



Some Reflections on the Review of the CAP ‘Greening’ Measures

Introduction

- This consultation is a welcome first step in gathering information on the initial impact of the ‘greening’ measures. As one of the most significant innovations within the last CAP reform, the future treatment of these measures is likely to be central to the next iteration of the policy. The structure of the Commission questionnaire provides insufficient opportunities to detail all the evidence required to underpin these strategic considerations. The following reflections are intended to set the context for the ENCA response as well as raising broader questions regarding the evidence requirements.

Scope of the current review

- The Commission has linked the recent consultation on CAP ‘greening’ to its declaration of 2 April 2014¹. This undertook to evaluate experience with the implementation of the ‘greening’ obligations, focusing in particular on level-playing-field aspects, production impacts and possible simplifications of the ‘greening’ framework that could reduce the administrative burden. Commissioner Hogan has also said the consultation exercise will inform his decision on whether or not to initiate a CAP Mid-Term Review². It is critically important, therefore, that both environmental effectiveness and value for money issues are given due weight in the forthcoming evaluation exercise.
- The review of the Ecological Focus Area (EFA) percentage rate must be concluded no later than March 2017³. Should there be no further public consultation before this date, a significant opportunity for building a more comprehensive evidence base on the actual environmental impacts of ‘greening’ will have been missed. The limited treatment of this issue within the Commission questionnaire means that every opportunity should be taken to address existing information gaps prior to the forthcoming EFA review.
- The commitment to review the scale of the EFA requirement implies that the level of environmental performance under ‘greening’ should continue to increase over time. The current consultation provides only limited scope for exploring this particular issue.

‘Additionality’ and environmental delivery commensurate with funding

- Statistics showing coverage of the various ‘greening’ measures are of limited use. The key determinant in evaluating the success of the policy will be the additional environmental activity resulting from the advent of the ‘greening’ measures. Current figures include a number of land management activities already taking place prior to the introduction of ‘greening’.⁴ Establishing a pre-greening baseline would help to ensure a robust approach to evaluating the environmental impact of the new policy.
- There is widespread interest in establishing whether the results of ‘greening’ are going to be commensurate with existing levels of expenditure, currently equivalent to some 9% of the entire EU budget. For example, Vice-President Georgieva explicitly questioned the efficacy of ‘greening’ during her recent speech on the Multiannual Financial Framework⁵.
- A new approach may be needed should the scale of environmentally beneficial land-use change prompted by the existing approach to ‘greening’ appear insufficient to justify current levels of

¹ Commission Declaration on Delegated Acts on CAP Reform, 2 April 2014, http://ec.europa.eu/agriculture/newsroom/161_en.htm

² “Hogan still open to CAP review - but sees ‘reform fatigue’”, *Agra Europe*, 27 January 2016, <https://www.agra-net.com/agra/agra-europe/policy-and-legislation/cap/hogan-still-open-to-cap-review---but-sees-reform-fatigue--1.htm>

³ According to the provisions of Article 46(1) of Regulation (EU) No 1307/2013

⁴ See, for example, presentation by Pierre Bascou at the 8 February 2016 conference on ‘*New Rural Development Plans and the Environment: The hidden truth*’ which suggested that 80% of EU agricultural land is subject to at least one ‘greening’ obligation.

⁵ Speech by Vice-President Kristalina Georgieva at the *EU Presidency Conference on the Multiannual Financial Framework*, Amsterdam, 28 January 2016, http://ec.europa.eu/commission/2014-2019/georgieva/announcements/speech-vice-president-kristalina-georgieva-eu-presidency-conference-multiannual-financial-framework_en

expenditure. One option would be to refine the existing 'greening' requirements, taking into account examples of best practice from across the EU⁶. Another possibility could involve developing an alternative model more suited to delivering measureable environmental benefits. For example, each Member State and/or Region could be required to develop its own version of equivalence to replace the existing three 'greening' measures. This would ensure that the requirements on farmers were more precisely tailored to the needs of particular locations.

Updating the ex-ante evaluation of 'greening'

- The legislative provisions underpinning the 'greening' requirements altered considerably in between the tabling of the Commission's draft proposals in October 2011 and their final adoption in December 2013. Updated versions of the relevant Impact Assessments have not been published, but the current 'greening' review should be informed by a thorough assessment of all aspects of the three measures, including each of the EFA options and the scientific justification for their respective weighting factors. Given the wide range of implementation models available to Member States, it would be useful if the assessment of actual land use change (and the assumed consequential environmental outcomes) was contrasted with what could be achieved under some of the more ambitious approaches that are possible. For example, an equivalent agri-environment or national certification scheme can be used as the sole route for ensuring that farmers can meet their 'greening' requirements.
- Promoting more active management within EFAs would increase the environmental benefits arising from each hectare covered under this particular measure⁷. The current 'greening' review could also be used to evaluate the relative merits of rationalising the list of eligible EFA options. For example, one option would be to reduce the list so that it covers land lying fallow and buffer strips only, albeit weighting more heavily those areas devoted to birdseed, pollen & nectar mixes. Such an approach could help to establish a more appropriate balance between simplification, environmental effectiveness and the administrative and management obligations placed on farmers.

Ex-post evaluation of specific 'greening' measures

- In assessing the impact of the Permanent Grassland measure (and the extent to which it has improved on the previous cross-compliance requirements) it will be important to take into account the recalibration of the Permanent Grassland reference level. Identifying how much Permanent Grassland has effectively been 'written off' within each Member State (as a result of the baseline being reset at a lower level) should be set against the potential gains arising from the designation of environmentally sensitive permanent grassland both within and outside of Natura 2000 areas.
- The previous Impact Assessment accompanying the Commission's draft legislative proposals evaluated the benefit of adopting a crop rotation measure rather than crop diversification. The former option was dropped due to concerns over its controllability within an annualised payment regime. Using the current review to evaluate more fully the environmental potential arising from the use of crop diversification (a significantly different measure) alongside the management costs incurred by farmers and the administrative costs involved in implementation could help to address some of the concerns expressed over the introduction of this particular measure.

Future developments

- Given the need for the agricultural sector to play its part in meeting the goals of the Paris climate conference (COP21) agreement, it would be helpful if the 'greening' review could be used to scope out the kinds of additional measures that might be appropriately incorporated to further climate change mitigation and adaptation objectives.
- As the CAP continues to adapt and better reflect the public goods agenda, it will be important for the Commission to explore ways of making the existing control regime more proportionate in terms of the outcomes being sought. For example, in the interests of simplification and a more outcome focused approach, it may be that increased tolerances can be applied during the auditing of public goods payments. A more coherent and holistic approach to organising the area-based, land management measures (currently scattered across the two Pillars of the CAP) could also be advantageous.

⁶ See, for example, Hart, K and Radley, G (2015), *Scoping the environmental implications of aspects of Pillar 1 reform 2014-2020*, a report for the Land Use Policy Group, <http://www.snh.gov.uk/docs/A1897544.pdf>

⁷ For example, through the use of seed mixes to create buffer strips coupled with appropriate cutting and grazing regimes as well as limiting the use of pesticides and developing more agro-ecologically focused regimes on nitrogen fixing crops.