



**BirdLife Europe, European Environmental Bureau, NABU**

## **Is the CAP fit for purpose?**

**Briefing: Evidence based fitness-check assessment<sup>1</sup> and lessons for policy**

A detailed analysis of more than 450 publications has shown that the CAP is not fit for purpose from both an environmental and a socio-economic perspective. The five “fitness check” questions show poor results on efficiency and internal coherence and mixed results for effectiveness, relevance and EU added value. This is just not good enough to keep justifying the billions of Euros spent on the CAP each year. Therefore BirdLife Europe, EEB and NABU ask for a fundamental reform. This new policy must set the EU on track to deliver on the Sustainable Development Goals.

### **Why NGOs promote an evidence-based Fitness Check of the CAP**

A lot has changed since 1962, the year that the Common Agricultural Policy (CAP) was first introduced. While the CAP has tried to catch up with continuous changes in European food and farming through several rounds of reform, it has resoundingly failed to adapt. The Sustainable Development Goals (SDGs) remind us about the many challenges of which several are also visible in Europe: EU child obesity figures are shocking, crises are hitting the farming sector every few months, population decline in rural areas continues unabated, the effects of climate change are becoming increasingly dramatic and biodiversity – our precious nature and wildlife – is disappearing before our very eyes.

At the same time, the European Commission has committed itself to a “Better Regulation” agenda and carries out “Fitness Checks” on many pieces of EU law. It would not be credible if a policy accounting for almost 40% of the EU budget were exempted from this exercise. Even if the Commission has just started a process to modernise and simplify the CAP, the current reform process falls short of a proper Fitness Check. Therefore, following a series of analyses and countless calls from civil society for a Fitness Check, BirdLife

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<sup>1</sup> The full study and executive summary can be downloaded on the BirdLife, EEB and NABU websites. Cite as: G. Pe'er, S. Lakner, R. Müller, G. Passoni, V. Bontzorlos, D. Clough, F. Moreira, C. Azam, J. Berger, P. Bezak, A. Bonn, B. Hansjürgens, L. Hartmann, J. Kleemann, A. Lomba, A. Sahrbacher, S. Schindler, C. Schleyer, J. Schmidt, S. Schüler, C. Sirami, M. von Meyer-Höfer, and Y. Zinggrebe (2017). Is the CAP Fit for purpose? An evidence based fitness-check assessment. Leipzig, German Centre for Integrative Biodiversity Research (iDiv) Halle-Jena-Leipzig.



Europe & Central Asia and the European Environmental Bureau have decided to get the ball rolling. A study was commissioned that closely follows the Commission's own Fitness Check methodology: "Is the CAP fit for purpose: A rapid assessment of the evidence". While BirdLife and EEB got the ball rolling, the scientists continued and got extra support from Naturschutzbund Deutschland (NABU), German Centre for Integrative Biodiversity Research (iDiv) Halle-Jena-Leipzig, Helmholtz Centre for Environmental Research – UFZ, the University of Göttingen, The Greens / The European Free Alliance in the European Parliament, and the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament.

This independent study examines evidence regarding the CAP's performance by providing an evidence-based Fitness-Check of the CAP. The aim was to compile evidence on the CAP's impacts on our society, economy, and environment; assess whether the CAP fulfils its objectives; and evaluate the capacity of the CAP to contribute to meeting the UN's Sustainable Development Goals (SDGs). Over 800 publications were listed and evaluated as potentially relevant for the CAP's assessment. With limited time and resources, more than 450 of them were used to analyse the CAP and produce the report, and 306 were also incorporated into an in-depth database.

### **In order to categorise the collated evidence, the scientists followed the EC's criteria for policy Fitness-Checks by adopting six evaluation criteria for the CAP:**

- **Effectiveness:** Do the CAP design, instruments, and implementation contribute to meeting its objectives?
- **Efficiency:** Are the costs reasonable and in proportion to the benefits achieved, also compared to alternative mechanisms? Are the investments well-placed and distributed?
- **Internal Coherence:** Do CAP objectives and instruments complement or conflict with each other in supporting its objectives and implementation?
- **External Coherence:** Does the CAP support, complement, or conflict (with) other EU and international policies in terms of objectives and implementation, and/or effects?
- **Relevance:** Is the CAP relevant to current challenges and the priorities set by EU citizens, farmers, and policy makers? Is it using (and supporting) the most updated criteria, tools, and knowledge?
- **EU Added Value:** Does the CAP address challenges better than national-, regional- or local-level solutions?

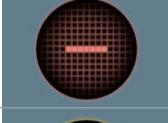
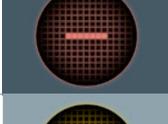
In addition to these, we added a further question relating to SDGs, namely

- **Sustainable Development Goals:** To what extent can the CAP contribute to meeting relevant Sustainable Development Goals (SDGs 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 15)<sup>2</sup>?

<sup>2</sup> SDG 1 (no poverty), SDG 2 (zero hunger), SDG 3 (Good health and wellbeing), SDG 6 (clean water), SDG 8 (Green Growth), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land)

# Snapshot of the main results of the study

## Socioeconomy

<b>Effectiveness</b>		CAP supports farm incomes, but Direct Payments (DP) create dependencies on subsidies, influence production decisions and reduce farm efficiency. Market distortions were reduced. Integration into world-markets is achieved, prices now follow global markets, but farmers are more exposed to price volatility.
<b>Efficiency</b>		Distribution of payments highly inefficient, budget allocation not justified, leakages to land rent. Indicators for income objectives are underdeveloped or missing. Mixed results for Rural Development Programme measures.
<b>Internal Coherence</b>		Some objectives and instruments support or complement each other but overall diverging targets weaken policy design and implementation. Multiple, contradicting instruments, and too high flexibility at national level, undermine effective implementation.
<b>External Coherence</b>		Better EU-market access for middle income countries, but erosion of preferential trade for developing countries. Relative coherence with cohesion policy but little with policies on nutrition, health and consumption.
<b>Relevance</b>		Objectives unclear, partly outdated. Public demand for quality food not reflected. Direct payments for income support insufficiently justified and monitored/evaluated. Public acceptance declined.
<b>EU added value</b>		Positive for market issues and for uniform legal framework within the EU. Some support of (more) balanced territorial development. No indication of economic added value. Deficient adaptation to New Member States (MS) conditions.

## Environment

<b>Effectiveness</b>		Local: successes of targeted instruments (AECM) but limited by low uptake and limited extent. Greening design and implementation mostly ineffective. Climate measures insufficient. Effects on soil and water are mixed. CAP as a whole: insufficient to reverse overall negative trends of environmental degradation and biodiversity loss.
<b>Efficiency</b>		Highest investment in least effective measures (greening), particularly for biodiversity. AECM weakened by inclusion of climate and reduction of budget in 2013-reform. Conflicting instruments weaken measures. Regulations (laws) more efficient than subsidies.
<b>Internal Coherence</b>		Conflicting objectives and support for intensification weaken internal coherence. Erosion of AECM by greening. Potential of bottom-up integration is unfulfilled.
<b>External Coherence</b>		Weak complementarity of objectives and instruments with relevant environmental policies (e.g. Nature 2000, emissions trading, Water Framework Directive). Successful integration of some important standards through Cross Compliance, but overall lack of support for environmental aims and needs. Global footprint poorly addressed.
<b>Relevance</b>		New environmental objectives clearly relevant but not resolved. Public demand for animal welfare only partly reflected. Indicators for biodiversity and climate insufficient. Insufficient uptake of knowledge into CAP design and implementation.
<b>EU added value</b>		EU-wide environmental standards and requirements are important. Flexibility allows adjustment to national/local conditions but weakens overarching goals and achievements. Limited adjustment to conditions in new Member States.

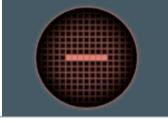
### Effectiveness/Efficiency



### Confidence Level



## Socio-economic SDGs

<b>1. No Poverty</b>		Livelihood of smallest farmers in EU and farmers in developing countries	Subsidies contribute to income but support for small farmers insufficient, particularly in New MSs. Impacts out of EU are mixed.
<b>2. Zero Hunger</b>		Livelihood of smallest farmers in EU and farmers in developing countries	Recently opened to world markets. Levelling-out of trade preferential agreements with the poorest countries. Hunger per se not a key issue in the EU per se. Impacts out of EU are mixed.
<b>3. Good Health and Well Being</b>		nutritional health of consumers	Support for organic farming but overall hardly addressing issues of obesity and related diseases. Over-proportional support for animal products fostering unhealthy diets. See also SDG 12.
<b>5. Gender Equality</b>	n.a.		Too few documents available for evaluation (knowledge gap).
<b>7. Affordable and Clean Energy</b>	n.a.		Only marginally addressed by the CAP.
<b>8. Decent Work and Economic Growth</b>		Support for organic farming, rural development	CAP seems to slow down employment losses. Sustainable economic growth supported through organic farming, but counteracted by support to unsustainable farming systems.
<b>10. Reduced Inequalities</b>		CAP funding distribution, balanced territorial development	Supports (more) balanced territorial development but unbalanced distribution of Direct Payments and remaining low accessibility for smallholders counteract improvements to economic disparities.
<b>11. Sustainable cities and communities</b>	n.a.		Paucity of studies, indirect and complex interactions between co-acting factors. See also SDG 12.
<b>12. Responsible Consumption and Production</b>		Consumption and production behaviour, waste, diets.	Reduced problems of overproduction by decoupling but otherwise no targeted instruments to address global footprint and challenges of food waste and unbalanced diets (see SDG 3).

## Environmental SDGs

<b>6. Clean Water and Sanitation</b>		Water pollution	Targeted instruments exist, reductions in pollution in old MS, but overall progress is slow.
<b>13. Climate Action</b>		GHG emissions	No CAP instruments to deal with main sources of GHG emissions. Inclusion in AEEM is marginal to needs. Global footprint especially from feedstock imports not addressed.
<b>15. Life on Land</b>		Biodiversity	Some local successes of targeted instruments; Greening ineffective. CAP as a whole insufficient to reverse overall biodiversity decline, partly supported by CAP subsidies.

### Legend for SDGs: (Does the CAP support SDGs?)



### Confidence Level





## Key emerging lessons and what it means for policy

The study shows a very inefficient policy that has incoherent and often contradictory goals both between CAP measures and between the CAP and other policies. While it demonstrates some effectiveness, e.g. local environmental successes or reducing market distortions, the old objectives are becoming outdated and hence questions are raised about its relevance. Finally, EU added value could be delivered for the environment or the internal market, but it is not proven for economic added value and the many options for flexibility water down the EU objectives. Therefore BirdLife Europe, the EEB and NABU put together a list of policy recommendations based on each of the emerging lessons.

**Lesson 1:** CAP does not adequately address the most relevant SDGs associated with it, namely SDG 3 (Good health and wellbeing), SDG 6 (clean water), SDG 8 (Green Growth), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land). Even SDG 1 (no poverty) and SDG 2 (zero hunger) are challenging if examined from a global perspective beyond Europe.

**BirdLife, EEB and NABU recommend:**

- Set the Sustainable Development Goals as the key objectives for the entire EU Multiannual Financial Framework
- Transform the current CAP into a sustainable Food and Land Use Policy, with a transparent decision making process

**Lesson 2:** Current trends and CAP's performance indicate that sustainability, along the axes of social, ecological and environmental dimensions, has not been achieved and is unlikely to be achieved under current conditions.

**BirdLife, EEB and NABU recommend:**

- Get rid of any structures and measures that are not linked to clear sustainability objectives.
- Replace the existing two pillar structure with a fundamentally new framework consisting of a transition instrument investing in the future of the food and farming sector as well as funding instruments rewarding specific measures for biodiversity.

**Lesson 3:** While distortions of global markets have been reduced successfully, the EU's global ecological footprint keeps growing and is not addressed adequately by the CAP.

**BirdLife, EEB and NABU recommend:**

- Eliminate all remaining direct and indirect production and export support.
- Introduce consumption side policy tools to reduce food waste, invest in transparency and consumer awareness, support a shift to more sustainable and healthy diets and enable better green public procurement
- Promote ecologically balanced farming systems that do not rely heavily on fossil fuels, synthetic fertilisers and pesticides and imported feed, in order to reduce the ecological footprint of the CAP
- Take a global and holistic view on the sustainability of farming (e.g. consider lifecycle and indirect impacts as well as local impacts and resource efficiency) and how the CAP supports overconsumption and production

**Lesson 4:** CAP lacks a clear set of internally and externally coherent, overarching, welljustified objectives as well as instruments and indicators aligned with them. This hampers effectiveness and particularly efficiency.

**BirdLife, EEB and NABU recommend:**

- Abolish the old objectives in favour of one clear set of coherent and Specific, Measurable, Achievable, Relevant and Time-bound (SMART) objectives, which should be derived from the Sustainable Development Goals that are not only relevant for Europe but will also help us reach our international obligations. Redesign non-conflicting instruments and indicators to fulfil these objectives.
- Move away from simple box ticking and overemphasis on error rates, allowing Member States to adapt schemes to local conditions but combined with a focus on actual results and increased accountability of both beneficiaries and national authorities for respecting rules and achieving results.

**Lesson 5:** Interactions between policies and stakeholders, and impacts on developing countries, demonstrate that policy fields are interdependent. The CAP lacks policy packages that would link diverging objectives and instruments.

**BirdLife, EEB and NABU recommend:**

- Change the decision making structure so that objectives, measures, instruments and indicators are ,discussed, decided and implemented jointly by representatives of all relevant policy fields such as: agriculture, environment, health, development, etc.
- Competent authorities must have real decision making power on their respective part of the new policy. This means that nature conservation authorities must lead on programming of measures under any biodiversity funding instrument



**Lesson 6:** Direct Payments as income support receive the largest budget allocation without sufficient justification nor clear links to CAP objectives. High criticism is also directed towards inefficiency and inequity of Direct Payment distribution, which do not reflect farmers' needs and the public opinions as expressed for example in the 2017 Public Consultation.

**BirdLife, EEB and NABU recommend:**

- Determine an end date to direct payments as they are highly inefficient and undermine public acceptance of the CAP.
- Instead redirect public funding towards rewarding farmers for biodiversity stewardship and towards investments in an actual transition to sustainable farming and consumption.
- Ensure that all future CAP expenditure is based on contractual approach and not on entitlement and that all CAP instruments have a clear link to specific outcome delivery

**Lesson 7:** CAP impacts on small farm-holders are of high importance for socio-economic and environmental success, particularly in Eastern Europe.

**BirdLife, EEB and NABU recommend:**

- Offer a solution to the many problems of small farmers in the EU which goes beyond just simplification, including a combination of rural development measures, transition funding which focuses not just on growing economically but establishing a sustainable and long term business plan and, a sustainable food instrument that sets up sustainable value chains.
- Ensure that all policy instruments make explicit effort to cater also for the needs of small, extensive economically marginal farmers and not be entirely focused on large, competitive, intensive sectors and farms so that true environmental and socio-economic sustainability is also reached there.

**Lesson 8:** Available knowledge is often poorly incorporated into the CAP design and implementation, for example by neglecting opportunities for GHG reduction, lack of landscape-level implementation to enhance efficiency of biodiversity conservation, or the design of greening measures with insufficient uptake of existing knowledge and experience from AECM.

**BirdLife, EEB and NABU recommend:**

- Use the data and information available for policy and measure design.
- Keep the elements that do deliver effectively and efficiently (such as well targeted Agri-Environment Measures), while reforming those that don't (low-level agri-environment measures that are rather a indirect-coupled support).
- Ensure that the current legislative framework (on water, nature, etc.) is well implemented and enforced as it was found to be more efficient than subsidies.
- Ensure truly independent audits and assessments of policy efficiency and real obligation to improve performance (or face penalties)

**Lesson 9:** The environmental engagement of the CAP is altogether insufficient to halt the decline of biodiversity and ecosystem services in the EU and to cope with the challenges of Climate Change, with consequences for farming and farmers in terms of enhanced risks.

**BirdLife, EEB and NABU recommend:**

- Set real mechanisms to reduce GHG emissions in the farming sector, especially for the most problematic parts of livestock and fertilisers, and ensure the sector transitions towards a resilient system.
- Establish a distinct financing instrument to pay land users for actions delivering for biodiversity and ecosystem services undertaken by farmers and other land managers, following a contractual, income-generating approach. The priorities should be to restore and maintain species and habitats of EU importance to a favourable conservation status; complete and manage the terrestrial Natura 2000 network according to legal requirements; finance key targeted biodiversity measures, as well as monitoring and communication activities that underpin the achievement of EU biodiversity policy
- Set up a "Space for Nature" payment as a simple and effective voluntary system to reward farmers for the dedication of non-productive land for biodiversity-enhancement.

**Lesson 10:** Administrative burdens represent important barriers for successful implementation, especially in the area of biodiversity.

**BirdLife, EEB and NABU recommend:**

- Simplify the policy first of all by removing loopholes, hidden subsidies and other elements that reduce its effectiveness and efficiency
- Give Member States more freedom in designing and administering schemes in exchange for much stronger accountability for results (such as meeting the SDGs and other international obligations on biodiversity and climate) and truly dissuasive penalties for misusing the policy (both by beneficiaries and Member States)
- Require Member States to actively set up systems to facilitate farmers' access to environmental schemes, including collective approaches, public extension and advisory services, partnership with NGOs and local communities etc.

**Lesson 11:** Power struggles among interest groups seems to result in expensive, incoherent policies with little impact.

**BirdLife, EEB and NABU recommend:**

- Ensure truly balanced representation of all stakeholders in consultations, working groups, monitoring bodies etc. at all levels and provide technical support to stakeholders in need to allow them to use their participation rights
- Ensure full transparency and universal access to information by making all key data easily available on line
- Ensure that impact assessments are undertaken also on political compromises between the EU institutions (e.g. "trialogue deals") to avoid inconsistencies and inefficiencies of the policy.

## In the light of the above

We call upon the European Commission, Members of the European Parliament and Governments of EU Member States to develop the Common Agricultural Policy into a sustainable Food and Land Use Policy, to improve its effectiveness, efficiency, coherence, relevance and its EU added value – to secure Europe's chances to achieve the global Sustainable Development Goals by 2030.

We furthermore call upon the European Commission to turn the so-far inadequate process around and use this study as the foundation for a serious impact assessment that will result in an evidence-based future policy.

