

## **Conference Report – New Rural Development and the Environment: The Hidden Truth**

8 February 2016, European Economic and Social Committee

### **Luca Jahier, EESC**

Mr. Jahier said that it is good to talk about hidden truths but it is also important to examine the opportunities that need to be exploited. We are just at the beginning of the process, so one thing that needs to be addressed is how we can reinforce the opportunities which already exist within the CAP.

### **Pieter de Pous, EEB**

The analysis of current RDPs is important for the discussion regarding the future of the CAP. Other important debates include the future of the EU budget that is under pressure, as well as the abolition of milk quotas and trade agreements such as TTIP and CETA which can have negative impacts on farmers. EEB has analysed the greening and the outcomes show that this part of the policy is not going to deliver. With regard to rural development policy, we are looking at all the environmental challenges this policy is supposed to address. The bottom line is not good again and the timing is right for a fundamental rethink of this policy. The only way to look rationally at the CAP is to do a Fitness Check and see whether it is effective, efficient, relevant, and has an EU added-value.

### **Daniel Calleja Crespo, DG ENVI, European Commission**

Mr. Crespo stressed the importance of analysing the impact of the CAP on the environment and the effects of the measures that are available. According to the [State of Environment](#) report that was published last year, agriculture is one of the main sources of pressure on the environment. Furthermore, the mid-term review of the Biodiversity Strategy shows that ecosystems dependent on agriculture are in a very bad state. However agriculture is not the only factor to blame. Farmers have an important role to play in delivering public goods and some EU farming systems, such as HNV systems are much more beneficial for the environment than others. The EU has the tools to ensure that farming in Europe is sustainable and the implementation of the legislation is crucial as well as its proper enforcement. Cross compliance is supposed to check rules are followed where EU support is given. With regards to financing, in the absence of a big dedicated fund for the environment we have tried to integrate the needs in other EU funds, like in the greening of the CAP where the money for biodiversity is 30 times higher than the budget of LIFE. However there is an issue of flexibility, as some greening measures have been controversial. Nevertheless, some positive examples, such as Ireland and the Netherlands show that the targets can be achieved if there is political will. The Commission needs to focus more on payments by results with support from the MS. It is important to work with all the stakeholders on the implementation of the CAP, simplification and modification of RDPs to ensure that measures that have potential to deliver for the environment are fully taken up and those which pose negative impacts are abandoned.

### **Debate:**

**Ed Bray** asked Mr. Crespo about the concrete steps DG ENVI is doing in view of a better implementation of the CAP and the reform post-2020.

**Daniel Calleja Crespo** responded that it is not just DG ENVI, but work is also being done with DG AGRI to examine the RDPs. It is important to ensure that implementation is in line with the objectives. The MFF review, where performance-based budget and simplification are amongst the main principles, is an opportunity to examine whether the programmes are reaching the results, and if we are going closer to the greening of the CAP.



**Concha Salguero** said that there is a serious problem with permanent pastures payment in Spain, where extensive pastures can't access Pillar 1 or Pillar 2 funding. 80% are wood pastures and they are penalised as they are not deemed eligible. Abandonment of pastoral systems is one of the key concerns for biodiversity.

**Pieter de Pous** said that there is a risk that if we wait for the full implementation, the discussions of budget will be in full swing or over. If we think that there is a case for a different land use policy, the argument has to be made in a much stronger way and without delay.

**Daniel Calleja Crespo** said that we have to do both: work on the implementation but also prepare for the future.

## **Part 2: Greening and Pillar 2 in Motion**

### **Pierre Bascou, DG AGRI, European Commission**

The place of the greening measures within the whole greening architecture of the CAP was reminded, with several instruments combined to achieve the environmental objective: cross-compliance, the greening payments and voluntary RD measures. If greening is not part of the regulatory baseline, it should be taken into account when calculating the premium for RD measures in order to exclude double funding (with specific cases explicated). Greening in Pillar 1 is expected to make the effectiveness of the whole CAP in delivering on environmental objectives stronger: by introducing agricultural practices beneficial for the environment and climate on most of the agricultural land, by raising the level of ambition of AECM in the second pillar and by freeing up some budget in the second pillar for more ambitious AECM of similar nature as greening and/or other measures.



This is supported by the first information on implementation of PI and programmes under PII:

- the first information available from 19 MS on greening implementation, although partial and provisional, show that, contrary to many uninformed claims, around 50% of farmers were subject to at least one greening obligation and around 80% of agricultural land was subject to at least one greening obligation. Furthermore, 80% of arable land was subject to crop diversification (of which more than 80% to the three-crop rule), while 70% of arable land had to subject to EFA obligation. Most EFA seems to be made of fallow land, catch crops and nitrogen fixing crops.

- it was also clarified that the introduction of greening in PI did not affect the level of environmental ambitions of the RDPs: 49% of PII will be allocated to a number of environment-climate measures (far beyond the 30% mandatory target), around 25% of agricultural area are subject to AECM with a higher level of payments than in the previous period (a target area of 42.7 mio ha) and 52% of the budget for PII is programmed under priorities 4 and 5 (linked to environment, resource efficiency, climate).

Therefore, information on implementation provides significant evidence of a reinforcement of the environmental ambition of the CAP (for which the introduction of greening is a significant contribution). Yet, the improvement and development of the performance of the new greening architecture is needed (subject to on-going process of simplification and the greening review in 2016).

### **Kaley Hart, IEEP**

The greening of the CAP was a big and new strategic step. One of the main reasons for it was to free up money for more targeted and ambitious agri- environmental schemes. However, the final regulation gave far greater choice to MSs on how to implement greening than had originally been intended and we see, in the [report](#) that the IEEP did for the EEB, that the final design of the greening measures and the implementation choices made by Member States do not appear to show many signs of delivering significant changes in environmental management across the farmed countryside. In terms of implications for Pillar 2, in about half of MSs, proportionately the budget for

the AECM has decreased as a % of total RDP expenditure for 2014-2020. This may not matter if schemes are better targeted, but there is little evidence so far that this is necessarily the case. There are some examples of improved AEC scheme design, but this does not appear to be a result of greening. As a result, the jury is still out on whether we have a greener policy or not. What does this mean for the future? What does this mean for the future? Firstly, criticising the way in which the greening measures have been implemented is not the same as saying that 'greening Pillar 1' does not have value. Thinking now needs to shift towards how the measures might be revised to work better in practice – changing their content, rules, administration etc – particularly to avoid risk adverse behaviour by Member States fearing disallowance. More strategically, looking ahead to the CAP post 2020, attention needs to turn to how all the policy tools available can be used to best effect to protect, maintain and enhance the environment.

### **Faustine Bas –Defossez, EEB**

For environmental NGOs, Pillar 2 is clearly where the potential for targeted environmental delivery and sustainable management of natural resources is high. Untargeted payments in Pillar 1 and having to clean up the mess in Pillar 2 have led to inefficient spending. That's said Pillar 2 has not always been rosy and we have seen a lot of measures that are just hidden income support without any particular environmental objectives attached to it. At first we were told that greening would help make Pillar 2 deliver better by raising the level of ambition and somehow help us get rid of those measures and get better value for money. This was welcomed as a step in the right direction, but we were quickly proven wrong. This was due to poor consultation in MS, an upside down structure, and the dismantling of greening in Pillar 1. Analysis was needed to determine whether the first indications of implementation are heading in the right direction and if greening has helped improve the overall environmental performance of Pillar 2 or not. Unfortunately the analysis conducted showed that the greening of the CAP is likely to fail for biodiversity and the sustainable management of natural resources- our new analysis of today shows that there was a decrease in environmental spending in Pillar 2 in comparison with the previous programming period and that greening did not help improve the quality of the environmental measures in Pillar 2 either in the 19 regions and MS studied. MS still have the opportunity to make the necessary adjustments to make Pillar 2 work. They can do this by moving money to the right measures and improving quality and monitoring. We need to ask ourselves however if tweaking the existing CAP will be enough, or if we need a completely new policy post 2020. It is crucial for the CAP to have a fitness check in order for us to start asking the fundamental questions around the policy.

**Pierre Bascou** felt that the NGOs' response was not supported by evidence and failed at looking at the overall picture. The numbers show that there is much more land subjected to practices that are beneficial towards the environment. These numbers indicate that there has been improvement. There are some gaps in the system, for example with permanent crops. However, we should not underestimate the potential of the measures that need to be taken. The Commission is open to review the system, in particular with Pillar 1. There are ways to rationalize and simplify things for farmers while reaching environmental objectives. There is current work being done on ways to improve the overall system. DG AGRI believes that the architecture of the CAP is the right direction to take, but is also open to discuss ways to further improve it.

### **Part 3: How is Rural Development Implementation Affecting Biodiversity?**

#### **Trees Robijns, BirdLife Europe – PPT**

BirdLife Europe and the EEB have produced factsheets of 19 MS and regions to find the hidden meaning behind the numbers that the Commission and Member States published relating to the new RDPs. Many official figures are being produced that show environmental improvement, however the feedback from the ground is very different. The main focus of the factsheets was to take a closer look at the effect of the RDPs on biodiversity. The output exists out of both shorter and longer documents done for several MS and based on expert analysis by the EEB and

BL partners. The factsheets were based only on the first version of the RDPs (amendments to over 20 RDPs are not being taken into account). The result of the analysis has left us with some worrying facts. We start from the environmental realities: a massive deterioration of grassland habitats and a decrease in common farmland birds and grassland butterflies. Then the analysis shows us that almost 40% of the budget assigned to ecosystems is going to Area of Natural Constraints (ANC), these are measures without environmental conditions attached. It also shows us that there is a 1 billion Euros decrease in spending for AEM (including organic farming) between the previous and current period at EU level. For the 19 countries and regions we analysed, 14 or 73% had decreased their spending for environmental measure between periods. The analysis also shows that in 79% of the researched cases, the quality of the measures was overstated, and that none of the countries analysed had adequately considered Natura 2000 needs. Recommendations for the RDPs in the future include: a firm and improved baseline for Pillar 2, the CAP being better designed for biodiversity, a genuine system for tracking environmental spending, and proper monitoring of RD schemes' delivery. In conclusion RDPs have presented a few positive examples, but its potential is still not fully realized. MS need to make adjustments to RDPs to go towards high quality measures, and an analysis of the CAP and environmental delivery is urgent.

### **Claudia Olazabal, DG ENVI, European Commission**

To a large extent the integration of environmental protection in the rural development programs is an issue of a change in mentality. Many national authorities still perceive the CAP payments as pure income support for farmers rather than payments for public goods. Confronted with the obligation to earmark 30% of the second pillar funds for environment, many authorities favoured measures to reduce the environmental footprint of certain agricultural practices; While this is indeed positive, measures meant for biodiversity protection which require actively promoting species and habitats is often out of their comfort zones, which is why it is essential to build a strong cooperation between them and experts, NGOs and other stakeholders. The measure for Areas of Natural Constraints was very difficult to negotiate. Indeed, in some countries it was allocated enormous funds. While it is undoubtedly beneficial for biodiversity in some remote areas, it seemed too often designed to be an income support measure with little or no environmental added value, while it counted for the 30% environmental earmarking. It was striking that measure 12 for compensation for Natura 2000 and Water Framework Directive (WFD) measures was very little used and only received 1.3% of the budget. It is worth noting that the differences in choices between Member States are very wide even on the basis of a common legal framework. While there are unquestionably some improvements in the environmental integration, the full potential of this policy to deliver for the environment has not been exploited yet.

### **Cecile Fevre, MEDDE**

In France, difficulties were experienced during the first stages of rural development implementation due to delays in the approval process, decentralisation, and management. It is therefore difficult to measure how implementation affects biodiversity. However, assumptions can be made at this stage from information such as provisional funding for environmental measures, feedback from local authorities, and the overview of regional intervention logic. Reports on the European Biodiversity Strategy show that agriculture is one of the main causes of biodiversity loss and habitat degradation. This can be seen in the steep decline of farmland birds as well as issues with pasture preservation in Northern and Southern parts of France. In contrast, regarding the conservation status of habitats, 34% and 16% of pasture habitats and wetlands are in good shape. CAP expenditure and especially rural development tools are a major catalyst to foster sustainable farming development. Expectations are high for the contribution of rural development tools to preserve ecosystems, but so is intervention logic for biodiversity in RDPs. In terms of choice of measures and funding, there are no core changes in this intervention logic programme compared to the previous one. This is because financial tables are constrained by measures such as LFASS and competition measures. Despite the general remark about minor change, several contrasts can be underlined in terms of resource allocation and priorities among the regions including contrasts in the funding allocated to environmental measures, the amount of expenditure for agri-environmental measures, and the trend in financing agri-environmental measures. In terms of agri-environment measures, efforts have been made to take into account previous rural evaluation and assessments. Targeting was not implemented systematically during 2015 but it is

going to be enhanced in the next few months due to financial constraints. It is important that the efficiency of measures will be assessed carefully.

### **Marie-Catherine Schultz, FNE**

The elaboration process and the content of the programmes are important aspects that need to be addressed when discussing the impact of rural development programmes on biodiversity in France. Regarding the elaboration process of the programmes, there has been a lack of consultation with ANPE (the nature and environmental protection organisations) about drafting the national scoping paper (DNC) and the regional rural development programmes. The implementation of the new CAP has also been illogical because the second Pillar measures have been defined but neither the greening rules of Pillar 1 nor conditional rules were determined beforehand. This led to a race to the bottom concerning environmental requirements, in particular for the preservation of topographical particularities. Regarding the content of the programmes, the zoning of AECM satisfies the Natura 2000 requirements but does not take all important zones for biodiversity preservation into account. Thus, several regions haven't respected the green and blue framework (French equivalent of the European Green Infrastructure). Some measures are not ambitious enough, like those stipulating that farmers respect (by year 5) a treatment frequency index (TFI) that is below the baseline TFI for the territory. The package dedicated to AECM is deemed insufficient by the ANPE in more than half of the regions. A big share of the second Pillar's package is dedicated to the system of compensatory allowances schemes for areas with natural handicaps (ICHN), which is not an environmental measure and therefore should not be accounted as one. A positive example is the "flowery meadow" AECM which remunerates the farmer for the grassland's ecological quality despite the practice used. It is a good example of measures based on results and not on means, and this approach should be developed for the future CAP. In conclusion, the rural development policy in France will have positive effects but won't be able to compensate the lack of inclusion of the environment in the first Pillar. Its consequences will be limited in terms of affected areas and won't suffice concerning the stakes regarding biodiversity.



### **Rudolf Schmid, Austrian farmer**

In the pre-industrialization period, agriculture has been the biggest promotion of biodiversity. He has a 100 ha farm with intensively farmed areas that is 20km from Vienna. Mr. Schmid implements greening, however this only helps reduce impact, it doesn't actually help biodiversity. In his opinion there are great difficulties in the evaluation of programs, reactions and corrections concerning progress, because the structures of agricultural business mostly change faster than evaluation can be done. It is a pity that small farms are being lost, because those are the ones that can best contribute to biodiversity. A problem is that farmers do not trust politicians and politicians do not trust farmers to do the right thing.

### **Debate:**

**Faustine Bas-Defosse** asked about ways that we can better involve the ministries of the environment in the design of the RDPs as well as better involve the committee for the environment in the Parliament in the design of the policy overall.

**Claudia Olazabal** said that this will work when there has been a shift in mentality; once people realise that part of the money needs to go towards public goods.

**Trees Robijns** said that we need to write in the law that the environmental ministries have to be involved.

### **Water**

### **Claire McCamphill, DG ENVI, European Commission**

DG ENV was involved in the consultation on the member state RDPs to try and improve their contribution towards the delivery of the WFD and flood directive objectives. The RDPs, if fully



utilised can provide many opportunities to address water issues related to agriculture. The architecture exists and a few countries have exploited these opportunities. However, there were overall many flaws and lost opportunities such as lack of targeting of measures (e.g. agri-environment-climate) to waterbodies failing to meet good status or to waterbodies of highest societal importance and limited use of the WFD measure (article30) which can pay for mandatory measures. There were also instances of irrigation and drainage measures initially being proposed without the appropriate safeguards in place to ensure they do not deteriorate water status and while many of these were improved through the negotiation - these will have to be followed up to ensure on the ground implementation is sound. She hopes that once the 2<sup>nd</sup> RBMPs and the 1<sup>st</sup> flood risk plans are adopted, member states will review their RDPs to ensure that the right measures are included - aligning water and agriculture policies, governance and funding better. DG ENV will conduct a more in-depth analysis of all the adopted RDPs this year and a view to adopting a report on how member states can improve the integration of water objectives into the current RDPs. Central to this analysis will be understanding what the gap to good status is in member states with regard to agricultural pressures, and how the RDP is expected to contribute to bridge this gap (building on top of ambitious basic measures that control pollution and abstraction). A further key action in the short term is the assessment of MS compliance with the ex-ante conditionality on water pricing in the agriculture sector. MS who fund irrigation under the climate priority of the RDP must have established a water pricing policy that incentivises efficient use of water (if not achieved by Dec 2106, this has implications for funding of irrigation related investments).

#### **Angelo Innamorati, DG AGRI, European Commission – PPT**

In December 2015, the last of 118 RDPs were approved by the Commission. The review of the draft RDPs, formulation of recommendations to the National and regional authorities before their approval were made in good cooperation between DG AGRI and DG ENV. The RDPs are structured around priorities under which there are focus areas. In the water sector, the main focus is on improving water management, increasing efficiency in water use and supporting farm risk prevention and management. The secondary focus is on knowledge transfer and innovation, improving the economic performance of farms, restructuring, and modernization. Priorities 4 (restoring, preserving and enhancing ecosystems related to agriculture and forestry), 5a (increasing efficiency in water use by agriculture) and 3b (supporting farm risk prevention and management) make up 49.6% of the total public expenditure. All MS have already integrated water management objectives into their RDPs with different levels of commitment. The RD Measure on Water Framework Directive cannot be activated if the national authorities haven't included specific obligations for farmers under the Programmes of Measures of the Water Basin Management Plans.

#### **Patricia Urge, FNE Rhône-Alpes, (FRAPNA)**

In Rhône-Alpes but also PACA, there is a movement towards building new water infrastructure in areas where the status of the water is not good. We think that this is not the right way of addressing the issue. The plans adopt a short/medium term vision, which will be costly, will not benefit the environment and will increase farmer's dependence on storage and irrigation. Instead of this, the infrastructures that are in place should be improved. It would be better to say that no infrastructure for storing water should be implemented without giving priority to under-used or unused existing infrastructure. The vulnerability of farmers should have been tackled at the source. It is important to reduce farmer's reliance on the storage units and to favour water savings with less water-consumption crops, diversification in crop rotation and agroforestry to name a few. We need to adapt to climate and environmental conditions rather than the other way around.

#### **Sarah Mukherjee, Water UK**

Ms. Mukherjee stated that the collaboration between water companies and farmers can deliver a variety of benefits, such as economic, health and environmental. There are several new challenges that we face such as the growth of cities, the loss of green areas, climate change, biodiversity, and habitat loss. Some proposed measures to overcome these challenges are to encourage rivers to meander so that land can be restored to what they used to be, to use new technologies such as GPS to map the places that need most help and the can help us the most. It is

important to use the financial tools at our disposal in a more efficient way by putting our funds that currently target different parts of the problem together to come up with holistic solutions.

**Francois Rihouet, French Farmer**

Mr. Rihouet explained that the context of farming has changed, due to new environmental conditions and regulations that don't take into account the human aspect of farming. Farmers in CEJA came up with proposals, to try to target whole areas, rather than just Natura 2000 zones. He argued for the importance for everyone to have an understanding of the human element of farming, instead of just looking solely at the different aspects such as water or soil. In nature and farming it takes time to see the results of our actions. We should focus on setting smaller goals and seeing their results before moving to larger goals. Environmental legislation should not be at the cost of the farmers.



**Debate:**

**Ed Bray** asked Sarah to expand on the idea of different sectors coming together to find one solution.

**Sarah Mukherjee** has seen some of the funding for agriculture coming from different places that are fighting against each other. If we work together more significant improvements can be made.

**Ed Bray** asked the Commission if working together is a challenge. The WFD provides the tools that we need. If it is applied as intended to, then it should work. We need clear ideas on the issues and solutions and then we can work on the collaboration for funding.

**Faustine Bas-Defossez:** asked whether we should not simply start by including WFD in cross compliance and stop paying for its implementation and just for respecting the law in Pillar 2. That way pillar 2 would mean more value for money and we would get one step closer to the polluter pays principle as now we are actually paying with CAP money the polluters

**Angelo Innamorati** answered that the Commission proposed it but the Parliament and Council had different but justifiable opinions: if there are no obligation at farmer level under the WFD it is not useful to integrate it. Another problem is that if you want to incorporate the WFD at EU level you have to wait until all MS implement it.

**Air quality**

**Roald Wolters, DG ENVI, European Commission**

Mr. Wolters focused on why air quality should be included in the RDP, and included reasons such as health and ecosystem impacts. In 2013 the Clean Air Policy Package was introduced, to tackle some of these problems. He said that the Package won't solve all of the problems but will decrease background pollution. The main instrument of this package is the revised Directive on National Emissions Ceiling (NEC), setting ambitious emission reduction targets for 2030. The main focus of the new proposal is PM<sub>2.5</sub> and ammonia. The Commission wants to target the industrial agricultural sector, rather than small farms. The RDP already provides the funding for air quality and it is up to the MS to use this money. We try to mainstream air quality and find as much synergies with other policies as possible.

**Angelo Innamorati, DG AGRI, European Commission**

The CAP anticipated the revision of the NEC directive. He presented the reduction of ammonia emissions as a priority under GHG emission reduction target. The agricultural sector has made efforts to reduce emissions. With regards to ammonia and methane emissions, there are several measures available in the RDP such as installation of air washers and coverage of storage manure facility. Until now there have been 28 programmes that activate the measure regarding the reduction of ammonia emissions that totals 2 billion Euros.

### **Christer Agren, Air and Climate Secretariat**

90% of people in urban areas are exposed to excess air pollution, causing health issues and therefore reduction in productivity. Despite the improvements that have been made so far, half of all the ecosystem areas are still overloaded with nitrogen pollution. We see an unequal contribution from all the sectors. We need to do a lot more, especially from the agriculture sector to achieve the targets of the Environmental Action Programme. One obvious way is to look at meat consumption.

### **Andreas Gattinger, FiBL**

Mr. Gattinger stated that 94% of ammonia and 25% of methane comes from agricultural activities, especially from livestock production. These high numbers are the result of our current inefficient food and farming system. Some best practices to improve the situation include less animal based food, reduction of food waste, and to link the livestock production with consumption. On a farm management level we need to reintegrate livestock and plants to improve resource use efficiency and to target co-benefits. In regards to methane having healthier and more productive animals for a longer period of time will also reduce the total GHG emissions from livestock. There is a need for a structural change beyond the farm level, that addresses the consumers and to adopt a system approach.

### **Debate:**

**Ed Bray** asked Mr. Wolters about the current debate about a methane ceiling, and what the Commission's position was.

**Roald Wolters** answered that they are definitely going to fight for this as they believe tackling methane emissions is important on both an EU and global level. It would be possible to do this without contribution from the agriculture sector; however it is unfair and not cost-efficient to do this.

**Ed Bray** asked Mr. Agren what can be done to improve air pollution conditions?

**Christer Agren** stated that he agrees that air pollution should be connected with RDP. There should also be check point and the measures in the text should be made mandatory. This will trigger improvements to be made faster.

**Evangelos Koumentakos (Copa Cogeca)** felt that there are not enough synergies between policies and efforts to minimise trade-offs. He said that the NEC currently addresses the emissions but not the different sectors. He expressed his concerns about the impacts of the policy on smaller farmers.

**Roald Wolters** responded that they want to give the MS the flexibility and freedom to decide how they will achieve the targets, that's why there is no specific division between the sectors.

### **Renewable Energy & Climate Change**

#### **Geogry Tsouris, DG CLIMA, European Commission**

Mr. Tsouris said that food production is an important element of ensuring the stabilization of GHG emissions. After COP 21 we realized the importance of food security and the need to utilize land and maintain carbon sinks. It will be impossible to meet our goals without the agriculture sector. Therefore the 2030 EU Climate and Energy Framework should include agriculture and LULUCF. The next steps include an impact assessment this year, a summary report of the stakeholder consultation, a workshop, and a legislative proposal that will be made public in 2016. One of the main priorities where we expect to find action is the restoration, preservation, and enhancement of ecosystems. The current structure in place is effective, but work still needs to be done on the implementation.

#### **Linde Zuidema, FERN**

There are sustainability criteria in place for biofuels, but this is not the case for all biogas and solid bio mass. The current RDPs do not check if bioenergy use is sustainable or beneficial for the environment, so there is risk that this will lead to excessive use of bioenergy and intensification of forest management. A main issue is that MSs have too much flexibility and therefore there is a risk that funds will be used for economic benefits instead of focusing on sustainability. Under the current reporting schemes the aid for bioenergy is expected to increase significantly. It is

important to ensure that both the objection and implementation of the measures are good. Some policy recommendations for this include: coherency with other policy tools and looking at EU funds for an integral approach to bioenergy.

### **Joseph Wolfers, FNE PACA**

The transition into renewable energies has been taken into account in some respects but not others. In his region mega power plants which use wood have been installed, causing a negative impact on forest management. These mega plants only produce electricity with a yield of old 40% at most, meaning that 6 out of every 10 trees that are cut are wasted. It would be more sustainable to produce wood first for building and construction, then for industry, and finally for energy. The current plan in place is doing the opposite. The benefits for using wood for energy depend on the forest management which should not only look at productivity, but should also guarantee the protection of ecosystems. The current RDP does not take this into account.

### **Michael Tersbol, Agronomist**

Farmers are listening to two main forces, the market and EU subsidies (they are more interested in the latter). There has been little impact of subsidies for greening measures in agriculture so far. EU policies are turning agriculture in the wrong direction and it is time to push EU subsidies in a new direction by using the idea of public goods. There is no contradiction between organic biogas production and organic food production or biodiversity. This is because sustainable bioenergy crops are not competing with food crops and have beneficial functions for crop rotation, crops yields, biodiversity, and nitrogen fixation. Currently most of the investment subsidies go to big industrialized conventional biogas plants when they should be going to smaller ones, better integrated in local communities. On the positive side organic farmers are interested in getting involved as long as economic factors are taken into consideration.



### **Debate:**

**Ed Bray** asked about how we can encourage the good examples. How do we put safeguards in so we don't have bad examples? He asked Linde about her point on aid leading to negative impacts, and if she could talk about the safeguards that are needed.

**Linde Zuidema** said that one main element is the availability of sustainable supply to prevent exceeding sustainable levels of biogas. It is necessary to look at all the different measures used to support bioenergy, and to see which can provide the best framework for sustainable bioenergy.

**Gregory Tsouris** said that there aren't specific criteria for biomass at the EU level, but it is being worked on for post 2020. The Commission has a toolkit of measures but the issue is selecting the appropriate ones, combining them with what we currently have, and implementing them correctly.

### **Animal Welfare**

#### **Pilar Gumma, DG AGRI, European Commission**

The rationale of the animal welfare payments is to compensate farmers for going above and beyond the national and EU baseline. It is a voluntary measure that should have a direct effect on improving animal welfare. Some eligible commitments include: water, feed, animal care, housing conditions, and practices aiming at avoiding mutilations. Farmers need to comply with several conditions in order to receive payments. 29 Rural Development Programs have included the animal welfare measure.

**Olga Kikou, CIWF**

Over the last 50 years, the animal agriculture sector became more intensified resulting in an overproduction of animal products. Increases in production of animal products were made possible through the overproduction of grain. In 2005 RD Regulation introduced animal welfare payments as a voluntary measure on the part of MS; during the last CAP period 2007-2013, this made up for only 0.1% of the total budget. Some of the main problems with these payments are: MS provide little detail on the objectives of the programmes or how the money is spent. The fact sheets of the current programmes indicate that only half of MS will include this voluntary measure in their programmes. Steps for improvement include: making this measure mandatory with a minimum spending in place, cross compliance needed with all animal welfare legislation, an inspection mechanism, more detailed information regarding the outcomes. A transformation of the CAP is needed towards a sustainable food and farming policy covering both production and consumption.

**Neil Darwent, Free Range Dairy**

Mr. Darwent established an initiative called Free Range Dairy, with the aim of restoring value to pasture-based dairy farms. Free Range Dairy encourages milk producers to share their knowledge to help them regain control of their farms and improve profitability, for the benefit of farmers, cows and consumers. He has real concerns that the only option for farmers is to produce more volume rather than value. He stressed the importance of persuading farmers of the economic viability of a sustainable system. It is about responsible consumption and giving people the tools to make informed choices about what milk they are drinking. The RDP is incentivizing in some way, but most farmers think of it as an obligation instead of an opportunity. He believes in the importance of a grass-based, more extensive dairy system that benefits the farmer, consumer, and cows. Collaboration and education is crucial for spreading the messages of the value of the product. He welcomes what has been done by the RDP as well as the attempt to green the system, but asks us to remember that farmers are busy and need practical ways that they can be sustainable.

**Debate:**

**Pilar Gumma** was asked to comment on what was said. She said that the negotiation for the CAP is already finished for this period and it is now time for implementation. The voluntary measure is set in the Regulation and cannot be changed at the moment. However, we encourage MS to take on this measure and to with a wider scope of eligible commitments. The legislation on animal welfare is general and doesn't cover all animal species. The baseline is not only composed of the EU requirements, but also national requirements. We are doing a preliminary assessment of the measure to get an overview of the way it has been programmed but it is too early to assess the impact of this measure. We will need to wait until the annual implementation reports and in the 2017 progress reports are published.

**Part 5: Concluding Remarks and Next Steps****Mihail Dumitru, DG AGRI, European Commission**

He acknowledged the wide range of topics that were discussed at the conference. There has been criticism from both farmers and environmental NGOs regarding the greening of the CAP but its introduction is an achievement. However, despite being less ambitious than originally proposed by the Commission, Mr. Dumitru sees the CAP contribution to environmental and climate objectives. Half of the European farmers are now obliged to carry out environmental measures on 80% of the land. The budget programmed in the 2014-2020 RDP for environmental and climate actions have largely exceeded the legal threshold and many RDP measures tackle environmental and climate challenges. There is a good system in place, but now we need to make it work, get farmers on board to improve the situation, and provide support on the ground. It is also important to find a balance between economic, social and environmental aspects and to find ways that different EU funds can work together. Close attention will be paid to the RDPs in the annual implementation reports to monitoring the achievements of the programmed targets.

**Ariel Brunner, BirdLife Europe**

Mr Brunner started by saying that we had been presented with big figures from the Commission, but that it is crucial to dig deeper and find the truth behind the numbers. There is a difference between having commitments on paper and actions on the ground. Unfortunately greening has mostly been business as usual, and we are not seeing changes in our environment. RDP allows for good things, but it also allowed for perverse subsidies and wasted money. The mainstream policy promotes farmers to intensify and produce more. This is bad for the planet, bad for the citizens and bad for the farmers who will be the first to pay the price because of factors such as water scarcity and soil erosion. It is crucial to have a fitness check of the CAP as a start of a fundamental debate on the policy. The Commission has the tools to examine the efficiency and effectiveness. The outcome of this exercise will be a stronger CAP and a stronger EU.