

Green and Blue Infrastructure and the Common Agricultural Policy (CAP) Reform proposals: Briefing from the BIOGEA Project

Introduction

This briefing describes how the European Commission's proposals for the new Common Agricultural Policy (CAP) after 2021 may affect the presence and condition of Green and Blue Infrastructures (GBI) in agricultural landscapes. The two main novelties in the proposals addressed by the briefing are the replacement of "greening" with "eco-schemes" and an "advanced environmental conditionality". The re-integration of the greening measures back into cross compliance should focus the measures more strongly on the "non-productive" elements that provide greater biodiversity benefits. An eco-scheme also has potential to tackle environmental issues in a more targeted manner while being better result-oriented. None the less, the lack of EU minimal areas or a set budget for the eco-scheme, which leaves a great deal of flexibility to the member states in implementing the CAP, have led many to criticise the environmental ambition of the proposal and others to voice concerns about re-nationalisation of the policy.

A second point addressed by the briefing is therefore the increased flexibility given to member states in implementing the CAP. BIOGEA has examined in detail how three member states have used the flexibility granted to them in the current CAP. The findings show that none of the case study member states have been ambitious in how they have implemented greening of Pillar 1. In order for the new CAP to deliver more for GBI, it will be necessary for member states to take a more ambitious approach and avoid the situation that European rules are implemented in their minimalist form.

Key findings:

Some aspects of the reform proposal can be positive for Green and Blue Infrastructures (GBI):

- ✓ The focus has been placed more strongly on the non-productive measures which have greater potential for GBI
- ✓ Landscape features are included specifically in the indicators against which performance will be measured (positive for GBI provided a proper baseline assessment of landscape features exists)
- ✓ Strengthened environmental focus of farm advisory services

Other aspects of the proposals may be less positive, including:

- Lack of EU minima for a percentage area for non-productive measures and a percentage budget for an eco-scheme
- Lack of minimum standards for the new GAEC measures
- Lack of specific mention in the CAP objectives of the importance of providing GBI and connective features

Overall, the outcomes will depend on the ambition of the member states. In this regard, significant changes in approach from the previous funding period will be needed in order to encourage a higher level of ambition and prevent a "race to the bottom".

How is GBI affected by the CAP?

The term Green Infrastructure (GI) or, where aquatic ecosystems are included, Green and Blue Infrastructures (GBI) has been rapidly adopted into policy but can have a variety of meanings. In the European Commission's GI Strategy, it is defined as follows:

*“a strategically planned **network** of natural and semi-natural areas with other environmental features designed and managed to deliver a **wide range of ES**. It incorporates green spaces (or blue if aquatic ecosystems are concerned) and other physical features in terrestrial (including coastal) and marine areas. On land, GI is present in rural and urban settings.” (European Commission 2013)*

In agricultural landscapes, presence of GBI can be supported by agri-environment measures (Pillar 2) (Trinomics 2016). However the implementation of agri-environment is optional for farmers and has been criticised for not providing enough of an incentive for landscape-scale management benefitting biodiversity and the environment on the wider scale (Conception et al 2012). Greening of the CAP Pillar 1 in the 2013 reform was therefore regarded as essential for broadening out environmental management to include all farmers. As part of greening, farmers applying for CAP Pillar 1 support must put in place EFAs i.e. 5% of their arable land (for farms over particular size thresholds) must be declared as EFA and managed consequently. Many GBI features are included within the list of elements which potentially count towards a farmers' EFA, incentives to maintain GBI therefore exist under greening.

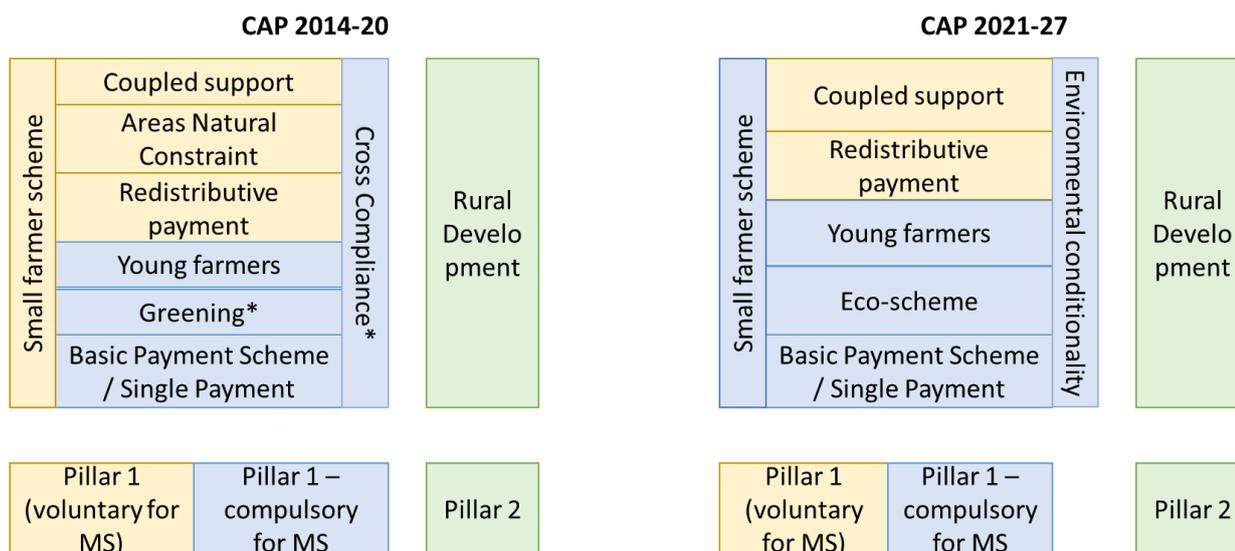
The inclusion of GBI in the CAP is important because a more diverse agricultural landscape with landscape features, connected through corridors or connectivity features, should help to deliver multiple environmental benefits required through EU biodiversity, water and climate legislation and policies.

What is included in the EC legislative proposal for a CAP post 2020?

The European Commission published its legislative proposals for the CAP 2021-2027 on 1 June 2018. This followed the budget proposal on 2 May 2018. In the run-up to publication, the Commission had already carried out a consultation in the first half of 2017 and published a communication on “the future of the CAP” in November 2017 (European Commission 2017). The European Parliament has also been active, publishing a resolution on the future of food and farming (European Parliament 2018) and commissioning a background study analysing different CAP proposals, published at the same time (IEEP 2018).

Architecture of the CAP – more of the same?

The new draft regulation combines the rules for pillar 1, direct support and pillar 2, rural development in a single regulation in contrast to previous years where they were separately governed. In terms of the architecture of the CAP (see Figure 1 below), the changes are small, the main difference being that “greening” has been reintegrated into cross compliance or “advanced environmental conditionality”.



* Cross compliance and greening not compulsory for small farmers

Figure 1. Comparison of the CAP architecture in the two funding periods

Budget of the CAP – cuts to pillar 2

Much of the discussion around the new CAP has focused around the size of the budget which, following the United Kingdom's departure from the EU will inevitably be smaller than in the 2014-20 period. The Commission has described a decrease of 5% in the total CAP budget in current prices, calculations by independent experts suggest that the figures could be around 8% in real terms to pillar 1 and 23% to pillar 2 (Matthews 2018). These cuts have faced heavy criticism from farmers and some member states for being too large, while environmental stakeholders questioned the reasoning for cutting pillar 2 more than pillar 1. The Commission's response is that Member States can choose to increase their co-financing to Pillar 2. Additionally, they cap all payments at 100,000€ (and degressively from 60,000€ up to this) and could choose to redirect these funds to pillar 2 if they so wish. Member states also continue to have the flexibility to transfer funds between the pillars (up to 15% in either direction plus a further 15% from pillar 1 to pillar 2 for environmental or climate objectives).

Increased flexibility to Member States

Perhaps the most significant change proposed however, is the increased flexibility given to member states in implementing the CAP. This move towards the pillar 2 programming approach for the whole of the CAP is regarded by some commentators as a significant departure from previous iterations of the policy (Erjavec 2018). Under this model, the EU would be responsible for setting the basic policy parameters (the objectives, types of intervention and basic requirements), while the member states would tailor the interventions to maximise the contribution to EU objectives. To describe how they would do this, they would produce a CAP Strategic Plan (to be submitted to the EC by 2020) which describes in more detail the needs in a particular member state and how these will be met. Many of the mechanisms already used for rural development policy would be expanded to the whole of the CAP e.g. a Common Agricultural Policy Network similar to the European Network for Rural Development would be established and a Monitoring Committee involving the environmental administration and stakeholders would check the Strategic Plan's implementation.

The weakness in this approach, as highlighted by many commentators (e.g. Erjavec 2018) is that member states administrations often lack the resources or capacity to carry out this complex task. The Commission has suggested a number of checks and balances to ensure that the plans really help to meet the CAP's three

general objectives and 9 specific objectives (see Box 1). The current Common Monitoring and Evaluation Framework (CMEF) will be expanded to a Performance Monitoring and Evaluation Framework (PMEF) setting common context, output, result and impact indicators. These, and particularly a sub-set of “core results indicators” will be used as the basis for monitoring, evaluation and annual performance reporting.

Box 1. The CAP 2021-2027 objectives. The CAP has no objective which specifically mentions GBI – the closest is the objective to preserve landscapes and biodiversity.

General objectives:

- (a) To foster a smart, resilient and diversified agricultural sector ensuring food security;
- (b) To bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union;
- (c) To strengthen the socio-economic fabric of rural areas.

Specific objectives:



The infographic, titled 'THE 9 CAP OBJECTIVES', features a central circle with the text 'THE 9 CAP OBJECTIVES'. Surrounding this center are nine circular icons, each with a corresponding objective: 'INCREASE COMPETITIVENESS' (rocket icon), 'REBALANCE POWER IN FOOD CHAIN' (shopping cart icon), 'ENSURE FAIR INCOME' (hand holding coin icon), 'CLIMATE CHANGE ACTION' (globe icon), 'PROTECT FOOD & HEALTH QUALITY' (cow icon), 'ENVIRONMENTAL CARE' (leaf icon), 'VIBRANT RURAL AREAS' (house and trees icon), 'PRESERVE LANDSCAPES & BIODIVERSITY' (butterfly icon), and 'SUPPORT GENERATIONAL RENEWAL' (person with gear icon).

What is replacing greening?

As described above, “greening” in its current form has been severely criticised by NGOs and experts alike (e.g. Ecorys et al. 2016; Alliance Environnement and the Thünen Institute 2017; Underwood, Tucker 2016) and DG AGRI themselves have described it as not reaching its objectives and in some cases even having had perverse incentives in certain member states. The terminology of “greening” is not included in the new proposal. The greening measures themselves however have been integrated into cross compliance, renamed “advanced environmental conditionality” and into the new “eco-scheme” proposed in pillar 1. This would continue to be complemented by agri-environment-climate schemes (AECS) in pillar 2. Table 1 shows how the greening measures have been taken up or not in the proposals.

Table 1. Comparison of the green elements of the CAP in the current funding period with the EC proposals for the post-2020 CAP

CAP 2014-20	Proposal CAP 2021-2027	Potential differences
<p>Greening: Crop diversification</p> <p>Farmers with over 10 ha of arable land. Farmers having up to 30 ha must grow at least two crops and the main crop cannot cover more than 75 per cent of the land. Farmers having over 30 ha must grow at least three crops, with the main crop covering at most 75 % of the land and the two main crops covering at most 95 %. Several exemptions take account of the individual situation of farmers, notably farmers with a large proportion of grassland which in itself is deemed environmentally beneficial</p>	GAEC 8: Crop rotation	The requirement in future should be to actually implement rotation rather than diversification.
<p>Greening: Permanent grassland maintenance</p> <p>Member States must maintain a ratio of permanent grasslands to the total agricultural area. The annual ratio which Member States calculate each year must not decrease by more than 5 % on the reference ratio. Individual farmers are in general not affected unless the 5 % threshold is reached. In such a case, Member States' authorities must impose on farmers who have previously converted permanent grassland to other uses to reconvert the land to the previous use (grassland). Furthermore, Member States must provide for rules to avoid further conversion of permanent grasslands.</p>	GAEC 1: Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area	Requirement is the same (it was also included in cross compliance in the 2007-13 period)
<p>Greening: Environmentally sensitive grassland</p> <p>Member States must designate environmentally sensitive permanent grasslands (ESPG) in areas protected by the birds or habitats directives (SPAs and SACs which together make up the Natura 2000 network). They may also designate environmentally sensitive permanent grasslands outside such areas including permanent pasture on carbon-rich soil. Farmers cannot plough or convert these environmentally valuable grasslands</p>	GAEC 2: Appropriate protection of wetland and peatland GAEC 10: Ban on converting or ploughing permanent grassland in Natura 2000 sites	Requirement is to cover all Natura 2000 grassland areas – previously member states could if they wished include only SACs or SPAs though most included all Natura 2000 areas. New requirement to protect wetland and peatland.
<p>Greening: Environmental focus areas</p> <p>Requires farmers with arable land exceeding 15 ha to ensure that at least 5 % of such areas is an ecological focus area.</p> <p>EFA types: land lying fallow, terraces, landscape features (hedges/wooded strips, isolated trees, trees in line, trees in group/field copses, field margins, ponds, ditches and traditional stone walls), buffer strips, agroforestry, strips along forest edges, a short rotation coppice with no use of fertilisers and/or plant protection products, catch crops/green cover and nitrogen-fixing crops.</p> <p>Each of these elements is subject to different weighting and conversion factors, which are used to adjust the area of the feature and so the extent to which it contributes to achieving the 5% ratio.</p>	GAEC 4: Establishment of buffer strips along water courses GAEC 9: <ul style="list-style-type: none"> • Minimum share of agricultural area devoted to non-productive features or areas • Retention of landscape features • Ban on cutting hedges and trees during the bird breeding and rearing season • As an option, measures for avoiding invasive plant species <p>See ecoscheme below.</p>	There is no minimum percentage suggested on the EU level in the new CAP. Member states must determine the appropriate share at the national level. The wording suggests that only non-productive features can be included which would exclude nitrogen fixing crops and green cover (the most popular options currently implemented on the ground).
<p>Pillar 2: AECS</p> <p>Schemes which farmers and other land managers and groups can sign up to on a voluntary basis to make changes to agricultural practise to produce a positive effect on the environment and climate.</p> <p>Goes further than cross-compliance and greening.</p> <p>Period of 5-7 years with potential to be longer if required.</p> <p>Compulsory on national and regional level.</p> <p>Together with Areas of Natural Constraint and</p>	<p>Pillar 1: ecoscheme</p> <p>Scheme targeted at genuine farmers who make voluntary commitments to observe, on eligible hectares, agricultural practices beneficial for the climate and the environment.</p> <p>Goes beyond environmental conditionality.</p> <p>Annual payment per eligible hectare.</p> <p>Compulsory on national and regional level.</p> <p>Pillar 2: AEC</p>	Agri-environment measures have been also included in Pillar 1 (compulsory for member state to include in their programmes but voluntary for farmers to apply to). In pillar 1 the payments are a flat rate payment and are only directed at farmers (not other land managers). The pillar 2 AECS remains

<p>other climate-focused measures must make up 30% of the support paid through the EAFRD.</p> <p>Compensates beneficiaries for all or part of the additional costs and income foregone resulting from the commitments and if necessary transaction costs up to a value of 20 % of the premium paid (30% for groups)</p>	<p>Payments to farmers and other beneficiaries who make voluntary changes to agricultural practise to produce a positive effect on the environment and climate.</p> <p>Goes further than environmental conditionality and is different to the eco-scheme.</p> <p>Period of 5-7 years with potential to be longer if required.</p> <p>Compulsory on national and regional level.</p> <p>Make up 30% of the support paid through the EAFRD.</p> <p>Compensates beneficiaries for all or part of the additional costs and income foregone resulting from the commitments and if necessary transaction costs. In duly justified cases support can be paid as a flat-rate or as a one- off payment per unit.</p> <p>Member States may promote and support collective schemes and result-based payments schemes.</p>	<p>much the same.</p>
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While it was generally agreed that “greening” in its current form was not delivering much for the environment, environmental interests have expressed concerns that its transfer into advanced environmental conditionality leaves the member states too much flexibility and without a strong will to reach environmental objectives, it may deliver even less than greening did (BirdLife 2018). The Commission aims to reduce the potential for failure with several checks and balances by which they can check what the member states are delivering (see Box 2).

Box 2 Safeguards to prevent reduction of environmental commitment

Improved monitoring

The Performance Monitoring and evaluation framework (PMEF) includes additional context, output, result and impact indicators to improve environmental measurement. Additionally payments will be linked to performance (see below). Of specific relevance to GBI are the increased focus placed on landscape features through:

- I.20 Enhanced provision of ecosystem services: share of UAA covered with landscape features
- R.29 Preserving landscape features: Share of agriculture land under commitments for managing landscape features, including hedgerows

Budgetary checks and balances

40% minimum spend on climate action for the whole of the CAP. The “Rio markers”, used when reporting expenditure on climate and environment to the OECD are used. % have been allocated to the different CAP schemes. However some have criticised this approach as the percentages appear to be fairly arbitrary (e.g. 40% of direct support is considered to be “green”).

Minimum 30% of Pillar 2 spend on environmental measures in the EAFRD (AECS, Natura 2000). Areas of Natural Constraint (ANC) are no longer considered to be an environmental scheme by definition so that even though the percentage remains the same, effectively more financing should to go AECM.

No backsliding – expenditure for the environmental and climate objectives of the CAP strategic plan should be greater than in current period. This is understood as meaning that the budget for the eco-scheme and AECM should not be less than greening and AECM currently (Matthews, 2018).

Performance bonus. 5% of allocation for 2027 held back and only paid after a performance review in 2026 showing that the results indicators in AEC have achieved at least 90% of target value.

Improved farm advice and information

The Farm Advisory Service (FAS) is an important part of delivery and the environmental focus is strengthened in the proposals. Additionally, the FAS should be integrated with researchers, farmer organisations and other relevant stakeholders including the already existing Agricultural European Innovation Partnership (EIP-AGRI) to form a Agricultural Knowledge and Innovation Systems (AKIS).

How did member states use flexibility in implementing Pillar 1 greening?

As described above, the main criticism of the Commission proposals from an environmental point of view is that, despite the controls described above, the details of setting environmental aims, baseline assessments, targets and budgets have been left to the member states. It therefore depends on their ambition, or lack of it, and on the respective contexts and strengths of national lobby groups, whether or not an improvement in environmental management is likely. The management bodies on the national and regional level will in most cases remain the same. The question is therefore if they are likely to increase their environmental ambition this time round, ensuring a “race to the top” or whether concerns about lack of competitiveness with European neighbours and “gold-plating” of European regulations are likely to dominate, meaning that the European rules will be interpreted in a minimal form (Robijns and Brunner, 2018).

BIOGEA has compared the choices made in implementing pillar 1 and particularly greening in the present funding period in Bulgaria, Germany and Spain. The project analysis found that the three member states were not overly ambitious in implementing greening. In general they provided farmers with the measures most suitable to their current farming practice and have not made adaptations to encourage uptake of the measures most likely to benefit the environment (landscape features) or to impose strict management requirements necessary for environmental benefits. The question is therefore whether this is likely to change or not for the new CAP proposals.

When will the new CAP come into force?

The Commission proposals are just a first step in a long process of negotiations between the Parliament and Council in order to agree the final shape of the policy. Stakeholders are also highly engaged in the discussions and in lobbying activities to ensure that their interest groups are represented in the new CAP. There are likely to be significant changes made. The Commission’s current timetable foresees agreement on the new regulation on the CAP before the parliamentary elections in spring 2019 and implementation by the member states at the start of 2021. Many parliamentarians have already said that they find the timetable unrealistic and undemocratic and that agreement is only likely to occur under the new parliament.

Figure 2 shows the planned timetable for the new CAP and aligns it with the timetables for evaluation and review of the environmental policies with high relevance to GBI. The reform proposals for the CAP have therefore come too early to be able to react to the findings of evaluation of the GI strategy, biodiversity strategy, water framework directive and climate change adaptation framework. In future, better alignment between the policy review frameworks and timetables would be desirable if the CAP is really to help meet environmental aims.

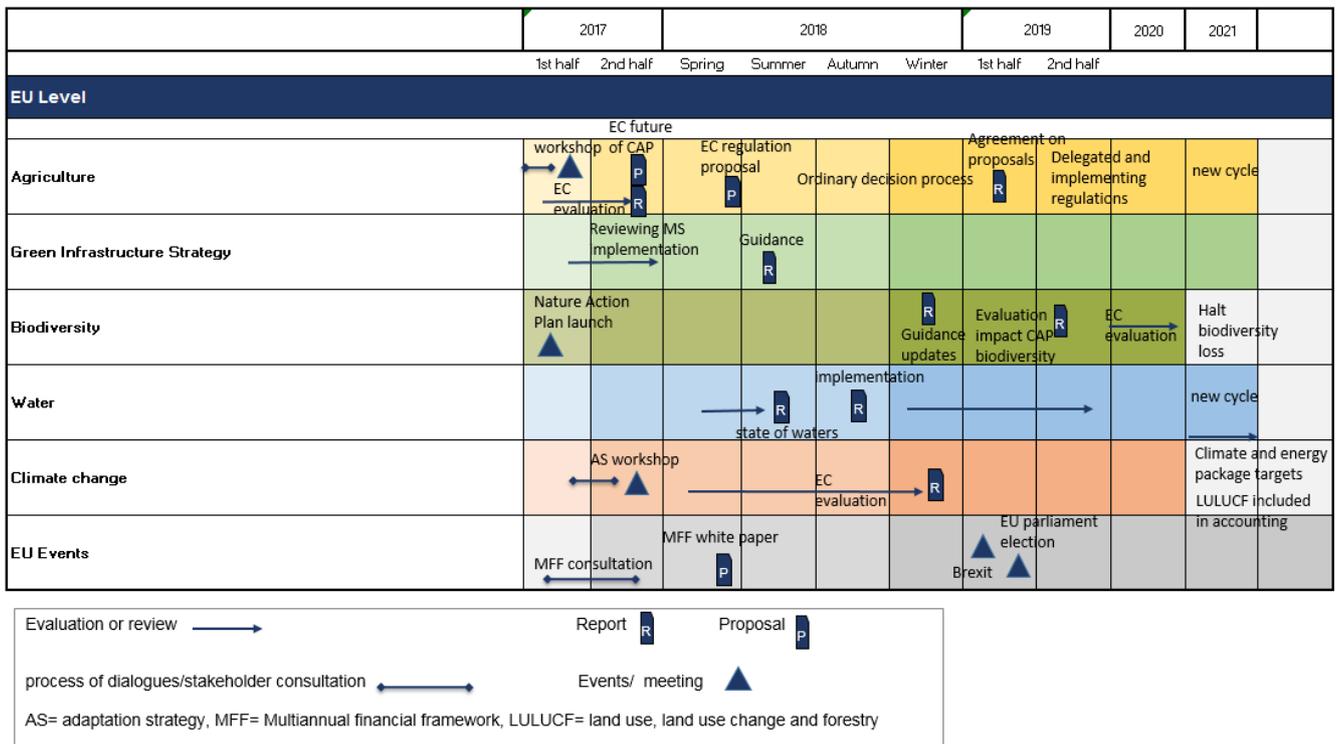


Figure 2. Timetable for policies influencing or reliant on GBI and the key opportunities for engaging with them. Source BIOGEA project.

Next steps for the BIOGEA project

BIOGEA’s analysis has focused on the implementation of “greening” and its impact on GBI. The findings on how member states have used the flexibility available to them in the 2014-2020 CAP, as well as the analysis of uptake and effectiveness of the actual measures can give new insights for implementation choices on the new CAP. It seems unlikely that the decision process between the Parliament and Council will reduce the flexibility given to the member states. The most important aspects will therefore remain the checks and balances to ensure that objectives are delivered and the choices made by the member states themselves. In order to address these issues further, BIOGEA will:

- 🌍 Compare implementation of “greening” measures and their impact on GBI features on the ground in 3 MS in Germany, Bulgaria and Spain through policy and biodiversity fieldwork
- 🌍 Develop and test indicators to measure GBI features and to model their impact on environmental benefits in the agricultural landscape;
- 🌍 Engage/discuss/ develop tools to support regional advisors, agencies, farmers for enhancement of GBI and related biodiversity and ES provision
- 🌍 Follow up CAP reform process and other EU policies and inform the debate with targeted briefings from biogea results

Further reading

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BIOGEA Project

This briefing is a product of the project Testing BIOdiversity Gain of European Agriculture with CAP greening (BIOGEA) which is supported by the BiodivERsA funding programme. It researches the impact of land use change on Green and Blue Infrastructure (GBI) in the agricultural landscape. The impacts of policy on GBI and GBI on biodiversity and ES are examined through policy analysis on the EU and national level and biological monitoring and modelling in six case study areas in 3 Member States (Germany, Spain and Bulgaria) chosen to represent intensive and extensive landscapes in different biogeographic regions. Project outputs will include advisory tools and policy recommendations for the CAP reform.

Partners: adelphi research gGmbH (coordinator), Institut für Agraökologie und Biodiversität (IFAB), National Museum of Natural Sciences (CSIC), Universidad de Extremadura (UNEX), University of National and World Economy (UNWE)

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