

Why a cooperative approach to agri-environment actions works in the Netherlands

Now that the new EU rural development regulation allows for group applications for agri-environment measures, the Dutch government decided to exclusively deal with cooperative action. This article explains the relative success of this approach in the Netherlands and estimates the potential for other member states.

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> Territorial cooperation for the delivery of agri-environmental services is gaining importance, both in practice and as a part of policy development. Surveys and trials show interesting opportunities where a higher environmental output is combined with lower implementation costs. An interesting 2013 OECD analysis illustrated by numerous examples shows that the benefits are increasingly recognised and cooperation for public goods is now a worldwide phenomenon. The 2013 European Commission's regulations for the Common Agricultural Policy (CAP) 2014-2020 include a new formal position for collective action, mentioning "groups of farmers" as potential applicants and (final) beneficiaries under the agri-environment-climate part of the rural development regulation. This regulation also includes support for co-operative actions, including the organisational costs involved. The third innovation is the possibility for groups of farmers to realise Pillar 1 greening measures.

The Netherlands has over twenty years of experience with environmental cooperatives. Motivated by the new EU policy options, the Dutch Ministry of Economic Affairs has been developing a new agri-environment scheme based on exclusive participation of regional cooperatives as applicants and final beneficiaries of agri-environment payments. From 2016 on, 15,000 individual applications have been replaced by 40 collective applications, with 150 regional cooperatives taking care of an effective and efficient implementation. Which factors enabled such a drastic scheme reform?

Cooperation: from defensive to offensive approach

The first farmer associations on farmland conservation in the Netherlands were created in the early 1990s, building on pre-existing regional groups and local leadership. They were aiming at territorial contracts to meet government targets on the basis of self-regulation. In this way they

were countering conservation organisations buying farmland, government institutions perceived to be unreliable and farmers' unions perceived to be neglecting farmland conservation as a serious activity. In addition, they were hoping to provide better targeting of scheme obligations to local needs and possibilities.

The cooperatives fit in a long Dutch tradition of agricultural producer groups, but they are now aiming at public services instead of primary produce – an important novelty. After the first, rather defensive years, the cooperatives developed the more offensive notion that the collective marketing of public services can have important benefits. This applies especially if the values involved, such as biodiversity, landscape or water quality, are in decline and if teaming up with colleagues is the most efficient way to counter the decline. This is particularly the case for cross-farm values, such as farmland birds, ecological corridors and water quality. The increased perception of private benefits from collective action then lies in, for example, prolonged access to government funds for agri-environment measures. Especially in areas with fragile farm economics formerly called 'less favoured areas', cooperation is increasingly seen as the most effective way to turn natural or economical restraints into valued public services. Improved environmental outcome is crucial in The Netherlands, as the results of agri-environment measures have been critically received for decades, thus putting pressure on the available budgets. In addition, cooperation was seen as a way to improve the local dialogue with other interest groups and the connection between farming and civil society. And, finally: the cooperatives discovered that the government took them more seriously and they could play a substantial role in policy development and implementation. For this same reason, the Dutch government has been partially paying for their activities for years.

New scheme offers improved targeting

The more offensive approach brought a rapid increase in the number of cooperatives after the turn of the century, totalling over 150 in 2015. The farmers' unions changed their attitude and actively assisted their establishment. In 2015, the cooperatives established 40 new associations, fully integrating the unions, but maintaining the 'old' cooperatives as an underlying implementation structure. Mid-2015, the newly established associations submitted their applications for the new scheme. The intermediary position of the associations as an applicant and final beneficiary of agri-environment payments offers additional advantages to farmers. The most important one: possibilities for improved tailoring of conservation measures and payments, because the con-

tracts between the cooperative and its members are not subject to EU regulations. This means that the cooperative has some room to create its own 'policy' as to measures and payments. It enables a better use of local knowledge and adjustment of measures and payments to the local conditions, both ecological and economical. The new scheme also means a major decrease in paperwork for the farmer, which may in turn lead to increased participation and better conservation results. The conservation results are also expected to benefit from the exclusion of individual applications. This rather drastic decision may exclude long-term participants, but was nevertheless welcomed by the cooperatives as 'free riders' were often undermining their ecological strategies.

Future challenges

The drastic scheme change has not evolved without discussion. The discussion focused on the crucial balance between regional self-regulation and a 'governmental straightjacket'. For over twenty years, the regional cooperatives have been developing as bottom-up initiatives, providing guidance to farmers by the goodwill they received due to their position as 'organisations of our own'. The cooperatives have now been incorporated in government policies, informal procedures have been formalised, the cooperatives carrying out part of the tasks of the paying agency. These changes bring the cooperatives in threat of being perceived to be an extension of the government, or at least of being 'sandwiched' between government and farmers. Up to now, the benefits of the new scheme seem to outweigh the possible drawbacks, but the coming years will be the proof of the pudding. The Dutch government is still firmly convinced by the concept and is now exploring the possibilities to create more room for a cooperative approach in Pillar 1 greening measures.

Relevance to other member states

In discussions with other member states, the Dutch cooperative approach often meets appraisal, but scepticism where it comes to a broader implementation: "Nicely done, but it's not for us". Some are not convinced of the added value of cooperation; others foresee a lack of cooperative spirit or a lack of regional implementation capacity. For this reason, it is important to emphasize that the Dutch approach is not necessarily a blueprint for other member states and is only one way to improve the scheme's environmental outcome. Important progress in improving cost-efficiency and effectiveness can already be made by moving from an individual to a regional approach in which possible applications should fit within a regional plan. Such community-based approaches are becoming increasingly common in the EU. They might not result in a joint contract, but are pursuing the same goals. In this respect, a regional approach and regional cooperation are already very important keys to increasing efficiency and effectiveness of environmental services from agriculture.

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