

CAP4GI Policy Brief
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Harnessing the Potential of the CAP for more Biodiversity

Policy Recommendations from a Dialogue with Farmers in Germany



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Harnessing the Potential of the CAP for more Biodiversity:

Policy Recommendations from a Dialogue with Farmers in Germany

Agricultural landscapes in Europe are experiencing a significant decline in biodiversity. The biodiversity crisis manifests itself in the loss of habitats, a substantial decrease in the numbers of animals and plants, and the degradation of essential ecosystem services like pollination, soil fertility, and natural pest control. This trend threatens not only biodiversity but also the functionality and sustainability of our agricultural and food systems.

In the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy, the EU has committed to taking effective action to halt biodiversity loss. **Agricultural production plays a pivotal role** in meeting this target, as it is particularly vulnerable to the consequences of biodiversity while also being one of its main drivers. The **Common Agricultural Policy (CAP)** of the EU can be utilised **as a tool to address this issue** and reverse the trend by harnessing its full potential.

In the current CAP funding period (2023 - 2027), **one of the nine specific objectives is to halt and reverse biodiversity loss, enhance ecosystem services, and preserve habitats and landscapes.** Eco-schemes (ES) and Agri-Environment-Climate Measures (AECM) provide farmers with financial support to implement environmentally friendly farming practices and maintain public goods. However, **these measures lack acceptance and suffer from various practical challenges.** The Europe-wide farmer protests in winter 2023/24 highlighted that the future development of the agricultural sector requires attractive opportunities that persuade farmers rather than provoke discontent and rejection. In this context, the "Strategic Dialogue on the future of EU agriculture" has provided important impulses and demonstrated a strong consensus among key stakeholders of the whole agri-food chain to **evolve the CAP to better reward practices that deliver social, ecological, and animal welfare benefits.**

Thus far, political decision-makers have not delivered effective solutions to farmers' challenges. The rollback of environmental standards in response to the farmer protests did not equip farmers with the planning and income security they require, failed to address the problem of overwhelming bureaucracy, and did not provide effective solutions to biodiversity loss. This shift away from the route towards sustainable agricultural practices and food systems means that farmers will have to face even greater challenges and structural changes in the future. Reducing environmental standards may also increase agriculture's susceptibility to extreme weather events (e.g. floods, droughts) and ecological damage, leading to higher risks of poor harvests and threatening the resilience of many farms. It is crucial to mitigate the risks of such events and the resulting damage.

Consequently, in line with the objectives set out in the European Green Deal and the Farm to Fork strategy, we need to address this question:

How can politics and society support farmers in their efforts to enhance biodiversity in a way that is both more feasible and more profitable for them?

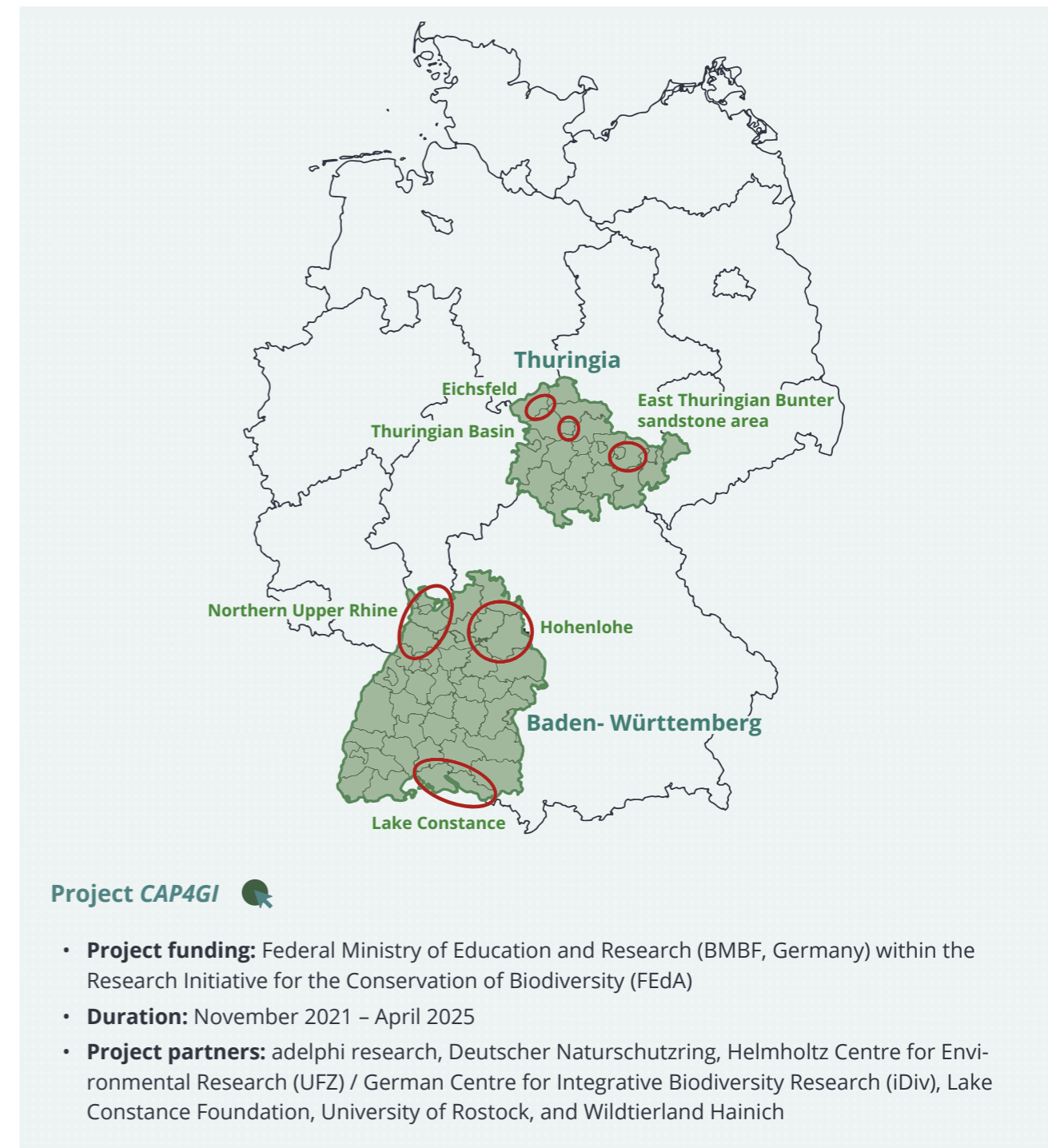


Figure 1: Map of the project regions of 'CAP4GI'

The project 'CAP4GI'

The research project CAP4GI (Common Agricultural Policy for Green Infrastructure) aims to address this question. A key component of the project is its exchange platforms. Each platform serves as a forum for approximately ten farmers to discuss the challenges they face in implementing biodiversity measures and to develop proposals for their improvement. The platforms are held in three model regions in Baden-Württemberg and three regions in Thuringia (see

figure below), two German federal states with distinctly different agricultural structures due to their historical backgrounds. Additionally, an extra platform in each federal state facilitates exchange among participants from all three regional platforms. Depending on the preferences of the farmers, representatives from politics, administration, consulting, nature conservation, and other relevant areas are invited to participate in the process.

Obstacles preventing farmers from implementing biodiversity measures

The effectiveness of ES and AECM depends on farmers' willingness to adopt them. Consequently, the platforms initially addressed the challenges farmers face in this context. There was broad agreement among the CAP4GI platform participants across all project regions regarding the most critical challenges:



Insufficient payment:

Implementing biodiversity-supporting measures requires additional investment of time, efforts, and costs. As farmers primarily identify as food and feed producers, supporting biodiversity necessitates acquiring specialized knowledge. The participating farmers assess the current payments for implementing these measures as lacking a sufficiently motivating financial incentive and income-generating component.



Excessive bureaucracy:

Farmers are investing increasing amounts of time to meet application requirements and fulfil documentation obligations for environmental measures. The effort rises with the number of environmental commitments. Small farms, in particular, which lack resources to employ personnel for managing ES and AECM administration, experience significant difficulties in managing the workload.



Rigid specifications and lack of flexibility

Environmental measures often include inflexible specifications and restrictions concerning land cultivation, the width and size of the measures' area, and due dates (e.g. for sowing a wildflower strip or for grazing on meadows). These are not aligned with the practical needs of farmers ("nature does not have due dates"). Consequently, farmers prefer recommendations over strict specifications. Moreover, they highlight that rigid specifications impede innovation, prohibit original ideas, and prevent adaptation of measures to regional specifics where needed.



Perceived elevated risk of controls and sanctions

Farmers repeatedly cited excessive controls and the risk of sanctions as major barriers to implementing environmental measures. The sheer number of specifications and the complexity of the CAP, including the Good Agricultural and Environmental Conditions (GAEC), lead farmers to conclude that the question is not if, but when they will be sanctioned. Farmers in Thuringia, especially, view regular and systematic satellite surveillance of their fields and activities as violations of their privacy and personal rights. This is further aggravated by the reversal of the burden of proof in cases of inconclusive satellite data; farmers must provide proof for compliance if earth observation data fail. As a result, they choose not to implement environmental measures at all.

Additional hindrances

Further challenges include the lack of continuity in agricultural policy and measures (i.e. lack of planning security), and difficulty of finding advice, points of contact, and information.



Figure 2: © Björn Pasemann state-level platform meeting Baden-Württemberg

Old acquaintances

Most of the issues outlined above are well known and extensively covered in the scientific literature. Both expert opinions and qualitative studies with farmers have revealed that designing effective biodiversity schemes requires not only reducing bureaucratic barriers and considering underlying economic mechanisms, but also incorporating social and cultural components¹. Equally important for ecological effectiveness² and acceptance by farmers is the considerations of regional characteristics (e.g. different soils and climatic conditions) and the flexibility of measure requirements.

Policy still needs to address these issues. Discussions during the CAP4GI platform meetings have shown that most participants are genuinely interested in environmental matters. They are open to novel approaches and have various ideas for improving the design and implementation of environmental measures. These findings align with the results of a recent socio-empirical study conducted with 500 German farmers³. The study demonstrates that 67 % of the farmers are highly aware of the decline in biodiversity and 85 % feel a sense of responsibility to contribute to biodiversity protection. Similarly, a study based on a representative sample of 435 interviews with German farmers shows that approximately 30 % agree that direct payments should be linked to environmental services, are open to environmental issues, and willing to participate in AECM⁴.

Therefore, the primary challenge farmers face in implementing biodiversity measures is not a lack of understanding of their importance, but rather practical difficulties with the current options available.

Which solutions do farmers prefer?

Innovative solutions have been proposed for some of the aforementioned problems. The **Public Goods Bonus**⁵, developed by the German Association for Landscape Management (DVL), received strong support from farmers of the CAP4GI platforms. The straightforward point-based model proposes reallocating the premium per hectare in Pillar 1 of the CAP to remunerate farmers for their environmental services in an income-generating manner, based on the value of the measures to the environment and the public. This would mark a shift from the current practice, where farmers are compensated solely for the disadvantages associated with implementing environmental measures.

Additionally, farmers of the CAP4GI platforms suggested transitioning from the current system, which relies on strict controls and penalties, to a **consultation-based model**. Similar models have been successfully deployed in other projects⁶. In this model, biodiversity advisors, qualified in both agricultural and environmental matters, would regularly visit farms, and collaborate with farmers in selecting or developing environmental measures. These measures would be tailored to the farmer's capabilities and ideas while also serving environmental interests. This process ensures flexibility and adaptability to regional specifics, leveraging farmers' expertise. Advisors would also assist with applications for funding and communication with authorities, reducing the administrative burden on farms. Furthermore, advisors could be involved in monitoring the progress of the measures, provide professional recommendations and assess their effectiveness. Inspections, which can be supported or even conducted by consultants, focus on meeting conservation goals rather than merely adhering to formal requirements, significantly reducing the risk of sanctions for farmers. Familiar with the regional conditions and local farms, advisors could propose measures across farm boundaries, linking various habitats and enhancing the ecological effectiveness of the measures.

¹ Zinngrebe et al. (2017): The EU's ecological focus areas – How experts explain farmers' choices in Germany, Brown et al. (2021): Simplistic understandings of farmer motivations could undermine the environmental potential of the common agricultural policy.

² Bartkowski et al. (2023): Adoption and potential of agri-environmental schemes in Europe: Cross-regional evidence from interviews with farmers.

³ „Vision for Biodiversity“, Institute for Social-Ecological Research

⁴ Bethge & Lakner (2023): Farmers' attitudes toward the future of direct payments: An empirical study from Germany.

⁵ Deutscher Verband für Landschaftspflege (DVL) e.V. (Ed.) (2020): Public goods bonus

⁶ For instance F.R.A.N.Z. project or Naturschutzgroßprojekt Bergwiesen im Osterzgebirge

Policy recommendations

To enhance the environmental performance of the CAP and counteract biodiversity loss, it is crucial to foster greater acceptance and adoption of environmental measures like ES and AECM among European farmers. Based on the insights from the CAP4GI platform exchanges, we propose the following recommendations:

Remove obstacles preventing farmers from implementing environmental measures

This includes:



Providing higher, income-generating incentives for delivering environmental services. Where necessary, this may involve moving ES and AECM to the “amber box” of the WTO Agreement on Agriculture and changing Regulation 2021/2115, Article 70 (4), accordingly.



Reducing bureaucratic burdens associated with participating in ES and AECM.



Simplifying control measures and reducing the risk of sanctions (Regulation 2021/2116) related to the implementation of environmental schemes.



Reducing system complexity without compromising environmental standards, for example, by **merging ES and AECM into a coherent offer** and providing **more flexibility for local conditions** by incorporating the knowledge and ideas of farmers.

More ambitious design of Member States' CAP Strategic Plans:

This includes:



Expanding funds for rewarding environmental measures by **increasing the budget for ES and AECM**.



To enhance both ecological effectiveness and planning security for farms, multi-annual ES should be incentivised, for example, by introducing a **bonus for the multi-annual implementation** of measures.



Member States need to ensure that their ES reach a large number of farms and cover various habitat types. Where this is not the case, **further, ecologically effective and income-generating ES for diverse types of agricultural land uses** (arable land, grassland, permanent crops) need to be introduced.

Harness innovative systems like the Public Goods Bonus



The Public Goods Bonus proposes transitioning from blanket area-based direct payments to a system that recognizes and rewards specific environmental and public goods contributions. This would **enable farmers to diversify their business activities and generate revenue through “biodiversity production.”** The Public Goods Bonus fully developed, aligns with the integrated administration and control system, and is ready for implementation by Member States. Additionally, agricultural, environmental, and animal welfare organisations have developed promising cross-sectoral recommendations, including transitional steps, aimed at the reform of the CAP post-2027⁷.

Expand farm advisory systems



Farmers proposed transitioning from the current system, based on rigid controls and penalties, to a **novel approach based on consultation and environmental advice**. This model would reduce bureaucratic burdens for farmers, help them navigate system complexity, provide greater flexibility and adaptability of measures to regional specifics, and leverage farmers' knowledge, ideas, and innovative potential.

Strengthen the dialogue with farmers



The farmer protests in winter 2023/24 and numerous statements during the CAP4GI platform meetings indicate that many **farmers feel their concerns are not adequately addressed**. There is a need to improve the integration of farmers into decision-making processes and their implementation. Therefore, we propose continuing participation formats like the CAP4GI platforms at local or regional levels. Such formats would bring together actors from farming, policymaking, administration, nature conservation, science, and other sectors to develop practical solutions and better utilize farmers' knowledge and experience.



It is important to **ensure that the farming profession is fully represented** in these participation formats. Often, exchanges focus on special interest groups, which only partially represent the diverse views of farmers and farm types. Furthermore, many formats aim more at information and consultation than

at real dialogue. More importantly, the **results of such exchange processes must be taken seriously and used for further development of the CAP**.

Simplification without compromising environmental standards



While simplifying the CAP is a commendable goal, it is crucial to **ensure that environmental standards are not compromised**, as happened at the beginning of 2024 by the expedited proceedings of the EU Commission. Given the alarming decline in biodiversity and the associated risks to farming, it is imperative to strengthen the environmental performance of the CAP. This is particularly relevant given that the CAP has not only failed to prevent biodiversity decline in the past but, to the contrary, its incentives favouring agricultural intensification have even contributed to this trend⁸.



Therefore, independently of the CAP4GI platform exchange, we suggest that the nine specific objectives of the CAP be improved in terms of coherence and that environmental protection be given its proper weight among them. **It is possible to support farmers and preserve biodiversity simultaneously**. Environmental measures can be designed to be easier and more profitable for farms to implement without penalizing farmers⁹.

We welcome the Strategic Dialogue on the Future of EU Agriculture as an initiative to develop a joint understanding among all relevant stakeholders regarding the future EU farming and food system. We express our expectation that its recommendations will be used to enable the outlined changes.

The time for change is now¹⁰.

⁷ Statement by the Platform of Associations: Shaping future (2023)

⁸ Reif & Vermouzek (2019): Collapse of farmland bird populations in an Eastern European country following its EU accession.

⁹ See recommendations by Pe'er et al. (2017): Adding some green to the greening: improving the EU's focus areas for biodiversity and farmers.

¹⁰ In reference to p. 10 of the report of the Strategic Dialogue on the Future of EU Agriculture



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