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Editorial

Dear Reader,



As the days grow long and the farmland birds look for a safe place to nest, CAP reform is approaching its moment of truth. The Commission is feverishly at work drafting the legal proposal that will shape the CAP of the future, Member States are moving themselves into negotiating position and the European Parliament is struggling to come up with a joint up position.

Among all this activity, a question looms large: will our decision makers find the guts to stand up to the traditional vested interests and dare to come up with a CAP that actually makes sense?

The need for this is plain. At time of extreme financial hardship, it is hard to imagine a future for a policy that cannot show value for money. At a time when most Europeans live in cities and are ever more sceptical about the EU, you need a strong rationale to convince them to ship their money to Brussels so that it can be distributed to farmers. Meanwhile, the seriousness of environmental crises has become evident, as has the fact that tackling biodiversity loss, climate mitigation and adaptation and the looming water crises, all require action by farmers.

The opportunity is also there. The current distribution of CAP subsidies, so plainly distorted and unfair (amongst farmers, even more than amongst member states), cannot continue. The farming community knows that change has to come, and politicians know they will have to face up to those who would lose from the change.

A strong consensus has emerged around the idea of rewarding farmers for the delivery of public goods. The idea that BirdLife once advocated with a small group of true believers is now mainstream. During the long and open consultation the Commission has run over the past year or so, most of civil society has converged on a reform agenda that is clear, while no alternative vision has emerged. Never before has such a broad constituency been ready to put its weight behind a system that could ensure long lasting public support to European farming.

The choice is now stark. Either we find the collective courage to make the reform real, or we don't. In the first case, we can build a system that delivers effective solutions to many of our most pressing problems, and bring farmers into the heart of the new green economy we must build. In the second, we condemn the CAP to a slow death as an irrelevant and outdated policy that will be squeezed at every turn of the budgetary debate, leaving farmers to fend for themselves in an uncertain market, and forcing the environmental movement to look for less appealing but more hard biting solutions to the environmental crisis.

BirdLife has always believed that a better CAP is possible. The next few months will tell all.

With best wishes,

Ariel Brunner, Head of EU Policy, BirdLife Europe

The Communication on The CAP reform - good direction but hazy blueprint



On November 18th 2010, The European Commission released its communication *The CAP towards 2020: Meeting the food, natural resources and territorial challenge*.

This communication tries to put forward the delivery of environmental public goods through a greening of the CAP, and shows intent to re-integrate diversity into the farming sector. Improvements can be found with regard to the direct payment system and linking basic income support to farmers with potentially good agronomic practices such as crop rotation, grassland protection and environmental set-aside. The intention to support farmers who help to conserve the Natura 2000 network is also encouraging.

Even so, a clear and more balanced perspective is needed to realize a truly greener CAP. This communication lacks a robust analysis of the current challenges, especially concerning natural resources, and lacks both ambition and clarity. The Commission seems to be using “green language” that doesn't necessarily result in a genuine shift of CAP spending towards greener tools.

There is no clarity yet about how pillar I of the CAP will be designed. Firstly, there is no indication at all of what proportion of the direct payment budget the greening component will take up.

There is urgency for a significant amount of the first pillar's budget to be invested in these payments, together with the abandonment of much-criticized historic references in the payments. Secondly, how this greening component will be designed is not clear. In order to deliver, the green component will need to be a package of basic good agronomic practices (crop rotation, green infrastructure at farm level, soil cover, nutrient balance) linked to the basic payment and directly applicable. This green component has to be added by specific top ups: for farmers respecting the specific management requirements in Natura 2000 areas, for farmers managing permanent pastures in an environmentally sound way and for organic farmers. So the jury is still out on whether the pillar I "green component" will be real greening or just "greenwashing".

In pillar II, there is even less substance in the Communication. Only vague references are made to High Nature Value (HNV) and organic farming, and although the Commission recognises the importance of agriculture to the implementation of the EU's climate change policies, it fails to propose proofing procedures to protect against perverse investments. The communication also fails to clearly commit to reinforcing agri-environmental schemes, although these are the backbone of a more sustainable CAP and are, if properly designed and (co)financed by Member States, a key tool working for the environment.

When summarized, it seems that the Communication proposes some clear and positive steps towards a genuine greening of the CAP, but these still need substantial strengthening and fleshing out in order to comply with the widely accepted 'public money for public goods' approach.

For further reading:

[*The Commission's Communication on "the CAP towards 2020"*](#)

[*Environmental and farming NGOs response to CAP reform communication: Rising to environmental challenges?*](#)

BirdLife's take on the Impact Assessment on the "CAP towards 2020" proposals



In late 2010, the European Commission launched a public consultation on the *Impact Assessment on the "CAP towards 2020" proposals*. The Commission came up with three policy proposals, based on ideas that were put forward by stakeholders during earlier public debates.

BirdLife Europe has reacted to the consultation by presenting our vision in a detailed response document. We believe that this reform should finally be based on the 'public money for public goods' principle. This means that CAP payments must reward farmers for the delivery of environmental public goods, and ecosystem services, which are not rewarded by the market and which are not secured by the legal baseline. This in turn will underpin the capacity of the agricultural/farming sector to produce food and other commodities well into the future.

The first option presented by the Commission is a re-adjustment of the current policy. We believe this scenario is much too limited in scope and will not be able to tackle the key challenges that the Union is facing. In our consultation document, we showed a clear preference towards the third policy option proposed by the Commission; a radical refocus of the CAP to address the environmental challenges that European agriculture is facing. However, since the Commission has a well-pronounced

preference for the second option, the integration scenario, we went into more detail on this option. We have made, together with our experts from across the EU and other NGO colleagues, a major effort to analyse the Commission proposals and the way they could be adapted to ensure they actually deliver their expected results. We hope that this intensive and pragmatic work will provide the Commission with inspiration and technical support for a good and viable legal proposal. The Commission's report on the consultation is expected to be released in the fall of this year.

For further reading:

Our detailed vision for the Impact Assessment on the "CAP towards 2020" proposals can be read [here](#)

Commissioners' letter signals a potential new dawn for policy integration



After the timid Commission Communication on CAP reform, positive sounds are increasingly emerging from inside the European Commission. Dacian Cioloş (Commissioner responsible for Agriculture and Rural Development), Connie Hedegaard (Commissioner responsible for Climate Action) and Janez Potočnik (Commissioner responsible for the Environment) wrote a joint letter to member States in March in which they

stress the importance of farmers' contribution to environmental and climate objectives.

Climate, energy and biodiversity targets are at the heart of the Europe 2020 strategy, they argue. The Commissioners therefore ask their national colleagues to put more effort into addressing the challenges the EU faces in terms of environment and climate change: "*The future of the CAP should be a tool to help Member States to reach environmental and climate change targets, notably in relation to biodiversity, water and soil. It should also help farmers to seize the benefits embedded in green growth.*"

The greening component of direct payments is given particular importance in this letter. They rightly state that a greening in the first pillar will facilitate the introduction of more ambitious and targeted environmental measures in the second pillar.

While the Commission is coming to terms with the need for policy coherence, the United Nations (UN) has also made a case for agro-ecology in a recently released annual report on "Agroecology and the right to food". According to the UN, the only way to scale up the positive experiences of these types of agriculture is through public policies that should enable an environment for such sustainable modes of production.

The question is now, would Member States heed the call?

For further reading:

[The Commissioners' letter](#)

[United Nations annual report on "Agroecology and the right to food"](#)

An indecisive Parliament - The Deß Report in the Committee on Agriculture and Rural Development



With the Lisbon Treaty, the European Parliament sees its powers strengthened through the freshly introduced ordinary legislative procedure (co-decision procedure) for the Common Agricultural Policy. One of the first real challenges for the parliament will undoubtedly be the CAP reform.

Albert Deß, *rapporteur* for the Parliamentary Committee on Agriculture and Rural Development, presented his draft report on the

CAP towards 2020 on 28 February 2011. Within Parliament, there is awareness of the sheer importance of this report.

The high expectations sadly crashed down to earth as soon as the Deß report draft emerged. Upon presenting the proposal, Deß, received heavy criticism from across the political spectrum, for vagueness and clear contradictions within the report.

Committee members tabled an overwhelming amount of 1267 amendments which will need to be voted on 25 May 2011. It is still unclear whether what will emerge will offer a clear sense of direction for a fairer, greener and more effective CAP, or end up as an incoherent sum of sops to narrow sectoral interests.

It is not an encouraging start, but real tests still lie ahead. Will the European Parliament (EP) break with a long tradition of reactionary attitude to CAP reform and of being captured by vested interests? Will it grasp the new responsibility that comes with expanded powers and put the interest of Europe's citizens first? Interesting times ahead.

For further reading:

[Draft report by Albert Deß](#)

Other EP committees finally start taking interest in CAP reform



During the last couple of weeks, various committees such as the Committee for Environment, Public Health and Food Safety (ENVI), the Committee for Industry, Research and Energy (ITRE) and the Committee for Development (DEVE) have published their draft opinions on the Commission's Communication on the CAP towards 2020. Other committees seem to understand the sense of urgency more than Albert Deß, rapporteur of the report on

CAP reform by the Committee on Agriculture and Rural Development (AGRI).

The ENVI Opinion puts emphasis on the need for mandatory greening and on the linkages between food security and sustainable agriculture. On the other hand, the ITRE Committee uses the same starting point as the ENVI Opinion but also mentions the unexploited advantage of agriculture as a green energy provider – a reference to bio-energy, which can be worrying if not implemented properly. According to the ITRE Committee, the greening component should be mandatory for Member States to implement, but only an opt-in for farmers. The DEVE Committee mainly wants to do away with the negative impacts on developing countries. DEVE demands the abolition of direct payments linked to production in order to create a level-playing field between the EU and developing countries' agricultural products, wishes that the CAP

will include more sustainable farming practices and supports the provision of food sovereignty in developing countries.

We see the consistency of opinions across multiple Committees as a positive sign that the reform agenda has a wide support base. The final word is of course with the AGRI Committee, but it is worth remembering that at a time when the CAP budget is under huge strain, it is crucial for it to be backed by a wider consensus than that offered by the farming lobby's insiders.

Biofuels and Indirect Land-Use Change, Commission chooses to waste more time as damning evidence piles up.



The Renewable Energy Directive (RED) sets the target of 10% renewable energy in the transport sector by 2020. It is shown clearly in a report referenced below that biofuels will contribute significantly to attaining this target. While biofuels are subject to sustainability criteria, these criteria do not tackle the problem of Indirect Land-Use Change (ILUC) - the displacement caused when large areas of agricultural land are used for biofuel production and food demand moves to new land, often forests, wetlands and grasslands that are cleared for cultivation. The Commission has been looking into the issue for a couple of years, but the process has been plagued by lack of transparency, leading BirdLife, The European Environmental Bureau, Transport & Environment and ClientEarth to take the Commission to court to force the release of its own studies on ILUC.

Using the results from these studies and Member States' recently released National Renewable Energy Action Plans, BirdLife Europe, working with a broad coalition of NGOs, commissioned a study on "*The Indirect Land Use Change Impact of the Use of Biofuels in the EU*" looking into the net impact of the 10% target once ILUC is taken into account. The results are sobering: EU biofuels demand will displace food production over an area ranging between the size of the Netherlands, and that of Ireland, and add extra emissions equivalent to those produced by adding 14 to 29 million new cars on Europe's roads.

Following public consultation on ILUC, the Commission released their report on the issue on 22 December 2010. The report acknowledges that ILUC can reduce Greenhouse Gas emissions savings associated with biofuels and lays out four possible policy options which need to be further investigated: (1) take no action for the time being, while continuing to monitor; (2) increase the minimum greenhouse gas saving threshold for biofuels and bioliquids; (3) introduce additional sustainability requirements on certain categories of biofuels and bioliquids; (4) Attribute a quantity of greenhouse gas emissions to biofuels reflecting the estimated indirect land use change impact. The report asks for further impact assessments of the proposed policy options and delays once again the critical decision on how to account for the impacts of ILUC.

In early 2011 the European Parliament waded into the debate, releasing its own study on ILUC and biofuels. The study states that the report by the Commission is greatly ambiguous on ILUC and that there are deficiencies and uncertainties associated with the modelling done by the Commission. The study also highly criticizes two of the four policy options listed by the Commission's report. It

condemns the Commission's first proposal, to take no further action, as going against all findings regarding ILUC. The second option deemed dysfunctional by the study is to increase the minimum GHG saving threshold for biofuels. This option continues to ignore ILUC-related emissions and fails to address the problem. It potentially increases the pressure to cultivate biofuels feedstock on arable land (which has the lowest direct land use change impact), and thus causing a de facto increase in displacement and hence, ILUC.

The EP concludes that the report by the Commission should only be seen as an interim product. The Commission failed to meet its deadline of December 2010 for the proposal of a concrete methodology for emissions from carbon stock changes caused by ILUC to ensure compliance with the Renewable Energy Directive, as requested by the European Parliament.

Environmental groups are calling on the Commission to urgently propose the introduction of "ILUC factors", correcting the currently flawed greenhouse gas accounting system used in the sustainability criteria. While huge questions remain about the wider sustainability of biofuels, fixing the rigged GHG analysis is a necessary first step to ensure that biofuels supported by EU policy are at least saving emissions in relation to the fossil fuels they replace.

While the debate on ILUC and the sustainability criteria still rages on, the Commission does not seem to be able to keep even Direct Land Use Change under control. Together with RSPB, ActionAid and Nature Kenya, BirdLife commissioned a study on biofuels from *Jatropha* grown in the Dakatcha Woodlands of Kenya. The study's staggering conclusions state that biofuels from the Dakatcha plantations result in up to six times more carbon emissions than fossil fuels whilst causing huge social turmoil. An event in the European Parliament organised by BirdLife and Action Aid and hosted by MEPs Linda McAvan (S&D) and Birgit Schnieber-Jastram (EPP) on Tuesday May 3rd gave more information about the consequences of biofuels in the Dakatcha woodlands. The event included speakers from Kenya and DG Energy while stakeholders and industry were present. There was discussion about compliance with the sustainability criteria of RED and projected GHG emissions, as well as the social effects on people in the region and EU biofuels policies' compliance with the EU policy coherence for development obligations.

A report on this event will be released in the near future and will be available through the BirdLife Europe website.

For further reading:

[*Study on The Indirect Land Use Change Impact of the Use of Biofuels in the EU*](#)

[*The Commission's report on ILUC*](#)

[*NGOs response to the Commission's report*](#)

[*Parliamentary study on ILUC and biofuels*](#)

[*Press Release on NGO Court Case*](#)



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