

Meeting International Environmental Commitments: A Draft Strategy for the CAP



CAP State of Play

- History of integration of biodiversity conservation in CAP, climate issues are rather new and less focused.
- Impacts of recent measures such as cross compliance not yet clear and difficult to forecast (new rural development progs).
- Nonetheless, anticipating failure in meeting biodiversity targets and Kyoto targets a challenge.



Apt Time for Policy Debate

- Biodiversity target 2010; Kyoto 2012
- Post 2012 agenda and revised/more stringent targets
- Health Check – potential adjustments to CAP
- EU budget and Strategy debate
- Uncertainties in CAP beyond 2013



Climate Change Measures in Agriculture

Some principles for intervention within the CAP:

- Where potentially effective measures are cheaper than in other sectors;
- Where action is associated with other benefits;
- Where agriculture is a major share of MS's emissions;
- Where convincing argument for preference for bioenergy, despite cost penalty.



Climate Measures in Agriculture

Classified into four approaches:

- GHG mitigation
- Bioenergy production
- Sequestration, e.g. in soils and forests
- Adaptation (not considered further here).



Reducing Emissions from Agriculture

- Inevitable decline given current trends (e.g. fall in livestock numbers).
- Most of additional measures examined are relatively expensive compared to other sectors – e.g. > €50/tCO₂Eq. (biodiesel 3 times higher)
- Merits of measures offering multiple benefits, particularly improved N management.
- Anaerobic digestion appears to have large scale potential given right conditions.(heat use)



Forestry Sequestration

- Potential benefits from some forestry measures, but constraints in gaining credits under KP as it now stands.
- Measure with largest technical potential is changes to management – e.g. changing rotation lengths and increased thinnings.
- Afforestation – few short term benefits, but role in longer term strategy.
- Avoiding sources (deforestation and fires)
- Some scope for extracting bioenergy from forests but will reduce sinks but biodiversity risks



Bioenergy

- Currently production quite limited, around 4% of energy consumption
- Demand being driven by strong policy intervention outside CAP, e.g. EU Biofuels Strategy
- Incentives directed through tax concessions etc which will impact EU and world markets
- Results will be growing price levels and consequent intensification, e.g. in oilseed rape production, with consequences for N surplus



Bioenergy production chains

- Assessment of different bioenergy chains shows high costs for liquid biofuels.
- Direct combustion of SRC and miscanthus more energy efficient and lower abatement costs.
- Consequently, unattractive to support 1st generation crops through the CAP.
- Priority to develop 2nd generation crops/fuels which face technical and economic barriers (R&D-oriented)
- Large scale imports likely given need to pursue resource efficiency, raising WTO and labelling issues.



CAP Policy Responses

In the shorter term:

- Strategy to contain distortions arising from rapid increase in bioenergy crop production.
- Need for environmental safeguards.
- No justification for continued set aside.
- Amendments to cross compliance conditions.
- Selected measures within the EAFRD to address climate priorities.
- CAP can help to coordinate land and biomass availability



CAP Policy Responses

In the longer term:

- Strengthen linkages between agricultural and energy supply policies.
- Future CAP measures to address more integrated land use objectives, including soil management and C sink functions
- Develop strategy to improve N efficiency alongside C efficiency in the agricultural sector.
- Selective afforestation.
- Re-examination of bioenergy policies.



Biodiversity Measures in CAP

- Danger of biodiversity being overshadowed by climate agenda in scientific and political circles.
- Biodiversity requirements more site specific and complex so more tailored policies essential.
- Despite failings of some agri-environment measures, there is increasing scientific understanding of ecological processes informing policy design.
- Multi-tiered policies offer a means of engaging a majority of farms to different degrees.



Current Biodiversity Measures

- Cross compliance reinforces biodiversity legislation and inhibits abandonment but not focused on biodiversity objectives.
- Where appropriately managed, set aside can have significant environmental benefits.
- Impacts of decoupling yet to be evaluated but clear need to maintain grazing through appropriate incentives.
- Agri-environment schemes need to be better focused on biodiversity issues and HNV farming.



A Proposed Multi-Tiered Approach

- Tier 1. Improving the biodiversity value and potential of agricultural landscapes.
- Tier 2. Providing support for farming systems of biodiversity value.
- Tier 3. Providing support for specific measures of biodiversity value.



Tier 1

Strengthening cross compliance would involve:

- Improved protection for water courses via buffer strips.
- Protection for features and boundary habitats of biodiversity value.

Ecological Priority Areas:

- Equivalent to 5% of farm area in place of market set aside.



Tier 2

- Support for HNV farming systems, e.g. through reformed LFA and other Pillar 2 measures.
- Support for organic systems
More demanding national targets for area under organic production coupled with fine-tuning of organic standards to biodiversity concerns.



Tier 3

- Regional and farm specific measures to address four key biodiversity challenges.
- Examples would include:
- Conversion of arable to grassland, rewetting drained areas, reducing field size, discouragement of irrigation and management of traditional fallow.
- Delivered primarily through Pillar 2, requiring significant levels of support to achieve sufficient impact.



Conclusions

- Biodiversity goals can only be addressed through concentrated and focused interventions.
- It requires a major investment in public goods through appropriate agricultural management.
- By contrast, climate issues mainly addressed through policies outside the CAP.
- Major expenditure on bioenergy crops unjustifiable but a role for more limited interventions.



Conclusions

- Reorientation of CAP to reflect environmental concerns has been a positive step, but clear need for deeper focus on biodiversity issues on a more ambitious scale.

