse the deterioration of biodiversity and the fragmentation of the landscape.



Barn Owl (*Tyto Alba*) is a typical farmland species with unfavourable conservation status.

Image: Liz Noffsinger/FreeDigitalPhotos.net

[http://www.freedigitalphotos.net/images/view\\_photog.php?photoqid=481](http://www.freedigitalphotos.net/images/view_photog.php?photoqid=481)

The land managers and conservationists believe that a reformed CAP with an emphasis on integration of environmental objectives and proportionate budgetary resources for supporting the provision of public goods is a clear

priority for the future. Current policy measures in the UK such as the Agri-environment scheme (Environmental Stewardship), of which Higher Level Stewardship (HLS) is the most targeted and aimed at valuable habitats including Natura 2000 sites, have proven to be effective in the provision of public goods. But policy measures and budgetary resources as they stand are insufficient to meet EU environmental targets. In the UK, for example, the delivery of Biodiversity Action Plan species and habitats remains underfunded to the tune of over £100 million per annum.

Habitat banking is recognized in the report, as a market-based instrument which can complement the core policy framework for the delivery of public goods. The report highlights the reason for the under-provision of public goods, such as clean water, biodiversity and a stable climate, which is due to unsatisfactory supply through the market and lack of a functioning allocation mechanism. Incentive payments are a commonly used tool to encourage the agricultural sector to deliver public goods, which render environmentally beneficial activities as profitable as agricultural production. The key to reversing the decline of environmental quality including biodiversity and other ecosystem services is encouraging the provision of public goods through policy, alongside strategies which proffer economic incentives and rewards. Habitat banking provides the conditions which are required for delivery of public goods through supplying an additional income stream to farmers to create, restore and manage habitats. The 'habitat bank' brokers arrangements between the development community and landowners/managers, thereby creating a trade market to deliver environmental gains with sustainable development as its core objective.

We agree that a reformed CAP is required to meet the emerging environmental challenges including climate change, threats to European biodiversity and habitats and increasing food demands. Policy needs to be developed to address challenges outlined in the report which include maintenance and enhancement of the ecological integrity of agricultural areas, conservation and restoration of farmland biodiversity and increasing resilience to flooding. A reformed CAP that integrates environmental objectives, with a budget of €53 billion per annum, has considerable potential to influence the scale of delivery of public goods. However, to meet the environmental targets that are set out to match current public needs, and that of future generations, requires considerable budget resources, to which habitat banking is able to contribute. In the US wetland mitigation banking alone was worth \$3 billion in 2008 and there is no reason why we could not stimulate a similar system in the UK. Government could generate a significant market mechanism for getting greater funding into the natural environment by implementing a policy for habitat banking in the UK through the planning and development control process.

The Environment Bank is the first company of its kind in the UK, and provides the mechanism by which effective biodiversity and landscape conservation can be delivered by taking a strategic approach, enabling landscapes of substantial worth to be created, managed and maintained within a long-term framework.

Visit [www.environmentbank.com](http://www.environmentbank.com) for more information. Contact details: Professor David Hill at [dhill@environmentbank.com](mailto:dhill@environmentbank.com) or Rob Gillespie at [rgillespie@environmentbank.com](mailto:rgillespie@environmentbank.com). Contact us for further information and advice on: Novel mitigation solutions; Purchasing credits; Being a contributing landowner; Discussing your own development project.

## **Reference**

<sup>1</sup> Cooper, T., Hart, K. and Baldock, D. (2009) The Provision of Public Goods Through Agriculture in the European Union, Report prepared for the DG Agriculture and Rural Development, Contract No 30-CE-0233091, Institute for European Environmental Policy: London.