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Greening: a more complex income support scheme, not yet environmentally effective



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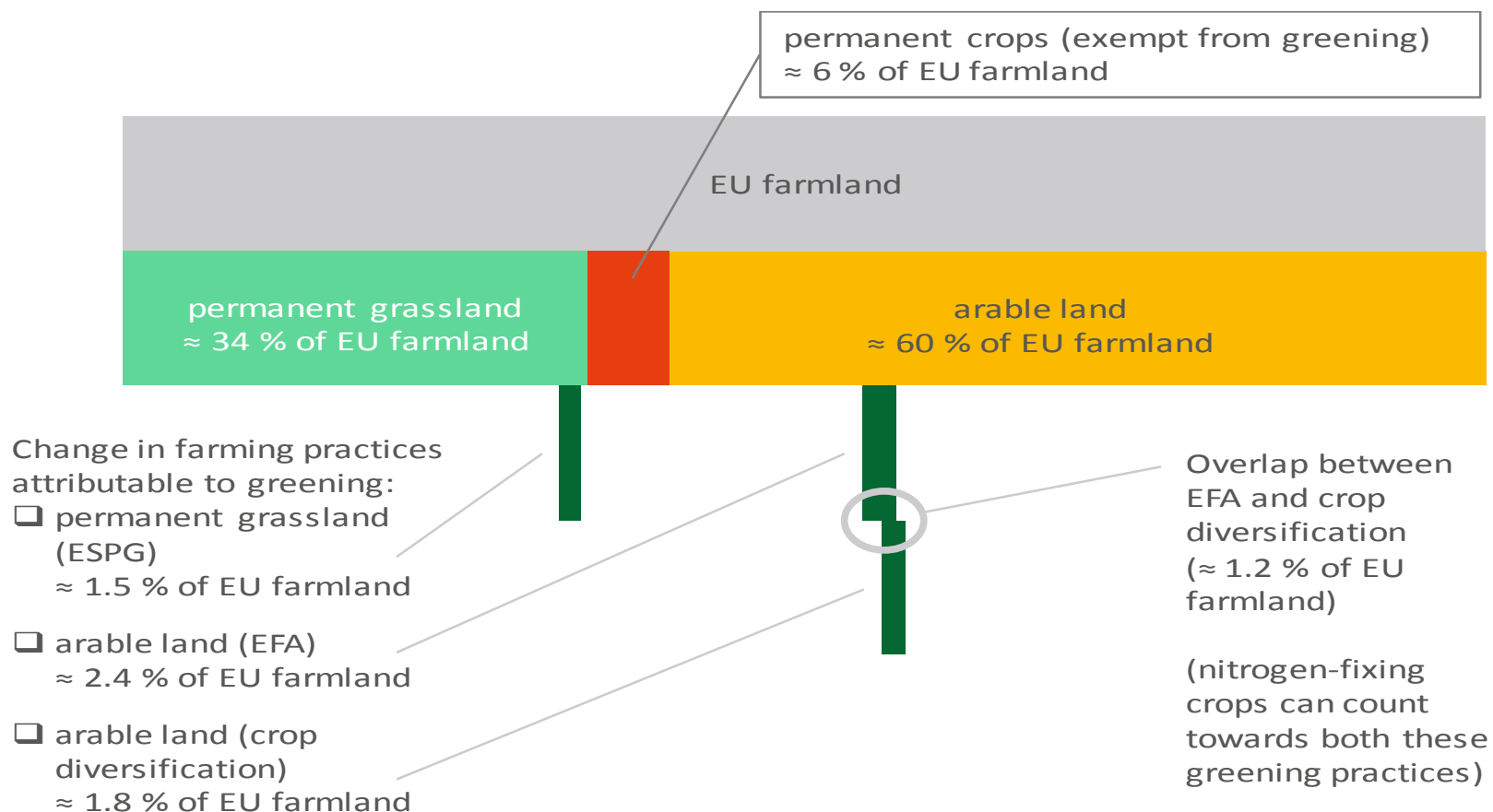


Why did we do this audit?

**Greening
represents
almost 8 % of
the whole EU
budget**

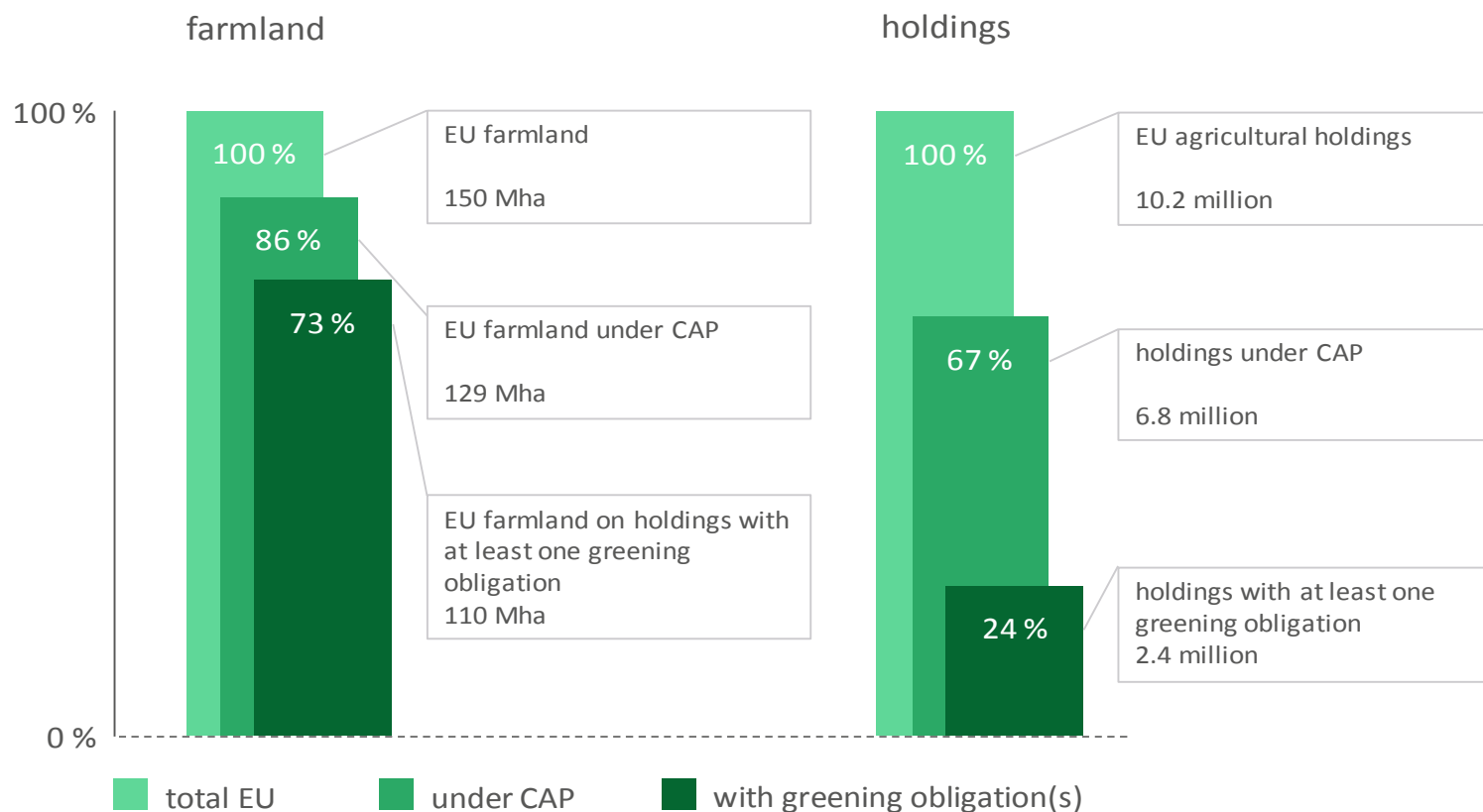
- The 'green payment' or 'greening' is a new type of direct payment introduced with the 2013 CAP reform
- Greening aims to enhance the CAP's environmental performance to address the negative effects that certain farming practices have on the environment and climate
- The EU spends 12 billion euro per year on greening, representing 30 % of all CAP direct payments and almost 8 % of the whole EU budget
- Farmers received their first green payments during the 2016 financial year, for claims submitted in 2015
- We visited France (Aquitaine and Nord-Pas-de-Calais), Spain (Castile and Leon), Greece, Poland and Netherlands.

Greening led to change in farming practice on around 5 % of EU farmland (JRC model-based estimate)



Source: ECA, based on JRC study results and Eurostat data (Farm Structure Survey 2013)

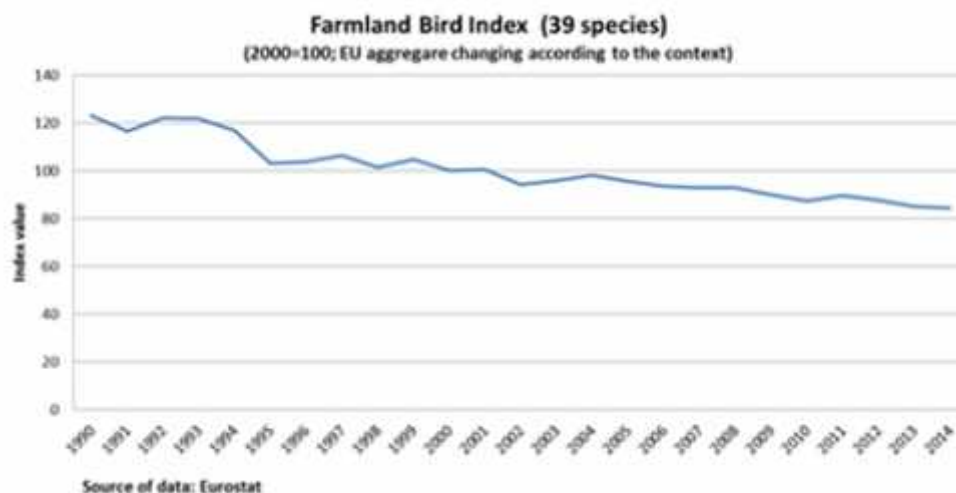
Usefulness of Commission indicator – 73% (2015; 77% in 2016) of farmland under Greening obligations



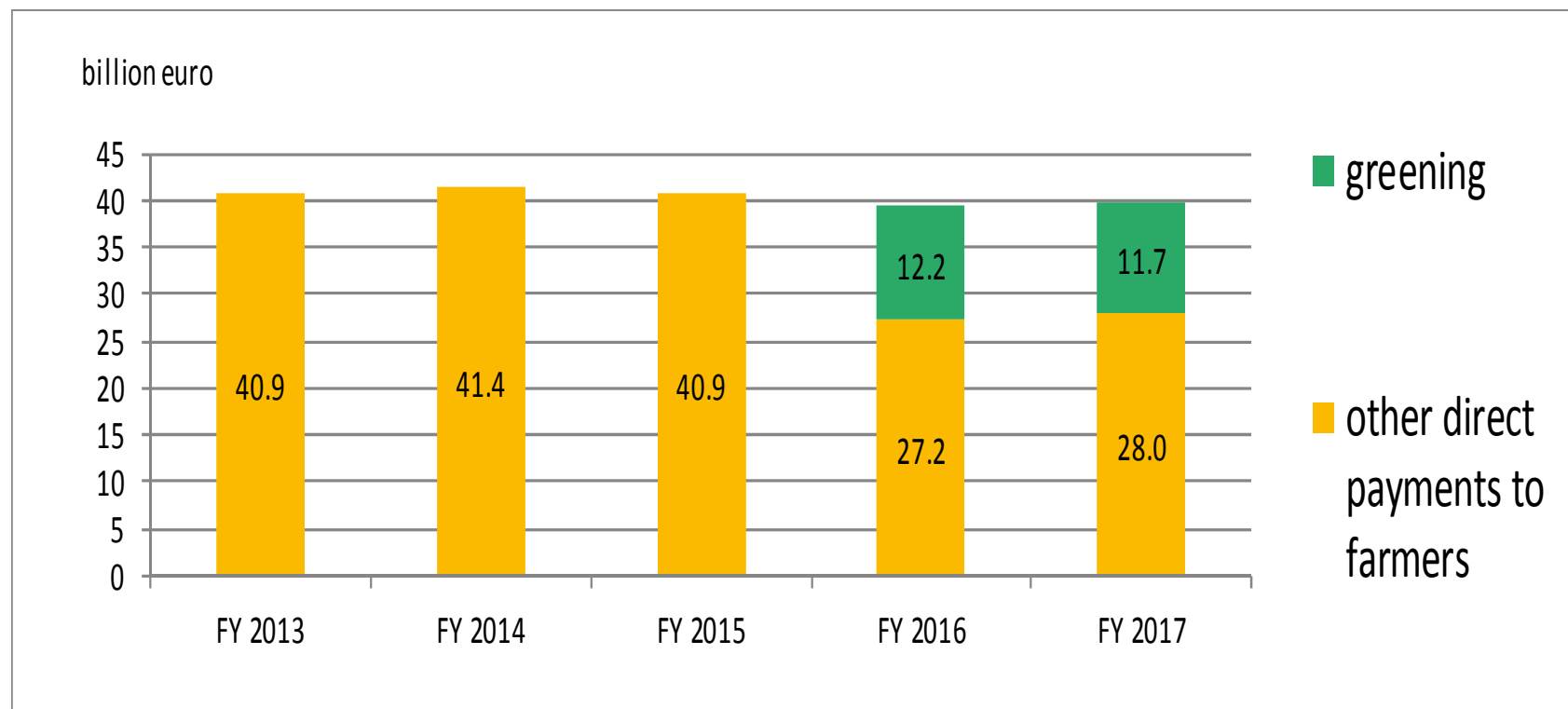
Objectives of Greening?

- The Commission has not set specific targets or otherwise specified what greening can be expected to achieve for the environment and climate
- The EU Thematic Strategy for Soil protection;
- EU 2020 climate and energy package;
- EU 2030 climate and energy framework;
- EU biodiversity strategy.

What was Greening meant to do – preserve beneficial practices and areas or enhance environmental performance?



The introduction of greening does not change the overall budget for CAP direct payments



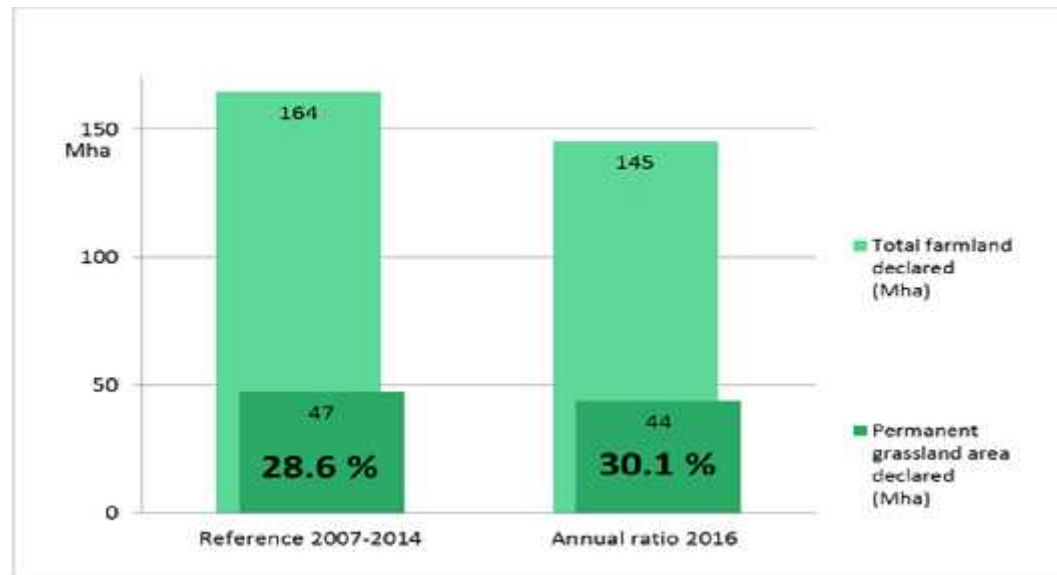
Source: European Commission's data (eur-lex.europa.eu/budget/www/index-en.htm).



Design of greening practices

- Crop diversification is less beneficial for soil than crop rotation
- The effect of grassland protection on net emissions from farmland could be better targeted

Design limitations reduced the effectiveness of the three greening practices



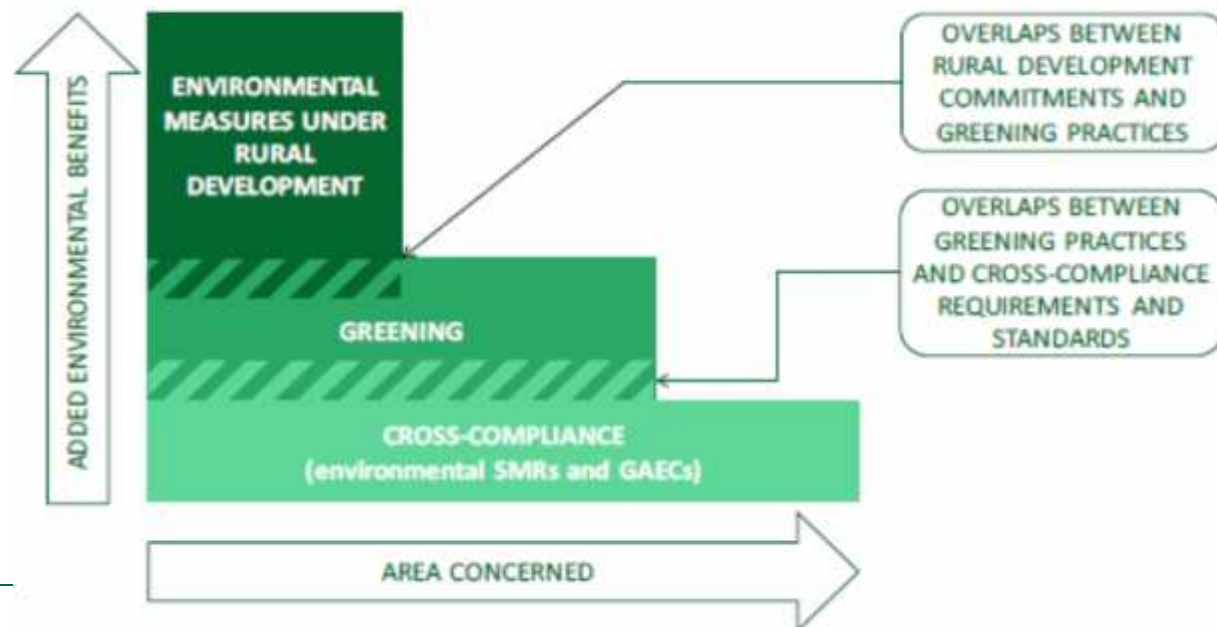
- Productive EFAs and insufficient management requirements reduce the benefits for biodiversity



Pyramid of CAP environmental instruments – increased complexity, not justified by results

- Greening overlaps with other CAP environmental instruments but the Commission and Member States mitigate the related risk of deadweight and double funding
- The complexity of greening rules entails implementing challenges, which the Commission has partly resolved
- Greening practices resemble GAECs, but involve higher potential penalties for non-compliance

The only significant difference from cross-compliance is that for greening the penalties for infringements would normally be higher



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Recommendations

The Commission should:

- **develop a complete intervention logic for the CAP's contribution** to the **environmental and climate-related objectives of the EU;**
- and **follow the principles**, that:
 - farmers can only have access to CAP payments if they meet a set of basic environmental norms covered by current GAECs and greening;
 - special, local environmental and climate-related needs can be addressed through stronger programmed actions, rewarding farmers for services exceeding the environmental baseline;
 - Member States should be required to demonstrate, prior to implementation, that their chosen options are effective and efficient in terms of achieving policy objectives.

**Thank you
for your attention!**

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