



European Network of Heads of Nature Conservation Agencies (ENCA). ENCA is an informal network which fosters exchange of information and collaboration amongst its partners, identifies future challenges and offers information and advice to decision-makers in the field of nature conservation and landscape protection.

ENCA brings together scientific evidence and knowledge of practical application together with experiences in administration and policy advice in the context of biodiversity and ecosystem goods and services. More details can be found under www.encanetwork.eu.

Statements are positions approved on by ENCA's active participants for communication to a wider public.

ENCA Position Statement 20/2011

ENCA Position Paper on “The CAP towards 2020 – A contribution to the debate on the future of the CAP post-2013”

Prepared by the ENCA IG Sustainable Land Use and Agriculture¹

This statement was approved during the 8th ENCA plenary meeting held in Inverness/Scotland on May 16/17 2011 and by the following agencies:

Agency for Nature Conservation and Landscape Protection of the CR
Countryside Council for Wales
Environment Agency Austria
Federal Agency for Nature Conservation, Germany
Federal Office for the Environment, Switzerland
Italian Institute for Environmental Protection and Research (ISPRA)
Scottish Natural Heritage
State Institute for Nature Protection, Croatia

Introduction

This position paper points to the need for a substantial reform of the CAP. It is intended to help pave the way for legislative proposals that effectively tackle the new challenges associated with biodiversity, climate change and water management. Although many of its proposals could contribute to other objectives such as food secu-

¹ The findings and conclusions presented here are the views of the agencies; they do not necessarily reflect the position of the respective ministries or of the governments of the respective member states. Further information can be obtained via www.encanetwork.eu

The ENCA Interest Group on Sustainable Land Use & agriculture is one of five informal groups of experts drawn from the following eight institutions: Countryside Council for Wales; Environment Agency Austria; Federal Office for the Environment (FOEN), Switzerland; Federal Agency for Nature Conservation, Germany; Italian Institute for Environmental Protection and Research (ISPRA); Natural England; Scottish Natural Heritage; the Netherlands Environmental Assessment Agency (observer status).

Interest groups (IGs) are groups of experts generally formed by member agencies of ENCA. IGs are bringing forward important themes in the context of biodiversity and nature conservation. The exchange of experiences is another primary objective. They are mandated by the ENCA plenary to carry out their work.

rity, renewable energy and competitiveness, the paper does not specifically address these.

We make the following assumptions:

- the total budget for the CAP may decrease,
- the structure with two complementary pillars will remain in place,
- direct payments will be distributed more equitably between Member States,
- a greening component will be introduced.

With this paper, ENCA hopes to foster the debate on the future of the CAP. We would welcome the opportunity to discuss its position with the Commission, the European Parliament and any other interest groups.

The ENCA Position on the Commission's Communication COM (2010) 672

Healthy ecosystems ensure that agriculture can fulfil its primary function of producing food. Food production depends on many environmental factors including soil fertility and water availability, and is closely associated with many other goods and services society values, including viable rural communities, attractive landscapes and wildlife. The capacity of wetlands and watercourses, arable land, pastures, orchards and forests to provide regulating and supporting ecosystem services will only be maintained if our use of agricultural land respects these functions. Tackling the challenges posed by the current state of European soil, air, water and biodiversity is essential if we are to maintain and, as we increasingly need to, restore Europe's natural and managed ecosystems.

In light of these complex interlinkages between agricultural land use and delivery of ecosystem services the CAP should provide a clearer and increased opportunity for remunerating farmers for providing society with environmental public goods, many of which are difficult to provide through market mechanisms and many of which are under-valued in economic terms.

ENCA supports the Commission's overall objectives for the CAP set out in the Communication of November 2010. Many of the changes the Commission's paper proposes, or for which it could lay the foundation, could and should be taken forward with a view to giving more emphasis to the principle of "public goods for public money". We believe that only a "greener" CAP - a CAP that produces a visible enhancement of the countryside - will receive wider public understanding and support.

For ENCA, a crucial aspect of the reform is the mandatory greening component proposed under Option 2 of the Communication. To be worthwhile, however, the greening of Pillar 1 must be sufficiently powerful to produce significant and geographically relevant environmental outcomes. The proportion of Pillar 1 support dependent on achieving environmental outcomes must be substantial, or compliance with the 'green' measure must be a precondition of receiving the basic Pillar 1 payment.

Option 2 of the Communication has the potential, through the proposed greening component, to introduce a direct connection between Pillar 1 payments and the supply of public goods (going significantly further than cross-compliance currently does). Such a 'greening' of direct support would be an important step towards a policy that

the public could recognise as responding to the pressures on the European environment.

In seeking to create a green infrastructure that supports the provision of ecosystem services and improves the ecological connections between Natura 2000 areas, the biggest challenge lies within intensively farmed areas. ENCA therefore supports the proposal to establish ecological set-aside or Ecological Management Areas (EMA). We feel that EMA would be a preferable term, avoiding the perception that the land in question is lying idle. These areas would make for a more diverse landscape structure and replace (to some extent) the environmental benefits previously delivered by set-aside, so contributing to European goals for biodiversity, water management and climate change².

There is a risk in introducing a greening component of this kind, that some farmers will choose to forego a Pillar 1 payment rather than committing themselves to the additional effort and expense. Because of the high dependence on direct payments, however, particularly when markets are unpredictable, we believe few farmers would take this course.

Alongside Ecological Management Areas, as part of a “greener” Pillar 1, there would be a continuing requirement for agri-environmental measures in Pillar 2 to provide the more precise and targeted management needed to maintain and where necessary restore many of the special features of Europe’s countryside. As currently financed under Art.39 of the RDR, such schemes have made significant contribution to EU biodiversity objectives. They remain a tested and effective mechanism for rewarding farmers for a very wide range of environmental goods and services³. We believe there is a strong case for these measures to play a bigger part in the CAP (in terms both of funding and emphasis) during the next programming period.

The loss of biodiversity in agricultural landscapes and the erosion of ecosystem services continues⁴. One key objective of the CAP beyond 2013, therefore, must be to enhance significantly its contribution to the new EU biodiversity targets 2020⁵, and to closely related environmental goals, such as those arising from the Birds and Habitats Directives and those relating to climate change and water management. In particular the new biodiversity strategy seeks to maximise areas under agriculture covered by biodiversity-related measures under the CAP.

For these objectives to be realised, it is crucial to extend the scope of AES in many parts of Europe, to provide adequate funding and continue to improve their design – particularly in relation to targeting. Future programmes should provide stronger incentives for farmers to engage in AES. This applies in intensively farmed areas,

² Farm4bio farm-scale management of uncropped land for biodiversity:

<http://www.hgca.com/content.output/3323/3323/Environment/Biodiversity/Farm4bio%20farm-scale%20management%20of%20uncropped%20land%20for%20biodiversity.msp>

³ Relevant case studies from across the EU have recently been summarised by ENCA; [www. http://www.encanetwork.eu/home/index.php?id=statements#c219](http://www.encanetwork.eu/home/index.php?id=statements#c219); retrieved by 10th of

November 2010: "European Environment State and Outlook Report 2010".

⁵ [Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions Our life insurance, our natural capital: an EU biodiversity strategy to 2020 COM \(2011\), 244 final.](#)

where the opportunity cost can be high - but also where payments may need to contribute to the fixed costs of extensive farming systems where these are inherently unprofitable, yet play a critical part in supplying environmental goods and services⁶.

Any change to the co-financing of Pillar 2 measures should reflect wider environmental EU-objectives, and in particular the ‘new challenges’ (biodiversity, climate change and water management) identified for the RDR.

From an environmental point of view, there is a strong need for co-ordination between the two Pillars; both have a vital and complementary role to play in greening the CAP.

Key Recommendations

Many of the following recommendations could be realised within the framework of the Commission’s second (compromise) policy option, providing this is appropriately implemented:

- ENCA believes **a substantial reform of the Common Agricultural Policy (CAP) is necessary** in order that it should more explicitly and transparently deliver “public goods for public money”. The Communication of 18th of November 2010 has the potential to strengthen the link between the CAP and the provision of public goods.
- **Greening should involve both the 1st and the 2nd Pillar**, with a view to both pillars working to this end in a complementary manner. The greening of Pillar 1 as proposed by the Commission would not significantly reduce the requirement to fund environmental measures as part of the 2nd Pillar.
- **A mandatory greening component in the 1st Pillar** (obligatory for all farmers receiving direct payments) could become the foundation for a new green infrastructure within Europe’s agricultural landscapes, helping to enhance the provision of ecosystem services.
- Any greening component within Pillar 1 must be **robust enough to exert a clear positive influence** on the environment of intensively farmed agricultural areas while also maintaining the important contribution of extensive farming to a wide range of ecosystem services.

⁶ Alternative payment approaches for non-economic farming systems delivering environmental public goods by Barnes, A.P., Schwarz, G., Keenleyside, C., Thomson, S., Waterhouse, T., Polakova, J. and Stewart, S., McCracken, D., (2011). Final Report for SNH, SEPA, CCW and NIEA; by SAC, IEEP and Agripol (to be published at <http://www.lupg.org.uk/>).

- The following greening measures, as proposed by the Commission, would be justifiable in terms of their environmental benefits (note this is not an exclusive list, and we recognise that there may be a need for other measures that are more specifically territorial in character) :
 - **Ecological set-aside/Ecological Management Areas (EMA)** (e.g. grassland and arable land managed expressly for biodiversity, ‘semi-natural’ habitats including scrub, hedges and traditional orchards). In many cases, the land in question will need to be positively managed rather than left idle, preferably over a period of years.
 - **Maintenance of permanent grassland** – Depending on the type of grassland, this would benefit biodiversity, help mitigate climate change by increasing CO₂ sequestration, control soil erosion and reduce nutrient and pesticide influx into water bodies.
 - **Diversified cropping** - for example specifying 3 or more crops to be grown at any time, or one crop to cover not more than a given proportion of cropped land. (A requirement of this kind already features in some MS RDR schemes.)
 - **Soil cover** - Maintaining a crop or vegetation cover in arable areas would have similar environmental advantages to maintaining permanent grassland. It could nevertheless be problematic in arid regions, where irrigation might be needed to maintain vegetation throughout the year.
 - **Basic Natura 2000 payments**: A compensatory greening payment under Pillar 1 might appropriately support compliance with a higher basic standard of protection and management within Natura 2000 areas. (Note that support under Pillar 1 would not remove the need for further payments under Pillar 2 for the more precise management required by many habitats and species).
- **Agri-environmental measures (AEM)** in the 2nd Pillar remain a key tool for achieving biodiversity and environmental objectives in the European agricultural landscape. Evidence we have⁷ shows that it will be necessary to increase the funding for targeted (Pillar 2) support to meet biodiversity, water and climate change targets.
- Farmers who are willing to undertake AEM need **adequate incentives**.
- Payments for environmental management on extensively managed land in remote areas and harsh environments should acknowledge the sometimes **high fixed costs involved in maintaining extensive systems**.
- Training, advisory services and technical support have a critical part to play in underpinning the effective implementation and targeting of environmental measures. These features should be integral to the CAP of the future.

⁷<https://www.encanetwork.eu/library>