

RLG 03/2a: Wanting something for nothing

Advice given by the Council for the Rural Area on Nature Policy - February 2003

Introduction

The Dutch language has many expressions that suggest the aim of netting a profit without too much effort. One of them is 'Wanting something for nothing', but this does not wash with nature policy.

It is with concern that the Council for the Rural Area found out that the present shift in nature policies will not only lead to a serious breach in the trend, but will also have structural consequences that nobody wants.

There is no doubt about the consequences, which will be very harmful indeed, both socio-economically and for nature.

While fully understanding the financial-economic problems that require a solution, it must be taken into account that not implementing the intended policy does not necessarily mean that nothing will happen, but that many undesirable effects shall take place. This is why the Council is of the opinion that the nature policies cannot be broken off, and that it must anyhow be considered how to carry out the implementation of the policies in a continuous process by setting priorities.

This advice is intended to specify what minimum requirements are necessary to avoid sliding back into a policy level that can no longer be called 'reliable'. In the Council's opinion, this can only be realised by pursuing a balanced policy as a result of which the diversity of species and ecosystems - the pre-eminent quality indicator for our rural area - is supported. This is the reason why the Council on several occasions declared itself openly in favour of prioritising the implementation of the National Ecological Network. This policy must remain intact.

The Council advises the government:

- *To maintain fully its responsibility for realising the National Ecological Network*
- *To ensure that means are available to achieve the intended objectives*
- *For deploying these means, to make such forms of financing possible so that these means are lastingly available for existing and new nature areas*
- *To avail all opportunities for realising the National Ecological Network and also to encourage strongly the conditions for participation by agricultural and private nature management.*

Because of the current interest of the issue, in relation to the drafting of an agreement between the coalition partners for the formation of a new government, the Council has issued this advice in anticipation of a final advisory report on the management of the National Ecological Network and the landscape, which will be issued in the first half of this year and will give a broader scope.

1. Nature policy is long-term policy

A The principle of nature policy is: 'Nature for People, People for Nature'. Not only does this mean that nature serves society, but also that society must make efforts to maintain nature. There is a whole range of societal motives for nature policy: the right of the survival of species, supporting the economic climate for establishing businesses, making the living environment more pleasant, offering recreation opportunities, and etceteras. Each of these motives is served by a specific kind of nature. Selecting a nature target is therefore selecting a societal motive.

The current objectives for the nature policies have been gradually developed since the 1970s. It started with the quantitative objectives in the form of acres, to be supplemented later on with qualitative targets in the form of types of nature. The concept of the National Ecological Network was introduced in 1990.

The aim was to create one interconnected area of about 750,000 hectares from the still existing nature areas and the nature areas that were to be developed. The vast majority of the Parliament agreed with this National Ecological Network project, which was supposed to be ready by the year 2018.

Confident that the government would provide the funds and instruments for a nature policy that was carried by a firm support and for which the spatial boundaries were already set with a Key Planning Decision (a legal

binding instrument; 'Planologische Kernbeslissing'), the provincial governments and a large number of societal organisations from nature and agriculture-related quarters set to work to implement the plans. The policy has already been successfully carried out in many areas.

Nature policy is by definition a matter of long-term programming. It takes a long time to reach the intended quality improvement and extend the area. But subsequently it is impossible to halt the programme for a while, because the values that took so long to realise will then be lost, the public support and administrative basis will disappear and the societal processes in which continual nature policy was anticipated will dismantle.

2. Stagnation in nature policy will affect man and nature

Financial restraints will lead to delaying or halting the realisation of the ecological network and to a lower ambition level for this policy.

Undesirable functions in the proximity of nature areas will not be relocated, existing nature areas will not be extended, the isolation of nature areas via connecting zones will not be counteracted and new nature areas will not be created. As lands are not allocated to the National Ecological Network, the implementation of integral policy will come to a halt in e.g. the Reconstruction Areas and land planning areas, and this will have harmful consequences for the economic and social development of these rural areas. The economic structure, the economic climate for establishing a business and the quality of living and working environments will no longer be strengthened, and recreation possibilities are not increased, and the position of the national government as reliable partner in land use development will be undermined as well.

Nature and landscape have a substantial economic value. For example, recreation in nature and landscape contributes yearly about € 8 billion to the national income, part of which is income of the catering and recreation industries. Moreover, buyers are willing to pay 10-30% more for a house in a green or water-rich area. Studies also proved that the people's health finds benefit in green surroundings, as was shown from the Nature Balance 2000 report. A survey conducted by KPMG Consultancies showed that entrepreneurs in the catering industry, the retail trade, and the leasing and transport sectors in and around nature areas generate 30-70% of their turnover on account of the presence of this nature area.

As to the National Ecological Network, many of the existing possibilities for realisation or solving problems will forever be wasted (Office for Environmental Assessment [Natuurplanbureau], January 2003). The possibility to range a specific area under nature management will generally occur only once-in-a-lifetime. If this opportunity cannot be availed, another function (industry, housing) will use that specific area on a permanent basis. On-going spatial developments in places that are vulnerable in the National Ecological Network will further weaken the spatial and environmental conditions.

This will make the task of realising the National Ecological Network in the necessary quantity and quality heavier, and therefore more expensive. As a result, the future governments are faced not only with the costs for catching up with the programme, but also with the extra costs of a rehabilitation programme.

The obligation to safeguard species and habitats that has been taken on by the Netherlands on international level cannot be complied with. The research institute Alterra carried out a study commissioned by the Council, which showed that more than half of the species that are on the Red List of endangered or seriously endangered species and/or are protected by the Habitat and Birds Directive, run a relatively high risk of increasing deterioration or even extinction if the realisation of the National Ecological Network is delayed. They include species like the bittern, the kingfisher, the smooth snake, the yellowbelly toad, and butterflies like the scarce large blue and the large copper. Lowering the ambition level by combining nature targets with other land use, like mixing small bog lands and grassland reserves with agricultural use, will lead to extra risks for a quarter of the endangered and seriously endangered higher plants, as well as for one-third of the dragonflies and other important groups of lower animals. It will affect, among other things, the purple-moor grasslands and species like the floating water plantain, the green hawk, and the dipping beetle. This makes that the objectives of the Netherlands to reach a biodiversity as we had in the Netherlands in 1982 and which was laid down in the Bern Treaty are actually unattainable.

3. Realisation of the National Ecological Network will come to a standstill for lack of structural means

The budget needed for nature policies was already too low at the time the 'Nature for People' memorandum appeared. This occasioned the Parliament with overwhelming majority in 2001 to carry a motion focussed on launching a 'national nature offensive'. Nevertheless, the government did not structurally improve the situation. On the contrary. As of 2003, the future budgets halved the possibilities for purchasing new nature areas. The aim is to increase the cutbacks from € 70m in 2003 to € 90m starting from 2005. However, the objectives for the quality of the National Ecological Network and the time schedule of realising them were maintained [letter by the Minister of Agriculture, Nature Management and Fisheries to the Lower House on 9 October 2002]. Within the framework of the extra financial restraints, all land purchases were stopped in November 2002, and the obligation to purchase from farmers who offered their lands to the National Ecological Network was suspended until 1 January 2004. € 25m of the nature policy budget of 2004 (and later) will already be spent in 2003, which means that there will hardly be anything left in 2004. Calculations by the Nationaal Groenfonds ('National Green Fund'), a government fund for purchasing land to create nature areas, showed that some € 298m a year including starting-up expenses is needed to allot lands to the National Ecological Network. Then again, entrenchment makes only € 131m a year available to reach a yearly deficit of € 167m. Towards the end of January 2003, the government recognised the problems ensuing from this and complied with the Parliament request for partly reversing the spending cut. A once-only fund of € 12m was provided for the year 2003. The objectives are still upheld, but in reality the National Ecological Network policy has come to a standstill.

To counterbalance the effects of this retrenchment policy, the government pursues a higher share in private nature management. Studies by the Office for Environmental Assessment [letter to the standing Parliamentary Committee for Agriculture, Nature Management and Fisheries of 18 October 2002] showed that if opportunity costs (alternative employment of means for repaying the national debt) are included in the calculations, private nature management will indeed be 10 to 15% cheaper. However, studies revealed that in thirty years, private nature management would be 15% more expensive than acquiring lands due to accumulative interest rates. The Council observed that the viewpoints on whether private nature management is or is not cheaper differ widely and depend on the selected starting-points. The Council deems it realistic to assume that, on average, private nature management will cost about as much as nature management by traditional Nature Management Organisations.

The Council is of the opinion that the ambition to increase the share of private nature management must not be defended from a possible cash profit for the government in the next few years. It must be justified by the intention to realise the National Ecological Network sooner, to maintain the social basis for the Network in the area, and to encourage the diversity of nature management.

Though social sectors like housing and recreation have a direct economic advantage from the proximity of nature areas, this economic advantage does not give any financial benefit to nature management at present. Discussions have already been going on for some time, and the Council has so far not seen any progress. As yet, structural funds from sources other than government budgets are not to be expected. On the basis of comparable discussions the Council sees little comfort in efforts to cover the costs with the profits from housing development and recreation when the National Ecological Network is concerned. As already indicated in the Council's advice " 'Green Services: From Direct Support to Rural Enterprise'" [Council for the Rural Area, June 2002] financing nature and landscape by companies and private persons is feasible as long as it does not involve the National Ecological Network.

To realise the National Ecological Network, all available management possibilities are needed: agricultural nature management, private nature management, and nature management by traditional Nature Management Organisations. The Council found that the requirements for adequate functioning are lacking for each of these managers:

- For agricultural management: the short duration of the contracts offers insufficient continuity for the

agricultural business and for the related nature values.

- For private nature management: the lack of clarity in fiscal matters, too little compensation for the depreciation, the exhaustibility of the compensation after 30 years, and the dependency on the policy on the surrounding lands will result in too low a participation (Nature Balance 2002).
- For traditional Nature Management Organisations: the purchase prospects are stopped.
- For all managers: the complex regulation will stand in the way.

The Council has reached the conclusion that the instruments for making the National Ecological Network possible are seriously inadequate, both with reference to the structural funds and to the conditions on which this management should be carried out.

4. Advice: ensure continuity

The Council has seen that the cutbacks and changes in the instruments implemented by the Balkenende cabinet are incompatible with maintaining the objectives, and with the period of realising the National Ecological Network. The council believes that this has serious consequences both for the survival of species and ecosystems and for the climate for establishing businesses and the need for recreation and a decent living environment for our 16 million inhabitants. The Council wants the cabinet to recognise this problem now, and not after many evaluations and after many years.

Consequently, the Council advises the cabinet to guarantee the continuity and the implementation of the nature policies. The Council is aware of the government's grave financial situation but requests that it shall recognise that the implemented cutbacks are incompatible with the intended objectives and that the desired savings cannot be yielded by suddenly realising everything by private nature management. Priorities must be set to carry out the programme.

In concreto, the Council advises the government:

1. To continue shouldering the responsibility for the National Ecological Network

The government has shouldered the responsibility for the National Ecological Network, and should not abdicate this responsibility.

2. To ensure that the means for attaining the intended objectives are available

The general fund has earmarked a too restricted budget, and substantial contributions for the National Ecological Network from the housing and recreation sectors are not to be structurally expected. Not any field of policy is able to realise such a substantial cutback without risking great losses to the objectives. This is why the budget for the National Ecological Network must be brought in line with the objectives. Calculations by the Nationaal Groenfonds showed that an extra structural amount of € 167m a year is needed. This amount will raise the realisation of the National Ecological Network both by farmers, other private persons and traditional Nature Management Organisations again to an acceptable level. If this cabinet is not able to provide this amount, this amount can also be borrowed from the Nationaal Groenfonds via raising the Covenant Loan. The yearly expenses for this will increase from € 11m to € 46m in the next cabinet term. However, the Council would prefer that the funding be not deferred to future cabinets.

3. To develop possibilities for long-lasting forms of financing

Continuity in funding is essential for management. In coöperation with nature managers funding forms must be developed to make this continuity possible. Promising proposals to that end have already been made from society.

4. To encourage participation by managers

The Council warmly welcomes a firmer commitment to nature management by farmers and other private persons in addition to traditional Nature Management Organisations. Not because this is cheaper, as this is not sure in the long term, but because the task to realise the National Ecological Network is such that all potential chances must be availed and all potential managers must be called in. Moreover, new groups of

nature managers will increase the diversity, and with it a wider spread of risks. This is the reason why the cabinet must firmly dedicate itself to improving the conditions for participation of agricultural and private nature management.