



To: EU Ministers of Agriculture

OPEN LETTER

Subject: Environmental ambition of the CAP: Test for the Council and the CAP budget

Dear Ministers,

We are writing to you in relation to the upcoming AGRIFISH Council, in particular regarding the Presidency compromise text, which was recently published with the view to come with the Council position in the coming months. In particular, we would like to highlight the importance of issues surrounding the interconnection between agriculture and the environmental crisis. The stakes of this debate for the survival of future generations and farmers' livelihoods have never been higher; the latest report of the UN FAO warns that the loss of biodiversity from intensification is a severe threat to future food supply.

We want to see agriculture moving from being a key driver of the problem, to being a key part of the solution. The current CAP reform is the last chance to prove that the CAP is the right policy tool for addressing these challenges.

For this reason, we are closely following the progress of debates on the CAP. The next EU budget has explicitly promised that the next CAP must deliver a higher environmental and climate ambition. Already leading analysts and the Court of Auditors have said that the Commission's proposal "falls short" in this regard and must be strengthened.¹ **The Council must therefore now work hard to prove that the CAP budget can be justified through increasing the environmental ambition of the CAP, according to the four following tests:**

- Does the Council propose to increase the funding for environmental and climate measures, and specific funding for biodiversity?
- Does the Council ensure coherence across the new CAP and eliminate environmentally harmful CAP subsidies?
- Does the Council increase the basic conditions for payments and improve law enforcement regarding the environment and the welfare of farmed animals?
- Is the Council improving the governance and accountability framework for future CAP spending?

So far, we are highly disappointed to see that, as with the previous CAP reform, the Council as a whole appears to be further weakening the Commission's proposal (see attached annex, with our proposals how to turn this around).

¹ EU Court of Auditors, Opinion No 7/2018: concerning Commission proposals for regulations relating to the Common Agricultural Policy for the post-2020 period; Hart K and Bas-Defossez F (2018) CAP 2021-27: Proposals for increasing its environmental and climate ambition, report for NABU by IEEP.

We are running out of time to save the ecosystems on which we depend for food and life. You have a responsibility to take decisions now which do not benefit narrow groups of interests but that are in the long-term interests of the whole farming community, the whole of society, and the future of Europe. **Otherwise, the generous share of the EU budget the CAP receives can no longer be justified.**



Ariel Brunner, Senior Head of Policy
BirdLife Europe and Central Asia

On Behalf Of:

BirdLife Europe and Central Asia

Compassion in World Farming

European Environmental Bureau

Humane Society International/Europe

Pesticide Action Network/Europe

Slow Food Europe

Annex: Tests for the environmental ambition of the next CAP

<p>Key</p> <p>Red = worsening of the Commission’s proposal</p> <p>Yellow = no change to the Commission’s proposal</p> <p>Green = improvement of the Commission’s proposal</p>

Test	Current presidency compromise text	What would justify the CAP budget
1(a) Money for nature: Will the Council allocate specific funding for biodiversity?	No specific money for nature.	To address the dramatic decline of biodiversity due to intensive farming, EUR15bn a year is needed from the CAP to go to dedicated measures for addressing this crisis, by supporting nature friendly farming practices and measures.
1(b) Will the Council allocate money to eco-schemes	No pre-defined allocation of funds to eco-schemes. Ongoing discussions to make them voluntary for Member States.	Environmental NGOs, organic farmers and peasant farmers have asked for at least 50% (and up to 70%) of the CAP to go to Eco schemes.
1(c) Will the Council increase the ring-fencing in pillar II for the environment?	ANCs re-integrated into ring-fencing for environmental measures, while allocated percentage remains at 30%. De facto reducing the environmental spending compared to the Commission’s proposal (in some countries like Finland and Luxembourg, by around 90%).	Environmental NGOs, organic farmers and peasant farmers have asked for at least 50% (and up to 70%) of the CAP to go environmental and climate measures in Pillar II.
1(d) Will the Council move ANC payments to Pillar I?	Payments to ANCs put back into the environmental ring-fencing and remain in Pillar II.	The Commission proposal rightly excludes ANC payments from Pillar II money for environment and climate, because they are not linked to any environmental conditions. As these are income payments, they should be moved to the Pillar I budget.
2(a) Will the Council ensure the CAP coherence and eliminate perverse subsidies, such as payments to factory farms, coupled support, risk management, investments?	Keeping the limit for ‘Voluntary Coupled Support’ of the Commission’s original proposal. No significant improvement to risk management support, still no focus on risk mitigation.	We are still subsidising polluters and environmentally harmful practices through the CAP. The Council needs to put an end to these subsidies, and include strong environment proofing of all CAP measures. Strong safeguards on irrigation need to be put in place, to reduce the amount of irrigated land and the amount of water extracted.
2(b) Will the Council ensure that necessary safeguards are placed on	No additional safeguards for investment aid and weakened safeguards on investments in irrigation.	No investments (or other practices) should be funded that increase the irrigated area or increase overall water use (such as investments in more

investment support?		efficient irrigation which often lead to increased overall water use).
2(c) Will the Council ensure the eligibility criteria do not lead to environment destruction?	Goes back to the ‘Omnibus definition’. Compared to the EC proposal it allows a more narrow definition of permanent grassland. This would lead to many areas, which are at the moment considered to be grassland, to be no more protected.	Member States should be required to justify in their plans that they are not excluding environmentally important areas, such as wooded pastures and other shrubby land that can be grazed from being eligible for support. The Commission should have criteria for assessing whether this is the case.
3(a) Will the Council increase the legal baseline for payments	Annexes are not part of document. Exemptions from GAECs for farmers below a yet to be defined threshold of agricultural area in ha are introduced.	The SUPD and the WFD must remain in the conditionality, and there should be no exemptions based on farm size or type of farm (which end up excluding much of the land surface of a country, thus negating the positive effects).
3(b) Will the Council improve the conditionality?	N/A Annexes are not part of the document.	Given the continuation of the direct payments, the Council must support a strengthened conditionality for these payments, which currently pay for many intensive farming systems. There should be a specific minimum of space for nature on all farms, crop rotation, and a regional ration for the protection of permanent grasslands as a condition for receiving basic income payments.
4(a) Will the Council make the objectives Smarter?	No changes to the environmental objectives in the document.	The Court of Auditors’ highlighted the need for the objectives to be more measurable, and where possible, quantified. The environmental objectives should also be aligned with those laid out in the relevant EU environmental legislation.
4(b) Will the Council increase the participation of stakeholders in the process?	No mentioning of environmental NGOs as part of the future partnership. Monitoring committees are weakened and the principle that every member has one vote is abolished.	The partnership principle should be strengthened, with explicit mention of environmental NGOs and scientists as stakeholders and should reflect as closely as possible the requirements of the Common Provisions Regulation, in particular the EU code of Conduct on Partnership.
4(c) Will environmental authorities be involved?	Marginalising the role of environmental authorities. Instead of full involvement only vague partnership.	Maintain and strengthen the role of environmental authorities: they should be jointly responsible for designing and authorising the environmental aspects of the Member States’ CAP strategic plan.
4(d) Will Member States be held accountable for the achievement of their environmental goals?	Member States could deviate by up to 45% from their targets for the results indicators, before Commission can become active. Still no real performance-based systems and for example there is no national target-setting for the impact indicators foreseen.	As per the Court of Auditors’ proposals, targets should also be set on the impact indicators as these are the real measures of whether the measures that are being funded are having any impact (which can be easily adjusted for exogenous factors through application of scientific methods).