



Institute<sup>for</sup>  
European  
Environmental  
Policy

# CAP 2015-2020 – Member State implementation decisions

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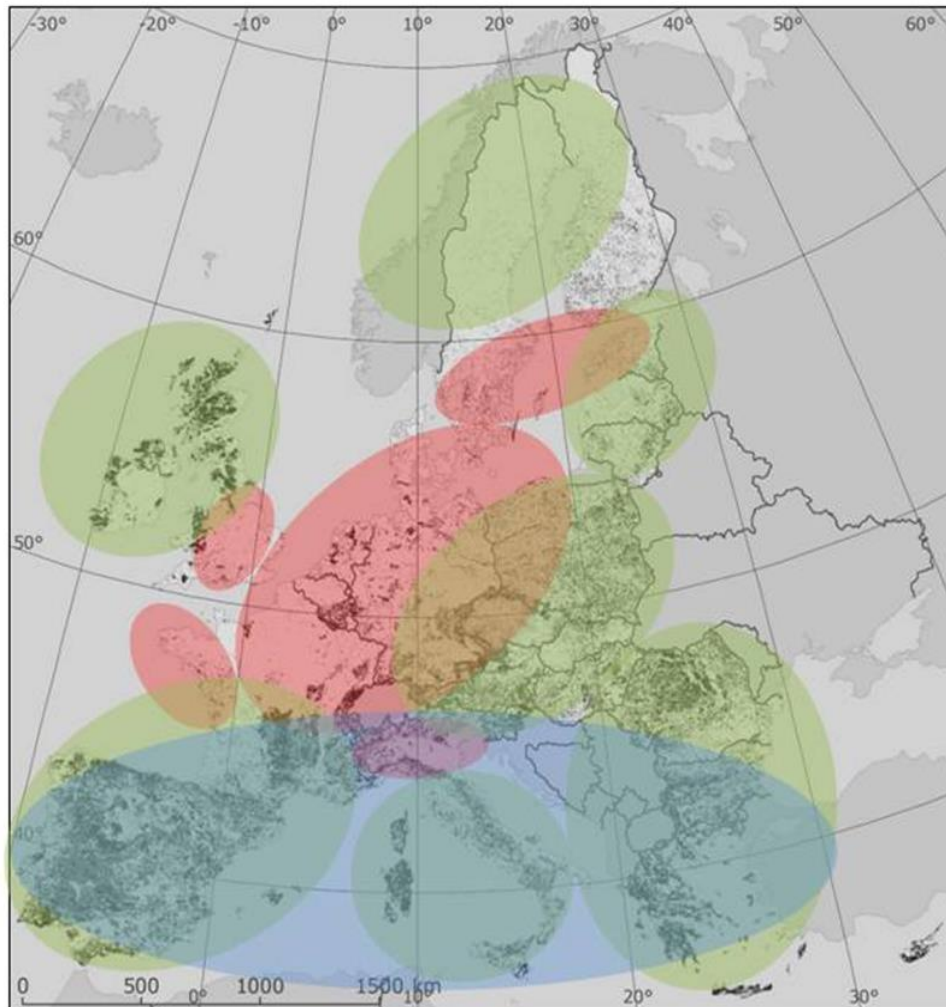
6 February 2015

Visions for European Agricultural Policy, Copenhagen

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# The Context: Environmental Challenges facing the EU



## Marginal agricultural areas

**Challenges:** maintain on-field biodiversity, stimulate favourable practices, increase profitability without intensifying

## Prime agriculture areas

**Challenges:** reduce pressures on air, soil and natural habitats, nature reserve approach to remaining high nature value agri patches

## Main irrigated areas

**Challenge:** reduce water stress

**Background** (dark grey patches): HNV farmland distribution

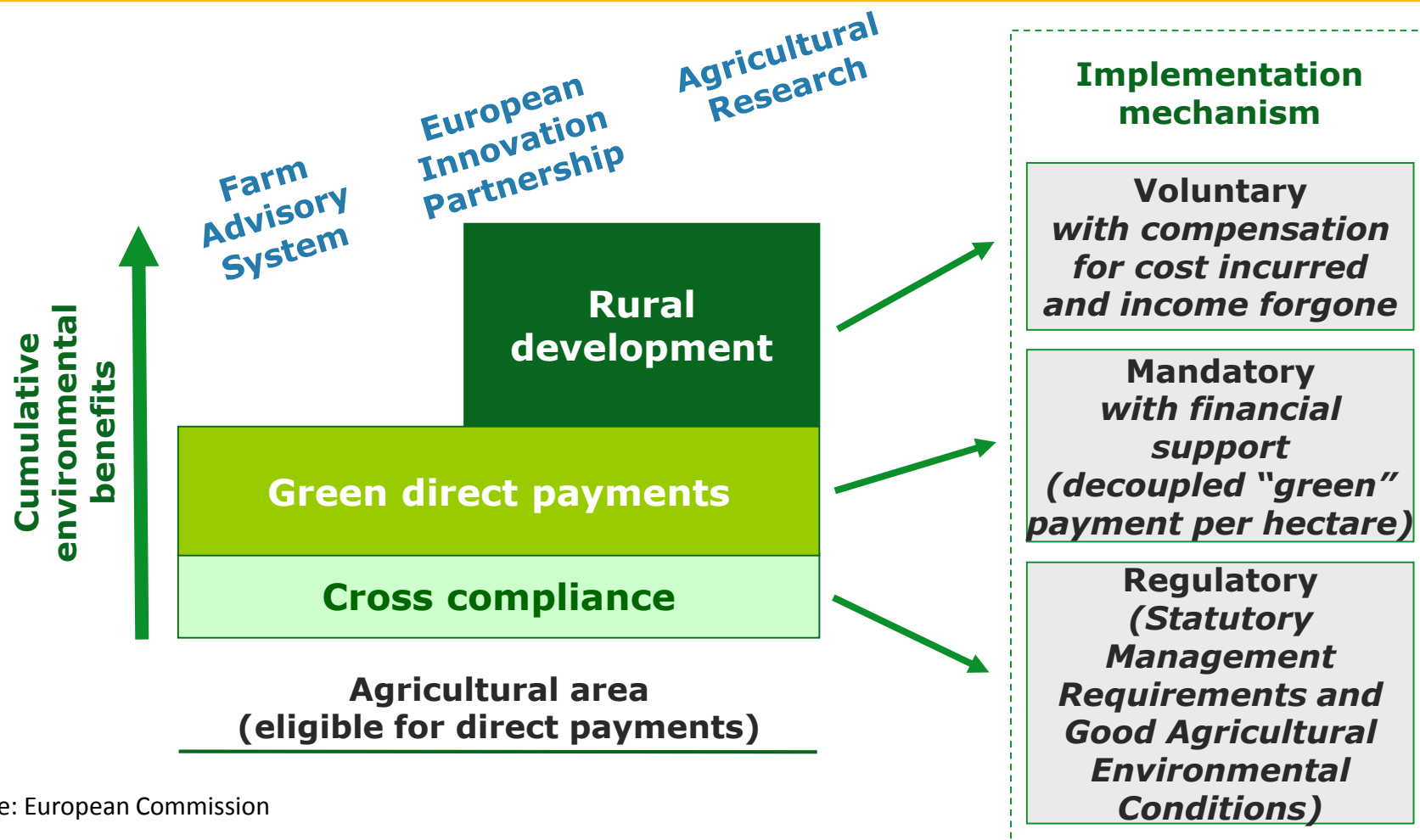
Source: EEA

# Challenges facing agriculture to and beyond 2020

- Achieving **productivity** gains
- Alleviating low farm **incomes**
- Coping with market **volatility**
- **Climate change** – mitigation and adaptation
- Providing **environmental protection and enhancement**:
  - Soil
  - water quantity and quality
  - Biodiversity
  - Cultural landscapes
- Survival of **marginal areas** – avoiding land abandonment and depopulation of rural areas – particularly important in areas of High Nature Value (HNV)
- **Restructuring**: food chain, small and fragmented holdings, new entrants etc
- Contribution to **bioenergy**
- **Waste** and residues utilisation
- **Food safety** and authenticity
- **Animal welfare**
- **Diet and health** / nutritional quality of food



# New greening architecture of the CAP



Source: European Commission



**Will the combination of actions under these measures lead to more, the same or less environmental ambition in 2014-2020 period compared to 2007-13?**

# Transfers between Pillars

- P1 → P2
  - 11 countries
  - €6.383 billion

• **Net effect =  
+ ~€3 billion from  
Pillar 1 to Pillar 2**

- P2 → P1
  - 5 countries
  - ~€3 billion

From P1 to P2 in % of national ceilings (max percentage 15%)						
Financial year	2015	2016	2017	2018	2019	2020
Claim year	2014	2015	2016	2017	2018	2019
FR	3.0%	3.3%	3.3%	3.3%	3.3%	3.3%
LV	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
UK	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
BE		2.3%	3.5%	3.5%	4.6%	4.6%
CZ		3.4%	3.4%	3.4%	1.3%	1.3%
DK		5.0%	6.0%	7.0%	7.0%	7.0%
DE		4.5%	4.5%	4.5%	4.5%	4.5%
EE		6.1%	14.3%	15.0%	15.0%	15.0%
EL		5.0%	5.0%	5.0%	5.0%	5.0%
NL		4.0%	4.1%	4.2%	4.2%	4.3%
RO		1.8%	2.3%	2.2%	0.0%	0.0%
From P2 to P1 in % of national ceilings (max percentage 15% or 25% for some MS)						
Financial year	2015	2016	2017	2018	2019	2020
Claim year	2014	2015	2016	2017	2018	2019
HR	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
MT	0.0%	0.8%	1.6%	2.4%	3.1%	3.8%
PL	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
SK	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%
HU	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

# Cross-compliance – GAEC 2015 onwards

- Basic conditions to which land managers must adhere to be eligible for receipt of direct payments AND area payments (agriculture) in Pillar 2.
- Changes in GAEC framework for 2014-2020:
  - Reduced number of GAEC standards – some previous standards are now paid for via greening
  - All standards compulsory
- Flexibility for Member States to apply to national and regional contexts
- Some GAEC landscape features and buffer strips count towards the EFA requirement

GAEC Standards in the area of: Environment, climate change, good agricultural condition of land :

Main Issue		GAEC Requirement
Water	GAEC 1	Establishment of buffer strips along water courses (requires that the rules for NVZs regarding non application of fertilisers near water courses must be applied both within and outside NVZs)
	GAEC 2	Where use of water for irrigation is subject to authorisation, compliance with authorisation procedures
	GAEC 3	Protection of groundwater against pollution
Soil and carbon stock	GAEC 4	Minimum soil cover
	GAEC 5	Minimum land management reflecting site specific conditions to limit soil erosion
	GAEC 6	Maintenance of soil organic matter level through appropriate practices, including ban on burning arable stubble, except for plant health reasons
Landscape, minimum level of maintenance	GAEC 7	Retention of landscape features, including where appropriate, hedges, ponds, ditches, trees in line, in group or isolated, field margins and terraces, and including a ban on cutting hedges and trees during the bird breeding and rearing season and as an option, measures for avoiding invasive plant species



# Greening implementation

- 30% of direct payments
- 3 measures
  - Crop diversification
  - Permanent grassland
  - Ecological focus area
- Implementation:
  - Standard measures
  - Equivalent measures (certification schemes or practices within AECM)
  - Regional implementation

## Crop diversification

- Applies to farms with arable area > 10 ha
- Arable areas 10-30 ha:
  - Min 2 crops with main crop not covering more than 75% on 10-30ha;
- Arable areas > 30 ha:
  - Min 3 crops with main crop not covering more than 75% and two together not covering more than 95%
- Subject to exemptions

## Permanent grassland

Comprises 2 elements:

- No ploughing in areas designated as environmentally sensitive – must include N2K sites, but MSs may designate other areas. Peatlands and wetlands can be included.
- Ratio of PG to UAA must not decrease by more than 5% since 2015 baseline
- Can be applied at national, regional or farm level

## Ecological Focus Areas

- Applies to arable areas over 15ha – subject to review in 2017
- Requirement that 5% of eligible land to be managed under one or more of a list of features/elements:
  - fallow land;
  - Terraces;
  - landscape features;
  - buffer strips;
  - Strips along woodland;
  - agro-forestry supported under EAFRD;
  - Areas afforested under EAFRD;
  - short rotation coppice, catch crops or green cover;
  - nitrogen fixing crops.
- Features are subject to a **weighting**.
- Member States may choose to implement up to 50 per cent of the EFA requirement at a regional level.
- Subject to exemptions

# Standard measures or equivalence?

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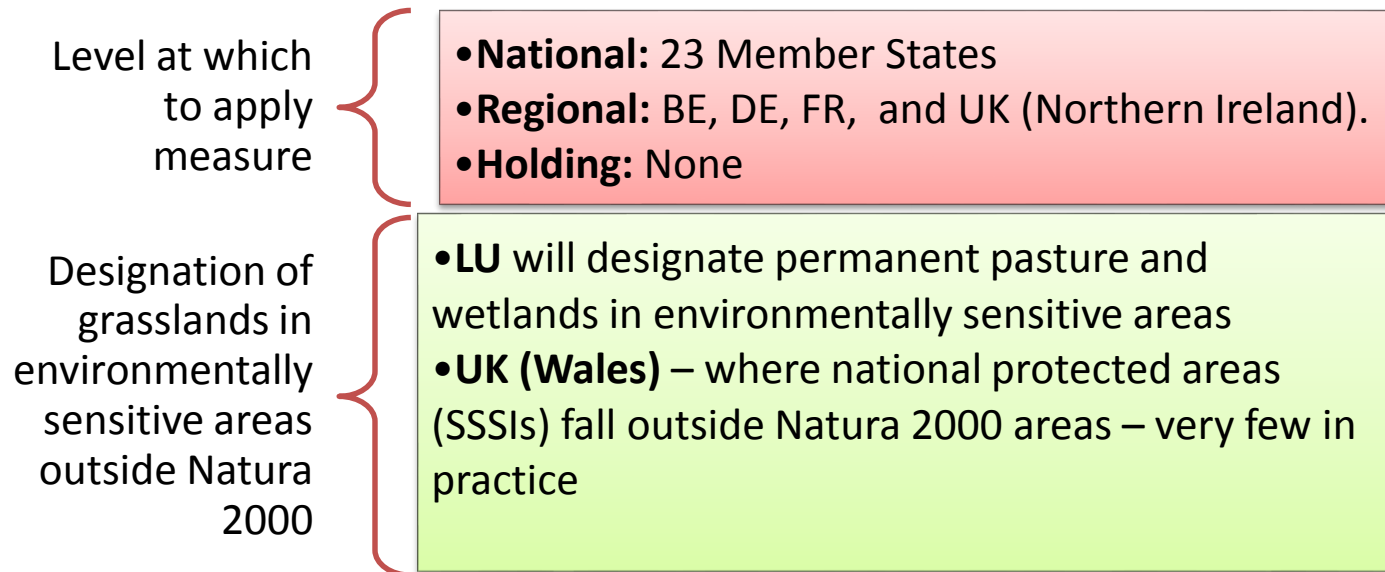
- 23 Member States will adopt the standard three greening practices.
- Only 5 will also allow greening by equivalence (FR, NL, AT, PL, IE):
  - Equivalence via certification schemes:
    - **France:** for crop diversification - certification scheme based on winter cover practices for maize
    - **The Netherlands:** equivalence via 2 certification schemes – Veldleeuwerik/Biodiversiteit+
    - **NB: Scotland** is preparing two equivalent measures to implement in 2016: (1) Permanent pasture: Applying the standard PP rules along with a fertiliser plan; (2) Crop diversification: equivalent practice for winter cover.
  - Equivalence via RDP agri-environment-climate commitments:
    - **Austria:** equivalence through the RDP
    - **Ireland:** for crop diversification by planting winter cover on tillage areas
    - **NB: Italy:** to be confirmed in 2016 once the RDP is approved

The Commission decision to accept or reject Member State proposals for greening by equivalence is expected in February.



# Permanent Pasture decisions

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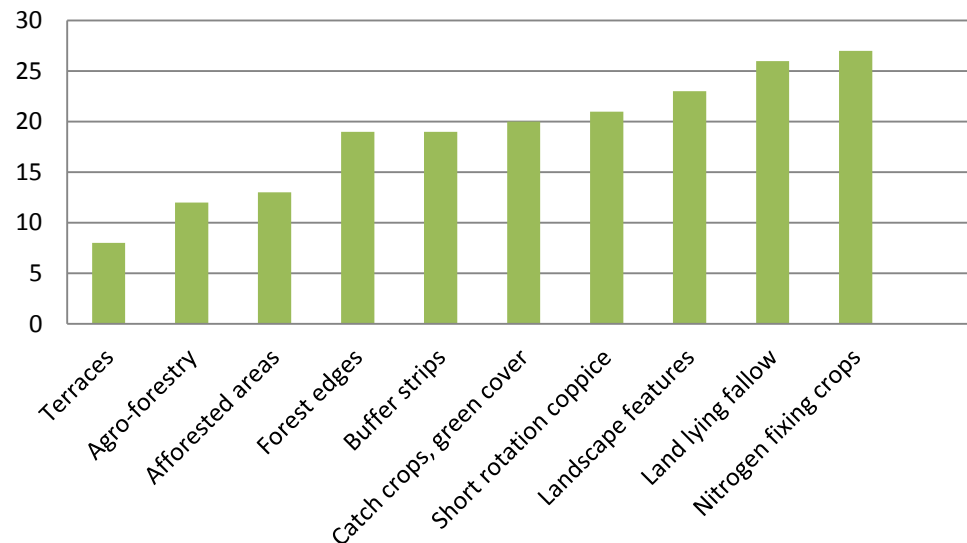


# Ecological Focus Areas: eligible features

**5% arable area of eligible farms to be covered by one or more elements:**



**Features selected by Member States as eligible for EFA**



# N Fixing Crops – which crops are eligible?

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- Regulations state that MSs should lay down rules to avoid increased nitrogen leaching, deterioration in water quality or compromise biodiversity objectives.
- Justifications not yet seen
- Significant differences in number of crops permitted
- Most frequently cited:
  - Alfalfa
  - Beans (various types)
  - Birdsfoot trefoil
  - Chickpea
  - Clover (various types)
  - Lupins
  - Peas
  - Sainfoin
  - Soya
  - Vetch

Only a few MSs specify  
limits to inputs – e.g.



DE, HU, NL

# Short rotation coppice – which species will be eligible?

- Should be species that are most suitable from an ecological perspective and therefore exclude species that are not indigenous

FR	DE	HU	IT	RO	UK NI	UK W
Alder Eucalyptus European ash False acacia/Black locust Hornbeam Poplar Sweet cherry Sweet chestnut Sycamore Willow	Alder Ash Birch Oak Poplar Robinia Willow	Alder Black walnut European ash Maple Poplar Red oak Willow	Alder Elm Plane-tree Poplar Willow	Willow	Alder Ash Birch Hazel Lime Poplar Sweet Chestnut Sycamore Willow	Alder European Ash Hazel Lime Poplar Silver Birch Sweet Chestnut Sycamore Willow
	Max 20 year harvest cycle		Max 8 year harvest cycle		Max 5 year harvest cycle	Max 20 year harvest cycle

# Other relevant Pillar 1 implementation

- **Areas with Natural Constraints** – only DK to apply
- **Voluntary Coupled Payments:**
  - Not using: DE, UK (E, W, NI)
  - 9 MSs to allocate less than 8% of P1 ceiling: CY, DK, EE, EL, IE, LU, NL, AT and UK (Sc).
  - 11 MSs to allocate 13%
  - 9 MSs to use the extra 2% allowance for protein crops.
  - Four countries have been given special allowances: BE -17% ; FI - 20%; PT - 21%; and MT - 57%.

Sector	No of MS	% of VCS envelope for 2015	€ billion
Beef and veal	24	42	1.7
Milk and dairy products	18	20	0.8
Sheep and goat meat	22	12	0.5
Protein crops	16	11	0.45
Fruit and vegetables	19	5	0.2
Sugar beet	10	4	0.15

**Total:**  
~ €3.8 billion

# Draft RDPs – focus on environment and climate?

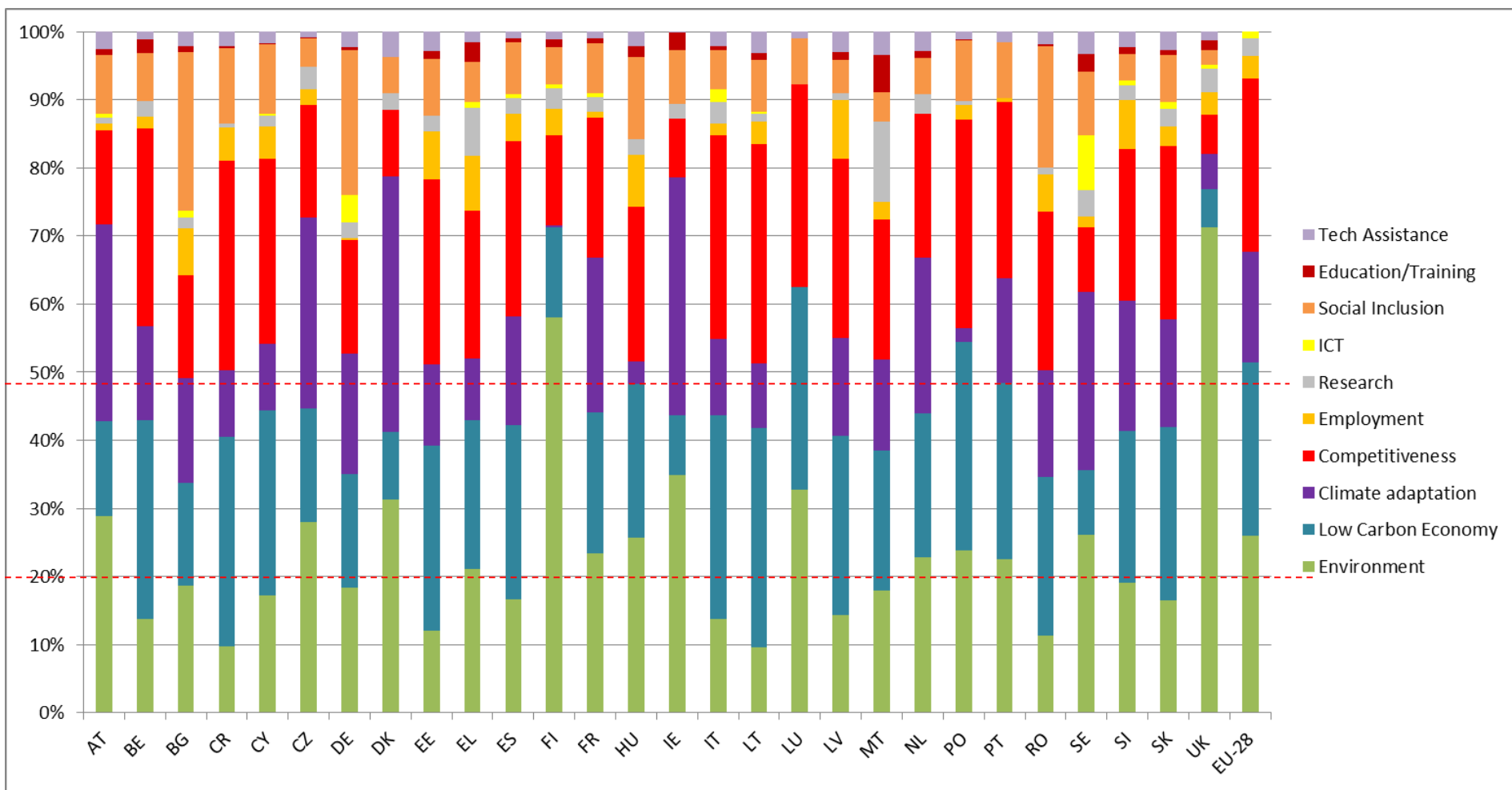
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- Proportion of budget on environment and climate:
  - Information from Partnership Agreements only info so far for all MSs (see next slide)
  - 30% minimum to be focussed on environment and climate (must be allocated to a list of 6 measures)
  - Actual impact of expenditure critical – what projects / actions are implemented in practice?
  - Recitals state that expenditure on the environment should be maintained from last period – but in practice?
- Serious concerns about decline in emphasis on agri-environment-climate measure
  - cornerstone measure for environmental management – allows tailored and targeted schemes to be implemented to make a real difference to environmental quality
  - Compulsory for all countries
  - Types of schemes proposed – broad and shallow versus targeted
  - Pillar 1 greening used as rationale for downgrading use of AEEM
- Use of new opportunities
  - Territorial approaches
  - Cooperation
  - Innovation



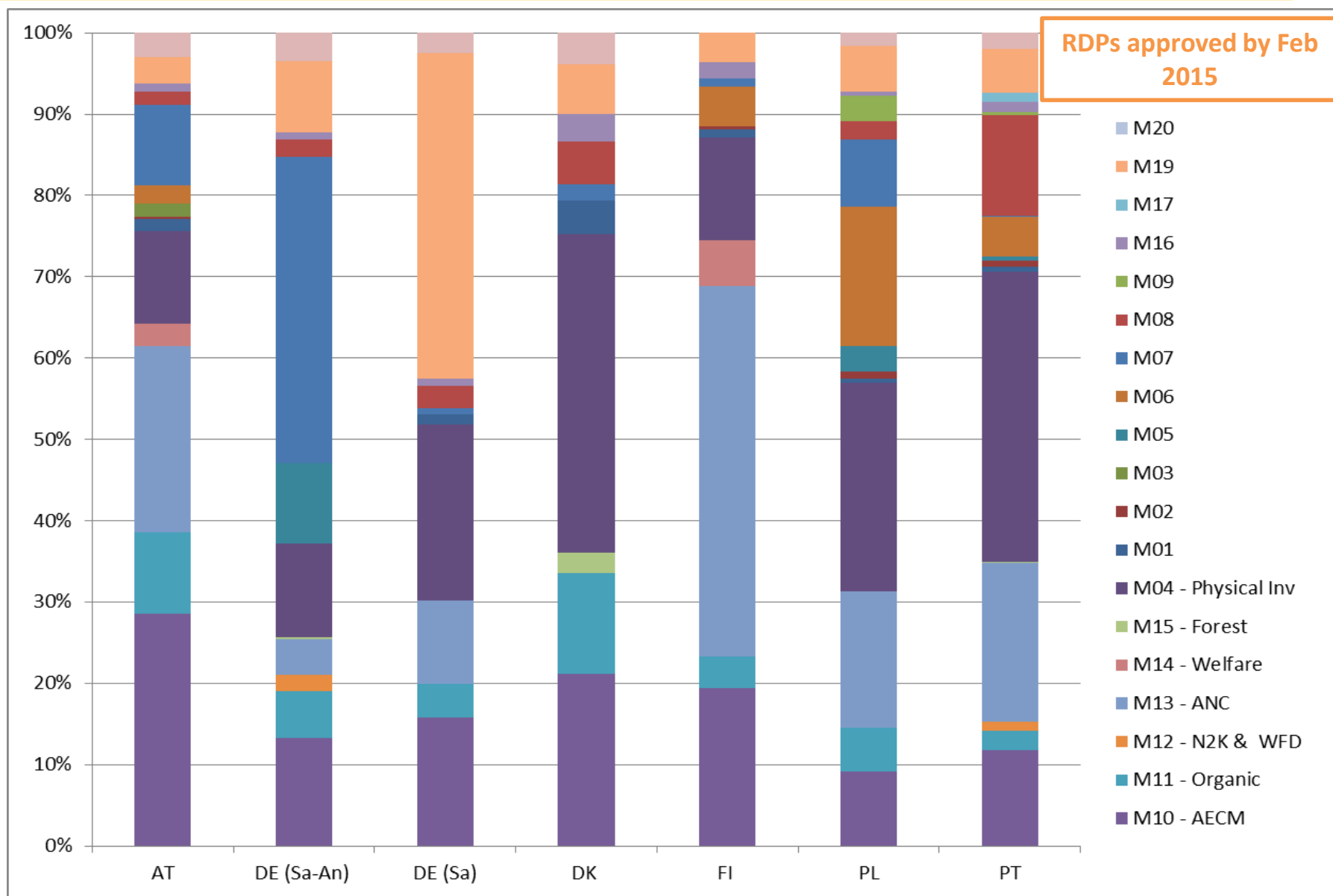


# EAFRD allocations to Partnership Agreement priorities (%)



SOURCE: Own compilation using data from Partnership Agreements.

# Rural Development – programmed expenditure



# Next steps?

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- **Greening:**
  - By the end of the first year of operation, the Commission will carry out a review to establish impacts on production.
  - By 31 March 2017, the Commission shall present an evaluation report on the implementation of EFAs
- **RDPs:**
  - Further 15-20 approvals anticipated before end March
  - Majority of the rest due in May/June, with a few waiting until autumn
- Review of RDP and Greening implementation is in the front line of the **simplification debate**
- **Mid term review of CAP** anticipated by many – opportunity for greater environmental ambition or risk?
- **CAP Reform beyond 2020** – green paper will be needed at least by 2018. Thinking needs to start now to ensure that CAP remains fit for purpose given biodiversity obligations and new ambitions for climate in Europe.



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# Thank you for your attention

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