

## What is left for environment and climate in the new Common Agricultural Policy (CAP)?

On Monday 28 June, EU farm ministers accepted the provisional deal reached with the European Parliament on the new CAP reform. The following assessment looks at the six fundamental issues identified by IEEP as essential for keeping the green ambition of the future CAP alive.

The 6 essentials for an ambitious CAP	Assessment
<p><b>Ring-fencing of funds for eco-schemes</b> Eco-schemes should have at least the same level of funding as that dedicated to the current greening measures (i.e. at least 30% of the Pillar 1 budget, ideally increasing progressively over time).</p>	<p>Even if it is welcome that the deal contains a minimum spending for eco-schemes, which was not proposed by the Commission initially, it is set at a lower level than the environmental ring-fencing in the current CAP (20% and then 25% in 2025, instead of the 30% currently)</p>
<p><b>Unspent funding for eco-schemes should be used to address environmental objectives</b> Pre-allocating any underspent funds each year as a top-up to certain types of farmland of environmental importance and farming systems with a proven track record could strengthen the incentive for all farms to participate.</p>	<p>The deal foresees that for the first two years, Member States can use the unspent money any way they want, which undermines the potential of the eco-schemes. It is, however, welcome that they will be required to either shift that money to AEEM (Agri Environmental and Climate Measures) spending after the initial two years, or send it back to the eco-scheme budget at the end of the period.</p>
<p><b>Ensuring eco-schemes are ambitious in scope</b> This is necessary so that the schemes can be used to adequately address the pressing environmental and climate issues faced by society to which agriculture and forestry sectors can respond.</p>	<p>The deal includes an animal welfare eco-scheme. Adding such a scheme with no safeguard around grazing requirement and stocking density limits, risks deploying a large share of the eco-scheme budget for measures that maintain business as usual and undermine the agroecological transition.</p>
<p><b>Maintaining strong baseline standards through conditionality</b> Maintaining non-productive features and areas on agricultural land (GAEC 9) is particularly important not only to protect farmland biodiversity but also to increase the resilience of agro-ecosystems. The requirement to maintain existing non-productive landscape features and areas should also apply to all farmland, including grasslands and permanent crops.</p>	<p>The deal limits the non-productive areas to 4% and limits non-productive features to arable land only (GAEC 9). The reintroduction of crop diversification as an alternative in the standard on crop rotation does not improve the status quo (GAEC 8). Additionally, the deal deletes the farm nutrient management tool that the European Commission proposed to include back in 2018 (GAEC 5) and weakens what the Commission initially proposed for the protection of wetlands and peatlands (GAEC 2).</p>

<p><b>Safeguards against environmentally damaging spending (e.g. coupled payments) must be put in place</b></p> <p>All interventions should require an assessment of the potential negative environmental impacts as part of the CSP approval process so that such measures do no harm.</p>	<p>The deal does not foresee an impact assessment of the potential negative impacts of the voluntary coupled support for livestock and foresees that up to 13% of the first pillar budget can be used for those payments and 2% additional for protein crops.</p>
<p><b>Any interventions which count towards the environmental and climate ring-fencing under rural development must be environmentally robust</b></p> <p>Areas with Natural Constraints (ANCs) payments currently make up a large proportion of the total environmental spend under rural development in many Member States. However, there is limited evidence of clear environmental targeting. All interventions should include environmental and climate conditions if they are to be considered part of the CAP's environmental ambition.</p>	<p>The final deal contains a 35% minimum spending for the environment and climate in pillar 2. This is higher than what is required under the current CAP (30%) but the amount includes the possibility to include 50% of the budget spent for ANCs, while these measures do not have environmental criteria and can also incidentally lead to negative consequences for the environment (e.g., intensification of livestock in certain areas).</p>

*Note to the reader: This assessment is primarily done against the European Commission proposals published in 2018.*

The Institute for European Environmental Policy (IEEP) is a sustainability think tank with offices in Brussels and London. As a not-for-profit research organisation with over 40-years of experience, we are committed to advancing evidence-based and impact-driven sustainability policy across the EU and the world.

