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>>>Read the study online

EU cooks the books on climate spending

New study finds that the EU's flagship policy for climate spending, the Common Agriculture Policy, is based on dubious accounting

Today, a new study released by NABU/BirdLife Germany and the Institute for European Environmental Policy (IEEP) reveals that there is much less climate spending in the current proposal for a new EU agricultural policy than the EU Commission claims. [1]

As it stands, the EU budget for 2021-2027 is likely to include a target to spend 25% of its funds towards climate action. However, instead of having new funds directly spent on climate action (i.e. on schemes that reduce emissions from farming), the target refers to an estimation of how much existing funds can be counted as climate spending. Almost half of this 25% figure will be 'expected' to come from the EU's Common Agriculture Policy (CAP).

In the 2014-2020 period, the Commission considers that 20% of all direct payments made under the CAP – as in income support to farmers – can be accounted as climate action. This has already been fiercely criticised among others by the European Court of Auditors, who say that a more realistic estimate for the current CAP is 10%. [2]

In the new CAP proposal, the Commission states that 40% of the overall CAP, and within that, 40% of direct payments, can be counted as climate action. In other words, they have doubled the already overestimated figure for direct payments of around 20%.

Direct payments are a significant part of the EU budget, so assuming that 40% of them are a climate measure will bring the EU a third of the way to the 25% target towards climate action, without actually having to fund any real GHG emission reduction measures. Neither the Agriculture Ministers in the EU Council and the Agriculture Committee in the EU Parliament have challenged this approach.

The question remains: is this justified? The EU Commission says yes, because the conditionality for the direct payments is much stricter this time. However, the new study reveals that there is no evidence to support that it is stricter compared to the current CAP. As the implementation is largely in the hands of the Member States, it impossible to say whether farmers will actually be subject to higher climate standards. Finally, there is no provision for testing whether the money spent actually reduces emissions.

With this approach the EU will ultimately spend much less on real climate action, while on paper they would still reach the 25% goal.

Harriet Bradley, EU Agriculture Policy Officer, BirdLife Europe:

"Citizens are relying on the EU for a real Green Deal, but cooking the books will not get us there. Faking climate spending won't solve the climate crisis, but will seriously undermine EU credibility. Instead, leaders need to put real money towards climate and biodiversity spending and attach real conditions to all farm subsidies to protect the environment and future generations of farmers." [3]

ENDS.

Notes for editors:

[1] The new study "Keeping track of climate delivery in the CAP?" has been compiled by the Institute for European Environmental Policy (IEEP) and funded by NABU, BirdLife's German partner and is available here

[2] European Court of Auditors estimation: https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=39853

[3] BirdLife calls for:

- Money for nature: 21 billion euros per year for biodiversity from the next EU budget. 15 billion euros per year of this should come from the CAP. This should come out of an overall 50% of the CAP dedicated for measures to address the climate and environment emergencies (meaning 50% for eco-schemes and 50% for environmental payments in Pillar II).
- Space for nature: to truly, enhance the conditionality, bring back wildlife and store carbon, EU leaders should make having 10% space for nature on farms a condition for receiving any agriculture subsidies.
- Transition for nature: unconditional per hectare income payments and other forms of harmful subsidy must be replaced by targeted support for transitioning towards a more sustainable model of agriculture that is also more economically and socially viable.

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