



"GREEN ARCHITECTURE" IN THE COMMON AGRICULTURAL POLICY OF EUROPE IN THE PERIOD 2021-2027 - IDEAS AND GUIDELINES

P. Branzova*

Department of Regional and Sector Economy, Economy Research Institute at
Bulgarian Academy of Science, Sofia

ABSTRACT

The report aims to clarify the concept of "green architecture" in the context of the new CAP in the period 2021-2027. The methods used are analysis of the literature and official regulations of the EU and the Member States. The result is an outline of the ideas of "green architecture". The conclusion is focused on the future effect of it for the Member States of the EU.

Key words: Green Architecture, CAP, environment, agriculture, climate.

INTRODUCTION

The new Common Agricultural Policy (CAP) 2023-2027 will play a key role in developing a fully sustainable agricultural sector that supports care for the environment, climate change and rural life while providing safe and high-quality food for over 500 million consumers. Investing, supporting and rewarding EU farmers is crucial for protecting the environment and improving efficiency and financial compensation. Training and knowledge transfer, restructuring and adapting agricultural practices, supporting better land management, adopting digitalization and technology are the future of food and agriculture. (1)

For better or worse, the Common Agricultural Policy (CAP) has long influenced the development of agricultural practice and land management in Europe since its inception in 1962. The integration of environmental considerations into the CAP has been gradual and sustained in recent decades. The European Commission's proposals for the 2021-2027

reform, published in June 2018, mark the EU's recent efforts to further integrate these considerations into the CAP. (2)

In its proposals, the Commission outlines a new green architecture for the CAP, which includes enhanced mandatory requirements and increased funding opportunities for green agriculture. (3) Among the measures provided for in the proposals are:

- protection of soils through requirements for the protection of carbon-rich wetlands and practice of crop rotation;
- a mandatory nutrient management tool designed to help farmers improve water quality and reduce ammonia and nitric oxide levels on their farms;
- a new stream of funding from the CAP direct payments budget for "environmental schemes", which will help and encourage farmers to apply agricultural practices that benefit climate, biodiversity and the environment.

Through such measures, the CAP will put agriculture at the heart of the European Green Trade Mechanism, as well as the EU's ambitious biodiversity and economy strategies. The report

*Correspondence to: Petia Branzova, Department of Regional and sector economy, Economy research institute at Bulgarian academy of science, Sofia, Aksakov 3, e-mail petia.branzova@gmail.com.

examines and explains some of the main differences between the old CAP and the proposed new green architecture and policy. The legislative proposal generally provides for the commitment of Member States to prepare their proposals for CAP- funded interventions in the form of a strategic plan in line with the needs assessment.

The key message is that this flexibility could allow the ambition needed to move agricultural production in a more sustainable direction that environmental NGO`s would like. At the same time, however, it places restrictions on the Member States for which this objective is not considered a priority, leaving open the risk that these options will not be used. (1)

METHODS

The methods used are analysis of the literature and official regulations of the EU and the Member States.

RESULTS

The Commission explains the new greening architecture by proposing three components. The new "enhanced conditionality" replaces the current payment requirements for cross-compliance and greening. A new eco-scheme is proposed in Pillar 1. And voluntary agro-environment and climate measures (AECMs) will continue under Pillar 2. They offer two alternative architectures. One is where Member States use part of their Pillar 1 funds to fund the eco-process and then offer a more demanding menu of options to farmers who are willing to choose to join a more ambitious AECM. (2) The other alternative, the Member State, does not offer an eco-scheme and relies solely on voluntary enrollment in the AECM for management practices that go beyond the conditions of extended implementation. Later, however, the legislative proposals clarified that the Member States introduce an eco-scheme (even if the amount allocated is left open) so that the possibility of not doing so is eliminated.

The starting point for the new green architecture is the commitment that a modernized Common Agricultural Policy must increase its European added value, reflecting a higher level of ambition in the field of environment and climate.(4) Articles 5 and 6 of the draft regulation on the

strategic plan set out three general objectives for the CAP. One of them is to strengthen environmental concerns and climate action and to contribute to the achievement of the Union's environmental and climate objectives. In turn, this is broken down into three specific goals:

- contributing to climate change mitigation and adaptation, as well as to sustainable energy;
- promoting sustainable development and efficient management of natural resources such as water, soil and air;
- Contribute to the conservation of biological diversity, improve ecosystem services and preserve habitats and landscapes. How the new green architecture proposes to achieve greater ambition in terms of these goals.

Overall, as the approach already outlined will focus more on results than at present, the level of detail and number of rules laid down in EU CAP legislation will be significantly reduced. (3) With this change, Member States will be given more opportunities to implement the CAP in ways that are well adapted to the specificities of their rural agricultural sectors.

Enhanced conditionality

The enhanced conditionality are a system of tying payments based on the area and number of animals - pillar I or pillar II, and a set of obligations. (1) In practice, the new system will merge and streamline two elements of the current CAP, known as "cross compliance" and "greening". By themselves, they provide benefits for the environment and climate, but they can be improved.

The system of preconditions will be similar to the cross-compliance mechanisms, but much simpler than greening. EU greening rules are relatively long, detailed and prescriptive, as they contain not only basic information on the three main agricultural practices considered, but also all the details on the possibilities for their application in different ways depending on the different circumstances in the different Member States. (3) These details include lists of possibilities, exceptions and numerical values (e.g. concerning the area to be covered by a practice). The approach aimed to balance the need for common elements with the need for some flexibility in

implementation, but it has nevertheless been criticized for being perceived as rigid and complex. On the other hand, within the system of preconditions, the basic standards will also be applied differently in different circumstances, but the approach will not be defined in full detail in the CAP rules. The individual Member States will play a much more crucial role in this process. (5) This will enable them to better adapt the application of the standards to the special situation of their farmers.

A general administrative simplification will also be achieved, as two separate systems of rules (those of cross-compliance and greening) - each with its different provisions on inspections, sanctions, etc. - will be replaced by one (the system of preconditions). Finally, the enhanced agricultural advisory services that the Commission emphasizes in its proposal will help farmers to comply effectively with the rules. (5)

Eco-schemes are environmental and climate care payment schemes that will be financed from Member States' direct payment budgets (under Pillar I of the CAP). Member States will have to provide one or more eco-schemes (if they wish, they can apply several schemes), but farmers will be able to choose whether or not to participate. Member States will determine the content of their eco schemes and what resources to spend on them. The requirements set out in a scheme must go beyond those of the enhanced conditionality, and the schemes cannot pay for commitments made by farmers for which they are paid through other CAP instruments. Although eco-schemes have common features in support of "agro-environment and climate obligations" under Pillar II of the CAP, there are significant differences between the two. In particular, eco-schemes make it possible to grant direct payments to encourage farmers to adopt environmentally and climate-friendly practices (which exceed the costs incurred or revenue lost as a result of adopting these practices). (5)

Eco-schemes can be seen as 'another layer' of environmental and climate payments. (1) However, as the Member States will decide to what extent to use them and develop them according to their needs, eco- schemes should not add significant administrative burdens to national and regional authorities in return for the potentially large environmental benefits they can

provide. In addition, if they are well developed, they should not complicate the work of farmers. This is particularly important because, due to their nature, eco- schemes will provide for annual rather than multi-annual commitments by farmers. Therefore, any farmer can register for an eco-scheme on a trial basis to try it for one or more years, and then decide whether to continue participating.

The "second pillar" of the CAP - supporting rural development - will continue to offer a wide range of tools that can benefit the environment and the climate. (2) Some of them will continue to be in the form of payments per hectare (sometimes per animal) for each farm. An important category is payments concerning environmental, climate and governance commitments, which include what are known as 'agro-environment and climate commitments' (as well as the transition to or maintenance of organic farming). These payments compensate farmers and other landowners for voluntarily adopting environmentally and climate-friendly practices (defined by the Member States) for several consecutive years. Other types of payments per hectare help to maintain agriculture in areas where agricultural activities face particular difficulties due to natural constraints (e.g. in mountainous areas) or as a result of certain rules (e.g. Natura 2000). Many other types of Pillar II CAP payments will continue to be offered to support environmental and climate care. This includes supporting: building knowledge (e.g. on farm-specific advice on limiting greenhouse gas emissions); investments (e.g. in more water and energy-efficient equipment); innovation (e.g. projects to adopt precision farming technologies to areas where they are not currently used); as well as cooperation (e.g. farms jointly providing waste to sustainable energy production enterprises). (2)

As highlighted in the European Commission Communication on the future of food and agriculture: knowledge, innovation and digitalization are essential elements of any serious intention to improve the implementation of the CAP and the EU's agricultural sector, including concerning environmental care and concerning simplified policy implementation mechanisms. This is especially true at the level of agricultural practices. Well-established

technologies allow accurate monitoring of crops and weather conditions and precise irrigation and nutrient input, which maximizes yields and at the same time reduces the levels of input resources, while the technology takes care of everything. Thanks to advances in robotics, there are prospects for a significant increase in efficiency in some types of agricultural activities, without creating a greater impact on the environment. Furthermore, not all progress requires complex technologies or high costs - the boundaries of agricultural knowledge are increasingly being expanded to work with nature in sophisticated but sometimes inexpensive ways to realize economic and environmental benefits (e.g. in evolving techniques) for agroecology. In addition, knowledge, innovation and digitalization can contribute to simplifying the implementation of the CAP.(1-4)

Satellites and satellite technologies that help farmers streamline their daily activities can also send warnings of impending deadlines for certain activities under a CAP scheme (e.g. lawn mowing), replace on-the-spot checks and complete in advance a large part of the applications for CAP funding. Obstacles to the wider application of knowledge, innovation and digitalization include fragmentation, lack of capital and insufficient training in some areas of the agricultural sector, as well as incomplete broadband coverage and the time needed to update CAP implementation systems in national and regional administrations. The CAP will continue to contribute to overcoming these obstacles. Some types of support under Pillar II are explicitly aimed at addressing them (see the previous section). In addition, Member States will remain obliged to provide agricultural advisory services to farmers and to further develop this instrument, while the Member States themselves will continue to have access to funding for "technical assistance" under the CAP to implement policy effectively and efficiently.(3)

CONCLUSION

The future Common Agricultural Policy sets higher ambition in terms of environment and climate change, as reflected in the policy objectives. This sets a basis to ensure that Member States take on board environmental and climate action in the way that they will implement

the CAP, which should be reflected in their national CAP strategic plans. To complement the objectives, the future CAP includes different tools that aim to increase the overall environmental performance of EU agriculture. Among those, conditionality is an integral part of the future Common Agricultural Policy proposals, replacing the 'greening' and 'cross-compliance' of the current CAP. In addition, the future CAP introduces a new system, the so-called 'eco schemes', available under the direct payments framework. The eco-schemes aim to reward farmers for going even further in the implementation of sustainable agricultural practices, beyond the mandatory requirements set by conditionality. These practices could include the implementation of environmentally friendly production systems such as agroecology, agroforestry, and organic farming.

Mandatory for the Member States to propose, the eco-schemes will be voluntary for farmers to join. Member states will design and choose to offer one or more eco-schemes based on local conditions and needs.

Finally, the rural development framework includes environmental and climate management commitments. Similarly, they aim to restore, preserve and enhance ecosystems, promote resource efficiency, and move towards a low-carbon and climate-resilient economy by compensating farmers and other beneficiaries for voluntarily committing themselves to implement sustainable practices.

Altogether, these elements compose the key elements of the 'green architecture' of the future CAP. Combined with the CAP strategic plans, this new green architecture will ensure that the CAP's increased environmental and climate action ambition is adapted to local needs and conditions. This will be crucial in the transition towards a more sustainable system of agriculture.

ACKNOWLEDGMENT

This work was supported by the Bulgarian Ministry of Education and Science under the National Research Programme „Healthy Foods for a Strong Bio-Economy and Quality of Life” approved by DCM # 577/ 17.08.2018”.

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