

2 April 2004

Agreement on the Action Plan for the Aquatic Environment III 2005-2015 between the Danish Government, the Danish People's Party and the Christian Democrats.

The Parties agree that the Action Plan for the Aquatic Environment III will continue the positive development started by the two first action plans for the aquatic environment. The aquatic environment must be further improved through reductions in discharges of nitrogen and phosphorous; nature conservation must continue to be improved; and nuisances experienced by neighbours to agriculture must be limited. Therefore, this Agreement encompasses broad efforts to reduce agricultural impacts on the aquatic environment, nature, and neighbours.

The Action Plan for the Aquatic Environment III is very closely related to the implementation of the EU Water Framework Directive and the Habitats Directive, which state that objectives and programmes of measures for individual water bodies and natural habitats to apply from 2009 must be laid down. The main rule is that the objectives must be met by 2015.

The individual elements of the Agreement:

1. 10-year agreement period - coordination with the Water Framework Directive.

This Agreement runs from 2005 to 2015 with evaluations in 2008 and 2011 respectively. When carrying out these evaluations, progress with regard to the general reduction objectives will be assessed, and the need for further initiatives can be analysed. The regional objectives for the status of the individual water bodies and natural habitats are laid down in accordance with the requirements in the EU directives for the end of 2008. Therefore, at the evaluation in 2008, it will be possible to assess the effects of the efforts thus far in relation to these objectives.

2. Reduction of excess phosphorous - objective of 50 per cent reduction.

Agriculture's excess phosphorous must be halved compared to the 32,700 tonnes P in 2001/2002. A reduction of the excess phosphorous of 25 per cent by 2009 will be achieved through a tax of DKK 4 per kg of mineral phosphorous in feed and through general improvement of the phosphorous balance by 3,000 tonnes on the basis of new knowledge acquired through the research programme. In the period from 2009 to 2015 there will be a further 25 per cent reduction. The Parties to this Agreement will discuss the possibility of tightening the reduction objective, if it appears that technological development permits this. The need for changed/new instruments will be assessed in the evaluations. Revenues from this tax will be returned to agriculture through a reduction in land taxes in accordance with the principles of the Government's tax freeze.

3. Reduction in discharges of phosphorous - 50,000 hectares of buffer zones

A focused effort will be made with regard to phosphorous discharges. Close to 30,000 hectares of 10-metre crop-free buffer zones along rivers and lakes before 2009 and a further 20,000 hectares before 2015 will be established. The buffer zones will be established by voluntary transfers of set-aside land along lakes and rivers. In order to support the establishment of crop-free buffer zones through siting set-aside land, an additional subsidy under the agri-environmental measures for crop-free buffer zones established along rivers and lakes will be introduced. The buffer zones will retain phosphorous from other areas and they will protect banks along rivers and lakes, and in this way the discharge of phosphorous will be reduced.

A total DKK 375 million including the expected EU co-financing will be allocated from 2005-2009 to special initiatives under the agri-environmental measures. Apart from covering the subsidies under the agri-environmental measures for establishment of the crop-free buffer zones along lakes and rivers mentioned above, the funds allocated can also be used for eg. wetlands under the agri-environmental measures and other agri-environmental measures aiming at nitrogen and phosphorous.

The Parties to this Agreement wish to strengthen the basis for reducing phosphorous discharges from agricultural areas through research into the mapping of areas with an increased risk of phosphorous loss as well as through research that can strengthen the basis for implementation of the EU directives.

Freshwater fish farms constitute a significant source of phosphorous discharges into freshwater bodies. In connection with the current follow-up to the report by the ad hoc Advisory Board on Freshwater Fish Farming, the Parties will therefore consider the need to introduce a phosphorus tax on freshwater fish farming. In addition, the Parties will consider raising the taxes on separate industrial discharges, currently subject to reduced taxes or no taxes at all, if these phosphorous discharges impact lakes and enclosed fjords. Finally, the Parties will assess whether there is a need for further initiatives with regard to phosphorous discharges from municipal wastewater treatment plants. Initiatives already adopted, which are targeted towards a reduction of wastewater discharges from sparsely built-up areas in the open country, will contribute to reducing phosphorous discharges by approx. 45 tonnes P. In 2005, the Government will prepare a white paper regarding the progress in the reduction of wastewater discharges from sparsely built-up areas.

Although scientific fact-finding projects have not suggested a further reduction in discharges of nitrogen and phosphorous from wastewater treatment plants to the marine environment, the Parties to this Agreement consider it crucial to set up a working group to assess the technical possibilities of tightening requirements for treatment of wastewater from municipal treatment plants and separate industrial discharges, as well as the economic consequences of these.

4. Objective and instruments for a minimum 13 per cent reduction in nitrogen leaching.

Nitrogen leaching from agriculture is to be reduced by a minimum of 13 per cent by 2015 compared to 2003.

The structural development, including setting aside land, improved feed utilisation, and the implementation of the new EU agricultural reform are expected to lead to a reduction in nitrogen leaching from agriculture of approx. 11,200 tonnes N before 2015. In addition, afforestation in the range of 20,000-25,000 hectares will contribute to reducing nitrogen leaching by approx. 900 tonnes N.

The following initiatives will also contribute to reducing nitrogen leaching:

- Regulations regarding late crops will be tightened. From 2005-2009, late crop requirements will be introduced corresponding to 6 per cent of the late crop basis for farms using livestock manure, corresponding to less than 0.8 LU/ha, and 10 per cent for farms using livestock manure, corresponding to more than 0.8 LU/ha. From 2009-2015, the late crop requirements

will be tightened to 10 and 14 per cent respectively. In the future, maize will be included as a late crop. Cruciferous late crops sown before 20 August are equal to grass crops and other late crops with a large potential for nitrogen accumulation. This is expected to contribute to reducing nitrogen leaching by approx. 4,600 tonnes N. Annual costs for industry related to this initiative are expected to be in the order of DKK 30-60 million per year.

- A general tightening of requirements for utilisation of nitrogen in livestock manure with 4.5-5 percentage points concurrently with research creating a basis for this. This will be assessed in the evaluations in 2008 and 2011. This initiative is expected to contribute to reducing nitrogen leaching by approx. 2,900 tonnes N. Costs for industry in this connection are expected to be in the order of DKK 50-90 million per year.
- DKK 140 million will be spent on the establishment of a further approx. 4,000 hectares of wetlands in 2004 and 2005. This is expected to reduce nitrogen leaching by approx. 1,100 tonnes N.
- In accordance with element no. 3 above, a further up to DKK 375 million will be allocated in the period 2004-2009 including the expected EU co-financing to special initiatives under the Agri-environmental measures targeted towards phosphorous and nitrogen. Besides being spent on establishing crop-free buffer zones, the funds are expected to be spent on establishing wetlands under the agri-environmental measures and general set-aside of agricultural land. In order to achieve a higher degree of integration of protection of the aquatic environment and nature, and because several wetland projects have not been able to meet the relatively high nitrogen requirements in projects under the Action Plan for the Aquatic Environment II, the requirement for removal of nitrogen is reduced to 100 kg N/ha for future wetlands under the agri-environmental measures. The total nitrogen reduction resulting from the extra funds for agri-environmental measures is estimated at approx. 400 tonnes N.
- In the 2008 evaluation, the effect of the afforestation initiatives will be assessed in relation to the reduction in nitrogen discharges to surface water and groundwater.
- The requirements for utilisation of nitrogen in mink manure will be tightened so that they reach the same level as the current utilisation requirements for cattle manure. This way, leaching is expected to decrease by approx. 100 tonnes N. The costs for industry are estimated at approx. DKK 0.5 million per year.
- Initiatives already adopted which are targeted towards a reduction of wastewater discharges from sparsely built-up areas in the open country, will contribute to reducing nitrogen discharges by approx. 300 tonnes N.

If the evaluations show that there is a need for further initiatives in order to reach the objective of a minimum of 13 per cent reduction in nitrogen discharges by 2015, it will be necessary to discuss the introduction of other instruments or a tightening of some of the instruments already in use. The nitrogen excess in agriculture is a good indicator of agriculture's nitrogen impact on nature and the environment by nitrate and ammonia, and therefore it will be included as an important parameter in the evaluations.

A reduction in nitrogen leaching is an important factor in relation to both national and international objectives. The status of the Kattegat, the Baltic Sea, and a number of fjords was a cause for concern in assessments in a report from the UN environment body. Nitrogen discharges from land as a consequence of over-fertilising in agriculture are indicated in the report as a significant cause. With this Agreement on the Action Plan for the Aquatic Environment III, a further contribution is made to the reduction of nitrogen discharges and an improved aquatic environment.

Denmark is obliged to submit a four-year action programme for the implementation of the Nitrate Directive from 2004-2008. The Parties to this Agreement agree that the Action Plan for the Aquatic Environment III as well as the results achieved under the Action Plan for the Aquatic Environment II are included in the four-year action programmes and that Denmark will continue to meet the requirements for correct implementation of the Nitrate Directive.

The Parties will work for an extension of the Danish exemption, cf. the Action Plan for the Aquatic Environment II, so that the opportunity to add up to 230 kg N to livestock manure per hectare in certain cattle holdings can be maintained.

A technical adjustment of the system to fix norms will be made so that, as a main rule, the norms will continue to be laid down without regard to protein content. However, the norm reduction will be subject to a maximum of 10 per cent below the business finance optimum, as laid down in the Action Plan for the Aquatic Environment II, but the total nitrogen quota will not be allowed to exceed the 2003/2004 quota after adjustments for the effect of crop displacement.

5. Protection of particularly vulnerable nature.

With a view to protecting ammonia-sensitive habitats, the Wilhjelm Committee's model on the designation of 300-metre buffer zones around all raised bogs, all lobelia lakes, all - to start with - heaths larger than 10 hectares, and all endangered and low-nutrient dry grassland larger than 2.5 hectares, as well as all endangered heaths, dry grassland, and other particularly vulnerable types of natural habitat in the Natura 2000 sites. The total area where buffer zones are designated constitutes just over 7 per cent, corresponding to just over 180,000 hectares. Within this buffer zone and within the area itself, no extension of livestock farms can take place if such an extension would lead to increased ammonia discharges in natural areas vulnerable to ammonia. Application of new technology may be used in such an assessment. Final designation of these areas will take place through the natural planning by counties up to 2009.

This initiative is the Government's follow-up to its Action Plan for Reducing Ammonia Volatilization from Agriculture from 2002. Through the Action Plan for Reducing Ammonia Volatilization from Agriculture, a ban has been introduced on surface spreading. When the Action Plan for Reducing Ammonia Volatilization from Agriculture has been fully implemented in 2007, the total effect will be a reduction of about 9,500 tonnes of nitrogen per year.

The development of new technology is also important in relation to being able to limit odour nuisances from livestock farming. Authorisation to extend existing and establish new livestock farms should also be seen in the light of the ongoing structural development where livestock production is concentrated in fewer and larger farms.

Extension of existing livestock production and establishment of new ones are regulated under the Danish Planning Act (EIA) and the Danish Environmental Protection Act. This ensures that extension of existing livestock farms and establishment of new ones are assessed in relation to their impact on the environment and nature. After designating the buffer zones, the Government will prepare a white paper on the extent to which these buffer zones have created better regulation of livestock farming.

Approvals under part 5 of the Danish Environmental Protection Act must be reconsidered at least every ten years, and amended conditions can be determined in that connection. If there is new information about the adverse impacts of the pollution, new information about environmentally harmful effects that could not be predicted at the time of approval, or new knowledge about significant changes in the best available techniques, the authorisation may be taken up for reconsideration before expiry of the 10-year period. New and amended conditions do not lead to a new statutory protection period in relation to the original approval under part 5.

6. The research programme under the Action Plan for the Aquatic Environment III - including reduction of nutrient losses and odour emissions.

The research programme aims at limiting odour nuisances, reducing excess phosphorous and phosphorous discharges, and improving methods for manure management. Limitation of nutrient discharges in a regional context is included in the programme as a separate element. Knowledge about the development and spreading of odours and instruments to limit odours from livestock production will be important elements in limiting nuisances experienced by neighbours. Research into odours is closely related to the development of technologies and knowledge about reduction of ammonia volatilization. Limiting ammonia volatilization, eg. the potential for adding acid to manure, will also be included in the manure research programme, so will experiment projects regarding manure separation and biodegasification, etc. The Government and agriculture together will allocate a total of DKK 155 million for this research programme. Thus, particular emphasis in the programme is being placed on developing the possibilities of limiting odour nuisances.

7. Strengthening organic farming.

In addition, a new research programme will be carried out with regard to organic agricultural production - the so-called FØJO III. In future, an annual DKK 12 million of the funds originating from pesticide taxes will be allocated to research activities. Already now, the Parties are ready to earmark these funds for a future research programme aiming at organic farms, while a further DKK 28 million per year are expected to be raised through governmental research reserves so that new funds are expected to be allocated - a total of DKK 40 million per year from 2005 to 2009.

A framework has been ensured for the Organic House of an annual DKK 3 million for the period 2005-2009 for projects promoting organic farming. The projects will be implemented under the auspices of the Organic House.

In context with an adaptation of the "landdistriktsstøtteleven" (act on rural development) and the use of modulation funds under the rural-districts programme, funding of organic sales-promoting initiatives is being made possible.

8. The Manure Action Plan - new distance requirements

The Manure Action Plan builds upon the recommendations made in the report from the "Nabogeneudvalget" (committee on nuisances experienced by neighbours) of 29 January 2004. It should be noted that the first phase of the Manure Action Plan has already been implemented since the tightened distance requirements entered into force on Saturday 20 March 2004. Local authorities have been instructed to be extremely aware of avoiding future odour nuisances in their case administration. The Government has also initiated five development projects on odour for a total of DKK 1.5 million. The Minister for the Environment will ask the Nabogeneudvalget to prepare a report in 2005 studying whether the effects of the stricter distance requirements are sufficient.

In addition, new and updated odour guidelines for municipalities' treatment of applications for extension of existing livestock production and establishment of new ones will be prepared.

9. Further elements

The "gødskningsloven" (act on the agricultural sector's consumption of fertilisers and on plant cover) will be adjusted so that authorisation is granted for:

- Implementation of pilot projects with regulation based on balance models. The scientific elucidation work preceding the Action Plan for the Aquatic Environment III analysed the opportunities to use a balance model for regulation of agriculture's excess nitrogen and phosphorous and recommended carrying out pilot projects to document the advantages and disadvantages of the balance model, including determination of limit values for excess nitrogen and phosphorous. Farms participating in the pilot projects may use the balance calculation as documentation of a simultaneous correction of the farm's nitrogen norm based on the level of yield from feed crops used for feed on the farm and the nitrogen level in the livestock manure. Up to 1 per cent of the farms which are under an obligation to submit manure accounts may participate in the pilot projects. This scheme must be developed and is not expected to be implemented before the fertilising season 2005/2006.
- Determination of requirements for the establishment of winter green fields. Winter green fields may, if they constitute 100 per cent of the cultivated area alone or together with late crops, replace the requirement for late crops, cf. element no. 4.

The Action Plan for the Aquatic Environment III is supported by a rapid realisation of the farm advisory system, which is part of the EU reform. DKK 2 million will be allocated in 2005 within the rural areas programme for this development project.

10. A holistic approach.

With the Action Plan for the Aquatic Environment III, there will be significant improvements in the status of lakes and fjords which are crucial in relation to the desire for a clean aquatic environment and will benefit both flora and fauna.

It should be noted that public interest in environmental issues in agriculture - apart from the wish for clean water and rich nature - is, to a high extent, also attached to the derived nuisances from pig production, including in particular odour nuisances. Technological development of eg. biogas and manure separation, feed efficiency and acidification of manure may contribute to improving the environmental conditions of agriculture. Efforts to strengthen the protection of the aquatic environment and nature will therefore be combined with initiatives to limit odour nuisances.

The Parties therefore wish to use this Agreement on a new Action Plan for the Aquatic Environment III to initiate a more holistic approach to the protection of nature and the aquatic environment. Focus will no longer only be on a reduction in nitrate discharges. The instruments of the Action Plan for the Aquatic Environment III are based on an integrated approach where the protection of the aquatic environment and nature are combined. The instruments of the Action Plan for the Aquatic Environment III are also important in relation to the future regional objectives under the Water Framework Directive and the Habitats Directive - not least the designation of buffer zones and the continuation of wetland initiatives.

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