



Evaluation carried out by:

-Alliance Environnement-
European Economic Interest Grouping

in collaboration with:

The Thünen Institute



EVALUATION OF THE CAP GREENING MEASURES

What are the greening measures?

The 2013 CAP reform introduced a payment for a compulsory set of 'greening measures', accounting for 30% of the direct payments budget. These measures are intended to enable the CAP to be more effective in delivering its environmental and climate objectives and to ensure the long-term sustainability of EU agriculture.

The greening measures comprise:

- **Crop diversification** – the cultivation of a minimum of two or three crops on arable land above certain size limits (to improve soil quality primarily);
- **Maintenance of permanent grassland** – to limit declines in the ratio of permanent grassland to total agricultural area to less than 5%, as well as to designate the most environmentally sensitive permanent grasslands (ESPG) and protect them from ploughing (to support carbon sequestration, support species and habitats of biodiversity value, protect against soil erosion and protect soil quality); and
- **Ecological Focus Areas (EFA)** – to manage at least 5% of the arable land of farms with more than 15 hectares of arable land as an EFA, comprising a combination of management practices or landscape features as set out in the regulation and applied by Member States (to safeguard and improve biodiversity on farms primarily).

Each measure has a suite of requirements and rules determining the area of land on the holding to which the obligations apply and the detailed rules pertaining to the implementation of each measure. Equivalent practices that are similar to greening and that yield an equivalent or higher level of benefit for the climate and the environment can also be put in place.

All land in receipt of CAP Pillar 1 support receives the payments. However, some land is exempt from the requirements, for example those participating in the Small Farmers Scheme. Organic farmers are considered 'green by definition' and do not have to demonstrate compliance with the three greening practices.

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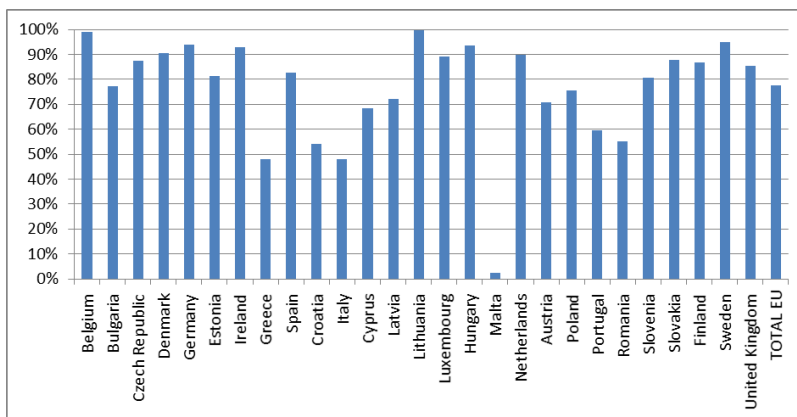
Evaluation Study

In 2017, independent consultants, Alliance Environnement and the Thünen Institute carried out an evaluation of the greening measures under the Direct Payments Regulation, part of Pillar 1 of the Common Agricultural Policy (CAP), for the European Commission (DG AGRI). The study assessed the drivers of Member States' and farmers' implementation choices as well as the effects of the measures on farming practices and production, their effectiveness in relation to environmental and climate objectives, their efficiency, coherence, relevance and EU added value.

The evaluation was carried out after only two years of implementation of the greening measures, looking at the effects of the greening measures compared with the situation in 2014. While data on uptake were available, a comparison to what was happening on the farm before the measures were introduced was not always possible. It was also too early to see evidence of actual environmental impacts and for this reason the findings on environmental effects are based on peer-reviewed literature on the effects of farming practices associated with the CAP greening measures on biodiversity, water, soils and climate. The study team sourced information on public and private administrative costs associated with the measures directly from Member States. Ten case studies were carried out in Austria, Czech Republic, France, Germany, Latvia, the Netherlands, Poland, Romania, Spain and the United Kingdom to draw on national information and talking with a range of stakeholders, including farmers, farm advisers, environmental NGOs, government officials and researchers.

Facts and figures

- In 2016, holdings subject to one or more greening measure covered 78% of all utilised agricultural area. There are significant differences between Member States (source: Member State monitoring data):



Crop diversification:

- In 2016, 75% of arable land is subject to the crop diversification measure.

EFA:

- In 2016, 68% of arable land is subject to the EFA measure.
- The physical area managed as EFA was 8.5 million ha in 2016 (14% of arable land).

Maintenance of permanent grassland:

- The area of permanent grassland subject to the measures is 47.7 million hectares.
- 7.7 million hectares of permanent grassland were designated as environmentally sensitive inside Natura 2000 areas in 2016 (51% of the total inside Natura 2000)
- 0.3 million hectares of permanent grassland were designated as environmentally sensitive outside Natura 2000 areas in 2016, in only five Member States (BE-FI, CZ, LV, LU, UK-Wales).

Recommendations for future policy design

To improve the environmental performance of the greening measures, the following should be considered:

1. Member States should be required to justify their implementation choices with reference to environmental needs and priorities and report on progress.
2. Suitable greening practices for permanent crops should be found.
3. The types of EFA permitted and their management rules should be reviewed to ensure they are compatible with delivering environmental outcomes.
4. The ESPG measure should be implemented more widely: all Annex 1 grassland habitats under agricultural use and requiring strict protection under the Birds and Habitats Directives should be designated as ESPG and the designation of ESPG outside Natura 2000 sites should be increased.
5. Greater synergies between the implementation of the greening measures and the agri-environment-climate measure (AECM) should be encouraged.
6. The importance of advisory services must not be underestimated – these should not be limited to the administrative and compliance aspects of greening but focus on their purpose and ways of optimising their environmental and climate effects.

Key findings from the study

The study found that overall the greening measures have led to only small changes in management practices, except in a few specific areas. As a result, their environmental and climate impacts have been limited, making a small contribution towards promoting more sustainable farming practices, although this effect is difficult to quantify and very locally specific. They have had a negligible effect on production or economic viability of farms and the additional administrative costs associated with them have been low. More specifically:

Crop diversification: In the ten case study countries, 89% of arable land already met the requirements of the measure (70%) or was exempt (19%) at the time the measure was introduced. It has increased the diversity of cropping patterns on about 0.8% of arable land in these countries (mostly in Spain) and also has slowed the trend towards monocropping. In particular it has contributed to slowing declines in protein crops and fallow, alongside other measures, such as voluntary coupled support and the EFA measure. Overall environmental benefits are minor due to the small area of land affected. Some benefits for biodiversity are likely in the most intensively managed arable areas, especially where this is dominated by maize or winter wheat. Benefits for soil and water quality and reduced GHG emissions are also likely where cereal crops have been replaced by legumes or fallow.

Ecological Focus Areas (EFAs): The main types of EFA used by farmers in 2016 were N-fixing crops (39%), catch and cover crops (34%) and fallow (24%). The measure has contributed to the expansion of the area under N-fixing crops (alongside voluntary coupled support and the crop diversification measure) and under catch and cover crops (also required under some Nitrate Action Plans). The negative trend in EU fallow area stabilised in 2015 in many of the countries where farmers used land lying fallow under the EFA measure.

All the EFA elements have some potential to deliver environmental and climate benefits, but achieving these depends heavily on how they are managed. The potential benefits for biodiversity are very variable and limited by the absence of appropriate management requirements or conditions (e.g. use of pesticides and fertilisers, location, cutting and harvesting dates). Some positive examples do exist in countries like Spain, Germany, UK-Scotland and Austria. The land lying fallow option has the potential to have the greatest net benefits. Landscape features and multi-annual N-fixing forage crops could also be beneficial if their uptake was increased.



Data related recommendations

IACS* and LPIS** data are an important resource to provide information on what crops have been cultivated each year as well as where landscape features are located, whether grassland has been ploughed or not at the parcel level and what areas of grassland are designated as environmentally sensitive.

This sort of information is essential to be able to track changes in land use and features over time and determine the environmental and climate effects of the measures on the ground. However it was not possible to obtain systematically for this evaluation.

It is proposed therefore that:

1. With the entry into force of the Geo Spatial Aid Application, the necessary additional information should be collected and IACS/LPIS data aggregated (while ensuring the non-personal character of such data), to make them available for analytical purposes;
2. A 'greening' component should be added to the Farm Structure Survey;
3. Indicators related to AECMs and cross-compliance should also be made available in a way to allow for them to be crossed with implementation data on the greening measures in order to provide a better overview of the environmental benefits of the CAP.

* Integrated Administration and Control System

** Land Parcel Information System

Maintaining permanent grasslands: Pressures are already evident on permanent grassland. Twelve countries showed declines in the ratio between 2015 and 2016 of which four appear to be over the 5% threshold (CY, EE, FR-Haut-de-France, RO). The operation of the rules at the national level in all but four countries is masking changes in permanent grassland more locally. Pre-authorisation systems (only in place in six countries) can act as a disincentive to plough as well as allowing the environmental and climate impacts of proposed grassland removals to be assessed *in situ*.

There are different interpretations of what should be defined as ESPG between countries. Seven Member States have declared all permanent grassland in Natura 2000 sites as ESPG, thereby contributing to the objective of achieving favourable conservation status of these sensitive habitats. However, the environmental benefits of this measure have been limited by the very low proportion of Annex I habitats that have been designated in many other Member States, including those in unfavourable conservation status and some have not considered at all the designation of other habitat types that could qualify as ESPG. The effect of ESPG outside Natura 2000 areas is also very limited, due to the very small area designated and the fact that this accounts for only 2% of Annex I habitats outside the Natura 2000 network.

Drivers influencing implementation: Environmental priorities were not a deciding factor in decisions about how to implement the greening measures for Member States or farmers. The main factors influencing decisions were: ease of implementation on the ground; minimising administrative burden; and avoiding mapping errors and risks of fines.

Far more could be done to improve the performance in using the greening measures in combination with cross-compliance and rural development measures, such as the AECM to address the environmental and climate needs and problems they face in agricultural areas.

Administrative costs: A conservative estimate of the total additional public administration costs associated with the greening measure for Member States is between €27 and €76 million per year, with running costs accounting for 80-90% of these. This is approximately 0.2-0.65% of the value of the budget dedicated to the greening payment. Based on interviews with a small group of farmers, the private costs for farmers appear to be in the range of 3-9 hours per year per farm and largely independent of farm size.

Coherence, relevance and EU added value: The greening measures were found to be generally coherent in their design with other CAP measures to meet the CAP's objectives, although some issues with the eligibility criteria for permanent grassland were identified. They are also generally coherent with the objectives of other environmental and climate legislation and strategies. Although all greening measures had some relevance for addressing specific environmental and climate priorities in Member States, the rules associated with the implementation of the measures often limited this in practice. Finally, having the greening measures defined at EU level does provide added value, mainly by setting higher environmental ambition and a greater financial incentive than would be likely to occur if Member States acted alone.

Want to know more?

For more information about the evaluation study, including an executive summary and the full report, visit DG AGRI's evaluation site at:
https://ec.europa.eu/agriculture/evaluation_en

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