CAP: NEW DELIVERY MODEL, CLIMATE AND SPENDING

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Measure co-financed by the European Union
The European Commission’s new proposal on the post-2020 Common Agricultural Policy (CAP) gives more flexibility to member states when it comes to implementation and pushes for a tailor-made approach adjusted to the EU countries’ diverse farming needs and circumstances.

The executive claims that this new delivery model will eventually lead to better spending and monitoring of the CAP at the national level.

On the other hand, critics suggest that the new delivery model will have ultimately no capacity to guarantee that EU spending has a real impact to reach EU common goals, such as climate change objectives.
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EU official: Specific conditions will make agriculture spending more efficient

By Sarantis Michalopoulos | EURACTIV.com

The new Common Agriculture Policy budget is moving towards a science-based approach, with most targets multidisciplinary in nature and requiring member states to come up with specific national approaches, a senior EU official told EURACTIV.com.

“This [science-based] approach would require that there are farm advisory systems that function in all member states not only to provide farmers with information but also to exchange the best practices among them and other member states,” said Tasos Haniotis, a senior official at the European Commission’s agriculture directorate.

“If these conditions are met, then we will obviously be able to be much more efficient in the manner we spend money than we do today,” Haniotis explained.

He said most of the targets set in the executive’s proposals for the post-2020 Common Agricultural Policy (CAP) are multidisciplinary in nature.

“It’s not only about agriculture but a combination of things ranging from food chain and safety to the environment.”

One condition, according to Haniotis, is the strategic plans of the member states. Those should be based on the latest available evidence about their needs especially when it comes to the environment and climate change.

“This guarantees that the level of ambition of everybody is going to be higher than what it currently is,” Haniotis said.

According to the new delivery
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model, EU member states will have to come up with their own national strategies in agriculture, adjusted to their specificities.

A second condition, the EU official said, is to provide member states with enough flexibility to adapt their project to their national particularities, but with a view to achieving EU-wide objectives.

The European Court of Auditors (ECA) recently criticised the Commission’s CAP proposals, saying they lack ambitions for a greener and more robust performance-based approach.

Although it agrees that the national strategic plans could help better control spending, it insists that more should be done when it comes to climate change objectives.

“In our view, the creation of CAP strategic plans represents an opportunity to better coordinate agricultural spending [...] this outweighs the issue of links to other funds. As we pointed out in our Briefing Paper in March, the old partnership agreements had little impact in practice,” João Figueiredo, the ECA member responsible for the Court’s Opinion on the CAP, told EURACTIV.

However, he added, the key challenge now is the complementarity of the CAP with climate change mitigation policies.

Luc Vernet, a senior advisor at Farm Europe, a think tank specialising in EU agricultural affairs, told EURACTIV that the level of administrative controls proposed by the Commission is higher than in the current framework, considering “it’s proposed to add a new layer of controls via the performance controls, which is not replacing current controls but coming on the top of the controls that already exist today”.

“Nevertheless, with the new delivery model, the Commission will only control the good administration but will have ultimately no capacity to guarantee that EU spending has a real impact to reach common EU goals. Most of the parameters to trigger payments would be designed by the member states,” Vernet said.

When it comes to the environment, he said some parameters could be very strict while others very light green.

“If the new delivery model is adopted as such, the CAP would enter into a grey zone with 27 different levels of ambition and different eligibility conditions for farmers depending on their country. This would be a major blow to the level playing field,” Vernet warned.
The complementarity of the EU’s post-2020 Common Agricultural Policy with climate change goals remains a big challenge because the objectives are vaguely defined and short on measurable details, the European Court of Auditors (ECA) told EURACTIV.com.

On 7 November, ECA published its opinion on the European Commission’s proposal for the CAP and criticised it for lacking ambition when it comes to environment and climate objectives. “The auditors recognise that the proposed reform includes tools to address these objectives, but these are neither clearly defined nor translated into quantified targets. It, therefore, remains unclear how a greener CAP could be assessed or measured,” ECA said.

João Figueiredo, the ECA member responsible for the Court’s Opinion on the CAP, said the complementarity of the CAP with climate change and mitigation policies remained a challenge.

EU auditors insist the new CAP is unclear on climate goals measurement

By Sarantis Michalopoulos | EURACTIV.com

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João Figueiredo, the ECA member responsible for the Court’s Opinion on the CAP, said the complementarity of the CAP with climate change and mitigation policies remained a challenge.

“Our Opinion highlights the risk that the revised CAP as currently proposed does not contribute sufficiently to these policies,” Figueiredo told EURACTIV.

The ECA has been warning the Commission since last March, when it published an opinion saying that future farm spending should be based on ambitious and relevant...
performance targets.
“Funds also need to be spent where they can achieve significant EU added value,” the ECA said.

**BRUSSELS CANNOT DESIGN EVERY DETAIL**

On the other hand, the Commission says it cannot design every detail of farming across Europe from Brussels. Addressing a conference organised by Fertilizers Europe last week, Tasos Haniotis, a senior official at the Commission’s agriculture directorate, defended the EU executive’s proposals on the next CAP saying that the primary need was to change the mentality.

“The challenge is to develop a regulatory framework that will try to solve the tension between simplification and subsidiarity. We cannot design from Brussels every single detail of what farmers have to do on the ground,” Haniotis said.

“I’m not sure we are all there yet, but we are doing our best,” he added.

The Commission’s new proposals give more flexibility to the member states when it comes to the implementation of the CAP and push for a tailor-made approach adjusted to the EU countries’ diverse farming needs and circumstances.

The member states will have to submit their CAP national strategies by the end of December.

Several stakeholders have voiced concern about the Commission’s new delivery model, saying that it risks re-nationalising the policy. On the other hand, the executive insisted that it’s the only way forward, considering the different agricultural needs of EU member states.

Referring to the ECA opinion, Haniotis said the executive had developed a vision for the future of the CAP that is based on the shift from compliance to performance, which will focus on nine objectives.

“The climate objectives are targets that the member states have to meet at the national level that is not specific to agriculture but to several sectors. So it’s not possible from Brussels to determine what they have to do in agriculture. Because this – X% is agriculture plus some other sectors,” Haniotis told EURACTIV.

“What we are able to do is, first of all, evaluate whether the needs of the member states presented [in the national strategic plans] make sense compared to evidence and then monitor progress together with the member states and assess whether they’ve achieved their targets,” the EU official added.

He stressed that how exactly this happens at the level of the individual farmer is not really important at the end of the day.

“What is important is to be able to have an assessment at the regional and national level what the starting point of member states is, where they are going to be three years from now and where they are going to be at the end of the period,” he said.
EU funding for agriculture is expected to become tighter after 2021. At the same time, the Common Agricultural Policy (CAP) has an increasing number of objectives. So, how can more be achieved with less funding? EURACTIV Germany reports.

Currently, the CAP accounts for more than a third of EU spending. During the 2014-2020 period, €400 billion will have been paid out in the form of direct support for farmers and rural development. However, through the financial crisis, Brexit and new costly tasks in fields such as defence and border management, the agriculture budget has come under pressure.

According to the European Commission's proposal on the Multiannual Financial Framework (MFF), agricultural expenditure is supposed to fall by around 5% – in other words, €20 billion less for Europe's farmers.

At the same time, there has been no decrease in objectives pursued by the EU with the CAP. These include income support, competitiveness, a more even distribution of power in the food chain, fighting climate change, supporting sustainability, biodiversity and the generational change on farms and creating jobs and higher levels of food quality.

But how is this supposed to work? The Commission is relying on greater flexibility. The member states are

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supposed to gain greater freedom when using the funds assigned to them so that they can draw up “tailor-made programmes.”

Preference should be given to small and medium-sized enterprises and young farmers. Moreover, the direct payments should be more strongly linked to sustainable and climate-friendly methods of production. Another approach is intended to make technological methods more accessible for agriculture.

CRITICISM OF CAP REFORM PLANS

The European Court of Auditors (ECA) recently voiced clear criticism of the Commission’s reform approach. The auditors said the proposals did not provide for sufficiently clear and measurable rules or monitoring mechanisms which could ensure that the regulations were being implemented. They therefore doubt whether the reform is suitable for making progress towards the EU’s self-imposed objectives.

Moreover, neither are German interest groups satisfied with the Commission’s approach. For instance, the German working group for rural agriculture (AbL) criticised the fact that the proposal envisages cuts to Pillar 2 of the CAP, which is funding for rural areas.

“This weakens precisely the areas of actions of the EU agricultural policy which are, to a large extent, focused on specific objectives, such as environmental, nature and animal protection,” said the managing director of the AbL, Ulrich Jasper.

Joachim Rukwied, president of the German Farmers’ Association (DBV), was also worried about “painful cuts” for agriculture.

“The reduction in the agriculture budget will hit farmers hard and lead to rural areas being weakened throughout Europe. These cuts will reduce the scope for additional services to society, such as climate and environmental protection,” Rukwied said.

INTEREST GROUPS’ PROPOSALS

There are some proposals on the table as to how the reform could be improved. For instance, BÖLW, a federation for an ecological food industry, supports more strongly attaching conditions to the allocation of funding.

“There needs to be a clear commitment to rewarding farmers for major achievements in environmental, climate and animal protection. At least 70% of the planned payments of billions have to be used for this purpose. Only targeted investments in general interest services by agriculture will ensure that the funding is not passed on to landowners, but strengthens active farmers,” argued Peter Röhrig, the managing director at BÖLW.

However, the DBV rejects attaching such conditions and instead proposes prioritising future investments. “In particular, measures to support sustainable competitiveness should be funded from the agriculture budget, especially to promote investment, diversification, innovation, education and consultation,” a statement by the DBV said.

Meanwhile, the Nature And Biodiversity Conservation Union (NABU) pointed out that the EU was committed to the United Nations’ Sustainable Development Goals (SDGs).

“This simply means that agriculture can no longer cause damage to biodiversity and the climate – and that businesses operating in a sustainable manner have to be given a future,” NABU stated.

The organisation consequently called for the current CAP to be replaced by a “new food and land use policy”. This would include, among other areas, establishing sustainable food production, rewarding concrete efforts at nature conservation and the greater involvement of the relevant actors.

CONNECTION WITH FUTURE EU BUDGET DEBATE

There is obviously no lack of ideas about how the CAP could be made more effective. However, the various actors have very different priorities, meaning that there is still much to be clarified.

It remains to be seen precisely how the allocation of CAP funding will operate, who will be given priority, which conditions will be linked to the funding and how bureaucratic the processes will be.

A particular difficulty is in relation to the general budget debate. EU institutions, the European Parliament and member states are passionately debating how big the overall budget should be and where the priorities should lie.

It is uncertain if an agreement can be reached before the May 2019 European elections. Furthermore, it will be difficult to plan how exactly the funds should be used before the CAP’s future size has been clarified.
France hoping for a greener future CAP

By Cécile Barbière | EURACTIV.fr | translated by Rob Kirby

Paris wants to place the emphasis on greening measures in the future Common Agricultural Policy. This is in order to support the transition to agroecology. EURACTIV France reports.

The future Common Agricultural Policy (CAP) will have to do everything it can to support the transition to agroecology, which groups the farming practices which connect agronomy (the science of agriculture) to ecology.

“The PAC has a role to play with greening. It will have to support the transition to agroecology, which is an irreversible one. This is part of France’s strong commitments,” explained the French Minister of Agriculture and Food Didier Guillaume at the annual conference of the Dephy network, which supports farmers in reducing their use of phytosanitary products.

Having undergone a transition to intensive production in the aftermath of the Second World War in order to feed the country, the French farming community now has to develop its production practices towards agroecology, with the support of Europe.

In order to undergo this transition, it is imperative that the CAP budget

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is maintained. “France, together 19 European partners, says no to the reduction in the CAP budget because it isn’t acceptable,” stated Guillaume.

However, the ambition of making the post-2020 CAP a tool for the transition towards agroecology is far from a reality in the plan put on the table by the European Commission.

Moreover, in a judgement, the European Court of Auditors concluded that CAP plan “does not meet the stated ambitions of the Union concerning the adoption of a more ecological and more solid approach based on performance.”

Indeed, the future CAP plan only directs a small part of the subsidies towards environmental objectives. Only 30% of the support from the second pillar of the CAP shall be used for environmental and climate protection.

Greening will mainly be subject to the goodwill of the member states, who will be able to transfer an additional 15% between the two pillars in order to cover spending to support the environment and the climate.

“MISMATCH”

“When the Court of Auditors says that the plan does not meet the ecological ambitions, this is fair,” explained socialist MEP Eric Andrieu. “The Commission points to environmental objectives, saying that they have priority but you realise that they are not clearly specified,” he regretted.

“I do not see how we will be able to assess objectives which are not specific,” Andrieu continued. “We need agriculture which captures carbon, which manages the water resources and rejects nitrogen. And, currently, the new CAP doesn’t do this.”

In order to move the CAP towards the agro-ecological transition, Paris will argue for a minimum spending objective to support the environment within the two pillars of the agricultural policy.
The post-2020 Common Agricultural Policy (CAP) discussions started at long last in the European Parliament, but in a deeply divided Agricultural Committee. MEPs still seem a long way from an agreement on how to spend the money and who should get the subsidies.

The Parliament’s AGRI Committee debated the draft reports on the post-2020 CAP for the first time on 21 November in Brussels.

The MEPs appeared once again to stand firmly against any reduction in the credits, keeping the financing of the CAP at the same level as the 2014-2020 budget in real terms, as they laid out in a resolution adopted last 30 May.

However, the Committee was split over how the money would be spent, particularly on the issue of whether to cap aid or not and who should get the most of the subsidies.

Another bone of contention among the MEPs concerns direct payments – whether to grant them on the basis of actions taken by farmers or based on the hectares of land they farm.

The rapporteur for the Strategic Plans Esther García opted for area-based aid, which was criticised by the Greens’ Martin Häusling and the liberal Jan Huitema, two of the shadow rapporteurs.

According to rapporteur Garcia, giving more power to the member states could result in a more efficient way to spend money but for the socialist De Castro, who negotiated for the Parliament during the last CAP trilogue, there is the risk for CAP to be re-nationalised, and he

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asked that the policy must remain common.

Several MEPs also criticised the so-called new delivery model as such, but the divisions among them often went beyond their respective political groups, and sometimes national and even regional interests took centre stage.

**DEFINITION OF FARMER**

The definition of farmers is one of the most controversial pending issues for promoting efficient spending in the next CAP, as it basically means to define who is in charge of accessing funding.

The rapporteur García expected a difficult debate around the definitions, which include terms such as real farmers, permanent pastures and young farmers as well.

Indeed, the report on the Strategic Plans called for further support to young and new farmers, highlighting the need for further internal and external convergence and stressed that EU money should go to genuine farmers.

But according to MEP Zullo, who is also a shadow rapporteur, a definition of “genuine” farmer would not be enough as some farmers may be excluded. He said it was better to refer to the concept of “active” farmer.

The problem arose since in the past money often did not go to people who actually farm the land but to owners of the land that could be used for any kind of farm-related activities, but also to big players in the farm sector.

**ENVIRONMENTAL CONCERNS**

The Strategic Plans report presented also include some environmental programmes like the eco-Schemes, which basically set voluntary climate and environmental targets.

These eco-schemes are meant to promote production models that are beneficial for the environment, particularly extensive livestock rearing, and to promote all kinds of agricultural practices such as, among other measures, the enhanced management of permanent pastures, landscape features, and environmental certification schemes like organic farming, integrated production or conservation agriculture.

“The new ecological regime requires an update to avoid a negative effect on farmers’ income and the proposed environmental performance bonus should be scrapped as it does not boost funds for best but penalises those who fail to deliver the best,” said rapporteur García.

MEPs focused in the debate on ways to improve the proposed architecture of environmental measures to ensure they deliver tangible results.

Some criticism came from GUE/NGL’s Luke Ming Flanagan, who called for more ambitious environmental programmes, and also from Greens like Häusling, who blamed the voluntary nature of the eco-scheme.

**ALL FOR NOTHING?**

The EU policymakers are committed to adopting a new reform within the multiannual financial framework for 2021-2027 before the end of the current period (2020), and the European Parliament plays a major role as a co-legislator.

The final vote in the Committee is scheduled for 18 February and MEPs have now until 3 December to table their own amendments to the draft regulations.

The three rapporteurs expected thousand of amendments, which need to be translated before negotiations among shadow rapporteurs could start to find compromise amendments.

Theoretically, three available slots are left for a plenary approval: the two sessions in March and the last one in April. Otherwise, it will be up to the next Parliament to find a common position for the negotiations with the EU ministers.

But even in the best scenario of an approval before the end of the legislature, there’s little chance that the current three rapporteurs could enter into negotiations with the Council.