Is the CAP Fit for Purpose?

An evidence-based Fitness Check assessment

Part I: Environment

Guy Pe'er[1,2,3], Sebastian Lakner, Robert Müller, Gioele Passoni, Vasileios Bontzorlos, Dagmar Clough, Francisco Moreira, Clémentine Azam, Jurij Berger, Peter Bezak, Aletta Bonn, Bernd Hansjürgens, Lars Hartmann, Janina Kleemann, Angela Lomba, Amanda Sahrbacher, Stefan Schindler, Christian Schleyer, Jenny Schmidt, Stefan Schüler, Clélia Sirami, Marie von Meyer-Höfer, Yves Zinngrebe

1) German Centre for Integrative Biodiversity Research (iDiv) Halle-Jena-Leipzig; 2) UFZ – Helmholtz Centre for Environmental Research (Depts. Economics / Ecosystem Services); 3) University of Leipzig

BirdLife INTERNATIONAL EUROPE AND CENTRAL ASIA

EEB European Environmental Bureau

NABU

S&D Group of the Progressive Alliance of Socialists & Democrats in the European Parliament

The Greens | European Free Alliance in the European Parliament

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The CAP in a nutshell

38% of the EU's budget (circa €60 bn/yr)
50% of EU's terrestrial area
Many reforms over time
2 Pillars

Objectives 1957 → Treaty of Lisbon 2009:

1. Increase agricultural **productivity**
2. Thus ensure a fair **standard of living** for the agricultural community
3. **Stabilise markets**
4. Assure the **availability of supplies**
5. Ensure that supplies reach consumers at **reasonable prices**.

New objectives 2010:

6. Viable food production
7. Sustainable management of natural resources and climate action
8. Balanced territorial development

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Necessity of this assessment

Toward the CAP post-2020:

- Intense negotiations, politicial pressures

Ongoing processes include…

- Public consultation
- Workshops and consultations
- Anticipated EC communication
- Impact assessment

But no systematic, evidence-based evaluation

→ Needed for a more informed decision-making process

Fitness Checks: state of the art in EU policy evaluation

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Objectives of this assessment:

Fill a gap in policy assessment by an independent Fitness Check

1. Compile a knowledge-base

2. Assess the CAP's impacts on our society, economy and the environment

3. Assess whether the CAP is Fit for Purpose against
   a) its own objectives
   b) the UN's Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

Icon source: UN SDGs website

Fitness criteria

- **Effectiveness:** Have the objectives been achieved? Which significant factor contributed to or inhibited progress towards meeting the objectives?
- **Efficiency:** Are the costs reasonable and in proportion to the benefits achieved? Also considering other, comparable mechanisms?
- **Internal Coherence:** Do the CAP instruments agree or conflict each other in terms of objectives, institutions and/or implementation?
- **External Coherence:** Do other policies agree or conflict with the CAP in terms of objectives, institutions and/or implementation?
- **Relevance:** Is the CAP relevant to the challenges as perceived by EU citizens, farmers and policy makers? Is it using (and supporting) the most updated criteria, tools and knowledge?
- **EU Added Value:** Does the CAP address challenges better than national-, regional- or local-level solutions?

Method:
Rapid scoping and evidence-assessment

Desk study January-November 2017

- **Scoping**: scoping committee, working protocol, inclusion criteria, database design
- **Evidence gathering:** literature screening & call for evidence
- **Data extraction**
- **Preliminary analysis and presentation (11.5.2017)**
- **Quality control:** database expansion and further review
- **Analyses**
- **Report-writing and review**

Publications covered:
- *Publications after 2006*
- *Direct evaluation of the CAP*
- *Offer explicit evidence*

Analyses
- *Assess overall trends*
- *Direct vs indirect effects*
- *Additional analyses*

(Eurostat, FADN, Eurobarometer, Public Consultation etc.)
- *Scoring of overall outcomes*

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Topics assesseed - Environment

(Land-use change, farm structure and management)

Soil and water

Climate

Biodiversity and Ecosystem Services

Sustainable Farming Systems (Organic Farming)

Animal Welfare

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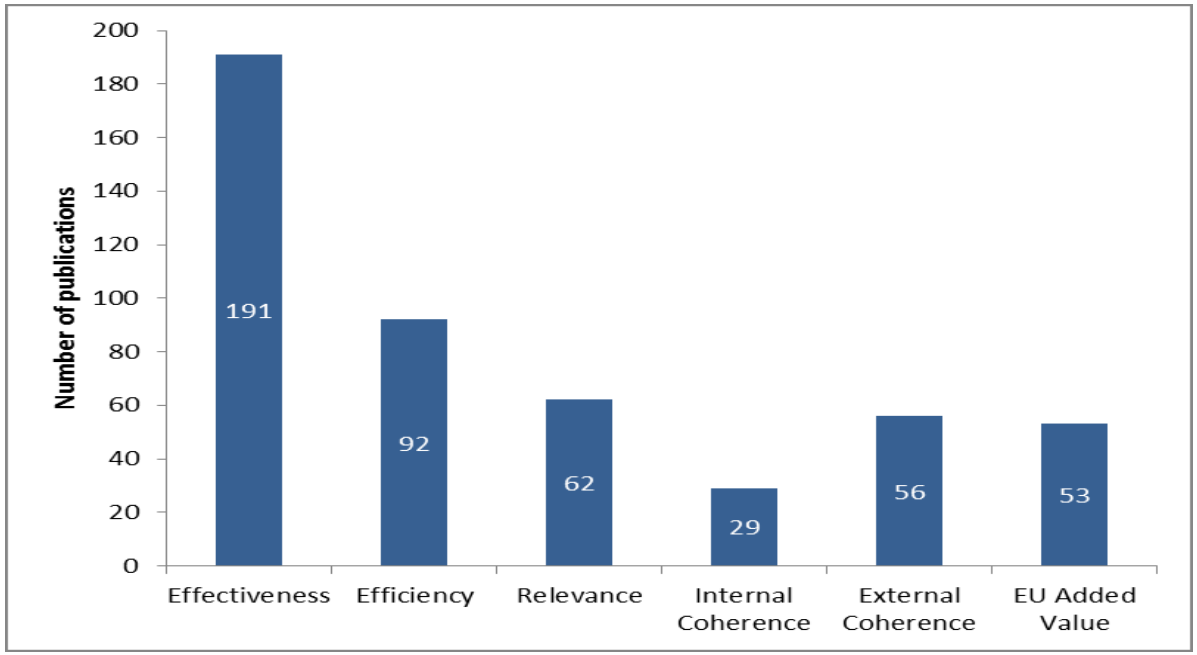
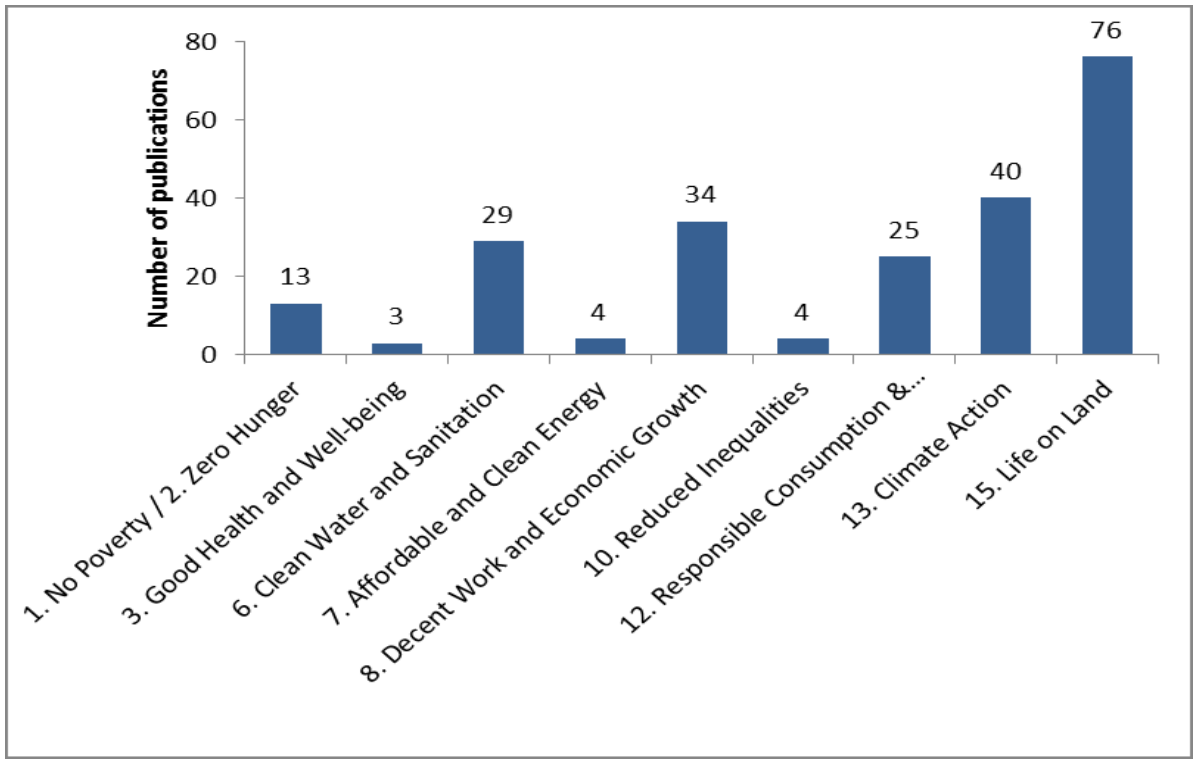
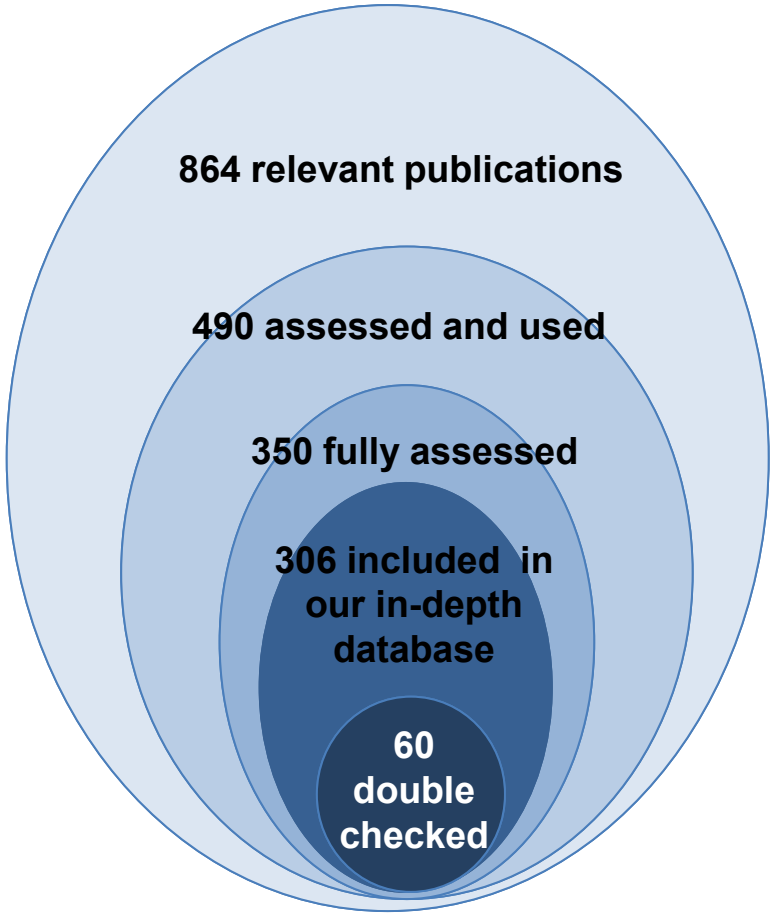
Knowledge base







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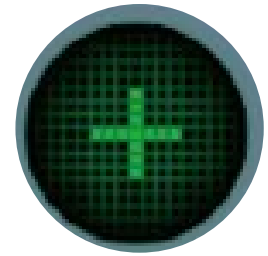
Effectiveness: Biodiversity and ecosystem services

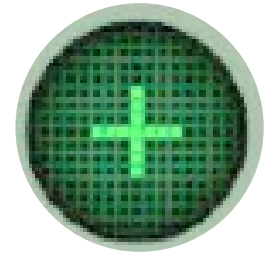
AECM are effective

- If well …
  - targeted
  - designed
  - implemented

BUT effectiveness is limited by

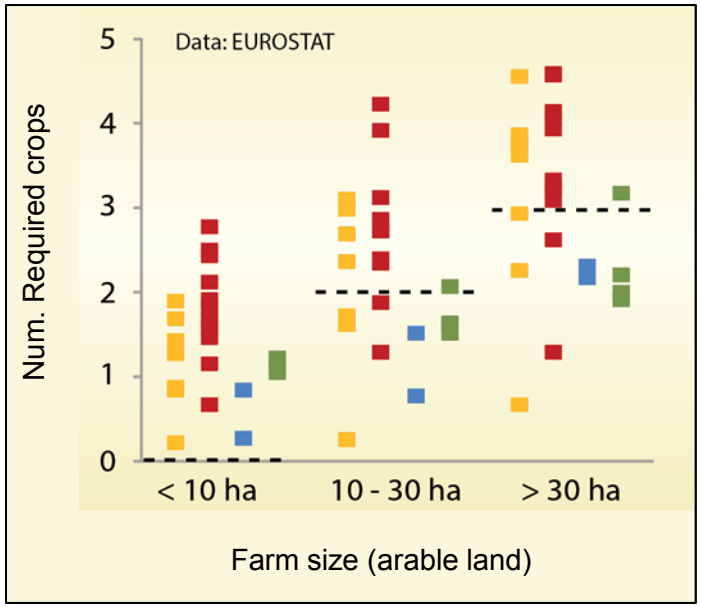
- Low uptake
- Often poor design and implementation
- Limited extent
- Lack of landscape-level actions



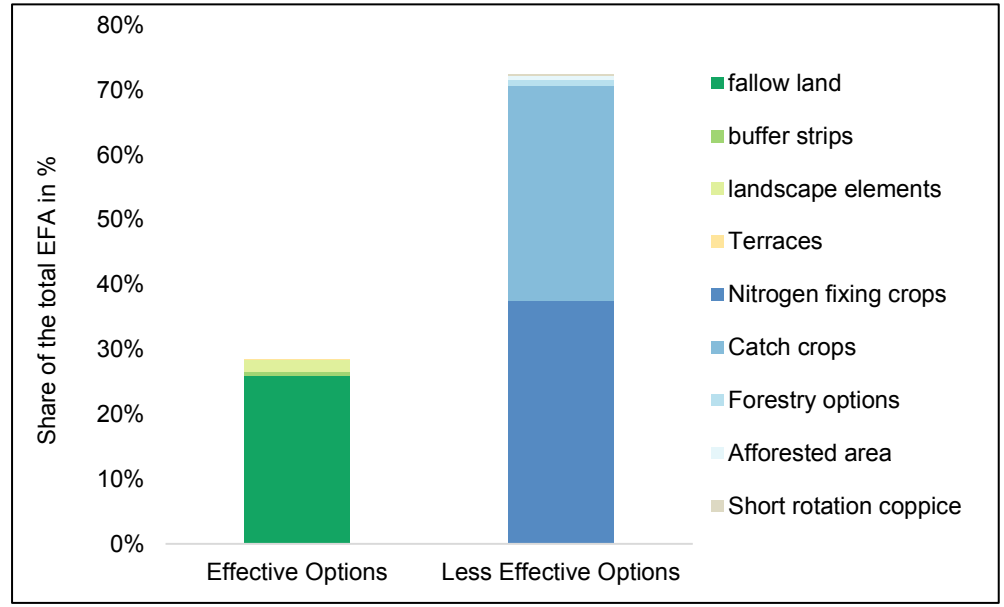


Greening has limited effectiveness

- Broad exemptions
- Low requirements (e.g. crop diversification)
- Options with little or no benefits for biodiversity take 75% of EFA area
- Lack of management requirements (e.g. grassland quality)



Source: Pe'er et al. 2014



Source: based on Hart 2015, EC 2016, Pe'er et al. 2017

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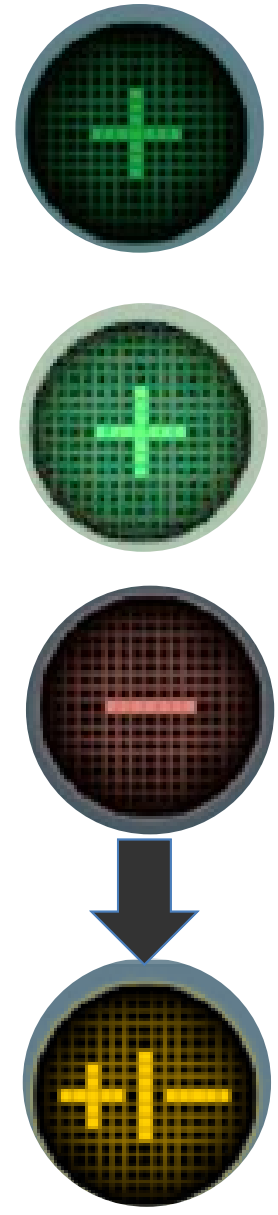

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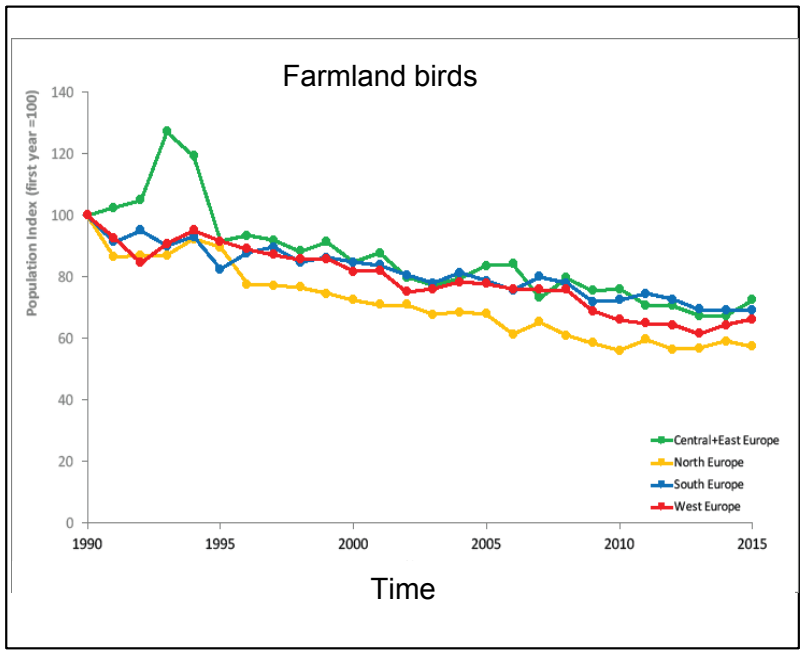
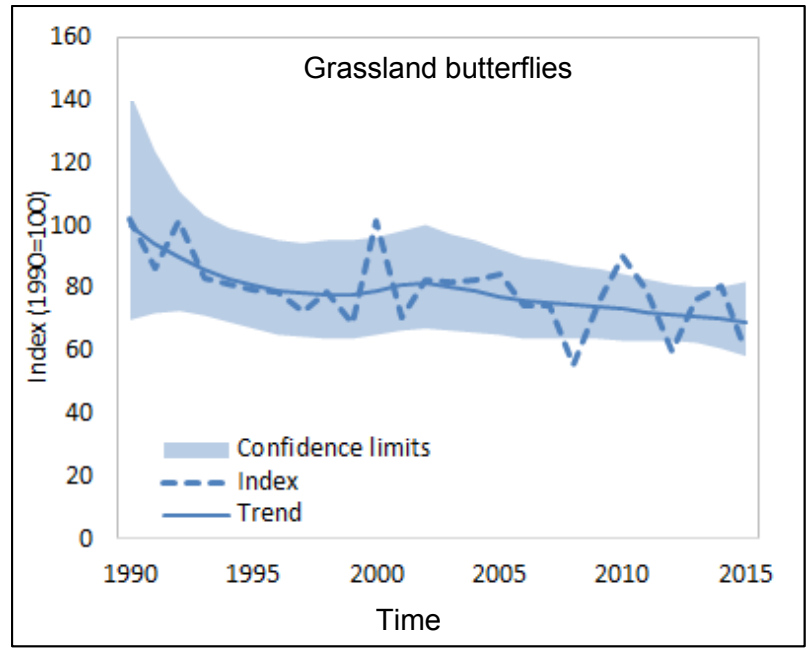
Overall: declining trends continue

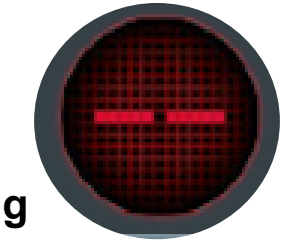


Source: EBCC / RSPB / BirdLife international / Statistics Netherlands



Source: Butterfly Conservation Europe / Statistics Netherlands

Effectiveness: Climate



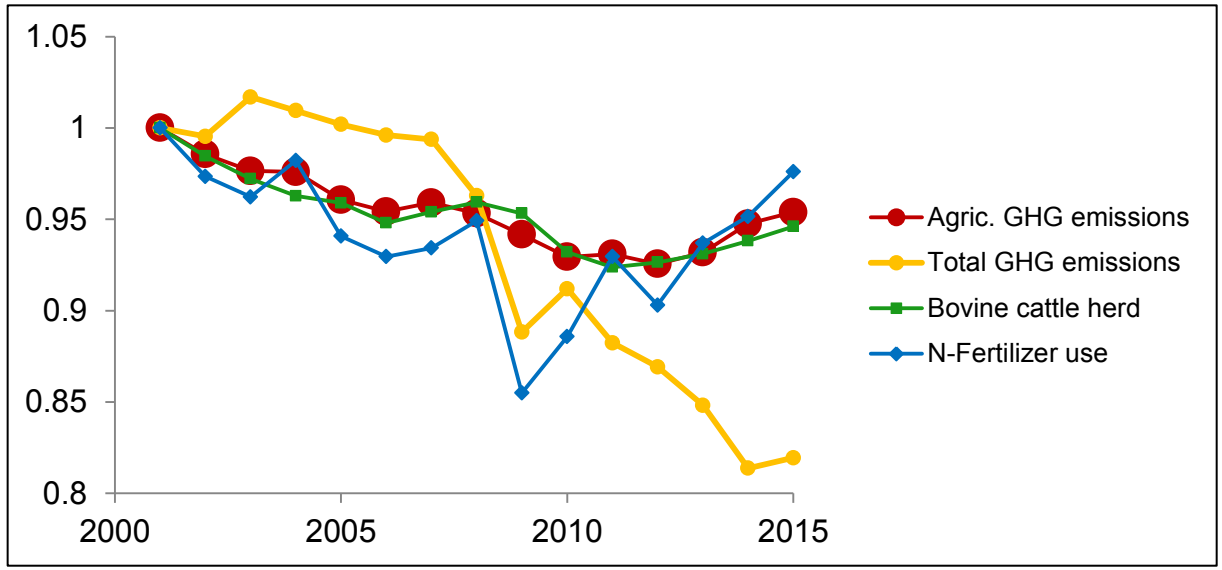
Overall GHG emissions declining, **agricultural emissions stable and now increasing**

No visible effect of climate action.

GHG from livestock production (2/3 of emissions) and export of land-use changes not addressed

Marginal effects of AECM and greening (e.g. N-fixing crops)

Reporting to UNFCCC (category „agriculture“) covers only 50% emissions



Source: own elaboration based on Eurostat 2017

Insufficient action and no dedicated instruments to tackle main emissions

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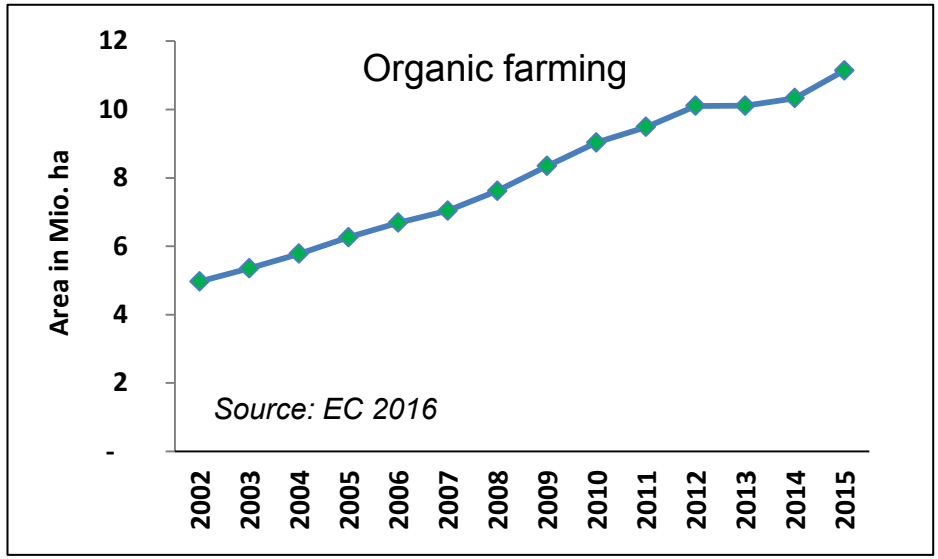
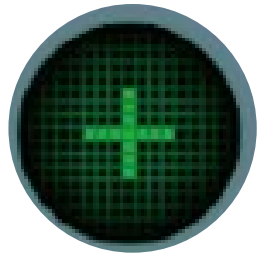
Effectiveness: sustainable farming systems

Organic farming (5.4%)

- CAP supports expansion
- Relatively clear regulations
- Coupled with labelling
- Growing market





AECM (but no market related)

Poor support for High Nature Value (HNV) farming systems

Larger share supporting unsustainable farming / intensification

Over-proportional support for animal products

Overall: Mixed at best

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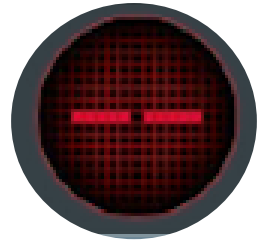
Efficiency (environment)



Least effective measures receive highest support

Effectivness

Policy measure	Area (in Mio. ha)	Public funds (in Mio. EUR)	Relation funds to area (EUR/ha)
Greening: Ecological Focus Area (EFA)	8.00	12,638.21	**789.89**
Agri-Environmental Measures (AECM) (Including areas and payments for organic farming, but without payment for areas with natural constraints)	13.15	3,250.92	**247.17**
Natura 2000 (Grassland area in SCI reported as by the EU commission)	11.65	290.00	**24.89**

Budget

Source: Own calculations based on EC data (2015, 2017b) & Eurostat (2010). For details see the full report

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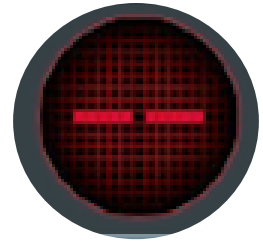
Efficiency (environment)



AECM post 2013: Higher requirements, lower budget*

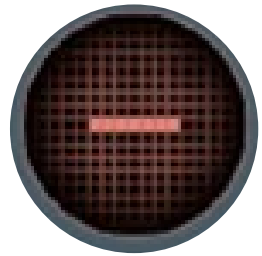
Funding	RDP 2007-2013[1]		RDP 2014-2020		Change	
	Spending (in bn. EUR)	Share (in %)	Spending (in bn. EUR)	Share (in %)	Spending (in bn. EUR)	Share (in %)
Sum Rural Development Programmes	22,115		22,228		+ 0.113	+ 0.51%
Agri-environmental & Climate Measures [2]	5,375	24.3%	4,915	22.1%	**- 0.461**	**- 8.57%**

Other sources of inefficiency:

- Competition between DP and AECM (→ same money, less requirements)
- Some targets can be achieved through regulations with far lower costs
- Administrative burdens (→ low uptake, less effective options)
- Lack of spatial design (scattered investments) → Cancelling of (potential) benefits

*** Source:** Own calculation; Data 2007-2013 are from EU Commission 2010; Data 2014-2020 are from country sheets for the RDP 2014-2020. RDP-figures are including co-financing by member states and technical assistance. Budget increases of the Mid-term-review-reform 2009 are not included. Figures are not deflated. Therefore, this decrease is a 'conservative estimate'. Figures for AECM include payments for organic farming but no LFA (now "areas facing natural or other specific constraints").

Internal coherence



Some complementarity between mechanisms (DP, AECM, CC, greening)

BUT:
Conflicting objectives and interests: Production vs. Env. protection

Too many instruments:
Internal conflicts in budget and implementation (e.g. Greening / AECM)
Example: Areas with Nature Constraints versus AECM

Implementation:
- Excessive flexibility of MSs
- Limited compliance (e.g. CC)
- Insufficient indicators to reveal trade-offs

Potential for bottom-up integration largely unfulfilled

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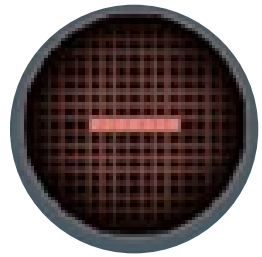
External coherence:



Potential synergies with Nitrate- and Water-Framework Directives

Conflicts with conservation policies (CBD, Nature Directives)

Failure to address GHG sources (UNFCCC)

Relevance:

2010 priority is relevant and not yet acheived

Indicators improved but remain insufficient

Monitoring insufficient

Poor knowledge uptake

Public interests not met by budgets

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EU Added Value

Positive effects by standards and regulations across the EU, for example:

- **Market integration, balanced territorial development**
- **GAEC criteria under CC reducing soil erosion**
- **CC with nitrates directive reducing pollution**
- **Financial mechanisms to support e.g. AECM**

BUT Weakened by

- **Insufficient adaptation to new MS conditions**
- **Low requirements and over-simplistic regulations (e.g. crop rotation)**
- **Administrative burdens**

Overall tendency of higher MS flexibility reducing commonality and EU added value

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Key lessons - Environment

1. **CAP has marginal effects on land-use changes, farm structure and management**
2. **Environmental degradation continues**
3. **Breadth of knowledge and experience**, insufficiently used
4. **Administrative burdens represent important barriers to success**
5. **Indicators and monitoring remain weak and incomplete**
6. **Flexibility is needed to help adapt to local conditions or water down objectives**
7. **The insurance value of ecosystems is insufficiently acknowledged and supported**

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Thank you for your attention

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Additional members of the scoping committee Tim Benton, Lynn Dicks, Kaley Hart, Jennifer Hauck, Felix Herzog, and William Sutherland.
External reviewers of this report: Alan Matthews, Rainer Oppermann, Stephan von Cramon-Taubadel and Irina Herzon.

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Contact:

Guy.peer@ufz.de

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