

## Common agricultural policy (CAP): direct payments to farmers under support schemes 2014-2020

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The Commission presents a staff working document reviewing the green direct payment scheme under the reformed common agricultural policy (CAP), implementation of which began in 2015. The review aims at assessing how the system was applied in the first year and adjusting where necessary regulatory arrangements governing green direct payments in secondary legislation.

When the reform was adopted, the Commission committed itself in [a declaration to](#) review one feature of the green direct payment scheme ecological focus areas (EFA) in the light of the experience gained after the first year of its implementation. This review covers issues of policy efficiency and administrative simplification, and also covers all aspects of green direct payments.

To recall, the objective of the green direct payment is to enhance the environmental performance of the CAP through payments for practices beneficial for the environment and climate change, including: (a) ecological focus area (EFA) covering 5 % of arable area, with a view to improving biodiversity on farms; (b) crop diversification; and (c) maintenance of permanent grassland.

Main findings: obligations under the green direct payment scheme cover most of the agricultural area in the EU: agricultural land subject to at least one green direct payment obligation amounts to 72 % of the total EU agricultural area. This wide coverage demonstrates the potential of green direct payments in delivering environmental and climate benefits on a large share of EU farmland, including areas that are not covered by agri-environmental and climate measures under rural development programmes.

However, the actual impact on environmental outcomes depends for certain aspects on the choices made by Member States and farmers. This is the case particularly for ecological focus areas where nitrogen-fixing and catch crops are the predominant declared EFA types (the requirements for crop diversification and maintenance of permanent grassland are fixed at EU level). When corrected by their weighting factors, the share and order of each declared EFA type are: nitrogen-fixing crops (39.4 % of the weighted area), land lying fallow (38 %), catch crops (15 %), landscape features (4.8 %) and buffer strips (less than 2 %). While nitrogen-fixing crops remain the most common declared EFA type in the EU, the share of fallow land ranks second.

Few Member States made use of the possibilities of limiting the use of pesticides and fertilisers in these areas. Landscape features, which are particularly important for the protection of biodiversity, were not among the most declared EFA types. Thus, the current pattern of EFA types tends to limit the intended contribution of this instrument as regards the improvement of biodiversity on farms. In contrast, the expansion of land lying fallow represents a positive development in this context.

The review shows the implementation of the green direct payment scheme was achieved not only with very limited impact on production levels and markets, but also with no significant impact on the level playing field for farmers across Member States. However, some specific weaknesses have been identified that prevent full exploitation of the potential of the scheme. Many of these issues can be addressed by regulatory changes in secondary legislation:

- better specification or clarification of what is required from farmers and national administrations, especially as regards landscape features;
- eliminating some burdensome technical requirements without lowering environmental benefits: revisions of certain aspects (e.g. species to be used, allowing more mixtures) could be considered in order to make some EFA types more attractive and increase environmental benefits;
- providing more flexibility or alternative options where this increases the environmental and climate benefits of greening: certain eligibility rules for landscape features have been shown to be too restrictive for ecological focus areas, in particular as regards their size and their location in the parcel of land;
- additional harmonisation of some requirements and conditions, including the modification of weighting factors could and the harmonisation of some management requirements.

The Commission will make a more in-depth assessment of the environmental achievements of green direct payments once new information on the state of natural resources becomes available.