



Environmental and farming NGOs response to CAP reform communication: Rising to environmental challenges?

Common response to the European Commission Communication "The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future" released in November 18th.

Environmental and farming NGOs welcome the European Commission's focus on the delivery of environmental public goods through greening the CAP and its intention to re-integrate diversity in the farm sector.

However, a clearer and more balanced vision for a green CAP is necessary to set European farming on the road towards sustainability, ensure long term food security, promote eco-innovation and ensure a more efficient use of public funds. We are deeply concerned that the Commission's Communication is not based on a robust enough analysis of current challenges, especially concerning natural resources, and lacks both ambition and clarity. Given the magnitude of the challenges that we face, the green language contained in the Communication must now be translated into a genuine shift in CAP spending. We, and European citizens, will be watching the reform process carefully in the coming months to ensure that Member States and the European Parliament work productively together with the Commission in transforming green rhetoric into precise and workable legal proposals which will deliver for the environment, farmers and wider society.

The document, presented by the Commission on 18 November 2010, contains some clear improvements to the current direct payment system, linking basic income support to farmers with potentially good agronomic practices such as crop rotation, grassland protection and environmental set-aside. If properly implemented, this could deliver crucial environmental improvements and move European farming toward greater sustainability. The intention to support farmers, in both pillars, who help to conserve the Natura 2000 network is also encouraging. However, parts of the proposal worryingly risk undermining these improvements and even backsliding into new harmful subsidies.

Pillar I

We welcome the mandatory nature of the new greening component but there is no indication of what proportion of the direct payment budget it will take. This new payment should form a significant, and increasing, proportion of the pillar 1 budget in combination with the abandonment of all historic references, to signal the policy's transition towards a fully targeted public money for public goods approach. Furthermore, to ensure maximum delivery from such a payment, a package of greening measures, strictly in addition to cross compliance requirements, must be taken by every farmer to ensure that, even in areas of intensive production, a holistic approach is taken to the shared environmental challenges facing the EU. The way in which the new greening component is interpreted, financed and implemented will mean the difference between real greening and "greenwashing".

We also specifically welcome the inclusion in cross compliance of the Water Framework Directive. However, we expect a much clearer commitment to implementing the rules into cross-compliance (now that the river basin plans are in place) and also beyond its scope.

On the other hand, of particular concern are the Communication's proposals for backward-looking schemes, for example allowing Member States to reintroduce production subsidies to certain sectors without any link to the delivery of public goods. This raises issues of negative impacts on developing countries, their ability to develop their own agricultural sectors and the EU's stand in the world. It would also erode the 'common' aspect of the policy, deemed so important by the Commission for tackling cross border issues like climate change, biodiversity loss and ensuring a level playing field for farmers across Europe.

Despite the overall green language proposed for a new direct payment system, most of the payments proposed lack any environmental dimension beyond simple cross compliance, which runs counter to the Commission's pledge that all payment should reflect environmental as well as economic criteria.

Pillar II

The proposal's emphasis on making rural development programmes more objective-orientated is pleasing, especially in relation to the delivery of broader EU environmental goals.

We value the specific references to High Nature Value and Organic farming in the proposal due to their proven delivery of environmental public goods. However, much more than a name-check is needed to support these systems of sustainable production. Both HNV and Organic farming systems should be targeted specifically and promoted through effective and sufficiently funded support tools.

The Communication acknowledges the contribution of agriculture to the implementation of the EU's climate change policies. We welcome this attempt, but all measures (especially innovation and climate related) must undergo biodiversity, resource efficiency and climate-proofing procedures to protect against incoherence of policies and detrimental side effects on the environment.

Despite these green, if incomplete, steps the proposal completely fails to provide a reference or commitment to agri-environmental schemes. These schemes form the backbone of a more sustainable CAP and are a key tool for delivering for the environment if properly designed and (co)financed by Member States. Agri-environmental schemes must continue to form a central role in the next CAP, with improved financing and training and independent technical support for farmers to undertake schemes which tackle local environmental issues.

These policy oversights are all the more problematic considering the environmental crisis facing Europe and agriculture's role in this. Close to 15% of EU land is affected by erosion caused by unsustainable land use practices¹ and diffuse pollution from agricultural sources is responsible for 50% of the nitrogen load in the Baltic Sea and 40% in the Danube² while 44% of French territory is classified as "vulnerable zones" under the Nitrates Directive. Agriculture accounts for over 60% of total water use in southern EU countries which faced serious water scarcities in the last years, 9% of the EU's total greenhouse gas emissions³ are directly attributable to agricultural

¹ European Environment Agency (2007) State of the environment report No 1/2007

² European Environment Agency (2005) Source apportionment of nitrogen and phosphorus inputs into the aquatic environment, Report No 7/2005

³ Current agricultural practices often act as a driver of carbon emissions from soils, for example, a long term study by Cranfield University in the UK found that since 1970 (the UK joined the EU in 1973), agricultural soils lost on average

activities. Farmland bird populations have declined by almost 50% since 1980⁴, largely due to changes in agricultural practices and the lack of suitable feeding and nesting sites.

Conclusion

The Commission's Communication outlines some clear and positive steps but if it is not strengthened and made fully coherent with the right 'public money for public goods' approach, it will fail to provide the policy with a solid foundation. Budgetary pressures across the EU are shining a spotlight on all public spending and every policy needs to demonstrate its value for money. Environmental and farming NGOs remain convinced that a coherent system of payments for public goods is the only way to justify the large amount of taxpayers' money which funds the CAP. This approach will help to maintain thriving rural communities, protect public health, ensure a fair treatment to all farmers as well as achieve the EU's environmental and climate objectives and ensure our long term food security. Moreover, there are a lot of other concerns for which we need appropriate policies which make sure that external costs are included in market prices.

We firmly believe that a common agricultural policy can deliver public goods for European citizens and underpin the long term future of the EU's farming sector. However, our continued support for the policy hangs on the credibility of a truly comprehensive and effective reform.

- 4.4 Mt yr⁻¹. Source: carbon losses from all soils across England and Wales 1978-2003 (2005) Pat H. Bellamy, Peter J. Loveland, R. Ian Bradley, R. Murray Lark & Guy J.D. Kirk *Nature* 437 pp245 – 248.

⁴ Voříšek *et al.* 2010. European trends in farmland birds. *BOU Proceedings – Lowland Farmland Birds III*.