



Policy Report

Supporting a transition to sustainable farming systems

Reflecting on the CAP implementation and the use of crisis responses





The Institute for European Environmental Policy (IEEP) is a sustainability think tank.

Working with stakeholders across EU institutions, international bodies, academia, civil society and industry, our team of economists, scientists and lawyers produce evidence-based research and policy insight.

Our work spans five research areas and covers both short-term policy issues and long-term strategic studies. As a not-for-profit organisation with over 40 years of experience, we are committed to advancing impact-driven sustainability policy across the EU and the world.

For more information about IEEP, visit www.ieep.eu or follow us on Twitter [@IEEP_eu](https://twitter.com/IEEP_eu) and [LinkedIn](https://www.linkedin.com/company/ieep).

DISCLAIMER

The arguments expressed in this report are solely those of the authors, and do not reflect the opinion of any other party.

THE REPORT SHOULD BE CITED AS FOLLOWS

Nadeu, E, and Godfroy, A (2024) CAP implementation and delivery on sustainability challenges. Policy Report. Institute for European Environmental Policy, Brussels.

CORRESPONDING AUTHORS

Elisabet Nadeu (enadeu@ieep.eu) and Axel Godfroy (agodfroy@ieep.eu)

ACKNOWLEDGEMENTS

We gratefully acknowledge helpful reviews, input and comments from Melanie Muro and Shiraz Moret-Bailly (IEEP).

This report was funded by the European Climate Foundation

Photo by [Hert Niks](#) on Unsplash



This work has been produced with the financial support of the LIFE Programme of the European Union. The paper reflects only the views of its authors and not the donors.

IEEP AISBL office

Rue Joseph II 36-38,
1000 Brussels, Belgium
Tel: +32 (0) 2738 7482

IEEP AISBL - UK registered address

Acre House 11/15, William Road
London NW1 3ER

CONTENTS

Abbreviations	1
Executive summary	2
1. Introduction.....	5
1.1 Scope and objective of the report.....	8
2. Do the CAP Strategic Plans support the transition to sustainable and resilient farming?.....	10
2.1 Overview of priorities and planned actions.....	11
2.2 Insights from the first year of CSP implementation: eco-scheme uptake.....	16
3. Changes to the CAP Strategic Plans	23
3.1 The simplification package	23
3.2 Amendments from Member States	25
4. Crises responses	26
4.1 The agriculture reserve	26
4.2 State aid.....	27
5. Conclusions and recommendations.....	30
5.1 Recommendations.....	32
References	34

ABBREVIATIONS

AECM	Agri-environment-climate Measures
CAP	Common Agricultural Policy
CSP/CSPs	CAP Strategic Plan/ CAP Strategic Plans
EAFG	European Agriculture Guarantee Fund
EAFRD	European Agricultural Fund for Rural Development
EEA	European Environment Agency
EGD	European Green Deal
EC	European Commission
EP	European Parliament
EU	European Union
GAEC	Good Agricultural and Environmental Condition
GHG	Greenhouse gas
ha	Hectare(s)
Mha	Million hectares
SO	Specific Objective

EXECUTIVE SUMMARY

The EU agriculture and land use sectors are facing various strategic and interlinking challenges that are triggering increased use of crisis funds under the CAP and State Aid. Climate change is one of the key drivers: heatwaves, droughts, heavy rains and floods have become increasingly regular over the past decade with significant impacts on agricultural production.

In this context, this report takes stock of the delivery of the current Common Agriculture Policy (CAP) following its first year of implementation, with a focus on interventions that support sustainable farming practices and the direction of amendments to the CAP Strategic Plans. It seeks to inform the CAP debate, both in terms of how to improve the current CAP, and what lessons can be learned from its implementation for the design of the post-2027 CAP. The report also discusses short-term crisis responses to extreme weather events and reflects upon the need to define a strategy that aligns both short and long-term support for farmers to increase the sustainability and resilience of EU farming.

Transitioning towards sustainable and resilient farming systems should be a central priority for EU agriculture to enhance its climate adaptation and environmental performance. This is likely to involve increased diversification of landscapes and farming systems, a decrease in the land devoted to livestock and feed production as well as a change of practices to adapt to the changing climate and new sustainability requirements.

Such a transition requires **a clear direction of travel for EU agriculture that aligns short and long-term support, providing clarity and stability for farmers**. One-off investments, as well as multi-annual support, are needed to train farmers, reduce risks and support them during the conversion period to new farming practices. The Common Agricultural Policy (CAP), with interventions that cover many of these needs, can play a central role in increasing the sustainability and resilience of farming systems, however, the budget allocation to these in the CSPs will be insufficient to facilitate a large-scale transition towards sustainable and resilient farming systems.

Since 2022, a new delivery model has been implemented in the CAP which gives Member States more flexibility to adapt the CAP to their priorities and needs through their Strategic Plans (CSPs). Among the nine specific objectives to be covered by Member States in the plans are those related to climate mitigation and adaptation (SO4), resource use (SO5) and biodiversity (SO6). Assessments of the CSPs show that supporting farmers' incomes remains the top priority of the CAP. while environmental, climate and biodiversity objectives are not prioritised

in the Strategic Plans and the majority of the interventions contributing to them are not targeting them exclusively (Chartier et al, 2023).

According to the Commission, the enhanced conditionality in the new CAP together with the voluntary interventions will boost the uptake of sustainable farming practices (EC, 2024). Member States have to dedicate 25% of the direct payments in Pillar I of the CAP to voluntary interventions called “**eco-schemes**”. These aim to incentivise farmers to adopt practices linked to the identified needs for environment and climate, going beyond conditionality requirements. A review of the first year of CAP implementation in selected Member States shows that eco-scheme uptake has been high in some countries and low in others. While high adoption rates are desired, some Member States have achieved this by designing low-ambition eco-schemes that do not require farmers to make substantial changes to apply for them. On the other hand, low adoption rates have been explained by reasons such as insufficient time to integrate the required changes in growing season plans, payment rates not high enough to compensate for the effort required, lack of technical knowledge and support, or artificially high output level targets in the Plans to avoid reductions in payments.

The European Environment Agency (EEA, 2024) has concluded that **the CSPs hold considerable room for improvement in terms of climate and adaptation in agriculture**. Increasing the ambition of the CSPs is possible through Member State amendments already in the current CAP period. However, the information we found on CAP implementation and amendments so far shows that Member States are mostly using them to increase flexibility for farmers to meet requirements, as well as lowering the overall ambition of these.

The most notable amendment to the CAP has come from the Simplification Package adopted by the European Commission in March 2024 and presented as a response to widespread farmer protests around Europe. Among the measures in the package are the notable temporary derogations to six of the nine mandatory Good Agricultural and Environmental Conditions (GAECs) (such as ensuring a minimum share of land devoted to non-productive features). The Simplification Package was presented without a public consultation or an impact assessment, and its environmental, climate and biodiversity consequences will have to be assessed.

While the CAP is designed to provide continuous support to meet long-term strategic objectives, also over subsequent programming periods, ad-hoc financial support addressing immediate needs and unforeseen challenges is provided by other instruments. The Agricultural Reserve has been deployed in recent years to help farmers mitigate economic losses from market disruptions and extreme weather events. With EUR 450 million, the agriculture reserve represents a small

fraction of the CAP's EUR 55 billion annual budget for 2021-2027. Created in 2013, it was first used in 2022, and after that, the reserve has been fully spent every year. In both 2022 and 2023, the reserve had been fully spent before summer. This situation is not sustainable in the long run.

In addition to the agriculture reserve, **a series of crisis measures have led to an increase in State aid to agriculture in some Member States over the past years**, with an overall relaxation of the rules following the Ukraine invasion. A recurring objective of State aid adopted by Member States is the increase of resilience towards extreme weather events, notably **droughts and floods**. While there are no official sources of aggregated data at EU level on the deployment of these funds, the amount channelled to farmers through State aid between 2022 and 2023 has been assumed to be grossly equivalent to 10-20% of the annual CAP budget (Matthews, 2024). The increasing requests for Commission and Member State aid by EU farming is an indication that "crisis" measures are becoming increasingly recurrent, and less exceptional.

Given the above, and to accelerate the transition towards sustainable and resilient farming systems, we recommend that:

- Member States make use of amendments to better support farmers' transition to more sustainable practices;
- Member States and the Commission increase transparency and reporting on the use of "crisis" funds as well as the type of needs they support and their alignment with long-term priorities for EU agriculture;
- The Commission evaluates the consequences of the flexibilities and exemptions derived from the Simplification package on achieving climate, environmental and biodiversity objectives.

Finally, there is a need to explore how changes in CAP governance can contribute to increasing uptake and effective implementation and monitoring of CAP green architecture measures. Specifically, finding ways to involve farmers and Member State Managing Authorities in the design of the schemes.

1. INTRODUCTION

The EU agriculture and land use sectors face various strategic and interlinking challenges over the coming decades. The 2024 State of Food Security in the EU report (DG AGRI, 2024) highlights the impact of **extreme weather events**, **high input costs**, and **commodity prices** as major causes of concern. Indeed, agriculture has been identified as the **economic sector most sensitive to climate change risks in Europe** (Giannakopoulos et al, 2000; Karamanos et al, 2011; EEA, 2024).

Rising CO₂ concentrations, increased temperatures, altered precipitation, and transpiration regimes are already affecting agricultural production in Europe: warmer average temperatures are extending growing seasons and frost-free periods; plants start to flower earlier in the year, potentially becoming exposed to late frost; heavy rain and flooding delay or prevent harvesting leading to crops rotting in the fields (EEA, 2019a).

Heatwaves have become increasingly regular; since 2017 they have been recorded every summer (Devot et al, 2023). The severe droughts experienced in the EU in August 2022 led to large losses in agricultural production, averaging 5-10% declines for crops like grain maize, sunflower and soybeans (Baruth et al, 2022). Naumann et al (2021) estimate the cost of **drought** losses in agriculture to amount to approximately 4,8 billion euros per year (García-León et al, 2021). In contrast, **heavy rain** has become more frequent in Northern, Western, and Central Europe since 1901 (Stott and Christidis, 2023). Heavy rainfall in July of 2021 in Belgium and Germany led to severe floods, with the total amount of damages to winegrowers and agriculture thought to amount to 200 million euros¹.

The data and the reality of recent years suggest that **farmers will operate under climatic conditions that are fundamentally different from those of today** (Trnka et al, 2011). For instance, the number of heatwave days *"could increase thirtyfold in the future compared to the 1971 – 2000 reference period"* (Devot et al, 2023, p.18). In contrast, while northern Europe is expected to experience some negative effects such as more frequent heavy rainfall and flooding, an overall increase in yields due to higher temperatures and longer growing seasons is also projected (Midler, 2022).

However, **climate change risks** not only affect agricultural production directly; they also threaten the ecosystem services that are the foundation of farming. Poor

¹ Nach der Flut im Ahrtal. [Winzer und Landwirte beklagen 200 Millionen Euro Schaden.](#)

soil health, water scarcity, pollution and biodiversity, and habitat loss are already a cause of concern, as briefly outlined below, and are only expected to worsen with the projected changes in climatic conditions:

- **Soil degradation** is estimated to affect 61-73% of EU agricultural soils (Midler, 2022), and it undermines productivity, costing €1.25 billion/year to the sector (Panagos et al, 2018). Soil erosion is one of the main causes of soil degradation, leading to the loss of productivity and soil functions (EEA 2019b). Recent estimates show that a quarter of European land is subject to unsustainable soil loss rates (>2t/ha/year) (Panagos et al, 2020). It is estimated that 3 million tonnes of wheat and 0.6 million tonnes of maize are being lost due to severe erosion in the EU annually (Panagos et al, 2018). Soil erosion, compaction, sealing, pollution, salinisation and carbon loss are **expected to intensify with climate change** due to the rise of soil temperatures, the increased occurrence and intensity of drought, and heavy rainfall (EEA, 2024). Soil erosion is exacerbated by agricultural practices such as tillage and the removal of vegetation cover.
- **Water** is a crucial resource for agriculture. In Europe, the sector accounts for the second highest water consumption behind the energy sector, accounting for 24% of abstractions in 2020 (EEA, 2020). While consumption, both total and for agricultural use, showed a significant downward trend in the early 2000s, it increased again since 2010 due to increasing demands for irrigation in southern Europe (EEA, 2022). Assessments show that despite these decreases, the area affected by water scarcity conditions in Europe has remained relatively stable throughout the same period. Projections suggest a further reduction in the availability of freshwater resources mostly in southern, western, and eastern Europe. As a result, it is expected that the **frequency, intensity, and impacts of drought events will be increasing** (EC, 2020a).
- **Water quality** monitoring between 2019 and 2021 showed that 12% of EU's groundwaters and 7% of surface waters were of "poor quality" ($5 > 50\text{mg}$ of nitrates/L)², with strong links to agricultural diffuse pollution, particularly due to surpluses in fertiliser use.
- **Biodiversity** provides important services such as pollination, pest control, soil fertility, and water regulation. It is estimated that 80% of crops in the

² European Commission. [CAP context indicator C.40 water quality](#)

EU depend on animal pollination³. A recent study conservatively estimated the global value of animal pollination to crop production at €158–412 billion per year (Stout et al, 2019). It is estimated that 50% of land in the EU cultivated with crops dependent on pollinators is already facing a pollination deficit. In addition, at least 10% of bee and butterfly species in Europe are on the verge of extinction, and at least 33% of them are in decline⁴. There is wide consensus that, in Europe, intensification in agriculture and forestry are the major causes of these developments (IPBES, 2018; EC, 2020b). The use of plant-protection products, tillage and habitat reduction strongly impact **biodiversity loss** (Babin et al, 2023). Research on future scenarios predicts that **climate change will** have a dramatic effect on European fauna and flora in the years to come and **lead to an acceleration in biodiversity loss in many areas** (EC, 2020c).

This points to one inarguable conclusion: farming cannot continue operating in a business-as-usual manner. **Transitioning towards sustainable and resilient farming systems should be a central priority for EU agriculture** to enhance its climate adaptation and environmental performance.

Although the nature and magnitude of changes will vary across the different European regions depending on the local context, they are likely to involve:

- A diversification of landscapes and farming systems, featuring smaller field sizes, longer rotations, more diverse cropping systems, and other landscape elements that store carbon and provide wildlife habitat such as hedges, flower strips, and agroforestry.
- A decrease of land devoted to livestock and livestock feed production overall, while in some circumstances there will need to be a rebalancing and integration of livestock to close nutrient cycles and reduce reliance on synthetic fertilisers and pesticides in crop systems.
- A general change of practices to adapt to the consequences of a changing climate and new sustainability requirements and improvements in animal welfare.

Implementing these changes will require both one-off investment aid and multi-annual support e.g. for training, skills development, and risk management support during a conversion period to new farming practices. A recent study estimates

³ European Commission website, "[Food security and ecosystem resilience : Commission boosts action on pollinators](#)".

⁴ EC, Farm to Fork: [New rules to reduce the risk and use of pesticides in the EU](#)

that the overall costs of adopting reduced tillage on all arable land in the EU might be between EUR 2.88–7.76 billion in the first year, while for the use of cover crops, the range would be between EUR 6–8.89 billion. For a fuller set of sustainable practices, the total cost might be between EUR 28–35.69 billion in the first year of transition (Whittow et al, 2023).

1.1 Scope and objective of the report

A transition to more sustainable and resilient farming systems, including inter alia a diversification of cropping systems and landscapes, the adoption of sustainable practices, and a reduction of livestock numbers, will require significant levels of financial support. The Common Agricultural Policy (CAP) is currently the biggest source of public funding for EU farmers, and it compensates and incentivises farmers for the uptake of many of these practices.

The current CAP introduced a new delivery model giving Member States more flexibility to adapt the CAP to their priorities and needs through Strategic Plans (CSPs). The CSPs were approved in 2022 and implemented on January 1st 2023. In 2025, a performance review of each CSP will be undertaken by the Commission, with follow-up actions for Member States where necessary.

This report takes stock of the first year of implementation of the CAP Strategic Plans, focusing on interventions targeting three of the CAP's Specific Objectives: SO 4 (climate mitigation and adaptation), SO5 (protection of natural resources) and SO6 (preserving biodiversity). It aims to inform the debate and reflect upon the use of the CAP and other support measures to help farmers mitigate and adapt to changing climatic conditions.

The analysis draws from CAP Strategic Plans assessments (e.g. from the Commission, the Parliament and stakeholders), as well as public information on the implementation of specific interventions and amendments from stakeholder analyses and Member State Ministry documents. Examples from selected Member States⁵ are provided to illustrate the main issues which have been encountered during the first year of implementation of the CAP Strategic Plans.

The report is organised in five sections:

Section 2 provides an overview of the interventions programmed in the CAP Strategic Plans to meet the environmental and climate adaptation and mitigation

⁵ There is a bias towards certain languages and EU countries in the studies we consulted given the language capacities within the research team.

needs identified by the Member States. It also takes stock of the current implementation, focusing on the uptake of eco-schemes.

Section 3 presents changes to the CAP Strategic Plans to date. It discusses the CAP Simplification Package presented by the Commission in March 2024 and provides information on amendments by the Member States with some specific examples.

Section 4 presents the ad-hoc financial measures taken at European and national level to support farmers to cope with extreme weather events and other types of recent crises. It discusses the short and long-term implications of the use of the agricultural reserve and State aid in supporting farmers to adapt to the changing conditions.

Section 5 offers recommendations to improve support for farmers to transition towards sustainable agriculture practices in the current CAP period.

This report focuses on the changes to agricultural production and land management, given their particular relevance to the CAP debate. For an effective transition, changes are needed at farm level, landscape scale, and across all elements of the agri-food chain: production, processing, retail and consumption. In addition, the results should be interpreted with caution given the limited information from Member States that we were able to obtain.

2. DO THE CAP STRATEGIC PLANS SUPPORT THE TRANSITION TO SUSTAINABLE AND RESILIENT FARMING?

The CAP is one of the oldest policies in the EU. The objectives of the CAP, which are laid out in the Treaty on the Functioning of the European Union are to increase productivity, ensure a fair standard of living for the agriculture community, stabilise markets, and ensure availability of supplies and affordability for consumers. The CAP has evolved over time, with additional objectives arising from amendments to the Treaties, particularly regarding social and environmental issues. The CAP is supported by the EU budget through two funds, the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The two funds are designed against three general objectives – economic, environmental and social – as well as ten specific objectives.

Amongst these ten specific objectives in the CAP, three have clear environmental goals covering a range of climate, resource use and biodiversity needs. These are:

- **SO4** - related to climate change mitigation and adaptation, including needs that focus on greenhouse gas emissions, carbon sequestration, sustainable energy and bioeconomy.
- **SO5** - focusing on environmental considerations, notably the protection of natural resources. In this regard, SO5 contains multiple needs related to the protection of water, soil and air.
- **SO6** - aims to preserve biodiversity and targets habitats and landscapes that are critical for biodiversity.

The latest reform of the CAP established a “New Delivery Model”, moving the focus from compliance to performance. It also gave a central role to Member States in the design and implementation of the CAP, by requiring them to develop Strategic Plans that contribute to meeting the CAP’s objectives and take into account the Member State’s needs. The new approach of the CAP allows Member States to consider the national and regional specificities of the agricultural sector when identifying and prioritising these needs, notably in the SWOT analysis that they must provide in their CSP and focuses on the situation of environmental needs. Likewise, Member States have to establish ‘targets’ related to the relevant result indicators, which illustrate the ambition of the national strategic plan to answer these needs.

More than 1600 needs have been identified in the approved Strategic Plans, alongside the corresponding interventions (Chartier et al, 2023). The majority of the identified needs are **economic (48%) followed by environmental and climate ones (35%)** (Münch et al, 2023). **Social needs represent only 16%** of the total needs and focus strongly on generational renewal (Münch et al, 2023). In terms of prioritisation, **Member States have prioritised economic needs** over the rest, while environmental and climate needs vary in scope and prioritisation.

When designing these plans, Member States were asked to account for the EU-level ambitions of the European Green Deal (EGD) and the objectives and targets of EU environmental and climate laws. The range of tools and rules that Member States can use to achieve this are referred to as the 'Green Architecture' of the CAP. It comprises conditionality requirements, which include Statutory Management Requirements (SMRs) and Good Agricultural and Environmental Conditions (GAECs), as well as voluntary measures⁶. This section places the focus on eco-schemes and Agri-environment-climate Measures (ENVCLIM).

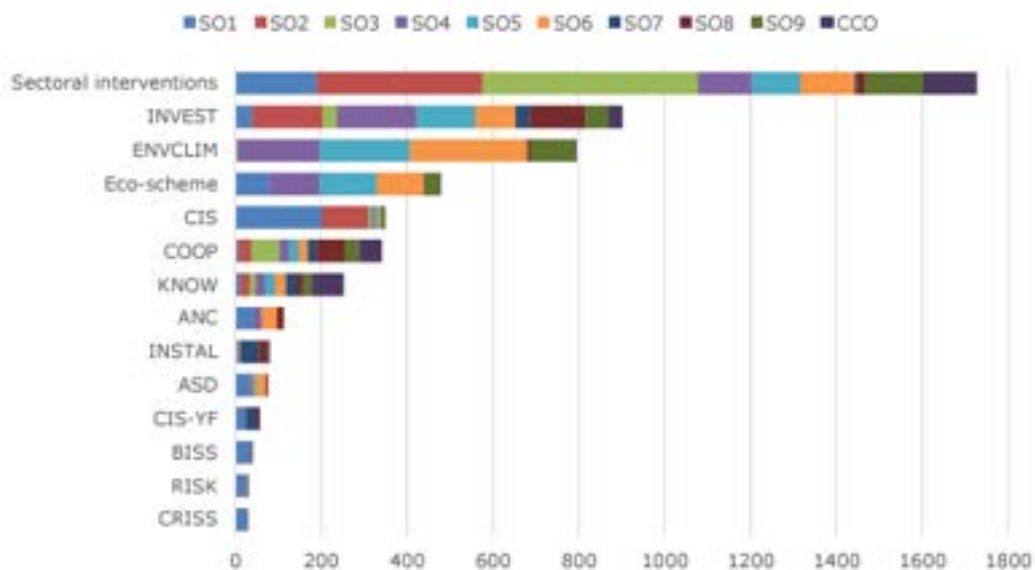
2.1 Overview of priorities and planned actions

Supporting farmers' incomes remains the top priority of the CAP, with most of the CAP budget (60%) allocated to interventions focusing on economic objectives (Chartier et al, 2023). While on paper, almost one-third of the CAP budget is allocated to SO4, SO5 and SO6, these objectives are however not prioritised in the Strategic Plans and the majority of the interventions that contribute to meeting these specific objectives are not targeting them exclusively.

Multiple **interventions** of the CAP aim to address the needs related to SO4, SO5 and SO6 (*Figure 1*), the two most notable ones being eco-schemes and agri-environment climate measures (ENVCLIM).

⁶ Additional information on the Green Architecture can be found on the [EU CAP network website](#).

Figure 1. Number of links between types of interventions and Specific Objectives in the CSPs

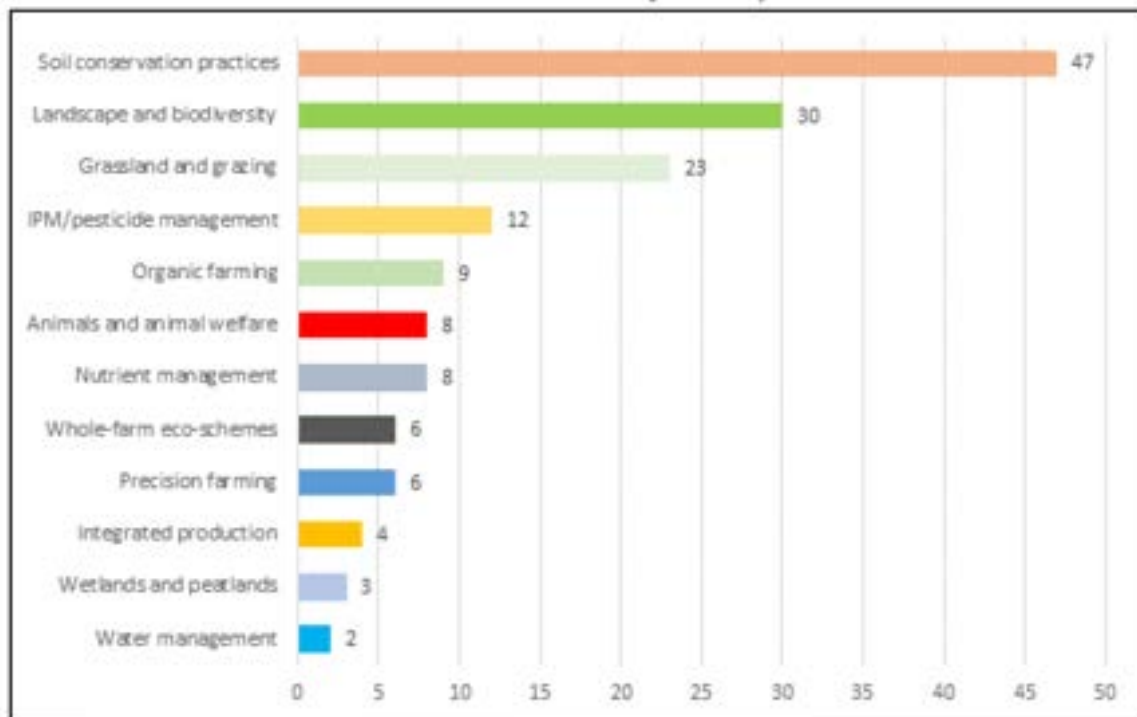


Source: Chartier et al, 2023

Under the first pillar, and as a novelty of the latest CAP reform, Member States propose several “**eco-schemes**”. These are interventions under direct payments that aim to incentivise farmers to adopt practices linked to the identified needs for environment and climate and that go beyond the GAEC standards. Eco-schemes must address at least two thematic areas from the following: climate, soil management, water management, biodiversity, animal welfare or antimicrobial resistance. In total, Member States have proposed 158 eco-schemes, the majority targeting arable land (113), followed by grasslands (86) and permanent crops (69) (Münch et al, 2023). The most common type of practices covered by eco-schemes are detailed in *Figure 2*.

In the second pillar, Member States can use a range of voluntary measures under the Rural Development Program. Needs can be addressed through environment and climate-related measures (ENVCLIM) that encourage practices that contribute to climate change mitigation or adaptation, the sustainable management of natural resources and the protection of biodiversity (Art. 70). Other measures include green investments (part of INVEST), measures compensating for disadvantages due to certain mandatory requirements (ASD) (e.g. Natura 2000 area), measures dedicated to areas with specific constraints (ANC). Other measures which can also contribute to environmental and climate-related needs are those that aim to develop cooperation between farmers (COOP) knowledge exchange, advisory activities, and innovation (KNOW). While these measures can be complementary, they cannot overlap to avoid double funding.

Figure 2. Number of eco-schemes in the CSPs by type of practice



Source: [Presentation by DG AGRI](#) to the EU CAP Network 25/10/23

Budget allocation to SO4, SO5 and SO6

According to the CAP Strategic Plan regulation⁷, 25% of the direct payment budget (EAGF) needs to be dedicated to eco-schemes, while at least 35% of the budget under EAFRD should be allocated to interventions contributing to the CAP's environmental objective and animal welfare. Member States had a certain flexibility towards this requirement, which explains why some of them allocated less than 25% of the EAGF to eco-schemes (e.g. Austria, Spain), but exceeded the 35% requirement of EAFRD envelope to be allocated to environmental, climate and animal welfare (Chartier et al, 2023, Münch et al, 2023).

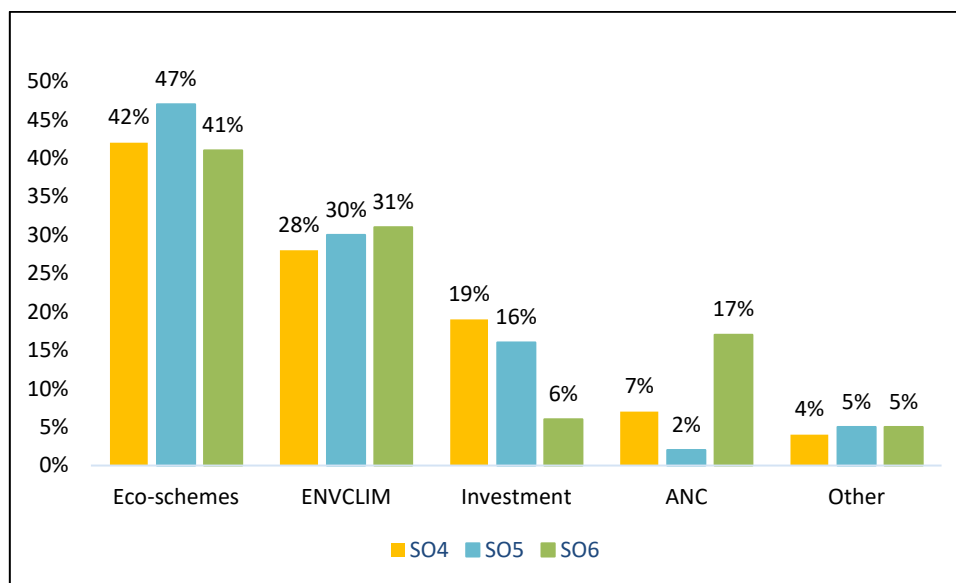
The share of the CAP budget allocated to SO4, SO5 and SO6 is equally distributed among these specific objectives, representing 27% of the total budget for each SO (€307 bn⁸). However, the sum of all the percentages associated with all the SOs exceeds 100% as the same intervention's allocations can be, and in practice are in most cases, associated with multiple SOs.

⁷ Add reference to the regulation

⁸ This is the total CAP budget, including co-financing by Member States

Although it is difficult to attribute a total budget dedicated to a single specific objective, some patterns can be found in how these are being targeted by specific groups of interventions. *Figure 3* shows the source of the funds for each of the three subobjectives. The largest financial contribution to meeting the needs related to the three objectives is through eco-schemes, representing between 41% and 47% of the total fund allocation for each (Chartier et al, 2023). Under Pillar II, the share of ENVCLIM measures in the total allocations is also similar between the three objectives, representing between 28% and 31%. However, investment measures only represent 6% of the total allocations for the needs related to SO6, which is much lower than for SO4 (19%) and SO5 (16%). On the other hand, interventions to areas facing natural and other specific constraints (ANC) represent 17% of the total financial allocations for the needs related to SO6, while representing less than 10% for SO4 and SO5 (Chartier et al, 2023).

Figure 3. Relative contribution of each type of intervention to the total allocated budget under each specific objective



Own figure with data from: Chartier et al, 2023

In practice, these numbers represent EU averages and there are large differences between Member States, not only in the financial allocation dedicated to different types of interventions but also in how they are designed.

It is relevant to note that all the eco-schemes linked to SO4 also address other specific objectives, which means that none of the eco-schemes in the CSPs address only SO4 (Chartier et al, 2023). Likewise, almost all the eco-schemes related to SO5 and SO6 are related to at least one other objective. This is understandable given that an intervention targeting sustainable resource use can also contribute

to climate mitigation/adaptation and benefit biodiversity (e.g. agroecological practices). The same happens, although to a lesser extent, for most Pillar II measures under the Art. 70 and investments, although a small part of Art. 70 measures targeting SO6 are exclusively addressing biodiversity needs.

Some of the measures of the CAP strategic plans address the identified needs “fully”, while others address these needs “partially”. In this regard, many needs are addressed only partially when they can be addressed through non-CAP instruments, such as sustainable energy for SO4 or water management for SO5.

Regarding the sources of the financial allocations of the CAP measures, they come mainly from the EU budget, through the EAGF and the EAFRD. However, the total public expenditures of these measures can include other sources of financing, notably at the national level (i.e. co-financing measures). For instance, for EN-VCLIM measures that are related to SO4-5-6, the total EU expenditure is 18.4 billion euros, while the total public expenditure is 30.1 billion euros, which means that 39% of the total public spending are Member State funds⁹. Likewise, the financing of the Rural Development Measures related to SO4, SO5 and SO6 follows a similar trend, since these measures represent 68.3 billion euros in total public expenditures, with 41.3 billion coming from European funds. This is not the case of eco-schemes which are fully funded by the EAGF.

Some observations

It is difficult to assess whether the described interventions and the budgets allocated to them will allow fulfilling the needs under SO4-6. The Commission has acknowledged that the effort made by Member States in the CSPs concerning soil protection is substantial, but less so on nutrient management and water quality (EC, 2023a). There is also potential in the CSPs’ contributions to increasing agriculture’s resilience to climate change by promoting “*carbon sequestration, soil protection and diversified landscapes*” (page 7). The EEA (2024) recently concluded that the CSPs hold considerable room for improvement in terms of climate and adaptation in agriculture. In relation to water management, important in the face of water scarcity and droughts, the Commission’s report highlights that the current focus of the Plans lies on investment measures in water storage and irrigation, and raises the need to reinforce the measures in the Plans with long-term strategic planning.

⁹ Directorate-General for Agriculture and Rural Development - [Catalogue of CAP interventions](#)

The funding allocated to knowledge (KNOW) and cooperation (COOP) measures in meeting SO4-6 is limited. Given that knowledge acquisition and exchange as well as cooperation between farmers, which also influence psychological factors, have been identified as key factors leading to the adoption of new practices (Swart et al, 2023), this can be seen as a missed opportunity in the CSPs.

Overall, the interventions in the CSPs related to SO4-6 have been described as moderate to highly relevant to the needs, but at times having a low level of ambition (Münch et al, 2023). There is also a focus on short-term support in the design of many of these interventions. For instance, whilst eco-schemes represent around 40% of the budgetary allocation to meeting SO4-6, the interventions are subscribed to by farmers on a one-year basis. This can hamper achieving the desired outcomes, given that long-term changes are required for positive benefits to biodiversity, or carbon sequestration in soils. The level of ambition of the eco-schemes in some Member States has also been questioned since several of them have used these interventions as top-up payments to GEAC requirements (Frelth Larsen et al, 2024).

2.2 Insights from the first year of CSP implementation: eco-scheme uptake

The initial implementation of the CSPs took place against a backdrop of significant geopolitical, climatic and economic challenges. Geopolitical tensions were heightened by ongoing conflicts (i.e. the war in Ukraine), which disrupted food supply chains and increased energy costs. Farmers experienced not only a spike in input prices (such as fertilisers) but also extreme weather conditions, with droughts and floods, that challenged agricultural productivity and led to economic losses. The lingering economic impacts of the COVID-19 pandemic further complicated the situation. In this context, farmers were presented with a new delivery model for the Common Agricultural Policy that required them to adjust and plan according to a new set of requirements and voluntary measures.

In this section, we take stock of the first year of implementation of the eco-schemes in the CSPs of selected Member States. Eco-schemes have the potential to contribute to the transition towards more sustainable agriculture by supporting practices that increase the resilience of farming systems. By examining their initial uptake, valuable insights can be obtained on how effectively they have been embraced by the farming community as well as identify success factors or barriers that can inform future policy adjustments to increase their effectiveness.

The uptake of eco-schemes has varied largely between Member States. We describe the situation for a selection of Member States (Spain, Denmark, France

and Germany) for which information was publicly available¹⁰ allowing to showcase different situations vis-à-vis eco-scheme design and farmer uptake levels.

Spain

Spain proposed four main types of eco-schemes in its CSP linked to agroecology and carbon farming in pastures, arable land and woody crops. Farmers could opt for one type of practice for each hectare of land. The practices included extensive grazing and mowing in pastures, enhanced rotations or direct seeding (no-tillage) in arable land, the introduction of soil cover in woody crops and landscape and biodiversity features in croplands. In general, these practices build on the mandatory conditionality requirements in the GAECs. Flat-rate, area-based, payments were proposed to compensate for the income forgone, rather than result-based payments. An additional 25 EUR/ha were available to farmers who committed to maintaining them for subsequent years.

The choice of eco-schemes in the Spanish CSP covered all soil types almost equally to allow all farmers to choose the type of practice that was better adjusted to their farming system. Spain therefore opted to offer farmers a wide menu of practices adapted to the reality of its farming sector seeking to achieve high levels of farmer engagement. This turned out to be the case. According to the Spanish Government (MAPA 2024¹¹), 75% of farmers subscribed to one of the eco-schemes in the first year, covering 92% of the total declared UAA, with payment rates varying between EUR 40-165 per hectare in 2023¹². The average size of the farms applying for eco-schemes was higher (40.9 ha) than of those not applying (18.6 ha).

Table 1 shows that most of the eco-schemes were oversubscribed (MAPA, 2024), leading to a lowering of the planned payments per hectare. A more detailed analysis of the practices favoured within each of the eco-scheme types shows that farmers preferred rotations over direct seeding, extensive pasture over sustainable mowing and vegetation cover was preferred over mulching in medium and steep slopes under woody crops. In the case of the biodiversity eco-

¹⁰ In 2024, Member States are required to submit an annual performance review to the Commission. As these documents are not yet available, our analysis focuses on selected Member States where data was publicly available

¹¹

https://www.fega.gob.es/sites/default/files/files/document/Balance_de_la_aplicacion_de_la_campaña_a_PAC_2023.pdf

¹² Payments in the peninsula (excluding the Islands) and not including the additional EUR 25 per hectare for multiannual commitments. <https://www.fega.gob.es/es/pepac-2023-2027/ayudas-directas/ecorregimenes>

scheme, 81% of the committed land was cropland while 19% were permanent crops (mostly woody crops).

The high level of uptake of the eco-schemes can be, on the one hand, seen as a success for the country. However, the Agricultural Ministry acknowledges that the high subscription rates benefitted from the introduction of flexibilities in the context of the 2023 drought for some of the interventions. In the case of eco-schemes on extensive pastures, this meant a lowering of the minimum stocking density and a reduction in the number of pasture days to 90. For eco-schemes on soil cover in woody crops, flexibilities were introduced which allowed combining vegetation cover with mulching to cope with drought conditions. On the downside, it confirms that the design of the eco-schemes lacks ambition and pays farmers to support practices that they were in many cases already implementing, therefore creating little additionality (see Nadeu et al, 2023).

Table 1: Status of eco-scheme uptake in 2023 compared to planned annual outputs in the Spanish CSP (data source: FEAGA¹³)

Group of eco-schemes	Planned area (1k ha)	Status 12/2023
Extensive pastures and sustainable mowing	4,465	6,718
Rotations and direct seeding in cropland	5,994	6,944
Soil cover in woody crops	2,540	2,378
Biodiversity in arable land and permanent pastures	2,297	3,066

The most notable environmental contribution of eco-schemes in Spain addresses the reduction of soil erosion and degradation, which is an important concern in Spain. By increasing the surface of soil covered under woody crops from 1.3Mha to 2.4Mha and that of direct seeding (no-tillage) from 0.8Mha to 1.4Mha, soil erosion rates in agricultural land are expected to be significantly reduced (MAPA, 2024).

¹³ <https://www.fega.gob.es/es/pepac-2023-2027/ayudas-directas/informacion-campanas-pac>

Denmark¹⁴

Denmark introduced five eco-schemes with the new delivery model: (i) climate and environmentally friendly grassland; (ii) biodiversity and sustainability; (iii) diversified plant production; (iv) nutrient extensification of grassland; and (v) organic farming. These eco-schemes sought to increase carbon sequestration in soils, reduce GHG emissions from organic soils, achieve the goals of the Biodiversity Strategy, increase crop diversification and plant-based protein production, and contribute to maintaining and increasing land under organic agriculture.

In 2023, eco-schemes had lower uptake rates than expected, not meeting the 25% target for the direct payment budget (the rate was 16%). The low uptake has been explained by the time needed by farmers to understand and implement the new regulation, and the fact that farmers were only given a short window of 3 months to apply for the schemes after the publication of the guidelines (Højte et al, 2024). Farmers would have needed more time to understand what was expected and incorporate this into their 2023 growing season plans, which they were unable to do.

Among the four eco-schemes, the lowest uptake was for the 'Nutrient extensification of grassland' (17% of expected uptake). This eco-scheme, which required farmers to go beyond the mandatory GAEC 8, and halt all production in organic soils or soils close to rivers, had higher payment rates than the rest of the eco-schemes, but it seems that these were not enough to incentivise farmers to make the change. The eco-scheme with the highest uptake rates was the 'Climate and environmentally friendly grassland', reaching 88% of expected uptake. This eco-scheme, which can be applied to grassland in agricultural areas that have not been ploughed for a minimum of two years, compensates farmers for extending the maintenance of extensively managed grassland by an additional year. The annual approach to eco-schemes, which pursues longer-term objectives, can also hinder farmers from making the long-term investments required to switch production methods towards more sustainable systems (Højte et al, 2024). According to Højte et al (2024), these lower-than-expected adoption rates could lead the government to lower the requirements for eco-schemes to make them more attractive via amendments.

¹⁴ Based on Højte et al 2024

Germany

Germany proposed seven eco-schemes in its CSP. The first, and largest one in terms of budget allocation, focuses on the improvement of biodiversity and habitat conservation (i.e. offering four sub-measures such as non-productive areas in arable land or introduction of landscape features). The remaining eco-schemes relate to: (ii) crop diversification; (iii) maintaining agroforestry; (iv) extensification of permanent grassland; (v) result-oriented extensive management of permanent grassland; (vi) no use of chemical-synthetic pesticides; and (vii) protection of Natura 2000 sites.

Data is still limited but first assessments show that eco-schemes uptake for 2023 is below expectations: only 59% of the planned budget has been used to date (Table 2) (Reiter et al, 2024; see also Dahm, 2023). Especially eco-scheme 1 on non-productive areas which was designed to build on GAEC 8 by compensating farmers to increase their non-productive areas to up to 10%, eco-scheme 3 supporting the maintenance of existing agroforestry, and eco-scheme 6 compensating for not using chemical pesticides failed to attract the intended level of commitment by farmers (Reiter et al, 2024).

Table 2: Status of eco-scheme uptake in 2023 compared to planned annual outputs established by the German CSP.

Eco-scheme	Planned area (1k ha)	Status 12/2023
1. Non-productive areas	702	72
2. Crop diversification	3,427	1,696
3. Maintaining agroforestry	25	0.05
4. Extensification of permanent grassland	1,978	1,156
5. Result-oriented management of permanent grassland	641	1,103
6. Management of arable or permanent cropland without the use of plant protection products	1,289	301
7. Agricultural practices in line with protection objectives in Natura 2000 areas	1,312	1,062

Reiter et al (2024) offer several reasons for the low levels of uptake. First, they discuss that the output area targets for eco-schemes were overestimated to keep payments artificially low. Since eco-scheme payments may vary depending on the number of farmers committing to the scheme, there were a few for which premiums might have to be reduced in case of oversubscription which would in turn have a negative impact on the level of acceptance of green architecture interventions.

The impact of the 2023 derogations¹⁵ on the uptake of eco-scheme 1, which pays a premium for setting aside land on top of the 4% required under GAEC 8, is also a possible cause of low uptake. To receive payment, farmers need to fully implement GAEC 8. Since the 2023 derogations and the recent simplification adjustments remove this requirement, it makes little economic sense for farmers to take 10% of land out of production as any losses are only covered by the eco-scheme payment.

There are also more practical and administrative reasons to consider, such as the fact that the finalisation and publication of the CAP in late 2022 meant that farmers and advisors only learned about the detailed design and requirements of the CAP rules and interventions in early 2023. At this time, adjustments to cultivation plans were often not possible, which might have hampered the uptake of eco-schemes 1, 2, and 6. In addition, many grassland areas were still under AECM commitments from the previous programming period in 2023 and were therefore not eligible for support by the eco-schemes.

France

In its CSP, France allocated a minimum of 25% of the direct payment budget to eco-scheme, which represents 8.4 billion euros. France opted for a single eco-scheme, where farmers had three options. They could either: (i) adopt agroecological practices (i.e. crop diversification, no-tillage on permanent grassland and plant cover on interrow); (ii) obtain an environmental certification (i.e. organic farming, high nature value) or (iii) adopt biodiversity-friendly features on farms. Among these three options, France established different “uptake levels”, leading to either a base payment (46,69 € per hectare) or a “superior payment” (62,72€ per hectare).

According to the Annual Performance Report of the French CSP¹⁶, 90% of active farmers applied for the eco-scheme in 2023. Among them, 75% asked for the

¹⁵ Discussed in Section 3.1

¹⁶ Sent by France to DGAGRI in February 2024

agroecological option, 18% for the environmental certification, and 7% for the one on biodiversity features.

Some observations

In relation to eco-scheme uptake levels, high or low adoption rates must be placed into context. High level of uptake or oversubscription can be considered positive, but it can also indicate that the requirements for farmers are low and, thus, that the environmental and climate benefits could not be substantial. To achieve high adoption rates, some Member States have compromised ambition, allowing farmers to access the schemes without requiring them to make substantial changes in how they operate. Flexibilities have also come in to lower the requirements for more farmers to access the funding (e.g. in Spain in response to the drought).

Low adoption rates in the first year of implementation have been explained by the following reasons: (i) Insufficient time to plan the required changes in the growing season plans (and therefore no subscription); (ii) Changes in conditionality that make eco-schemes less economically attractive for the level of effort required; (iii) Artificially high output level targets in the CSPs to avoid significant reductions in payments due to oversubscription; (iv) Payment rates not high enough to compensate for the effort required (make them more attractive); and also (v) Lack of technical knowledge and support – in this sense eco-schemes that used to be rural development interventions have better uptake.

3. CHANGES TO THE CAP STRATEGIC PLANS

Low uptake of eco-schemes coupled with farmer protests across several Member States has prompted actions both at the EU and national level. We first dive into the CAP Simplification package, reducing the administrative burden on farmers and facilitating them to access support and presented by the Commission in March 2024 as a response to the farmer protests, and then look into amendments proposed by a selection of Member States.

In addition to these responses, Commission president von der Leyen announced the start of a 'Strategic Dialogue on the Future of Agriculture' following farmer's protests (ongoing at the moment of writing this report), a forum to 'shape a common vision for EU agriculture' comprising stakeholders across the whole agri-food chain. One of the challenges tackled by this initiative is phrased as 'how can we support agriculture within the boundaries of our planet and its ecosystem?'

3.1 The simplification package

The most notable change in the CAP has come from the simplification package adopted by the European Commission on March 15th 2024¹⁷ and which was presented as a response to widespread farmer protests around Europe. The CAP Strategic Plans Regulation and the CAP Horizontal Regulation were subsequently amended. The proposal was not accompanied by an impact assessment or a public consultation, therefore not following the ordinary legislative procedure. Its overall aim was to reduce the administrative burden of farmers.

In his address following the European Parliament vote, Janusz Wojciechowski, European Commissioner for Agriculture and Rural Development, highlighted that the proposal would provide specific and targeted flexibilities, to ensure that farmers can protect the environment, and maintain production. The measures include temporary derogations to six out of the nine Good Agricultural and Environmental Conditions (GAECs). These include removing the obligation to replant grassland (GAEC 1), crop diversification to replace crop rotation to comply with GAEC 7 (easier to meet on the ground or replacing the obligation to maintain a minimum share of land devoted to non-productive features (GAEC 8) by a voluntary eco-scheme that rewards farmers for doing so. It is worth noting that a derogation on GAEC 8 had already been implemented in 2022 allowing crop production on fallow land, justified by fears on EU food security due to Russia's invasion of Ukraine. This had been taken up by 21 Member States, losing

¹⁷ [COM\(2024\) 139 final](#)

approximately 40% of the surface under Ecological Focus Areas for biodiversity and the areas were used mostly for the production of feed¹⁸.

Additional elements of the proposal are the reduction of the control and penalties (notably for small farmers) and the suppression of the limits for Member States to adapt their CAP Strategic Plans as needed, instead of doing so a fixed number of times during a particular year. Next to the proposal, the Commission also clarified in May 2024 the concept of “force majeure” and exceptional circumstances through a Communication¹⁹, allowing farmers unable to fulfil CAP requirements due to exceptional and unforeseeable circumstances (i.e. floods, droughts) to continue receiving CAP support. In areas affected by extreme events, all farms will now be covered rather than doing so in a farm-by-farm case as previously²⁰.

The proposal was presented a few days after the publication of the first European Climate Risk Assessment report (EEA, 2024) which highlighted the impact of extreme weather events of 2021-2023 and the fact that the CAP is not addressing “*climate risks and adaptation needs adequately*”. It also recommended a diversification in agricultural approaches and the promotion of sustainable agricultural models (i.e. regenerative agriculture) to cope with extreme events and build adaptive capacity in agriculture.

Whilst conventional farmers have supported the proposal, it has been opposed by the organic farming community and environmental and public health NGOs who have criticised the lack of public consultation and impact assessment has been strongly criticised and reiterated that the proposal goes against public interest, “disregarding the long-term interests of farmers and society” (see Parliament document (EP, 2024) where stakeholder positions are mentioned). Overall, the proposal undermines the transition to more sustainable agricultural practices by focusing on short-term fixes rather than addressing the actual root causes of farmer distress.

¹⁸ As [reported](#) by several NGOs based on a DGAGRI presentation at a stakeholder event in 2023

¹⁹ [COM\(2024\)225 final](#)

²⁰ [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2024\)225&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2024)225&lang=en)

3.2 Amendments from Member States

Member States can amend their Strategic Plans every year. The objective of these amendments is to give them flexibility to adjust their the CSPs to better address emerging challenges and opportunities, while also modifying conditions to access specific voluntary interventions to increase their uptake.

Below we present examples of the **type of amendments with an impact on eco-schemes** approved by the EC for 2023 (first amendments) and/or solicited for 2024 (second amendments), together with some examples²¹. The changes in the CSPs introduced by the Simplification Package also affect eco-schemes and other interventions designed building on conditionality requirements. Changes to ENVCLIM are not discussed here.

- **Increased flexibility for eco-scheme requirements** - as a result of adverse weather conditions (e.g. due to droughts), difficulties in the application of certain practices or a lowering of the requirements to increase the number of farmers adopting the eco-schemes. Examples include increased flexibilities on planting dates for cover crops (Germany), lowering or removal of restrictions regarding the minimum number of livestock units on extensive grassland (Spain, Germany), partial reductions of the minimum size of the areas to be set aside for biodiversity (Germany), or allowing tillage under specific circumstances where direct seeding applies (Spain).
- **Adjustment of budgets or payment rates** for interventions – Member States have amended the payment rates for eco-schemes, sometimes increasing them (Germany) to make them more attractive or lowering them to cater to a larger group of farmers (Ireland). Changes in budgets for certain interventions have also responded to over-subscription (Spain).
- **Changes in the definition of ‘active farmer’** aiming to extend eligibility and increase the uptake of eco-schemes (e.g. inclusion of nature conservation organisations and associations in Germany).
- **Introduction of new eco-schemes** – Member States can introduce new eco-schemes. For instance, due to low uptake, the Maltese authorities amended their CSP to introduce three new eco-schemes. This introduction brought changes in the distribution of the direct payments budget.

²¹ Sources of information: MAPA, 2023b; MAPA, 2024; BMEL, 2024; Department of Agriculture, Food and the Marine, 2023 and [Malta's CAP Strategic Plan Report](#).

4. CRISES RESPONSES

The CAP is designed to provide continuous support to meet long-term strategic objectives, also over subsequent programming periods. Ad-hoc financial support addressing immediate needs and unforeseen challenges is provided by other instruments. The Agricultural Reserve and State aid have been deployed in recent years to help farmers mitigate economic losses from extreme weather events. In this section we look into the amounts spent and discuss some of the implications of the increased use of these instruments over time.

4.1 The agriculture reserve

One of the mechanisms that the EU employs to assist farmers in coping with the adverse effects of climate change is the agriculture reserve, also known as the crisis reserve. This financial instrument, created in 2013, is designed to provide targeted support to the agricultural sectors affected by market disruptions and exceptional events. With a **yearly allocation of EUR 450 million**, the reserve represents a significant portion of the EUR 2,5 billion of EU funds mobilised to finance exceptional agri-food sector measures from 2014 to 2023 (EC, 2024), but just a small fraction of the CAP's EUR 55 billion annual budget for 2021-2027 (EUR 61 billion when accounting for co-financing by Member States) (EC, 2023a).

The agriculture reserve was **used for the first time in March 2022**, when the European Parliament and Council agreed on a EUR 500²² million support package (including 350 million from the 2022 reserve) to support producers most affected by the rising costs of energy and fertilisers triggered by the war in Ukraine (EC, 2024). The Commission authorized Member States to top up this support on a 2 to 1 basis, thus allowing national aid of up to EUR 1 billion. In practice, the Member State top-up amounted to EUR 575 million (with a total budget for farmers of 1.1 billion) (Matthews, 2024).

Since being first used in 2022, the reserve has been fully spent every year. And in both 2022 and 2023, the reserve had been fully spent before summer, triggering, in 2023, the borrowing of EUR 80 million from the 2024 allocation to satisfy requests²³. Reformed in 2023, the reserve now receives a yearly allocation of EUR 450 million, set aside from the CAP budget, and does not require a

²² In addition, EUR 156 million were sent to farmers in the Member States most affected by increased imports of cereals and oilseeds from Ukraine (Bulgaria, Hungary, Poland, Romania and Slovakia) (EC 2024)

²³ As reported by [Euractiv](#)

reduction in direct payments when used. This envelope is about the size of the annual direct payments received by Belgium under Pillar I²⁴.

Higher production costs and extreme weather events prompted the adoption of a **EUR 330 million** package in July 2023 for 22 countries, chief among which Spain (EUR 80 million), Italy (EUR 60 million), and France (EUR 53 million) (EC, 2023c). Further flooding in Greece and Slovenia in August 2023 led to yet another **EUR 51.7 million** in aid drawn from the reserve (EC, 2024). EUR 44 million also went to farmers affected by an avian influenza outbreak in Italy and Poland²⁵. The Commission allowed more support for the operational programmes of fruit and vegetable producer organisations in 2023, who were suffering from drought, especially in Spain. This included an increase of 60% in EU funds, as well as the removal of restrictions on crisis management and prevention funds of the organisations²⁶. In addition, the Commission allowed higher payments in advance of CAP funds (up to 70% of direct payments and 85% of rural development payments by mid-October) and permitted a revision of CSPs to redirect CAP funds to farms most affected by extreme weather events (EC, 2023c).

Although the agriculture reserve is part of the CAP budget and does not represent an additional resource transferred to farmers, the fact that Member States are allowed to top-up the amounts (essentially to double them) creates an additional funding stream to farmers which, in most cases, does not fall under State aid rules.

This crisis reserve is therefore considered unsustainable, given competing financial needs within the EU budget and the increasing financial impacts of geopolitical instability and climate change on EU agriculture. The mechanism has also drawn criticism from MEPs and Member States alike for the lack of transparency in the allocation of funds²⁷. The European Court of Auditors asked the Commission to define parameters and criteria that determine the triggering of the use of the reserve²⁸.

4.2 State aid

Under certain circumstances, farmers can receive funds from Member States to cope with market failures and the impact of extreme weather events, provided

²⁴ European Parliament [CAP factsheets](#)

²⁵ Euractiv [article](#)

²⁶ See [press note](#) from the Spanish Government

²⁷ See articles from [Agence Europe](#) and [Euractiv](#) from 2023

²⁸ COM(2024) 12 final

green light is given by the Commission²⁹. Given the limited size of the agriculture reserve, farmers rely heavily on Member State aid for support. State aids to agriculture are not tracked centrally and the information is not easily available.

A series of crisis measures have led to an increase in the State aid to agriculture in some Member States over the past years, with an overall relaxation of the rules following the Ukraine invasion. Recent analyses show that Member States approved EUR 11 billion between March 2022 and May 2024³⁰. Poland, leading the classification, dedicated in 2023 EUR 3 billion to State aid, almost the same amount it spent on CAP direct payments (EUR 3.6 billion). For 2022 alone, Matthews (2024) estimates a total of EUR 9 billion in State aid expenditure in the EU.

Designed to be “exceptional and limited in time”³¹, the Temporary Crisis and Transition Framework was adopted in March 2022 to support Member State economies in the context of Ukraine’s invasion and further amended in 2022 and 2023. According to section 2.1 of this framework, the Commission will authorise Member States to provide support measures in agriculture as well as sectors considered key for the net-zero economy transition. Temporary State measures of the Temporary Crisis and Transition framework which allow Member States to provide aid to farmers up to EUR 250k will continue until the end of 2024.

EU farming Commissioner Wojciechowski indicated³² that between March 2022 and May 2023, the total budget spent under the Temporary Crisis and Transition Framework amounted to EUR 7.6 billion, with the top five Member States being Poland, Italy, France, Bulgaria and Austria. The amount of funds channelled to farmers through State aid can therefore be assumed to be grossly equivalent to **10-20% of the annual CAP budget**. Note that these values rely on requested amounts and the final distribution to farmers is generally below the total approved sums (Matthews, 2024).

A recurring objective of State aid adopted by Member States is the increase of resilience towards extreme weather events, notably **droughts and floods** (and to a lesser extent frosts). To name a few examples, Portugal, Spain, Romania, and Germany (EUR 340 million in 2018) have benefited from State aid to alleviate

²⁹ The conditions are stipulated by the Guidelines for State aid in the agriculture and forestry sectors and in rural areas (2022/C 485/01). State aid rules do not apply to measures wholly or partially financed by the EU.

³⁰ Analysis by [Euractiv](#)

³¹ According to Commissioner Reynders Temporary Crisis and Transition Framework

³² [Social media post](#)

drought impacts in recent years³³. In Spain 2023, the Spanish Government approved a EUR 2.2 billion plan to combat drought which included investments in water-related infrastructure to increase water storage and reuse capacity and EUR 784 million of direct aid to farmers (half of which was directed to the livestock sector).

³³ As reported by [Euractiv](#)

5. CONCLUSIONS AND RECOMMENDATIONS

Farmers and land managers are faced with increased difficulties to continue operating in a business-as-usual way. Droughts, floods, frosts, increased temperatures and pest and disease outbreaks are pushing the sector to its limits and triggering exceptional economic support from the EC and Member State governments to cope with the impacts.

Despite being particularly vulnerable to the effects of climate change and environmental degradation, the EU agriculture and land use sectors also have a strong adaptation capacity and can contribute to mitigating the impacts of climate change. **Sustainable management practices have been shown to contribute to increasing the resilience of farming systems** (van Dijk et al, 2024), but building up this resilience requires aligned short and long-term strategies at various spatial scales (Alvar-Beltran et al, 2021), something that has not prevailed in the design of the CSPs and the latest political decisions around agriculture.

Farmers receive support, mostly economic but also in terms of knowledge and training, through the CAP. Three Specific Objectives in the CAP, SO4-6, seek to increase its environmental, climate and biodiversity delivery. The needs identified by Member States under these objectives derive from SWOT analyses which are considered to be robust (Münch et al, 2023 - check). Economic needs (fulfilled mostly by land-based payments) are still prioritised in all Member States, and the level to which needs under SO4-6 are addressed and prioritised is highly variable between Member States.

Whilst **the majority of interventions in the CAP allow farmers, or even encourage them, to continue operating on a business-as-usual basis**, various interventions support the implementation of sustainable management practices. Eco-schemes receive the largest budget allocation in the CAP towards contributing to objectives SO4-6. In total, Member States have proposed 158 eco-schemes which address at least two thematic areas from the following: climate, soil management, water management, biodiversity, animal welfare or antimicrobial resistance.

A review of the uptake of eco-schemes in selected countries presents a mixed picture. Some, like Spain, have very high uptake rates involving most of the farmers, and have been oversubscribed. However, those schemes were designed to maximise the number of farmers that could easily adopt them, rather than favour environmental and climate ambition, which explains the success. A downside of oversubscription is that it can also lead to reduced payments per

farmer which can lower the level of acceptance of the interventions if no amendments modify the budgetary allocation. Undersubscription of eco-schemes in the selected countries is explained by administrative issues, lack of technical knowledge or support or payment rates which were not attractive enough for farmers to change their farming practices (Reiter et al, 2024, Højte et al, 2024).

The CSPs hold considerable room for improvement in terms of climate and adaptation in agriculture (EEA 2024) and in terms of water management long-term strategic planning could be improved (EC 2023a). Increased ambition could be achieved through amendments already in the current CAP period. However, the information we found on CAP implementation and amendments so far shows that Member States are using them to increase flexibility for farmers to meet requirements, as well as lowering the overall ambition of these, or directly suppressing conditions, to access the funds. The Simplification proposal presented by the EC in March 2024 is a good example of this short-term view of the challenges that agriculture and land use sectors face. Previous derogations to the setting aside agricultural land for biodiversity in order to increase production have shown disproportionate, and irreversible, effects on EU biodiversity and ecosystem services (Cuadros-Casanova et al, 2023, Herzon et al, 2011).

In terms of total budget allocation, **it is unlikely that the financial support available through the CAP Strategic Plans will be sufficient to facilitate a large-scale transition towards sustainable and resilient farming systems.** For the period from 2023 to 2027, EUR 44.7 billion has been allocated to eco-schemes, and EUR 33.2 billion (including co-financing) is earmarked for interventions in the EAFRD targeting climate, environmental, and other management commitments. As highlighted above, estimates of the costs of implementing a comprehensive set of sustainable practices at farm-level range between EUR 28 and 35.69 billion in the first year of transition (Witthow et al, 2023).

The large sums provided, outside of the CAP, to farmers by the EC and Member States over the past years (totalling 10-20% of the annual CAP budget³⁴), as well as new instruments and amendments to facilitate State aid, are an indication that **“urgent” and “crisis” measures are becoming increasingly recurrent, and less exceptional.** The Member States themselves have highlighted that the use of the agricultural reserve is not a sustainable situation in the long run, and there has

³⁴ Matthews, 2024

been criticism that State aid creates market distortion between farmers, as some receive large sums while others non (Matthews, 2024).

In its 2023 summary of the CSPs (EC, 2023a), the Commission concluded that the enhanced conditionality in the new CAP together with the voluntary interventions would boost uptake of sustainable farming practices. More than a year into the new CAP, policy measures, amendments and uptake of voluntary practices have limited these expectations.

5.1 Recommendations

A **clear direction of travel and priorities for EU agriculture** is required to align agricultural policy with the EGD and address climate and environmental challenges. The CAP Strategic Plan Regulation allows Member States to design interventions that tackle many of the challenges outlined in this report. However, it is not being used to its full potential. At a time when CAP reform discussions for the CAP post-2027 have started and a redesign of the policy is seen as inevitable (i.e. Baldock and Bradley 2023, etc.), we provide recommendations to improve the delivery of the current CAP that pave the way towards resilient and sustainable farming systems.

First, we recommend that **Member States make use of amendments to better support farmers transition to more sustainable practices**. This requires an understanding of the costs and benefits of different practices to adjust payments to interventions under the green architecture. A systematic assessment of the barriers for the uptake of eco-schemes and other voluntary interventions from the CAP's green architecture and the extent to which CAP tools and rules more generally facilitate or prohibit a change of farming practices is needed. The survey launched by the Commission to gather farmer views on simplification needs seems like a missed opportunity³⁵ to comprehensively gather farmers' practical experiences with CAP implementation.

Second, given the large estimates for State aid to agriculture, and the difficulty in obtaining clarity on the numbers, **a better understanding of the use of these funds as well as the type of needs they support and their alignment with long-term priorities for EU agriculture is required**. A centralised reporting of State aid to better track and monitor farmers' support would be extremely useful at a time when, droughts, floods and other extreme weather events are becoming

³⁵ First insights into the results can be found [here](#)

less “exceptional”. These funds should also be targeted at increasing farmers’ resilience to future extreme events.

Third, the Commission should **evaluate the consequences of the flexibilities and exemptions derived from the Simplification package** on achieving climate, environmental and biodiversity objectives. As well as quantifying how these have contributed to reducing the administrative burden for farmers and Member State authorities and the trade-offs in achieving the specific objectives related to climate action, resource use and biodiversity.

Finally, a transition towards sustainable farming systems requires economic investments, knowledge, as well as time for testing and monitoring to find tailored approaches that deliver for each region, community and farm. Further research into the role of governance in increasing uptake and effective implementation and monitoring of CAP green architecture measures is needed. Specifically, exploring ways to involve farmers and Member State Managing Authorities in the design of the schemes.

REFERENCES

Alvar-Beltrán, J, Elbaroudi, I, Gialletti, A, Heureux, A, Neretin, L and Soldan, R (2021) Climate Resilient Practices: typology and guiding material for climate risk screening. FAO, Rome.

Babin, C, Espagnol, S, Aubin, J (2023) Effects of agricultural practices on biodiversity. A review. (hal-04465927) <https://hal.science/hal-04465927>

Baldock, D and Bradley, H (2023) Transforming EU land use and the CAP: a post-2024 vision. Institute for European Environmental Policy, Brussels.

Baruth, B, Bassu, S, Ben Aoun, W, Biavetti, I, Bratu, M, Cerrani, I, Chemin, Y, Claverie, M, De Palma, P, Fumagalli, D, Manfron, G, Morel, J, Nisini Scacchiafichi, L, Panarello, L, Ronchetti, G, Seguini, L, Tarnavsky, E, Van Den Berg, M, Zajac, Z and Zucchini, A (2022) JRC MARS Bulletin - Crop monitoring in Europe - August 2022 - Vol. 30 No 8, In: Van Den Berg, M and Baruth, B (eds) Publications Office of the European Union, Luxembourg, JRC127964, <https://op.europa.eu/en/publication-detail/-/publication/e3b5666e-228e-11ed8fa0-01aa75ed71a1>

Bundesministerium für Ernährung und Landwirtschaft (BMEL) (2024) Anpassung der Öko-Regelungen ab 2024. https://www.bmel.de/SharedDocs/Downloads/DE/_Landwirtschaft/EU-Agrarpolitik-Foerderung/anpassungen-oekoregelungen-2024.pdf?__blob=publicationFile&v=9

Chartier, O, Folkesson Lillo, C, Valli, C, Jongeneel, R, Selten, M, van Asseldonk, M, Avis, K, Rouillard, J, Underwood, E, Parissaki, M, Bertolozzi, D and Devot, A (2023) Mapping and analysis of CAP strategic plans – Assessment of joint efforts for 2023-2027. Folkesson Lillo, C. (editor), Chartier, O. (editor), Publications Office of the European Union, <https://data.europa.eu/doi/10.2762/71556>.

Dahm, J (2023) EU green farming schemes fall flat in Germany after meagre farmer uptake. <https://www.euractiv.com/section/agriculture-food/news/eu-eco-schemes-not-a-hit-among-farmers-german-ministry-data-shows/>

Department of Agriculture, Food and the Marine (DAFM) (2023) Amendment No. 2 to Ireland's CAP Strategic Plan 2023-2027. Appropriate assessment screening report. <https://assets.gov.ie/285108/8277d1b4-a030-4325-8539-33e2b3dec53e.pdf>

Devot, A, Royer, L, Caron Giauffret, E, Ayrat, V, Deryng, D, Arvis, B, Giraud, L and Rouillard, J (2023) Research for AGRI Committee – The impact of extreme climate events on agriculture production in the EU. European Parliament, Policy Department for Structural and Cohesion Policies, Brussels.

Directorate General for Agriculture and Rural Development (DG AGRI) (2024) https://agriculture.ec.europa.eu/document/download/a91b3841-6021-489e-b877-7f0f5278c88c_en?filename=efscm-assessment-spring-2024_en.pdf

European Environment Agency (EEA) (2019a) Climate change adaptation in the agriculture sector in Europe. 4/2019, Publications Office of the European Union, Luxembourg.

European Environment Agency (EEA) (2019b) The European environment — state and outlook 2020: knowledge for transition to a sustainable Europe. European Environment Agency, Copenhagen.

European Environment Agency (EEA) (2020) European Environment Agency, “Water and agriculture: towards sustainable solutions”, EEA Report No 17/2020.

European Environment Agency (EEA) (2022) European Environment Agency (2022) Water abstraction by source and economic sector in Europe, <https://www.eea.europa.eu/en/analysis/indicators/water-abstraction-by-source-and?activeAccordion=ecdb3bcf-bbe9-4978-b5cf-0b136399d9f8>

European Environment Agency (EEA) (2024) European climate risk assessment. EEA Report No 1/2024, European Environment Agency, Denmark.

European Commission, Joint Research Centre, Feyen, L., Ciscar, J., Gosling, S. et al., (2020a) Climate change impacts and adaptation in Europe – JRC PESETA IV final report, Ibarreta, D.(editor), Soria, A.(editor), Publications Office, 2020, <https://data.europa.eu/doi/10.2760/171121>

European Commission (2020b) The state of nature in the European Union Report on the status and trends in 2013 - 2018 of species and habitat types protected by the Birds and Habitats Directives. COM/2020/635 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:635:FIN>

European Commission (EC) (2020c) ‘How will we be affected?’ (https://ec.europa.eu/clima/policies/adaptation/how_en)

European Commission (EC) (2023a) Summary of CAP Strategic Plans for 2023-2027: joint effort and collective ambition. COM(2023) 707 final.

European Commission (EC) (2023b) At a glance: Germany’s CAP Strategic Plan. https://agriculture.ec.europa.eu/document/download/3b97b15c-74fa-4d77-aae7-490eb0670ca7_en?filename=csp-at-a-glance-germany_en.pdf

European Commission (EC) (2023c) €430 million of EU funds to support the EU agricultural sector. Press release. (https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3189)

European Commission (EC) (2024) The use of crisis measures adopted pursuant to Articles 219 to 222 of the CMO Regulation (COM/2024/12 final). Report from the Commission to the European Parliament and the Council. European Commission, Brussels.

European Parliament (EP) (2024) Targeted CAP amendments on environmental conditionality. Briefing.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/760414/EPRS_BRI\(2024\)760414_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/760414/EPRS_BRI(2024)760414_EN.pdf)

Frelih Larsen, A, Riedel, A, Scheid, A, Jägler, J, Springer, K, Bogner, J, Wiltshire, J, Freeman, D, Crotty, F, Kiresiewa, Z, Rouillard, J, Bibu, T, Landgrebe-Trinkunaite, R, Malek, Z, Pępkowska-Król, A, Morkvénaš, Ž, Nyárai, O, Karoglan, S, Hološková, A, Zemeckis, R, & Záhradník, M (2024) Towards climate friendly and resilient agri-food systems in Central Eastern Europe: the role of agroecological practices, sustainable diets, and holistic policies. Ecologic Institute, Berlin. ISBN 978-3-937085-37-1.

García-León D, Casanueva A, Standardi G, Burgstall A, Flouris AD, and Nybo L (2021) Current and projected regional economic impacts of heatwaves in Europe. *Nature Communications* Vol 12 (1), 5807, <https://doi.org/10.1038/s41467-021-26050>.

Giannakopoulos, C, Le Sager, P, Bindi, M, Moriondo, M, Kostopoulou, E and Goodess, C M (2009) Climatic changes and associated impacts in the Mediterranean resulting from a 2 °C global warming. *Global and Planetary Change* No 68 (3), 209-224.

Herzon, I, Ekroos, J, Rintala, J, Tiainen, J, Seimola, T, & Vepsäläinen, V (2011). Importance of set-aside for breeding birds of open farmland in Finland. *Agriculture, Ecosystems & Environment*, 143(1), 3–7.

Højte, S., Bach Johansen, A., Fraas, E. and Flatz, J. (2024) Impact and Opportunities of the 2023-27 CAP Reform in Denmark. Concito. <https://concito.dk/files/media/document/Impact%20and%20Opportunities%20of%20the%202023-27%20CAP%20Reform%20in%20Denmark.pdf>

IPBES (2018) The IPBES regional assessment report on biodiversity and ecosystem services for Europe and Central Asia. Rounsevell, M., Fischer, M., Torre-Marín Rando, A. and Mader, A. (eds), Secretariat of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), Bonn, Germany.

IPCC (2022) *Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.* Cambridge University Press.

Karamanos, A, Skourtos, M, Voloudakis, D, Kontoyianni, A and Machleras, A (2011) Impacts of climate change on agriculture. In *Climate Change Impacts Committee, The Environmental, Economic and Social Impacts of Climate Change in Greece*, Bank of Greece, Athens, https://www.bankofgreece.gr/Publications/ClimateChange_FullReport_bm.pdf

Matthews, A (2023) 2022: a record year for farm income. <https://capreform.eu/2022-a-record-year-for-farm-income/>

Matthews, A (2024) Greater transparency needed in national aids to agriculture. <https://capreform.eu/greater-transparency-needed-in-national-aids-to-agriculture/>

Midler, E (2022) Environmental degradation: impacts on agricultural production. Institute for European Environmental Policy, Brussels.

Ministerio de Agricultura, Pesca y Alimentación (MAPA) (2023a) Balance del primer año de aplicación de la reforma de la política agrícola común (PAC) en el año 2023. (https://www.fega.gob.es/sites/default/files/files/document/Balance_de_la_aplicacion_de_la_campaña_PAC_2023.pdf)

Ministerio de Agricultura, Pesca y Alimentación (MAPA) (2023b) PROPUESTAS DE MODIFICACIÓN DEL PEPAC 2023-2027 (https://www.mapa.gob.es/es/pac/pac-2023-2027/propuesta-pepac_tcm30-677508.pdf)

Ministerio de Agricultura, Pesca y Alimentación (MAPA) (2024) PROPUESTAS SIMPLIFICACIÓN PAC – ESPAÑA (https://www.mapa.gob.es/es/pac/pac-2023-2027/propuestas-simplificacion-pac_es-febrero-2024_tcm30-675771.pdf)

Münch, A, Badouix, M, Gorny, H, Messinger, I, Schuh, B, Beck, M, Bodart, S, Van Bunnem, P, Runge, T, Guyomard, H and Brkanovic, S (2023) Research for AGRI Committee – Comparative analysis of the CAP Strategic Plans and their effective contribution to the achievement of the EU objectives. European Parliament Policy Department for Structural and Cohesion Policies, Brussels.

Naumann, G, Cammalleri, C, Mentaschi, L and Feyen, L (2021) Increased economic drought impacts in Europe with anthropogenic warming. *Nature Climate Change* No 11 (6), 485-491.

Panagos, P, Standardi, G, Borrelli, P, Lugato, E, Montanarella, L and Bosello, F (2018) Cost of agricultural productivity loss due to soil erosion in the European Union: From direct cost evaluation approaches to the use of macroeconomic models. *Land Degradation & Development* No 29 (3), 471-484

Panagos, P, Ballabio, C, Poesen, J, Lugato, E, Scarpa, S, Montanarella, L and Borrelli, P A (2020) Soil erosion indicator for supporting agricultural, environmental and climate policies in the European Union. *Remote Sensing* Vol 12, 1365, <https://doi.org/10.3390/rs12091365>

Reiter K, Peitz, C and Röder N- (2024) Die Umsetzung der grünen Architektur der Gemeinsamen Agrarpolitik in Deutschland. *Naturschutz und Landschaftsplanung* 56 (01), 26 – 37. <https://www.nul-online.de/themen/landschafts-und-umweltplanung/article-7783811-201982/die-umsetzung-der-gruenen-architektur-der-gemeinsamen-agrarpolitik-in-deutschland-.html>

Stott, P and Christidis, N (2023) Operational attribution of weather and climate extremes: what next? *Environmental Research: Climate* No 2.

Stout J. C., Murphy J.T and Kavanagh S. (2019) Assessing Market and Non-market Values of Pollination Services in Ireland (Pollival) (2016-NC-MS-6). EPA Research Report. https://www.epa.ie/publications/research/biodiversity/Research_Report_291.pdf

Swart, R, Levers, C, Davis, J T M and Verburg, P H (2023) Meta-analyses reveal the importance of socio-psychological factors for farmers' adoption of sustainable agricultural practices. *One Earth* No 6 (12), 1771-1783.

Trnka M, Olesen J E, Kersebaum K C, Skjelvag A O, Eitzinger J, Seguin B, Peltonen-Sainio P, Orlandini S, Dubrovsky M, Hlavinka P, Balek J, Eckersten H, Cloppet E, Calanca P, Rotter R, Gobin A, Vucetic V, Nejedlik P, Kumar S, Lalic B, Mestre A, Rossi F, Alexandrov V, Kozyra J, Schaap B, Zalud Z (2011) Agroclimatic conditions in Europe under climate change. *Global Change Biology* Vol 17, 2298-2318. <https://doi.org/10.1111/j.1365-2486.2011.02396.x>

van Dijk, R, Godfroy, A, Nadeu, E and Muro, M (2024) Increasing climate change resilience through sustainable agricultural practices: evidence for wheat, potatoes and olives. Institute for European Environmental Policy.

Whittow, M, Ranalli, G, Davis, S and Noon, L (2023) Funding the EU transition to more sustainable agriculture: discussion paper. FoodDrinkEurope and Anthesis.



www.ieep.eu

