

November 2008

Editorial

To manage the environment property rights must be respected and protected. All landowners have to manage – and no one manages anything better than the owner of the property who has a personal attachment to it. The European Union faces a major challenge: conservation and use of biodiversity must be made beneficial to farming, forestry, hunting, fishing and for all family businesses in the countryside if our society is to meet its goals (feed the world, save resources, adjust to climate change and preserve the fantastic development potential of biodiversity).

There is much at stake: different trends of thought must be brought together and made to see beyond their ideological differences to come up with practical solutions. This requires that we find a middle way, where we get the best possible biodiversity at a cost acceptable to society. The current debate in the European Parliament on the status of the cormorant is symbolic of this. This bird had almost disappeared from our countryside, but as a protected species it made a massive come-back and is one of the greatest success stories of Natura 2000. However, as this species is particularly skilled in finding its daily food requirements, fishermen consider that it does tremendous damage and its numbers have now reached a point where it is difficult to still consider it an endangered species. It would however be a bold step indeed to go from one extreme to the other. Landowners know only too well that caution is required when managing biodiversity. Respectful management of biodiversity involves seeking a balance between the predator and the prey – the latter being for example the lapwing, the golden plover, the bittern or the bar-tailed godwit. The RSPB (UK Member of Birdlife International) is seeking to do just that through the Langholm Moor project. This is of course just part of a serious debate which will be one of the biggest topics of the next parliament: biodiversity.

Thierry de l'ESCAILLE

Interview with MEP Michl EBNER



Michl EBNER MEP (IT) is coming to the end of his term in office. Having taken the decision not to run for another term in the EP, he will return to his region of origin. We wanted to ask him some questions about the time he spent in the European Parliament.

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Publisher :
Thierry de l'ESCAILLE

Chief editor :
Emmanuelle MIKOSZ

Rue de Trèves, 67
B - 1040 Bruxelles
Tel. : 00 32 (0)2 234 30 00
Fax : 00 32 (0)2 234 30 09
countryside@elo.org

Internet Site :
www.elo.org

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1. You have been an MEP during three mandates. What has been your best or worst experience at the EP and what achievements are you proud of?

With the challenges ahead until the end of this legislature, I am looking back on a very interesting and rewarding time in the European Parliament. I will remember the great achievements of the European Parliament, for example in the field of the Common Agricultural Policy. As former President of the Joint Parliamentary Committee EU-Slovenia, the accession of Slovenia in 2004 was also a very important milestone for me. As for most people who believe in the EU project, a disappointing moment was, of course, the failed ratification of the Lisbon Treaty. But I am confident that we will find a way out of the crisis.

Regarding the final result of my work and particularly for the benefit of my region, I am proud of my report on the situation and outlook for hill and mountain farming, which has been approved of the EP with a big majority.

2. Have you felt any evolution in the vision of the EU after the successive enlargements? The next EU member will be Croatia. What are the borders of the EU?

The historic enlargement of the EU in 2004 by ten new member states and by Bulgaria and Romania in 2007 is a proof that the EU is not merely a geographical union, but a union of common values and ambitions. Croatia shares these values and has made great progress with its reforms since it has become a candidate. I'm hoping that accession negotiations will be concluded in 2009 and that we can welcome Croatia as a member in 2011 at the latest.

However, in light of the recently failed ratification of the Lisbon Treaty in Ireland, it is necessary to reflect about the future of the EU and things that could be done better, before thinking about further enlargement.

3. Do you believe in a political Europe? What is or could be the role of the EP in such a process? Is the EU a popular idea among MEPs?

The European Union started out as an economic union for coal and steel and developed more and more into a political union, so the political Europe is a reality today. Of course there are some MEPs who prefer the EU to be merely a free market, without any major political integration. But examples of successful political collaboration like the common effort to address the conflict in Georgia, or to tackle the financial crisis show that we can achieve better results for our member states by cooperating. The EP plays a very central role in the discussion about a political Europe, as it is the only democratically elected institution, representing the European people - and their ideas of what a political union should look like.

4. What do you think the role of the EP is and should be in the future for local communities?

The integration of the European Union has brought two major developments. On the one hand, the member states have assigned certain competences to the EU, so these are being centrally harmonised in Brussels. On the other hand, the EU strengthens the significance of the local community - financially through various funding programmes and politically through the work of the Committee of the Regions and also of the European Parliament. The democratically elected members of the Parliament represent the local communities and are the mouth-piece for their hopes and concerns.

5. Why have you decided to become President of the Intergroup? How do you feel personally involved on the issues tackled by the Intergroup?

The issues of countryside protection and biodiversity have always been very important to me. It is the EU's aim to halt the loss of biodiversity until 2010.

Sustainable hunting can make a big contribution to this aim and therefore I felt very honoured when I was elected President of the European Parliament's «Intergroup Sustainable Hunting, Biodiversity and Countryside Activities». I believe that the Intergroup is making valuable contribution to the discussion and I hope it will keep up its good work in the years to come.

6. What is your relationship with the countryside: are you a land manager, a hunter or else?

Given the region where I come from I have always had a very close relation to the countryside from early on. This relation is of course very intense when I go hunting or spend some time in nature in any other way.

7. How do you value your relationship with ELO?

As an organisation which promotes biodiversity and the sustainable use of the EU's natural resources, ELO is a very important partner for me. I am looking back on many years of successful cooperation and I am hoping to keep this up in the future.

8. How do you think the relation between hunting-biodiversity has changed in the public opinion but also at the decision-making level? Do you think that hunters

and society at large including environmental organisations understand each other?

Hunters and environmental organisations are both part of society and in principal have the same aim: to safeguard biodiversity and to interact with nature in a responsible way, protecting flora and fauna. The media has created and heated up this conflict, which in my opinion should not be there. We will achieve most if the different actors cooperate, like they successfully did with the interpretation guide for the bird's directive, for example.

9. How should the post 2013 CAP look like?

Due to the recent developments on the world market, we are facing a situation where the demand for agricultural products has increased due to the quickly increasing world population and altered production patterns in emerging economies. As the EU is able to cater for the increased demand on the world market, for example of milk, some of the subsidies are outdated and need to be reformed in the light of current developments. However, it is very important that specific safety mechanisms are applied to lesser-favoured regions like mountainous areas, as these regions cannot quickly adapt to market changes by increasing

their production or switching to a more profitable production sector.

10. Please list the 5 top priorities for rural Europe to be prosperous and competitive.

1. Investing in the young generation of farmers and land owners
2. Access to information and education, e.g. by bridging the digital divide
3. Halting the loss of biodiversity
4. Adapting to current international developments and giving the highly competitive sectors in the CAP more exposure
5. Protecting and financing lesser competitive sectors in disadvantaged regions of the EU by specific mechanisms and respecting regional differences.

■ Alexandre MARGHELIS
Emmanuelle MIKOSZ

Having had the privilege to work for a long time with Michl EBNER, ELO would like to address to him its deep gratitude for the constructive and fruitful collaboration, and for his support in defending and representing the interests of private managers in rural areas. We would like to wish him all the best for his future, and we also trust that his successor at the head of the Intergroup will show the same passion and commitment.





EUROPEAN HISTORIC HOUSES (UEHHA)

The fight against art theft

During the UEHHA general assembly held in the middle of October in Madrid, a forum was organised on the 'Fight against theft, dealing and illegal trafficking of works of art'. The Union is particularly sensitive to this complex subject and we have already addressed it twice before in our newsletter. It was given detailed consideration by a broad panel of speakers from both national and European authorities.



Quoting the impressive turnover of Europe's art markets, which is 19.2 billion euros, Corinne CHARTELLE, head of the operational section of the Central Office for the Fight against the trafficking of cultural goods in the French ministry of the interior, underlined the attraction of this sector for thieves, dealers and money launderers. This form of trafficking is now second in importance after drugs. However, she also confirmed the difficulty of finding reliable, precise figures on the extent of trafficking and the losses involved. Although making estimates is still a complex exercise, the transnational character of trafficking, where stolen works move rapidly from one country to another, makes controlling it in Europe even more difficult. To pursue a thief across a border the police must apply specific, binding procedures, since their prerogatives are limited to the territory of their own state, and this seriously paralyses their work.

Furthermore differences in natio-

nal legislation regarding the theft of works of art do not make things any easier. Elisabeth FORTIS, law professor at Nanterre University (FR) said that the concept of dealing in stolen goods exists in criminal law in most of our countries, but its definition and the application of sanctions and rules of procedure vary considerably. This encourages traffickers to move cultural goods from one country to another to escape the strict rules in certain states. The theft of a work of art is generally considered an aggravating circumstance, but the concept of 'dealer' and the criteria of good and malicious intent varies in different legislations. The same applies to sanctions which vary between 5 years in France and Belgium, 10 years in Switzerland and as long as 15 in the UK. As far as the differences in deadlines and the point when a period of limitation can be applied are concerned, they too have their implications. In France and Spain dealing is a continuing offence and so the limitation period on the dealer only begins when

he gets rid of the stolen object. In Belgium and the Netherlands where dealing is considered an instantaneous offence, the period of limitation begins when the dealer comes into possession of the object, which means that he only needs to wait for the five years of the period of limitation to elapse before he can legally put the stolen object back on the market. This is why these countries have unwillingly become the favourite hosts for trafficking in works of art.

Marie CORNU, research director at CNRS (FR), has highlighted that the differences in proof of ownership in the event of a stolen cultural item being returned are equally striking. Common Law countries prefer to protect the owner - the victim of the theft - while those of a civil law tradition favour the right of the purchasers and the trade. In Switzerland the purchaser must carry out certain checks before acquiring an item, whereas in France and Belgium the Civil Code states concerning hou-

EUROPEAN HISTORIC HOUSES (UEHHA)

sehold goods possession equals ownership – which means the purchaser becomes the owner within a given period. In Italy ownership is actually immediate. To this we must add the different interpretations in case law of the concept of acting in good faith and the problem of the territoriality of law which requires extended procedural powers for the country where the theft was committed.

This alarming fact illustrates how urgent it is to harmonise the legislation of the member states of the European Union in order to improve prevention and prosecution of illegal trafficking in works of art and cultural goods. But for Antonio TENORIO, chief inspector of the “Brigada de Patrimonio Historico de la Policia Judicial” at the Spanish ministry of the interior, the improvement of coordination between the services of the different ministries both at national and international level is also indispensable. Although organizations such as INTERPOL, UNESCO and ICOM are working towards this thanks in particular to new data bases, conventions and ethical codes, the strengthening of international police cooperation must also be a priority.

On more than one occasion it has already proven its efficiency by dismantling major networks.

Although the role of the public authorities in this area is essential, the role of the owners should not be neglected. It is indispensable for them to be able to provide a detailed inventory and good quality photos of the stolen works so the police can start searching and so that the objects may be identified in the event of being returned. But the owner must also make sure his property is safe. In France Stéphane THÉFO, police commander seconded to the ministry of culture, advises owners on how to protect themselves. He assesses individuals with the intention of making them more aware of risks, and proposes measures, which in general consist of simple, consistent and efficient solutions. Preventing easy access to the house by installing a gate or padlocked bars is often more useful than a sophisticated electronic system, but it is also important not to leave ladders lying around, to avoid valuables being visible through windows, to ensure the letter box is emptied during absences etc. Above all vigilance and common sense are needed since as we have

seen, law enforcement cannot do everything.

However, the new Cultural Agenda of the European Union perhaps offers certain perspectives too. According to Grzegorz GAJEWSKI, the secretary of the European Crime Prevention Network in the European Commission, a new working group has just been launched to examine how art theft prevention can be strengthened. Its action plan promotes a multi-disciplinary approach, the development of new surveillance instruments, financial support and a study on differences in legislation and law enforcement in Europe. The question is, will it be able to achieve rapid harmonization of European legislation and better international cooperation? These are essential factors in safeguarding our heritage, which to quote Antonia CAMACHO, the Spanish secretary of state for internal affairs, is the ‘genetic code of our society and culture’?

■ Donatienne de SÉJOURNET



THE INSTITUTIONAL ECHO

Conference “European Biodiversity: the Private Solution”

What is the place of the private initiative in favour of nature conservation?
Who are the stakeholders and what are the concrete solutions proposed by them?

These were some of the questions asked during the conference “Biodiversity: the Private Solution” organised by ELO, MEP Véronique MATHIEU, Foundations, FEIN (Fondazione Europea Il Nibbio), the ELO Water and Habitat Fund, the RISE Foundation, the Fondation Saint-Hubert, the Fondation pour la Protection des Habitats de la Faune Sauvage and the Fondation Wallonne pour la Conservation des Habitats, at the European Parliament on the 8th of October. The French MEP insist on the very concrete importance of biodiversity on the quality of our life, our future, our reality. She encouraged the participants to identify ways of achieving conservation of biodiversity concretely.

Martijn QUINN, deputy head of cabinet of Commissioner Dimas, also took the word by insisting that biodiversity, “Life on Earth”, was high on the agenda rapidly nearing in importance the actual hot topic of climate change. “A good framework is already in place in the EU” he observed. Expressing some reservations as to the accomplishments of the 2010 targets to stop biodiversity loss, he invited all the concerned stakeholders to carry on developing a real and long term vision after that date.

Avril DOYLE, MEP, focused on the wide range of impacts of Biodiversity, mentioning papers and studies on the matter as well as some examples in areas like pharmacology or environment. However, she considered that the importance of biodiversity is poorly reflected on the markets and that Europe is far behind concerning the mechanisms to reward or compensate for ecosystem services, whereas the USA have already instituted a number of mechanisms allowing the “banking” of those services.

She very much insisted on this topic

which as she said, does not reflect the position and international responsibility of the European Union should have on this matter.

Robert FLIES, Advisor for nature policy at the European Commission, mentioned the diversity of Ecosystem services produced by the countryside: delivery of goods (food, materials, energy, clean water, medicines, ..) and services (carbon storage, flood protection, protection against erosion, recreation..) and pointed out that the countryside was about “Living Landscapes” where Man and Nature work together. Regarding the implementation of environmental regulation, he notably underlined the significance of coming up with flexible mechanisms in translating scheme conditions to the local environment and to duly taking into consideration the rural areas’ need for a balance between nature’s interests and economic well-being. “I can’t see managing the land for biodiversity conservation, without involving the people who use it and know it best”, he commented. The keys to preserving biodiversity and protecting the economic vitality of our rural environment lie in a close cooperation, an atmosphere of trust, and involvement of different stakeholders.

Tamsin Cooper, an IEEP (Institute for European Environment Policy) senior advisor, spoke on the issue of adequate funding for biodiversity action. She focused her talk on High Nature Value farming systems which are considered as extensive farming systems with high levels of biodiversity. Indeed, a limited understanding of the impact of interventions means that it is difficult to calculate the cost of financing biodiversity. Edouard-Alain BIDAULT presented the Wildlife Habitats Foundation which in the past 30 years has been financed by Hunters Federations, but recently

with more broad sources. The experience has showed how important is to involve partners and farming locally, as it is the more effective way to manage projects quickly and at low cost. In addition, people feel concerned about conveying the appropriate messages on the importance of biodiversity to the younger generations. Another successful example was described by Giuseppe NATTA from Belleuropa. The project, developed thanks to EU regulations 2078/92 and 2080/92, allow the land managers to “cultivate environment” on arable farms with a 20-year commitment, without losing their EU subsidies. Mr. Michel REFFAY from ONCFS, referred to the Pilot Wildlife Estate, showing that sustainable hunting is a way to regulate and improve natural resources. Not only has it a concrete and positive influence on animal and plant species, but also it has a high economic importance for many rural communities. In fact, territory managers and hunters consider themselves as «solution providers» for the protection of biodiversity. Edgar KESTELOOT first presented the Belgian Foundation for Conservation of Habitats which he presides which offers services and expertise in the restoration and conservation of (semi) natural habitats. Than André FOUGEROUX from Syngenta France presented the Syngenta’s initiatives as regards the preservation and use of biodiversity: the Agéris Farm Network Programme. The programme was created after some Syngenta’s clients, predominantly farmers, sought advice on how to value biodiversity. The objectives of this network are to develop good agricultural practices, optimise recommendations, inform and build partnerships. Thibault LECLERC, from Listel took the final word. Listel, a 125-year old company, is the biggest winery estate in Europe,

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Maximilian HARDEGG, Corrado PIRZIO-BIROLI.

managing more than 3000ha along the French coast of Camargue. When the company took over the winery some years ago, managers were fascinated by the existing equilibrium and tried to understand it. All was due to the fore-comers and their harmonious traditional

ways, which they respected and decided to continue applying: traditional tilling methods, exclusion of pesticides, management of water levels, sheep farming between vines, etc.

Biodiversity is thus fully integrated into the management of the estate and even constitutes a comparative and competitive advantage on the market, through the important awareness of the public. Indeed the estate also assumes the role of a nature reserve, open to the public commercially, which makes not only adds some financial interest but also turns visitors into authentic ambassadors for the estate's wine products. Listel has in this fashion created a strong label for a wine which, as Mr Leclerc pointed out, "has a story to tell".

The conference finale was the opportunity to present this year's winner of the Belleuropa Prize, a yearly award promoting outstanding initiatives of land rehabilitation and biodiversity enhancement in EU rural lands. This year, the jury awarded the Prize to Mr Maximilian

HARDEGG from the hands of Corrado PIRZIO BIROLI for the rehabilitation of the local river and the creation of wetlands and valuable habitats on his estate located in Lower Austria. Today he has achieved a balance between farming, water management and flora and fauna. Mr HARDEGG declared he was honoured that his vision for land management was recognised at a high level and insisted that the project would not have been possible without Austria's EU membership and the opportunities deriving thereof.

Véronique MATHIEU took the final word to show her optimism for the future, through the examples from both the political arena and the private sector. On the political front therefore, she mentioned how some responsibilities were taken: the Health Check of the CAP which was voted on 7 October, accepted numerous amendments, among which biodiversity matters.

■ Alexandre MARGHELIS

**BNP
PARIBAS
WEALTH
MANAGEMENT**

Coordination:
François de RADIGUÈS
Tel: +32 (0)2 234 30 00

THE ENLARGED EUROPE

SHAI programme 2008/2009: Once more ELO conveys a positive message about Natura 2000

In the recent past, hunting activities have regularly been at the heart of the controversy when it comes to identify and implement biodiversity conservation policies. In the past years however, a trend to establish a positive and constructive dialogue has been observed between the various actors at stake. Even the most sceptical stakeholders and decision-makers have realised how imperative is to involve all nature users in working together to secure a better nature for the future generations.



ELO and the European Commission are convinced that the success of EU Conservation policies will eventually depend on the amount of support from the actors of the countryside and local rural communities. Countryside people daily deal with natural resources and constitute the ultimate link in the chain of implementation of nature policies. They feel responsible for their natural assets and are thus committed to give it the appropriate attention. Hunting and angling communities are no exception. They will feel more implicated and act responsibly provided they feel their traditions have been duly taken into consideration by the European Union policies. Several actions have been launched lately in order to make this a reality.

For instance, ELO participated to the 2006 EU funded project "Awareness raising on the NATURA 2000 Network among users - in particular hunters", in partnership with FACE¹ and BirdLife International. Prior to this, the Sustainable Hunting

Initiative (SHI) had been launched in 2001 and led to the signature of an Agreement between FACE and BirdLife International in 2004. The Sustainable Hunting Initiative aimed at addressing the controversy and confrontation between hunters and other conservationist groups by facilitating dialogue on issues raised by the interpretation of the Birds Directive. The rationale behind this initiative was that these stakeholders share a common interest in preserving wild birds and their habitats and that mutually recognising some core principles and establishing a collaboration would prove far more constructive than distrusting each other.

Building on these achievements, the Sustainable Hunting and Angling Initiative programme (SHAI), commissioned and co-financed by the European Commission DG Environment, was launched earlier this year in partnership by ELO, FACE and IUCN². The programme seeks to promote greater engagement of the hunting community in the imple-

mentation of the Birds Directive and the Habitats Directive and to further engage the community of wildlife recreational users in conservation and management of Natura 2000. For this purposes, it aims at identifying and assessing the progresses and weaknesses in communicating Natura 2000 to the hunting community, exploring the possibilities of extending the SHI to non-bird species covered under the Habitats Directive (mainly mammals) and engaging other wildlife recreational users particularly anglers.

Among other, the project featured the organisation of workshops in four bio-geographic regions jointly by ELO and FACE to cover the New Member States and the Mediterranean countries, with a twofold aim: first to communicate to the hunting community at large a positive message about Natura 2000 and, secondly, to bring together the various actors involved around the same table in order to contribute to solve conflicts and misinterpretations. Neither task was unproblematic. Indeed, despite the doubtless progress achieved by the SHI and the preceding Awareness raising programme and a manifest progress of Natura 2000 awareness among hunters and anglers, getting definitively rid of the reputation of the Nature Directives as particularly constraining to hunting activities was not easy. Although many hunters and anglers declare their commitment and collaborate energetically to the implementation of Natura 2000, the misconceptions around it, the lack

1 FACE: The Federation of Associations for Hunting and Conservation of the EU

2 IUCN – RoE: International Union for Conservation of Nature - Regional Office for Europe

3 This network was already set up in the framework of the Sustainable Hunting Initiative. The SHAI project aimed at extending this network, particularly in the so-called New Member States. Please see www.usenatura2000.eu

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of sufficient consultation of nature users in public procedures and the often scarce dialogue between all the involved stakeholders (hunters and anglers, landowners, local and national public authority, conservation NGOs etc) have been detrimental to the serene setting up and management of the network.

The SHAI workshops had the ambition to contribute to solve these remaining difficulties by (i) spreading accurate information throughout an extended network of national correspondents³ acting as ambassadors and (ii) bringing the various actors around the same table in order to sustain or revive the momentum created by the SHI and subsequent communication initiatives and (iii) promoting a constructive dialogue on a local / national level for a better implementation of EU Nature legislation and ultimately for a richer biodiversity in Europe.

The workshops were held in June this year in four Members States (Poland, Hungary, Italy and Greece) and attended by representatives from no less than 16 New and older Member States. Although the four events showed some variable trends in the approach towards Natura 2000, the organising team felt that all hunt-

ers had in common their devotion to nature and their responsible attitude towards the use of wildlife. Most of them also felt that their views and their traditions were not sufficiently taken into account into policy and/or in the implementation Nature policy, especially as regards the management of sites. However, the workshops also revealed some very interesting cases where hunting activities contributed substantially to provide conservation solutions and develop management plans. Often quoting Commissioner DIMAS, ELO and FACE did not miss the opportunity to clearly state that Natura 2000 does not mean banning human activity - including hunting - from protected areas. All participants strongly welcomed the initiative and pointed out that they would see great benefits in further initiatives at local and national level.

The workshops were very efficient in that the participants seized the unique opportunity to have their say and to highlight what they thought were the defaults or advantages of Natura 2000. It is characteristic that whereas some Hungarian hunters would question the usefulness of Natura 2000 to preserve their local nature, some Bulgarian representatives claimed it as a crucial means to counter the excesses of tourism real

estate development. Several participating countries complained that the 2004 FACE-BirdLife Agreement was not always properly put into practice at national and local level. An independent evaluation of the 2004 Agreement carried out by IUCN, in the framework of the SHAI project, should actually show to what extent the Agreement has been a success or a failure nationally and locally across Europe. The report is currently under publication.

The next step of the SHAI programme is the preparatory work to extend the SHI to cover non-bird species and to engage other wildlife recreational users, particularly anglers. The purpose of this task is to identify some representative bodies of the angling community across the EU with a view to invite them to commit to a sustainable wildlife use and to the promotion of Natura 2000, following the model of the SHI. This commitment could be embodied in a European Agreement which would be reached during the final symposium of the SHAI programme, due to take place under the Swedish presidency in July 2009.

■ Alexandre MARGHELIS

YOUNG FRIENDS OF THE COUNTRYSIDE

Business in Russia - Great Agricultural Opportunities

I always considered working in Russia after my studies as I had been learning the language for more than 5 years. My interest for this country was developed at very young age as my grand-mother, named Maria GAGARIN, was Russian. She fled the country with her brother and father after the 1917 revolution.



Thierry de l'ESCAILLE , Alexandre CARDON.

After I finished my studies in Belgium at the Catholic University of Louvain-La-Neuve, I thus arrived in Moscow, about a year ago, in October 2007 for what would become a challenging work experience. I am working for a Russian business man involved in the industrial sector. He offers turn-key services for the construction of large industrial projects, the Real Estate business and energy saving technologies mainly focusing on the oil & gas sector. My task for this semi-oligarch as Foreign Investment Manager is to find foreign companies in order to provide them with services and professional counseling to help them investing in Russia.

For the moment I am especially focusing on Belgian companies wanting to build their own production facilities (eg. Solvay), or trying to find natural resources quarries (eg. Sibelco) or looking at M&A opportunities on cross border deals.

However, not only the economic side of Moscow is thrilling. The city also offers a lot of social and networking opportunities. One of them was to meet Michel ORLOFF. He arrived to Russia in 1994 and after living here for more than 10 years he decided to found in 2005 its own company named Black Earth Farming of which he is today the Executive Director

and President. This agricultural company owns 331 000 hectares of which 143 600 hectares will be harvested in 2008, making it one of the largest agricultural company of the world by area under crops.

Knowing how important it is to better understand today's Russia, and being part of the YFCS, I have organized a fieldtrip of ELO representatives to some of the Black Earth Farming premises. Between August 18 and August 21, we visited 2 farms (30 000 and 60 000 hectares), both situated in Lipetsk (350 km south of Moscow) and an ultra-modern elevator that has been built a year ago with a total capacity of 60 000 tons.

Company - Black Earth Farming

Black Earth Farming was thus founded in 2005 by Michel ORLOFF with the help of the Swedish listed investment companies Vostok Nafta Investment Ltd. and Investment AB Kinnevik. The company was among the first foreign financed companies to purchase agricultural land in Russia. It all started with the new Russian Land Code and the creation of a new cadastre which permitted the establishment and registration of title of land. Russia farm lots can be classified in three categories: state, municipal and private property.

There are several possibilities according to Russian legislation to acquire these property rights, but all of them are complicated as well as time-consuming. BEF mainly acquires land plots that are owned by

YOUNG FRIENDS OF THE COUNTRYSIDE

a group of natural persons. The company business concept is to acquire, develop and farm agricultural land assets in the Black Earth Region which is perhaps the world's most fertile soil. This black-colored earth (also called Chernozem) has a very high percentage of humus (3 to 15 %) and contains high percentages of phosphorus and ammonia. This soil type has a large depth ranging from 2 to 6 meters.

The farmland acquired is in general in such a state that it cannot be cultivated immediately. Often it even hasn't been cultivated for several years. The company must therefore take extensive actions to restore and improve the condition of the land to obtain higher yields and a higher land value. The methodology to do so is extensive and resource consuming and includes steps as: chemical analysis, disk tilling, deep tilling and leveling.

The company acquired land in 7 regions: Samara, Kaluga, Kursk, Lipetsk, Ryazan, Tambov, Voronezh. The last 5 regions are part of the Black Earth Region which is approximately half the size of Germany (circa 49 million hectares). The company employs 1 200 people full-time and focuses on six crops, namely: winter wheat, winter rape, barley, spring rape, sunflower and corn maize. The harvesting season usually starts in July in the Southern parts of the Black Earth Region with the harvesting of winter wheat, winter rape and barley and ends in the northern parts when sunflowers are harvested during October.

In order to operate efficiently the company is divided in three divisions: the Kursk division, the Tambov division and the Voronezh division. Each division is managed by a regional production director which reports to the sole production director located in Moscow. Each regional production

director is responsible for a certain number of clusters (farms with a certain acreage) ranging from two to four. For the moment the 331 000 hectares are divided in 10 production clusters.

In 2007 the company transported 657 train wagons of fertilizers that had to be spread over the 7 regions which are thus divided over 3 divisions and 10 clusters. This logistic puzzle is not the only one of the many challenges and difficulties that are related to the management of the 331 000 hectares of land.

The company is purchasing only modern equipment from internationally well-established producers as John Deere, Claas and others... Use of the best equipment and the implementation of western best practices results in the obtainment of following figures: 3.3 tons per hectare for barley (58837 ton in European Union), 4.4 tons per hectare for winter wheat and 2 tons per acre for colza (14006 ton in European Union).

These statistical figures show that the Russian agriculture, even operating in more rich areas than in Europe, have still lower productivity results. Underneath these numbers lays a huge potential as Russian farmers have a very developed experience of agriculture that they accumulated under the communist regime and

today in a capitalistic system, they have the willingness to achieve great results. Nonetheless due to a lack of money and modern equipment it is impossible for them to achieve the same productivity results as in Europe.

After the visit of the two farms of Black Earth Farming I can say that thanks to people like Michel ORLOFF which have identified this potential and are developing it with success by investing in brand new equipment and by rehabilitating unused land plots, I am confident in the fact that Russia will once more be the granary of Europe...

It is not too late to invest in Russian agriculture land as together with forestry it is one of the last undervalued resources on the Russian market because it can still be acquired at a significant discount compared to an international benchmark, but with large appreciation potential. This, coupled with the strong economic growth in the region, strong local demand for agricultural products and the positive global outlook for agricultural producers, presents a unique investment opportunity.

■ Alexandre CARDON



BOOK OF THE MONTH

Guide for the creation of Biodiversity markets

Striking the right balance between the conservation/sustainable use and the loss of biodiversity requires accounting for all the impacts of its destruction. Weighing the loss against any potential benefits will ensure that the social, as well as economic, well-being of everyone are at the best levels possible. Market-based economic systems have the potential to ensure that such a balancing occurs, but require that all the impacts of its loss, or use, have been fully internalised into market transactions.

This book shows how public policy in the form of market creation can be used to internalise the loss of biodiversity. It promotes the use of markets to ensure that our collective preferences for conservation and sustainable use are reflected in economic outcomes.



Manuel pour la création de marchés de la biodiversité

PRINCIPAUX ENJEUX



Diary Dates 2008

1 December, Paris

Energetic security in Europe: the workshop will also focus on relations with Russia, Ukraine and Central Asia, as well as the Climate-Energy package
www.eu2008.fr/PFUE

2 décembre, Prague

Workshop "The importance of new agricultural technologies for EU", organised by EuropaBio
elo@elo.org

2-3 December, Prague

ELO General Assembly
elo@elo.org

1 -12 December, Poznan (Poland)

The Poznań conference, organised

under the auspices of the United Nations, aims to continue the implementation of the United Nations Framework Convention and the Kyoto Protocol on Climate Change and to further negotiations on the multilateral climate change regime beyond 2012. ELO is presenting there the "Carbon Calculator"
www.unfccc.int

10 December, Brussels

"EU, Russia and Climate Change", with the participation of Russian Regional Environment Centre
www.ies.be/climatelectures

18 – 19 December, Nice (France)

« Mediterranean Biodiversity » conference, dedicated to create the framework for the future directive on EU maritime strategy
www.eu2008.fr/PFUE

17 December, Brussels

«The EU and the Future of International Climate Protection», a workshop with the participation of the European Commission and Institut du développement durable et des relations internationales (IDDRI)
www.ies.be/climatelectures

20 -21 January 2009, Brussels

4th annual European Energy Policy Conference
www.epsilonevents.com/eu_energy_policy_conference.aspx



**Syngenta
International AG
Brussels Office**

**Avenue Louise, 240
B - 1050 Brussels**

Tel : +32.2.642 2727
Fax : +32.2.642 2720