

10 tests for A Green Deal-compatible farming policy



A better future where people and nature thrive together



Why 10 tests?

European agriculture is at a crossroads. The easy path ahead would be to continue business as usual: an intensive model of food production which is wreaking havoc for the environment and for many of the people involved in it, but is delivering plenty of cheap food. However, this model cannot be sustained over the long-term, whether because of increasing impacts of the ecological and climate crises, or because of the demographic time-bomb of an ageing farming population. So we must steer off that path and onto the rocky road of the transition to a more sustainable and resilient model of food production. This change of direction must come fast, as we have just 10 years before the cliff edge of catastrophic climate breakdown and biodiversity collapse.

While many farmers are already making efforts to produce food in harmony with nature and climate, the highly negative environmental impacts of European agriculture make it crystal clear that much more change is needed. Farmers can't do it alone though. Getting the entire sector to undertake the necessary transition will require all supply chain actors, including us all as consumers, to contribute. And, crucially, it will require a supportive policy framework.

While the European Green Deal provides such a framework for much of the EU's economy, and includes a major commitment to move to sustainable food systems,

when it comes to changing agriculture it leaves the job primarily to the EU's farming policy, the Common Agricultural Policy (CAP). But the CAP, a nearly €400bn subsidy scheme, has a history of failing to address the negative impacts of agriculture on climate, biodiversity, soil, and water pollution and overuse, in some cases even exacerbating problems. An in-depth redesign is needed to start delivering positive change at scale. Yet, in October 2020, the European Parliament and the Council of Agricultural Ministers (further referred to as Parliament and Council) adopted positions on the future CAP which very much follow the business-as-usual dead-end, disregarding scientific advice, political commitments to the Green Deal, and calls for change from thousands of citizens. Both institutions must now come to an agreement and they are under strong pressure from civil society and from the Commission to deliver a green CAP.

In this document, we outline the EEB's 10 tests for a genuinely Green Deal-compatible CAP, contrasting these criteria to the key elements of the Parliament's and Council's negotiating positions. Tests 1 to 5 are about policy content while tests 6 to 10 focus on governance aspects, which are crucial to ensure that farmers are not left alone and that all actors are part of a much-needed green transition.




1. Protection of carbon sinks


Agricultural land is currently a net source of CO₂ emissions, representing around 5% of the EU's total GHG emissions. This is mainly due to farming on drained carbon-rich peatlands and poor management practices of grasslands or their conversion to cropland.

What is needed?

To contribute to the EU's ambitious climate targets, the CAP must give these crucial natural carbon sinks strict protection, as well as supporting farmers to adopt climate-friendly practices such as paludiculture and agroforestry.

What is on the table?

 Both Parliament and Council weakened proposed rules for the protection of grasslands and peatlands as part of the 'conditionality' of the CAP (rules with which, in principle, all CAP beneficiaries must comply), meaning those carbon sinks will continue to degrade and be lost across the EU.

 Parliament and Council clarified the eligibility criteria for CAP subsidies, so that farmers who choose to do agroforestry (combining trees and pasture or crops) and paludiculture (wet farming on peatlands) do not lose their CAP payments, as was previously the case. There is no provision for actively encouraging farmers to adopt those positive practices, though.


2. Space for nature on every farm


The intensification of agriculture and the loss of landscape diversity (hedges and trees, diversified crops, ponds, etc) are driving many farmland species to the brink of extinction. The CAP has contributed to these changes by inciting farmers to use every inch of land productively in order to maximise their subsidies.

What is needed?

The Biodiversity Strategy stressed the “urgent need to bring back at least 10% of agricultural area under high-diversity landscape features” to provide habitats for pollinators and natural pest regulators. Every farm must contribute to this target and every Member State must be required to deliver this target through their national CAP Strategic Plan.

What is on the table?

 A proposed requirement for farmers to dedicate a certain share of their agricultural area for such ‘space for nature’ was rendered meaningless by Council and Parliament allowing the growing of certain crops in these supposedly “non-productive areas”. Both lawmakers also drastically and unjustifiably reduced the scope of this rule, by limiting it to arable land (exempting 1/3 of the EU farm area), as well as by arbitrarily exempting all farms under 10 hectares (Council) and islands and outermost regions (Parliament).

 The Parliament adopted a recital endorsing the Biodiversity target and calling for Member States to “aim, in their Strategic Plans, to provide an area of at least 10 % of landscape elements beneficial for biodiversity.” However, this is contradictory with the above-mentioned Parliament position, and non-binding.





3. Funding for nature- and climate-friendly farming

The lion's share of CAP subsidies, hundreds of billions of euros, are spent as little- or no-strings-attached "income support" payments, which favour the largest farms, with the 20% biggest CAP beneficiaries getting 80% of the money, no matter their environmental performance and no matter their current farm income.

What is needed?

The scale of change needed on European farmland can only be achieved if sufficient funding is dedicated to support and incentivise farmers to take up more nature- and climate-friendly practices, with a particular focus on those who need it most. However, quantity alone will not shift the needle: green funds must pay for real improvements on farmland and support valuable and viable farming models such as organic or high nature value farming.

What is on the table?

-  Parliament and Council both earmarked funds for "eco-schemes" (a new measure to reward good environmental and climate practices): respectively 30% and 20% of "Pillar 1", or 58 and 39 billion euros. This is a step forward although it falls short of the 50% asked by the EEB and other NGOs.
-  Parliament and Council strongly reduced the earmarking for crucial green measures under "Pillar 2" by adding income-support payments for "areas with natural constraints" in the envelope, although these are not proven to benefit biodiversity or climate.
-  The Parliament, created several loopholes in the rules of eco-schemes, and both lawmakers added animal welfare, social, and economic objectives to eco-schemes, which will take funds away from much needed green measures.
-  The Parliament adopted articles requiring the CAP to contribute to the Sustainable Development Goals, to be compliant with the Paris Agreement, and to promote an increase in organic farming. These are welcome, but their legal force is unclear.




4. No funding for harmful monocultures

Currently, "income support" subsidies are skewed towards the regions with higher farm incomes and agricultural greenhouse gas emissions, essentially subsidising harmful monocultures rather than quality rural jobs.

What is needed?

The new CAP must initiate a phase out of these unfair and unsustainable subsidies. While these subsidies persist, the 'do no harm' oath of the Green Deal must be strongly enforced through strict conditions attached to CAP payments for all beneficiaries.

What is on the table?

-  Parliament and Council weakened green safeguards of the Commission proposal with regards nutrients management and investments in irrigation, while Council also watered down a crucial requirement to rotate crops from year to year, exempting farms under 10 hectares and allowing for less beneficial "alternative practices".
-  Neither Council nor Parliament strengthened the original proposal by requiring farmers to apply "Integrated Pest Management" – a better approach to pesticides use – in order to get CAP subsidies, despite the critical need to enforce such existing legal requirements.
-  The Parliament slightly improved the "conditionality" rule for crop rotation, by adding the use of a leguminous (nitrogen-fixing) crop in the rotation.






5. No funding for intensive livestock farming

In the Farm to Fork Strategy, the Commission recognised the need to “reduce the environmental and climate impact of animal production”. Ensuring that no public money funds environmentally-harmful intensive livestock farming or feed production is a non-negotiable first step in that direction.

What is needed?

CAP subsidies for livestock farms (as “coupled support” or “investment support”) must come with strict environmental strings attached, including a maximum livestock density in line with the local environment’s carrying capacity.

What is on the table?

-  The original Commission proposal was wildly inappropriate in this regard, as it did not include any safeguards, and the Council did nothing to improve it, rather increasing the ceilings for “coupled support” spending, which goes primarily to livestock farming.
-  The Parliament added some welcome safeguards to “coupled support”, but rejected an amendment by the Environment Committee seeking to set a maximum livestock density for CAP payments.
-  The Parliament adopted amendments which would allow farms without land (i.e. most likely factory farms) to receive subsidies.






6. Integration of Green Deal targets

The agriculture sector is critical to the achievement of several Green Deal objectives, from halting biodiversity loss, to achieving 'zero pollution' and moving to a circular and climate-neutral economy. Hence, the CAP has a major role to play in delivering the Green Deal. Yet, there are strong concerns of disconnect and misalignment between both as the ongoing reform is based on proposals made by the previous Commission, who had a poor environmental track record.

What is needed?

The new CAP must include legally-binding, time-bound and measurable environmental targets, in particular those included in the Farm to Fork and Biodiversity Strategies, as stressed by countless experts (from the European Court of Auditors, to French agricultural research institutes), and highlighted by Commission President Ursula von der Leyen.

What is on the table?

-  Neither institution added an explicit and binding link to Green Deal objectives or specific targets in the CAP, which could have ensured national CAP Strategic Plans help deliver the Farm to Fork and Biodiversity Strategies.
-  The Parliament added references to key objectives of the Farm to Fork and Biodiversity Strategies in recitals and in the CAP's specific objectives. This is welcome, but not strong enough.
-  The Parliament strengthened the CAP's mid-term review process, triggering a revision of the legislation and/or CAP Strategic Plans if the CAP is not aligned with EU climate and environmental laws or not on track to meet agriculture-related Green Deal targets.


7. No greenwashing


Greenwashing of the CAP is a real issue, with the European Commission and national public figures consistently hiding an environmentally-harmful policy behind green claims. “Climate mainstreaming” – the integration of climate action into EU policies and funding – is a most telling example. In the CAP, it is done by applying a “climate tracking” percentage to measures depending on whether climate is stated as a primary or secondary objective of that measure, but regardless of its actual climate impacts. A method which has been strongly criticised by Auditors, the European Parliament’s Budget Committee, and experts. In this way, 40% of income-support subsidies will be considered “climate spending” in the new CAP under a methodology proposed by the Commission, despite the lack of evidence that those payments have any positive impact on climate.

What is needed?

The CAP regulation cannot include such a flawed methodology for estimating “climate mainstreaming” and must instead require the Commission to develop a robust, evidence-based climate tracking methodology, so that every euro of the promised 40% of the CAP budget being “climate spending” delivers actual emissions reductions.

What is on the table?

 The Council maintained the methodology proposed by the European Commission, despite strongly watering down climate-related “conditionality” rules, meaning a substantial share of “climate spending” could actually be funding continued or increased greenhouse gas emissions.

 The Parliament deleted the proposed climate tracking methodology and required the Commission to develop a science-based and more precise methodology.


8. Accountability


The new CAP gives substantial flexibility to EU countries in how they can design policy interventions to deliver on the CAP's social, economic, and environmental objectives. This can allow them to be much more targeted and effective, or to keep green ambitions low, or even to serve political interests. For the CAP to deliver, the Commission must be able to hold Member States accountable for how they spend public EU money.

What is needed?

A robust performance and governance framework is critically important. This must include a requirement for Member States to set targets and report regularly on progress against rigorous indicators. The Commission must have the powers to ensure CAP Strategic Plans are coherent with EU environmental law, and to penalise Member States if they clearly under-deliver.

What is on the table?

 The Commission proposal had a weak performance framework, which the Council radically watered down, in particular by drastically cutting down the list of indicators for target-setting and reporting. This means many environmental issues will not be monitored until the final evaluation, which is only due by the end of 2031.

 The Parliament made some welcome improvements to the list of indicators, but not to how they are used, which is the most important issue.

9. Public participation

Active citizens' engagement with the transition to a green economy is central to the Green Deal. Civil society organisations are key to this, as they work at the interface between the general public and policy-makers. It is therefore crucial that the right structures are in place to facilitate their participation in policy-making.

What is needed?

The CAP must include strong provisions for the involvement of civil society representatives, including environmental stakeholders, in the design of national CAP Strategic Plans.

What is on the table?



The Commission proposal failed to explicitly require Member States to involve environmental stakeholders and excluded the description of public consultations processes from the assessment of Plans, and the Council did not solve either of these gaps.



The Parliament solved these two gaps and additionally empowered the Commission to set out a code of conduct on public participation in national CAP decision-making.

10. Transparency

Food concerns us all and land is our most precious common heritage, so it is paramount that citizens can have information about the content of public policies on agriculture, but also about how they are made. Access to information about policy-making is a right and a prerequisite for public participation.

What is needed?

Extended transparency of the decision-making process must be the norm for all discussions on the CAP, both at EU and national level. The public must also be given full, intelligible information about policy implementation.

What is on the table?



The Parliament added a requirement for the Commission to publish a summary report of all CAP Strategic Plans within 6 months of their approval, including its evaluation of the Plans, and to translate to English and publish the final Plans.



In spite of civil society calls for transparency in the ongoing negotiations between Council, Parliament and Commission, backed by an Ombudsman report and a Court ruling, lawmakers agreed to work under strict confidentiality rules, impeding citizens from following what is being agreed until negotiations are over.





The road ahead

The 10 tests for a Green Deal-compatible CAP presented here provide a compass to steer the EU farming policy on the path to a better future. This compass only works as a package, if some pieces are left out, we risk very much getting lost on the way.

Worryingly, the positions adopted by Parliament and Council show a wide gap between our assessment of the changes needed, and what there is currently political will for. But the cost of inaction would be so high, Europe can no longer afford to choose

the politically-convenient status quo over the evidence-based need of genuine policy reform. The decision-makers in charge must urgently veer off the road of destruction, and start leading farmers and society towards a more environmentally sustainable, socially fair, and economically resilient food and farming system. There is so much to gain from a timely and swift transition, and it cannot happen without a supportive CAP.

Political commitments must be turned into policy change, now.

For questions or comments, please contact:

Célia Nyssens, Policy Officer for Agriculture

celia.nyssens@eeb.org

Bérénice Dupeux, Senior Policy Officer for Agriculture

berenice.dupeux@eeb.org



With the support of the European Climate Foundation, the LIFE Programme of the European Union and the MAVA Foundation (Fondation pour la Nature).

This communication reflects the authors' views and does not commit the donors.



eeb.org

[@Green_Europe](https://twitter.com/Green_Europe)



A better future where people and nature thrive together