

COMMON AGRICULTURAL POLICY

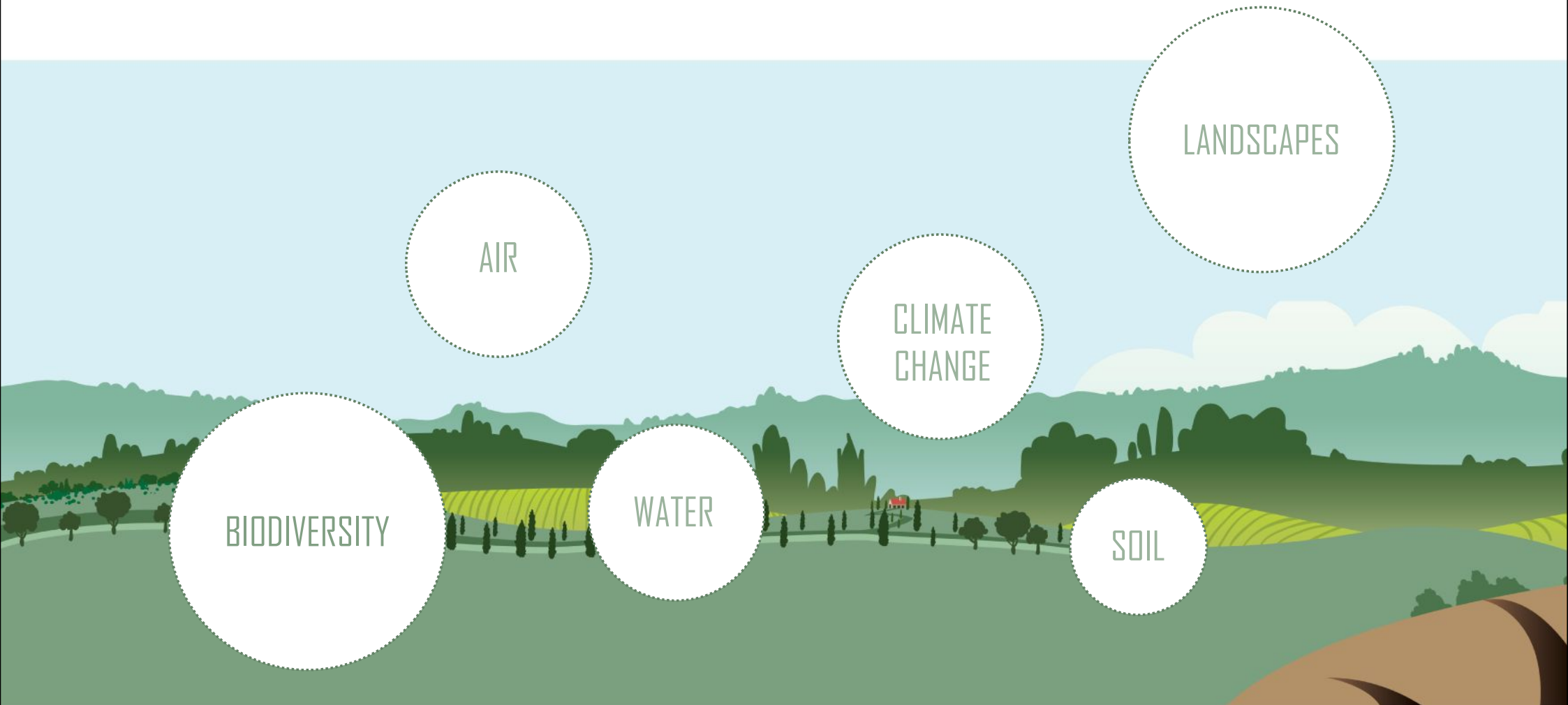
post-2020

The new green architecture

Commissioner Phil Hogan
European Parliament Committee on
Agriculture and Rural Development
24 January 2019

#FutureofCAP

ENVIRONMENTAL AND CLIMATE CHALLENGES



CAP SPECIFIC OBJECTIVES ON THE ENVIRONMENT & CLIMATE

The essence:



Climate
change



Natural
resources



Biodiversity
and
landscapes

HOW THE NEW CAP WILL IMPROVE ITS ENVIRONMENTAL AND CLIMATE PERFORMANCE...



MORE CONSISTENT
WITH ENVIRONMENTAL
LEGISLATION



Provide **synergies** and ensure **environmental results**

ENHANCED
TOOLBOX



Devise the right **mix of voluntary and mandatory measures** adapted to local realities



A JOINED-UP, RESULTS-BASED APPROACH

- MS plan use of both CAP Pillars together
- SWOT analysis, needs assessment
- Selection of tools from flexible toolbox
- Targets set, achievements monitored
- **Consultation with national stakeholders**
- CAP plans approved by Commission



LINKS TO NON-CAP LEGISLATION ON THE ENVIRONMENT AND CLIMATE

- Link in CAP rules to EU legislation on:
 - **water, air, biodiversity**
 - **climate change, energy**
 - **pesticides**
- MS' CAP plans must:
 - take account **of analysis, targets from the relevant action plans etc.**
 - **make an appropriate contribution to achieving those targets**



CONDITIONALITY: BALANCED AMBITION

- **SWOT** analysis, assessment of needs are the foundation
- New elements in the system of “conditionality”:
 - Protection of wetland and peatland
 - Water Framework Directive, Directive on Sustainable Use of Pesticides
 - Use of Farm Sustainability Tool for Nutrients
- Strengthened **elements**, e.g.
 - From “crop diversification” (greening) to “crop rotation” (conditionality)
- **Substantial flexibility for MS in implementation**
- **Commission assesses implementation choices in CAP plans, enhanced transparency and comparability between MS, level playing field**



PILLAR I "ECO-SCHEMES"

- New way of spending Pillar I funding on the environment and climate (i.e. without co-financing)
- Can be useful to design a scheme that is attractive to a larger number of farmers – and will help achieve a higher level of ambition
- Mandatory for MS, voluntary for farmers
- May target areas in which MS has particular challenges (e.g. emissions or nitrates or biodiversity)
- Annual commitments and payments – can be useful feature
- MS have flexibility over **content** of eco-schemes...
- ...and flexibility over payment – **possibility of incentives**
 - environmental “top-ups” to basic income support; or compensation payments based on costs incurred, income foregone



PILLAR II

- Full range of relevant Pillar II support remains available...
- Key relevant support types:
 - Payments for management commitments (including agri-environment-climate commitments)
 - Payments to compensate for constraints (natural, or related to Natura 2000 / Water Framework Directive)
 - Support for investments, knowledge transfer, innovation, co-operation
- "Negative list" for investment support (unsustainable irrigation & forestry)



The new green architecture of the CAP

BIODIVERSITY

Hypothetical example of a Member State's implementation

1. SPECIFIC OBJECTIVES

Contribute to the protection of **biodiversity**, enhance ecosystem services and preserve habitats and landscapes



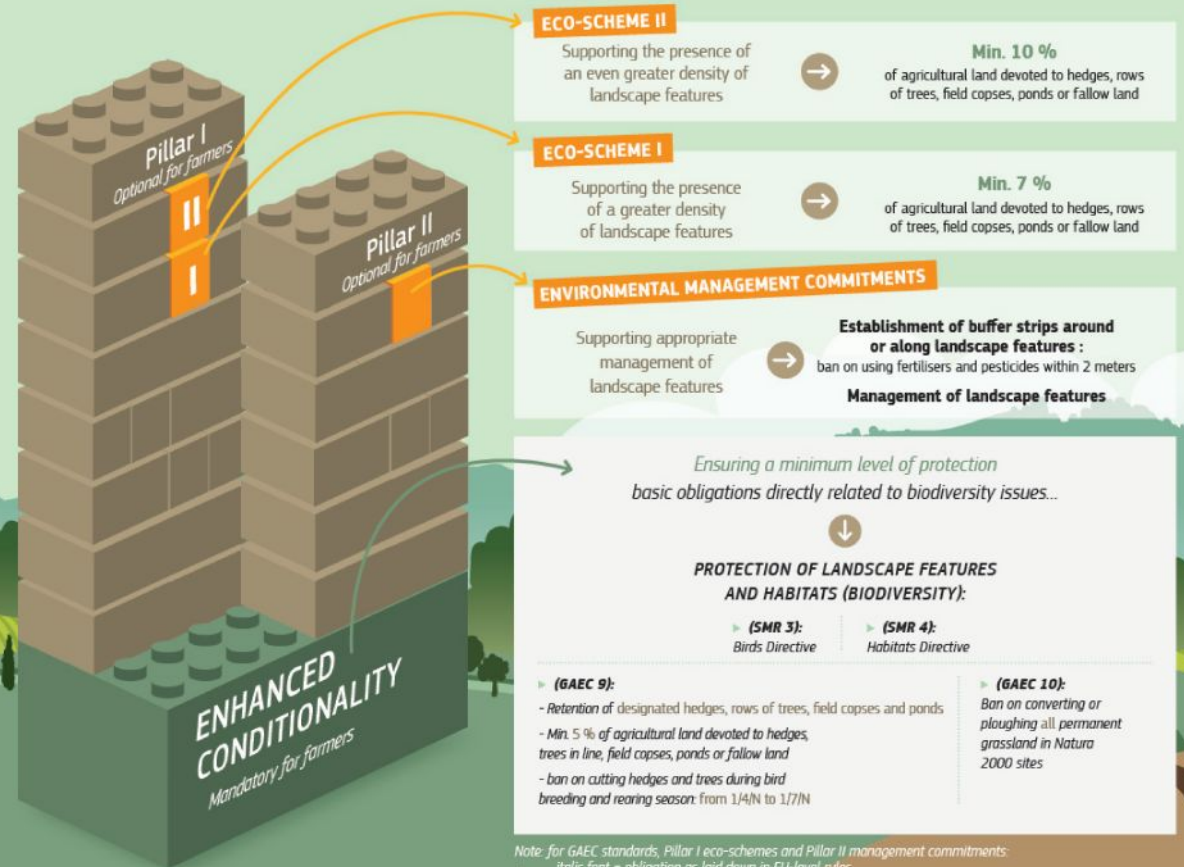
2. SWOT ANALYSIS, NEEDS ASSESSMENT AND LINK TO EU ENVIRONMENTAL LEGISLATION

Key findings: the need to increase biodiversity on farms by increasing the density of landscape features on and along agriculture parcels and improving their management.



3. CONTRIBUTION OF THE CAP STRATEGIC PLAN THROUGH THE NEW GREEN ARCHITECTURE

By developing support options, for example as part of tiered support schemes, which: encourage farmers to dedicate progressively more land to biodiversity-friendly features; and compensate farmers for appropriate management of these features



Note: for GAEC standards, Pillar I eco-schemes and Pillar II management commitments:

- *Italic font* = obligation as laid down in EU-level rules
- *Standard font* = decision taken by MS in this example

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CLIMATE CHANGE

Hypothetical example of a Member State's implementation

1.

SPECIFIC OBJECTIVES

Contribute to climate change mitigation and adaptation, as well as sustainable energy

2.

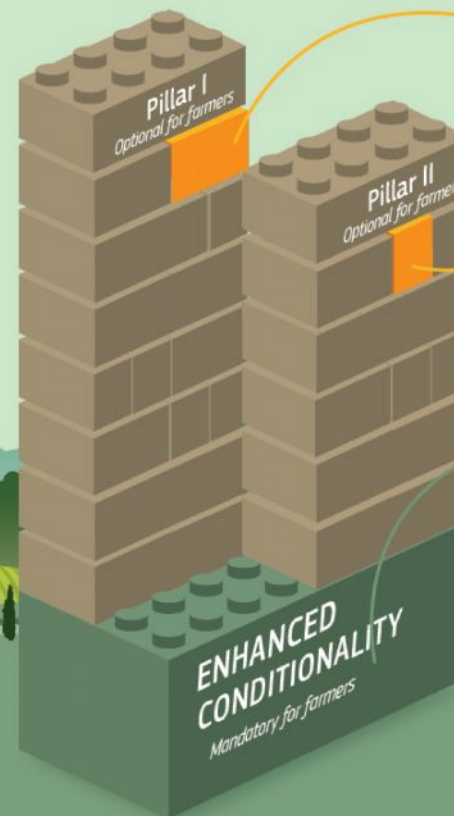
SWOT ANALYSIS, NEEDS ASSESSMENT AND LINK TO EU ENVIRONMENTAL LEGISLATION

Key findings: the need to preserve organic carbon stock in some hotspots, such as wetland and peatland, as well as increase the resilience of certain farming systems dependent on irrigation

3.

CONTRIBUTION OF THE CAP STRATEGIC PLAN THROUGH THE NEW GREEN ARCHITECTURE

By developing support options, for example rewarding the maintenance of wet agriculture and assisting a transition to less water-intensive crop selections



ECO-SCHEME

Maintaining climate-friendly farming on peatlands



Application of paludiculture techniques (wet farming with no or minimal drainage)

CLIMATE MANAGEMENT COMMITMENTS

Assisting a shift of irrigated arable crop systems towards a more water-efficient approach in certain sensitive areas



Reduced use of water:

Substitution of irrigated maize by less water-demanding crops, e.g. irrigated sorghum
Partial substitution of various irrigated crops by non-irrigated crops: on 80% of area if irrigated crop is maize, 65% if cotton, 70% if alfalfa

Ensuring a minimum level of protection
basic obligations directly related to climate issues...



LIMITATION OF GREENHOUSE GAS EMISSIONS (CLIMATE CHANGE):

► **(GAEC 1):** Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area, set at regional level

► **(GAEC 2):** Appropriate protection of wetland and peatland by prohibiting drainage for alternative land uses of designated sensitive areas

► **(GAEC 3):** Ban on burning arable stubble, except for plant health reasons

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SIMPLIFICATION: THREE ASPECTS BENEFITING FARMERS

- **MS can better tailor rules to farmers' situations, e.g. in the case of:**
 - conditionality (compared to greening)
 - types of intervention
- New support possibilities – esp. **Pillar I eco-schemes**
- **Simplification of management, control and sanction systems** – including through IT, satellite imagery etc.



EXAMPLE OF SIMPLIFICATION

CURRENT CAP

Crop diversification under current **greening**
(all criteria set at EU level)

- ✓ Definition of crops based on the botanical classification (genus)
- ✓ Between 10 and 30 ha: minimum 2 crops
- ✓ Beyond 30 ha: minimum 3 crops
- ✓ Maximum share of the main crop: 75%
- ✓ Maximum share of the two main crops: 95%

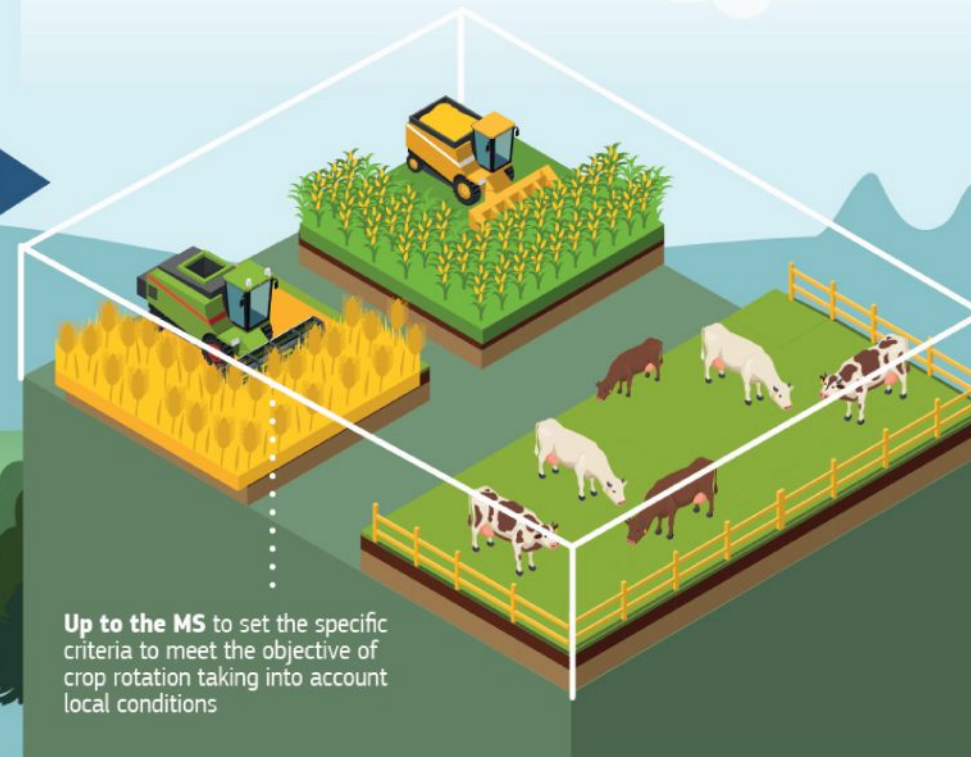
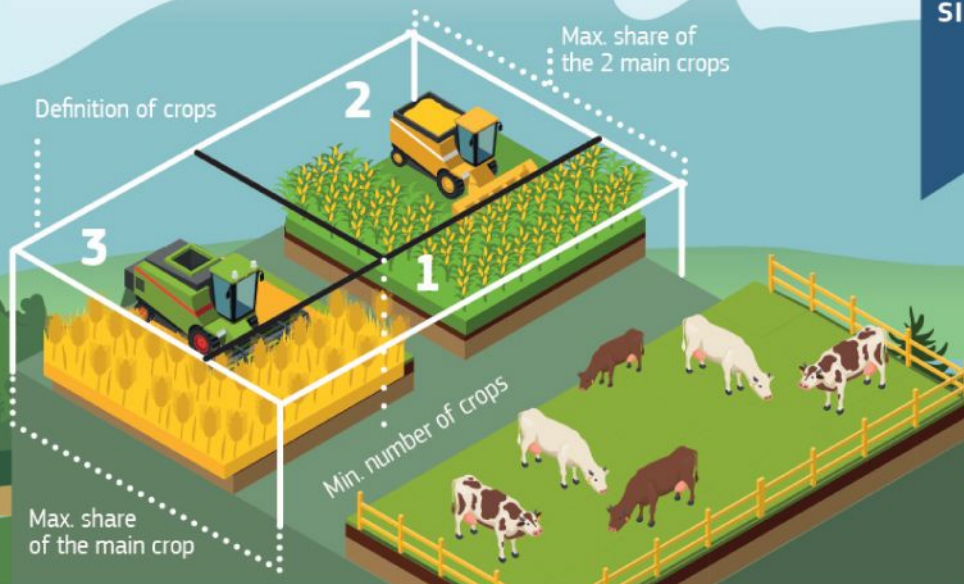
simplification

FUTURE CAP

Crop rotation under future conditionality
(all criteria set at national or regional level)

- ✓ Crop rotation based on needs

Up to the MS to set the specific criteria to meet the objective of crop rotation taking into account local conditions



CONCLUSIONS

- The new green architecture is **good for farmers and the environment**: it provides more opportunities to pay farmers who are willing to provide more public goods
- It **simplifies** delivery of environmental measures: no “one size fits all” approach
- All **elements of the green architecture** are important to reach a higher level of ambition, they work in synergy



THANK YOU!

Further information is available at:

- https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en
- http://ec.europa.eu/budget/mff/index_en.cfm
- https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en



Possible additional slide:

Farm Sustainability Tool for Nutrients

- FaST-

"Facilitating the transition to an easier and more digitalised CAP"



- Win-win solution beyond compliance model
- Ensure higher environmental protection while fostering economic benefits
- Improve farmers digital skills
- **Promote the development/adoption of new on-farm technology-based solutions**
- **Allows simplification of the of the farmer's tasks and compliance**