

## CONSULTATION FOR THE IMPACT ASSESSMENT ON THE "COMMON AGRICULTURAL POLICY TOWARDS 2020" PROPOSALS

I. PERSONAL DATA II. CONSULTATION QUESTIONS As part of the preparation of legislative proposals for the Common Agricultural Policy after 2013, scheduled for mid-2011, the Commission Services solicit input from interested parties to complete the diagnosis and exploration of options for reform outlined in the Communication "Meeting the food, natural resources and territorial challenges of the future" and in the consultation document for the impact assessment which can be accessed below. Please visit the Webpage CAP post-2013 for more information

[http://ec.europa.eu/agriculture/cap-post-2013/consultation/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/consultation/index_en.htm)

### I. PERSONAL DATA

To help us analyse the responses to this consultation, please provide the following information about you and/or your organisation.

I have read and I accept the terms of the privacy statement. (compulsory to carry on) (compulsory)

Yes

1. For the purpose of the analysis of this consultation you want to be identified as: (compulsory)

X Think tank and research institutes

2. If you are submitting this questionnaire on behalf of an organisation please precise its name, field of action and your position within the organisation. (compulsory) 500 characters

The German Advisory Council on the Environment (SRU) is one of the first academic advisory bodies in the history of German environmental policy-making.

Founded in 1971 to advise the German government, the SRU is politically independent and interdisciplinary. It consists of seven university professors from a range of different environment-related disciplines. The members of the Council are appointed by the German government for a four-year period.

Council Member

3. Please state your name (compulsory)

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5. Is the organisation you are presenting is registered in the Interest Representative Register? (compulsory)

No

If yes, please state your registration number (optional)

If no, register here (optional)

6. Please indicate the country you are based in : (compulsory)

DE - Germany

7. Received contributions, together with the personal data of the contributor, may be published on the Commission's website. However, the contribution may be published in anonymous form. Do you want your contribution to be published together with your personal data? (compulsory)

Yes, you can publish this contribution with my personal data.

## II. CONSULTATION QUESTIONS<sup>1</sup>

The description of issues, objectives, options and scenarios developed in the consultation document tries to sum up various ideas that were put forward in the public debate. It represents a certain choice with regard to issues tackled, main objectives and possible policy evolutions. This consultation process calls on interested parties to express their opinion on the relevance of the described elements, the consistency of approach and possible improvements that could be made. The public consultation also allows to acquire a broad range of information and knowledge on the expected effects that each broad policy scenario and consequent changes to the CAP instruments. The stakeholders are invited to provide factual, analytical contributions that will complement other sources of information in assessing the impacts of policy reform. In order to guide and structure the contributions, the following questions were prepared by the Inter-service Steering Group:

### POLICY SCENARIOS

If you have relevant documents (graphs, charts,...) that you would like to attach to your contribution, you may upload it below the answer fields. (see: SRU 2009: Towards a Common Agricultural Policy that meets today's challenges. Statement 14)

1. Are the policy scenarios outlined consistent with the objectives of the reform? Could they be improved and how? (optional)

The scenarios are consistent with the objectives. But we do not think that income or social policy should be pursued by the common EU agricultural policy. If income support for farmers is deemed necessary it might be a better option to delegate it to the economics ministries of the member states.

Purely income-focused payments should be stopped. Payments to agriculture should in the future be linked to the provision of services to society that are not already provided by the market. The kinds of 'public good' services that could be included are environmental protection, nature conservation, the revitalization of rural areas in some regions of Europe, and some cultural services. Thus, the aim of a basic payment should be to secure a broad-based provision of minimum environmental protection and nature conservation services and not simply broad income support.

2. Are there other problems apart from those set in the problem definition section of this document that should be analysed when considering the architecture of the CAP in the post 2013 period? What causes them? What are their consequences? Can you illustrate? (optional)

The discussion of the role of the EU within a world-wide context misses the following important points: The high level of imports of feed for meat production into the EU has negative consequences on the environment outside of the EU and contributes to climate change. Land use change, loss of soil organic matter, and overfertilization outside the EU need to be considered in the CAP reform. It is not simply enough to include a statement: "agricultural production capacity in the EU should be measured against the challenge of global food security" without also considering how current agricultural practices and their global ramifications contribute to potential global food insecurity.

Furthermore, the consequences of climate change for biodiversity are not addressed: The rate of loss of biodiversity is increasing apace, in no insignificant way due to agricultural intensification and industrialization. Therefore 'ecological oases' in heavily farmed regions

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<sup>1</sup> Maximum 3000 characters for each answer

play an important role in biodiversity conservation. This suggests the importance of developing more ecological oases that can play the role of 'stepping stones' for biodiversity, thereby increasing the permeability of densely agricultural landscapes for population exchange and species migration. The impacts of climate change on ecological systems could make such oases even more important. The CAP reform should require that the establishment of 'ecological compensation areas' be a prerequisite for any payments to farmers. At the moment this concern is best addressed in option two, but it could as well be integrated into option three.

3. Does the evolution of policy instruments presented in the policy scenarios seem to you suitable for responding to the problems identified? Are there other options for the evolution of policy instruments or the creation of new ones that you would consider adequate to reach the stated objectives? (optional)

Do we really need the Cross Compliance system after 2013?

It is important to secure compliance with existing environmental protection and nature conservation laws (currently achieved with cross compliance provisions) but using other ways and means. The existing practice of numerous detailed bans which are difficult to monitor and control should be abandoned in favour of a small number of binding requirements which govern the receipt of public funds. This will serve to make payments more attractive and thus encourage broad take-up by farmers.

Stricter enforcement of regulatory law should be achieved by other means than CC. The Member States could, for example, be required to report at regular intervals on effective implementation of the respective regulations. Such reporting requirements would mean that the Member States are forced to structure their own enforcement measures so as to make such reporting possible. Also, in a similar way to the approach taken by the IMPEL (Implementation and Enforcement of Environmental Law) Network, agricultural working groups could be formed between the Member State authorities responsible for enforcement in order to harmonise and enhance enforcement measures. Finally, farmers could be better reached if attempts were made to support the implementation of the respective law by means of advisory services. This approach, which is already practiced with success in some German states, also ensures that the environmental requirements are enforced with farmers' cooperation and not by taking action against them. EU funding could be made available for this purpose.

4. What do you see as the most significant impacts of the reform scenarios and the related options for policy instruments? Which actors would be particularly affected if these were put in place? (optional)

*Adjustment scenario:* The rate of biodiversity loss is increasing at a frightening pace. The EU target of halting biodiversity loss has not and will not be achieved with the current CAP and also not with the adjustment scenario.

*Integration Scenario:* Payments are divided into a basic income component and additional payments that target environmental issues. As outlined under 1) the first objective of the CAP must be to secure the provision of environmental public goods and not to solely pursue income protection aims. A minimum level of environmental services should be guaranteed in every region. Additional payments targeting environmental issues need to be obligatory. Otherwise there is the danger that in high-yield regions no environmental services will exist at all. There is evidence that 'ecological oases' in heavily farmed regions play an important role in biodiversity conservation, which is why a percentage of land as 'ecological compensation areas' should be a prerequisite for a basic payment for the provision of environmental services. To achieve the greatest possible success with the allocated funding, all payments should be based on the costs incurred by farms for offering such services (including opportunity costs) and vary from region to region. This is why the basic payment foreseen in

the integration scenario should be phased out and replaced or substituted by payments for the provision of public goods. Targeted measures as foreseen for the second pillar, similar to those in today's agri-environmental programs should supplement these basic services. Instead of direct payments for income maintenance, payments can instead be made for the promotion of environmental protection and nature conservation. A further type of payment should primarily be used to sustain environmentally friendly modes of agricultural production on land that produces low yields in economic terms and where production is therefore at risk of being abandoned. But, payments should only be paid if the agricultural practice supported has positive effects for nature conservation.

*Refocus scenario:* To link support only to the provision of public goods like environment and climate change is appropriate. But, indeed, a big danger is that "the farming sector concentrates and intensifies production in the most competitive regions" without providing any environmental services like ecological oases. This would endanger biodiversity in those regions. The agri-environmental programmes should therefore be supplemented by an ecological basis premium to secure a broad-based provision of minimum environmental protection and nature conservation services like what is suggested as a top-up payment in the integration scenario. This strategy creates new income opportunities and possibilities to diversify especially for farms in disadvantaged regions by rewarding production of public goods.

5. To what extent will the strengthening of producer and inter-branch organizations and better access to risk management tools help improve farmers' income levels and stability? (optional)

In our view also a targeted remuneration of public environmental goods gives farmers the opportunity to reduce risk as this income can act as a risk buffer for all participating farmers: public goods do not lose their value when market prices plummet, so that income from the 'production' of public goods remains secure as long as those goods are produced in the quality demanded.

6. What environmental and climate-change benefits would you expect from the environment-targeted payments in the first and the second pillar of the CAP? (optional)

The top-up to the basic premium that is now foreseen in the integration scenario and that we propose as an element of payments for public goods would result in the provision of 'stepping stones' that increase the permeability of landscapes for population exchange and species migration. This is of particular importance given the feared impacts of climate change on biodiversity.

More targeted measures should achieve differing environmental protection and nature conservation objectives. This is especially the case regarding effective protection of bogs, mires and fens, grasslands, river floodplains, and mountain and coastal regions. The priority aim is to implement the Habitats Directive and the Water Framework Directive. Agri-environmental measures should also be adapted to meet the targets of national biodiversity strategies. In particular, they must be further developed to take account of climate change. An ecological network is needed to link the various habitat types in the Natura 2000 system. Apart from securing suitable core areas, by means of migration and colonisation corridors, this also enables species to shift their geographical range (Article 3 (10) of the Habitats Directive, Article 3 of the Birds Directive, Water Framework Directive). Measures to stabilise climate-sensitive ecosystem functions and to establish a multifunctional ecological network should support adaptation responses in nature and the landscape and halt undesired changes to the extent possible. For example, near-natural water resources are needed to reduce the emission of climate-damaging gases and for flood protection. This includes reactivating wet and moist areas together with the targeted creation of floodplains alongside rivers. The

transformation of cropland into grassland in suitable locations within Natura 2000 areas, nature conservation areas and episodically flooded river meadows and fen buffer zones has a stabilising effect on the climate and on ecosystems.

7. What opportunities and difficulties do you see arising from a significant increase of the rural development budget and a reinforcement of strategic targeting? (optional)

Opportunities: see answer to question 6)

Difficulties: Article 6 of the CBD says that the member states need to develop national strategies, plans or programmes for the conservation and sustainable use of biological diversity or adapt for this purpose existing strategies, plans or programmes which shall reflect, inter alia, the measures set out in this Convention relevant to the Contracting Party concerned. That means, targeted measures need a detailed catalogue of strategic aims e.g. for implementing the Habitats Directive and the Water Framework Directive and measures to meet the goals of mitigation and adaptation to climatic change. This is a challenge to the effective implementation of all three scenarios. Nevertheless, it should be undertaken to enhance the effectiveness of the payments.

8. What would be the most significant impacts of a "no policy" scenario on the competitiveness of the agricultural sector, agricultural income, environment and territorial balance as well as public health? (optional)

If agriculture continues becoming increasingly market-focused and no environmental barriers are put in place, then existing trends can be expected to intensify. More rationalised farming, the loss of small-scale structures in trends towards larger fields and less frequent crop rotation, greater use of large tractors and harvesters, intensive use of fertilisers and pesticides, and expansion of industrial mass livestock management all go hand in hand with pressures on air quality, gradual contamination of the soil and groundwater, and further decline in agrobiodiversity.

The reasons for the loss of grassland, whose use is in many cases economically unviable, will continue to exist in the near future. This applies in particular to extensive or mesotroph grassland which is valuable to nature conservation. The intensification of grassland use, frequent ploughing and the current increased ploughing up of grasslands for crop production mean that soil can no longer function as a carbon sink and instead becomes a climate-damaging carbon source. Furthermore, the ploughing up of grassland results in the loss of many other valuable functions provided by grasslands, such as the protection of soil from erosion, groundwater protection, and the conservation of valuable habitats and recreational qualities.

The monotonisation of agriculture through land-use intensification results in a decline in retreats for plants and animals, such as fringe structures and fallow fields. This disrupts the regeneration and reproduction potential of species typical to open lands. Negative effects are manifested in disrupted reproduction cycles in flora and fauna, a subsequent decline in populations and species, increased pressures from fertiliser and pesticide use, soil degradation and over-utilisation of water resources.

To sum up, the common agricultural policy must reduce negative impacts of agricultural activity and at the same time must ensure the provision of positive external effects which would not be produced in the long term or would not be produced in sufficient quantities in purely market-focused farming.

9. What difficulties would the options analysed be likely to encounter if they were implemented, also with regard to control and compliance? What could be the potential administrative costs and burdens? (optional)

10. What indicators would best express the progress towards achieving the objectives of the reform? (optional)

- SEBI 2010 (Streamlining European 2010 Biodiversity Indicators)
- IRENA (Indicator Reporting on the Integration of Environmental Concerns into Agriculture Policy)
- Indicators for ecosystem services, to be developed

11. Are there factors or elements of uncertainty that could significantly influence the impact of the scenarios assessed? Which are they? What could be their influence? (optional)

The complex impacts of climate change on agriculture, biodiversity, ecosystems and landscapes cannot be fully foreseen. Therefore, it is important to keep the possibility of adaptation as high as possible. In the case of biodiversity this means guaranteeing, at a minimum, stepping stones that heighten possibilities for adaptation, population exchange and species migration.

Public environmental services should be rewarded under any future support system. Supported public environmental services should secure the prevention of erosion, the conservation of organic substance in soil, protection of the soil structure, restoration of land no longer used for agriculture, the conservation of landscape components and the retention of three-way crop rotation. The supporting ecosystem services comprise, for example, the conservation of soil fertility and soil's production capacity. These are also valuable in that they make it easier to react to food crises, thus increasing the likelihood of securing the availability of basic supplies for the population. This may serve supply security to a greater extent than unlimited production, which can have long-term negative effects on soil fertility.