

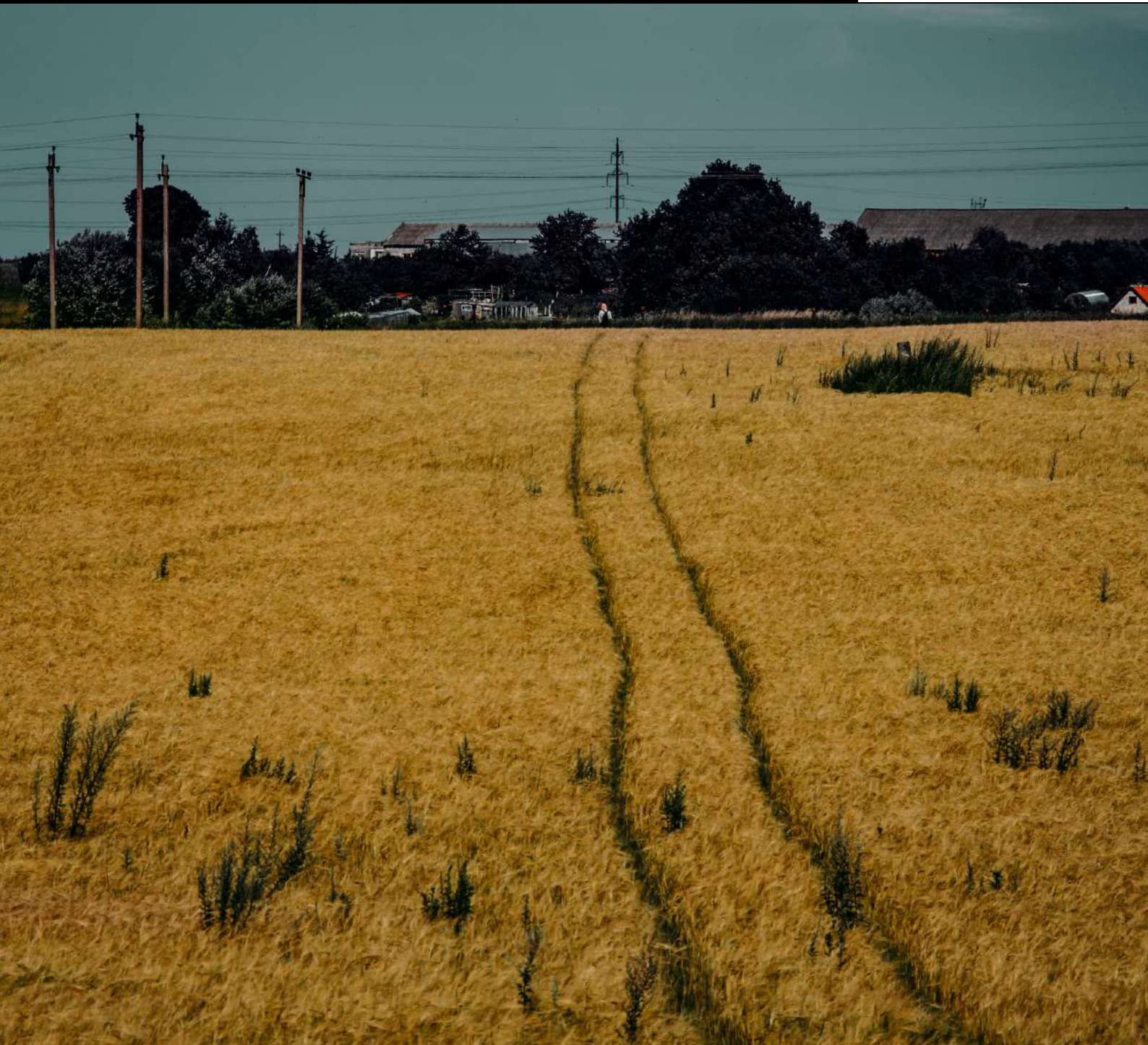
Does the new CAP measure up?

NGOs assessment against 10 tests for a
Green Deal-compatible EU Farming Policy


BirdLife
INTERNATIONAL
EUROPE AND CENTRAL ASIA

 **EEB**
European
Environmental
Bureau

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Introduction

On 25th June 2021, European negotiators came to an agreement on the reform of the 2023-2027 Common Agricultural Policy (CAP). Just as in the previous CAP reform, the outcome was hailed by the [Agriculture Commissioner](#) as “one of the most ambitious CAP reforms in history”, while the [Council's Portuguese Presidency](#) team declared it paved “the way for a simpler, fairer and greener CAP that will provide a sustainable future for EU farmers and citizens”. In contrast, environmental NGOs unanimously criticised the deal, calling it “a [free-for-all](#) dressed up as system change”, “[greenwashing](#)”, and a “[monumental failure](#) of political leadership”. So, looking behind slogans and headlines, does the new EU Farm Policy measure up to the challenges facing agriculture in this crucial

decade for action on the climate and biodiversity crises? In this report, the EEB, BirdLife, and Greenpeace unpick the most important features of the new CAP and assess whether the content and governance of this new policy match up to [10 Tests for a Green Deal-compatible EU Farm Policy](#). With 8 tests ranking red and 2 ranking orange, the analysis is overwhelmingly negative. The EU framework for the new CAP is strikingly similar to the previous CAP which failed to deliver environmental improvements. As such, it does not provide the guarantees and safeguards that would bring this policy in line with the EU Green Deal, as it leaves Member States free to design national CAP Strategic Plans that largely maintain the status quo.

For questions or comments, please contact:


**Célia Nyssens, Policy Officer for Agriculture,
European Environmental Bureau**
celia.nyssens@eeb.org

**Harriet Bradley, Senior Policy Officer for Agriculture,
BirdLife Europe and Central Asia**
harriet.bradley@birdlife.org

**Marco Contiero, EU Policy Director on Agriculture,
Greenpeace European Unit**
marco.contiero@greenpeace.org


1. Protection of carbon sinks

Agricultural soils are a net source of CO₂ emissions, representing around 5% of the EU's total GHG emissions. This is mainly due to farming on drained carbon-rich peatlands and the conversion of grasslands to cropland, which release the carbon stored in those soils. Ending these emissions is the lowest hanging fruit of climate action in agriculture.

What's needed	What's in the final deal	Rating
The CAP must give peatlands and grasslands strict protection, as well as support farmers to adopt climate-friendly practices such as paludiculture (farming on wet peatlands) and agroforestry.	Farmers will continue to receive CAP subsidies even if they plough up as much as 5% of grasslands or farm on drained peatlands. The new rule on the protection of peatlands by 2025 does not guarantee any real improvement as it does not require rewetting. Even grasslands in natural reserves are only partially protected from harmful practices. Agroforestry and paludiculture will be eligible for some subsidies, but Member States are not obliged to promote these sustainable practices.	


2. Space for nature on every farm

The intensification of agriculture and the loss of landscape diversity (hedges and trees, flower strips, ponds, etc) are driving many farmland species to the brink of extinction. The CAP has contributed to these changes by inciting farmers to use every inch of land productively in order to maximise their subsidies.

What's needed	What's in the final deal	Rating
Every farm must contribute to the Biodiversity Strategy's target to bring 10% of farmland under "high-diversity landscape features", which is the minimum needed to support wildlife on farmland. Member States must be required to deliver this target through their national CAP Strategic Plan.	Farmers will only be required to dedicate 3-4% of their arable land to wildlife habitats, with exemptions for small farms, farms in highly forested areas, and all non-arable land – nearly half of the EU's agricultural area. This could make a marginal difference in some arable areas, but nowhere near enough to stem the loss of farmland biodiversity. EU countries are not required to progress towards the 10% Biodiversity Strategy target during the implementation of the CAP.	


3. Funding for nature and climate-friendly farming

The lion's share of CAP subsidies is spent as no-strings-attached "income support" payments per hectare of land, which favour the largest farms, with the [20% biggest CAP beneficiaries getting 80% of the money](#), no matter their environmental performance or their current farm income. This public money should instead be used to support farmers to transition to more sustainable and resilient farming.

What's needed	What's in the final deal	Rating
Shift money from direct payments, to support and incentivise farmers to take up more nature- and climate-friendly practices. Green funds must pay for real environmental improvements and support valuable models such as organic or high nature value farming.	Direct payments remain. Nominally, 25% of Pillar 1 and 35% of Pillar 2 funds are earmarked for environmental measures, but flexibility mechanisms and the inclusion of non-environmental (and potentially harmful) payments, such as for animal welfare and 'areas with natural constraints', mean this will be lower in reality. There is no fixed budget for biodiversity measures, which are needed to deliver more targeted support for threatened species and habitats. The quality of green spending is far from assured, as vague rules leave EU countries free to design ineffective schemes. Environmental improvements will therefore be dependent on strong oversight from the Commission on Member States' proposed measures.	

4. Integration of Green Deal targets


The agriculture sector is critical to the achievement of several Green Deal objectives, from halting biodiversity loss, to achieving 'zero pollution' and climate neutrality; and specific targets for the agriculture sector were set in the Farm to Fork Strategy. The CAP is the single most important funding programme to deliver on these objectives, but this will only happen if legal mechanisms oblige EU countries to act.

What's needed	What's in the final deal	Rating
The new CAP must include legally-binding, time-bound and measurable environmental targets, as stressed by countless experts and the European Court of Auditors . CAP national Plans must be required to contribute to the Farm to Fork and Biodiversity Strategies' targets on pesticides, fertilisers, antimicrobials, organic farming, and landscape features.	The CAP is based on vague objectives and lacks quantitative EU targets or any obligation on governments to set meaningful targets at national level. The only references to the agriculture-related Green Deal targets in the CAP are vague and, most importantly, non-binding, so EU countries are free to ignore them and the Commission will not be able to reject national Plans if they lack the needed ambition to deliver on the Green Deal objectives. The CAP does not even require EU countries to boost organic farming.	

Does the new CAP measure up?


5. No funding for harmful monocultures

Currently, “income support” subsidies are [skewed](#) towards the regions with higher farm incomes and agricultural greenhouse gas emissions, essentially subsidising harmful monocultures rather than quality rural jobs. The environmental rules attached to these subsidies have so far done very little to limit the environmental harm done by intensive farming.

What's needed	What's in the final deal	Rating
The new CAP must initiate a phase out of unfair and unsustainable subsidies. While these subsidies persist, the ‘do no harm’ principle must be strongly enforced through strict conditions attached to CAP payments for all beneficiaries.	The majority of CAP funds will continue to be spent as business-as-usual subsidies. Support to harmful monocultures, most of which dedicated to producing animal feed, will continue, as the rules tied to subsidies are so weak and full of loopholes and exemptions that they will be effectively meaningless. Crop rotation, integrated pesticides management and nutrients management are not required. Harmful subsidies will continue; e.g. support for investments in unsustainable irrigation or for heavy machinery which can cause soil compaction.	


6. No funding for intensive livestock farming

The Farm to Fork Strategy recognises the need to “reduce the environmental and climate impact of animal production”. Ensuring that no public money funds environmentally-harmful intensive livestock farming or feed production is a non-negotiable first step in that direction.

What's needed	What's in the final deal	Rating
CAP subsidies for livestock farms must come with strict environmental strings attached, including a maximum livestock density in line with the local environment's carrying capacity.	Harmful CAP subsidies to intensive livestock farming will continue through ‘coupled payments’ (currently around €3bn per year going to livestock production) and investment support (such as livestock stables) with no adequate environmental safeguards. Eco-schemes and Pillar 2 schemes to improve animal welfare could also become hidden subsidies for intensive livestock farms.	


7. No greenwashing

25% of the 2021-2027 EU budget is supposed to be “climate spending”, including 40% of the CAP budget. However, the methodology for how subsidies are labelled as “climate spending” has so far been a mere accounting trick allowing to continue business as usual CAP subsidies. This has been strongly criticised by [Auditors](#), the [European Parliament’s Budget Committee](#), and [policy experts](#). Despite the EU’s claims that €100bn went to “climate spending” under the current CAP, agricultural emissions have remained [constant](#).

What’s needed	What’s in the final deal	Rating
A robust, evidence-based climate tracking methodology, so that every euro of the 40% “climate spending” commitment delivers actual emissions reductions.	The flawed methodology, counting 40% of income support subsidies and 100% of environmental subsidies (even if not related to climate mitigation or adaptation) as “climate spending”, is maintained. This means the CAP will automatically meet the 40% “climate spending” target, without EU countries having to increase funds for genuine climate action. The methodology may be revised, but only in 2026, if at all.	


8. Accountability

The new CAP gives substantial flexibility to EU countries in how they can design policy interventions to deliver on the CAP’s social, economic, and environmental objectives. This can allow them to be much more targeted and effective, or to keep green ambitions low, or even to [serve political interests](#).

What’s needed	What’s in the final deal	Rating
A robust performance and governance framework is critically important. This must include a requirement for Member States to set targets and report regularly on progress against rigorous indicators. The Commission must have the powers to ensure CAP Strategic Plans are coherent with EU environmental law, and to penalise Member States if they clearly under-deliver.	The CAP’s “performance framework” is deeply flawed. Targets and reporting are not related to actual environmental impacts, but to the level of uptake of schemes. There is no mechanism to penalise countries if their CAP Plan does not deliver on EU environmental objectives. The Commission’s powers in approving national Plans are very restricted, as it can only assess CAP strategic plans against the general principles of EU law and vague CAP objectives, within a very tight timeframe. This will make it extremely difficult for the Commission to reject CAP plans that fall short on environmental and climate commitments.	


9. Public participation

Active participation of environmental experts and citizens with decisions on CAP spending is central to improving its environmental performance and public accountability. Environmental NGOs must be fully involved in the design of CAP plans, both in order to contribute their ecological expertise and also to bring citizens' concerns to policy-makers. It is therefore crucial that the right structures are in place to facilitate their participation in policy-making.

What's needed	What's in the final deal	Rating
The CAP must include strong provisions for the involvement of civil society representatives, including environmental stakeholders, in the design of national CAP Strategic Plans.	The current code of conduct on the consultation of civil society organisations will remain applicable, which sets guidelines for basic public participation. However, the Commission will not review the details of public consultation processes when approving CAP Strategic Plans, which is a missed opportunity to hold EU countries accountable for poor public participation practices.	

10. Transparency

CAP subsidies are public funds paid for by European taxpayers, and land is our most precious common heritage, so it is paramount that citizens can have information about the content of public policies on agriculture, but also about how they are made. Access to information about policy-making is a right and a prerequisite for public participation and for decisions on CAP spending to be made in the public interest.

What's needed	What's in the final deal	Rating
Extended transparency of the decision-making process must be the norm for all discussions on the CAP. National CAP plans should be published before they are approved. The public must also be given full, intelligible and timely information about policy implementation.	No requirement for transparency for Member States' draft CAP plans or the Commission's 'observations' in the approval process. While final plans will of course have to be published by Governments, the European Commission is not required to translate them to English and publish them on its website.	



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