



ÖSTERREICHISCHES INSTITUT
FÜR WIRTSCHAFTSFORSCHUNG



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Incorporation of additional elements to a well-established toolbox

The Austrian case

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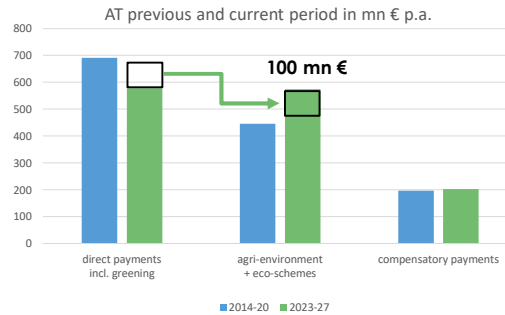
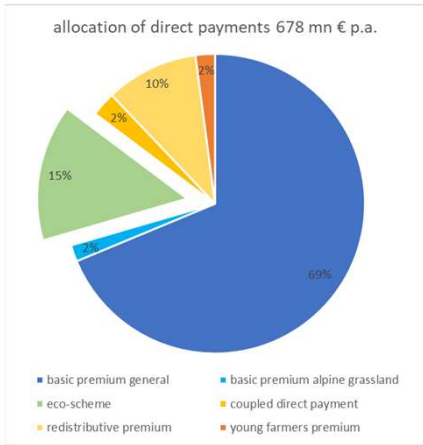

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AT: the Austrian CAP-SP in a nutshell sum of EU and national funds

volume	5.3 bn € rural development 3.4 bn € direct payments 0.1 bn € sector plans 690 € / ha p.a. 2023-2027	AT financial allocation of CSP 8.8 bn € 2023-27 = 690 €/ha p.a.	
regional coverage	1 national plan 9 Länder-specificities (minor)	rural development 5.3 bn €	direct payments 3.4 bn €
interventions	99	agri-environment 2.3 bn €	income decoupled 2.8 bn €
green architecture	<ul style="list-style-type: none"> enhanced conditionality 4 "new" eco-schemes were agri-env. schemes in 2014/20 organic farming 19 acreage-based agri-environment and climate schemes 	projects, TA 1.9 bn €	eco-scheme 0.5 bn €
more environmental benefits expected from	<ul style="list-style-type: none"> investment support (e.g. animal welfare, emission reduction) training and capacity building coupled premiums alp. grassland less favoured area payments 	compensatory payments 1 bn €	wine fruit... <small>inco... cou... bn €</small>

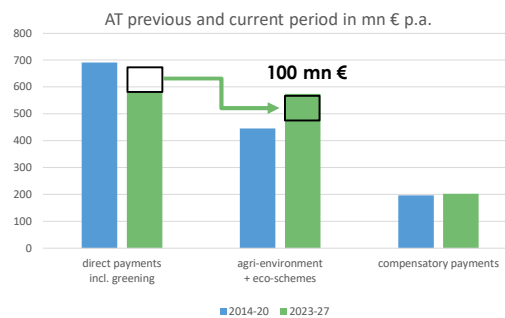
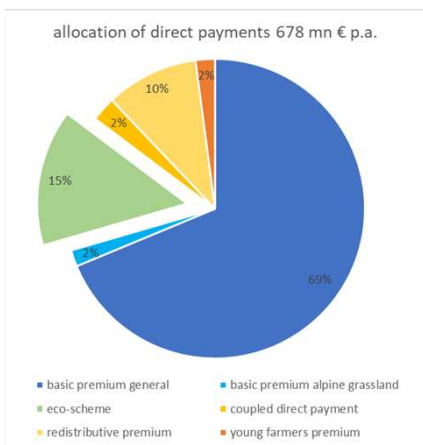
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AT: financial allocation in more detail and some rationale



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AT: financial allocation in more detail and some rationale



AT spends less than 25% of direct payments to eco-schemes.

Exemption rule Art. 97, 31: if RD expenditures for environment and climate exceed 35% (Art. 93). Planned expenditures of CAP-SP for environment and climate are 58% in AT.

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AT: eco-schemes in detail and specific objectives addressed

	mn € p.a.	SO4 (d) climate change		SO5 (e) natural resource management			SO6 (f) biodiversity, habitats	SO9 (i) societal demands
		mitigation	adaptation	water	soil	air quality	biodiversity	animal welfare
greening of arable land cover crops	37.5	x	x	x	x			
greening of arable land permanent cover	18.1	x	x	x	x			
erosion control wine, fruit and hops	10.1	x	x	x	x			
animal welfare free range pasture	34.3	x				x		x

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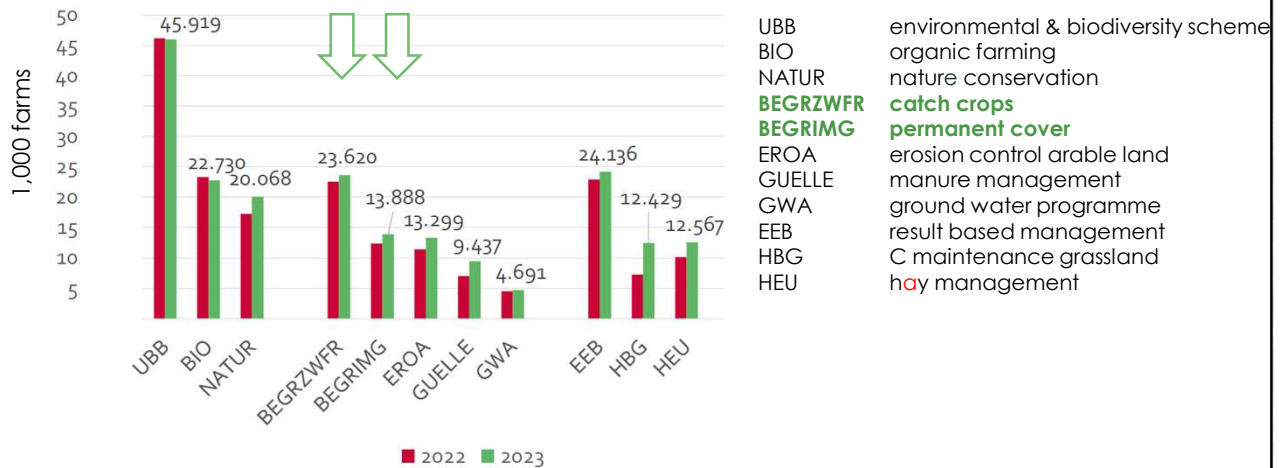
AT: agri-environmental measures and eco-scheme measures (green)

general	arable land	grassland	livestock	permanent crops	Natura 2000 WFD
environmental & biodiversity scheme	green cover, catch crops	reduction chemicals	rare livestock breeds	erosion control wine/fruits/hops	natura 2000 and other protected sites
organic farming	permanent cover	hay production	pastoral care	ban of insecticides Wine/fruits/hops	WFD regional project
slurry treatment / application	erosion control	alpine meadows	free range pasture	beneficial insects	
nature conservation	groundwater protection	alpine pasture	animal welfare housing cattle		
result based management		maintenance of C in grassland	animal welfare housing pigs		

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AT: enrollment of farmers in agri-environmental schemes (2022) and selected eco-schemes (2023)



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AT: experience after first year

- administrative aspect
 - complexity of whole programme increased significantly
- agri-environmental programme and eco-scheme
 - consultants support farmers to fine-tune set of measures
 - eco-scheme measures are familiar to most farmers, therefore no extra layer of complexity
 - basic procedures did not change since 1995
 - farmers (groups of farmers) choose from a set of many schemes
 - farmers may combine schemes (not all combinations feasible)
 - programme managers made good judgements about adoption

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AT: political process in a nutshell

- basic consensus that environmental schemes are important
- Länder need to consent – played only subordinate role
- Farmers most important stakeholders – many distributional conflicts
- throughout programming and submission coalition of Peoples Party and Green Party

topic	Peoples Party	Green Party
environmental schemes	☺	☺☺
organic farming	☺	☺☺
young farmers	☺☺	☺☺
investment aid	☺☺	☺
reallocation of direct payments	☹☹	☺☺

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AT: summary and outlook

- given the coalition government: relatively more funds allocated to agri-environmental payments and eco-schemes
- study shows that climate footprint of agricultural sector in new programme will decrease (compared to 2014-20)
- general approach: "no experiments"
Franz Vranitzky (former federal chancellor): "people who have visions should consult their doctor"
- first assessment: to achieve better environmental outcomes ...
 - change the way measures are implemented (more result based)
 - reduce investment support for livestock farming
 - but maintain extensive free range livestock in specific zones
- in evaluation of eco-schemes: special attention should be given to potential misallocation of funds due to dead-weight

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www.landnutzung.at/ecoschemes.pdf