



## Slow Food's CAP review

### Our recommendations for a Common Agricultural Policy that is good for people and planet

28 June 2018

"I consider that my specific duty is to give our farmers certainty, stability and predictability that they both deserve and need<sup>1</sup>", said Commissioner Phil Hogan to Agriculture MEPs on June 11<sup>th</sup> as he presented what he called "an ambitious, balanced and realistic" legislative proposal for the post-2020 Common Agricultural Policy (CAP).

Interestingly, Commissioner Hogan's sentence perfectly summarizes Slow Food's main concerns on the new CAP proposal. On the one hand, it is doubtful whether a proposal based on vague definitions, objectives and indicators will be able to give farmers the "certainty, stability and predictability" that they need. On the other, "ambitious, balanced and realistic" hardly describe a proposal that, while differing in institutional approach, still looks like a rebranding of the previous CAP in terms of available policy tools. The current legislative proposal seems to lack the ambition to lead the way to a real transition towards sustainable food systems. While we appreciate the effort to increase the environment and climate ambitions and to support small farmers, we are concerned because the responsibility of deciding the future of European farming is delegated to Member States (MS), without a robust accountability mechanism and with questionable timings to prepare and implement quality CAP Strategic Plans and sound performance frameworks. These high ambitions could therefore end up in poor results.

Let's take a closer look at the proposal. For each of the main issues identified, we list the reasons for concern and questions addressed to Commissioner Hogan. The aim of this review is to trigger a debate among legislators, namely the European Parliament and the Council, that will have the final wording on the future CAP, as well as to receive clarification on behalf of the European Commission.

The debate has just begun, and we hope to provide constructive inputs to support the legislators in shaping a more effective and efficient reform, paving the way for the next much-needed step: a Common Food Policy that can truly deliver sustainable food systems in Europe.

1. **THE NEW RESULTS-BASED DELIVERY MODEL.** A key part of the proposed CAP reform is a move towards a results-based delivery model. The fact sheet explains that "The one-size-fits-all approach will be replaced by a more flexible system, with greater freedom for EU countries to decide how best to meet the common objectives while, at the same time, responding to the specific needs of their farmers and rural communities". CAP objectives will have to be pursued through the interventions designed by the Member States in their CAP Strategic Plans. While the intention to give MSs more flexibility to better respond to local needs is good, for this to really "improve the sustainable development of farming, food and rural areas" it must be accompanied by credible and strong accountability mechanisms that the 27 CAP plans will contribute to common policy objectives. These necessary accountability mechanisms seem extremely weak and many MSs risk not being prepared to deliver quality plans.

**COMMISSIONER HOGAN:** What are the minimum requirements for Member States to "improve the sustainable development of farming, food and rural areas"? What assistance will Member States and their civil servants receive to ensure that they are up to the challenge, considering that quality strategic planning will depend on them?

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<sup>1</sup> European Parliament News (2018) Future of EU farming: MEPs express reservations on Commission's proposals. Accessed on 13/06/2018 from <http://www.europarl.europa.eu/news/en/press-room/20180611IPRO5520/future-of-eu-farming-meps-express-reservations-on-commission-s-proposals>

2. **RENATIONALISATION.** The proposal is based on increased subsidiarity, where MSs are delegated several responsibilities, from the provision of the most relevant definitions (e.g. eligible hectare, genuine farmers, small farmers, young farmers, etc.), which will have an impact on the definition of potential beneficiaries of CAP funds, to the design of the CAP Strategic Plans. Critics say that this might result in the word “common” no longer being part of the Common Agricultural Policy.

**COMMISSIONER HOGAN:** How can the new delivery model ensure that increased subsidiarity will not exacerbate differences between farmers across the EU as well as between production, socio-economic and environmental conditions?

**2a. MEMBER STATES a.** A recent evaluation on the greening of the CAP, conducted by the Institute for European Environmental Policy (IEEP) on behalf of the Commission, shows that Member States tend not to be very ambitious of their own accord. Similar findings are echoed by the European Court of Auditors. Furthermore, Member States have a lot of freedom concerning the methodology of the needs assessment, which is of particular concern given the vagueness of the specific objectives associated with it, as there is no overall vision guiding the future of food systems in Europe.

**COMMISSIONER HOGAN:** Considering these evaluations, isn't it too risky for a policy with a potential budget of over 300 billion to rely on the goodwill of MSs to deliver the level of environmental and social ambition needed and to enforce a legislation that is full of potential loopholes?

3. **THE OBJECTIVES.** The new CAP proposal includes 3 general objectives<sup>2</sup> plus a cross-cutting objective and 9 specific – and potentially conflicting - objectives<sup>3</sup> which range from “enhance market orientation and increase competitiveness” to “contribute to climate change mitigation and adaptation”. According to Heinemann “Inflating objectives is a standard strategy to immunize a policy against a changing environment and/or an unconvincing performance”<sup>4</sup>.

**COMMISSIONER HOGAN:** How can the new delivery model guarantee that the inflation of objectives will not occur and that failure to achieve one objective will not be qualified by pointing to the many others achieved?

**3a. GENERAL OBJECTIVE (b):** “to bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union”.

**COMMISSIONER HOGAN:** How is it possible to ensure the achievement of this objective without a ring-fenced budget for the environment and climate?

**3b. SPECIFIC OBJECTIVES.** Specific objectives can still be dropped from the CAP plans if MS provide non-defined ‘sound justification’ for this in the needs assessment. This proposal gives MSs too much leeway in the interpretation of the objectives (because they are not SMART: Specific, Measurable, Achievable, Relevant, Time-bound) and too much space to set their priorities, due to a weak evidence base available for planning and evaluation.

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<sup>2</sup> General objectives: (a) to foster a smart, resilient and diversified agricultural sector ensuring food security; (b) to bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union; (c) to strengthen the socio-economic fabric of rural areas. Those objectives shall be complemented by the cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake.

<sup>3</sup> Specific objectives: (a) support viable farm income and resilience across the Union to enhance food security; (b) enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation; (c) improve the farmers' position in the value chain; (d) contribute to climate change mitigation and adaptation, as well as sustainable energy; (e) foster sustainable development and efficient management of natural resources such as water, soil and air; (f) contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes; (g) attract young farmers and facilitate business development in rural areas; (h) promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry; (i) improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare.

<sup>4</sup> Heinemann (2017): The Common Agricultural Policy and the Next EU Budget. Bertelsmann Stiftung. Accessed on 13/06/2018 from [https://www.bertelsmann-stiftung.de/fileadmin/files/user\\_upload/EZ\\_Reflection\\_Paper\\_1\\_Heinemann\\_2017\\_ENG.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/EZ_Reflection_Paper_1_Heinemann_2017_ENG.pdf)



**COMMISSIONER HOGAN:** Since MSs must contend with trade-offs between societal demands, e.g. support to the livestock sector against the contribution to climate change mitigation, which justification will be considered sound enough by the European Commission to justify the prioritization of one objective over the other?

**3b1. SPECIFIC OBJECTIVE (i):** “Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, as well as animal welfare”.

**COMMISSIONER HOGAN:** What will happen if a MS can demonstrate through the needs assessment that the societal demands in its country is just for low food prices, but not for food that is necessarily “safe, nutritious and sustainable”? Why is “sustainable food” considered merely one option among many others and is not at the core of the new CAP proposal?

4. **TIMING.** The approval of each CAP Strategic Plan shall take place no later than eight months following its submission by the Member State concerned.

**COMMISSIONER HOGAN:** The approval process of the Rural Development programmes has been characterised by significant delays. Is it therefore realistic to assume that the process of approval of the Strategic Plans will be timely and that farmers will not be asked to wait to receive funds, with the well-known consequences that this delay will have on farmers’ capacity to plan their work as well as on the achievement of the social and environmental CAP objectives?

5. **PERFORMANCE.** A new element presented in the proposal is the shift from a compliance-based to a performance-based approach. However, MS annual performance will be based on result indicators, which say nothing about the quality of the intervention. For example, the “share of agricultural land under commitments to improve climate adaptation” does not say anything on the quality and impact of those commitments. A performance bonus may be attributed to Member States to reward satisfactory performance in relation to environmental and climate targets. The achievement of these targets will be measured using the previously mentioned result indicators.

**COMMISSIONER HOGAN:** How is it possible that MSs may be attributed a performance bonus based on result indicators that do not measure the impact of the interventions?

6. **ENVIRONMENTAL AND CLIMATE AMBITION.** The proposal aims at achieving a higher level of environmental and climate ambition through both mandatory and incentive-based measures, including the following:

**6a. CONDITIONALITY.** Direct payments to farmers (so-called Pillar I) will be conditional on enhanced environmental and climate requirements. Conditionality is the minimum baseline that beneficiaries of CAP funds must meet to qualify for payments. The new “enhanced” conditionality brings together the previous elements of cross compliance (e.g. maintenance of soil organic matter levels) as well as greening measures (e.g. diversifying crops and maintaining permanent grassland). Some new elements have been introduced (farm sustainability tools, appropriate protection of wetland and peatland), others were redefined without clarifying whether there will be an improvement or not (such as the forms of Ecological Focus Areas).

**COMMISSIONER HOGAN:** Considering that conditionality is also left to Member States (e.g. no minimum % for Ecological Focus Areas and no minimum standards for what crop rotation means are defined at EU level) how can the new delivery model guarantee that all Member States will be ambitious enough to have a considerable impact when it comes to establishing baselines and targets?

**6b. ECO-SCHEMES.** Each Member State will have to offer eco-schemes to support farmers in going beyond mandatory requirements (see conditionality).

**COMMISSIONER HOGAN:** Considering that there is no money attached to these schemes, do we not incur the risk that MSs will scarcely use them by allocating insignificant amounts of money?

**6c. CLIMATE FUNDING.** The proposal claims to automatically dedicate 40% of direct payments to climate measures (because they are bound by conditionality that is assumed to be good for the climate). This means that even direct payments to intensive livestock farming producing huge methane emissions will still be automatically considered as climate expenditure.

**COMMISSIONER HOGAN:** How is it possible that direct payments automatically count as climate spending, considering that the fallacy of this measure has already been demonstrated by the European Court of Auditors in a 2016 report<sup>5</sup>?

7. **SMALL FARMERS.** Member States will have the option of offering small farmers the possibility of replacing direct payments with a round sum payment. Member States shall also ensure the redistribution of support from bigger to smaller or medium-sized farms by providing for a redistributive income support. This support will only be granted to farmers entitled to receive direct payments.

**COMMISSIONER HOGAN:** What conditions must small farmers meet to receive the round sum payment? If small farmers receive the round sum payment will they be excluded from receiving redistributive income support? If so, are small farms excluded from the redistributive income support given that, according to the proposal, they “remain a cornerstone of Union agriculture as they play a vital role in supporting rural employment and contribute to territorial development”?

**7a. FARMERS’ STABILITY.**

**COMMISSIONER HOGAN:** Considering that some of the problems hindering the capacity of small farmers to deliver in terms of environmental, economic and socio-cultural sustainability are not tackled by the CAP, but are strictly related to it (e.g. UTPs, food hygiene rules, public procurements, etc.) why does the CAP proposal not take them into consideration?

8. **THE FUTURE OF FOOD AND FARMING.** The Communication on the Future of Food and Farming acknowledges that “The CAP is one of the EU policies responding to societal expectations regarding food, in particular concerning food safety, food quality, environmental and animal welfare standards. Farmers are the real gatekeepers of food production systems; as such the contribution they can give to a sustainable food chain is crucial.” However, while some issues such as antimicrobial resistance (AMR) and animal welfare are somehow addressed in the CAP proposal, other issues initially mentioned in the Communication such as food waste and migration are not tackled anymore.

**COMMISSIONER HOGAN:** Why are these important issues missing from the CAP proposal?

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<sup>5</sup> [https://www.eca.europa.eu/Lists/ECADocuments/SR16\\_31/SR\\_CLIMATE\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR16_31/SR_CLIMATE_EN.pdf)



## **A MISSED OPPORTUNITY OR THE BEGINNING OF A TRANSITION?**

Lastly, why hasn't the European Commission been brave enough to make Europe a real game-changer and has abdicated its role as a world leader in the transition towards diversified agroecological food systems through the latest CAP proposal?

Slow Food believes a Common Food Policy is needed to go beyond the limitations of the CAP debate and to start a real transition to sustainable food and farming policies, where agroecological production and value chain approaches are the focus of the new overarching strategy. If we still believe in the EU project, this is a necessity. The CAP strategic plans can be a first step towards this transition, but they will not be sufficient. To improve the CAP proposal and pave the way for a transition towards sustainable food and farming policies, Slow Food believes:

1. The new policy framework needs to pursue economic, social, ecological, health, ethical and resilience objectives simultaneously not "à la carte".
2. The payment system should be geared towards delivering public goods, by organising the proposed CAP tools (CAP strategic plans, direct payments, rural development interventions, etc.) around these objectives and ensuring coherence with other food-related policies.
3. The new framework policy should be shaped to co-construct a solid delivery model based on quantified common objectives, clear targets and impact indicators and an appropriate system of quality control and penalties. Co-construction implies ensuring the involvement in the democratic process of all relevant stakeholders, not only the most influential and organised.
4. A plan to improve the evidence bases should be established: income, environmental and social indicators should be improved, starting from those where the data framework is poor and incomplete.

The final wording of the future CAP laws will be co-decided by the Parliament and the Council. Will they have the courage that the European Commission has so far lacked?

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