







2. ECO - SCHEMES: A KEY TOOL TO DELIVER THE EUROPEAN GREEN DEAL

What's it all about?

Eco-schemes are one of the very few novel instruments available in the toolbox of the future Common Agricultural Policy (CAP). Eco-schemes will be fully funded by the EU and take the form of yearly payments to farmers who voluntarily enrol in them. Rather than using CAP direct payments to farmers as just income support, the aim of eco-schemes is to reward those farmers who are already managing land in a nature and climate friendly way, and to incentivise the adoption of specific farming practices with higher environmental benefits.

After the failure of the current CAP greening payments [1], which were the first attempt to use direct payments for agri-environmental purposes, high expectations are now set on eco-schemes. To realise their full potential, eco-schemes must be well funded and learn from the CAP greening experience to avoid two major pitfalls: they should not be used to pay for basic farming practices, nor as a flat-rate payment for all farmers.

Unfortunately, certain amendments to the future CAP regulations discussed to date by the Council and the Parliament could put the effectiveness of eco-schemes at risk. Some are asking to use eco-schemes to pay for basic farming practices that would be better placed in the CAP conditionality. Others are calling for payments to be made in proportion to the farm size, irrespective of the effort made or the environmental benefits delivered, or even in proportion to the numbers of animals farmed, opening the way to supporting factory farming with eco-scheme payments.

The European Green Deal weighs in

The European Green Deal mentions that CAP "measures such as eco-schemes should reward farmers for improved environmental and climate performance", and the Farm to Fork Strategy says that they should "offer a major stream of funding to boost sustainable practices", and that "the Commission will support the introduction of a minimum ring-fencing budget for eco-schemes."

Given that other CAP instruments have to date shown limited effectiveness in promoting sustainable farming, the capacity of the future CAP to deliver on the European Green Deal ambitions will depend on the success of eco-schemes. Thus, it is crucially important to allocate sufficient funding and set a very robust framework for eco-schemes at the EU level, so that once implemented by Member States, they can provide substantial and well-oriented incentives to farmers.

- DUE TO WEAKNESSES
 IN THE PREVIOUS CAP
 REGULATION, THE
 "GREENING" OF THE
 CAP HAS ONLY LED TO
 CHANGES IN FARMING
 PRACTICES ON AROUND
- 5% OF ALL EU AGRICULTURAL LAND.²

- ¹ Alliance Environment report Payments for agricultural practices beneficial for the climate and the environment. Financed by European Commission. (2017)
- ² European court of auditors report Greening: a more complex income support scheme, not yet environmentally effective. (2017)

The EU Council and Parliament must allocate a substantial share of CAP funds to eco-schemes and ensure these incentives do not end up as a low-ambition flat-rate payment for all farmers.



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