



## Media release

Embargo 7 July 2010 08:00 CET

### **EU Common Agricultural Policy still not supporting sustainable farming New BirdLife International report highlights mismatch between subsidies and environmental quality.**

**Brussels, 07 July 2010** – A new report launched by BirdLife International [1] finds that current CAP spending intensity is not reflecting any nature conservation priorities nor supporting nature-friendly farms in three key European countries.

The new report presents studies carried out in Spain, Germany and the Czech Republic using CAP subsidy data and environmental performance indicators to answer the question: “Does the current CAP support farmers engaged in sustainable practices and delivering environmental public goods?”

“It is clear that the CAP is failing to reward farmers that deliver environmental public goods. Even worse, we have found blatant breaches of the EU’s own ‘polluter pays principle’ ”, commented Trees Robijns, EU Agriculture Policy Officer at BirdLife International.

The main results are [2]:

- Subsidy intensity has never been found to reflect conservation values or level of public goods delivery;
- Where subsidies are based on historical reference [3] (which is the situation in most ‘old Member States’) there is still a perverse link between subsidy intensity and poor environmental performance, such as depleted and polluted groundwater, lack of landscape elements, etc.;
- Flat rate payments [4] (which is the system used in most ‘new Member States’) seem to remove the perverse subsidy effect but fail to properly reward farmers that deliver public goods (farmers engaged in best practices and worst practices receiving the same amount of subsidies);
- Still widespread problem of very high payments going to farms actively destroying biodiversity or to farms that are delivering virtually no public goods;
- Widespread failure to fund the Natura 2000 network [5] despite repeated claims by the EU that the CAP is a major funding source for management of the EU’s only system of protected areas.

“Commissioner Cioloş has launched a deep public reflection on the future of the CAP, we hope that this report will provide him with yet another reality check about the current distance between the green rhetoric and the way CAP money is actually spent” says Ariel Brunner, Head of EU Policy at BirdLife International.

The release of CAP beneficiaries’ data is finally allowing a proper investigation of CAP quality of spending and this report is one of the first attempts to actually measure the environmental performance of the EU subsidy system. Unfortunately the quality of data released by the Member States is often poor and not homogenous enough to allow for proper EU wide analysis. Furthermore, the farm lobby is currently trying to obtain the withdrawal of the transparency initiative on grounds of respect for subsidy beneficiaries’ privacy. Should attempts succeed, the European public will be denied the possibility to get better understanding of the way Europe taxpayers’ money is actually spent. [6]

*The report will be presented on Wednesday 7 July, 9-11 am at CEPS, Place du Congres 1, 1000 Brussels*

*ENDS*

**For more information, please contact:**

Alessia Pautasso, Communication & Media Officer at BirdLife International -

+32 (0) 2 541 07 81

Mobile: +32 494 542844

E-mail: [alessia.pautasso@birdlife.org](mailto:alessia.pautasso@birdlife.org)

**Notes for the editor**

[1] BirdLife International is a global Partnership of nature conservation organisations working in more than 100 countries and territories. BirdLife is the leading authority on the status of birds, their habitats and the problems affecting them, and is working on a wide range of environmental issues. BirdLife has 42 Partners in Europe, and is represented in all 27 Member States.

For more information about the work of the BirdLife European Division:

<http://europe.birdlife.org>

[2] The main results per country can be found here below:

Main results for Spain

1. The level of available information is still poor and access to it complex. Transparency levels still need to be improved in order to allow proper analysis of the CAP and its impact.
2. There is a need for further research, distinguishing by type of payment, both for European Agricultural Guarantee Fund (decoupled and specific aids, specified by sector) and European Agricultural Fund for Rural Development (by measure).
3. In addition, other factors like endangered species distribution, erosion and desertification risk, salinised waters, natural flooding areas, irrigated area or likely relationships with

conservation status of forest areas, should be analysed. The environmental consequences of abandonment should also be assessed.

4. The current CAP distributes most funds as income support to a very small number of large or resource intensive farms and often to those engaging in unsustainable practices.

5. In turn, there seems to be a consistently lower level of support for the most environmentally valuable farming systems, such as extensive grazing systems or extensive arable crops and farmland within Natura 2000 sites. The loss of these systems, either via intensification or via abandonment, is a primary cause of the decline of biodiversity associated with open habitats. Hence, the CAP is failing in its contribution to Europe's biodiversity objectives, where it should play a key role.

6. Furthermore, there seems to be a close correlation between CAP payments (mainly from Pillar 1) and over-exploitation of underground waters. This shows the failure of the CAP to contribute to the objectives of the WFD.

7. A redistribution of payments to areas of environmental value and the focusing of axis 2 measures to address environmental problems (water over-abstraction, soil erosion etc) are clearly needed. At the same time, payments that contribute to the intensification of production in sensitive areas should be stopped.

8. The current CAP is clearly not rewarding the delivery of public goods in Spain. If biodiversity and resource protection are objectives of this policy, those land managers that take care of the environment must be properly rewarded.

### Main results for Germany

1. The current system of CAP payments directs more support to:

- farms providing few nature benefits instead of farms providing high nature benefits
- conventional farms instead of organic farms

2. It is often in a farmer's financial interests to farm more intensively to produce higher quantities of marketable commodities.

3. Farms providing high nature benefits are disadvantaged by both the current market failure to reward such benefits and the system of CAP payments which rewards high levels of production in a historic reference period. When land management is intensified in order to produce additional environmental benefits, revenue losses often occur. Therefore, remuneration is urgently needed.

4. A significant amount of utilised agricultural land receives high payments without providing nature benefits and even while causing environmental harm.

5. To support farmers, the taxpayer pays firstly to support intensive land management (through Pillar I direct payments) and secondly - but only a relatively small amount - for additional payments to farmers to provide nature benefits (through Pillar II agri-environment schemes). The outcome is conflicting land management.

### Main results for the Czech Republic

While the methodology of the study is not statistically significant, we still identified the following conclusions:

1. Farmers in areas that are important for biodiversity conservation (e.g. Natura 2000 sites) do not receive more support than farmers outside these areas.
2. Farms representing positive models for biodiversity conservation tend to be managed according to EU organic farming standards. 'Good practice' farms also tend to receive more CAP payments than 'bad practice' farms through participation in agri-environment schemes.
3. Although important landscape features on farmland are protected by law and GAEC (Good Agricultural and Environmental Condition) standards, a number of cases of damage were documented. The protection of these landscape features should be properly enforced, and appropriately considered during cross compliance inspections.
4. Soil erosion is one of the main environmental problems associated with land management in the Czech Republic. New GAEC rules define clear conditions for farming on land at risk of erosion and represent an important step forward. However, other practices which mitigate soil erosion, such as crop diversification, field-size reduction and creation of landscape features should be further encouraged.
5. The preservation of wetland features should become a priority for the conservation of biodiversity in agricultural landscapes and to increase the water retention potential of farmland as a way to adapt to climate change.

[3] In June 2003 the Member States of the European Union adopted a fundamental reform of the CAP. This reform replaced the majority of production based subsidy schemes with a new "single farm payment", which would be paid independently or "decoupled" from agricultural production. The historical or standard model, in which payments are purely based on historical payments received by the individual farms during the reference period from 2000 to 2002, is still the most popular model used among 'the Old Member States'. Such model de facto reflects past production intensity.

[4] Most 'New Member States' use the Single Area Payment Scheme (SAPS) in which subsidies are paid out as flat rate payments per hectare and with the level of support being the same for all farms within a region.

[5] Natura 2000 is a unique ecological network of protected areas in the territory of the European Union. Natura 2000 sites are not fenced-off areas, but encourage sustainable and nature friendly land-use and business. They are established under the EU Birds and Habitats Directives, which are binding law for all EU Member States  
(see <http://ec.europa.eu/environment/nature>)

[6] For all information regarding the work on transparency in farm subsidies, contact Jack Thurston, co-founder of farmsubsidy.org, at Jack Thurston [jack@farmsubsidy.org].

[7] Download the report at [http://www.birdlife.org/eu/pdfs/Reality\\_check\\_final\\_100625.pdf](http://www.birdlife.org/eu/pdfs/Reality_check_final_100625.pdf)